



North Vancouver School District
the natural place to learn

2023-2024
Management Discussion and
Analysis

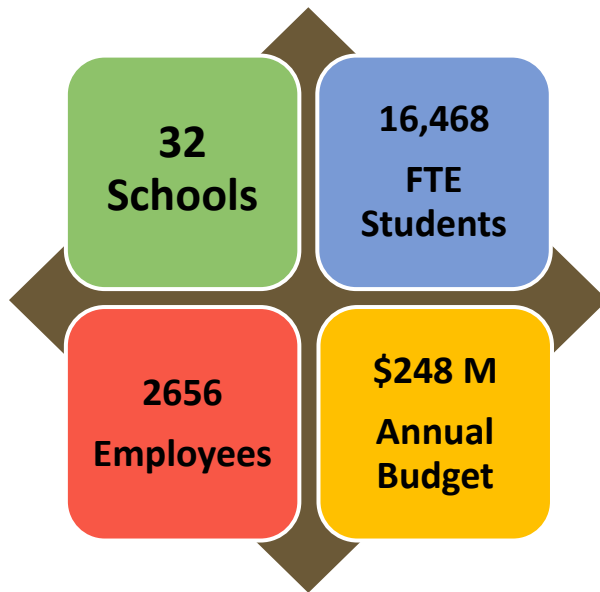


Introduction

The following is a discussion and analysis of the financial performance of the North Vancouver School District for the fiscal year ended June 30, 2024. It should be read in conjunction with the audited financial statements for the same period. The report provides a detailed overview of the significant factors that influenced the financial results presented, and provides insight into future direction and events that will inform planning decisions.

District Overview

The District operates in the City and District of North Vancouver on the unceded traditional territory of the Tseil-Waututh and Skwxwú7mesh Nations.



In 2023/24 the school district served 16,468 students and employed more than 2,600 staff. Of the sixty BC public school districts, it is the 11th largest, with 25 elementary schools and seven secondary schools. In addition to the 32 schools, the district operates the Cheakamus Centre in Squamish, the Artists for Kids Program and the Gordon Smith Gallery of Canadian Art.

The school district is governed by seven Trustees elected every four years. The current term began in November 2022 with three Trustees representing the City of North Vancouver and four representing the District of North Vancouver. The Board is responsible for making major policy decisions governing all aspects of education within the school district through the implementation of its strategic plan and as required by the *School Act*. In 2023/2024 the Board oversaw a consolidated budget in excess of \$248 million.



Annual Financial Planning Timelines

Each year, the school district undertakes a comprehensive process to estimate student enrolment which informs the following year’s staffing allocation and budget plans. Budget development for the following school year takes place between February and June of the current year. The current year’s budget is adjusted and approved between December and February informed by actual student enrolment and staffing allocations.

Date	Current School Year Budget	Next School Year Budget
September 30	Actual student enrolment reported to Ministry (known as the 1701 Report)	
December 15	Ministry provides Revised Operating Grant based on actual student enrolment reported September 30.	
January	Amended Operating Budget developed based on actual student enrolment, Revised Operating Grant and revised revenues and expenses.	
February 15	Amended Operating Budget presentation to Audit Committee and for Board approval.	Student enrolment estimates for next three years submitted to Ministry
February 28	Legislated deadline for Board to approve Amended Operating Budget	
March		Ministry provides Preliminary Operating Grant based on student enrolment estimates
March/April		Stakeholder input and public consultation process is undertaken to inform budget development for next school year
April		Board approves Budget Priorities for next school year
April/May		Staffing Profiles and Departmental Expense Plans inform Preliminary Operating Budget.
May		Board approves Next Year’s Preliminary Annual Operating Budget
June 30	Fiscal Year End-June 30	Legislated deadline for Board to approve Next School Year’s Budget
July/August	Preparation of Annual Audited Financial Statements	
September 30	Legislated deadline for Board to approve audited financial statements	



2021-2031 Strategic Plan

The Board's 2021-2031 Strategic Plan guides the school district's decision-making process and actions by providing a foundation underlying general policies, service delivery and accountability structures.

Our Vision is to provide world-class instruction and a rich diversity of engaging programs to inspire success for every student and bring communities together to learn, share and grow.

Our values are reflected in our goals.

Our Goals are



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



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



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



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



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



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

Priorities were established with a view to provide students with an awareness of shared human experience, encourage the development of core competencies, and promote opportunities for students to actively engage with society and affect positive change, both locally and globally.



Financial Statement Reporting for School Districts

School districts in BC must prepare their financial statements in accordance with Canadian Public Sector Accounting Standards and the *Budget Transparency and Accountability Act of BC* with some exceptions as explained in Note 2 of the statements.

The statements have a prescribed format and the information reported in Statements 1 through 5 is a consolidation of three separate funds, namely Operating, Special Purpose and Capital. The schedules that follow the notes provide detailed information for each fund separately.

- Operating revenues and expenses are reported in Schedules 2 to 2C
- Special Purpose revenues and expenses are reported in Schedules 3 – 3A
- Capital revenues, expenses, capital asset additions, dispositions, work in progress, are reported in Schedules 4 to 4D.

Each fund differs with respect to accounting treatment, legislative requirements and budget constraints, therefore to gain a full understanding of financial performance it is important to review each fund separately.

Operating	Special Purpose	Capital
<ul style="list-style-type: none"> • The Operating Fund accounts for the School District’s operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditures do not exceed the total budgeted revenues plus any surplus in the operating fund carried forward from previous years. 	<ul style="list-style-type: none"> • The Special Purpose Fund consists of grants and contributions that are directed by agreement with a third party for specific activities. As these are targeted grants, any unspent funding is accounted for as deferred revenue, not as accumulated surplus. 	<ul style="list-style-type: none"> • The Capital Fund accounts for grants for the acquisitions and disposals of tangible capital assets such as sites, buildings, furniture & equipment, vehicles, computer hardware and software, and for funds restricted by the Board for future capital assets purchases from Local Capital.



Financial Analysis

Consolidated Statement of Financial Position - Statement 1

This statement provides an indication of the financial health of the school district. It summarizes the assets, liabilities and financial position of the school district at the end of the fiscal year. Significant year over year changes and select key financial indicators are discussed below.

	2024	2023	\$ Change	% Change
Financial Assets	\$ 53,154,652	\$ 52,282,398	\$ 872,254	1.7%
Non-Financial Assets	400,216,616	402,304,405	(2,087,789)	(0.5%)
Total Assets	\$ 453,371,268	\$ 454,586,803	\$ (1,215,535)	(0.3%)
Liabilities	\$ 359,651,259	\$ 355,940,766	\$ 3,710,493	1.0%
Accumulated Surplus	\$ 93,720,009	\$ 98,646,037	\$ (4,926,028)	(5.0%)

Financial Assets

Financial Assets provide the working capital needed in the normal course of operations. These include cash, short term investments, accounts receivables and the inventory for resale from the Artists for Kids Program. Financial assets increased by \$0.87 million from \$52.2 million in 2023 to \$53.1 million in 2024 as a result of changes in the following accounts.

Cash & Cash Equivalents

Cash is held in the school district's operating bank account, the Ministry of Finance's Central Deposit Program, BlueShore Financial and in the bank accounts of each of the 32 schools. Cash in the operating bank accounts is maintained at a level sufficient to meet operational requirements and fluctuates with changes in accounts receivable, accounts payable, deferred capital and unearned revenue. Overall cash increased by \$1.79 million mostly due to favourable bank interest rates averaging around 5% on bank deposits throughout the year and an increase of cash on hand from unspent special purpose grants.

	2024	2023	2022	2021	2020
District operating bank account	\$ 22,008,011	\$ 21,383,443	\$ 24,846,918	\$ 35,797,974	\$ 60,759,402
Cash in Central Deposit Program	23,202,151	21,951,013	21,039,167	20,805,272	20,505,953
Blueshore Financial	2,675,641	2,591,421	2,572,487	2,552,619	2,540,957
Schools operating bank accounts	3,246,521	3,410,973	3,368,011	3,495,851	3,279,598
	\$ 51,132,324	\$ 49,336,850	\$ 51,826,583	\$ 62,651,716	\$ 87,085,910



Accounts Receivable

The decrease of \$1.1 million is due to timing of payments. A significant accrual for By-law funding from the Ministry of Education and Child Care (MOEC) was made on a capital project at the end of 2023. Payment was received in the current year.

Accounts Receivable	2024	2023	\$ Change	% Change
Due from Ministry Of Ed. & Childcare	\$ 46,560	\$ 1,172,978	\$ (1,126,418)	(96.0%)
Other	\$ 1,676,419	\$ 1,472,253	\$ 204,166	13.9%

Non Financial Assets

Non Financial Assets are tangible assets that are used in the operations of the school district and are not readily converted to cash.

Tangible Capital Assets

Tangible Capital Assets include land, costs of upgrading and extending the useful life of buildings, construction of new ones, maintenance and replacement of vehicles, furniture, equipment and investments in technology. The costs of acquiring these assets are expensed over their expected useful lives through a systematic recording of amortization expense to arrive at a net book value of \$398.8 million at June 30, 2024.

The decrease of \$2.4 million from the prior year is the net difference between new purchases of \$13.4 million, less amortization expense of \$15.5 million and a combined write off of \$0.29 million for the asset retirement obligation and disposal of the old Cloverley building.

	2024	2023	Change
Opening balance	\$ 401,314,742	\$ 403,247,820	\$ (1,933,078)
Capital Expenditures	13,434,296	13,379,405	54,891
Amortization	(15,569,010)	(15,312,483)	(256,527)
Asset retirement obligation	(277,581)	-	(277,581)
Write-off on disposal	(17,767)	-	(17,767)
Closing balance	\$ 398,884,680	\$ 401,314,742	\$ (2,430,062)

Prepaid Expenses

Prepaid expenses increased by \$359,930 due to a timing difference on the payment of software licences.

	2024	2023	\$ Change	% Change
Prepays	\$ 1,331,936	\$ 972,006	\$ 359,930	37.0%

Liabilities

Liabilities are future obligations of the school district arising from prior transactions. Unique to government organizations is Deferred Capital Revenue which does not require payment. This obligation is discharged over time through recognition of revenue as the related asset is amortized. Overall, liabilities increased by \$3.7 million as a result of changes in the following accounts.



Management Discussion and Analysis
Year ended June 30, 2024

	2024	2023	\$ Change	% Change
Due to Province - MOEC	\$ -	\$ 26,898	\$ (26,898)	100.0%
Accounts Payable and Accruals	17,491,721	17,267,565	224,156	1.3%
Unearned Tuition Revenue	11,640,605	10,388,535	1,252,070	12.1%
Deferred Revenue	6,374,175	5,147,645	1,226,530	23.8%
Deferred Capital Revenue	298,673,140	297,959,642	713,498	0.2%
Employee Future Benefits	8,895,349	8,777,437	117,912	1.3%
Asset Retirement Obligation	15,968,254	16,373,044	(404,790)	(2.5%)
Capital Lease Obligation	608,015	-	608,015	100.0%
	\$ 359,651,259	\$ 355,940,766	\$ 3,710,493	1.0%

Accounts Payable and Accrued Liabilities

A moderate increase in Accounts Payable and Accruals of \$224,156 is the net result of increases in wage accruals of \$354,936 offset by an overall slight decrease in trade payables of \$130,788.

Unearned Revenue

Unearned Revenue are funds that have been collected in advance of providing the related programming such as Academies, fees collected for the International Program and delivery of services such as deposits collected on rentals of facilities. Unearned revenues increased by \$1.2 million as a result of the increase in fees in the International Program for 2024-25.

Deferred Revenues

Deferred Revenues represent Special Purpose funds that have been collected but not yet earned. These will be recognized as revenue (earned) in future years, when the offsetting expenses are incurred. Deferred Revenue increased \$1.2 million from the previous year as a result of the additional funding received in the Student and Family Affordability Fund, Feeding Futures and Provincial School Outreach programs totalling \$2.3 million. \$1.6 million remained unspent in these grants.

Deferred Capital Revenues

These revenues relate to funding received, primarily from the Ministry of Education and Child Care which will be, or have been spent on the construction and acquisition of capital assets. The revenue is recorded as a deferred revenue liability when received and recognized into revenue over the expected life of the asset. The overall increase of \$0.7 million is largely due to two major capital projects started in 2024 at Lynn Valley Elementary School and the new school at the Cloverley site.

	2024	2023	\$ Change
Opening balance	\$ 297,959,643	\$ 300,038,129	\$ (2,078,486)
Grant funds received	11,231,754	8,243,734	2,988,020
Amortization of deferred capital revenue	(10,512,190)	(10,322,220)	(189,970)
Write off unamortized deferred revenue	(6,067)	-	(6,067)
Closing balance	\$ 298,673,140	\$ 297,959,643	\$ 713,497



Employee Future Benefits

The \$8.9 million represents the estimated future cost to the school district to fund employee benefits such as retirement allowances, vacation, sick pay and parental leave benefits. The actual cost depends on employees’ years of service and salary. The liability amount is calculated by an independent third party and is based on age, length of service, contract terms and established actuarial assumptions.

Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some of the buildings that will undergo major renovations or demolition in the future. This is a new standard adopted by school districts in July 2022 using the modified retroactive approach as directed by Treasury Board. The liability was reduced by \$0.4 million for the demolition of the old Cloverley building.

Capital Lease Obligation

The school district entered into a 5 year capital lease for photocopiers in June 2024 with the first repayment to start in July 2024. The lease provides for the option to purchase the equipment at the fair market value at the end of the lease in June 2029.

Accumulated Surplus

Accumulated surplus is the extent to which revenues from all previous years exceed expenses from all previous years for all funds.

In the Operating Fund, the annual surplus is carried forward and can be used in the future. The Accumulated Surplus is made up of unrestricted and restricted operating reserves.

In the Special Purpose Fund, the accumulated surplus is always zero because revenues are recognized only as expenses are incurred with the unspent portion recorded as a liability in deferred revenue.

In the Capital Fund, revenues only offset amortization expense to the extent assets were funded by provincial capital grants. Since many capital purchases are funded by operating dollars and recorded as transfers from other funds, the Capital Fund normally reports an annual deficit.

Broken down by fund, the accumulated surplus over the last 5 years is made up of the following amounts.

	2024	2023	2022	2021	2020
Operating Fund	\$ 7,118,566	\$ 9,304,894	\$ 9,297,185	\$ 11,266,959	\$ 11,083,840
Local Capital Fund	1,957,100	2,604,472	5,171,736	11,412,863	14,430,537
Invested in Capital Assets	84,644,343	86,736,671	86,335,769	97,044,416	93,440,456
Accumulated Surplus	\$ 93,720,009	\$ 98,646,037	\$ 100,804,690	\$ 119,724,238	\$ 118,954,833



Statement of Operations – Statement 2

The Statement of Operations summarizes the revenues and expenses for all three funds. In 2024 total revenues are \$243.5 million and total expenses are \$248.4 million. Given the different accounting treatment and legislative requirements for each of the funds, the Operating, Special Purpose and Capital Funds are better understood by analyzing them separately.

	<i>Schedule 2</i> <i>Operating Fund</i>	<i>Schedule 3</i> <i>Special Purpose Fund</i>	<i>Schedule 4</i> <i>Capital Fund</i>	Statement 2 2024	Statement 2 2023
Revenues	\$ 197,740,056	\$ 35,017,650	\$ 10,754,129	\$ 243,511,835	\$ 222,884,264
Expenses	198,939,627	33,911,555	15,586,681	248,437,863	225,042,917
Annual Surplus / (Deficit)	\$ (1,199,571)	\$ 1,106,095	\$ (4,832,552)	\$ (4,926,028)	\$ (2,158,653)
Interfund Transfers	(986,757)	(1,106,095)	2,092,852	-	-
Total Surplus/(Deficit)	\$ (2,186,328)	\$ -	\$ (2,739,700)	\$ (4,926,028)	\$ (2,158,653)

Operating Fund Analysis

Funding for Student Enrolment

The operations of the school district are primarily funded by the operating grant from the Ministry of Education and Child Care. The grant is based on student enrolment, confirmed four times per year in September, February, May and July. School districts receive a fixed amount for full-time equivalent (FTE) students. In 2024, the funding was \$8,625 per FTE, a \$740 increase from 2023. Additional supplemental funding is provided for students with unique needs, English Language Learners and Indigenous students based on headcount.

Enrolment as Full time Equivalent

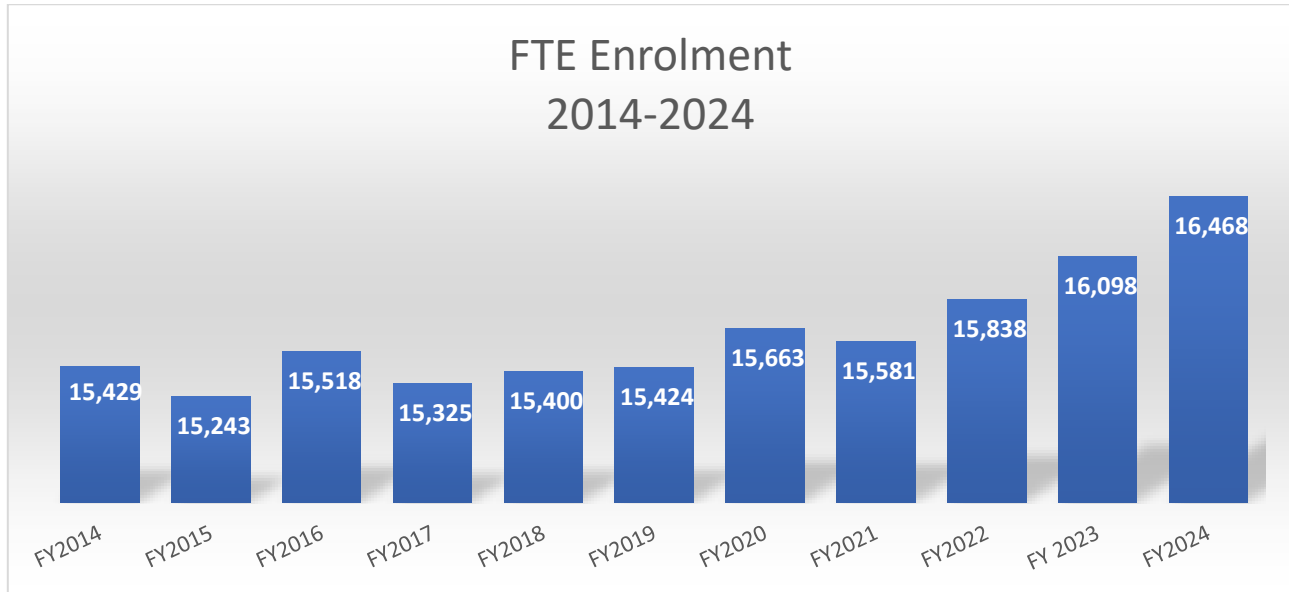
In kindergarten through grade nine, one student equates to one full-time equivalent student (FTE). At the secondary level, in grades ten through twelve, students are funded on a per course credit basis. Secondary students often take less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. This variation from year to year in student enrolment influences course offerings, staffing levels, and predictions of future capacity requirements for schools. Historically, student enrolment has fluctuated from year to year, directly influencing annual operating grant revenue.

Unfunded Enrolment

When new students arrive after the September 30, 1701 enrolment count, the school district does not receive the basic operating grant or supplemental funding (e.g. for English Language Learners). The funding formula only provides for new Inclusive Education students reported in February who are eligible for about half of the supplemental funding. From October 1, 2023 to February 15, 2024 the school district registered an additional 293 FTE for which no funding was received resulting in increased costs without the offsetting revenues in 2024.



FTE enrolment from 2014 to 2024



Operating Revenues

In 2024 the school district derived 89% (\$176.8 million) of operating revenue from the operating grant, followed by 5% (\$10.4 million) from tuition fees charged to International students with the remainder 5% (\$10.4 million) from other sources. Schedules 2 and 2A present the breakdown by type of revenue for the current year with comparison columns to budget and the prior year.

Overall operating revenues for 2024 were \$2.58 million greater than budgeted and \$17.6 million greater than the prior year.

Revenue	Amended Budget	2024	2023	Variance from Budget	Variance from Prior Year
Ministry of Education	\$ 176,092,021	\$ 176,830,520	\$ 160,728,964	\$ 738,499	\$ 16,101,556
Other Provincial Grants	10,908	41,960	3,300	31,052	38,660
Federal Grants	14,000	14,590	7,000	590	7,590
Tuition	9,735,500	10,436,924	10,803,313	701,424	(366,389)
Other Revenues	4,619,531	5,369,593	4,412,756	750,062	956,837
Rentals and Leases	2,696,312	2,941,625	2,576,726	245,313	364,899
Investment Income	1,986,949	2,104,844	1,564,513	117,895	540,331
Total	\$ 195,155,221	\$ 197,740,056	\$ 180,096,572	\$ 2,584,835	\$ 17,643,484

Ministry of Education and Child Care Grant

The increase of \$16.1 million from 2023 in the operating grant is the net result of increased student enrolment and rate changes for student funding of \$19.3 million, offset by a decrease in labour settlement funding of \$3.2 million for wage increases. Wage increases in 2023 were provided as a separate grant whereas in 2024 they were provided as a mix of grant and rate increases. The increase of \$0.73 million from budget is the result of enrolment recounts in February and May 2024.



Other Provincial Grants

Other provincial grants are provided to the school district for career and trades programs, as well as for school-based outreach for newcomers to Canada. The school district received grants of \$32,060 from Skilled Trades BC and \$9,900 for Settlement Workers in Schools from Impact North Shore.

Federal Grants

The school district received two grants in the amount of \$7,000 each from the federal government for the salmon spawning channels accessible via the Cheakamus Centre.

Tuition

Tuition revenue consists of fees collected for summer school (\$55,603 in 2024, \$ 63,858 in 2023) and tuition, medical insurance and administration fees charged to international students. International student enrolment was in line with budget in 2024 at 628 FTE and lower than 2023 at 658 FTE. Enrolment in the international program surged in 2023 due to pent up demand during the COVID years. In 2024 capacity constraints in schools and challenges in securing host families impacted the school district's ability to accommodate all applications resulting in a net decrease in revenue of \$0.36 million from the prior year. The amended budget was adjusted conservatively for the anticipated decrease.

Other Revenues

Other revenues consist of fees for programs such as Academies, Elementary Band and Strings, the Cheakamus Centre programming, the Artists for Kids program as well as miscellaneous revenues from donations, student paid trips and community grants. Revenues increased by \$0.95 million from 2023 largely as a result of an increase to Cheakamus programming of \$0.77 million, Band and Strings of \$0.12 million and \$0.06 million from various other sources. These increases were not confirmed at the time of preparing the amended budget.

Rentals and Leases

Lease and rental revenues for school district's facilities have increased due to an increase in gym and other facility rentals post pandemic.

Investment Income

The school district earns interest primarily from investing excess cash with the Ministry of Finance's Central Deposit Program which typically offers better rates than other financial institutions. In 2024 the interest rate ranged from 5.20% to 5.7% compared to 2.2% to 5.20% in 2023, resulting in higher revenues when compared to prior year. Budgeted revenue was adjusted to reflect the increase in interest rates.



Operating Expenses

Operating expenses were approximately \$20 million higher than prior year and \$3.6 million higher than budgeted as a result of changes in the following accounts:

	Amended Budget	2024	2023	Variance from Budget	Variance from 2023
Salaries	\$ 142,273,516	\$ 144,510,640	\$ 130,025,524	\$ 2,237,124	\$ 14,485,116
Employee Benefits	34,178,348	35,786,415	31,161,698	1,608,067	4,624,717
Services and Supplies	18,819,177	18,642,572	17,663,044	(176,605)	979,528
Total	\$ 195,271,041	\$ 198,939,627	\$ 178,850,266	\$ 3,668,586	\$ 20,089,361

Salaries and Benefits as % of Total Expense 91% 90%

Salaries and Benefits

91% of the school district's operating expenses are for salaries and benefits. Benefits include the employer portion of CPP and EI, payments for the employer health tax WorkSafeBC premiums and pension plans contributions. These costs are charged as a percentage of salaries and increase or decrease in tandem with salary increases or decreases. In addition, the school district provides dental and health benefits to all its employees with costs varying by employee group depending on benefits provided. The significant increase in student enrolment and wage increases for staff resulted in an increase of \$14.4 million from prior year as detailed below.

	Amended Budget	2024	2023	Variance from Budget	Variance from 2023
Teachers	\$ 86,204,005	\$ 85,418,249	\$ 76,573,963	\$ (785,756)	\$ 8,844,286
Principals and Vice Principals	11,890,006	11,918,142	11,380,095	28,136	538,047
Educational Assistants	18,561,230	19,157,948	16,391,404	596,718	2,766,544
Support Staff	13,208,484	13,213,584	12,369,375	5,100	844,209
Other Professionals	6,337,376	5,998,863	5,368,850	(338,513)	630,013
Substitutes	6,072,415	8,803,854	7,941,837	2,731,439	862,017
Total	\$ 142,273,516	\$ 144,510,640	\$ 130,025,524	\$ 2,237,124	\$ 14,485,116

Teachers

Teacher FTE increased approximately 18 FTE from the prior year as a direct result of higher student enrolment in 2024. Additionally wage increases of 6.75% as per the provincial collective agreement and increases for teacher increments as a result of advancing through the grid and supplemental allowances contributed to the increase from prior year as follows:

- Due to wage increases \$5.4 million
- Higher staffing numbers to support enrolment growth \$1.7 million
- Teacher increments and supplements \$1.7 million

The decrease of \$0.7 million from budget is due to teacher leave costs being budgeted in teacher salaries but replacements are charged to the Substitutes category.



Principals and Vice Principals

Wage increases of 6.75% consistent with collective agreements account for the increase of \$0.53 million from prior year. Expenditures in the current year are in line with budgeted amounts.

Educational Assistants

Aides include, Educational Assistants, Behaviour Support Workers, Supervision Aides, Lab and Library Technicians, Crossing Guards and Bus Drivers. Wage increases of \$1.18 million coupled with the need for additional hours of \$1.5 million to support students resulted in a significant increase in costs from the prior year. The budget was amended to include known increases in supports.

Support Staff

Support staff includes administrative staff in schools and in the school district office, Custodians and Maintenance and Grounds staff. The increase from prior year of \$0.8 million is due to wage increases. Costs are in line with current year budget.

Other Professionals

Other professionals includes Speech Language Pathologists, Executive and their Assistants, Management, exempt Support Staff and Trustees. The \$0.63 million increase from the prior year is due to wage increases. The decrease from budget of \$0.33 million in the current year is largely due to salary lag for positions budgeted that were not filled for some time in the year.

Substitutes

The increase from budget of \$2.7 million in Substitute costs is somewhat offset by the decrease of \$0.7 million in Teacher salaries in 2024 due teacher leaves being budgeted in Teacher salaries with the costs for their replacements charged to substitutes. The balance of \$2.0 million is due mostly to increased sick leaves where staff are replaced. Over the last few years there has been a steady increase in the amount of sick time taken by staff. As these are hard to predict significant variances from budget can result.

Employee Benefits

Increases to wages, rate increases for WorkSafeBC and Health Plan premiums, plus the increase to the CPP and EI employer contribution rates resulted in an overall increase in costs of employee benefits of \$4.6 million from 2023 and \$1.6 million from budget.

Services and Supplies

Operating services and supplies expenses were \$0.17 million lower than budget and \$0.97 million greater than prior year.



Management Discussion and Analysis
Year ended June 30, 2024

	Amended Budget	2024	2023	Variance from Budget	Variance from 2023
Services	\$ 9,915,143	\$ 10,318,056	\$ 9,515,131	\$ 402,913	\$ 802,925
Student Transportation	135,880	104,855	90,332	(31,025)	14,523
Pro D and Travel	1,111,500	1,088,185	1,011,854	(23,315)	76,331
Rentals	26,500	43,797	26,513	17,297	17,284
Dues and Fees	84,000	64,505	82,216	(19,495)	(17,711)
Insurance	441,332	460,111	467,983	18,779	(7,872)
Supplies	3,855,772	3,660,013	3,419,875	(195,759)	240,138
Utilities	3,249,050	2,903,050	3,049,140	(346,000)	(146,090)
Total	\$ 18,819,177	\$ 18,642,572	\$ 17,663,044	\$ (176,605)	\$ 979,528

Services

Services of \$10.3 million include costs for Cheakamus Centre operating expenses, International Education commission and medical premium costs, enhanced programs (academies), annual software licensing, legal, audit, contracted professional and technical services, repairs and maintenance, grounds upkeep, security services, communications, and printing services. Cost increases from 2023 of \$0.80 million are largely due to inflationary pressures on facilities and maintenance contracts and services totalling \$0.78 million.

The budget was amended for known increases. The increase of \$0.4 million from budget is due to additional program costs in the Cheakamus Centre and academies programs which have offsetting higher revenues.

Student Transportation

Operating costs for school district-owned buses that provide transportation for students with unique needs, and fees paid to public carriers to provide transportation for students on a contract basis make up the total costs in student transportation. Costs were slightly higher when compared to prior year due to enrolment growth, and lower than budgeted due to decreased demand for transportation to sports and special programming events in 2024.

Professional Development and Travel

Represents costs incurred for training and travel, including seminar fees, transportation, meals, accommodation, mileage and other relevant expenses. Cost are in line with budgeted amounts and slightly higher than in 2023 as professional development has returned to normal levels post COVID.

Rentals

The Artists for Kids summer camp at the Cheakamus Centre has returned to pre-pandemic levels resulting in increased costs when compared to prior year and budget.

Dues and Fees

Includes primarily membership fees for associations such as BCSTA. The budgeted and prior year costs include a portion of the fee for FocusEd (budgeted \$21,000, actual \$18,882) which has been moved to the services line to better align with the expense.

Insurance

Insurance premiums and deductibles costs are in line with budget and consistent with prior year.



Supplies

Consists of purchases of consumable and non-capital items, including school office supplies, learning resources, cleaning supplies and small value furniture and computer equipment (below the allowable threshold). The block budget of \$2.2 million allocated to schools in 2024 makes up the largest portion of this expense. Expenditures in schools increased when compared to 2023 but did not reach the level budgeted for.

Utilities

Consists of garbage and recycle collection, electricity, water, sewerage, heating costs and the cost of internet infrastructure paid to the Ministry. Utilities costs are lower than budgeted and when compared to last year largely due to a mild winter leading to savings in heating and electricity costs and our continued commitment to reduce these costs through efficiency initiatives.

Accumulated Operating Surplus

Policy No. 710, *Accumulated Operating Surplus* requires that the Board of Education undertake an annual review of the Accumulated Operating Surplus balance and identify appropriations each year. At the end of the year the annual operating surplus was \$7.1 million resulting from current year operations summarized below.

	Amended Budget	2024	Variance from Budget	2023
Opening Balance	\$ 9,304,894	\$ 9,304,894		\$ 9,297,185
Operating Revenues	\$ 195,155,221	\$ 197,740,056	\$ 2,584,835	\$ 180,096,572
Operating Expenses	195,271,041	198,939,627	3,668,586	178,850,266
Annual Surplus (Deficit)	(115,820)	(1,199,571)	(1,083,751)	1,246,306
Capital Asset Purchases	(2,142,076)	(986,757)	1,155,319	(1,193,606)
Transfers to other funds	(600,000)		600,000	(44,991)
Total Surplus (Deficit)	\$ (2,857,896)	\$ (2,186,328)	\$ 671,568	\$ 7,709
Closing Balance	\$ 6,446,998	\$ 7,118,566	\$ 671,568	\$ 9,304,894

Internally Restricted Accumulated Operating Surplus

Policy No. 710, *Accumulated Operating Surplus* establishes the target balance for the Unrestricted Accumulated Operating Surplus in the range of 2 – 4 percent of operating expenses as approved in the Preliminary Annual Budget. The unrestricted balance at June 30, 2024 is \$1.38 million or 1% of total budgeted operating expenses of \$189.7 million, and is outside the minimum recommended range. The school district will need to develop a plan to address this shortfall in the coming year by balancing next year’s budget.



Management Discussion and Analysis
Year ended June 30, 2024

		2024		2023
Next Year's Annual Budget Surplus Appropriation	\$	2,257,896	\$	2,098,707
Early Teacher Mentorship		15,846		103,662
Restricted School Balances		356,091		499,647
Commitments		855,318		70,887
Future Capital Projects		2,250,000		1,650,000
Internally Restricted		5,735,151		4,422,903
Unrestricted		1,383,415		4,881,991
Total Accumulated Operating Surplus		7,118,566		9,304,894
Preliminary Budget Operating Expenses		189,742,236		171,092,322
Unrestricted Surplus as a % of Budgeted Operating Expenses		1%		2.9%



Special Purpose Funds

These are restricted grants and funding subject to legislative or contractual restrictions on its use. These revenues are deferred until the relevant expenditures are incurred. A total of \$36.2 million was received in 2024 compared to \$32.8 million in 2023. \$6.3 million remained unspent at year end.

Grant Name	Opening Balance	Received in the Year	Spent During the Year	Closing Balance	Purpose of Grant
Annual Facility Grant	\$ -	\$ 626,391	\$ (626,391)	\$ -	Funds may be used to improve or extend the service life of School buildings
Learning Improvement Fund	-	629,145	(629,145)	-	In consultation with CUPE, the funds are used to augment weekly hours for Educational Assistants providing "bell to bell coverage"
Strong Start	-	224,000	(224,000)	-	Seven Strong Start early learning centres operating throughout the District at elementary schools provide school-based, drop-in programs for children aged birth to five and their parents or caregivers
Ready Set Learn (RSL)	56,846	61,250	(68,565)	49,531	Eligible RSL events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten
Official Languages Education Program (OLEP)	120,522	786,256	(872,885)	33,893	Funding for core French-language programs, French Immersion, and curriculum resources
Community Link	-	1,270,786	(1,270,786)	-	Funding for programs and initiatives to support food security, academic achievement and social and emotional needs of vulnerable students
Classroom Enhancement Fund Overhead	-	6,677,376	(6,677,376)	-	Funding for added non-teaching staff and equipment needs required as a result of restoration of class size and composition language
Classroom Enhancement Fund Staffing	-	12,442,387	(12,442,387)	-	Funding for added teachers required as a result of restoration of class size and composition
Classroom Enhancement Fund Remedies	-	1,328,037	(1,328,037)	-	Funding to pay for the cost of Teacher Remedies owed in cases where class size or composition contract language cannot be met
First Nation Student Transportation	39,957	211,896	(187,154)	64,699	Funds received to support Indigenous students' transportation to school and extra-curricular activities



Management Discussion and Analysis
Year ended June 30, 2024

Grant Name	Opening Balance	Received in the Year	Spent During the Year	Closing Balance	Purpose of Grant
Mental Health in Schools	837	51,000	(37,575)	14,262	Funds provided to support Mental Health. Resource kits were purchased for use in schools
Changing Results for Young Children	6,623	6,750	(5,180)	8,193	Funds provided to support Early Learning and Physical Literacy
Student & Family Affordability	201,071	479,000	(98,625)	581,446	Funds to increase food security and support for students and families with affordability concerns.
SEY2KT (Early Years to Kindergarten)	-	19,000	(289)	18,711	Funds to support participation in strengthening early years to kindergarten transitions initiatives.
ECL (Early Care & Learning)	175,000	175,000	(244,822)	105,178	Funds to establish and expand an integrated early learning and child care system on school grounds
Feeding Futures Fund	-	1,734,379	(1,162,540)	571,839	Funding provided to address food security for students and families.
Health Career Grants	-	5,000	-	5,000	Funding to encourage participation in careers in the health sector.
Carlile Youth Inpatient	6,768	252,920	(186,499)	73,189	Funding provided to operate educational support program for youth with mental health challenges and substance abuse issues. Cancelled by Vancouver Coastal Health in early 2024.
Violence Prevention	20,762	20,000	(6,106)	34,656	Funding to support various School District initiatives to address violence in the community
Metro Regional Implementation	161,147	79,045	(66,185)	174,007	Funds held on behalf of several regional school districts and are used to support professional development seminars and collaboration among school district administrators
Sutherland Track	10,000		(10,000)	-	Donated funds to support the revitalization of the track at Sutherland Secondary School
Provincial Schools Outreach Program	-	1,619,000	(1,128,039)	490,961	Joint initiative by Ministry of Education and Ministry of Family Development to support school districts across the province in rural and remote locations.
School Generated Funds	4,229,732	7,190,853	(7,382,097)	4,038,488	Funds collected at schools for student programs. All revenue is deferred and recognized as revenue when spent
NSSSAA	118,380	354,709	(362,967)	110,122	North Shore Secondary Schools Athletics Association - these are funds are collected from public and private school districts on the North Shore for sports.
Total	\$5,147,645	\$36,244,180	(\$35,017,650)	\$6,374,175	



Capital Fund

Capital Assets are purchased using various funding sources including Operating Funds, Special Purpose Grants, Ministry of Education and Child Care Capital Grants authorized under separate Certificates of Approval, and the school district's own Local Capital Funds.

Construction projects are accumulated in Work in Progress accounts, and the total value of the addition is added to the Capital Buildings account once the project is complete. Assets are amortized using the half-year rule method of accounting which requires amortization of capital assets to start in the first year they are put into service.

Buildings – Capital Projects

The school district invested \$7.9 million in the following capital construction projects in 2024.

Projects Completed	Operating Funds	Special Purpose Funds	Ministry Grants	Other Grants	Local Capital	Total
Handsworth Replacement			\$ 1,348,491		\$	1,348,491
Mountainside Seismic Upgrade			394,323			394,323
Argyle Replacement				66,700	43,812	110,512
School Enhancement Program			500,000			500,000
Carbon Neutral Capital Program			1,300,000			1,300,000
Annual Facilities Grant		573,081	3,268,667			3,841,748
Cheakamus				107,750	116,245	223,995
Portables	84,149					84,149
New Child Care Spaces				98,590		98,590
Sutherland Track		10,000				10,000
Total Completed Projects	\$ 84,149	\$ 583,081	\$ 6,811,481	\$ 273,040	\$ 160,057	\$ 7,911,808

An additional \$3.7 million was invested in projects started but not completed by June 30, 2024.

Projects In Progress	Operating Funds	Special Purpose Funds	Ministry Grants	Other Grants	Local Capital	Total
Cloverley Replacement			\$ 2,666,384		\$	2,666,384
Lynn Valley Expansion			884,847			884,847
School Enhancement Program			26,899			26,899
Westview Expansion			23,105			23,105
New Child Care Spaces				107,429		107,429
Total Projects in Progress			\$ 3,601,235	\$ 107,429		\$ 3,708,664



Management Discussion and Analysis
Year ended June 30, 2024

The following are major capital projects that completed in 2024 and/or are currently active in the school district.

Major capital projects	Project Budget	Bylaw Capital Draws to	Other Funding	Local Capital	Project Expenditures	Budget Remaining (Overspent)
Mountainside Secondary Seismic Upgrade	\$23,717,511	\$23,677,511		\$40,000	\$23,717,511	
Cloverley Replacement	\$64,394,754	\$2,666,384			\$2,666,384	\$61,728,370
Lynn Valley Expansion	\$9,309,507	\$884,847			\$884,847	\$8,424,660

In addition to the funding for the Cloverley replacement, the City of North Vancouver will contribute \$3.5M towards the construction of the child care facility and before/after school programs.

Furniture and Equipment

Furniture and equipment additions in 2024 totalled \$0.81 million.

Furniture & Equipment	Operating Funds	Special Purpose Funds	Ministry Grants	Other Grants	Local Capital	Total
Argyle School		\$ 116,840				\$ 116,840
Handsworth School			189,527			189,527
Feeding Futures Program		16,531				16,531
Provincial Schools Outreach		46,653				46,653
New Child Care Spaces				108,925		108,925
Other - Multiple locations	151,925	94,753		91,989		338,667
Total Furniture & Equipment	\$ 151,925	\$ 274,777	\$ 189,527	\$ 200,914	\$ -	\$ 817,143

Vehicles

Vehicle purchases totalled \$0.03 million.

Vehicles	Operating Funds	Special Purpose Funds	Ministry Grants	Other Grants	Local Capital	Total
Maintenance & Operations	\$ 35,239					\$ 35,239

Information Technology

The school district invested \$2.2 million on IT infrastructure and equipment.

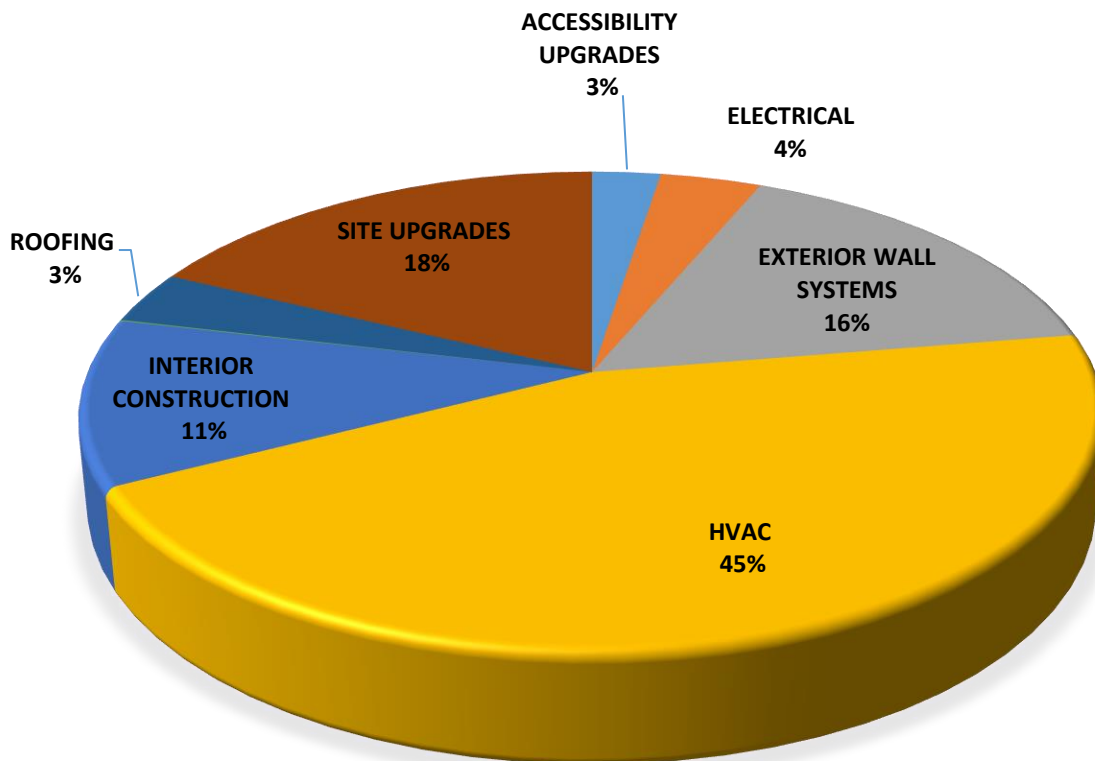
Computer Technology	Operating Funds	Special Purpose Funds	Ministry Grants	Other Grants	Local Capital	Total
Refresh and Infrastructure					\$ 290,210	\$ 290,210
School Technology	715,444	248,237	48,140		311,835	1,323,656
Photocopier Lease	608,017					608,017
Total	\$1,323,461	\$ 248,237			\$ 602,045	\$ 2,221,883



Annual Facilities Grant

In 2024 the school district was allocated \$3.9 million from the Annual Facilities Grant (AFG). These funds are used to address ongoing maintenance and improvements to extend the useful life of facilities. Total work completed in 2024 included the installation of boiler systems and ventilation enhancements, roof repairs and replacements and facilities, electrical and accessibility upgrades in our schools.

The total value of deferred maintenance is estimated at \$97 million as of May 2023. This means that the school district must continually prioritize the use of the funding received, and where pressures arise, the school district must fund the projects from the Operating Fund.



Local Capital Funds

The Ministry of Education and Child Care does not provide funding for asset acquisitions such as computer equipment, school furniture and equipment replacement, vehicle maintenance, photocopiers or district administration buildings. The only source of funding available for these is typically from Operating Funds. The Board of Education may transfer funds from the Operating Fund to the Local Capital Fund for these purchases. At the end of 2024, the school district had \$1.95 million in Local Capital Reserve Funds set aside for the following purposes.



Management Discussion and Analysis
Year ended June 30, 2024

	2024		2023	
Argyle Secondary Seismic	\$	-	\$	389,937
Handsworth Secondary Seismic		-		45,818
District Technology		19,229		321,274
Proposed Capital Projects		-		114,901
Asset Renewal & Replacement Reserve		1,937,868		1,732,542
Total Local Capital Reserve	\$	1,957,097	\$	2,604,472

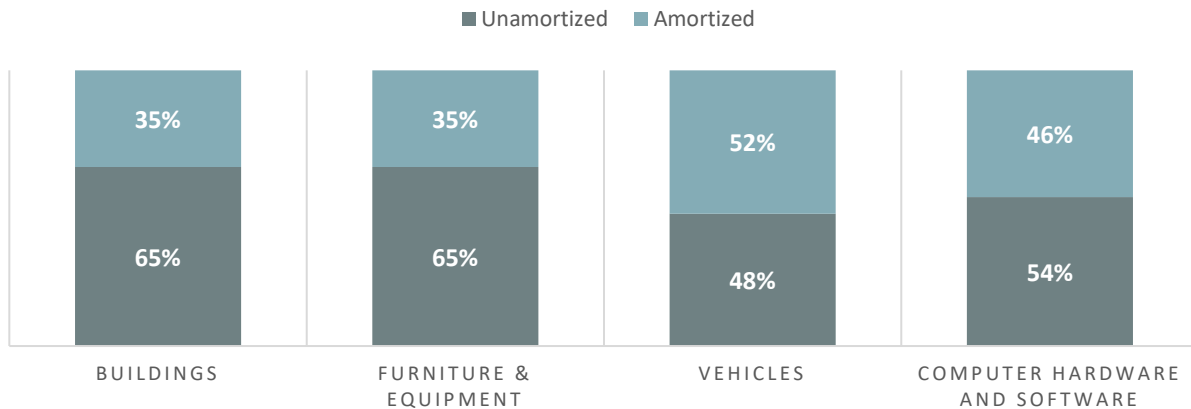
During the year the activity in the local capital fund was as follows.

	2024		2023	
Opening balance	\$	2,604,472	\$	5,171,735
Investment income earned		114,730		151,424
Capital Lease interest payments		-		(545)
Investments in capital assets		(762,102)		(1,577,752)
Investment in work in progress		-		(1,140,390)
Closing balance	\$	1,957,100	\$	2,604,472

Amortization of Tangible Capital Assets

Amortization expense recorded on Tangible Capital Assets totalled \$15.5 million in 2024 compared to \$15.3 million in 2023. The percentage of fully amortized tangible capital assets by category is presented below. A high proportion of fully amortized assets suggests that the school district's assets are nearing the end of their expected lives and additional investments in capital renewal and replacement must be part of future planning.

PERCENTAGE OF FULLY AMORTIZED TANGIBLE CAPITAL ASSETS BY CATEGORY





Risks

Enrolment Growth

Student enrolment in the school district has been consistently growing over the past decade. The growth has put pressure on existing facilities, resulting in the need for portables. The enrolment growth, especially students that arrive after the September 1701 Enrolment Report, are not funded by the Revised Operating Grant provided by the Ministry. These late arrivals also require additional supports and services that are not directly supported through the Operating Grant.

International Program

The school district was not able to meet the demand for placements in the International Program in 2024 as it continued to face challenges in the availability of home stay families and of capacity constraints in schools due to enrolment growth. Funding from international program tuition has become a critical component of overall revenues to support investments that are not funded by the Operating Grant. As the ability to accommodate international students decreases there will be a need to prioritize services and supports that these revenues cover.

Inflation and Cost Pressures

Canada Pension Plan contributions have increased dramatically including the new second tier costs that started in 2024 and will escalate further in 2025. WorkSafe premiums have also increased substantially starting in 2023, while legislative changes provide five paid sick days for casual staff.

Inflationary pressures continue to put pressure on the cost of services and supplies. The majority of these expenditures are not optional and will continue to create future budgetary pressures.

Cloverley Elementary Replacement

School districts are required to contribute a share of the total construction costs on capital projects. A \$3.0 million contribution from operating funds is needed at the end of the project. The school district is fortunate to have a number of years to set aside this funding. In addition to the capital contribution, the school district will need to plan for the additional fixed costs of operating while growing into the operating capacity of the new school.

Deferred Maintenance

The growth in deferred maintenance creates financial pressures and risks to buildings and school district assets. As experienced at the end of June 2024, the poor condition of the Lucas Centre has necessitated the demolition of portions of the building. As a non-enrolling school, the school district does not receive any funding to demolish the building.



Reserves in Operating Surplus (Contingency)

The annual operating budget provides limited contingencies for any unbudgeted or unforeseen costs that may arise. The unrestricted accumulated operating surplus is relied upon to absorb unplanned budget changes. At the end of this year it is outside the recommended minimum threshold.

Conclusion

As the school district approaches 2024/25, it will be important to be mindful of potential risks and future obligations that will impact the school district's financial outlook. Through a prudent and conservative approach to managing resources and mitigating cost escalations, the Board of Education will need to undertake targeted measures to ensure prudent use of limited resources. It is only with careful stewardship can the school district continue its commitment to world-class instruction and a rich diversity of engaging programs in order to meet its fiduciary responsibilities.