

Burnaby School

Contents

Who We Are 3

Our Mission, Vision and Values 4

Enrolment 6

Operating Fund 9

Operating Surplus Analysis 16

Restricted Operating Reserve 17

Financial Health 20

Special Purpose Funds..... 22

Capital Fund 24

Long Term Outlook 27

Introduction

What follows is a discussion and analysis of the financial performance of the Burnaby School District ("the District") for the fiscal year ending June 30, 2022, with a view to providing readers with an opportunity to assess any material changes in the financial condition and operating results for the year. The results are discussed in comparison with the budget and prior years. This report should be read in conjunction with the District's financial statements for the same period.

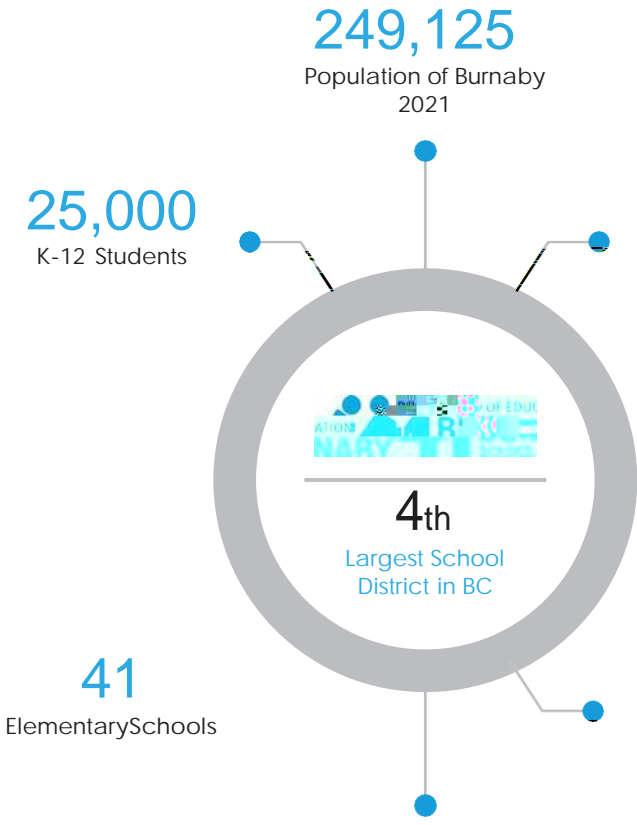
The financial statements represent the consolidation of three separate funds (operating, special purpose and capital). Financial performance of each fund is reported in the supplementary schedules that accompany the financial statements.

Who We Are

Formed in 1906, the District is on the traditional territory of the Coast Salish Nations of Musqueam, Tsleil-Waututh and Squamish. Our District is now the fourth largest in BC, with 25,000 students (K-12) and 4,000 dedicated employees.

We operate 41 elementary schools and 8 secondary schools, including a range of district programs and Provincial Resource Programs. We also provide lifelong learning opportunities to more than 6,000 adult registrations through our established Burnaby Community & Continuing Education program.

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



Our Vision, Mission, and Values

Our Vision

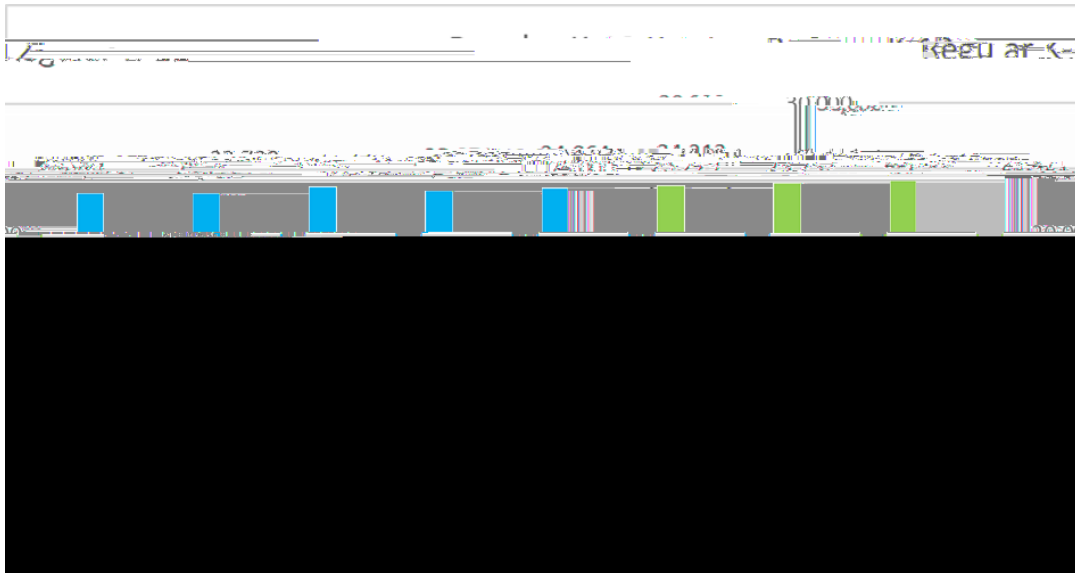
A premier learning community

Enrolment

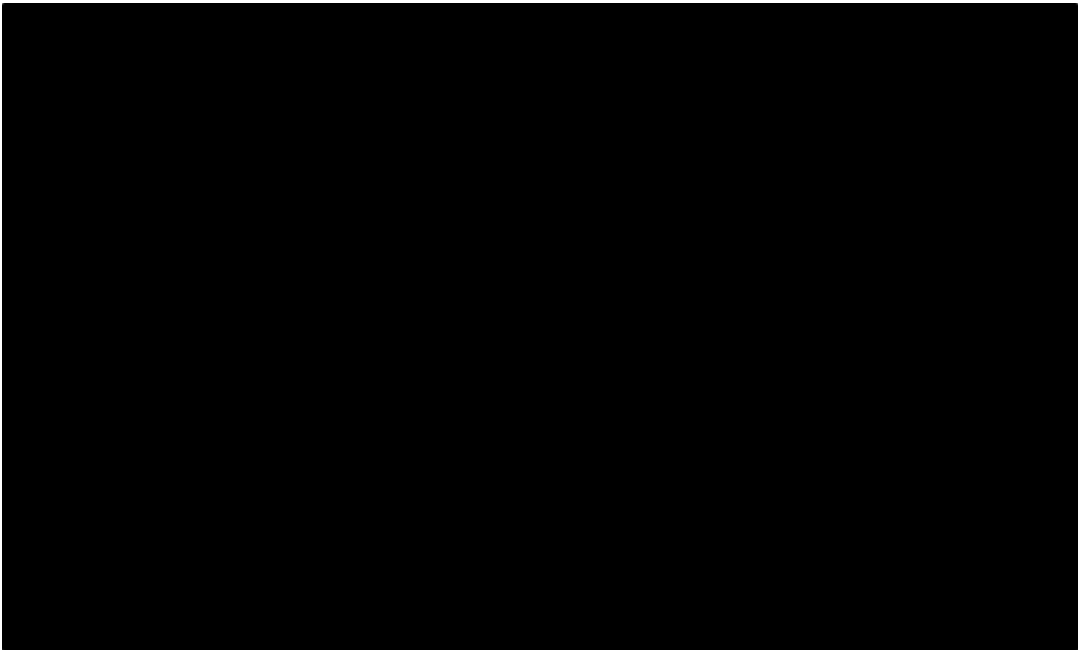
The District is funded primarily through an operating grant received from the Ministry of Education and Child Care (MECC). The grant is based on student enrolment which is compiled through a data collection process called 1701 in September, February, May and July. The District receives a fixed amount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

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

After a decline in student enrollment in 2020/21 and a modest rebound in 2021/22, the student enrollment numbers are projected to pick up. Growth in enrolment is expected to occur at both the elementary and secondary levels.



The International student enrollment bounced back by 290 FTE to 1,120 after experiencing a sharp drop of 650 FTE in 2020/2021. The projected numbers do not show a dramatic increase in future years due to schools and homestay capacity issues. Geopolitical issues and increased competition from international programs from countries that were not accepting international students during the pandemic have also impacted future projections.



and Continuing education revenue by \$101,292 relative to budget due to lower enrolment numbers than expected. On a year-over-year basis, tuition revenue was up 30.15%, primarily driven by a resurgence of International enrolments and COVID-19 travel restrictions.

Other Revenues

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

Rentals

District rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. These rentals are \$513,274

Expenses

Overall District expenses were \$ 1,029,512 less than budgeted for 2021/2022. Details and explanations have been grouped by staffing and services and supplies.

Staffing

	Actual		Budget	Actual to	
	2020/21	2021/22	2021/22	Budget	Prior Year
Salaries					

Services

This includes costs for contracted professional and technical services, repairs and maintenance, grounds upkeep, snow removal, security services, bank service charges, telephone and printing services. There was a surplus of \$923,695 in accounts for multi-year contracts that were not fully spent, and the amounts are being carried forward to the next year. The remaining variance of \$34,000 or 6.1% of remaining services budget, was due to lower than anticipated service usage in a variety of areas.

Student Transportation

This includes payments to drivers of vehicles who provide transportation to school District pupils as well as public carriers, other school districts and any others who provide transportation to and from school, for curricular and extracurricular activities, on a contract basis. The 2021/2022 deficit resulted from increased costs for cleaning buses due to COVID-19 health & safety protocols and h2(ot)5(o)1afe

The table below presents a three-year projection of the operating surplus as it relates to funds that are available to balance the budget. This projection is prepared to assist in long-term financial planning and to guide decisions during the annual budget process. The projection is based on factors that were known to the District in May 2022 and contains assumptions that the District will maintain current service levels and programs. Revenues are primarily based on enrolment projections and the MECC funding formula. Expenses are based on maintaining current service levels with projected changes to teacher and education assistant staffing levels tied to enrolment as well as inflation applied to benefits and utilities costs. Local Capital expenditures are increased to reflect the contributions required to support the Education

The table below details the usage of surpluses and reserves over three years. An allocation of prior year's surpluses and reserves is required to balance the budget and position the district to finance C824(y)-6 Q q 4 Q s and

Financial Health

Liquidity

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

Liquidity

	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Financial Assets	\$ 107,349,300	\$ 110,552,521			

Accumulated Surplus to Revenue

The chart below shows the District's operating revenues and accumulated net operating surplus (deficit) over a five year period. Although the revenue has increased and improved in 2021/22 over 2020/21 by \$ 11,853,547, the Surplus is reduced by \$5,299,801. The surplus had grown in 2019/20 to 8.15% as the district experienced lower than expected costs due to public health required suspension of in-person learning in the Spring of 2020. The one-time surplus has since been declining as the funds were required to balance subsequent budgets that were negatively impacted by the decline of general and international enrolment.

Total Accumulated Surplus to Revenue					
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Unrestricted Surplus	\$ 5,255,932	\$ 3,851,639	\$ 3,877,942	\$ 4,042,375	\$ 1,199,617
Restricted Surplus	\$ 7,082,454	\$ 9,879,903	\$ 17,415,767	\$ 12,181,093	\$ 9,730,053
Total Surplus	\$ 12,338,386	\$ 13,731,542	\$ 21,293,709	\$ 16,223,468	\$ 10,929,670
Revenue	\$ 238,787,086	\$ 246,850,821	\$ 261,231,874	\$ 251,698,412	\$ 263,563,362
Percentage	5.17%	5.56%	8.15%	6.45%	4.15%

Accumulated Amortization to Assets

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

The ratios below show that investments have been made in buildings to maintain a consistent status over the past five years. In 2021/22, we recognized an increase of \$68.78 million in buildings. This increase is primarily on account of completion of the school district office and four childcare spaces in addition to projects in progress such as the replacement of Burnaby North Secondary and seismic upgrades to Parkcrest Elementary and Seaforth Elementary. The ratios also indicate that a portion of the District's computer hardware and software assets were nearing the end of useful life by 2017/2018. This prompted significant investments in this area as a result of the eight-year technology plan put in place to ensure staff and

Grant	Source	2020/21 Grant	Discussion
Safe Return to School Grants	Ministry of Education	\$621,673	In response to the COV ID-19 pandemic government contributed funds to school districts for masks, computers and assistive technology, additional cleaning and hand hygiene.
Safe Return to Class Grant	Federal Government	\$452,920	In response to the COV ID-19 pandemic government contributed funds to school districts for classroom ventilation.

BC Provincial School for the Deaf

Ministry of Education and other

Capital Fund

Major Capital Projects

The District had nine major capital projects at various stages of progress during the 2021/2022 school year. The below table outlines the active projects during 2021/2022. Capital expenditures are primarily funded by the Province of British Columbia, with additional funding provided through locally generated District capital funds and third party contributors.

Capital Projects	Project Scope	Date of Approval	Construction Completion	Target Occupancy
District Board Office	Replacement	6-Feb-18		

Capital Fund	Description	June 30, 2022 Balance	June 30, 2021 Balance	Change
Local Capital	Funds generated by the District to be utilized for capital expenditures as determined by the District	\$943,155	(\$12,778,575)	\$13,721,730
Ministry of Education By Law Capital	Represents funds drawn on Certificates of Approval (COA) for capital projects.	\$1,372,817	\$643,182	\$729,635
Ministry of Education Restricted Other Capital	Represents the Ministry's portions of the proceeds on disposal of land and buildings and any bylaw project surplus on capital projects	\$1,233,755	\$1,222,145	\$11,610
Land Capital	Funds received from the City of Burnaby for School Site Acquisition charges.	\$31,291,395	\$28,409,063	\$2,882,332
Other Provincial Capital Funds	Represents capital grants received from and restricted by, other Ministries, Crown Corporations or School Districts, Universities, Colleges and Health (SUCH) sector entities.	\$341,636	\$0	\$341,636
Other Capital Funds	Includes capital grants received from and restricted by, any entity not included in the Government Reporting Entity.	\$1,281,430	\$1,217,242	\$64,188
Total		\$36,464,188	\$18,713,057	\$17,751,131

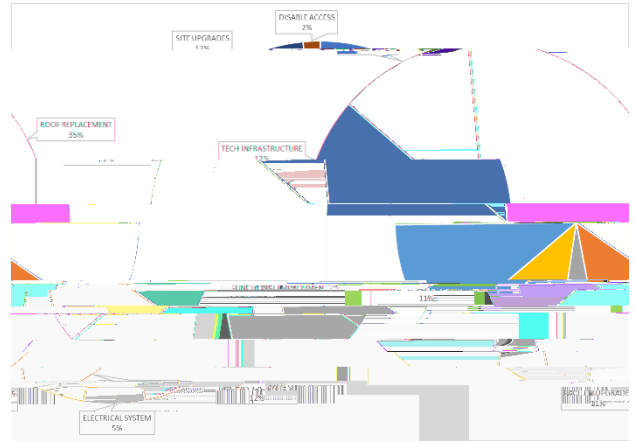
Other Capital Funded Projects

In 2021/2022, the District received approximately \$4,695,104 in capital and operating Annual Facilities Grant (AFG) funding. These funds are used throughout schools to address ongoing maintenance and improvement needs. AFG funding is received and approved on a March 31 fiscal year end. For the 2022 -2023 fiscal year, the District has been approved for \$4,695,153 in funding.

2021/2022 AFG Funds

Eligible Uses of AFG Funds:

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



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

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

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

Various School Playground Equipment Projects (PEP) are investments in various playground equipment.

March 31st Fiscal Year End	2021/2022 Spending
SEP	\$823,094
CNCP	\$429,141
PEP	\$308,308

Long Term Outlook

Budget Outlook

This past year, the District is continuing to feel the financial impact from the COVID pandemic. Staff absences leading to hi -19