

Financial Statement Discussion and Analysis

2023–2024



New
Westminster
Schools

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INTRODUCTION

The following Financial Statement Discussion and Analysis should be read in conjunction with the audited financial statements and accompanying notes of School District No. 40 (New Westminster) (the “District”) for the year ended June 30, 2024.

The purpose of the Financial Statement Discussion and Analysis is to summarize the financial performance of the District for the year ended June 30, 2024, and provide explanations that enhance the reader’s understanding of the District’s financial statements.

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

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

Significant accounting and reporting policies are summarized in Note 2(a) of the financial statements.

The preparation of the Financial Statement Discussion and Analysis is the responsibility of management.



DISTRICT OVERVIEW

The District recognizes and acknowledges the Qayqayt First Nation, as well as all Coast Salish peoples, on whose traditional and unceded territories we live, we learn, we play and we do our work.

The District was established on April 12, 1946 and operates under the School Act of British Columbia as a corporation under the name of “The Board of Education of School District No. 40 (New Westminster)”. The School District is governed by a board of education (the “Board”) that is made up of seven elected trustees for a four-year term.

A wide range of programs and services are delivered to approximately 7,500 students through:

- 8 Elementary Schools
- 3 Middle Schools
- 1 High School
- Youth Alternate Programs
- Home Learners
- International Education
- Adult Education

The District employs approximately 1,000 teaching and support staff who are dedicated to supporting student success.



OUR VISION, MISSION AND VALUES

VISION

A place where students love to learn

MISSION

To enable each student to learn in a safe, engaging, and inclusive environment

VALUES

Collaboration

- ✓ Purposeful, cooperative relationships to achieve shared goals and consider each other in our decisions and actions

Engagement

- ✓ Meaningful, purposeful, and relevant learning

Equity

- ✓ Fair treatment and removal of barriers to learning, achievement, and the pursuit of excellence for all

Inclusion

- ✓ Learning where all people are welcomed, respected, and supported

Innovation

- ✓ Curiosity, inquiry, and creativity

Integrity

- ✓ Ethical, principled, and honest in our words and actions

In 2019 the District launched its five-year strategic plan – a roadmap for learning and engagement that is grounded in the collective wisdom of our students, staff, parents and community.

The plan is built around four key directions: our commitment to transform student learning, build meaningful relationships, ensure full participation in learning and lead into the future. It's a plan that affects and reflects all the work we do, from looking at what happens inside our classrooms to outlining the ways we reach into the community to be better partners, allies and supports to the people we live, play and work alongside.

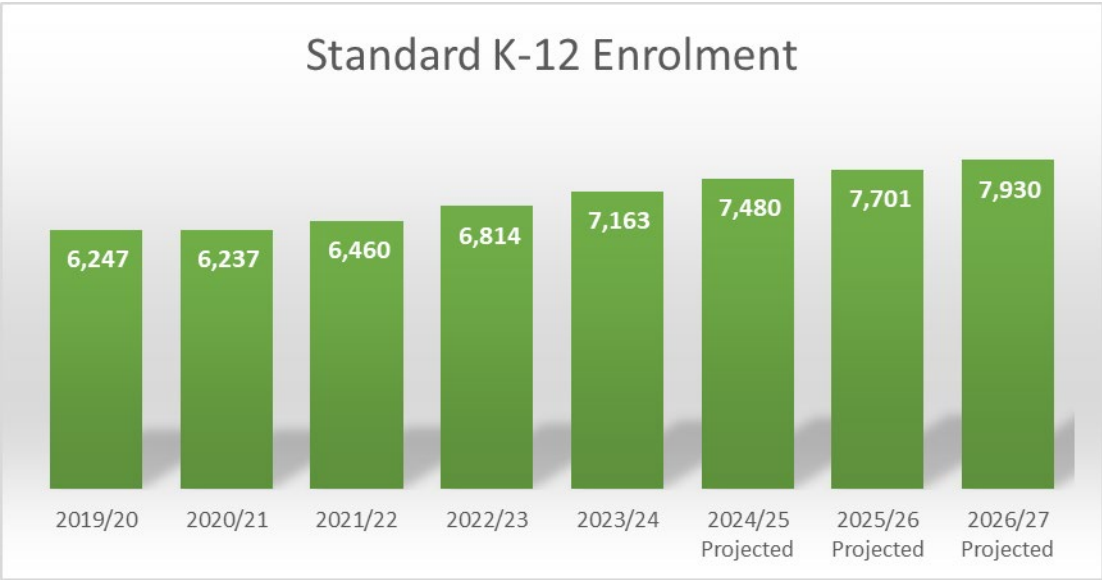


ENROLMENT

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

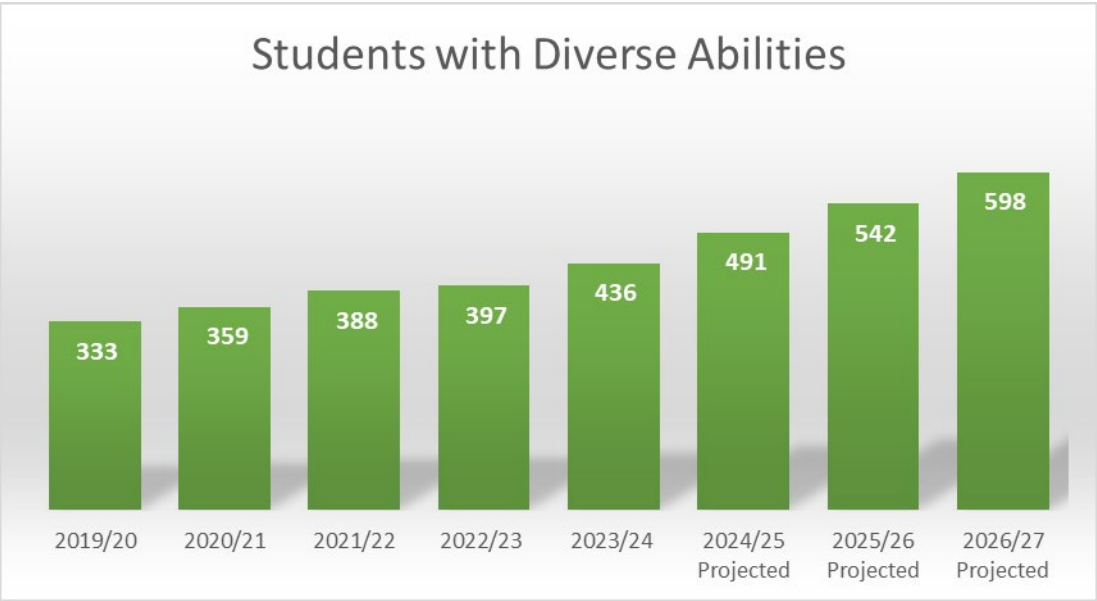
District staffing levels are driven directly by student enrolment. Since salaries and benefits make up approximately 92% of District operating expenses, reliable enrolment data is essential for financial planning. Each year the District completes an analysis of historical enrolment and student retention trends and reviews population data and new municipal development approvals to develop an estimate of elementary, middle and secondary student FTE for the ensuing three budget years.

The below bar graph shows standard K-12 school enrolment as of September each year. It does not include continuing education, alternate schools, distributed learning, home schooling and international, adult or supplemental enrolment.



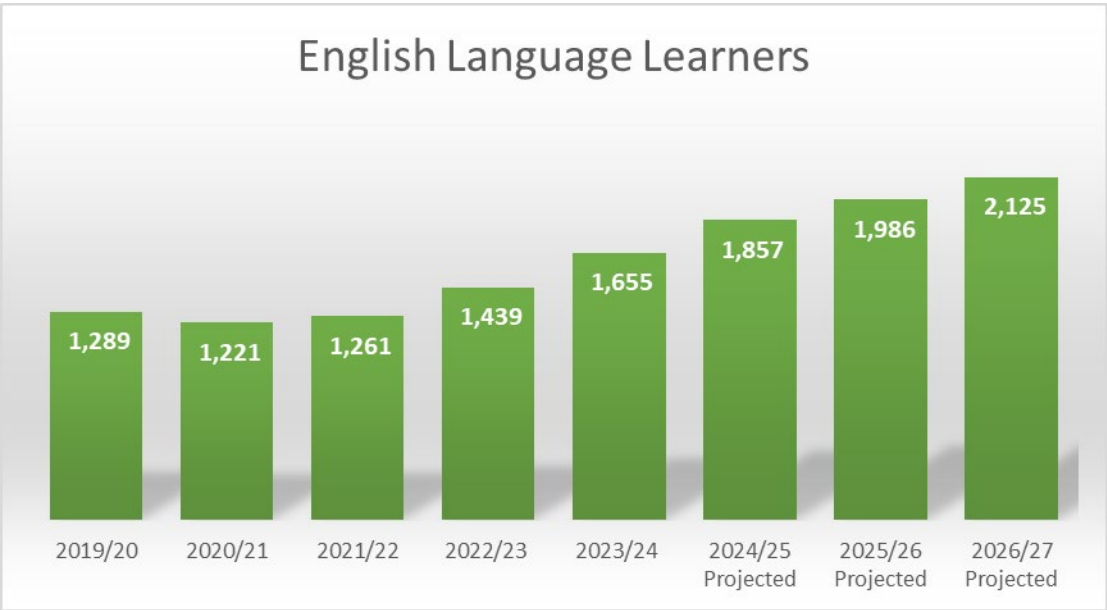
Standard K-12 enrolment has been increasing at a steady rate over the past five years, except for 2020/21 where a slight decrease was seen because of the COVID-19 pandemic. The 2022/23 and 2023/24 school years saw a rapid rate of enrolment growth at 5% each year. Continuous growth in the next five years is expected with a 4% increase projected for 2024/25.

The below bar graph shows the enrolment for those students with disabilities or diverse abilities designated as Level 1, 2 and 3 as of September of each year.



Students with diverse abilities has steadily increased over the past five years, with the 2023/24 school year seeing a 10% increase. Consistently high increases are projected for the next 3 years with a 13% increase in students with diverse abilities projected for 2024/25.

As the below graph shows, there was a 15% increase in English Language Learner enrolment for 2023/24. This rate of growth is expected to slightly decrease in the next three years, with a 12% increase in English Language Learners projected for 2024/25.



FINANCIAL REPORTING

To meet the financial reporting requirements, the following funds are utilized:

Operating Fund: Operating funds include operating grants and other revenues used to fund day-to-day operations including instructional programs, school and district administration, facilities operations, maintenance, and transportation.

Special Purpose Fund: Special purpose funds consist of targeted funding provided to the District for a specific purpose. Pursuant to sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.

Capital Fund: Capital funds include capital expenditures related to equipment and facility purchases and enhancements. The funding source of these purchases and enhancements determines which capital fund the expenditures will be charged. Funding sources include MECC Bylaw Capital, MECC Restricted Capital, Other Provincial Capital, Land Capital, Other Capital as well as Local Capital.



OPERATING FUND

The operating fund ended the 2023/24 school year with a deficit of \$809,467, which decreased the accumulated operating surplus from \$3.119 million to \$2.310 million. Details on the revenue and expense accounts impacting the operating fund are included below.

Revenues

In 2023/24, 95% of revenue reported in the operating fund was received from MECC. District operating revenues for 2023/24 were \$1,066,189 greater than budget and \$10,253,477 greater than prior year. Below are the details of the revenue changes by category.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2023/24	2022/23	2023/24	\$	%	\$	%
MECC Grants	84,804,811	74,837,808	84,280,852	523,959	0.6%	9,967,003	13.3%
Other Provincial Grants	169,870	75,800	68,788	101,082	146.9%	94,070	124.1%
Tuition	2,927,554	2,896,288	2,770,840	156,714	5.7%	31,266	1.1%
Other Revenue	417,267	527,747	320,836	96,431	30.1%	-110,480	-20.9%
Rentals	707,298	590,542	609,667	97,631	16.0%	116,756	19.8%
Investment Income	650,372	495,510	560,000	90,372	16.1%	154,862	31.3%
Total Operating Revenues	89,677,172	79,423,695	88,610,983	1,066,189	1.2%	10,253,477	12.9%

Ministry of Education and Child Care Grants

The increase in MECC grants over budget is mainly attributed to higher than expected enrolment for the May 2024 continuing education and online learning enrolment count as well as higher enrolment than expected for graduated adults throughout the 2023/24 school year.

The increase from prior year is driven by the following factors:

- There were significant increases in enrolment in 2023/24 compared to 2022/23. As shown in the graph on page 6, September enrolment grew by 5% from the prior year. Total enrolment-based funding for September increased by \$4.0 million due to the increased enrolment for standard K-12 students, Level 2 designated students and English Language Learners. Continued increases in enrolment over prior year for July, February and May enrolment counts contributed an additional \$379K in MECC grant revenue over prior year.
- Per student funding rates were increased in 2023/24 to fund the wage increases for teachers and support staff, effective July 1, 2023, based on current collective agreements, as well as increases for non-unionized staff salaries, which was funded by the Province in the 2023/24 school year. Labour settlement funding was also received from the Ministry to recognize the cost of living adjustment approved for teachers and support staff. Total rate-based funding increased by \$5.4 million from the prior year.
- Funding for graduated adults increased by \$218K from the prior year due to increased enrolment and funding rates.



Below is a table detailing the per-student funding rates and supplemental funding for unique students and unique factors, affecting some districts, for 2023/24.

75% allocated through the Basic Allocation	Basic Allocation Common per student amount for every FTE student enrolled by school type.	
	Standard School	\$8,625 per school age FTE
	Alternate School	\$8,625 per school age FTE
	Continuing Education	\$8,625 per school age FTE
	Online Learning	\$6,960 per school age FTE
17% allocated to recognize unique student enrolment	Unique Student Additional per student funding to address uniqueness of district enrolment and support additional programming. Includes Equity of Opportunity Supplement for children and youth in care and students with mental health challenges.	
	Level 1 Special Needs	\$49,070 per student
	Level 2 Special Needs	\$23,280 per student
	Level 3 Special Needs	\$11,760 per student
	Indigenous Education	\$1,710 per student
	English/French Language Learning	\$1,735 per student
	Adult Education	\$5,505 per FTE
7% allocated to recognize unique district factors	Unique District Additional funding to address uniqueness of district factors.	
	Small Community	For small schools located a distance away from the next nearest school
	Low Enrolment	For districts with low total enrolment
	Rural Factor	Located some distance from Vancouver and the nearest large regional population centre
	Climate Factor	Operate schools in colder/warmer climates; additional heating or cooling requirements
	Sparseness Factor	Operate schools that are spread over a wide geographic area
	Student Location Factor	Based on population density of school communities
	Supplemental Student Location Factor	Level 1 and 2 special needs enrolment
0.1% allocated to buffer the effects of declining enrolment	Salary Differential	Funding to districts that have higher average educator salaries
	Funding Protection / Enrolment Decline	
	Funding Protection	Funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
	Enrolment Decline	Funding to districts experiencing enrolment decline of at least 1% when compared to the previous year
CSF Supplement District receives a 15% funding premium on allocated funding.		

Other Provincial Grants

Other provincial grants include \$80K of child care funding received from the Ministry of Children and Family Development (“MCFD”) in 2023/24, prior to the funding source being transitioned to MECC in February 2024. No amounts were budgeted in 2023/24 or recorded as operating revenue in the prior year for MCFD funding, as the revenue was recorded in the corresponding special purpose funds.

Tuition

Tuition revenue consists of fees for continuing and international education. Revenues remained consistent with prior year.

Other Revenue

Other revenue consists of miscellaneous revenue (i.e. unrestricted grants and donations) and instructional cafeteria revenue. The District exceeded the budgeted amount by \$96K due to increased instructional cafeteria revenue.

There was a \$110K decrease from prior year in other revenue, primarily due to one-time amounts received in the prior year however not recurring in the current year. This decrease is offset by increased instructional cafeteria revenue in the current year.

Rentals

Rental revenue is generated from short-term rentals of sites and facilities to individuals and community groups. Higher than projected rental bookings were sustained throughout the 2023/24 school year leading to the actual revenues exceeding budgeted amounts.

The trend of increasing rental bookings since the COVID-19 pandemic restrictions were lifted continued into the 2023/24 school year and as a result there was an increase in revenue from prior year.

Investment Income

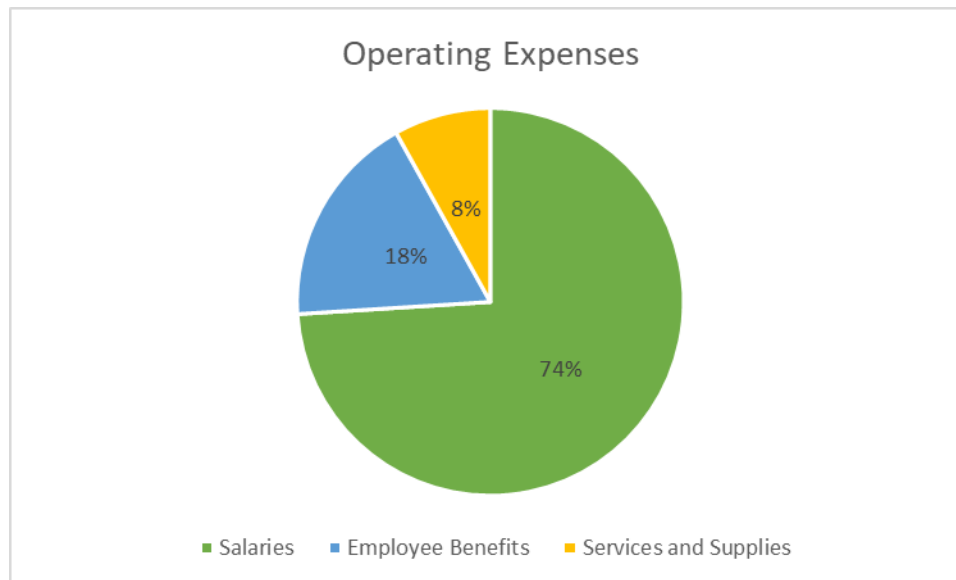
Investment income consists of interest accrued on the District’s bank account balances and short-term investments in the Central Deposit Program. The Central Deposit Program allows the District to invest funds with the provincial government thereby accessing a favorable rate without any restrictions on withdrawals.

The variance in actual versus budget and actual versus prior year is due to increasing annual weighted average interest rates from approximately 4.5% in 2022/23 to 5.5% in 2023/24. Larger cash balances throughout the year also contributed to the increase.



Expenses

The District's operating expenses for 2023/24 are presented by object as below.



Details and explanations of District operating expenses have been grouped by staffing and services and supplies.

Staffing

Employee salaries and benefits account for 92% of operating expenses, which is consistent with the prior year. District staffing expenses for 2023/24 were \$1,482,610 greater than budget and \$9,820,569 greater than prior year. Below are the details of variances by category.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2023/24	2022/23	2023/24	\$	%	\$	%
Teachers	39,316,387	34,160,518	38,648,366	668,021	1.7%	5,155,869	15.1%
Principals and Vice Principals	4,614,918	4,186,121	4,615,152	-234	0.0%	428,797	10.2%
Educational Assistants	9,165,096	7,570,106	8,918,985	246,111	2.8%	1,594,990	21.1%
Support Staff	6,158,634	5,957,733	6,229,961	-71,327	-1.1%	200,901	3.4%
Other Professionals	2,833,783	2,946,361	2,893,531	-59,748	-2.1%	-112,578	-3.8%
Substitutes	3,272,961	2,769,343	3,004,969	267,992	8.9%	503,618	18.2%
Total Salaries	65,361,779	57,590,182	64,310,964	1,050,815	1.6%	7,771,597	13.5%
Employee Benefits	16,076,112	14,027,140	15,644,317	431,795	2.8%	2,048,972	14.6%
Total Salaries and Benefits	81,437,891	71,617,322	79,955,281	1,482,610	1.9%	9,820,569	13.7%

Teachers

This line item consists of salaries paid to the District's certified teachers. The variance between budget and actual resulted from more continuing education teacher salaries than budgeted due to the increase in enrolment, consistent with the increased graduated adult funding received in 2023/24. In addition, student support teacher salaries were higher than budgeted to support current needs in the District's growing schools.

Teachers received a wage increase of 6.75%, effective July 1, 2023, as negotiated in the provincial collective agreement, contributing to a portion of the increased salaries over prior year. Additionally, mainly because of increased student enrolment as shown above, there was an increase in teachers by

approximately 16 FTE. Also contributing to the increase in teacher FTE are budget priorities supported in the 2023/24 school year for a 0.5 FTE indigenous curriculum facilitator and a 1.0 FTE speech language pathologist.

Principals and Vice Principals

This account includes salaries paid to principals and vice principals across the District. The current year variance from budget is insignificant.

The change from the prior year is a result of wage increases, consistent with teacher and support staff collective agreements. Additional principal and vice principal salaries were also required during the year to fill staff leaves.

Education Assistants (“EAs”)

EAs provide support for students with diverse abilities in the District. The variance from budgeted salaries resulted from additional EAs being deployed in the middle of the school year to address current needs in the District’s schools and a transfer of excess expense in the Learning Improvement Fund within the District’s special purpose fund accounts. The Learning Improvement Fund allows each EA in the District to participate in school-based team meetings to better support students with diverse needs. Given this funding has not been increased by the provincial government in some time, the additional costs are absorbed by the operating fund.

Contributing to the increase from prior year is a 6.75% wage increase effective July 1, 2023, as per the collective agreement, and an increase of approximately 10 FTE to support the District’s growing enrolment and maintain contingency EA staffing. Contingency EAs, a 2023/24 supported budget priority, were fully deployed early in the year, ensuring consistency and support in the classrooms for students with disabilities or diverse abilities. Additional contingency EAs were deployed in the middle of the school year to continue this consistency and support in the classrooms as needs emerged. Additionally, 2023/24 budget priorities supported an increase in EA hours to provide lunch relief and supervision at five school sites.

Support Staff

This account is made up of the salaries paid to administrative staff (other than principals and vice principals) including secretaries, clerks, accountants, technicians, maintenance staff, trades people, custodians, noon hour supervisors and crossing guards. The variance to budget was not significant at -1.1%.

The increase from prior year resulted from a wage increase of 6.75%, effective July 1, 2023, as per the collective agreement. In addition, the District’s 2023/24 priorities supported additional supervision at New Westminster Secondary School (“NWSS”) for the safety of the growing population. These increases to support staff salaries are offset by an allocation of internal salaries to current capital projects where District staff were utilized.

Other Professionals

Other professionals are District staff who are excluded from any union agreement including positions such as the Superintendent, Associate Superintendent, Secretary-Treasurer, Executive Director of Human Resources, other managers and trustees. The current year variance from budget is minimal at -2.1%.

Comparing current and prior year results, the wage increase for excluded staff, which is consistent with teacher and support staff collective agreements, was offset by savings realized through department restructuring and turnover of non-union staff during the year.



Substitutes

This account includes TTOCs and replacements for support staff. The variance to budget was due to higher than projected absences continuing into the later months of the year, coinciding with increased recruiting efforts, which resulted in a higher number of filled absences.

The increase in replacement costs from prior year results from a couple of factors. The District continued its replacement strategy introduced in 2021/22 and further invested an additional \$135K in replacement costs for the 2023/24 school year. The strategy places an increased focus on filling absences through priority TTOC and EA positions to avoid pulling specialists from critical student needs areas. In addition, teacher and support staff FTE have increased with the District's growing enrolment and higher absence rates have continued, leading to an increase in substitute costs.

Employee Benefits

Employee benefits include the amounts paid by the District on behalf of its employees for benefits such as Employment Insurance ("EI"), Canada Pension Plan ("CPP"), municipal or teacher pensions, and employee health and dental benefits. The variance to budget stems from the teacher, EA and substitute salaries that exceeded budget, as discussed above, and the corresponding impact on wage-related benefits.

The increase in employee benefits from prior year results from a few different factors. Wage-related benefit costs, such as EI, CPP and pension increased due to increased FTE and higher salaries as explained above. Monthly benefit premiums for extended health and dental plans increased from the prior year as well.

Services and Supplies

Services and supplies expense accounts for 8% of operating expenses, which is consistent with the prior year.

	Actual		Budget	Actual to Budget		Actual to Prior Year	
	2023/24	2022/23	2023/24	\$	%	\$	%
Services	2,463,752	2,357,304	2,230,117	233,635	10.5%	106,448	4.5%
Student Transportation	90,703	67,097	82,550	8,153	9.9%	23,606	35.2%
Professional Development and Travel	526,816	497,744	516,961	9,855	1.9%	29,072	5.8%
Rentals and Leases	271,100	267,843	278,362	-7,262	-2.6%	3,257	1.2%
Dues and Fees	87,951	122,630	109,714	-21,763	-19.8%	-34,679	-28.3%
Insurance	150,780	134,814	155,158	-4,378	-2.8%	15,966	11.8%
Supplies	2,162,924	1,855,214	2,573,613	-410,689	-16.0%	307,710	16.6%
Utilities	1,080,182	1,224,835	1,248,657	-168,475	-13.5%	-144,653	-11.8%
Bad Debt	1,300	4,271	-	1,300	-	-2,971	-69.6%
Total Services and Supplies	6,835,508	6,531,752	7,195,132	-359,624	-5.0%	303,756	4.7%
Tangible Capital Assets Purchased from Operating	1,563,240	885,359	1,200,000	363,240	30.3%	677,881	76.6%
Total	8,398,748	7,417,111	8,395,132	3,616	0.0%	981,637	13.2%

Services

This account includes computer licenses, costs for contracted professional and technical services, repairs and maintenance, telephones, and copier related services. Higher than expected costs for software licenses and professional services during the year resulted in actual costs being more than budget.

The increase from prior year is due to professional service costs for staff recruitment in the current year. In addition, the 2023/24 budget priorities included an investment to the communications department for website upgrades that support the strategic directions of the District.



Student Transportation

This account includes payments to the those who provide transportation to District students for curricular and extracurricular activities on a contract basis. The variance from budget was not significant.

The increase from prior year is due to an increase in the rates charged for contracted bus services.

Professional Development and Travel

This account includes amounts paid to professional development committees as well as registration fees, transportation, mileage allowances, meals, accommodation and per diem payments for District staff attending conferences and training opportunities. There were non-significant changes from budget.

The increase from prior year reflects an increase in amounts paid to schools' professional development committees. As these amounts are directly impacted by teacher FTE, amounts will increase as the District continues to grow.

Rentals and Leases

This account includes amounts for the long-term lease of buildings by the District. There were non-significant changes from budget and prior year.

Dues and Fees

This account includes membership fees and dues in professional organizations as well as educational licenses. There were non-significant changes from budget and prior year.

Insurance

This account includes the expenditures for all insurance coverage, premiums, and deductibles. The current year expense was on budget and consistent with prior year.

Supplies

Included in this amount is expenditures for supplies and materials of a consumable and/or non-capital nature. This includes learning resources, general supplies and non-capitalized furniture, equipment and computer equipment under \$5,000. The budget anticipated a smaller transfer of capital related items than what materialized in the current year. See the Tangible Capital Assets Purchased from Operating line in the above table where \$1,200,000 was budgeted compared to \$1,563,240 which was spent. The allocation of items between supplies and tangible capital assets purchased from operating explains for the majority of the variance from budget.

The increase from prior year results from a trustee by-election which was held during the current year. In addition, inflationary increases impacted the current year expense when compared to the prior year.

Utilities

This account includes expenditures for utility costs such as electricity, heating, water and sewage, garbage and recycling. The variance from budget results from greater savings than anticipated through replacing and upgrading to more energy efficient buildings.

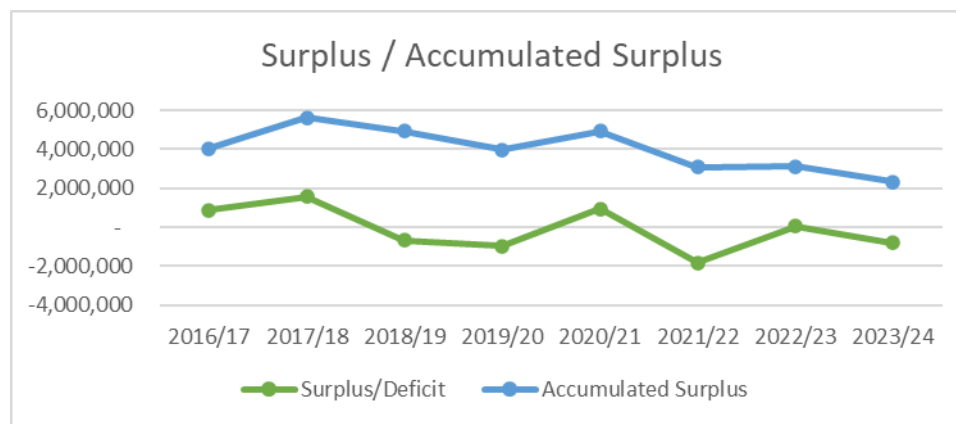
The decrease in utility costs from prior year results from the demolition of the old NWSS building. The current year was the first year where utilities were not being paid on both the old and new buildings, resulting in savings.



ACCUMULATED OPERATING SURPLUS ANALYSIS

Accumulated operating surpluses and reserves are an important factor in determining the financial health of the District. These resources are designed to help plan for future expenditures and protect the District from unforeseen financial and operating events to mitigate any negative impact such circumstances might cause. By Board policy, an unrestricted operating reserve of at least 2% of operating expenses shall be maintained. The Board will incorporate into its future budget planning processes, strategies to re-establish the reserve should it fall below this level.

The District ended the 2023/24 year with a \$2,309,512 accumulated operating surplus of which \$837,711 is internally restricted for specific purposes and \$1,471,801 is unrestricted. The 2023/24 accumulated operating surplus decreased by the current year's operating deficit of \$809,467. The below graph shows the relationship between the accumulated surplus and annual surplus/deficit over time.



Details of the accumulated operating surplus are as follows:

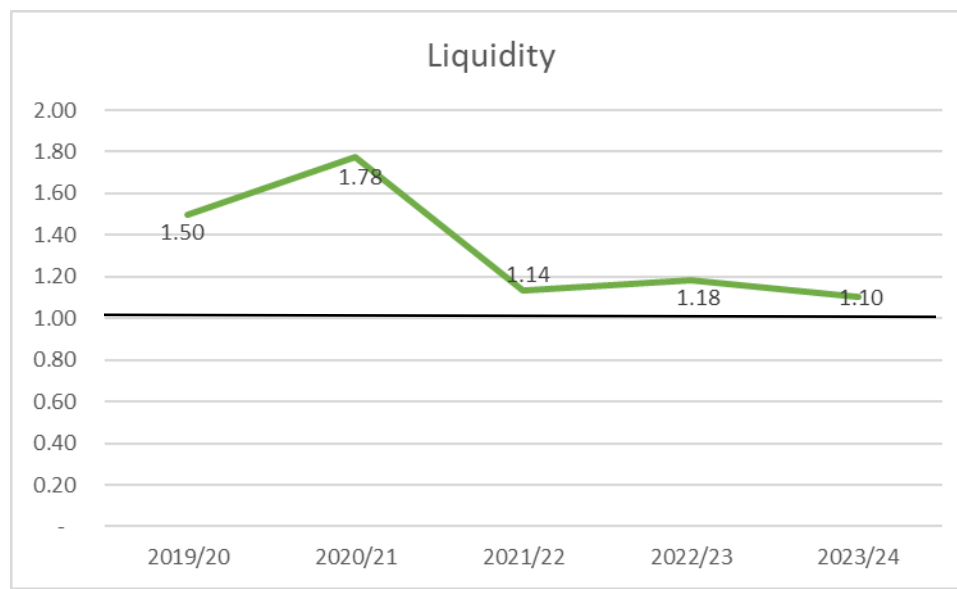
Accumulated Operating Surplus	2023/24	2022/23
Internally Restricted:		
<i>Constraints on Funds:</i>		
Alternate Education Local Grants	13,047	8,847
Contractual Obligations	-	70,000
Department Carryforward	40,790	20,000
Externally Targeted Funds	7,000	-
Teacher Mentorship Funds	9,780	19,598
<i>Anticipated Unusual Expense:</i>		
Staffing Contingency	-	215,000
<i>Operations Spanning Multiple Years:</i>		
Capital Cost Share	-	500,000
Commitments Outstanding	7,003	278,431
Future Years' Operating Budget Requirements	196,000	50,000
School Surplus	5,180	1,558
Strategic Plan Initiatives	-	30,000
Surplus Applied to 2024-25 Budget	558,911	-
Total Internally Restricted	837,711	1,193,434
Unrestricted	1,471,801	1,925,545
Total Accumulated Operating Surplus	2,309,512	3,118,979

FINANCIAL HEALTH RATIOS

Liquidity

Liquidity is measured by taking financial assets over liabilities, excluding deferred capital revenue. A liquidity ratio of greater than one is desirable as this means that the District can meet its short-term obligations and can better respond to changing circumstances.

As of June 30, 2024, the District's liquidity ratio is 1.10.



Accumulated Surplus from Operations to Operating Revenue

The chart below shows the District's accumulated operating surplus as a percentage of operating revenue over a five-year period. This is an indicator of the District's ability to react to emergent situations and the ability to fund special initiatives.

	2019/20	2020/21	2021/22	2022/23	2023/24
Unrestricted Surplus	-	1,536,991	734,336	1,925,545	1,471,801
Internally Restricted Surplus	3,978,341	3,386,936	2,347,826	1,193,434	837,711
Total	3,978,341	4,923,927	3,082,162	3,118,979	2,309,512
Revenue	69,221,759	69,053,395	72,008,419	79,423,695	89,677,172
Percentage	5.7%	7.1%	4.3%	3.9%	2.6%

Apart from 2020/21, when there was a substantial change to operations resulting from the COVID-19 pandemic, the historic trend shows a decrease in the accumulated operating surplus as a percentage of revenue. This is the result of purposeful investments in the District's strategic priorities to enhance learning opportunities for today's students.

Accumulated Amortization to Assets

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

Buildings	2019/20	2020/21	2021/22	2022/23	2023/24
Gross Assets	118,175,868	209,561,833	241,057,544	251,305,267	264,043,694
Accumulated Amortization	41,462,177	43,955,095	48,810,415	54,750,010	61,247,972
Ratio	0.35	0.21	0.20	0.22	0.23

Furniture, Equipment and Vehicles	2019/20	2020/21	2021/22	2022/23	2023/24
Gross Assets	1,895,018	4,343,684	5,192,355	5,522,576	6,276,483
Accumulated Amortization	660,008	886,459	1,292,809	1,739,279	2,329,232
Ratio	0.35	0.20	0.25	0.31	0.37

Computer Hardware	2019/20	2020/21	2021/22	2022/23	2023/24
Gross Assets	3,774,996	3,810,140	3,491,383	3,076,380	3,086,094
Accumulated Amortization	1,495,252	2,033,526	1,868,094	1,754,271	1,513,192
Ratio	0.40	0.53	0.54	0.57	0.49

Total	2019/20	2020/21	2021/22	2022/23	2023/24
Gross Assets	123,845,882	217,715,657	249,741,282	259,904,223	273,406,271
Accumulated Amortization	43,617,437	46,875,080	51,971,318	58,243,560	65,090,396
Ratio	0.35	0.22	0.21	0.22	0.24

The ratio for buildings decreased significantly in 2020/21 and has stayed consistent. This is reflective of the significant capital investments made at schools such as New Westminster Secondary School (completed in 2020/21 fiscal year) and Skwo:wech Elementary (completed in 2021/22 fiscal year).

The increasing ratio for furniture, equipment and vehicles suggests that investments will be important in future years.

The decrease in ratio for computer hardware in 2023/24 is consistent with the large investment made in technology, consistent with the District's strategic priority and technology plan to ensure staff and students can access up-to-date technology.

SPECIAL PURPOSE FUND

The Special Purpose Fund consists of funds received from MECC or other sources that have been designated for a specific purpose. These funds are deferred until the corresponding expenditures are incurred.

During 2023/24, \$14.45 million in special purpose fund contributions was received and \$14.15 million was spent. There was \$316,971 of additional expenses, over and above funding received, relating to special purpose programs that was funded and reported in the operating fund. As at June 30, 2024, \$1.66 million in special purpose funds remain available for designated purposes in future years.

The District incurred the following expenditures in 2023/24, as related to significant special purpose funds.

Program	Funding Source	2023/24 Grant	2023/24 Expense	Purpose
Annual Facility Grant	MECC	\$235,916	\$235,916	Planned maintenance of facilities.
Learning Improvement Fund	MECC	\$302,183	\$393,888	Augment EA hours, providing additional support to complex learners.
Scholarships and Bursary	Other	\$119,693	\$143,800	Provide financial support for post-secondary education to graduating grade 12 students.
School Generated Funds	Other	\$1,906,960	\$1,949,602	Funds that are collected and paid out through school accounts in support of school-based programs.
Strong Start	MECC	\$96,000	\$106,000	Provide early learning centers that offer school-based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn	MECC	\$19,600	\$19,600	Support early learning for children aged 3 to 5 and their parents and facilitate a smooth transition to Kindergarten.
Official Languages in Education French Programs ("OLEP")	MECC	\$317,271	\$304,979	Deliver Core French language programs and curriculum resources and support French Immersion growth.
Community LINK	MECC and Other	\$1,710,863	\$1,710,863	Provide programs and initiatives to improve the educational outcomes of vulnerable students, including academic achievement and social functioning.
Classroom Enhancement Fund (Overhead, Staffing and Remedies)	MECC	\$7,687,616	\$7,784,353	Address additional teacher staffing, overhead and remedy costs resulting from restoration of class size and composition language.
Mental Health in Schools	MECC	\$52,000	\$59,641	Support mental health for children and youth in schools.
Seamless Day Kindergarten	MECC and Other	\$170,817	\$260,192	Provide before and after school care in kindergarten classrooms and support learning alongside the classroom teacher
Student & Family Affordability	MECC	\$191,000	\$117,533	Help families struggling with rising costs of living due to global inflation.

Just B4	MECC and Other	\$47,448	\$65,617	Provide a play-based program to support young learners in the year leading into Kindergarten.
Strengthening Early Years to Kindergarten Transitions (“SEY2KT”)	MECC	\$19,000	\$19,000	Provides opportunities to work together with communities and support young children in a smooth transition to school.
ECL (Early Care & Learning)	MECC	\$175,000	\$106,626	Expand access to affordable, quality child care on school grounds and grow relationships with partner groups.
Feeding Futures	MECC	\$826,518	\$826,518	Create and expand local school food programs so that more students have access to healthy meals and snacks at school.
Apprentice Program	Industry Training Authority	\$118,574	\$131,575	Enable students to apply trade-specific training and explore career options in the trades.
Queensborough Bus (3-year Pilot)	MECC and Other	\$394,080	\$217,716	Provide a dedicated bus service for New Westminster Secondary School students living in Queensborough.
Work Experience Enhancement	MECC	\$50,000	-	Build and strengthen relationships with employers to increase student participation in work experience courses.

CAPITAL FUND

The net book value of tangible capital assets is \$232.2 million as at June 30, 2024 (see Schedule 4A of the audited financial statements). These net costs represent the historical cost net of accumulated amortization of all District tangible capital assets, which is not the current market value.

Major Capital Projects

The District had 4 major capital projects at various stages of progress during the 2023/24 school year, as detailed in the below table. Capital expenditures are primarily funded by the Province of British Columbia, with additional funding provided through locally generated District capital funds and third-party contributors.

Project	Scope	Commencement Date	Completion Date
Queen Elizabeth Elementary	Expansion	June 2021	Targeted for completion in December 2026
Qayqayt Elementary and Fraser River Middle	Interior Space Conversions	Spring 2024	Summer 2024
Lord Tweedsmuir and FW Howay Day Care Centres (New Spaces Funding)	Relocation	Spring 2023	March 2024
New Westminster Secondary	School Replacement	Spring 2017	January 2021; demolition of old school site completed in June 2024

New Fraser River Elementary School

In the Spring of 2022, the District received notice from the Ministry acknowledging the needs for a 600–student capacity elementary school in the Fraser River Zone. At present, the project definition report has been accepted by the Ministry and the District is awaiting funding approval.

New Fraser River Zone Site Acquisition

In the Spring of 2023, the District received notice from the Ministry acknowledging the needs for a new middle school in the Fraser River Zone through a future site acquisition. The District is actively working with the Ministry and City of New Westminster on site identification.



Other Capital Funded Projects

In addition, MECC provided the District funding for the following capital programs in 2023/24:

Capital Program	2023/24 Funding	2023/24 Expenses	Description
Annual Facility Grant	\$1,240,820	\$1,240,820	Funding is provided to address repair and maintenance priorities at schools to ensure facilities are safe and functioning well. Projects for 2023/24 included electrical, mechanical, facility and site upgrades across District sites.
School Enhancement Program	\$1,000,000	\$1,000,000	Funding is provided to help the District extend the life of their facilities through a wide range of improvement projects. Work was completed on roof upgrades at Queensborough Middle School and HVAC enhancements at Glenbrook Middle School in 2023/24.
Carbon Neutral Capital Program	\$750,000	\$750,000	Funding is provided for energy-efficient projects that lower carbon emissions in the District. Energy system enhancements were completed at Herbert Spencer Elementary School in 2023/24.



Capital Fund Balances

Capital Fund	Description	As at June 30, 2024	As at June 30, 2023	Change (\$)
Bylaw Capital	Represents funds drawn on Certificates of Approval for capital projects.	-	-	-
MECC Restricted Capital	Represents MECC's portion of proceeds on disposal of land and buildings and any bylaw project surplus on capital projects.	-	-	-
Other Provincial Capital	Capital funding received from MECC under the New Spaces Fund for childcare centres at Lord Tweedsmuir and FW Howay school sites.	-	\$795,340	(795,340)
Land Capital	Funds received from the City of New Westminster for school site acquisition charges.	\$372,572	\$891	371,681
Other Capital	Includes capital grants received from and restricted by any entity not included in the Government Reporting Entity.	-	-	-
Local Capital	Funds generated by the District to be utilized for capital expenditures as determined by the District.	\$661,633	-	661,633

Other Provincial capital relates to the relocation of child care centres to Lord Tweedsmuir and FW Howay school sites. Changes in the capital fund balance are summarized below.

Other Provincial Capital, June 30, 2023	\$795,340
Increase:	
23/24 Advances received – New Spaces Funding	2,028,000
Decrease:	
23/24 Amounts spent	(2,823,340)
Other Provincial Capital, June 30, 2024	\$ -

The balance at June 30, 2023, represents the first advance received in the 2022/23 school year, less amounts spent to June 30, 2023. The remainder of approved funding totalling \$2.028 million was received in the 2023/24 school year. Amounts spent in 2023/24 are transferred to deferred capital revenue, reducing the corresponding capital fund balance. The project completed in March 2024, thus a nil balance in the capital fund at June 30, 2024.

Changes in the local capital balance are summarized below.

Local Capital Deficit, June 30, 2023	\$ -
Board approved transfers to local capital:	
NWSS cooling project	500,000
Long-term capital planning	150,000
Interest allocation	11,633
Local Capital Balance, June 30, 2024	\$661,633

The Board approved the transfer of \$650,000 to local capital as part of the 2023/24 amended budget. The District has committed \$500,000 to the New Westminster Secondary School cooling project alongside the Ministry's approved contribution of \$3 million. This capital project will provide cooling to the second and third floors of the school and is anticipated to be completed by summer 2025. As part of the 2023/24 budget priorities, the Board has also approved the transfer of \$150,000 to local capital to address long-term capacity needs.



LONG TERM OUTLOOK

There are several potential risks and other unknown factors that may have a financial impact on the District as discussed below.

Enrolment Growth and Capacity Constraints

Our District is currently experiencing significant capacity pressures brought on by a growing student population and a severe lack of space at our existing schools. Short-term capacity challenges and bridging solutions needed to address them create a financial risk in how to provide these additional resources under the current Ministry funding envelope. Until a new school is built to create capacity, the District must fund the purchase of portables and related furniture through its operating dollars.

International Education Program

The District relies on the International Education Program to provide an additional source of revenue to reduce the gap on operating grant funding shortfalls. Capacity constraints have impacted the ability to attract more international students to the District. Enrolment variances will need to be closely monitored throughout the year to ensure the District is on track with projections. Any variations will significantly impact the budget.

Capital Projects

Due to their magnitude, capital projects have the potential to significantly impact the financial position of the District. Individual project risk assessments must be done on a continuous basis. Project agreements with the Ministry contain contingency requirements to mitigate financial risk. Smaller projects consider contingency requirements when building the overall project budget and are managed internally.

Technology

The demand for technology continues at a rapid pace. The District recognizes the importance of providing the required services and building effective security controls to ensure that District information and financial assets are secure and protected. Ongoing improvements in the District's technology and security posture will require additional financial resources.

Other assets

Existing District budget allocations are not enough to support the procurement, maintenance or timely replacement of District assets. This means that vehicles and IT hardware are not refreshed on a regular basis and the deferred maintenance for facilities continues to grow. Any major equipment failures must be funded from existing budgets.

Strategic Plan

The District is guided, as we always have been, by our strategic plan which covers the years 2019–2024. More details of the strategic plan and highlights of accomplishments can be found on the website at www.newwestschools.ca. The development of a new strategic plan is underway and will provide direction for the District in the years ahead.

