



**WEST  
VANCOUVER  
SCHOOLS**

*A world of opportunity*

# **Financial Statement Discussion and Analysis**

## **For the Year Ended June 30, 2024**

**September 10, 2024**

## Introduction

The following is a discussion and analysis of West Vancouver Schools' (WVS) financial performance for the fiscal year ending June 30, 2024, summarizing currently known facts, decisions, and conditions. This report should be read in conjunction with WVS' Financial Statements for the same period.

## Overview

The financial and capital resources of WVS are managed in order to maximize support for the [strategic plan](#) and educational goals of the West Vancouver Board of Education (the Board). In fiscal 2023/24 WVS focused on continuing to provide innovative and comprehensive education that aligned with both our [Framework for Enhanced Student Learning \(FESL\) goals](#) and a variety of Ministry of Education and Childcare (MOECC) initiatives. WVS remained dedicated to providing superior public education to ensure the success of all our students, including those of indigenous background, new immigrants and refugees, and those with diverse learning or social needs. We continued to implement the refreshed MOECC curriculum and assessment tools, maintained our innovative adoption of technology in the classroom and began to explore the application of artificial intelligence (AI) in the K-12 setting. We maintained our physical literacy program, Applied Design, Skills and Technologies (ADST) curriculum, and expanded programs of choice and academy offerings. A particular focus continued to be made on the mental/emotional well-being of both students and staff, and new initiatives in early childcare were undertaken in response to the expanded role of our sector into early childhood education.

### Strategic Goal #1 – Educational Excellence

- Emphasis was placed on WVS's Framework for Enhanced Student Learning (FESL) goals, which include:
  - o Increase the number and percentage of students in grades 4, 7 and 10 reporting a sense of belonging (human & social development)
  - o Increase the number and percentage of Indigenous students in grades 4, 7, and 10 who are on-track or extending in specified numeracy assessments (intellectual development)
  - o Increase the level of satisfaction that grade 10 students report regarding how school is preparing them for their career and life goals (career development)

- Student support services
  - o Continuing focus on supporting the learning of all students
  - o Maintaining non-enrolling teacher ratios to meet the needs of vulnerable learners
  - o Thoughtful placement of educational assistants in response to areas of challenge identified by school-based teams and stakeholder consultation
- Early Childhood Education
  - o Running two pilot Seamless Day before/after care sites
  - o Supporting the position of a District Vice-Principal of Early Learning and Child Care position
  - o Planning for a district-run early childcare hub under the parameters of an Integration Inquiry Project and the Childcare BC New Spaces fund
- Affordability and Food Security
  - o Thoughtful distribution of affordability funding to support family needs
  - o Undertaking a new student food support program under the parameters of the Feeding Futures Fund
- Equity, Inclusivity and Diversity:
  - o Continued integration of First Nations learning principles
  - o Ongoing joint transportation plan with the Squamish Nation for on-reserve students;
  - o Joint approval with the Squamish Nation of a Protocol Agreement
  - o Creation of an Indigenous Education Council
  - o continued focus on equity, inclusivity and diversity, with multiple speakers and events for staff, students and parents

## Goal 2 – Enhanced learning through the use of technology

- Increased digital resource offerings and expanded access to on-line content
- Continued FTE for specialized technology teachers providing district-wide support in the classroom
- Additional IT department staffing to support WVS digital needs
- Ongoing investment in refresh of district devices
- Completion of capital investment in district-wide IT infrastructure upgrades
- Increased focus on cyber security and privacy

## Goal 3 – Applied Design, Skills and Technologies curriculum (ADST)

- Continued growth of robotics, coding and digital arts at elementary level through Ignite Your Passions choice programming
- Continued growth of robotics academy at secondary level
- Continued participation in both Provincial and World robotics competitions

## Goal 4 – Physical literacy

- Ongoing support and professional development provided by our two teacher mentors to help Gr K - 3 students meet the five basic competencies.
- Implementation of full scope and sequence resources for K-7 teachers
- Continuation of longitudinal research and partnership with Vancouver Coast Health, Sport For Life, and the Childhood Obesity Foundation.

## Goal 5 – Sustainable educational organization

- Continued reduction and careful use of resources in response to ongoing funding pressures in the face of inflation and static enrollment
- Significant deployment of special purpose funding to support the mental and emotional health of both staff and students
- Cautious capital planning processes, restricting new projects to available capital funding and suspending “nice to have” upgrades in order to preserve operating funds
- Continued focus on preventative maintenance resulting in reduced operations costs while ensuring the sustainability and safety of physical assets
- Ongoing focus on recruitment and retention in all areas to attract the best talent and ensure effective and stable staffing in all areas

## Enrolment and Staffing

The primary source of funding for WVS is our Ministry Operating Grant, which is based on our local student enrolment. Our annual expenditures are primarily associated with staffing and related compensation and benefits, and staffing levels fluctuate in concert with both total student FTE and shifts in student demographics in areas requiring non-enrolling staff.

| Enrolment    | Prior Year       | Current Year     | CY/PY           |
|--------------|------------------|------------------|-----------------|
| Student FTE  | 7021.8750        | 7122.3125        | 100.4375        |
| Summer FTE   | 179.4375         | 181.1250         | 1.6875          |
| <b>Total</b> | <b>7201.3125</b> | <b>7303.4375</b> | <b>102.1250</b> |

| Staffing                     | Prior Year | Current Year | CY/PY     |
|------------------------------|------------|--------------|-----------|
| Teachers                     | 421        | 424          | 3         |
| Educational Assistants       | 146        | 152          | 6         |
| Support Staff                | 104        | 107          | 3         |
| Principals & Vice-Principals | 42         | 43           | 1         |
| Other Professionals          | 29         | 29           | 0         |
| <b>Total</b>                 | <b>742</b> | <b>755</b>   | <b>13</b> |

## Financial Highlights (Consolidated Fund Summary)

### (Statement 2, Schedules 1,2)

| Income Statement                 | Prior Year        | Budget            | Current Year      | CY/PY            | CY/Budget        |
|----------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Revenue                          | 93,205,432        | 98,930,271        | 102,456,566       | 9,251,134        | 3,526,295        |
| Expenses                         | 94,015,626        | 99,600,471        | 100,930,652       | 6,915,026        | 1,330,181        |
| <b>Annual surplus (deficit)</b>  | <b>(810,194)</b>  | <b>(670,200)</b>  | <b>1,525,914</b>  | <b>2,336,108</b> | <b>2,196,114</b> |
| Accum. Surplus - Operating       | 2,177,596         | 1,546,740         | 3,716,054         | 1,538,458        | 2,169,314        |
| Accum. Surplus - Capital         | 22,314,566        | 22,275,222        | 22,302,022        | (12,544)         | 26,800           |
| <b>Total Accumulated Surplus</b> | <b>24,492,162</b> | <b>23,821,962</b> | <b>26,018,076</b> | <b>1,525,914</b> | <b>2,196,114</b> |

The statement portion of the WVS' financial statements presents a consolidation of three funds – Operating, Capital and Special Purpose. WVS' consolidated revenues are

comprised of 84% Ministry funding (2% of which is associated with the recognition of deferred capital revenue), 8% International student gross revenue, 7% Programs of Choice & Academies gross revenue, and 1% miscellaneous (interest & rentals). These proportions are consistent with the prior year. Overall, revenue increased by 10% over the prior year.

Amounts year over year have changed for a variety of factors. Ministry revenue has increased due to the support of negotiated salary increases, together with an increase in funded student enrolment and an increase in special purpose funds to support food security, mental health and early childcare. International revenue decreased in the face of federal immigration policy changes that saw many students convert from international to funded student status. Interest in specialty academies and programs of choice grew, resulting in a commensurate growth in enrolment and fees in this area. Investment income saw a substantial increase due to higher interest rates, together with a higher balance of cash on hand due to the growth of prepaid international fees as enrolment has increased from 375 to 400 students for the 2024/25 school year.

WVS is committed to maximizing spending in the classroom. In 2023/24, 85% of WVS consolidated expenses were associated with instruction, 3% with administration, 11% with operations and maintenance, and the remaining 1% with transportation. This represents a 1% increase in funds spent on instruction, matched by a 1% decrease in both administration and operations/maintenance.

2023/24 saw 8% growth in salaries and benefits, which was the result of provincially negotiated wage settlements together with the cost of additional positions to support early childcare and food security, and significant growth in the use of benefits. Service and supply costs came in 3% higher overall than the prior year due to inflation and increased spending in special purpose funds.

The significant net improvement of consolidated revenues over expenses both year over year and over budget had a significant impact on surplus, moving the district from a structural deficit of \$810k in the prior year, and a budgeted structural deficit in the current year of \$670k, to a surplus of \$1.5m.

Summaries of each fund are provided below:

## Operating Fund (Schedules 2, 2A, 2B)

### Operating Revenues:

Overall, operating revenue came in \$1.85m, or 2%, over budget, and \$6.3m, or 8%, over the prior year. The increase over the prior year is attributable in large part to provincial funding, which increased due to support of provincially bargained salary lifts. This was an expected increase and was calculated and reflected in our budget, so there

was a less than 1% difference in actual to budgeted provincial funding. Other provincial revenues were up due to a one-time addition to careers funding.

However, the district's conservative approach to budgeting our less predictable locally-generated revenues resulted in a significant improvement of actual revenue over budget, particularly from international program fees, rentals, and interest income. While current year results over the prior year did not vary significantly, we saw an increase of \$1.8m, or 19%, over budget.

**Provincial Grants:** Enrolment-driven operating grant per/student funding increased for all categories as a result of rolling provincial salary lift support into the operating grant funding formula. Additionally, WVS saw a significant increase in both students with unique needs and ELL students. Overall, enrolment-based Ministry funding grew by 9% year over year.

**International:** While well over budget, international revenues decreased by approximately 2% over the prior year, due to decreased enrolment from 390 to 375 FTE, primarily because of federal changes in immigration policies.

**Other, Rentals, Investment:** We continued to offer a full slate of academy offerings and programs of choice in 2023/24, but thoughtful decisions around which programs to continue and which to taper off resulted in a 4% decrease year over year in revenue in this area. Elementary band continued to thrive, and revenue was up 11%. Miscellaneous Revenue came in higher than both budget and prior year due to funding support for physical literacy, p-card rebates and other small amounts not typically budgeted for. Childcare fees are also not budgeted for at this time.

Rentals and leases increased by 12% over the prior year due to an increase in childcare programs that operating during school holidays, and increased rentals of space for community programming.

Investment income increased by close to \$500k over budget and \$300k over the prior year due to increased cash balances resulting from additional special purpose fees and increased prepaid international tuition for 2024/25, as well as a change in banking procedures that brought improved interest rates.

### **Operating Expenses:**

Salaries and benefits accounted for 89% of total operating expenses in 2023/24, commensurate with both prior year and budget. Overall, total salaries increased over the prior year by \$3.4m, or 6%, due to provincially negotiated salary increases. Benefit costs rose by 8%, or \$1.2m, due to a combination of salary increases, benefit plan improvements, and increased use of extended health benefits. The total cost of salaries

and benefits over budget came in at close to \$200k under budget, with a .5% decrease in salary costs offset by a 1% increase in benefit costs.

Supplies and Services costs comprise 11% of total costs. District efforts to reduce costs in this area successfully challenged rising inflation, and we saw an overall decrease of \$184k from the prior year and \$153k from budget, or 2% and 1.5% respectively.

### **Operating Fund Reserves:**

WVS opened the 2023/24 fiscal year with an operating fund reserve balance of \$2.2m, which was the ongoing result of structural surpluses in both 2019/20 and 2020/21 arising from pandemic-related funding and reduced operating costs, offset by significant investments in technology infrastructure and shortfalls in operating funding.

Concerted efforts to reduce costs in 2023/24, together with the significant improvement in actual revenues over budget, have provided the district with a net operating surplus of \$1.5m, bringing our total operating surplus up to a balance of \$3.7m. This represents 4% of total operating expenses, which is in line with accepted best practices in our sector (3-5%). Of this balance, a total of \$1m is restricted for a 2024/25 budget appropriation of \$900k together with \$121k for capital investment in technology, leaving \$2.7m available for future years.



## Statement of Financial Position (Statement 1)

The following tables provides a comparative analysis of WVS' net financial position for the fiscal years ending June 30,2023 and 2024, with a review of significant year over year changes discussed below.

|                                        | Prior Year          | Current Year        | CY/PY              |
|----------------------------------------|---------------------|---------------------|--------------------|
| <b>Financial Assets</b>                |                     |                     |                    |
| Cash & Cash Equivalents                | 20,963,298          | 23,131,735          | 2,168,437          |
| Accounts Receivable                    |                     |                     | -                  |
| Due from MOECC                         | 527,293             | 304,908             | (222,385)          |
| Due from Province - Other              | 1,353               | -                   | (1,353)            |
| Other                                  | 840,771             | 1,656,894           | 816,123            |
| <b>Total Financial Assets</b>          | <b>22,332,715</b>   | <b>25,093,537</b>   | <b>2,760,822</b>   |
| <b>Liabilities</b>                     |                     |                     |                    |
| Accounts Payable & Accrued Liabilities | 8,348,657           | 9,259,049           | 910,392            |
| Unearned Revenue                       | 6,505,490           | 6,825,178           | 319,688            |
| Deferred Revenue - MOECC               | 3,933,674           | 3,877,140           | (56,534)           |
| Deferred Capital Revenue - Other       | 39,533,085          | 48,828,369          | 9,295,284          |
| Employee Future Benefits               | 2,188,327           | 2,371,545           | 183,218            |
| Asset Retirement Obligation            | 2,639,284           | 2,619,113           | (20,171)           |
| <b>Total Liabilities</b>               | <b>63,148,517</b>   | <b>73,780,394</b>   | <b>10,631,877</b>  |
| <b>Net Debt</b>                        | <b>(40,815,802)</b> | <b>(48,686,857)</b> | <b>(7,871,055)</b> |
| <b>Non-Financial Assets</b>            |                     |                     |                    |
| Tangible Capital Assets                | 65,035,864          | 74,362,937          | 9,327,073          |
| Prepaid Expenses                       | 272,100             | 341,996             | 69,896             |
| <b>Total Non-Financial Assets</b>      | <b>65,307,964</b>   | <b>74,704,933</b>   | <b>9,396,969</b>   |
| <b>Accumulated Surplus (Deficit)</b>   | <b>24,492,162</b>   | <b>26,018,076</b>   | <b>1,525,914</b>   |

**Cash & Cash Equivalents** increased due to timing differences year over year, increased international fee enrolment in 2024/25, as well as increased special purpose funding related to early childcare and feeding futures, which is being carried forward in part to 2024/25.

**Accounts Receivable** from Ministry relates to deferred capital project funding which has been spent, but not yet drawn down from the Ministry, as of June 30, 2024, and varies year to year depending on the timing of projects. Other accounts receivable represents funds due from BC Hydro with respect to an electrical upgrade at Sentinel Secondary which they are funding.

**Accounts Payable** changes are due to timing differences year over year with respect to when employee benefits payments and vendor cheque runs occur. Unearned revenue reflects the increase in international enrolment for 2024/25 and the associated prepaid tuition fees. While deferred capital revenue from the Ministry is status quo, there is a large increase in deferred capital revenue – other, which is the result of a substantial investment by the District of West Vancouver in the West Vancouver Place for Sport project, together with the BC Hydro investment at Sentinel Secondary School and the use of targeted Affordability funds for a food program at Inglewood Secondary. The modest increase in employee future benefits is the result of actuarial estimates from the Ministry, which are recalculated periodically and consider changes in staff demographics, long term health projections, interest rates and economic factors. The decrease in the district’s asset retirement obligation is the result of asbestos mitigation activities undertaken in conjunction with technology infrastructure upgrades.

**Tangible Capital Assets** increased substantially, due primarily to the West Vancouver Place for Sport project, which began construction in 2023/24 and is currently recorded in work in process as of June 30, 2024.

## Statement of Operations – Operating Fund

### Revenue (Schedule 2A)

#### Grant Revenue

| Grant Revenue | Prior Year | Budget     | Current Year | CY/PY     | CY/Budget |
|---------------|------------|------------|--------------|-----------|-----------|
|               | 71,462,039 | 77,700,845 | 77,658,280   | 6,196,241 | (42,565)  |

Grant revenues were higher than the prior year due to Ministry support of bargained salary lifts, as well as increases in regular and special education enrolment that increased the per/student operating grants.

| Tuition Revenue - Summer | Prior Year | Budget | Current Year | CY/PY   | CY/Budget |
|--------------------------|------------|--------|--------------|---------|-----------|
| School                   | 60,100     | -      | 53,250       | (6,850) | 53,250    |

Summer school revenue represents fees paid by international students for summer school. Their enrolment in this program is unpredictable, and as a result we take a conservative approach and do not budget for this revenue source.

| Tuition Revenue - International Program | Prior Year | Budget    | Current Year | CY/PY     | CY/Budget |
|-----------------------------------------|------------|-----------|--------------|-----------|-----------|
|                                         | 8,027,062  | 7,349,010 | 7,860,141    | (166,921) | 511,131   |

International student fees decreased by 2% over the prior year due to changes in federal immigration policies which made it easier for visitors to gain work or study permits and have their children enrolled as local, rather than international, students. However, performance in 2023/24 was better than budgeted and resulted in an increase over budget of 7%.

| Other Revenue | Prior Year | Budget    | Current Year | CY/PY    | CY/Budget |
|---------------|------------|-----------|--------------|----------|-----------|
|               | 2,459,968  | 1,694,168 | 2,424,219    | (35,749) | 730,051   |

Other Revenue is comprised of our specialty academy and programs of choice fees, as well as elementary band fees, early childcare fees and miscellaneous revenue. The improvement over budget is a result of unpredictable revenue streams that are not budgeted for, including academy tournament fees, early childcare fees, and various service-related rebates, together with fluctuations in academy enrolment and funding support for physical literacy.

| Rental & Lease Revenue | Prior Year | Budget  | Current Year | CY/PY  | CY/Budget |
|------------------------|------------|---------|--------------|--------|-----------|
|                        | 286,180    | 270,000 | 320,630      | 34,450 | 50,630    |

The district was very pleased to see our childcare partners continue with full enrolment and operations in the current year, as well their choices to offer care during school holidays at some sites.

| Investment Income | Prior Year | Budget  | Current Year | CY/PY   | CY/Budget |
|-------------------|------------|---------|--------------|---------|-----------|
|                   | 563,184    | 380,000 | 874,778      | 311,594 | 494,778   |

Investment income is a product of both interest rates and cash balances. While rates began a slow decline in 2023/24, they remained high relative to pre-covid levels. We offset the decline by moving our cash balances out of a government program and depositing with our banking partner, which improved returns. Additionally, cash balances were higher due to increased international enrolment for 2024/25 and the associated prepaid tuition fees, together with special purpose funding in the areas of early childhood education and affordability and feeding futures, where spending has been delayed while new programs are developed.

## Expenses (Schedule 2B & 2C)

### Salary & Benefits

Salary expenses equate to 71% of our operating expenses, and benefits comprise 18%.

|                       | Prior Year | Budget     | Current Year | CY/PY     | CY/Budget |
|-----------------------|------------|------------|--------------|-----------|-----------|
| <b>Teacher Salary</b> | 35,967,367 | 38,164,823 | 38,370,968   | 2,403,601 | 206,145   |

Teacher salary expenses were higher than prior year due provincially negotiated salary increases together with demographic changes and grid movement amongst existing staff.

|                                        | Prior Year | Budget    | Current Year | CY/PY  | CY/Budget |
|----------------------------------------|------------|-----------|--------------|--------|-----------|
| <b>Principal/Vice-Principal Salary</b> | 5,594,827  | 5,872,438 | 5,623,137    | 28,310 | (249,301) |

Administration salaries increased over the prior year pursuant to further improvements in exempt staff salaries allowed by Public Sector Employers Council (PSEC) to address compression and retention issues. They decreased over budget as additional targeted funding and programming saw a shift of a portion of administrative salaries to the special purpose funds.

|                               | Prior Year | Budget    | Current Year | CY/PY   | CY/Budget |
|-------------------------------|------------|-----------|--------------|---------|-----------|
| <b>Educational Assistants</b> | 6,215,599  | 7,075,605 | 6,930,881    | 715,282 | (144,724) |

Educational Assistant (EA) FTE varies from year to year, based upon the changing student demographic and identified needs within the classroom. Increases in 2023/24 are due largely to bargained salary lifts, with the decrease from budget due to differences in estimated vs actual deployment of staff.

|                      | Prior Year | Budget    | Current Year | CY/PY  | CY/Budget |
|----------------------|------------|-----------|--------------|--------|-----------|
| <b>Support Staff</b> | 5,703,726  | 5,806,636 | 5,763,735    | 60,009 | (42,901)  |

Support staff salaries increased relative to the prior year due to bargained salary lifts. They decreased from budget due to a shift of some costs to targeted programs.

|                            | Prior Year | Budget    | Current Year | CY/PY  | CY/Budget |
|----------------------------|------------|-----------|--------------|--------|-----------|
| <b>Other Professionals</b> | 2,706,326  | 2,750,450 | 2,717,733    | 11,407 | (32,717)  |

Excluded staff, which includes both school administrators and district staff and senior executives, received salary lifts pursuant to further improvements allowed by the Public Sector Employers Council (PSEC).

|               | Prior Year | Budget    | Current Year | CY/PY   | CY/Budget |
|---------------|------------|-----------|--------------|---------|-----------|
| <b>TTOC's</b> | 2,150,520  | 2,419,336 | 2,347,867    | 197,347 | (71,469)  |

Teachers teaching on call (TTOC) and support staff replacement expenses vary year to year due to numerous factors, and differences year over year and from budget are to be expected. However, the increase over the prior year is due primarily to bargained salary lifts, and actual use of replacement staff was less than expected, with associated costs coming in less than budget.

|                 | Prior Year | Budget     | Current Year | CY/PY     | CY/Budget |
|-----------------|------------|------------|--------------|-----------|-----------|
| <b>Benefits</b> | 14,496,766 | 15,522,321 | 15,658,469   | 1,161,703 | 136,148   |

Benefits are budgeted using a conservative % estimate of total salaries based on historical data. As salaries and benefits together comprise close to 90% of total operating expenses, small changes can have a large impact. Changing staff demographics are a recurring factor, but the large increase in actual over the prior year and over budget is reflective of increased employee access to extended health benefits, and an expansion of extended health benefits offered, together with the salary increases for all groups as well as increases in EI/ CPP and WCB.

## Services & Supplies

Service and supply costs equated to 11% of operating expenses in 2023/24.

|                                         | Prior Year | Budget    | Current Year | CY/PY     | CY/Budget |
|-----------------------------------------|------------|-----------|--------------|-----------|-----------|
| <b>Services &amp; Supplies Combined</b> | 9,969,015  | 9,937,478 | 9,784,730    | (184,285) | (152,748) |

|                 | Prior Year | Budget    | Current Year | CY/PY     | CY/Budget |
|-----------------|------------|-----------|--------------|-----------|-----------|
| <b>Services</b> | 4,996,281  | 4,953,942 | 4,808,540    | (187,741) | (145,402) |

A concerted effort on the part of the district to hold the line on costs, together with some one-time rebates, resulted in services coming in under both budget and the prior year.

|                               | Prior Year | Budget  | Current Year | CY/PY    | CY/Budget |
|-------------------------------|------------|---------|--------------|----------|-----------|
| <b>Student Transportation</b> | 681,395    | 614,995 | 636,567      | (44,828) | 21,572    |

The district is currently in a long-term contract with our service provider that include rate increases that reflect inflation. To offset this increase, together with rising fuel surcharges, we shifted our contracted service base from estimated to actual registered ridership and were thereby able to reduce the number of buses required.

|                                              | Prior Year | Budget  | Current Year | CY/PY  | CY/Budget |
|----------------------------------------------|------------|---------|--------------|--------|-----------|
| <b>Professional Development &amp; Travel</b> | 856,948    | 743,989 | 914,024      | 57,076 | 170,035   |

Professional development expenses vary year to year, depending upon staffing changes and associated training costs, and curriculum and/or software implementation. District travel costs are also associated with training and professional development activities, as well as travel related to WVS' international program. In all cases, related costs have returned to pre-covid levels, and some new programs were introduced over the course of the year that increased costs over those originally budgeted.

|                 | Prior Year | Budget    | Current Year | CY/PY | CY/Budget |
|-----------------|------------|-----------|--------------|-------|-----------|
| <b>Supplies</b> | 1,382,844  | 1,403,611 | 1,389,544    | 6,700 | (14,067)  |

Cost increases due to inflation were held in check by conservative and thoughtful spending decisions.

|                  | Prior Year | Budget    | Current Year | CY/PY    | CY/Budget |
|------------------|------------|-----------|--------------|----------|-----------|
| <b>Utilities</b> | 1,562,524  | 1,713,121 | 1,511,329    | (51,195) | (201,792) |

Utilities costs decreased over both the prior year and budget primarily due to weather fluctuations and a warmer than expected winter, which led to significant savings in natural gas, which is the primary source of heating fuel in our buildings.

## Statement of Operations – Special Purpose Fund (Schedule 3A)

### Special Purpose Funds: (Schedules 3, 3A)

Special purpose funds are flow-through funds spent on ministry-targeted expenditures within the same fiscal year, and revenues are recognized to the extent expenses are incurred. Carry forward of unspent funds is typically allowed.

Ministry special purpose funds include the Classroom Enhancement Fund and Learning Improvement Fund which support the cost of staffing increases related to previous bargaining negotiations, as well as the operating portion of the Annual Facilities Grant, French immersion program support, special education funding for youth workers under the Community Link fund and First Nation Student Transportation funding. Additionally, increased emphasis on student and staff mental health, family affordability, together with the shift of early learning to the Ministry of Education and Early Childcare, have resulted in ongoing grants for Mental Health, significant support for families and food security via the Affordability Fund and the new Feeding Futures Fund, and an expansion of early learning initiatives, including our pilot Seamless Day before/after care program, our Early Care & Learning funding, and our Integration Inquiry Project funding.

Scholarship revenue and expenses remained close to the prior year, while PAC trust funds saw a modest increase as parents invested in capital projects. School Generated Funds revenue and expenses vary year to year depending upon field trip and school fee activity. These fees increased over both the prior year and budget due to greater than anticipated school activities, including field trips, international travel and extracurricular sports competition and travel.

| Special Purpose Funds               | Prior Year | Budget    | Current Year | CY/PY    | CY/Budget | Comment                                                                                                                                                                        |
|-------------------------------------|------------|-----------|--------------|----------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ministry Funded</b>              |            |           |              |          |           |                                                                                                                                                                                |
| Annual Facilities Grant - Op'g      | 267,433    | 267,433   | 267,433      | -        | -         | Op'g portion ongoing grant                                                                                                                                                     |
| Learning Improvement Fund           | 232,244    | 280,198   | 280,198      | 47,954   | -         | Provincially-negotiated support staff funding                                                                                                                                  |
| Strong Start                        | 66,477     | 86,827    | 69,341       | 2,864    | (17,486)  | Status-quo funding & activity                                                                                                                                                  |
| Ready, Set, Learn                   | 64,090     | 50,000    | 37,728       | (26,362) | (12,272)  | Status-quo funding & activity                                                                                                                                                  |
| French Languages (OLEP)             | 137,107    | 333,705   | 332,656      | 195,549  | (1,049)   | One-time growth grant in 2023/24 boosted spending                                                                                                                              |
| Community Link                      | 288,448    | 314,312   | 314,312      | 25,864   | -         | Funds our youth workers                                                                                                                                                        |
| Class Enhancement-Overhead          | 190,394    | 200,866   | 200,866      | 10,472   | -         | Status-quo funding for overhead costs associated with classroom size & composition                                                                                             |
| Class Enhancement-Staffing          | 2,605,364  | 3,042,493 | 3,042,493    | 437,129  | -         | Provides funding for staffing related to classroom size and composition; increase due to provincially mandated salary increases                                                |
| Class Enhancement-Remedies          | -          | 6,610     | 6,610        | 6,610    | -         | Funding for classes sizes over 30                                                                                                                                              |
| Indigenous Student Transportation   | 12,038     | 16,927    | 13,130       | 1,092    | (3,797)   | Funding to assist on-reserve indigenous students to get to school, extracurricular activities; costs vary based on indigenous families' choices with respect to transportation |
| Mental Health in Schools            | 149,132    | 52,000    | 52,000       | (97,132) | -         | Funds a variety of health-based programs in our district; 22/23 slow spend due to covid                                                                                        |
| Changing Results for Young Children | 16,958     | 23,413    | 18,745       | 1,787    | (4,668)   | Status-quo funding & activity                                                                                                                                                  |
| Seamless Day                        | 110,800    | 110,800   | 110,800      | -        | -         | 2 pilot sites for early care                                                                                                                                                   |
| Affordability                       | 183,217    | 473,664   | 475,812      | 292,595  | 2,148     | Capital expenditure in 23/24 to provide opportunity for student-run food security program; addtl grant of \$100k                                                               |
| Just B4                             | 671        | 23,644    | 33,632       | 32,961   | 9,988     | Increased programming                                                                                                                                                          |
| Early Years to Kindergarten (SEY2K) | -          | 17,086    | 7,851        | 7,851    | (9,235)   | Program developing                                                                                                                                                             |
| Early Care and Learning             | 155,995    | 181,324   | 182,130      | 26,135   | 806       | Staffing for early learning                                                                                                                                                    |
| Feeding Futures                     | -          | 400,000   | 641,020      | 641,020  | 241,020   | New food security fund                                                                                                                                                         |
| Integration Inquiry Project         | -          | 591,243   | 541,581      | 541,581  | (49,662)  | Funding to explore integration of early childcare into K-12; new program                                                                                                       |
| <b>Other</b>                        |            |           |              |          |           |                                                                                                                                                                                |
| Scholarships                        | 128,153    | 125,000   | 116,283      | (11,870) | (8,717)   |                                                                                                                                                                                |
| School-Generated Funds              | 3,342,220  | 2,525,000 | 3,984,811    | 642,591  | 1,459,811 | Spending at school & PAC discretion, varies year to year                                                                                                                       |
| School Fundraising Trusts           | 333,878    | 310,000   | 406,767      | 72,889   | 96,767    |                                                                                                                                                                                |

## Statement of Operations – Capital Fund



## (Schedule 4 - 4D)

Funding for capital expenditures is sourced primarily through the Ministry of Education and Childcare, in the form of the Annual Facilities Grant (AFG), together with awards based on WVS' Five-Year Capital Plan. Funds are received as bylaw capital and recognized as Deferred Capital Contributions (DCC revenue) when expended. In 2023/24 WVS recognized \$2m in DCC related to the AFG, two School Enhancement Program (SEP) HVAC projects, and a Carbon Neutral Capital project (CNCP), all received under the Five-Year Capital Pan.

Funding for capital expenditures from sources other than bylaw capital is comprised of a BC Hydro investment in electrical service upgrades at Sentinel Secondary School.

Work in Process (WIP) includes work undertaken using both SEP and CNCP bylaw capital, the Special Purpose Affordability Fund, and WIP related to other funding sources represents the West Vancouver Place for Sport Project, funded primarily by the District of West Vancouver.

| <b>Deferred Capital Costs</b>        | <b>Prior Year</b> | <b>Current Year</b> | <b>CY/PY</b> |
|--------------------------------------|-------------------|---------------------|--------------|
| MOECC Capital Grants: AFG, SEP, CNCP | 4,306,659         | 1,918,618           | (2,388,041)  |
| Other Capital Investments:           | -                 | 507,461             | 507,461      |

| <b>Work in Process</b>                 | <b>Prior Year</b> | <b>Current Year</b> | <b>CY/PY</b> |
|----------------------------------------|-------------------|---------------------|--------------|
| WIP from Bylaw Capital & SPF           | 415,655           | 852,728             | 437,073      |
| WIP from Other Capital Funding sources | 53,504            | 8,922,792           | 8,869,288    |

| <b>Tangible Capital Assets</b> | <b>Prior Year</b> | <b>Current Year</b> | <b>CY/PY</b> |
|--------------------------------|-------------------|---------------------|--------------|
| Net Capital Assets             | 65,035,864        | 74,362,937          | 9,327,073    |

| <b>Capital Surplus (Deficit)</b> | <b>Prior Year</b> | <b>Current Year</b> | <b>CY/PY</b> |
|----------------------------------|-------------------|---------------------|--------------|
| Net Capital Assets               | 22,314,566        | 22,302,022          | (12,544)     |

## Major Capital Projects

The following is a summary of major capital projects undertaken throughout the year, funded by grants pursuant to the 2023/24 and 2024/25 5 Year Capital Plan submission:

## School Enhancement Program (SEP) – \$139,534

WVSS – electrical upgrade, south campus, \$139k, WIP, to be completed in 2024/25

## Carbon Neutral Capital Program (CNCP) – \$502,330k

Chartwell Elementary – new boiler, \$500k, complete  
Westcot Elementary – HVAC upgrade, \$2k (net), WIP

## AFG (repairs/upgrades/renovations) - \$1,276,753

District: All sites – \$1.2m, complete  
District: All sites – \$98k, WIP

### **District wide:**

Grounds remediation  
Plumbing fixture upgrades & modernization  
Gymnasium floor refinishing  
Playground soft-fall replacement  
Electrical panel upgrades  
Viewboard infrastructure & installation  
Safety equipment upgrades  
Regulatory inspections

### **Highlights include:**

Sentinel Secondary – washroom renovation, painting  
WVSS – washroom renovations, flooring, IT infrastructure upgrade  
Caulfeild Elementary – flooring  
Chartwell Elementary – washroom renovation  
Gleneagles Elementary – exterior stair replacement  
Hollyburn Elementary – washroom renovation  
Irwin Park Elementary – washroom renovation  
Ridgeview Elementary – external foundation footing remediation

Projects were completed using \$1.3m in 2023/24 AFG funds, together with \$98k in 2-24/25 AFG funds to begin a technology infrastructure upgrade, leaving an available balance of \$1.3m for projects in the upcoming fiscal year.

## West Vancouver Place for Sport

The track and field project at West Vancouver Secondary School is well underway, with project completion expected in the late fall of 2024. Additions to the original scope of the project

include accessible public washrooms in the school building, aluminum bleachers on top of the original concrete structure, and the construction of a throwing cage for track events on the gravel field at Ridgeview Elementary.

This project can be found in Work in Process in the June 30, 2024, financial statements.

## Surplus (Operations) (Schedule 1)

The Board of Education of West Vancouver's Board Policy 20 "Accumulated Operating Surplus" defines its approach to maintaining a stable and financially sustainable organization.

The Guiding Principles defined in the policy and informing surplus allocation decisions are:

- *Maintaining an unrestricted accumulated operating surplus balance that is in line with financial best practices and Ministry and/or Auditor General recommendations is important to maintain financial health and stability.*
- *Unrestricted accumulated operating surplus should not be used for on-going operating expenses, except as directed by Board motion.*
- *Restriction of accumulated operating surplus should support resources that are focused to the greatest extent possible on programs and services that improve student achievement, and are aligned with the district's Framework for Enhancing Student Learning goals.*

The Board's Finance Committee reviews our surplus position as part of their review of our audited financial statements and our budgets, and their recommendations to the Board determine the future use of surplus funds.

Changes in accumulated operating surplus for 2023/24 are as follows:

|                                               | 2023/24          |
|-----------------------------------------------|------------------|
| <b>Operating Fund Reserves, July 01, 2023</b> | <b>2,177,596</b> |
| Surplus for year ended June 30, 2024          | 2,069,260        |
| Transfer to Tangible Capital Assets           | (530,802)        |
| <b>Reserves, June 30, 2024</b>                | <b>3,716,054</b> |
|                                               |                  |

The closing balance at June 30, 2024, is available for future years, and anticipated use at this time is:

|                                               | 2024/25          |
|-----------------------------------------------|------------------|
| <b>Operating Fund Reserves, July 01, 2024</b> | <b>3,716,054</b> |
| <b>Internally Restricted:</b>                 |                  |
| Balance Preliminary Budget 2024/25            | 898,575          |
| Transfer to Tangible Capital Assets           | 121,359          |
| <b>Unrestricted Reserves:</b>                 |                  |
| Available for future years                    | <b>2,696,120</b> |
|                                               |                  |

The Preliminary Budget for 2024/25 will be amended once actual local and international enrolment, together with actual salary and benefit costs, are known for 2024/25. Investments in tangible capital assets will be decided later in the year, once the amended budget has taken shape and a more accurate assessment of sustainability can be made. The Board's goal is to maintain an unrestricted operating surplus balance in line with best practice (approximately 3% - 5% of total operating expenses or \$2.6 - \$4.3m), and to avoid the use of surplus for ongoing operating expenses.

## Significant Factors Bearing on Future Operations

### Organizational Capacity & Sustainability

WVS's organizational focus is on structuring operations to promote student success and educational innovation. This translates into instructional practice that focuses primarily on maximizing support in the classroom, and implementing new curriculum and reporting models as they are mandated by the Ministry. Teacher professional development and collaboration, staff recruitment and retention, mental health support for both staff and students, and integration of technology to enhance learning for the basis of this approach.

Using our enterprise risk assessment framework, risks to sustainability can be summarized as follows:

### Risk Factor #1 – International enrolment

The contribution from locally generated revenue derived from our international program has slowly been returned to post-pandemic levels, accounting for 9% of total operating revenue in 2023/24. While aggressive changes in immigration policies in the past two years precipitated very high levels of international students converting to Ministry funded students, federal regulations have been modified in the latter part of 2023/24 and we anticipate a slow down in conversions. We currently expect 400 International students in 2024/25.

WVS has worked diligently post-covid to expand and diversify our international student base, and to reduce our reliance on these fees to balance our operating budget. Nevertheless, revenue generated from this source continues to be vital to the operations of WVS and allows us to provide services to our students over and above those funded under our MOECC operating grant, including daytime custodians, supervision aides, elementary band programs, and ongoing technology equipment and upgrades.

### Risk Factor #2, #3 – Human Resources

Provincially, the teacher demand has exceeded supply in many specialty areas and for on-call teachers. While our district enjoys an excellent reputation and we were successful in fully staffing all enrolling and mot non-enrolling positions in 2023/24, capacity, recruitment, retention, training and experience remain an ongoing area of focus. The soaring cost of housing in Metro Vancouver, together with increasing commuting congestion, make it more and more difficult to find that can afford to either live in our community or effectively commute to it.

## Risk Factor #4 – Financial

In addition to locally generated international revenues, 2% of our operating revenue comes from specialty academies and programs of choice, which operate on a break-even basis. The remaining 88% of our operating revenue is provided through provincial funding, and accordingly we have high exposure to shifts in the Ministry's mandates and government policy.

Continued Ministry focus on remote district funding, together with their challenge of meeting the demands of exponential enrollment growth in some districts, leaves WVS in a position of declining general operating funding relative to rising costs. Additionally, while operating at or near capacity, our local enrolment is static and expected to continue so, meaning we are not able to combat inflation by leveraging growing operating grants the way districts with high enrolment growth can.

While Ministry funding provided through special purpose funds continues to expand, these are targeted funds and do not address our funding shortfall for basic operations.

Our challenge is to continue to develop programs and innovative practices that prepare our students for the future and maintain our reputation as a destination district. We must maintain enrolment levels through out-of-district registrations, while at the same time seeking ways to further contract our spending to fit within the available funding.

## Risk Factor #5 – Technology

Technology continues to be a critical component of modern educational practice. It is a key component of our ability to prepare our students for an unknown future, and profoundly enhances our inquiry-based learning approach. Post-covid the education sector and the working world have continued to follow a mix of in-person and remote learning and work. Together with the growth of artificial intelligence, these factors have only magnified the importance of leveraging technology in the K-12 setting.

Technology is now integral to every facet of our work in West Vancouver Schools. However, the cost to provide the equipment to do so is significant, and to date there is no Ministry-provided funding in this area. Accordingly, we must allocate a portion of our operating reserves annually, together with a portion of our annual facilities grant, to fund ongoing IT infrastructure upgrades and necessary equipment. Costs in 2023/24 included the completion of our multi-year, district-wide infrastructure upgrade, together with personal device and server replacements.

Looking ahead, in addition to ongoing equipment replacement and upgrades, cyber-security is now central to our operations. To keep abreast of developments in this area and maintain our current operations, we will face annual cost pressures of approximately \$500-\$\$\$750k.

## Risk Factor #6 – Privacy & Cyber Security

Technological advances continue to create growing threats to privacy and security. The Provincial government took steps to address this in 2022/23 with the addition of section 36.2 – *Privacy Management Programs*, and section 36.3 – *Mandatory Privacy Breach Notifications*, to the *Freedom of Information and Protection of Privacy Act*.

The district's technology department is undertaking actions to conform to the new requirements and address ongoing threats to cyber-security by improving firewalls, replacing equipment, and utilizing new software that more successfully identifies fraudulent attacks and better protects our data. All staff are participating in ongoing training to better recognize harmful viruses and messaging. Additionally, we have implemented a new Privacy Impact Policy, and all software must receive a privacy impact assessment prior to being integrated into our systems.

This risk factor is constantly evolving, growing, and significant, and will require ongoing strategies and resources to successfully protect our district.

## Further Information

This financial report is designed to provide West Vancouver Schools' stakeholders with a general, but more detailed, overview of the district's financial results for 2023/24, and to demonstrate increased accountability for the public funds received by the district.

Questions on the material contained in this report should be directed to office of the Secretary-Treasurer/Chief Financial Officer at 604-981-1000.

You are also encouraged to review the Board's strategic vision at <http://westvancouver.schools.ca/about-wvs/vision-values>