

Audited Financial Statements of

School District No. 41 (Burnaby)

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June 30, 2024

School District No. 41 (Burnaby)

June 30, 2024

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School District No. 41 (Burnaby)

MANAGEMENT REPORT

Version: 4593-3847-1865

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 41 (Burnaby) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules for ensuring that this information is presented in a clear and concise manner for the benefit of the public.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors provide full and free access to financial management of School District No. 41 (Burnaby) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination, and their opinion on the School District's financial statements.

On behalf of School District No. 41 (Burnaby)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 41 (Burnaby),
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 41 (Burnaby) (the "Entity"), which comprise:

- x the statement of financial position as at June 30, 2024
- x the statement of operations for the year then ended
- x the statement of changes in net debt for the year then ended
- x the statement of cash flows for the year then ended
- x and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2024 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2 (a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- x Unaudited Schedules 1-4 attached to the audited financial statements; and
- x Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management

Auditor 's Responsibilities for the Audit of the Financial Statements

	2024 Actual	2023 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	111,554,668	122,304,769
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	10,091,532	9,467,949
Due from Province - Other	543,911	385,662
Other (Note 3)	6,268,381	4,646,746
Portfolio Investments (Note 4)	1,940,937	2,043,886
Total Financial Assets	130,399,429	138,849,012
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	36,731,910	42,429,443
Unearned Revenue (Note 6)	15,086,536	15,688,592
Deferred Revenue (Note 7)	6,154,991	7,755,580
Deferred Capital Revenue (Note 8)	444,436,790	409,689,260
Employee Future Benefits (Note 9)	10,952,724	10,411,797
Asset Retirement Obligation (Note 20)	16,261,517	16,261,517
Capital Lease Obligations (Note 10)	533,2/TT413.167 ()TJ /T	

	2024 Budget (Note 19) \$	2024 Actual \$	2023 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	328,789,727	328,197,721	294,744,445
Other	267,426	237,472	201,070
Federal Grants	5,652,911	6,125,171	4,013,480
Tuition	19,288,365	19,402,858	21,436,180
Other Revenue	8,060,427	12,229,930	13,356,649
Rentals and Leases	1,540,663	1,209,023	1,011,709
Investment Income	3,050,641	2,809,375	2,473,083
Gain (Loss) on Disposal of Tangible Capital Assets			16,230,000
Amortization of Deferred Capital Revenue			

School District No. 41 (Burnaby)

Statement of Changes in Net Debt

Year Ended June 30, 2024

	2024 Budget (Note 19)	2024 Actual	2023 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(6,917,214)	(3,490,826)	17,000,267
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	-	(47,308,962)	(44,938,304)
Amortization of Tangible Capital Assets	-	16,328,887	14,077,357
Net carrying value of Tangible Capital Assets disposed of	-		169,999
Total Effect of change in Tangible Capital Assets	-	(30,980,075)	(30,690,948)
Acquisition of Prepaid Expenses	-	(803,534)	(2,395,098)
Use of Prepaid Expenses	-	857,883	(24,379)
Total Effect of change in Other Non-Financial Assets	-	54,349	(2,419,477)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(6,917,214)</u>	(34,416,552)	(16,110,158)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(34,416,552)	(16,110,158)
Net Debt, beginning of year		(365,341,562)	(349,231,404)
Net Debt, end of year		<u>(399,758,114)</u>	<u>(365,341,562)</u>

	2024 Actual	2023 Actual
Operating Transactions	\$	\$
Surplus (Deficit) for the year	(3,490,826)	17,000,267
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(2,403,468)	

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the School Act of British Columbia as a corporation under the name of "The Board of Education of School District No. 41 (Burnaby)" and operates as "School District No. 41 (Burnaby)." A Board of Education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care ("MECC"). School District No. 41 (Burnaby) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These 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 Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1adaenior government12.tio secto

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivables are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Portfolio Investments

The School District has investments in guaranteed investment certificates (GIC's) and term deposits, that have a maturity of greater than three months at the time of acquisition. GIC's and term deposits are reported at amortized cost. Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations.

e) Unearned Revenue

Unearned revenue 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. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (n).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits.

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Liability for Contaminated Sites (Continued)

A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- x an environmental standard exists;
- x contamination exceeds the environmental standard;
- x the School District:
 - o is directly responsible; or
 - o accepts responsibility;
- x it is expected that future economic benefits will be given up; and
- x

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Revenue Recognition (continued)

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- x Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- x Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- x Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Effective July 1, 2023, the District adopted PS 3400, Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The adoption of this new standard did not have a material impact on amounts presented in the financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Revenue from transactions with no performance obligations is recognized when the District:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

o) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial Instruments (continued)

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods.

Areas requiring the use of management estimates relate to the potential impairment of assets, liability for asset retirement obligation, rates for amortization and employee future benefits. Actual results could differ from those estimates.

r) Adoption of New Standards

On July 1, 2023, the School District adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. Under the new accounting standard, there are two categories of revenue – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. Management has assessed the impact of adopting PS 3400 on the financial statements of the School District and has found no adjustments based on the requirements of the standard.

On July 1, 2023, the School District adopted Canadian Public Sector Accounting Standard PS 3160, Public Private Partnerships ("PS 3160"). The new accounting standard addresses the recognition, measurement, presentation, and disclosure of infrastructure procured by public sector entities through certain types of public private partnership arrangements. Management has assessed the impact of adopting PS 3160 on the financial statements of the School District and has found that at present no such items meet the criteria to be recognized as a public private partnership.

On July 1, 2023, the School District adopted Public Sector Guideline PSG-8, Purchased Intangibles, applied on a prospective basis ("PSG-8"). PSG-8 defines purchased intangibles as identifiable nonmonetary economic resources without physical substance acquired through an

SCHOOL DISTRICT NO. 41 (BURNABY)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2024

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2024	2023
Other	\$ 6,268,381	\$ 4,646,746

All other miscellaneous receivables that are not due from MECC.

NOTE 4 PORTFOLIO INVESTMENTS

	2024	2023
Guaranteed Investment Certificates (GIC's) and Term Deposits	\$ 1,940,937	\$ 2,043,886

\$790,374 matures in FY2024 with annual yield between 2.5% and 5.35%; \$1,015,563 matures in FY2025 with annual yield between 2.00% and 4.75%; \$60,000 matures in FY2026 with annual yield of 5.00%; \$50,000 matures in FY 2027 with an annual yield of 2%; and \$25,000 matures in FY 2028 with annual yield of 4.00%.

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade Payables	\$ 8,595,820	\$ 15,927,728
Salaries and Benefits Payable	26,126,443	24,710,420
Accrued Vacation Pay	2,009,647	1,791,295
	\$ 36,731,910	\$ 42,429,443

NOTE 6 UNEARNED REVENUE

	2024	2023
Balance, beginning of year	\$ 15,688,592	\$ 18,308,777
Increase:		
Tuition fees received	18,800,802	18,815,995
Decrease:		
Tuition fee revenue recognized	(19,402,858)	(21,436,180)
Net changes for the year	(602,056)	(2,620,185)
Balance, end of year	\$ 15,086,536	\$ 15,688,592

NOTE 7 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

SCHOOL DISTRICT NO. 41 (BURNABY)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2024

NOTE 7 DEFERRED REVENUE (Continued)

	2024	2023
Balance, beginning of year	\$ 7,755,580	\$ 9,216,203
Increase:		
Provincial grants - MECC	\$ 37,507,020	\$ 33,309,787
Provincial Grants - Other	100,000	142,470
Federal grants	5,182,663	4,955,986
Other revenue	6,891,685	6,095,993
Investment income	1,531	1,463
	<u>\$ 49,682,899</u>	<u>\$ 44,505,699</u>
Decrease:		
Transfers to revenue	\$ (50,217,808)	\$ (41,542,727)
Recovery	(368,579)	(1,593,014)
Transfer to Other Fund	(697,101)	(2,830,581)
	<u>\$ (51,283,488)</u>	<u>\$ (45,966,322)</u>
Net Changes for the year	<u>(1,600,589)</u>	<u>(1,460,623)</u>
Balance, end of year	<u>\$ 6,154,991</u>	<u>\$ 7,755,580</u>

NOTE 8 DEFERRED CAPITAL REVENUE

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SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2024	2023
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$ 9,752,362	\$ 10,302,654
Service Cost	683,588	704,586
Interest Cost	397,852	334,131
Benefit Payments	(650,699)	(806,385)
Actuarial (Gain) Loss	(508,543)	(782,624)
Accrued Benefit Obligation - March 31	<u>\$ 9,674,560</u>	<u>\$ 9,752,362</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 9,674,560	\$ 9,752,362
Funded Status – Surplus (Deficit)	(9,674,560)	(9,752,362)
Employer Contributions After Measurement Date	210,300	261,220
Benefit Expense After Measurement Date	(273,025)	(270,360)
Unamortized Net Actuarial (gain) Loss	(1,215,439)	(650,295)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (10,952,724)</u>	<u>\$ (10,411,797)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 10,411,797	\$ 10,104,763
Net Expense for Fiscal Year	1,140,706	1,179,368
Employer Contributions	(599,779)	(872,334)
Accrued Benefit Liability (Asset) – June 30	<u>\$ 10,952,724</u>	<u>\$ 10,411,797</u>
Components of Net Benefit Expense		
Service Cost	\$ 680,699	\$ 699,337
Interest Cost	403,406	350,061
Amortization of Net Actuarial Loss	56,601	129,970
Net Benefit Expense (Income)	<u>\$ 1,140,706</u>	<u>\$ 1,179,368</u>

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2024

Cost:	June 30, 2023		Transfers		June 30, 2024
	Balance	Additions	Disposals	(WIP)	Balance
Sites	\$ 48,450,596	\$ -	\$ -	\$ -	\$ 48,450,596
Buildings	515,813,398	2,238,687	-	123,803,654	641,855,739
Furniture & Equipment	6,118,300	346,821	(183,442)	3,443,753	9,725,432
Vehicles	1,621,602	219,556	(134,402)	-	1,706,756
Computer Software	329,294	-	(283,522)	-	45,772
Computer Hardware	10,311,994	3,846,407	(1,673,098)	-	12,485,303
	<u>\$ 582,645,184</u>	<u>\$ 6,651,471</u>	<u>\$ (2,274,464)</u>	<u>\$ 127,247,407</u>	<u>\$ 714,269,598</u>
Work in progress - Buildings	104,603,062	38,550,903	-	(123,803,654)	19,350,311
Work in progress - Furniture & Equipment	1,348,682	2,106,588	-	(3,443,753)	11,517
	<u>\$ 688,596,928</u>	<u>\$ 47,308,962</u>	<u>\$ (2,274,464)</u>	<u>\$ -</u>	<u>\$ 733,631,426</u>

Accumulated Amortization:	June 30, 2023		June 30, 2024	
	Balance	Additions	Disposals	Balance
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	204,878,573	13,052,559	-	217,931,132
Furniture & Equipment	2,513,693	790,141	(183,442)	3,120,392
Vehicles	793,671	166,418	(134,402)	825,687
Computer Software	281,883	37,507	(283,522)	35,868
Computer Hardware	5,703,996	2,282,262	(1,673,098)	6,313,160
Total	<u>\$ 214,171,816</u>	<u>\$ 16,328,887</u>	<u>\$ (2,274,464)</u>	<u>\$ 228,226,239</u>

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2023

Costs:	June 30, 2022 Balance (Restated)	Additions	Disposals	Transfers (W sn23)
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SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2023, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2023, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2020, indicated a \$1E5Oed ria001 Pen9.1 (p.5 (perf (acheo4(be)-5w8)218.78ion is ns).)2. The actuary deter1, 20 T

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

SCHOOL DISTRICT NO. 41 (BURNABY)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2024

NOTE 16 CONTRACTUAL OBLIGATIONS (Continued)

Contractual Obligations

	2025	2026	2027	Thereafter
Transportation	\$ 1,902,671	\$ 1,967,404	\$ -	\$ -
Technology	2,131,703	1,330,584	1,084,379	1,608,072
Garbage Collection Services	214,000	214,000	214,000	214,000
Capital Project - Burnaby North	4,451,100	-	-	-
Capital Project – Stride	26,180,429	8,726,810	-	-
Capital Project – Minor Capital	2,032,653	-	-	-
Capital Project – Portables	1,937,413	-	-	-
Total	\$ 38,849,969	\$ 12,238,798	\$ 1,298,379	\$ 1,822,072

NOTE 17 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into to lease District owned facilities. The following table summarizes the contractual rights of the School District for future assets:

Contractual rights

	2025	2026	2027	2028	Thereafter
Future Lease Rental Revenue	\$ 368,991	\$ 92,876	\$ 48,632	\$ 111,298	\$ -

NOTE 18 CONTINGENT LIABILITIES

The School District is contingently liable as a guarantor of letters of credit provided by the Royal Bank of Canada to the City of Burnaby. The School District's maximum potential liability under the guarantee is \$2,423,708 (2023 - \$ 2,423,708).

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that financial determination of these claims will not have a material effect on the financial position or operations of the School District.

SCHOOL DISTRICT NO. 41 (BURNABY)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2024

NOTE 19 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 27, 2024. Changes between the original annual budget (approved by the Board on April 25th 2023) and the amended annual budget are listed below:

	2024 Preliminary Budget	2024 Amended Budget	Change
Total Revenue	\$ 367,591,795	\$ 379,020,578	\$ 11,428,783
Total Expense	\$ 368,843,360	\$ 385,937,792	\$ (17,094,432)
Surplus (Deficit) for the year	(1,251,565)	(6,917,214)	(5,665,649)
Budgeted Allocation of Surplus	3,033,083	8,786,413	5,753,330
Budgeted Surplus (Deficit) for the year	<u>\$ 1,781,518</u>	<u>\$ 1,869,199</u>	<u>\$ 87,681</u>
Deficit for the year	\$ (1,251,565)	\$ (6,917,214)	\$ (5,665,649)
Total Effect of change in Tangible Capital Assets	<u>(31,828,095)</u>	<u>(30,282,314)</u>	<u>1,545,781</u>
Increase in Net Financial Assets (Debt)	<u>\$ (33,079,660)</u>	<u>\$ (37,199,528)</u>	<u>\$ (4,119,868)</u>

Significant changes between the original and amended budget were:

- x Total Revenues - Budgeted revenues were amended based on actual student enrolment and lower International Student tuition fees revenue.
- x Expenses - Budgeted expenses were amended based on revised projections/cost estimates and addition of Board approved use of internally restricted funds from 2023.
- x More information on the financial results can be found in the District's 2023-2024 Financial Statement Discussion & Analysis (FSD & A).

NOT

SCHOOL DISTRICT NO. 41 (BURNABY)
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2024

NOTE 21 EXPENSE BY OBJECT

	2024	2023
Salaries and benefits	\$ 330,431,656	\$ 294,948,797
Services and supplies	38,561,206	37,020,263
Interest	39,033	84,124
Amortization	16,328,887	14,077,357
Total	<u>\$ 385,360,782</u>	<u>\$ 346,130,541</u>

NOTE 22 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2024	2023
Internally Restricted (appropriated) by Board for:		
Constraints on funds	\$ 3,676,000	\$ 5,460,593
Operations spanning multiple years	-	3,033,082
Subtotal Internally Restricted	<u>\$ 3,676,000</u>	<u>\$ 8,493,675</u>
Unrestricted Operating Surplus (Deficit) - Contingency	<u>1,297,054</u>	<u>374,899</u>
Total Available for Future Operations	<u>\$ 4,973,054</u>	<u>\$ 8,868,574</u>

NOTE 23 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the MECC and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 24 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

SCHOOL DISTRICT NO. 41 (BURNABY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 24 RISK MANAGEMENT (continued)

b) Credit risk: (continued)

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from Provincial and Federal governments, and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia banking institutions. Cash equivalents consist of term deposits held with the Provincial Central Deposit Program.

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in Int wi21Tf 0.0Tw 0n0eJ 0.0379 Tc a0 -2.3012 risk

Operating	Special Purpose	Capital	2024 Actual	2023 Actual
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2024 Budget (Note 19) \$	2024 Actual \$	2023 Actual \$
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	2024 Budget (Note 19) \$	2024 Actual \$	2023 Actual \$
Salaries			
Teachers	151,066,099	150,597,399	138,937,174
Principals and Vice Principals	12,533,233	12,922,363	11,161,515
Educational Assistants	27,598,580	28,581,122	25,146,066
Support Staff	23,764,327	23,748,305	22,518,497
Other Professionals	6,140,861	6,684,934	5,250,664
Substitutes	12,847,265	13,293,878	11,863,630
Total Salaries	233,950,365	235,828,001	214,877,546
Employee Benefits	55,096,527	57,700,820	49,097,823
Total Salaries and Benefits	289,046,892	293,528,821	263,975,369
Services and Supplies			
Services	9,264,034	5,820,138	7,409,188
Student Transportation	957,623	819,779	880,113
Professional Development and Travel	828,861	686,030	678,039
Rentals and Leases	100,000	228,947	179,172
Dues and Fees	91,952	109,687	115,988
Insurance	834,974	831,238	635,298
Supplies	11,112,889	12,397,451	12,061,770
Utilities	4,612,680	4,399,287	4,615,566
Total Services and Supplies	27,803,013	25,292,557	26,575,134

School District No. 41 (Burnaby)
Operating Expense by Function, Program and Object

Schedule 2C (Unaudited)

School District No. 41 (Burnaby)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

	Annual Facility Grant \$	Learning Improvement Fund \$	Scholarships and Bursaries \$	School Generated Funds \$	Strong Start \$	Ready, Set, Learn \$	OLEP \$	CommunityLINK \$	Classroom Enhancement Fund - Overhead \$
Deferred Revenue, beginning of year	-	-	565,307	3,056,058	-	84,993	56,635	-	-

School District No. 41 (Burnaby)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Deferred Revenue, beginning of year

Add: Restricted Grants

 Provincial Grants - Ministry of Education and Child Care

 Provincial Grants - Other

 Federal Grants

 Other

 Investment Income

Less: Allocated to Revenue

 Recovered

 Transfer to Operating Fund

Deferred Revenue, end of year

School District No. 41 (Burnaby)

Changes in Special Purpose Funds and Expense by Object

Deferred Revenue, beginning of year

Add: Restricted Grants

School District No. 41 (Burnaby)

Schedule of Capital Operations

Year Ended June 30, 2024

Schedule 4 (Unaudited)

	2024 Budget (Note 19) \$	Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	2023 Actual \$
Revenues					
Rentals and Leases	110,510		129,226	129,226	110,509
Investment Income	450,000		570,970	570,970	464,653
Gain (Loss) on Disposal of Tangible Capital Assets				-	16,230,000
Amortization of Deferred Capital Revenue	12,370,418	11,658,406		11,658,406	9,684,002
Total Revenue	12,930,928	11,658,406	700,196	12,358,602	26,489,164
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	16,851,953	16,328,887		16,328,887	14,077,357
Debt Services					
Capital Lease Interest	45,109		39,033	39,033	84,124
Total Expense	16,897,062	16,328,887	39,033	16,367,920	14,161,481
Capital Surplus (Deficit) for the year	(3,966,134)	(4,670,481)	661,163	(4,009,318)	12,327,683
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased		238,679		238,679	156,680
Local Capital	5,835,333		4,175,333	4,175,333	6,577,000
Total Net Transfers	5,835,333	238,679	4,175,333	4,414,012	6,733,680
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		6,412,792	(6,412,792)	-	
Tangible Capital Assets WIP Purchased from Local Capital		13,106,130	(13,106,130)	-	
Principal Payment					
Capital Lease		1,421,309	(1,421,309)	-	
Total Other Adjustments to Fund Balances		20,940,231	(20,940,231)	-	
Total Capital Surplus (Deficit) for the year	1,869,199	16,508,429	(16,103,735)	404,694	19,061,363
Capital Surplus (Deficit), beginning of year		85,038,173	20,210,143	105,248,316	86,186,953
Capital Surplus (Deficit), end of year		101,546,602	4,106,408	105,653,010	105,248,316

	Buildings \$	Furniture and Equipment \$	Computer Software \$	Computer Hardware \$	Total \$
Work in Progress, beginning of year	104,603,062	1,348,682	-	-	105,951,744
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	21,309,887	2,106,588	-	-	23,416,475
Deferred Capital Revenue - Other	4,134,886	-	-	-	4,134,886
Local Capital	13,106,130	-	-	-	13,106,130
	38,550,903	2,106,588	-	-	40,657,491
Decrease:					
Transferred to Tangible Capital Assets	123,803,654	3,443,753	-	-	127,247,407
	123,803,654	3,443,753	-	-	127,247,407
Net Changes for the Year	(85,252,751)	(1,337,165)	-	-	(86,589,916)
Work in Progress, end of year	19,350,311	11,517	-	-	19,361,828

School District No. 41 (Burnaby)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2024

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	240,303,346	14,700,456	10,935,505	265,939,307
Changes for the Year				
Increase:				
Transferred from Work in Progress	109,767,457	2,149,369	2,795,998	114,712,824
	<u>109,767,457</u>	<u>2,149,369</u>	<u>2,795,998</u>	<u>114,712,824</u>
Decrease:				
Amortization of Deferred Capital Revenue	10,798,771	482,666	376,969	11,658,406
	<u>10,798,771</u>	<u>482,666</u>	<u>376,969</u>	<u>11,658,406</u>
Net Changes for the Year	<u>98,968,686</u>	<u>1,666,703</u>	<u>2,419,029</u>	<u>103,054,418</u>
Deferred Capital Revenue, end of year	<u>339,272,032</u>	<u>16,367,159</u>	<u>13,354,534</u>	<u>368,993,725</u>
Work in Progress, beginning of year	100,422,571	3,913,907	1,615,266	105,951,744
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	23,416,475	2,954,154	1,180,732	27,551,361
	<u>23,416,475</u>	<u>2,954,154</u>	<u>1,180,732</u>	<u>27,551,361</u>
Decrease				
Transferred to Deferred Capital Revenue	109,767,457	2,149,369	2,795,998	114,712,824
	<u>109,767,457</u>	<u>2,149,369</u>	<u>2,795,998</u>	<u>114,712,824</u>
Net Changes for the Year	<u>(86,350,982)</u>	<u>804,785</u>	<u>(1,615,266)</u>	<u>(87,161,463)</u>
Work in Progress, end of year	<u>14,071,589</u>	<u>4,718,692</u>	<u>-</u>	<u>18,790,281</u>
Total Deferred Capital Revenue, end of year	<u>353,343,621</u>	<u>21,085,851</u>	<u>13,354,534</u>	<u>387,784,006</u>

School District No. 41 (Burnaby)
 Changes in Unspent Deferred Capital Revenue
 Year Ended June 30, 2024

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$ 240,347	\$ 541,089	\$ 2,141,031	\$ 34,875,742	\$	\$ 37,798,209
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	37,478,208		1,892,844			39,371,052
Other				3,496,498	1,180,732	4,677,230
Investment Income	214,341	29,803		2,113,510		2,357,654
	<u>37,692,549</u>	<u>29,803</u>	<u>1,892,844</u>	<u>5,610,008</u>	<u>1,180,732</u>	<u>46,405,936</u>
Decrease:						
Transferred to DCR - Work in Progress	23,416,475		2,954,154		1,180,732	27,551,361
	<u>23,416,475</u>	<u>-</u>	<u>2,954,154</u>	<u>-</u>	<u>1,180,732</u>	<u>27,551,361</u>
Net Changes for the Year	<u>14,276,074</u>	<u>29,803</u>	<u>(1,061,310)</u>	<u>5,610,008</u>	<u>-</u>	<u>18,854,575</u>
Balance, end of year	<u>14,516,421</u>	<u>570,892</u>	<u>1,079,721</u>	<u>40,485,750</u>	<u>-</u>	<u>56,652,784</u>