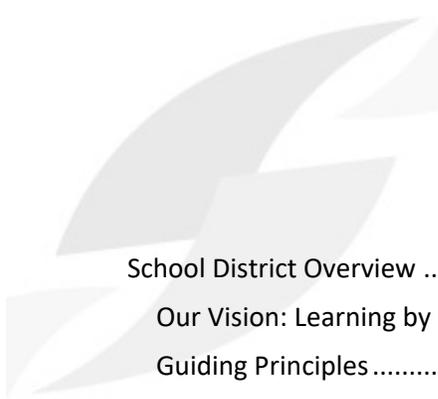


# FINANCIAL STATEMENT, DISCUSSION & ANALYSIS (FSD&A)



*For the year ended June 30, 2021*



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*This Financial Statement Discussion and Analysis (FSD&A), prepared by management, is presented to assist readers by highlighting the financial condition and operating results of School District No. 36 (Surrey) for the year ended June 30, 2021. This FSD&A should be read in conjunction with the audited financial statements and related notes for the year ended June 30, 2021.*

## SCHOOL DISTRICT OVERVIEW

Surrey Schools (School District No. 36) is one of sixty public school districts in British Columbia. The district serves the City of Surrey, the City of White Rock, and the rural area of Barnston Island.



Surrey Schools has more than 11,760 employees, including 6,394 teachers.

The district is governed by the Surrey Board of Education which consists of seven elected trustees representing the cities of Surrey and White Rock. Collectively the Board sets education policies within the district as mandated by the School Act.

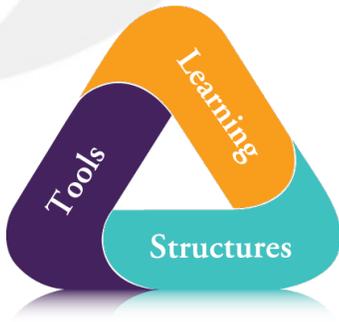
The district's annual enrollment is approximately 74,200 students from kindergarten to Grade 12 and operates 103 elementary schools, 20 secondary schools, 5 learning centres, 3 adult education centres, one community college, and a distributed learning program. All the district's schools are equipped with the latest teaching and learning resources, including technology, science laboratories, fine arts, and sports facilities.



The financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia* supplemented by Regulation 198/2011 issued by the Province of British Columbia Treasury Board. This Section requires that financial statements be prepared in accordance with Canadian public sector accounting standards with some exceptions as reported in Note 2 of the financial statements.

# OUR VISION: LEARNING BY DESIGN

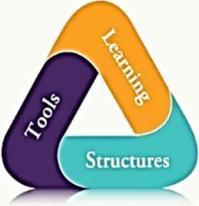
*We prepare our learners to think creatively and critically, communicate skillfully and demonstrate care for self and others.*



Learning by Design anchors all areas of the district’s work, within the classroom and beyond, and consists of three core aspects – learning, structures, and tools.

From instruction to professional development, research and program evaluation, to school and community connections, the work we do across the district carries out this three-part vision for learning.

The district’s [Learning by Design](#) website serves as an online resource for teachers and parents, outlining Surrey’s priority practices and how they guide curriculum and quality assessment. The site also details planning processes for schools and visualizes student data across all elementary and secondary schools, illustrating trends in graduation rates, grade averages, and student assessment year by year.



# Learning by Design

*We prepare our learners to think creatively and critically, communicate skillfully and demonstrate care for self and others.*

Surrey School District

<p><b>TRUTH &amp; RECONCILIATION</b></p> <p>Addressing systemic inequalities and nurturing cultures of racial equity and social justice.</p> <p>Creating safe learning environments where every person feels a sense of belonging.</p> <p>Acknowledging and respecting the people on whose land we live and learn.</p> <p>Acknowledging historical inaccuracies and working to champion the rich and diverse history of Indigenous peoples.</p> <p>Honouring the importance of truth prior to reconciliation.</p> <hr style="border: 0; border-top: 1px solid black; margin-top: 10px; width: 100%;"/>	<p><b>A FOUNDATION IN INCLUSIVE LEARNING</b></p> <p>Meaningfully engaging with students, families, instructors, and administrators.</p> <p>Focusing on student well-being and an inclusive social environment.</p> <p>Using evidence-based practices to improve student outcomes.</p> <p>Ensuring full and equal participation for all students across all curriculum and instruction.</p> <p>Understanding that diversity, equity, and inclusion are more than words – they require action.</p> <hr style="border: 0; border-top: 1px solid black; margin-top: 10px; width: 100%;"/>	<p><b>FOCUSING ON THE EVIDENCE OF LEARNING</b></p> <p>Tracking achievement in literacy and numeracy to set individual and collective goals.</p> <p>Working to improve grade-to-grade and post-secondary transitions.</p> <p>Developing data collection frameworks for teacher and student well-being.</p> <p>Engaging students in the quality assessment process.</p> <p>Creating space and voice for all kinds of evidence, remembering that statistics alone do not provide a full picture.</p> <hr style="border: 0; border-top: 1px solid black; margin-top: 10px; width: 100%;"/>	<p><b>ANCHORED BY PRIORITY PRACTICES</b></p> <p>Curriculum is purposeful, intentional, and designed to make learning meaningful.</p> <p>Instructional strategies emphasize student voices, choices, and ownership of their learning.</p> <p>Quality assessment provides students multiple and varied opportunities to demonstrate their learning.</p> <p>Social and emotional learning helps students understand and manage emotions, set and achieve goals, demonstrate empathy, pursue positive relationships, and make effective decisions.</p> <hr style="border: 0; border-top: 1px solid black; margin-top: 10px; width: 100%;"/>
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## GUIDING PRINCIPLES

The Board of Education *budget* decisions for the 2020-2021 fiscal year were focused on supporting the district's Vision and Guiding Principles as supported by the district's *Learning by Design* plan and the *Long-Range Facilities and Education* plan.

### We realize our vision through:

- ✓ *Supporting the design of engaging learning environments for all students.*
- ✓ *Operational efficiencies that prioritize resources to directly support learning.*
- ✓ *Relationships with community partners to broaden opportunities for students.*
- ✓ *Advocacy for necessary facilities and resources.*
- ✓ *Supporting schools and workplaces that are safe and caring for all.*

## 2020-21 YEAR IN REVIEW

At Surrey Schools, the health and safety of all students, teachers, staff, and school communities has been our top priority. With the onset of the COVID-19 pandemic, Surrey Schools instruction and operations were curtailed to ensure instruction to our students.

One of the foundational principles of the K-12 education re-start plan was to maximize in-class instruction. September 2020 saw teachers returning to the classroom with a cohort size limited to 60.



The plans implemented, reflected measures put forth by provincial health experts and the Ministry of Education. Most Surrey students returned to face-to-face instruction. The return to face-to-face instruction provided students with more in-class learning time and support, increased peer interaction and decreased feelings of isolation.

To accommodate families who did not want their children to attend in-person classes, and to support a gradual transition back to face-to-face learning, the Surrey School District utilized targeted funding to offer a blended learning program.

Following Surrey Schools guiding principles of collaboration, engagement, & transparency, throughout the pandemic, our Superintendent, Jordan Tinney, provided regular reassuring updates to all staff, students, teachers, and school communities.



### Highlights of the 2020-2021 school year



- Despite the Covid-19 pandemic, Surrey Schools remained open for in-person learning for the entire 2020-2021 school year
- Offered a new learning option to students through Surrey Blended, a program aimed at supporting families during the pandemic with a gradual transition back to full time in-class instruction. This blended learning option was a combination of online and face-to-face learning at local schools, with a goal of gradually increasing face-to-face instruction
- Ensured supports could safely continue during the pandemic for our most vulnerable students who would not otherwise have access to nutritious meals, including the school-based meal program which provided over 350,000 school meals. This included district staff delivering food to students who could not come to the schools
- Launched [Surrey Schools One](#) - a one-stop shop for students, parents, and educators to discover a wealth of learning materials on one easy-to-access platform
- Continued to partner with community agencies to expand mental health supports for students
- Participated with Fraser Health and the Federation of Independent School Associations (FISA), on the regional Rapid Response Team (RRT) and supported all school districts in the Fraser Health region with safety plans and exposure assessments for situations of concern and, developed communications tools for sharing COVID19 measures that could be used widely across the region
- Worked closely with public health to make priority COVID-19 vaccinations available to all school-based Surrey Schools staff in late March/early April

# SUPPORTING TEACHERS, STAFF & STUDENTS DURING THE PANDEMIC

## Communication

To ensure that staff, teachers, students, and the community were kept abreast of the evolving situation in our Schools, regular video messages were sent out by our Superintendent, Jordan Tinney. These were reassuring messages that laid out the direction as a district, including district updates about Health and Safety related specifically to the COVID 19 pandemic.



In addition:

- Our website was regularly updated for community members
- We had meetings, sometimes twice per week, with Fraser Health
- Senior leadership had meetings with Principals, Vice Principals, and Operations to discuss updates and share health and safety protocols
- We held twice-weekly meetings with the Logistics Committee (formed as a response to the COVID 19 pandemic). The committee included representation from Health and Safety, District Facilities, and senior management. This was a vehicle through which communication was facilitated
- The Priority Practice Department held regular weekly sessions with those who were teaching in a blended model to share strategies, collaborate, and share knowledge

## Health & Safety



Using the COVID protocols developed by the Ministry, the Health and Safety team converted those protocols into a local context that would fit the district.

The Pandemic hit Surrey hard, therefore the district designed their own continuum of protocols that were escalating measures known as Universal, Targeted, and Intensive. These protocols either applied to all schools (Universal) or were targeted to those with evidence of significant exposures (Targeted) or, where significant transmission was suspected (Intensive). The district also pushed hard to prioritize vaccinations for school-based staff. The district, working closely with vaccination sites and Fraser Health, helped school-based staff get priority vaccinations.

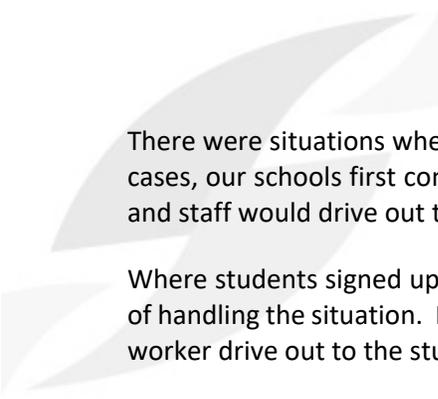
## Equal Access to Learning Opportunities

It was paramount for the district to ensure that all students could continue to learn and have equal access to learning opportunities when learning from home.

Throughout the pandemic, the district worked with the schools to ensure that:

- the needs of students with special needs were considered when designing new learning structures
- schools were equipped with the digital tools and resources needed
- students who did not have access to tech resources at home were provided with laptops.





There were situations where students were harder to reach or for some reason did not come to school. In those cases, our schools first contacted those families either by phone or online and if that did not work, our teachers and staff would drive out to their homes to make sure everything was all right and that they had access to food.

Where students signed up for blended learning and for some reason could not join, schools found creative ways of handling the situation. For example: assigning a teacher for a smaller group of students or having a Youth Care worker drive out to the students' house.

For our indigenous students, our Indigenous Peoples Learning department lent out computers, set up a school on the Katzie first nation, and sent a teacher to the wellness centre to work with these students for the whole school year. In addition, in partnership with our Information Management Systems group, the department worked to provide reliable internet access on Barnston Island. For those indigenous students in the Kekinow housing development in Newton, who did not come to school, the district sent a teacher to the housing development to work in person and online with the students.

We, as a district, did whatever we could to ensure that all students could continue to learn.

## RAPID STUDENT GROWTH

Surrey is the largest and fastest growing public-school district in the province.

The district is committed to accommodating this rapid growth through the ongoing construction of new schools, additions and building upgrades.



Within the 2020/2021 Fiscal Year, the following projects were completed:

- Maddaugh Road Elementary (25 classrooms), March 2021
- Douglas Elementary (25 classrooms), November 2020
- Edgewood Elementary (27 classrooms), January 2021
- Frost Road Elementary (six classrooms), September 2020
- Coyote Creek Elementary (four classrooms), February 2021
- Mary Jane Shannon Elementary (seismic) August 2020
- Ocean Cliff Elementary (building envelop upgrades), June 2021
- Latimer Road Elementary (building envelop upgrades), June 2021

At June 30, 2021, there were a number of major capacity expansion projects in various stages of construction, design, and business case development as follows:

### *New Schools*

- Grandview Heights Secondary (60 classrooms), September 2021
- Regent Road Elementary (27 classrooms), September 2022
- Ta'talu Elementary (27 classrooms), September 2023
- New Elementary (27 classrooms), Spring 2025



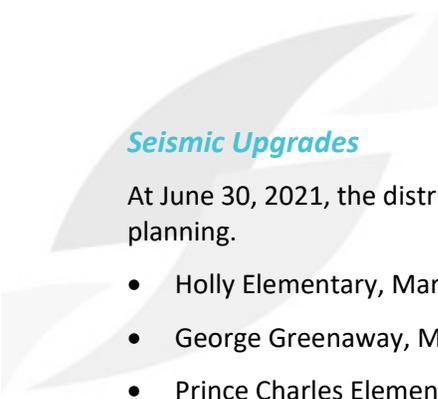
*Regent Road Elementary (April 20, 2021)*

### *Additions*



*Sullivan Heights Secondary School (April 28, 2021)*

- Sullivan Elementary (eight classrooms), September 2021
- Sullivan Heights Secondary (28 classrooms), January 2022
- White Rock Elementary (eight classrooms), January 2023
- Sunnyside Elementary (10 classrooms), December 2022
- Morgan Elementary (eight classrooms), January 2023
- K.B. Woodward Elementary (eight classrooms), April 2023
- Guildford Park Secondary (18 classrooms), January 2026 (Pending Ministry Approval)
- Kwantlen Park Secondary (12 classrooms), January 2026 (Pending Ministry Approval)
- South Meridian Elementary (8 classrooms), September 2025 (Pending Ministry Approval)
- Tamanawis Secondary (15 classrooms), September 2025 (Pending Ministry Approval)
- Semiahmoo Trail Elementary (8 classrooms), September 2025 (Pending Ministry Approval)



### ***Seismic Upgrades***

At June 30, 2021, the district also had the following seismic projects in various stages of construction, design, and planning.

- Holly Elementary, March 2022
- George Greenaway, March 2022
- Prince Charles Elementary, Fall 2022
- Queen Elizabeth Secondary, Fall 2022

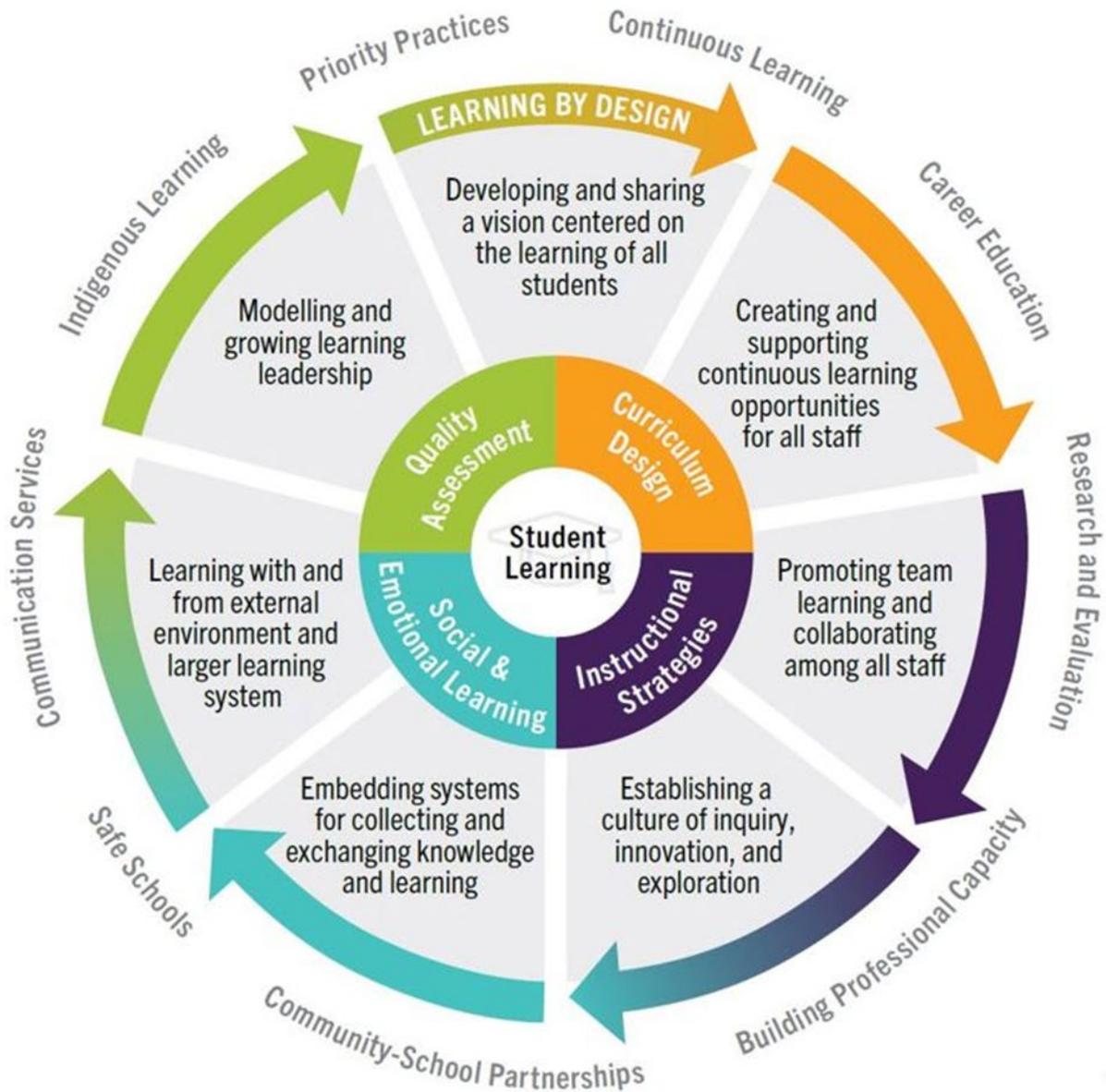
### ***Building Envelope Upgrades***

- Westerman Elementary, Fall 2021

# STUDENT ACHIEVEMENT

Surrey Schools anchors its work in three key areas: Learning by Design, Priority Practices, and District Inquiries. These areas form the district’s strategic foundation. Surrey Schools strives to enhance student achievement and does that by empowering educators to innovate, take risks, collaborate, and share insights on student learning.

The diagram below shows how our approach puts into action seven key dimensions aimed at continuous improvement of student achievement.



# INTELLECTUAL DEVELOPMENT

## LITERACY

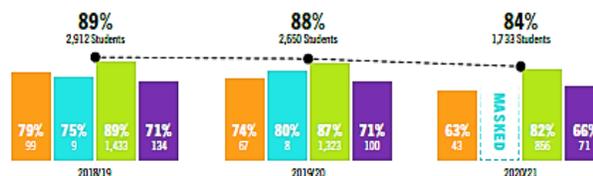
### Foundation Skills Assessment— Grade 4 and Grade 7 Writing and Reading

On the 2019/20 Grade 4 FSA Writing, the population had a higher proportion of on track and extending students (88%) than the provincial average (85%). For the 2019/20 Grade 7 FSA Writing, the general Surrey Grade 7 population had a lower proportion of students who were OT/E (83%) compared to the provincial average (88%). The Surrey Grade 4 student population had a lower proportion of students who were OT/E (70%) on the 2019/20 FSA Reading than the provincial average (74%). The Surrey student population had a higher proportion of students who were OT/E (80%) on the 2019/20 FSA Grade 7 FSA Reading compared to the provincial average (77%). All student sub-groups were observed to have a higher proportion of students who were OT/E on Grade 7 FSA Reading than the provincial percentages for each respective sub-group.

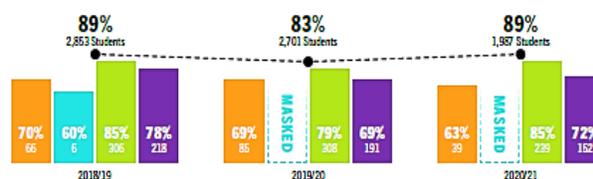
### Grade 10 Literacy Assessment

The percentage of the Surrey student population who are OT/E (74%) on Grade 10 Literacy is slightly higher but comparable to the provincial percentage (74%).

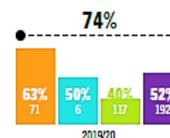
**Figure 1.**  
Percentage and number of Surrey students on-track or extending in Grade 4 FSA Writing, 2018/19–2020/21



**Figure 2.**  
Percentage and number of Surrey students on-track or extending in Grade 7 FSA Writing, 2018/19–2020/21



**Figure 3.** Percentage and number of Surrey students who are on-track or extending in Grade 10 Literacy



● Indigenous ● CYIC ● ELL ● SSN/DA ● All Students

## NUMERACY

### Foundation Skills Assessment—Grade 4 and Grade 7 Numeracy

The results of the 2019/20 FSA Numeracy indicate that Surrey’s Grade 4 student population had a lower proportion of students who were OT/E (63%) than the provincial average (68%). All sub-groups had a lower OT/E population compared to the provincial percentages of each sub-group. Conversely, not only did the general Grade 7 student population in Surrey have a higher proportion of students who were OT/E (67%) than the provincial average (64%), all student sub-groups in Grade 7 had higher proportions of students who were OT/E on the FSA Numeracy.

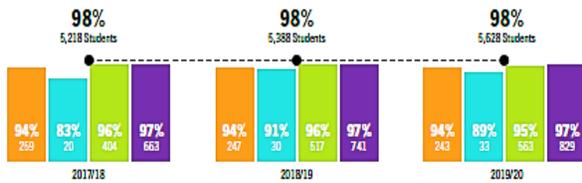
### Grade 10 Numeracy Assessment

In the 2019/20 school year, the Surrey Grade 10 student population had a lower proportion of students who were OT/E (39%) than the provincial average (40%) on their Numeracy assessment.



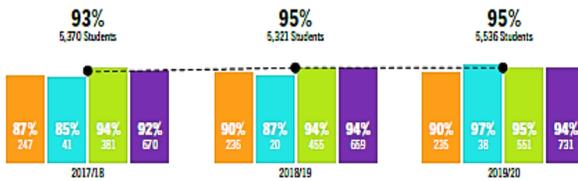
## GRADE-TO-GRADE TRANSITIONS

**Figure 4.**  
Percentage and number of Surrey students who transitioned from Grade 9 to Grade 10 (3-year trends)

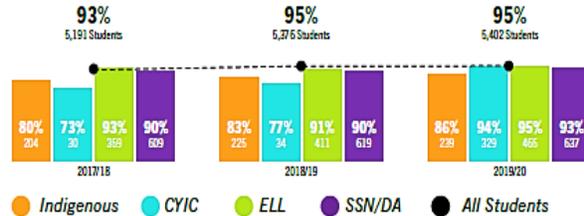


Surrey's Grade 9 student population transitioned into Grade 10 at the end of the 2019/20 school year at a greater rate (98%) than the provincial average (97%). The Surrey Grade 10 student population transitioned into Grade 11 at a lower rate (95%) than the provincial average (96%) at the end of the 2019/20 school year. The Surrey Grade 11 student population transitioned into Grade 12 at the end of the 2019/20 school year at a greater rate (95%) than the provincial average (94%).

**Figure 5.**  
Percentage and number of Surrey students who successfully transitioned from Grade 10 to Grade 11 (3-year trends)



**Figure 6.**  
Percentage and number of Surrey students who successfully transitioned from Grade 11 to Grade 12 (3-year trends)



## HUMAN AND SOCIAL DEVELOPMENT



### FEELING WELCOMED, SAFE, CONNECTED, AND CARED FOR

#### District Data

##### Student Voice

The Student Voice Survey was anonymously completed by 2,421 secondary students in Grades 10, 11, and 12 early in the 2020/21 school year. Student responses revealed that fewer students feel calm and safe this year (62%) than they did last year (84%).

**Table 1.**  
Percentage of students feeling calm and safe and teachers feeling calm and confident

	2019/20	2020/21
Students Feeling Calm and Safe	84%	62%
Teachers Feeling Calm and Confident	61%	46%

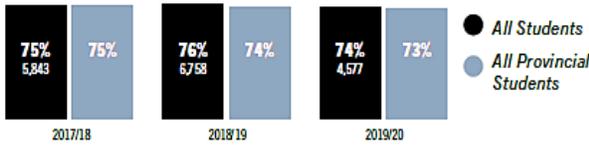
#### Provincial Data

##### Student Learning Survey (SLS)

For the past three academic years, three-quarters of students in Surrey feel they are safe at school. There has been a slight drop off between the 2018/19 and 2019/20 academic years. Since the 2017/18 academic year, between 55% and 57% of all Surrey students have indicated they feel a sense of belonging at school. During the 2017/18 and 2019/20 academic years, between 65% and 68% of all Surrey students have indicated they feel that at least two adults care about them at school. Each sub-group has seen a decline over the same time period. These results are similar to the MDI, which found that an average of 68% of Grade 4 students and 61% of Grade 7 students in the Surrey School District had identified at least one important adult at school.

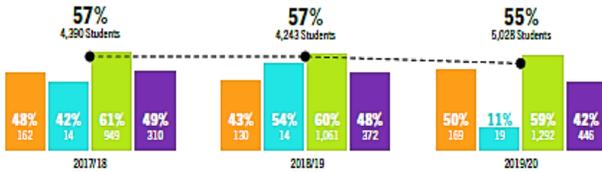
**Figure 7.**

Percentage and number of Surrey students who feel safe at school (3-year trends of all students)



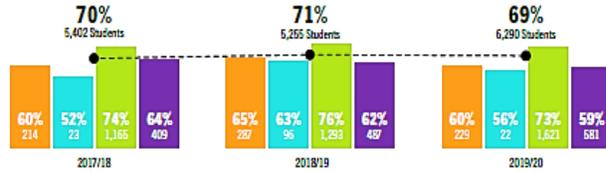
**Figure 9.**

Percentage and number of Surrey students who feel a sense of belonging at school (3-year trends)



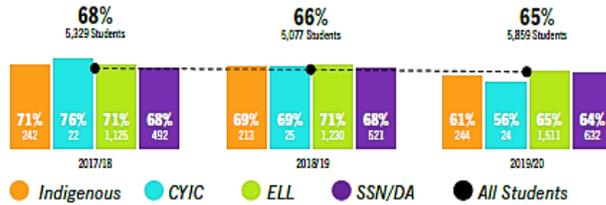
**Figure 8.**

Percentage and number of Surrey students who feel welcome in their school (3-year trends)



**Figure 10.**

Percentage and number of Surrey students who feel at least two adults care about them at school (3-year trends)



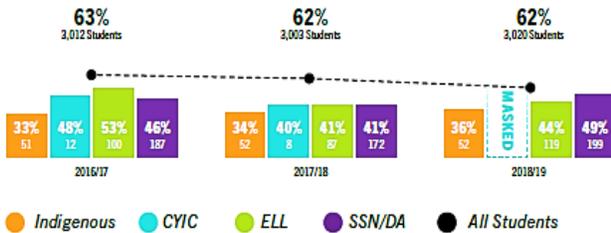
**School Completion and Transitions to Post-Secondary School**

The Surrey Grade 12 student population graduated at the end of the 2019/20 school year at a greater rate (87%) than the provincial average (85%). Surrey’s student population transitioned into a B.C. public post-secondary institution immediately after graduating following the 2018/19 school year at a much greater rate (62%) than

the provincial average (54%). The student population in Surrey transitioned to a B.C. public post-secondary institution within three years after graduating at the end of the 2016/17 academic year at a greater rate (74%) than the provincial average (67%).

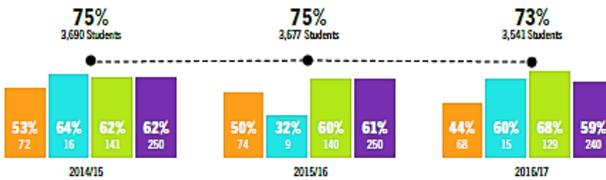
**Figure 11.**

Percentage and number of Surrey students who transitioned immediately to post-secondary institutions within one year of graduation (3-year trends)



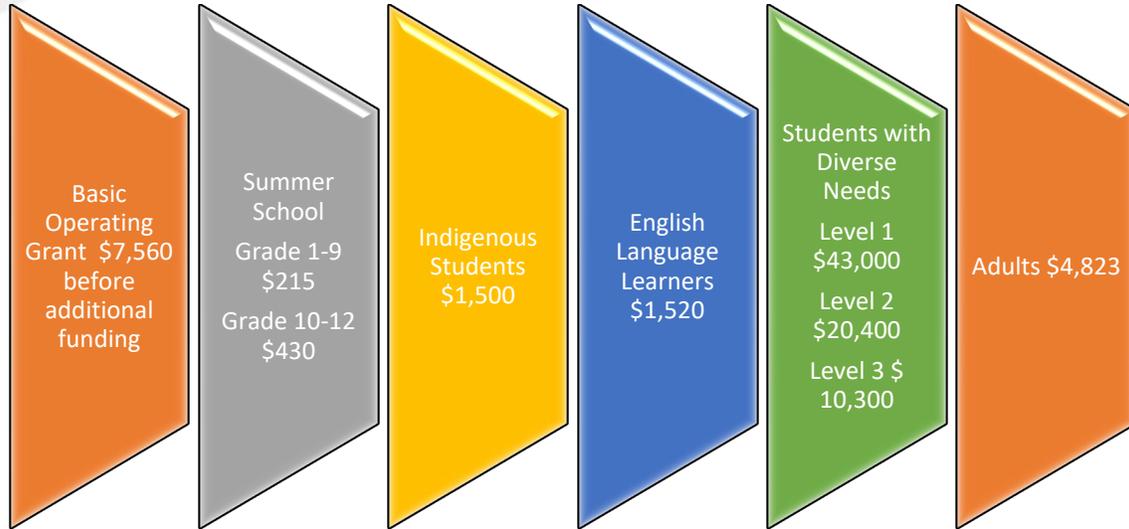
**Figure 12.**

Percentage and number of Surrey students who transitioned immediately to post-secondary institutions within three years of graduation (3-year trends)



## STUDENT ENROLLMENT GROWTH

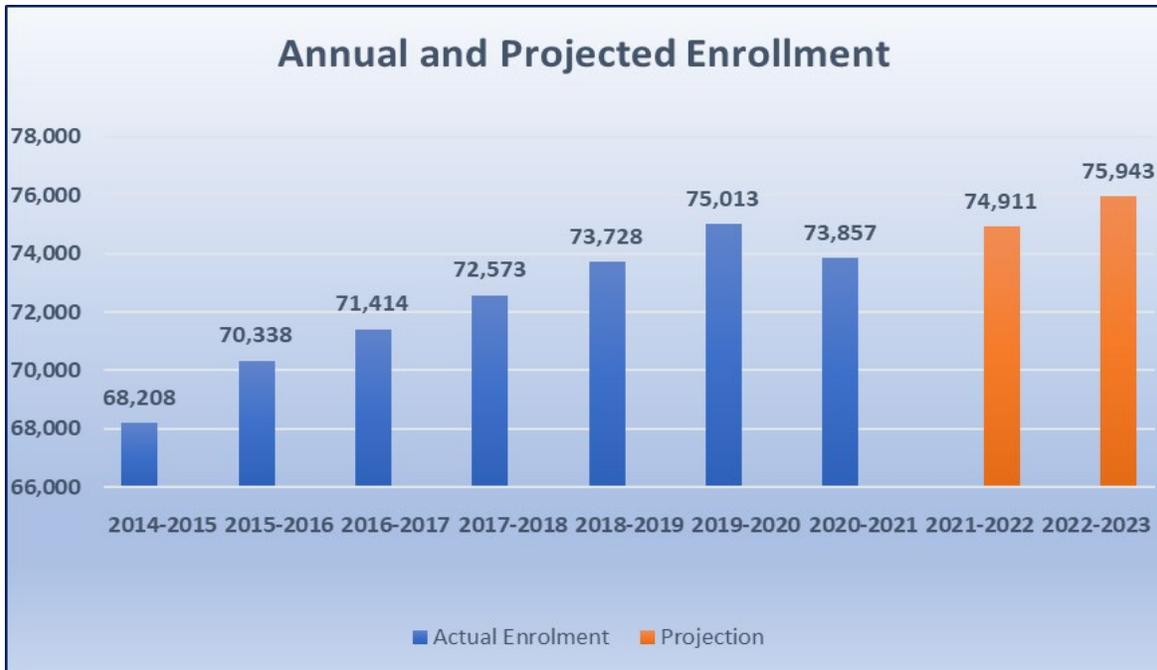
The district's operations are dependent on Ministry of Education operating grant funding that is primarily driven by student enrolment. Below are the 2020-2021 Ministry of Education Per Student Funding amounts.



Fluctuations in student enrolment influence directly the decisions made by the district regarding staffing, class sizes, course offerings, and future capacity. Given that staff salaries and benefits make up approximately 92% of the district's expenditures, reliable estimates of student enrolment are important.

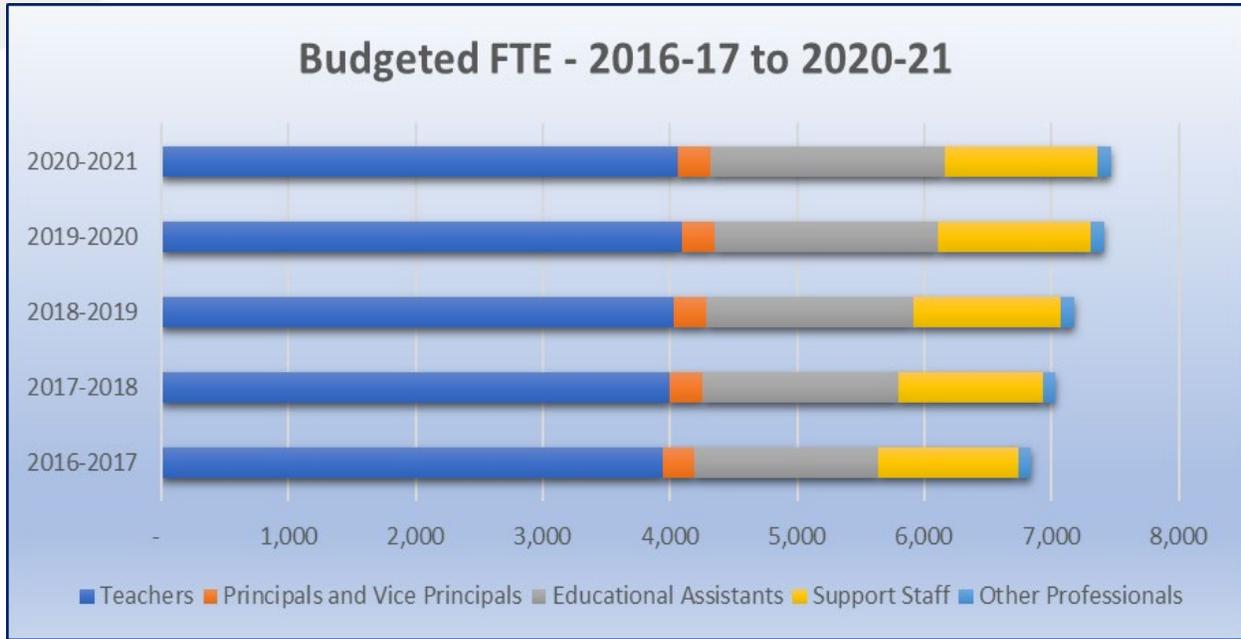
Each year, the district prepares an annual enrolment plan with projections that consider future demographic and geographic trends and additional factors that could impact future enrolment in the district (e.g., international enrolment).

Student enrolment from 2014/2015 to the present are noted in the below graph:



## Staffing

Expenditures are primarily associated with staffing and related compensation and benefits. Staffing is the most significant operational expenditure of the district. The budgeted staffing growth over the last five years is summarized in the chart below:

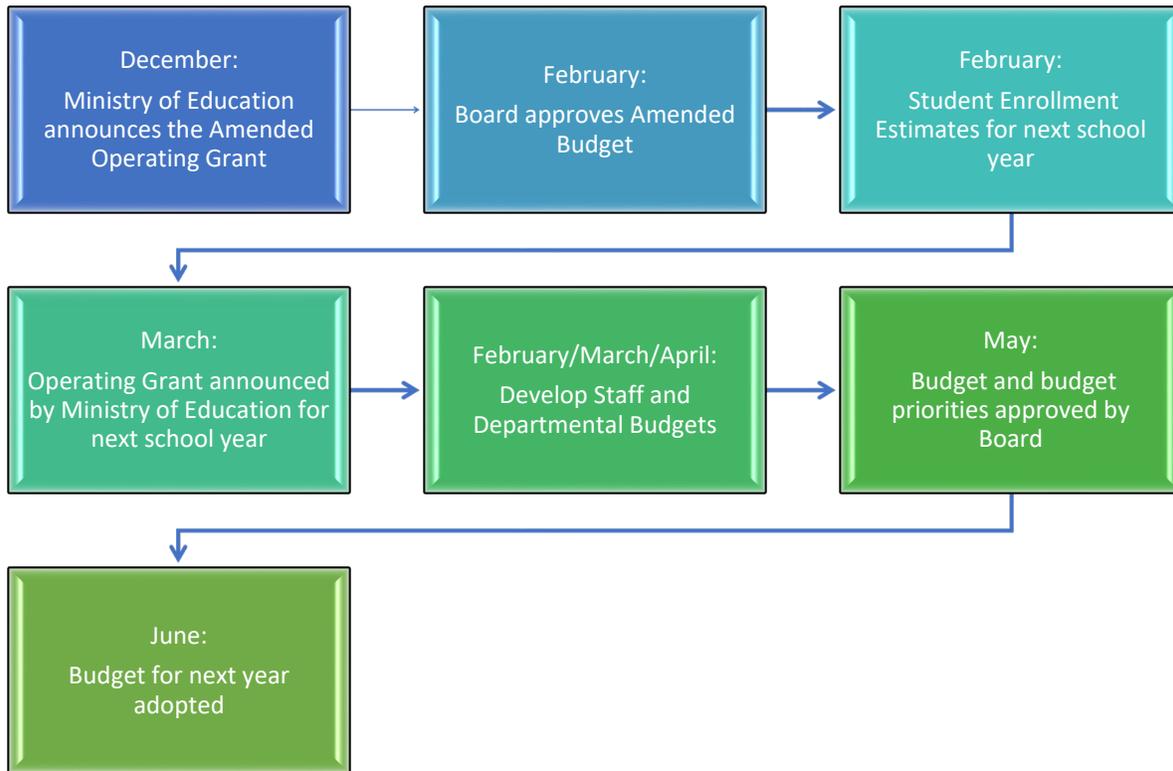


*Note: The above chart does not include casual staff or positions funded from the Classroom Enhancement Fund (which included 497.4 full time equivalent (FTE) Teachers in the 2020/21 year), Capital Projects, and Special Purpose funds etc.*

## BUDGET AND FINANCIAL PLANNING CYCLE

The Board’s vision and goals drive budget decisions and operational plans. The Board’s Finance Committee began its deliberations in November 2019 and held several meetings in subsequent months focused on preparing and presenting the 2020-2021 budget to the Board of Education for approval at the June 10, 2020, Regular Public Board Meeting. The expected student enrolment was submitted to the Ministry of Education in mid February for the upcoming year. The operating grant funding was based on these enrolment projections and announced by the Ministry of Education in March. Student enrolment projections were used to estimate staffing and resource requirements.

The budget process continues to be inclusive of consultation with staff, the public and union representatives. There is public consultation with various stakeholders to identify budget funding priorities, and these are incorporated into the preliminary budget as directed by the Board.



In December, the Ministry of Education announces the amended operating grant to be allotted to school districts which is based on actual September confirmed funded student enrolment, and an amended budget is prepared by the district. The Amended Annual budget was adopted by the Board on February 10, 2021.



## FINANCIAL HIGHLIGHTS

The financial statements are reported as a consolidation of three types of funds: Operating, Special Purpose, and Capital.

### **Operating Fund**

This fund is used to fund instructional programs, school, and district administration, maintaining of schools and district facilities and transportation.

### **Special Purpose Funds**

These funds are provided by a funder/donor for the sole purpose to carry out a specific function or activity. Examples include school meals program, scholarships, and ministry-designated activities, such as annual facility grants, classroom enhancement funds, and early learning programs.

### **Capital Funds**

These funds are used for the construction of new schools or school expansions as well as extension of the lifespan of capital assets; the purchase of vehicles, computers, furniture and equipment, and the acquisition of school sites. This fund includes the amortization of deferred capital revenue and tangible capital assets recognized for the fiscal year, in addition to any gains or losses on the disposal of tangible capital assets.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position presents the financial position of the school district by reporting the amounts of assets, liabilities, net assets, and accumulated surplus as of June 30<sup>th</sup> of each year.

The following table provides a comparative analysis of the School District's Net Financial position for the fiscal years ending June 30, 2021, and June 2020. The variances are explained below:

	June 30, 2021	June 30, 2020	Variance	% Change
<b>Financial Assets</b>				
Cash and Cash Equivalents	\$170,209,473	\$171,111,445	(901,972)	-0.53%
Accounts Receivable				
Due from Province - Ministry of Education	11,548,075	14,741,301	(3,193,226)	-21.66%
Due from First Nations	84,483	122,892	(38,409)	-31.25%
Other	6,570,476	6,383,939	186,537	2.92%
Land held for sale	2,200,000		2,200,000	
<b>Total Financial Assets</b>	<b>\$190,612,507</b>	<b>\$192,359,577</b>	<b>(\$1,747,070)</b>	<b>-0.91%</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Liabilities				
Due to Province - Ministry of Education		\$221,792	(\$221,792)	-100.00%
Other	25,880,003	27,551,332	(1,671,329)	-6.07%
Unearned Revenue	9,220,572	13,282,923	(4,062,351)	-30.58%
Deferred Revenue	9,766,334	9,901,353	(135,019)	-1.36%
Deferred Capital Revenue	732,557,868	669,406,618	63,151,250	9.43%
Employee Future Benefits	13,074,455	13,498,302	(423,847)	-3.14%
Other Current Liabilities	72,719,711	68,600,687	4,119,024	6.00%
<b>Total Liabilities</b>	<b>\$863,218,943</b>	<b>\$802,463,007</b>	<b>\$60,755,936</b>	<b>7.57%</b>
<b>Net Financial Assets (Debt)</b>	<b>(\$672,606,436)</b>	<b>(\$610,103,430)</b>	<b>(\$62,503,006)</b>	<b>10.24%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	\$1,304,894,669	\$1,232,313,450	\$72,581,219	5.89%
Prepaid Expenses	2,010,622	1,864,969	145,653	7.81%
<b>Total Non-Financial Assets</b>	<b>\$1,306,905,291</b>	<b>\$1,234,178,419</b>	<b>\$72,726,872</b>	<b>5.89%</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$634,298,855</b>	<b>\$624,074,989</b>	<b>\$10,223,866</b>	<b>1.64%</b>

## Cash Summary

Cash assets as of June 30, 2021, are categorized as follows:

Cash Position	June 30, 2021	June 30, 2020	Variance
Bank Deposits	\$60,729,252	\$63,206,286	(\$2,477,034)
Central Deposit - Ministry of Finance	109,480,221	107,905,159	1,575,062
	<b>\$170,209,473</b>	<b>\$171,111,445</b>	<b>(\$901,972)</b>

**Cash** is held in the Operating bank account, the school bank accounts, and in the Provincial Central Deposit Program with the Ministry of Finance. The \$900K decrease over the previous year is primarily due to timing differences of vendor and staff payments.

## Accounts Receivable

Accounts Receivable is made up of three categories: Due from Province-Ministry of Education, Due from First Nations and Other.

The year-over-year decrease in the Due from Province – Ministry of Education relates to the timing of funding received for capital construction projects.

The amounts that are receivable from Other are primarily attributable to the timing of Goods and Services Tax (GST) rebates from the Federal Government and School Site Acquisition Charges due from the City of White Rock and Surrey.

## Land Held for Sale

In September 2020, the district entered into an agreement to sell one of its surplus properties for a purchase price of \$30.6 million. The sale is set to complete in October 2021. The property was acquired by the district for a cost of \$2.2 million. As at June 30, 2021, the land has been classified as a financial asset, and is presented at cost on the Statement of Financial Position, as land held for sale.

## Accounts Payable and Accrued Liabilities

Accounts Payable & Accrued Liabilities is made up of two categories: Due from Province-Ministry of Education and Other.

The year-over-year decrease in the Due to Province relates to the timing of Next Generation Network recoveries.

The amounts that are payable to Other was \$1.7 million less, this year over last, primarily due to less accrued construction payments related to capital projects.

## Unearned Revenues

**Unearned Revenues** includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. The decrease of \$4.1 million in Unearned Revenues from the previous year (\$13.3 million at June 30, 2020 vs \$9.2 million at June 30, 2021) is due to reduced deposits for 2021-2022 International Student fees as a result of COVID-19.

Unearned Revenue	June 30, 2020	Increases to Unearned Revenue	Revenue Recognized in the Period	June 30, 2021
Tuition Fees	\$13,191,304	\$8,303,587	(\$12,334,462)	\$9,160,429
Rental/Lease of Facilities	91,619	786,460	(817,936)	60,143
<b>Total</b>	<b>\$13,282,923</b>	<b>\$9,090,047</b>	<b>(\$13,152,398)</b>	<b>\$9,220,572</b>

## Deferred Revenues

**Deferred Revenues** represent special purpose fund balances, including unspent school generated funds. These amounts will be recognized as revenue and spent in future years as the expenses are incurred. The decrease of \$0.1 million from the previous year is mainly due to a decrease in School Generated Funds of \$0.7 million resulting from reduced activity with pandemic restrictions, offset by increases in donations and Parent Advisory Council (PAC) contributions.

Deferred Revenues	June 30, 2020	Increases to Unearned Revenue	Revenue Recognized in the Period	June 30, 2021
Provincial Grants - Ministry of Education	\$1,780,119	\$88,816,292	(\$88,958,822)	\$1,637,589
Provincial Grants - Other	757,165	707,868	(738,768)	726,265
Federal Grants	72,074	54,248	(29,910)	96,412
Other Revenue	7,291,995	9,022,818	(9,008,745)	7,306,068
Investment Income	-	7,371	(7,371)	-
<b>Total Deferred Revenues</b>	<b>\$9,901,353</b>	<b>\$98,608,597</b>	<b>(\$98,743,616)</b>	<b>\$9,766,334</b>

## Deferred Capital Revenues

These revenues relate to funds received in support of capital projects. The change in the Deferred Capital Revenue account is shown in the table below:

Deferred Capital Revenues	June 30, 2021	June 30, 2020	Change
Deferred Capital Revenue – Opening Balance	\$669,406,618	\$576,071,176	\$93,335,442
Additions – Funding Received in respect of Capital Projects	94,512,269	164,311,342	(69,799,073)
Current year transfers to revenue (site purchases) and amortization of Deferred Capital Revenue	(31,361,019)	(70,975,900)	39,614,881
<b>Closing Deferred Capital Revenue Balance</b>	<b>\$732,557,868</b>	<b>\$669,406,618</b>	<b>\$63,151,250</b>

The closing Deferred Capital Revenue balance includes Work in Progress. The Work in Progress amount as of June 30, 2021, was \$51,556,231 (June 30, 2020: \$138,546,267).

## Employee Future Benefits

This liability measures the estimated future costs to the district to provide employee benefits such as retirement allowances, sick pay, and death benefits.

## Other Current Liabilities

Other Current Liabilities include Salaries and Benefits Payable, Accrued Vacation Payable and Teachers deferring a portion of their payroll to be paid over the July and August period. The increase of \$4.1 million over the previous year is primarily attributable to more teachers opting to be paid on a 12 month pay schedule versus a 10 month pay schedule and to wages incurred but not yet paid.

## Tangible Capital Assets and Amortization Expense

The district has an active Capital Project Office and has many active school construction projects. These Projects include the construction of new or replacement buildings, upgrades to existing buildings and seismic upgrades. The funds spent on buildings, furniture and equipment, vehicles, and computer hardware and software are

capitalized as Tangible Capital Assets. The costs of these assets are recognized over their respective expected useful lives through recording of an Amortization Expense.

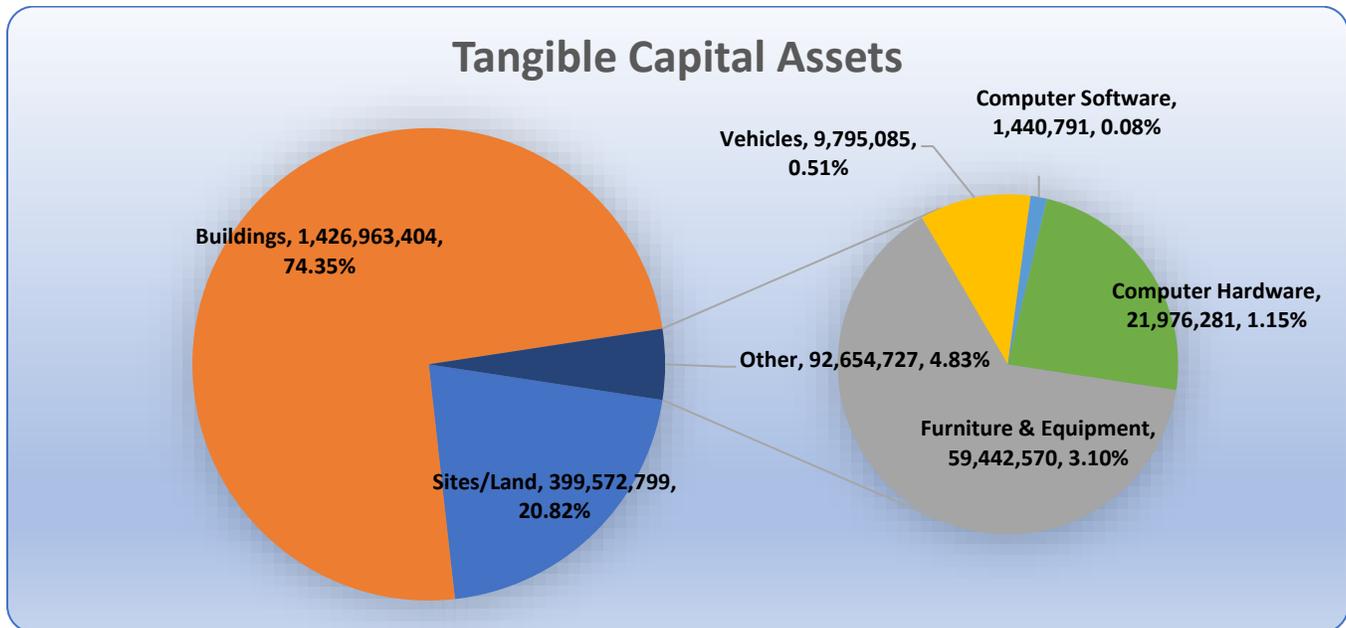
Furniture and equipment, vehicles, and computer hardware and software are deemed to be disposed of at the end of their useful life.

The district’s Tangible Capital Asset balances are recorded in the schedule below:

June 30, 2021	Land/Sites	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2021 Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
Beginning of year	396,550,455	1,330,954,198	53,165,045	9,848,708	2,282,812	20,889,998	1,813,691,216
Additions	5,222,344	96,009,206	10,603,139	245,778		4,181,592	116,262,059
Disposals							-
Deemed Disposals			(4,325,614)	(299,401)	(842,021)	(3,095,309)	(8,562,345)
Land Held for Sale	(2,200,000)						(2,200,000)
<b>Cost, end of year</b>	<b>399,572,799</b>	<b>1,426,963,404</b>	<b>59,442,570</b>	<b>9,795,085</b>	<b>1,440,791</b>	<b>21,976,281</b>	<b>1,919,190,930</b>
<b>Accumulated Amortization</b>							
Beginning Balance		545,328,682	21,235,191	3,490,529	1,487,803	9,835,561	581,377,766
Amortization		30,209,304	5,630,381	982,166	372,361	4,286,628	41,480,840
Disposals							-
Deemed Disposals			(4,325,614)	(299,401)	(842,021)	(3,095,309)	(8,562,345)
<b>Accumulated Amortization - Closing</b>		<b>575,537,986</b>	<b>22,539,958</b>	<b>4,173,294</b>	<b>1,018,143</b>	<b>11,026,880</b>	<b>614,296,261</b>
<b>Tangible Capital Assets - Net Book Value</b>	<b>399,572,799</b>	<b>851,425,418</b>	<b>36,902,612</b>	<b>5,621,791</b>	<b>422,648</b>	<b>10,949,401</b>	<b>1,304,894,669</b>

Cost at June 30<sup>th</sup>, 2021, includes work in progress on Buildings for \$60,162,761.

Tangible Capital Asset percentage balance as at June 30, 2021.



### Prepaid Expenses

Prepaid expenses include Materials and Supplies held in Central Stores for use within the district. The year-over-year increase of \$0.146 million is partially due to the purchasing of materials and supplies for summer work and for prepayments of other operational services.

## ACCUMULATED FUND BALANCE (RESERVES)

On June 20, 2018, the Surrey School District Board adopted, Board Policy 4204: *Fiscal Responsibility: Operating Fund Balance*, which outlines the objective of maintaining a reasonable Operating Fund Balance, in accordance with the Ministry of Education’s financial health best practices for school districts model.

For the fiscal year end of June 30, 2021, the annual operating fund balance for the year was \$15 million, and the total accumulated operating fund balance was \$46.3 million. The fund balances were planned, and expenses were curtailed in anticipation of increased risks in the district funding levels anticipated for the 2021/22 school year. Risks identified for 2021/22 included:

- Enrollment risk – over estimated enrolment growth
- International Education enrolment targets
- Student anxiety
- Continuation of pandemic impact on facilities rentals and measures to protect staff & students

	Operating Fund	Special Purpose Fund	Capital Fund	June 30, 2021	June 30, 2020
<b>Accumulated Fund Balance (Deficit), beginning of year</b>	<b>\$30,353,273</b>	-	<b>\$593,721,716</b>	<b>\$624,074,989</b>	<b>\$558,784,848</b>
Changes for the year					
Surplus (Deficit) for the year	14,987,149	4,874,330	(9,637,613)	10,223,867	65,290,141
Interfund transfers					
Tangible Capital Assets Purchased	(3,991,305)	(4,874,330)	8,865,635	-	-
Local Capital	5,000,000		(5,000,000)	-	-
<b>Net Changes for the year</b>	<b>\$15,995,844</b>	-	<b>(\$5,771,978)</b>	<b>\$10,223,867</b>	<b>\$65,290,141</b>
<b>Accumulated Fund Balance (Deficit), end of year</b>	<b>\$46,349,117</b>	-	<b>\$587,949,738</b>	<b>\$634,298,856</b>	<b>\$624,074,989</b>

## Allocation of Accumulated Operating Fund Balance

Recommendations to the Board were provided to support the following internal restrictions upon Accumulated Operating Fund Balance:

Description	Amount
To Balance the 2021-22 Operating Budget	\$16,918,865
Addressing Learning Impacts	5,267,373
Transfer from Education Programs to ensure Future Capital Project Contribution	5,000,000
School Equity	2,234,844
Early Career Mentorship	1,384,652
Procurements impacted by Global Supply chain shortages	1,189,843
Educational Assistants Contingency	1,053,008
Indigenous Learners Education Targeted Funds	773,057
Net School Operating Balance	547,989
Learning Resources Balance	443,995
Alternate Learning Structures	300,000
Research and Evaluation	250,000
<b>Allocation of Accumulated Fund Balance</b>	<b>\$35,363,626</b>

Of the \$46.3M in the Accumulated Operating Fund Balance of \$35.4 has been internally restricted for the purposes outlined above.

## STATEMENT OF OPERATIONS - CONSOLIDATED

The Statement of Operations summarizes an entity's revenues, expenses, and surplus (deficit) over the entire reporting period. The district's Statement of Operations is reported as a consolidation of the three funds: Operating, Special Purpose, and Capital. Each fund is reviewed separately.

	2021 Budget	2021 Actual	Variance to Budget	2020 Actual	Variance to 2020
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$811,510,551	\$817,368,723	\$5,858,172	\$808,335,483	\$9,033,240
Provincial Grants - Other	724,653	1,131,668	407,015	881,826	249,842
Municipal Grants Spent on Sites	-	52	52	1,979,783	(1,979,731)
Federal Grants	3,013,396	2,886,515	(126,881)	3,948,325	(1,061,810)
Tuition	12,506,434	12,334,462	(171,972)	17,033,280	(4,698,818)
Other Revenue	11,297,754	10,677,684	(620,070)	18,430,616	(7,752,932)
Rentals And Leases	1,041,333	817,936	(223,397)	2,485,588	(1,667,652)
Investment Income	1,483,000	1,703,953	220,953	2,870,914	(1,166,961)
Gain (Loss) Equity Investment (Note )	-	-	-	-	-
Amortization of Deferred Capital Contributions	28,224,779	27,916,494	(308,285)	25,112,910	2,803,584
Gain (Loss) on Disposal Of Tangible Capital Assets		63,500	63,500	4,374,510	(4,311,010)
<b>Total Revenue</b>	<b>\$869,801,900</b>	<b>\$874,900,987</b>	<b>\$5,099,087</b>	<b>\$885,453,235</b>	<b>(\$10,552,248)</b>
<b>EXPENSE</b>					
Instruction	\$732,305,504	\$716,908,388	(\$15,397,116)	\$688,475,349	\$28,433,039
District Administration	18,608,129	15,336,142	(3,271,987)	14,967,372	368,770
Operations & Maintenance	131,914,116	125,789,164	(6,124,952)	111,531,230	14,257,934
Transportation and Housing	6,943,529	6,643,427	(300,102)	5,189,143	1,454,284
<b>Total Expense</b>	<b>\$889,771,278</b>	<b>\$864,677,121</b>	<b>(\$25,094,157)</b>	<b>\$820,163,094</b>	<b>\$44,514,027</b>
<b>Surplus (Deficit) for the year</b>	<b>(\$19,969,378)</b>	<b>\$10,223,866</b>	<b>\$30,193,244</b>	<b>\$65,290,141</b>	<b>(\$55,066,275)</b>

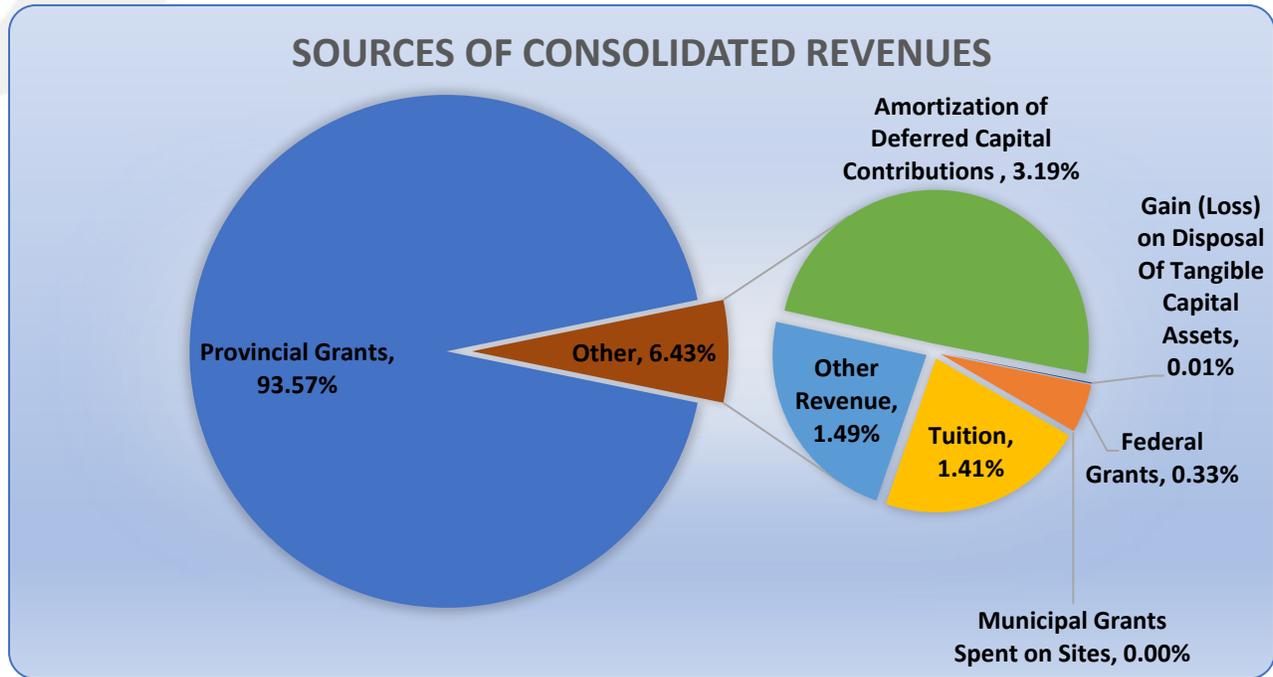
## STATEMENT OF OPERATIONS: OPERATING FUND

This statement reflects the day-to-day operations of the district. The following schedule compares the results for the period ending June 30, 2021, to the budget for the year and the prior year actual results.

	Budget 2021	Actual 2021	Variance to Budget \$	Actual 2020	Variance to 2020
<b>Revenues</b>					
Provincial Grants - Ministry of Education	\$720,429,894	\$724,965,428	\$4,535,534	\$711,453,365	\$13,512,063
Provincial Grants - Other	306,500	392,900	86,400	392,750	150
Federal Grants	2,913,396	2,856,605	(56,791)	3,148,023	(291,418)
Other Revenue	13,758,756	13,767,905	9,149	19,279,442	(5,511,537)
Rentals And Leases	811,333	817,936	6,603	2,485,588	(1,667,652)
Investment Income	1,240,000	1,513,369	273,369	2,140,102	(626,733)
<b>Total Revenue</b>	<b>\$739,459,879</b>	<b>\$744,314,143</b>	<b>\$4,854,264</b>	<b>\$738,899,270</b>	<b>\$5,414,873</b>
<b>Expenses</b>					
<b>Salaries</b>					
Teachers	\$348,617,504	\$349,526,661	\$909,157	\$343,162,204	\$6,364,457
Principals and Vice-Principals	34,510,738	34,425,161	(85,577)	32,413,584	2,011,577
Educational Assistants	77,067,664	71,603,413	(5,464,251)	70,845,590	757,823
Support Staff	60,626,897	58,502,429	(2,124,468)	58,302,305	200,124
Other Professionals	11,112,280	11,250,789	138,509	10,567,804	682,985
Substitutes	24,755,838	19,876,846	(4,878,992)	19,111,788	765,058
	<b>556,690,921</b>	<b>545,185,299</b>	<b>(11,505,622)</b>	<b>534,403,275</b>	<b>10,782,024</b>
<b>Employee Benefits</b>	132,649,218	128,472,543	(4,176,675)	123,960,643	4,511,900
<b>Total Salaries And Benefits</b>	<b>\$689,340,139</b>	<b>\$673,657,842</b>	<b>(\$15,682,297)</b>	<b>\$658,363,918</b>	<b>\$15,293,924</b>
<b>Services and Supplies</b>					
Services	\$21,538,975	\$17,849,267	(\$3,689,708)	\$18,658,733	(\$809,466)
Student Transportation	5,455,156	5,005,217	(449,939)	4,021,175	984,042
Professional Development and Travel	2,646,473	1,211,914	(1,434,559)	1,881,140	(669,226)
Rentals and Leases	886,270	824,344	(61,926)	860,145	(35,801)
Dues and Fees	1,247,086	1,245,316	(1,770)	1,130,697	114,619
Insurance	1,735,973	1,478,341	(257,632)	1,485,551	(7,210)
Supplies	21,119,694	17,660,841	(3,458,853)	18,397,897	(737,056)
Utilities	10,362,500	10,393,912	31,412	10,022,271	371,641
<b>Total Services and Supplies</b>	<b>\$64,992,127</b>	<b>\$55,669,152</b>	<b>(\$9,322,975)</b>	<b>\$56,457,609</b>	<b>(\$788,457)</b>
<b>Total Operating Expense</b>	<b>\$754,332,266</b>	<b>\$729,326,994</b>	<b>(\$25,005,272)</b>	<b>\$714,821,527</b>	<b>\$14,505,467</b>
<b>Surplus (Deficit) for the year</b>	<b>(\$14,872,387)</b>	<b>\$14,987,149</b>	<b>\$29,859,536</b>	<b>\$24,077,743</b>	<b>(\$9,090,594)</b>
<b>Budget Appropriation</b>	20,911,629	-	-	-	-
<b>Net Transfers to (from) other funds</b>					
Capital Assets Purchased	(6,039,242)	(3,991,305)	2,047,937	(12,835,330)	8,844,025
Local Capital	0	5,000,000	5,000,000	(6,445,237)	11,445,237
<b>Net Transfers to (from) other funds</b>	<b>(\$6,039,242)</b>	<b>\$1,008,695</b>	<b>\$7,047,937</b>	<b>(\$19,280,567)</b>	<b>\$20,289,262</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>\$15,995,844</b>	<b>-</b>	<b>\$4,797,176</b>	<b>-</b>

## Revenues

The district receives approximately 93.57% of its operating revenues from the Provincial Government with 6.43% received through tuition fees, other revenues, and some federal grants.

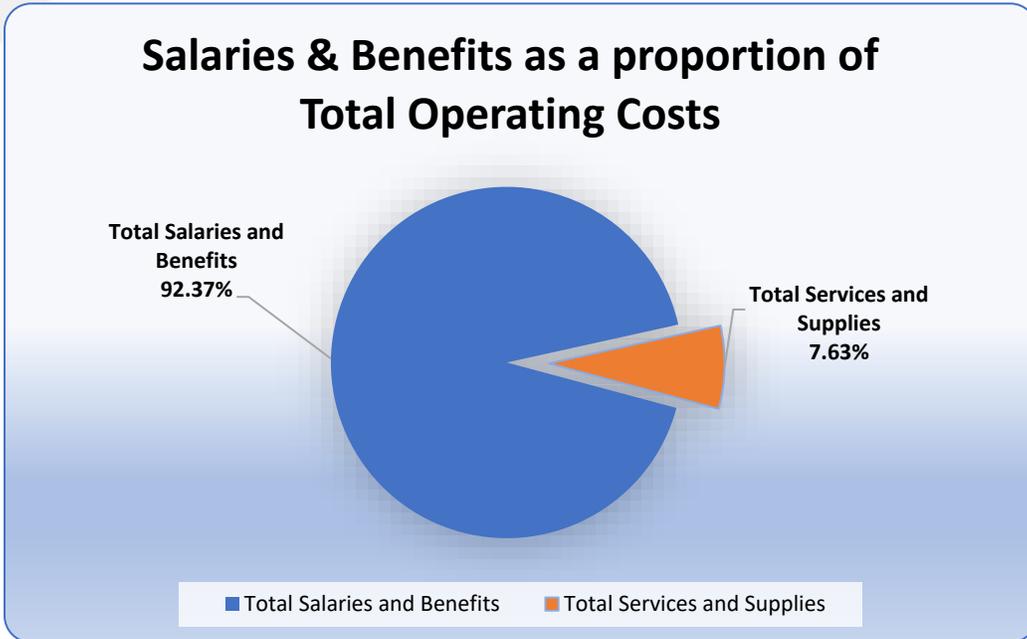


## Analysis of Major Changes in Operating Revenue

Revenue	Actual to Budget Comparison	2021 to 2020 Comparison
<b>Provincial Grants (MOE and Other)</b>	Current operating grant revenue exceeded budget due to a holdback allocation announced after the amended budget and higher than projected Feb 2021 and May 2021 enrolment.	Year-over-year increase results primarily from salary contractual obligations.
<b>Federal Grants</b>	Federal grants were slightly below budget due to less than anticipated salary costs in Federal funded programs.	Reduced spending in the Settlement Workers in Schools program for extra-curricular activities due to COVID-19 resulted in less revenue.
<b>Tuition &amp; Other Revenue</b>	No significant variance.	Loss of revenue due to fewer international students as result of travel restrictions and less Teaching Kitchen revenues due to COVID-19.
<b>Rentals and Leases</b>	No significant variance.	Loss of revenue due to the COVID-19 impact on facilities rentals and the Bell Centre rentals.
<b>Investment Income</b>	Revenue exceed budget due to higher than anticipated bank balance and less than projected allocation to reserves.	Investment income was less than the previous year due to a decrease in interest rates.

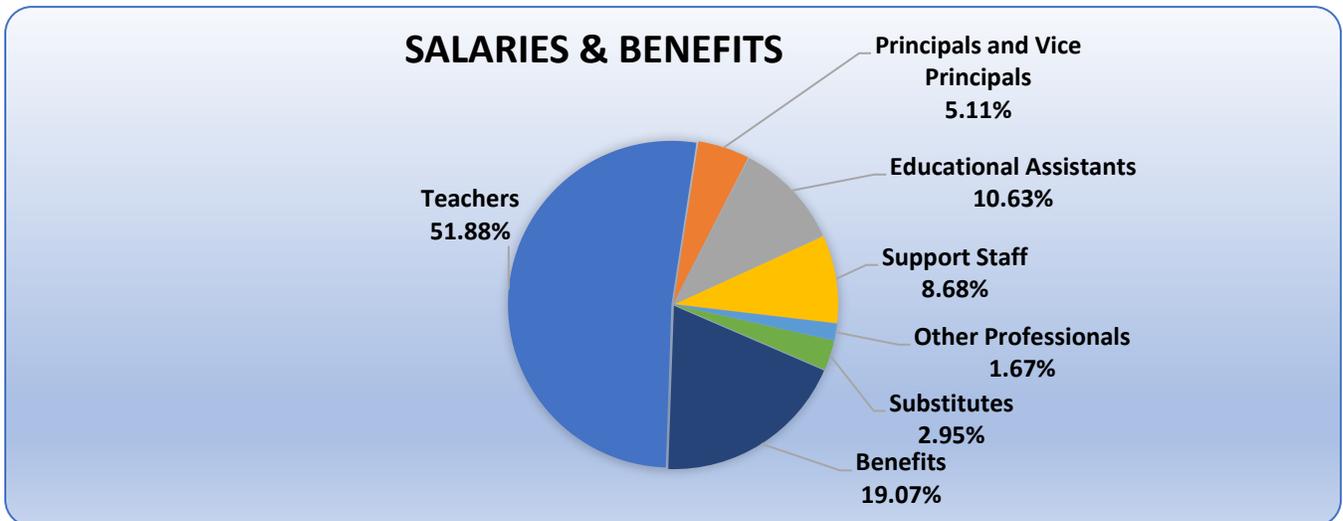
## Expenses

As a percentage of the Operating Budget, staff salaries and benefits accounted for 92.37% of the operating expenses of the district. This amount is higher than the 92.1% reported in the prior year.



## Salaries and Benefits Expenses

As shown in the chart below, the bulk of the salaries paid by the district is for Teachers, followed by Educational Assistants, and then Support Staff.



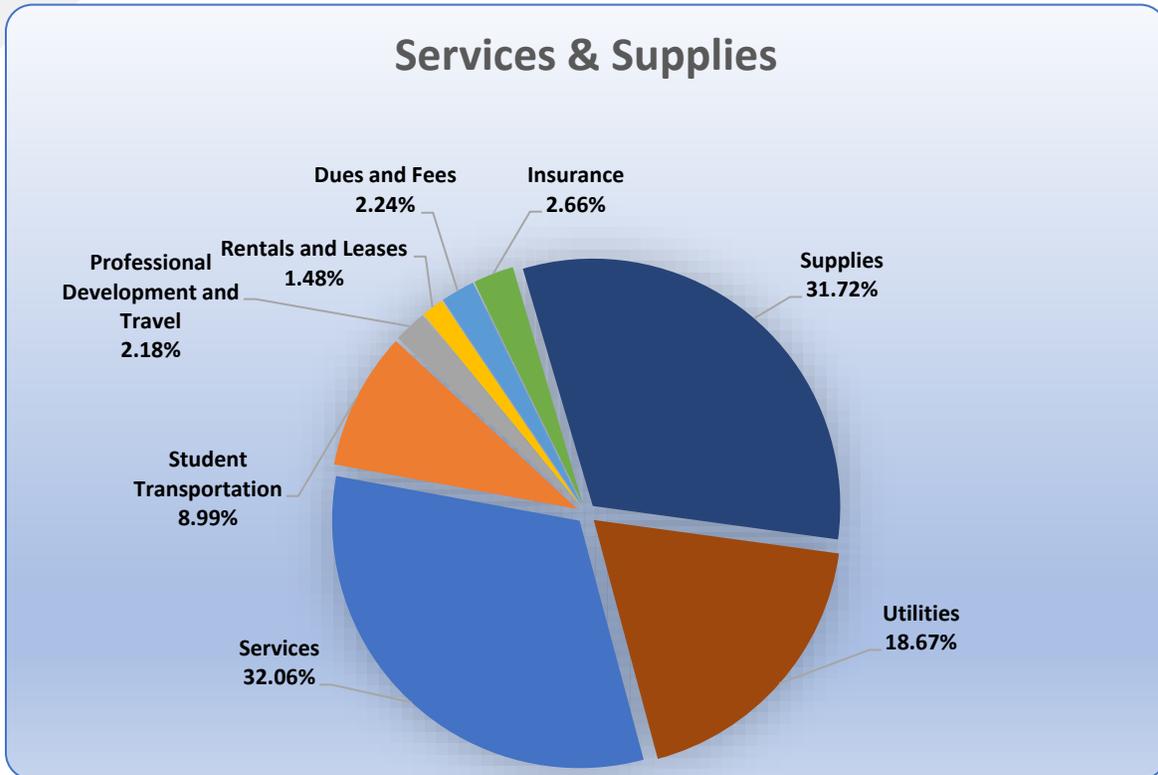
## Salary Expense - Variance Analysis Explanations

The increase in salaries and benefits over the last year is mainly attributable to annual wage increases.

Salary Expense	Actual to Budget Comparison	2021 to 2020 Comparison
<b>Teachers</b>	Teacher salaries were over budget by \$0.9 million because of transferring lower funded teachers over to the Classroom Education fund as per Ministry expectations.	The \$6.4 million increase from the prior year was primarily due to wage lifts per the collective agreement, offset by savings due to fewer teachers.
<b>Principals &amp; Vice Principals</b>	Under budget by \$0.1 million due to timing of positions being filled.	The increase of \$2.0 million from the prior year is attributable to additional positions and the annual wage lift.
<b>Education Assistants</b>	Education Assistants salary expenses were under budget by \$5.5 million due to timing of positions being filled. EA usage was significantly reduced as students with special needs fell below projected levels.	The \$0.8 million increase from prior year is from the contractual wage increase, offset by savings due to unfilled positions.
<b>Support Staff</b>	Support staff salaries expenses were under budget by \$2.1 million due to timing of positions being filled and some positions remaining vacant due to COVID-19.	The increase of \$0.2 million over the prior year is attributable to the contractual annual wage increase, offset by savings from vacant positions.
<b>Other Professionals</b>	Other Professionals salary expense was over budget \$0.1 million due to vacation time paid out.	The increase of \$0.7 million over the previous year is due to the increase in positions and wage increases provided during the year.
<b>Substitutes</b>	Below budget by \$4.9 million due to higher than anticipated recoveries, shortage of Custodian and TTOC availability.	The increase of \$0.8 million over the previous year is due to schools being open for the entire current year.
<b>Employee Benefits</b>	Cost savings of \$4.2 million is primarily due to savings in salaries and lower than budgeted extended health benefit and dental costs.	The increase of \$4.5 million over the previous year is attributed to increased salary expenses.

## Services and Supplies

As shown previously, the bulk of the district’s operating budget is used to cover Salary and Benefit costs with 7.63% remaining to support Services & Supplies. The chart below shows the allocation of Services & Supplies:



### Operating Expense by Object (Account) – Variance Analysis Explanations

Operating Expenses by Object (Account)	Actual to Budget Comparison	2021 to 2020 Comparison
<b>Services</b>	Significantly under budget (\$3.7 million) due to savings from the Next Generation Network (\$0.5 million) that the Province realized and passed along to districts. Savings were also realized in photocopier maintenance (\$0.5 million), District Facilities Centre contracts (\$0.8 million), & other various services throughout the district (\$1.9 million)	Services expenses were (\$0.8 million) lower than the previous year due to reduced international student agent fees and medical premiums (\$0.7 million) and other various services throughout the district because of COVID-19.
<b>Student Transportation</b>	Under budget (\$0.4 million) due no extra-curricular transportation and field trips because of COVID-19 and less use of buses and taxis.	Student transportation expenses were \$1 million more than the previous year due to students not attending school due to COVID-19 in the previous year. Busing was provided for the entire current year.
<b>Professional</b>	Significantly under budget (\$1.4 million) due	(\$0.7 million) lower than the previous year

<b>Development &amp; Travel</b>	to decreased travel, training, and mileage because of COVID-19.	due to decreased travel, training, and mileage because of COVID-19.
<b>Rental &amp; Leases</b>	Under budget (\$62 thousand) mainly due to fewer bus rentals for field trips.	(\$36 thousand) lower than the previous year due to fewer bus rentals for field trips.
<b>Dues &amp; Fees</b>	In line with budget expectations.	\$0.1 million more than the previous year mainly due to more Boiler operating permits for mandated inspections.
<b>Insurance</b>	Under budget \$0.3 million primarily due to savings in uninsured losses.	No significant variance from the previous year.
<b>Supplies</b>	Expenses were below budget (\$3.5 million) due to school account balances, learning resources, and various departments across the district. Areas were requested to curtail expenses in light of financial constraints in the future year.	(\$0.7 million) lower than the previous year, mainly due to curtailing of expenses in light of financial constraints in the future year.
<b>Utilities</b>	Overall, in line with budget expectations. Savings in electricity and water due to less students in classroom and lower facility rentals, offset by higher gas costs due to rate increases and the use of air handling units in schools to comply with COVID-19 guidelines.	Utilities expenses were \$0.4 million greater than the previous year due to higher gas costs from rate increases and the use of air handling units in schools to comply with COVID-19 guidelines.
<b>Net Transfers to/from Other Funds</b>	\$7 million below budget due to a transfer from Local Capital of \$5 million and \$2 million savings in capital purchases to address financial needs for the next fiscal year.	Transfers were \$20.3 million less than the previous year, due to \$8.8 million less capital assets purchased, and \$11.5 million less funds transferred to Local Capital.

## STATEMENT OF OPERATIONS: SPECIAL PURPOSE FUND

The Special Purpose Fund consists of grants and donations received by the district that are to be specifically designated or targeted towards a specific program or activity. Any unspent fund balances represent the value of Deferred Revenue, on the Statement of Financial Position.

The table below details the amount received and expended on each of the special purpose grants for fiscal 2021:

MINISTRY OF EDUCATION FUNDING			
Grant	FY 2021 Amount Received	FY 2021 Amount Expended	Intended Use
Annual Facilities Grant	2,363,109	2,363,109	Maintenance of Facility Assets
Classroom Enhancement Fund	42,703,460	43,079,410	Classroom Enhancement
CommunityLINK	4,110,283	3,918,889	Community based expenditures
Learning Improvement Fund	2,547,102	2,547,099	Complex classes that present challenging learning conditions
Adolescent Day Treatment	504,100	449,514	Mental Health & Educational Programming
Waypoint	150,220	149,112	Mental Health & Educational Programming
Adolescent Psychiatric Unit	135,900	124,625	Mental Health & Educational Programming
Daughters & Sisters P.L.E.A.	161,000	160,970	Mental Health & Educational Programming
Am'ut	29,140	38,939	Mental Health & Educational Programming
Strong Start	736,000	703,052	Early learning development support
Ready, Set, Learn	249,900	246,437	Early learning development support
Mental Health in Schools	47,000	44,928	Mental Health
Changing Results for Young Children	31,400	34,369	Social & emotional well being of young children
Kindergarten Transitions	-	2,831	Kindergarten transition
First Nation Student Transportation	3,793	42,133	Transportation needs for First Nation students.
OLEP	556,609	557,213	French programs
Literacy Innovation	-	7,766	Literacy support through Family of Schools Inquiry
Gang Prevention (BC)	500,000	605,417	Gang preventions
Safe Return to School Grant	5,200,661	5,200,661	Covid funding
Federal Safe Return to Class Fund	29,148,015	29,148,015	Covid funding
Safe Schools - Civil Forfeiture-Prov	74,368	-	Crime Prevention
Rapid Response Fund	240,000	240,000	Covid-19 Safety Plans
Discover Trades	15,000	14,851	Trades Supplies

**FEDERAL GOVERNMENT**

Grant	FY 2021 Amount Received	FY 2021 Amount Expended	Intended Use
Indigenous Ed Windspeaker	54,166	29,910	Indigenous Learner's education program

**DONORS**

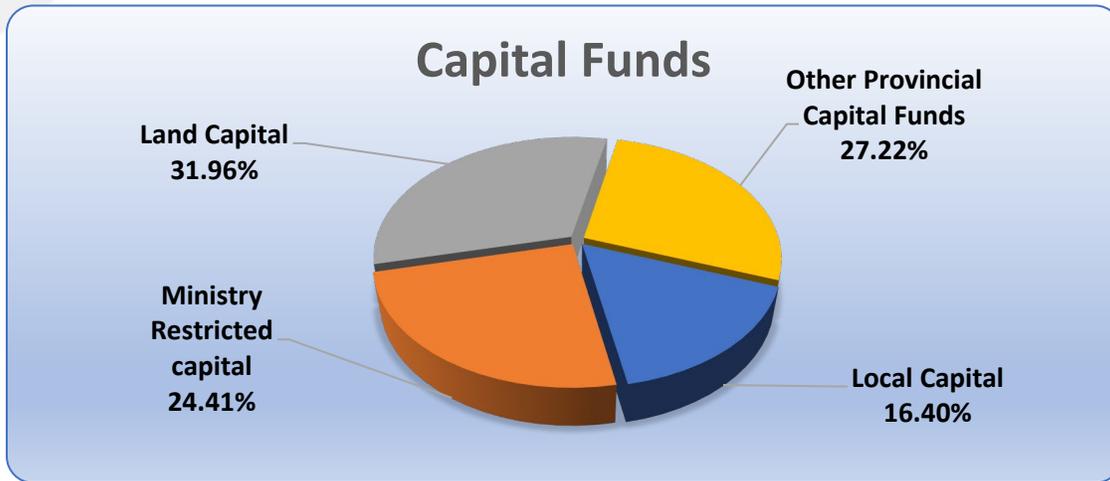
Grant	FY 2021 Amount Received	FY 2021 Amount Expended	Intended Use
Community Schools Other	652,072	597,271	Community school initiatives
Donations	1,355,002	942,701	Instructional activities
Scholarships and Bursaries	473,985	369,848	Scholarships & Bursaries
Surrey WRAP	30,082	24,220	Gang preventions

**OTHER**

Grant	FY 2021 Amount Received	FY 2021 Amount Expended	Intended Use
School Generated Funds	5,950,536	6,604,399	School purchases
PAC Contributions	537,991	378,246	School purchases
SAFE Program	47,704	117,682	Gang preventions

## STATEMENT OF OPERATIONS: CAPITAL FUNDS

The district's Capital Funds are made up of Local Capital, Ministry Restricted Capital, Land Capital, and Other Provincial Capital Funds. The allocations are presented in the following Chart:



The specific balances in the Capital funds are presented in the table below:

Capital Fund	June 30, 2021	June 30, 2020	Variance
Local Capital	\$2,200,312	\$21,693,337	(\$19,493,025)
Ministry Restricted Capital	3,274,467	4,481,472	(1,207,005)
Land Capital	4,287,427	1,703,985	2,583,442
Other Provincial Capital	3,650,731	2,936,090	714,641
<b>Total</b>	<b>\$13,412,937</b>	<b>\$30,814,884</b>	<b>(\$17,401,947)</b>

**Local capital:** These are funds generated by the district generally through transfers from the Operating Fund or sale of assets and are used for capital expenditures as determined by the district. Local capital decreased by (\$19.5 million) mostly due to Ministry of Education requirement for district Contributions to Capital Projects and a transfer to Operating to increase the accumulated fund balance to address financial needs for the next fiscal year.

**Ministry Restricted capital:** These funds are generally the proceeds from surplus Bylaw Capital projects, and/or proceeds from disposal of capital assets that were funded from the Ministry. The balance decreased by (\$1.2 million) due to building costs of \$1.5 million, offset by investment income and the proceeds from the sale of a capital asset.

**Land capital:** These are funds received from the Cities of Surrey and White Rock for School Site Acquisition charges. The increase of \$2.6 million is mainly attributable to funds received for school site acquisition charges.

**Other Provincial capital:** Grants received from the Province to support capital initiatives increased by net \$0.7 million. \$1.3 million additional funds were received for day care spaces at Jessie Lee Elementary, offset by (\$0.6 million) in capital additions for Jessie Lee Elementary and Erma Stephenson Elementary.

## Funds Restricted in Local Capital

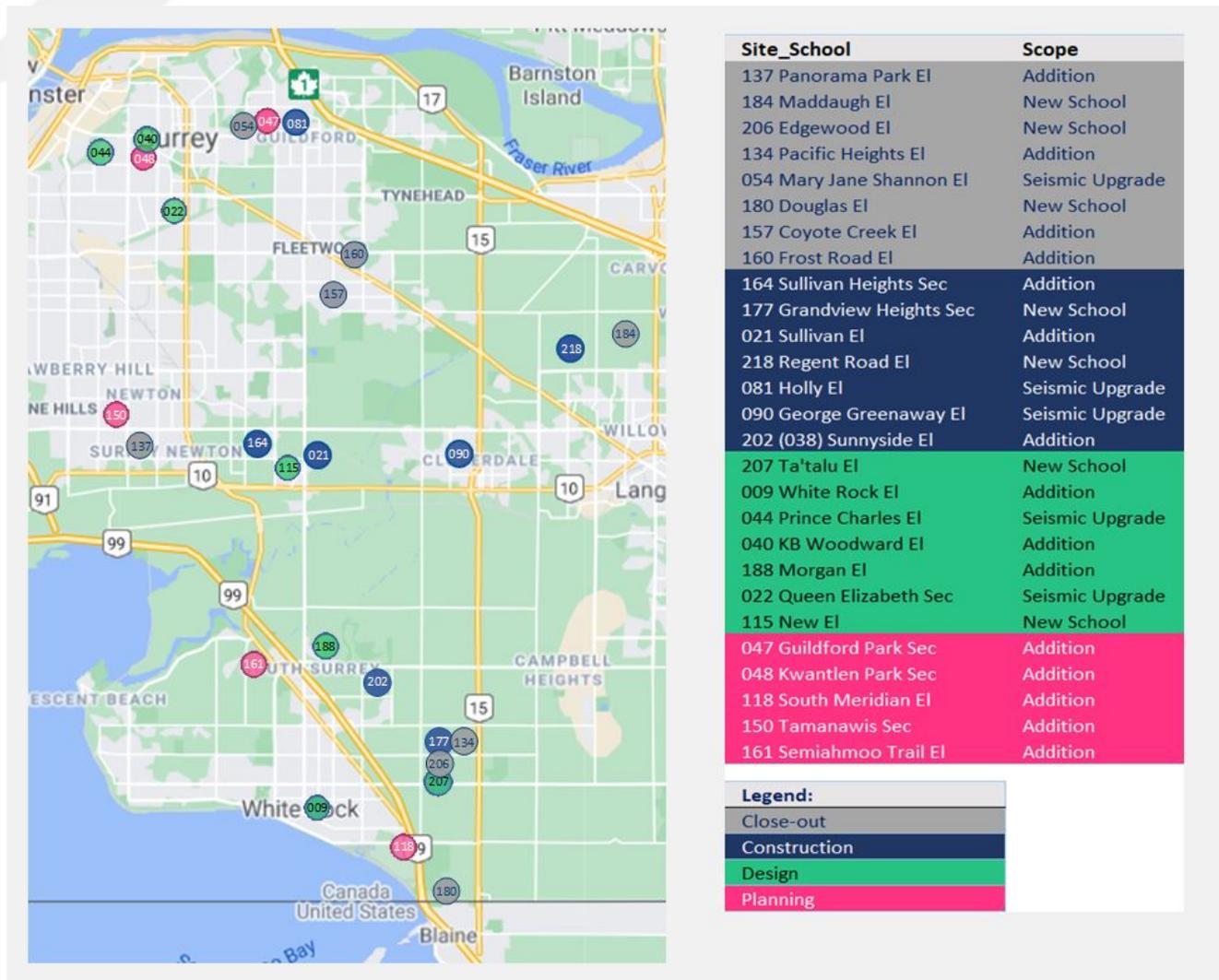
All funds in the local capital fund are restricted. The School District has \$2.2 million in Local Capital Reserve funds. The local capital funds are used to pay for capital asset acquisitions and act as a source of funding to pay for asset renewal and maintenance for the district's assets not otherwise funded by other Provincial programs such as the Annual Facility Grant (AFG) or School Enhancement Program (SEP).

The activity in the Local Capital Reserve can be explained in the table below:

Project	June 30, 2021	June 30, 2020	Difference
District Contributions toward Major Capital Projects (includes contingency for project overruns)	(\$4,254,186)	\$14,786,891	(\$19,041,077)
Telecommunications Upgrade	4,469,236	5,310,256	(841,020)
Climate Action Initiatives	871,258	855,226	16,032
School Improvements and Minor Capital Construction	1,114,004	740,964	373,040
<b>Totals</b>	<b>\$2,200,312</b>	<b>\$21,693,337</b>	<b>(\$19,493,025)</b>

## Active Capital Projects

The district has several projects underway at various stages of progress.



## Future Developments

- New Secondary (S. Newton) – new site acquisition (pending COA)
- Clayton Elementary-Pending Ministry Support
- Anniedale Area -Pending Ministry Support

The table below shows the projects that were active in construction and design during the 2020-2021 fiscal year ending June 30, 2021.

Capital Project		Date of Approval	Design Complete	Tender Award	Construction Completion	Target Occupancy
177 - Grandview Heights Secondary	60-Classroom New School	Oct 10, 2016	100% Complete	Apr 4, 2019	Substantially Complete	Sep-21
184 - Maddaugh Road Elementary	25-Classroom New School	Oct 7, 2016	100% Complete	Dec 19, 2018	Substantially Complete	Mar-21
137 - Panorama Park Elementary	8-Classroom Addition	Mar 18, 2017	100% Complete	June 5, 2018	Substantially Complete	Nov-19
021 - Sullivan Elementary	8-Classroom Addition	Mar 18, 2017	100% Complete	June 6, 2019	89%	Sep-21
218 - Regent Road Elementary	27-Classroom New School	Aug 9, 2017	100% Complete	Dec 20, 2019	36%	Sep-22
134 - Pacific Heights Elementary	12-Classroom Addition	Dec 12, 2017	100% Complete	Dec 18, 2018	Substantially Complete	Apr-20
157 - Coyote Creek Elementary	4-Classroom Addition	Apr 30, 2018	100% Complete	May 13, 2019	Substantially Complete	Jan-21
164 - Sullivan Heights Secondary	28-Classroom Addition	July 10, 2018	100% Complete	March 4, 2020	50%	Mar-22
180 - Douglas Elementary	25-Classroom New School	Apr 30, 2018	100% Complete	March 27, 2019	Substantially Complete	Nov-20
206 - Edgewood Elementary	New	Dec 12, 2017	100% Complete	Jan 22, 2019	Substantially Complete	Jan-21
160 - Frost Road Elementary	6-Classroom Addition	Apr 30, 2018	100% Complete	May 13, 2019	Substantially Complete	Sep-20
009 - White Rock Elementary	8-Classroom Addition	Jun 16, 2021	100% Complete	Jun 16, 2021	Mobilization	Sep-22
188 - Morgan Elementary	8-Classroom Addition	Jul 04, 2019	100% Complete		Tender	Jan-23
202 - Sunnyside Elementary	10-Classroom Addition	Jan 01, 2020	100% Complete	Apr 27, 2021	Mobilization	Sep-22
040 - K B Woodward Elementary	8-Classroom Addition	Jul 27, 2020	100% Complete		Tender	Jan-23
207 - Ta'talu Elementary	New		Design Development			Sep-23
054 - Mary Jane Shannon Elementary	Seismic Upgrade	Nov. 16, 2017	100% Complete	May 24, 2019	Substantially Complete	Aug-20
081 - Holly Elementary	Seismic Upgrade	Aug 27, 2019	100% Complete	July 21, 2020	42%	Mar-22
022 - Queen Elizabeth Secondary	Seismic Upgrade	Jul 16, 2020	100% Complete	Jun 09, 2021	Mobilization	Sep-22
044 - Prince Charles Elementary	Seismic Upgrade	Apr 22, 2020	100% Complete	Jun 01, 2021	Mobilization	Sep-22
090 - George Greenaway Elementary	Seismic Upgrade	Aug 27, 2019	100% Complete	July 21, 2020	45%	Mar-21
160 - Frost Road Elementary	Renovation		Design Development	BEP	on hold	
157 - Coyote Creek Elementary	Renovation		Design Development	BEP	on hold	
035 - Latimer Road Elementary	Renovation		Design Development	BEP	Substantially Complete	
170 - Ocean Cliff Elementary	Renovation		Design Development	BEP	Substantially Complete	

## FUTURE CONSIDERATIONS – RISKS AND OPPORTUNITIES

Below are the Risks and Opportunities that we have identified.

### *Recruitment, Retention and Attraction*

We anticipate that the district will continue to experience enrolment growth in the coming years. Continuous growth presents ongoing challenges to both instructional space and staffing capacity. The district will need to continue recruiting teaching and other staff. Recruiting challenges include a lack of qualified candidates for some specialized roles and the continual need to maintain enough Teachers on Call to fill in for teacher absences.



Succession planning of key roles is required to adequately plan for and replace potential vacancies in key management, teaching, principal, and vice principal positions. Ongoing efforts are underway to build professional capacity, and to ensure key roles are adequately trained.

### *Education Funding Model Review - Outcome*

The Ministry of Education completed their funding model review, and the Government accepted the 22 recommendations put forth. The recommendations will be phased in over the two years and cover three themes to improve upon the existing model: equity, accountability & financial management. The expected implementation timeline is from July 1, 2021, to September 2022. With the phased implementation strategy, there will be no change for planning for 2021-22. However, in the future, we will have to develop multi-year financial plans ensuring that those long-term plans align with student educational outcomes and strategic goals. Reporting will need to be more robust and transparent to better reflect accountability. This will entail developing and designing reporting tools that will align with the level of reporting required by the Ministry. Existing business systems (finance, human resources, and payroll) are dated. Investments in business systems enhancements will permit the district to meet current and future requirements, enhance internal controls, and increase the efficiency of district operations that support schools. For this, significant resources would be needed.



### *Capital Projects Financing*



Despite new school openings and additions that have added capacity for several thousand new students since 2018, the district's capital plan continues to identify the need for additional schools, school additions and site acquisitions. We work closely with the Ministry of Education and have been able to provide significant contributions through the current process of jointly financing school construction projects between the Province and the District. As the district's financial reserves decline, we anticipate that our ability to contribute to joint funding of capital projects may be challenged.

### **Covid-19 – Operations Impact**

With the continuation of the COVID-19 pandemic, the district has been faced with the challenges of modifying its regular educational programs to adapt to the health and safety guidelines. Despite the loss of revenue from international tuition and facility rentals during the pandemic, the 2020-21 fiscal year resulted in a higher-than-normal operating fund balance. This was due to purposeful reduced spending by schools and departments and special purpose funding being provided by the Federal and Provincial governments.



A portion of the 2020-21 operating fund balance will be used towards addressing the continued pandemic’s impact on the health and wellness of students and staff.

### **Technology Requirements**



In today’s “now” culture, students, staff, teachers, and community members, are looking to the district to provide modern, robust, technological solutions both centrally and in our schools. As the district continues to grow, our legacy systems remind us of our ongoing challenge to meet the increasing demand from our students for learning methodologies that will provide them with the necessary technical skills needed after graduation. Providing the needed technological infrastructure changes requires increased financial resources.

### **Cyber Security**

In today’s digital world, cyber attack has become a real threat. As systems and infrastructure age, systems must be kept current to mitigate cyber threats and to run our operations efficiently. The district must carefully monitor our operations and educate our staff and students about cyber threats to ensure that our systems and information are securely protected. Keeping up with the rapid pace of technological change will require additional technical expertise and financial resources that will increase budgetary pressures.



## CONTACTING MANAGEMENT

This financial report is intended to provide the School District's stakeholders with general information on the financial operations of the district for the financial period ending June 30, 2021.

If you have any questions about this financial report, please contact the Office of the Secretary Treasurer at 604-596-7733.

We encourage you to visit and review the Board's strategic vision and plan at <https://www.surreyschools.ca/About/Pages/default.aspx>

