



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2024

Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2024. This report is a summary of the School District's financial activities based on currently known facts, decisions or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This report should be read in conjunction with the School District's Financial Statements for this same period.

SD35 Langley – Strategic Plan

Purpose – Mission

To inspire all learners to reach their full potential and create a positive legacy for the future.

Vision

An innovative, inspiring and unified learning community.

Statement of Beliefs & Principles

The Board of Education is committed to being responsible stewards of its resources and making budget decisions which are responsive to the overall District and which support the health and equity of our schools. To emphasize this commitment, the following budget beliefs and values and budget principles will be employed by the District in the development of its annual operating budget.

Budget Beliefs & Values

1. We believe that schools exist for learners.
2. We believe every learner can be knowledgeable, skilled and innovative.
3. We believe that learning is a passion for individuals to pursue throughout their lifetime.
4. We believe that safe and healthy environments contribute to student learning.
5. We value the pursuit of excellence in teaching and learning.
6. We believe that education is a shared responsibility among school, home and community.
7. We value the dedication of our educators and support staff, and the accomplishments of our learners.

Budget Principles

1. The allocation of human and material resources should be directed to support the Strategic Plan and the Framework for Enhancing Student Learning, including the School Plans which are focused on improving student learning.

2. The allocation of resources should respond to the diversity of student needs and the vulnerability of our learner.
3. Resources should be provided to all learners at equitable and sustainable levels.
4. Program choices and adjustments should be made in the best interests of students and should be guided by credible research, successful professional past practice and thoughtful implementation of new and emerging practices.
5. Student learning is best served when adequate staffing exists at all levels of the organization and the necessary infrastructure supports are in place.

Core Values

1. Integrity, Courage, Excellence, Community.

Our financial discussion and outcome is framed by this vision with key outcomes achieved during the year overviewed below.

Enrolment

The operations of the School District are dependent on continued grant funding from the Ministry of Education and Child Care primarily based on student enrolment, students identified with special needs and other demographic and geographical factors. Expenditures are primarily associated with staffing and related compensation and benefits. Student enrolment and staffing levels are reflected below.

Enrolment

Provincial grant funding is driven by student enrolment, unique student needs and unique geographical requirements, with additional funding for adult and summer school education. School District student enrolment is summarized as follows.

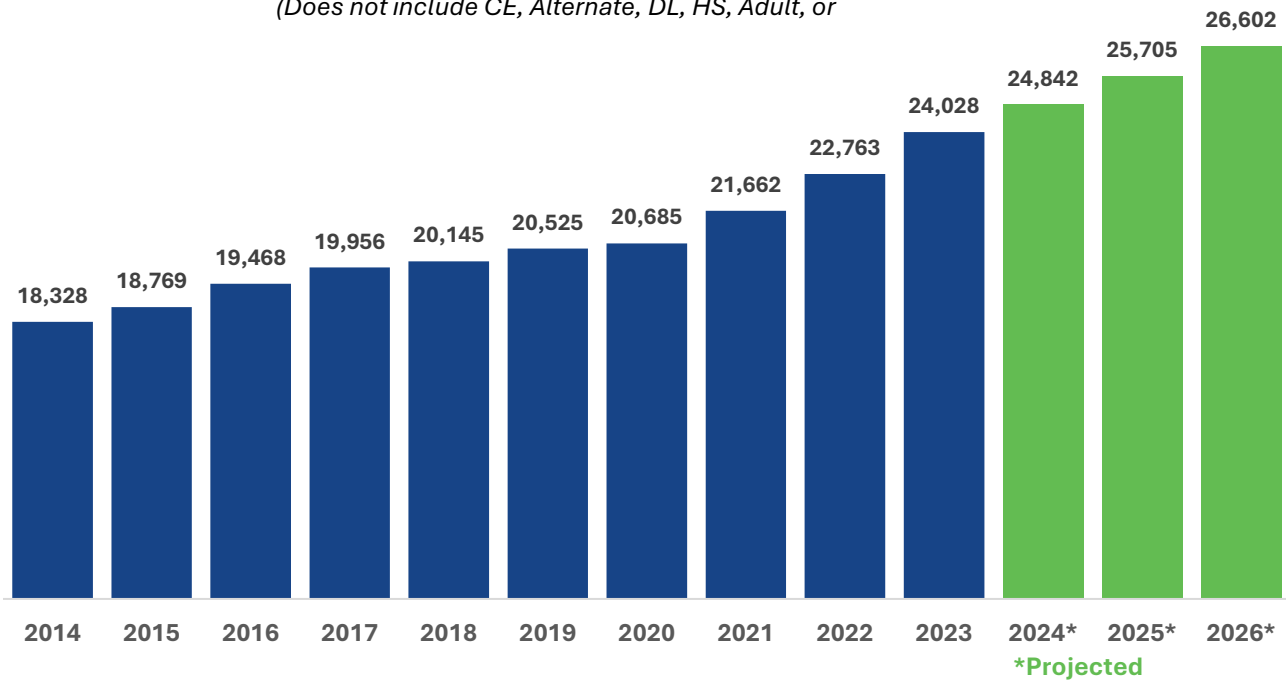
				Increase (Decrease) From 2022 - 2023	Increase (Decrease) From Budget Variance
	2023-24 Actual	2022-23 Actual	2023-24 Budget		
Standard (Regular) Schools	24,027.9375	22,762.8750	23,574.8750	1,265.0625	453.0625
Continuing Education	16.1250	10.7500	11.0000	5.3750	5.1250
Alternate Schools	261.0000	255.0000	256.0000	6.0000	5.0000
Total FTE	24,305.0625	23,028.6250	23,841.8750	1,276.4375	463.1875

				Increase (Decrease) From 2022 - 2023	Increase (Decrease) From Budget Variance
	2023-24 Actual	2022-23 Actual	2023-24 Budget		
Online Learning (DL)	179.8750	195.1250	205.0000	(15.2500)	(25.1250)
Home Schooling	47.0000	45.0000	45.0000	2.0000	2.0000
Course Challenges	89.0000	98.0000	98.0000	(9.0000)	(9.0000)
Summer school	440.1250	397.0000	397.0000	43.1250	43.1250
Adult Education	55.8125	53.3750	51.7500	2.4375	4.0625
Total FTE	811.8125	788.5000	796.7500	23.3125	15.0625

The bar graph shows that regular student enrolment has been increasing at a steady rate over the past few years. FTE growth rates show increases of 4.7%, 5.1%, and 5.6% in 2021, 2022, 2023. (Data Source: Ministry of Education and Child Care September 1701). The following bar graphs contain projections for the years 2024 to 2026 that align with our 3-year financial plan.

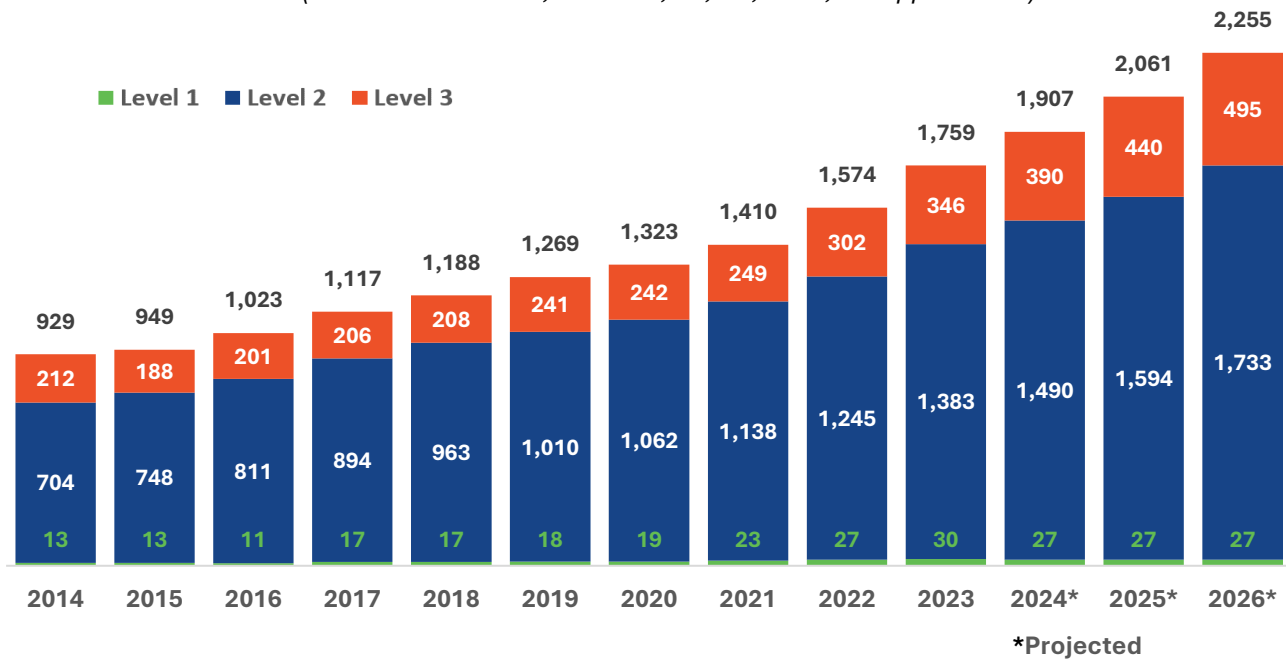
Regular School-Age September Enrolment (FTE)

(Does not include CE, Alternate, DL, HS, Adult, or



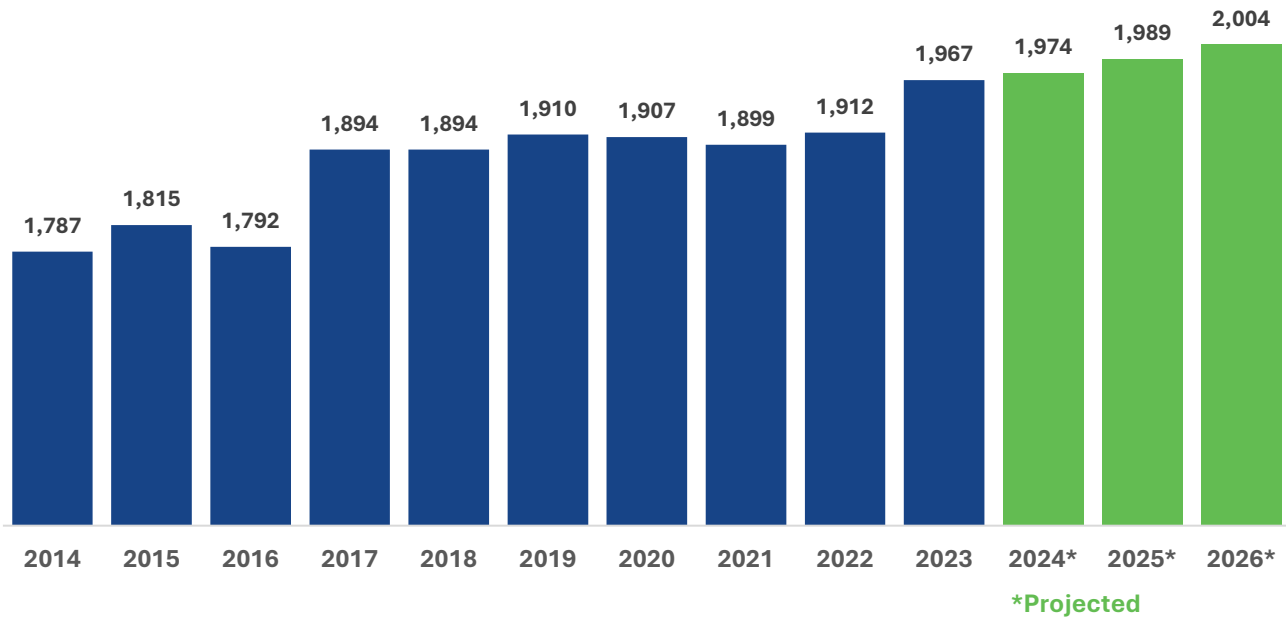
Regular School-Age Special Needs Enrolment by Level (HC)

(Does not include CE, Alternate, DL, HS, Adult, or Supplemental)



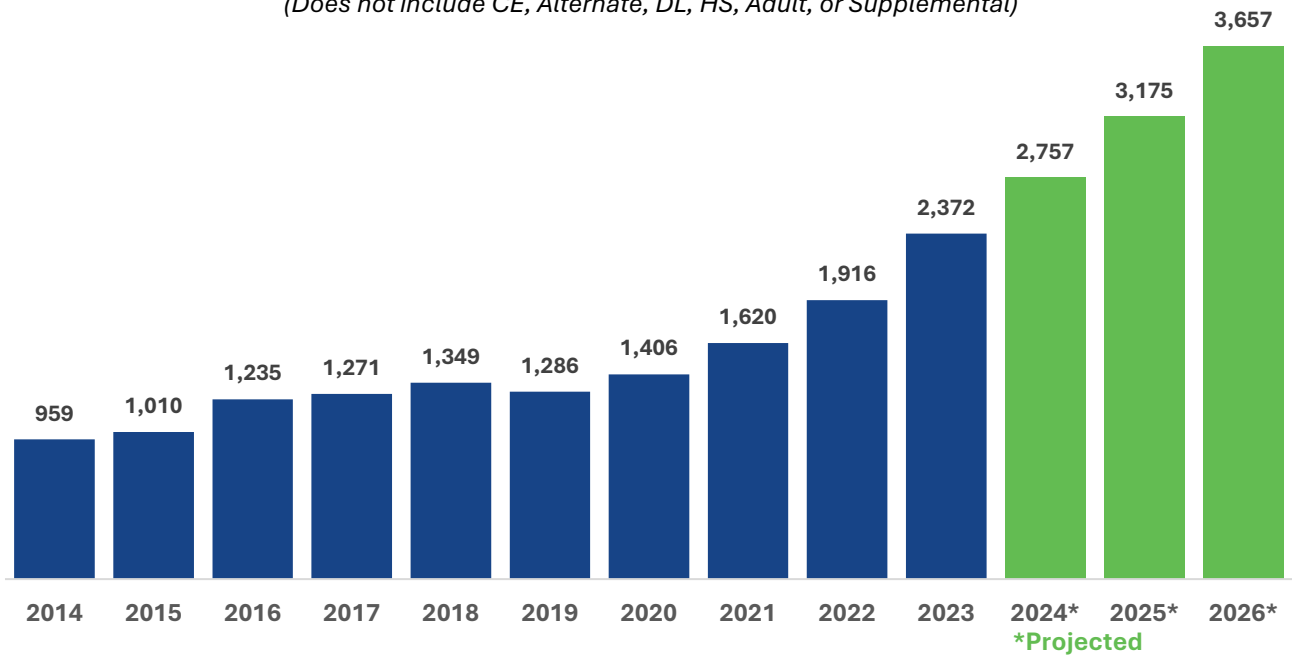
Regular School-Age Indigenous Enrolment (HC)

(Does not include CE, Alternate, DL, HS, Adult, or Supplemental)



Regular School-Age ELL Enrolment (HC)

(Does not include CE, Alternate, DL, HS, Adult, or Supplemental)



Financial Highlights

The School District's revenue is heavily reliant upon the Operating Grant from the provincial government which is based on enrolment levels and other factors. 72.9% of the District's revenue is from the Operating Grant, 15.3% is provincial grant funding within the Special Purpose Fund, 4.3% of revenue is generated from International Education Programs, 3.2% associated with the recognition of Deferred Capital Revenue, and the balance through other revenue programs such as other Special Purpose Funding, Facility Rental and Lease Income, Investment Income and Summer School Programs.

90.8% of the School District's operating expenditures are associated with salaries and benefits. The balance of expenditures is related to supplies and services including utilities, professional development and maintenance.

Financial Results for 2023/2024

	Operating	SPF	Capital	Total
Revenues				
Provincial Grants	270,044,586	55,891,278	305,585	326,241,449
Municipal Grants	-	-	-	-
Federal Grants	-	906,829	-	906,829
Tuition	15,962,824	-	-	15,962,824
Other Revenue	1,493,879	9,386,068	-	10,879,947
Rentals and Leases	1,042,949	-	-	1,042,949
Investment Income	3,570,264	-	70,485	3,640,749
Gain (Loss) on Disposal of Tangible Capital Asset	-	-	-	-
Amortization of Deferred Capital Revenue	-	-	11,972,257	11,972,257
Total Revenues	292,114,502	66,184,175	12,348,327	370,647,004
Expenses				
Instruction	234,458,839	64,626,270	-	299,085,109
District Administration	9,808,828	753,234	-	10,562,062
Operations and Maintenance	30,003,639	697,924	-	30,701,563
Transportation and Housing	2,792,718	36,418	-	2,829,136
Amortization of Tangible Capital Assets	-	-	16,986,348	16,986,348
Debt Services	-	-	-	-
Total Expenses	277,064,024	66,113,846	16,986,348	360,164,218
Surplus (Deficit)	15,050,478	70,329	(4,638,021)	10,482,786
Net Transfers to/from other Funds				
Local Capital	(10,304,214)	(70,329)	10,374,543	-
Total Net Transfers	(10,304,214)	(70,329)	10,374,543	-
Total Surplus (Deficit) for the year	4,746,264	-	5,736,522	10,482,786
Surplus (Deficit) beginning of the year	17,395,124	-	123,978,463	141,373,587
Accumulated Surplus (Deficit)	22,141,388	-	129,714,985	151,856,373

Operating Accounts

The School District was in a surplus position of \$4,746,264 when factoring in capital from operating. This is favorable when compared to a deficit budget of \$5.97M. The following are some explanations for the variances:

- Revenue is higher than the Amended Budget due mainly to higher February and May counts for Enrollment, higher Other Revenue and higher than expected increase in investment income as interest rates increased.
- Other Professionals was \$284K over budget due to higher than normal vacation and retirement payouts.
- Higher substitute costs due to vacancies coverage and resulting in higher expenditures on support staff replacement costs and teacher replacement costs.
- Support Staff and Educational Assistant Costs was \$1.06 million under budget due to lower than budgeted Educational Assistant Costs (offset by higher casual costs), higher than budgeted salary recoveries and staggered hiring for educational assistants throughout the school year.
- Lower average Teacher Salary and Vacancies (partially offset by higher substitute costs) was a factor in salaries being \$7.34 million under budget.
- Benefits rate of 24.2% is higher than the previous year's rate of 23.6%, actual benefit costs were \$1.359 million lower than budgeted due to lower salary costs.
- Spending on Services and Supplies was approximately \$0.142 million over budget due to higher spending patterns for schools and at the District level. Part of this increase was due to the impact of inflation and labour savings at cost centres that was used to purchase services and supplies. This was offset by \$324K savings in Utilities due mainly to a mild spring and winter.

Special Purpose Accounts

All Special Purpose Funds tracked within the Amended Budget including the Classroom Enhancement Fund accounts discussed below. Last year, the District received funding via the Student and Family Affordability, Just B4, Early Years to Kindergarten and Early Care & Learning Funding. New funding for this year included Project Penny, Project Resiliency and the Feeding Futures Fund.

Capital Accounts

Funding for capital expenditures is primarily through the Ministry of Education and Child Care with some funding provided through locally generated capital funds.

There were three major construction projects during the year (PEMS Seismic, NEL Elementary and RBE Modular). Smaller projects include new windows at ACSS, HDSMS Kitchen upgrades and initial work on the LSS Extension.

Classroom Enhancement Fund (CEF)

In the spring of 2017, the Ministry of Education and Child Care committed funding to school districts to meet the obligations of the restored collective agreement language for class size and composition. For the 2023-24 school year \$41.63 million was provided to Langley and was utilized for the hiring of 374.67 (annualized) FTE teachers, to pay for an estimated \$4.66 million in remedy and to pay for an estimated \$0.992 million in additional overhead costs.

Statement of Financial Position

The following table provides an analysis of the School District's Net Financial Position for the fiscal years ended June 30, 2024 and 2023.

Cash increased \$17.4 million over the prior year. Cash held in the bank for current operational needs totals \$53.8 million. In addition, \$39.3 million is held on deposit with the Ministry of Finance and is available within 1-2 days if required. This Ministry Central deposit account earns interest at 4.95% (as of June 30, 2024), comparable with one year or longer locked in GIC rates. These rates have increased from a rate of 2.20% in the Spring of 2023 to manage inflation and other factors in the economy.

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	Increase (Decrease)
Financial Assets			
Cash and cash equivalents	\$ 97,919,209	\$ 80,535,166	\$ 17,384,043
Accounts Receivable			
Due from Province - Ministry of Education and Child Care	4,438,187	2,277,133	2,161,054
Other	3,238,642	2,081,178	1,157,464
Total Financial Assets	105,596,038	84,893,477	20,702,561
Liabilities			
Accounts payable and accrued liabilities	48,379,793	40,002,764	8,377,029
Unearned revenue	16,133,075	14,753,661	1,379,414
Deferred revenue	6,706,400	5,941,626	764,774
Deferred capital revenue	261,719,752	239,899,125	21,820,627
Employee future benefits	7,143,784	6,802,763	341,021
Asset Retirement Obligation	31,326,079	31,631,664	(305,585)
Total Liabilities	371,408,883	339,031,603	32,377,280
Net Financial Assets (Debt)	(265,812,845)	(254,138,126)	(11,674,719)
Non-Financial Assets			
Tangible capital assets	415,117,391	392,966,928	22,150,463
Prepaid expenses	2,551,827	2,544,785	7,042
Total Non-Financial Assets	417,669,218	395,511,713	22,157,505
Accumulated surplus	\$ 151,856,373	\$ 141,373,587	\$ 10,482,786
Accumulated Surplus			
Capital	\$ 129,714,985	\$ 123,978,463	\$ 5,736,522
Operating	22,141,388	17,395,124	4,746,264
	\$ 151,856,373	\$ 141,373,587	\$ 10,482,786

Cash assets at June 30 are categorized as follows.

	Jun 30, 2024	Jun 30, 2023	Increase
	Actual	Actual	(Decrease)
Funds deposited with ScotiaBank	\$ 53,752,088	\$ 39,203,817	\$ 14,548,271
Central deposit - Ministry of Finance	39,298,560	37,191,621	2,106,939
School generated funds	4,168,561	4,139,728	28,833
	<u>\$ 97,219,209</u>	<u>\$ 80,535,166</u>	<u>\$ 16,684,043</u>

This cash is required to fulfill the payment and liability obligations as follows.

	Jun 30, 2024	Jun 30, 2023	Increase
	Actual	Actual	(Decrease)
Obligations			
Trade payables	\$ 12,040,674	\$ 7,937,356	\$ 4,103,318
Salaries and benefits payable	27,716,066	24,527,462	3,188,604
Accrued vacation pay	5,151,357	4,650,373	500,984
Due to Province - Ministry of Education and Child Care	-	-	-
Other payable	3,471,696	2,887,573	584,123
Unearned Revenue - International students program	15,965,822	14,443,982	1,521,840
Unearned Revenue - Other	167,253	309,679	(142,426)
Deferred Revenue - Special Purpose Funds	6,706,400	5,941,627	764,773
Employee Future Benefits	7,143,784	6,802,763	341,021
Deferred Capital Revenue - Unspent	7,001,296	2,124,931	4,876,365
Local Capital	642,129	417,394	224,735
Other	-	-	-
			-
Assets			
Receivable - Ministry of Education and Child Care	(4,438,187)	(2,277,133)	(2,161,054)
Receivable - Other	(3,238,642)	(2,081,178)	(1,157,464)
Prepaid expense	(2,551,827)	(2,544,787)	(7,040)
	<u>75,777,821</u>	<u>63,140,042</u>	<u>12,637,779</u>
Accumulated Operating Surplus	<u>22,141,388</u>	<u>17,395,124</u>	<u>4,746,264</u>
	<u>\$ 97,919,209</u>	<u>\$ 80,535,166</u>	<u>\$ 17,384,043</u>

The difference between the cash assets and the liabilities is reflected as the accumulated surplus.

Accounts Receivable for Ministry of Education and Child Care is primarily due to bylaw accrual funding for capital projects.

Accounts Payable and Other Liabilities Trades Payable increase of \$4.1M is primarily due to large capital invoices accrued at year end for PEMS Seismic and Northeast Latimer Elementary.

Unearned Revenue is related to International Education tuition for subsequent years received in advance.

Deferred Revenues – Special Purpose Funds Increase of \$419K is due to unspent funds for CEF Staffing in Fiscal 2024 due to not being able to fill positions. A further \$313K relates to unspent funds for Feeding Futures.

Deferred Capital Revenue: \$1.55M SSAC collected from Township of Langley and Langley City; \$2.3M pertaining to unspent funding received for the Richard Bulpitt Modular expansion.

Tangible Capital Assets increased \$22.2 million primarily due to WIP additions for PEMS Seismic, NE Latimer Elementary and Richard Bulpitt Modular expansion.

Financial Analysis – Comparison to Budget and Last Year

Statement of Operations

The Statement of Operations is a consolidation of three funds – Operating, Special Purpose and Capital Funds. Each of these three funds are reviewed separately below.

Statement of Operations – Operating Fund

Revenue

Grant Revenue

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Provincial Grants - Ministry of Education and Child Care	\$ 269,788,627	\$ 236,820,688	\$269,171,590	\$ 32,967,939	\$ 617,037
Provincial Grants - Other	255,959	205,900	202,000	50,059	53,959
	<u>\$ 270,044,586</u>	<u>\$ 237,026,588</u>	<u>\$269,373,590</u>	<u>\$ 33,017,998</u>	<u>\$ 670,996</u>

Grant Revenues were \$33.02 million higher than last year due to increased enrollment and increases in funding for per student amounts \$37.20 million. This is offset by removal of the one-time grant for collective agreements for \$4.56 million which has now been rolled into the per pupil funding. There was also an increase of \$0.318 million for Graduated Adults and \$0.06 million higher for minor grants.

Grant Revenues were \$0.671 million higher than budget mainly due to higher February and May enrolment counts.

International Education Revenues

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Tuition - International	15,723,579	14,390,254	15,688,971	1,333,325	34,608
	<u>\$ 15,723,579</u>	<u>\$ 14,390,254</u>	<u>\$ 15,688,971</u>	<u>\$ 1,333,325</u>	<u>\$ 34,608</u>

International Education revenues were \$1.33 million higher due to increased enrollment.

Other Revenues

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Tuition - Other	239,245	135,732	234,015	103,513	5,230
Other Revenue	1,493,879	1,197,372	972,327	296,507	521,552
Rental and Leases	1,042,949	958,124	1,092,150	84,825	(49,201)
Investment Income	3,570,264	2,335,884	3,050,000	1,234,380	520,264
	\$ 6,346,337	\$ 4,627,112	\$ 5,348,492	\$ 1,719,225	\$ 997,845

Tuition Other was up from last year due to higher Summer School and Continuing Education Fees. Other Revenue has increased due to an increase in salary recoveries and other miscellaneous revenues and grants. Rental and Lease Revenue was higher than last year due to the higher film and community rental revenues. There were higher interest rates for the Central Deposit Program and investments with the bank resulting in higher investment income.

Expenses

Teachers

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Teachers	\$ 120,403,675	\$ 108,327,190	\$ 127,743,547	\$ 12,076,485	\$ (7,339,872)

Teacher Salary Expenses were \$12.08M higher than last year due to additional FTE, collective agreement salary increases, salary increments per the collective agreement and grid step increases. There were additional teachers hired due to enrollment increases.

Teacher Salary Expenses were \$7.34M lower than budget due mainly to the lower average teacher salary and vacancies at school startup and second semester. This is offset by higher than budgeted TTOC costs.

Principals & Vice-Principals

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Principals and Vice-Principals	14,598,788	13,532,809	14,790,644	1,065,979	(191,856)

Principals and VP Salaries were \$1.07M higher. \$765K was due to wage increases. Added 3 VPs at YCMS, PEMS, & North Otter \$372K; Additional VP Administrative Support for schools \$132K for part of school year; this was offset by lower than budgeted salaries and savings from the School Administration Support Plan \$203K.

Principals and VP Salaries were \$203K lower than budgeted and savings from the School Administration Support Plan. This is offset by \$12K unbudgeted vacation accrual.

Educational Assistants

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Educational Assistants	26,530,948	22,000,428	27,811,215	4,530,520	(1,280,267)

Actual expenses were \$4.53M higher than last year. There were 71 SEA positions added in the 23/24 Budget \$2.85M; 2 Youth Care Workers \$90K; 1 Bus Monitor added \$30K; Additional Library Technician & Hours \$75K; Added Early Childhood Educator Hours \$80K; contractual wage increases \$1.4M; Actuals were lower due to staggered starts throughout the school year.

Actual expenses were lower than budget by \$1.28M due to late starts and vacancies, this is offset by higher casual costs and higher than budgeted costs for vacation payouts.

Support Staff

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Support Staff	20,857,145	18,848,163	20,641,359	2,008,982	215,786

Actual expenses were \$2.01M higher than last year. Increased bus driver required for additional route \$50K; added 2.5 Custodial positions due to increased number of portables and divisions \$135K; added 1 Office Asst. to HR and 1 Payroll Technician \$125K; added 1 Technical Support Specialist in IT \$75K; higher overtime costs \$175K and contractual wage increase of \$1.40M. The balance relates to actuals being higher.

Expenditures were \$216K higher than budget. Support Staff salaries are \$320K below budget. This is offset by higher than budgeted overtime of \$382K and higher than budgeted vacation and sick day payout costs \$154K.

Other Professionals

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Other Professionals	6,505,977	5,849,060	6,222,087	656,917	283,890

Actual expenses were \$657K higher than last year. Added 1.50 HR Officer positions \$127K; higher than budgeted vacation payouts \$80K transition IT Director \$80K combined with wage increases \$370K.

Actual expenses were \$284K above budget primarily due to higher than budget vacation payouts and higher than budgeted salaries.

Substitutes

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Substitutes	13,735,545	12,149,778	11,072,772	1,585,767	2,662,773

Actual expenses were \$1.59M higher than last year. This is primarily due to TOC and casual replacement costs. Casual replacement costs were \$270K higher. Other TTOC replacement costs were \$1.32M greater than last year partially due to collective wage increases.

Substitute costs were \$2.66M higher than budgeted. Actual casual support expenses were \$1.26M higher than budgeted due mainly to the backfilling for vacancies and sick costs for SEAs and Custodians. TTOC Replacement Vacancy costs were \$456K higher due to increased vacancies and late starts at the beginning of the school year and for the second semester. Other TTOC Costs were \$946K higher than budget.

Benefits

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Employee Benefits	49,033,781	42,590,107	50,393,244	6,443,674	(1,359,463)

Actual expenses were higher than last year due to an increase in overall staffing FTE.

Actual expenses were lower than budget due to the lower average teacher salaries for the District. Vacancies and late starts also drove down benefit costs.

Supplies

Supplies categories represent approximately 9% of the operating budget expenditures. Overall Services and Supplies are \$142K under budget. More details below for each supply category.

Services and Supplies

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Services	7,297,058	6,472,735	7,347,085	824,323	(50,027)
Supplies	10,108,996	9,678,360	9,857,139	430,636	251,857
	17,406,054	16,151,095	17,204,224	1,254,959	201,830

Actual expenses for Services & Supplies were \$1.25M higher than last year.

Services: \$824K. Primarily due to:
 \$472K –Contracts - \$346K IT related; \$95K Inclusion Langley Society for diversion funding and contract for orientation and mobility services for visually impaired students.
 \$252K – Increased IT licensing costs
 \$155K – Prof & Tech - Legal

Supplies: \$431K. Primarily due to:
 \$353K – Supplies. \$298K schools, \$55K central

Actual expenses were \$202K higher than budget.

Services: (\$50K) – Lower than budget consulting costs for initiatives not completed by June and will be carry this forward to next fiscal year.

Supplies: \$252K. Primarily due to:

\$90K – Increased supplies for resources and supplies at school.
 \$162K – Higher costs for equipment / vehicle parts and repairs.

Transportation

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Student transportation	230,751	215,255	228,395	15,496	2,356

Actual transportation expenses were \$15K higher than last year primarily due to International Student Program bussing for greater number of students.

Actual expenses were \$2K higher than budget due to increased field trips.

Professional Development & Travel

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Professional development travel	2,033,282	1,452,758	1,866,074	580,524	167,208

Actual Pro-D costs were \$581K higher than last year primarily due to increased travel. Increases were in the following categories:

\$288K – Conferences & Travel
 \$156K – Contractual Pro-D
 \$71K – Staff Development
 \$66K – Leadership Development

Actual expenses were \$167K higher than budget primarily due to higher than anticipated expenses for conferences and contractual Pro-D.

Rentals & Leases

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Rentals and leases	36,408	71,923	51,875	(35,515)	(15,467)

Decrease in facility rentals for different events.

Actual expenses were lower than budgeted due to lower equipment rentals for maintenance and grounds departments.

Dues and Fees

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Dues and fees	1,721,860	1,532,113	1,709,335	189,747	12,525

Dues and Fees expenses were \$190K higher due mainly to commissions expenses for the International Student Program.

Dues & Fees were \$13K higher than budgeted.
\$40K – HR programs and initiatives including criminal record checks and alliance medical monitoring.
\$6K – Due to foreign exchange rates with bank.
(\$32K) – Lower ISP commissions.

Insurance

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Insurance	620,172	567,777	619,100	52,395	1,072

Variance is primarily due to increased Insurance premiums for the School Protection Plan.

Actual expenses were in line with budget.

Utilities

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	2023 - 2024 Budget	Increase (Decrease) From Jun 30, 2023	Budget Variance
Utilities	3,245,582	3,203,842	3,575,000	41,740	(329,418)

Utilities increased by a total of \$42K compared to the 2022/23 school year. The main driver for the increase was an increase in gym and facility rentals combined with higher costs for garbage disposal due to additional pick-ups.

Utilities were (\$329K) lower than budgeted primarily due to the following:
 (\$364K) – Natural Gas price decrease and warmer weather.
 (\$73K) – Electricity - lower use of heat pumps due to warmer weather.
 \$83K – Water and sewer increase.
 \$31K – Garbage – cost increase and additional pickup required.

Statement of Operations – Special Purpose Fund

Special Purpose Funds are utilized to capture funding designated for specific purposes and balances can be deferred to subsequent years for the intended use. Grant revenues are only recognized as expenses are incurred. Any unused grants or funds remaining at the end of the year are treated as deferred revenue.

			Increase (Decrease) From Jun 30, 2023	Deferred Revenue Balance Jun 30, 2024
	Jun 30, 2024 Actual	Jun 30, 2023 Actual		
Provincial Grants - Ministry of Education and Child Care				
Annual Facility Grant	\$ 680,305	\$ 680,305	\$ -	\$ -
Learning Improvement Fund	964,307	766,619	197,688	16,608
Strong Start	288,771	287,419	1,352	-
Ready, Set, Learn	91,794	41,974	49,820	30,025
Official Languages in Education Protocol	467,589	259,159	208,430	-
CommunityLINK	2,305,166	2,182,623	122,543	-
Classroom Enhancement Fund - Overhead	991,667	939,969	51,698	-
Classroom Enhancement Fund - Staffing	41,630,506	33,493,840	8,136,666	4,295,601
Classroom Enhancement Fund - Remedies	4,664,346	5,805,121	(1,140,775)	-
First Nation Student Transportation	36,418	33,532	2,886	13,696
Mental Health in Schools	96,445	60,400	36,045	9,197
Federal Safe Return to Class Fund	-	59,713	(59,713)	-
Changing Results for Young Children	4,361	4,438	(77)	6,191
Seamless Day Kindergarten	110,898	127,836	(16,938)	-
Early Childhood Education Dual Credit	28,277	20,763	7,514	87,859
Student & Family Affordability	937,876	1,688,308	(750,432)	318,056
Just B4	25,000	25,000	-	-
Early Years to Kindergarten	34,214	3,786	30,428	-
Early Care & Learning	175,000	175,000	-	-
Feeding Futures Fund	2,358,338	-	2,358,338	313,014
Project Penny	-	-	-	100,000
Project Resiliency	1,113,223	-	1,113,223	-
	57,004,501	46,655,805	10,348,696	5,190,247
Provincial Grants - Other				
Settlement Workers in Schools	906,829	744,923	161,906	286,982
	906,829	744,923	161,906	286,982
Other				
School Generated Funds	8,272,845	8,090,885	181,960	1,229,171
	8,272,845	8,090,885	181,960	1,229,171
Total	\$ 66,184,175	\$ 55,491,613	\$ 10,692,562	\$ 6,706,400

Statement of Operations - Capital Funds

Capital Fund Balances are as Follows:

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	Increase (Decrease) From Jun 30, 2023
Bylaw Capital			
Provincial Grants - Ministry of Education and Child Care	\$ 32,062,509	\$ 13,724,907	\$ 18,337,602
Transfer project surplus to MECC Restricted	(1,045,208)	(136,478)	(908,730)
Site Purchases	-	48,542	(48,542)
Work in progress	(28,377,633)	(13,636,971)	(14,740,662)
Settlement of ARO	(305,585)	-	(305,585)
Net Change for the Year	2,334,083	-	2,334,083
Closing Balance	2,334,083	-	2,334,083

Bylaw Capital Balance: These are funds from the Ministry of Education and Child Care and targeted for capital purchases and projects. These funds were used for capital projects, including Vanguard Seismic, PEMS Seismic, LSS Expansion, NEL Elementary, Richard Bulpitt Modular, AFG and ARO remediation.

	Jun 30, 2024 Actual	Jun 30, 2023 Actual	Increase (Decrease) From Jun 30, 2023
Ministry of Education and Child Care - Restricted Capital			
Investment income	59,545	22,278	37,267
Transfer project surplus from Bylaw Capital	1,045,208	136,478	908,730
Work in progress	(184,638)	(76,755)	(107,883)
Net Change for the Year	920,115	82,001	838,114
Opening Balance	761,327	679,326	82,001
Closing Balance	1,681,442	761,327	920,115

Ministry Restricted Capital Balance: These are funds held on behalf of the Ministry of Education and Child Care. Per the Ministry agreement, we will be contributing up to \$1.0 million from restricted capital towards the construction of Donna Gabriel Robins Elementary School. To date \$681,770 has been contributed. Per the Ministry agreement for the LSS Expansion project, the District will also contribute \$1.0 million to the project. In 2024, there was project surplus of \$1,045,208 upon completion of the Shortreed and Vanguard Seismic projects. The District will also contribute \$370,000 towards the Peter Ewart Seismic Project.

		Increase (Decrease) From Jun 30, 2023
Jun 30, 2024 Actual	Jun 30, 2023 Actual	

Land Capital

School site acquisition fees	1,549,853	987,862	561,991
Investment income	72,314	19,283	53,031
Site acquisitions	-	(49,187)	49,187
Net Change for the Year	1,622,167	957,958	664,209
Opening Balance	1,363,604	405,646	957,958
Closing Balance	2,985,771	1,363,604	1,622,167

Land Capital Balance: In 2024 \$1.55 million was collected by the District from the Township and City as part of the school site acquisition charge and these funds will be used for future.

		Increase (Decrease) From Jun 30, 2023
Jun 30, 2024 Actual	Jun 30, 2023 Actual	

Local Capital

Investment income	70,485	35,190	35,295
Transfer from Operating Fund	10,304,214	7,307,635	2,996,579
Capital assets purchased	(9,935,597)	(6,944,433)	(2,991,164)
Work in progress	(214,366)	(167,850)	(46,516)
Net change for the year	224,736	230,542	(5,806)
Opening balance	417,393	186,851	230,542
Closing balance	642,129	417,393	224,736

Local Capital Balance: Funds to be used for project definition reports for future projects and for other capital items such as fleet replacement and infrastructure.

Major Capital Projects

The following is a summary of some of the major capital projects undertaken during the year.

PEMS Seismic School: On June 16, 2022 the Ministry approved \$37.8 million for a seismic upgrade and an 11-classroom expansion at Peter Ewart Middle school. The Langley School District is contributing an additional \$1 million. The project will add 275 student seats, creating a total of 900 safer seats at the school. There will be minimal impact to student learning during construction as the expansion will make use of repurposing underutilized space. Construction is expected to start in summer 2023 and to be complete in January 2025. Students will be accommodated on site during construction using portables.

Northeast Latimer School: On May 18, 2023 the Ministry announced approval for a new 555-seat elementary school in the Northeast Latimer neighborhood. The school will include a neighborhood learning centre that will offer services, such as childcare, to benefit families in the broader community. The project is in design, and construction is scheduled to start in spring 2024. The school is expected to be ready for students in fall 2025.

Langley Secondary School: On June 9, 2023 the Ministry announced the approval of a 300-seat addition at Langley Secondary school to help meet current enrolment and future growth. Funding for as much as \$27.9 million from the Province has been approved. The addition will include general instruction classrooms, foods classrooms, a science lab and special education rooms. The Langley School District is contributing an additional \$1 million to the project. The addition is expected to be ready for students in fall 2026.

Richard Bulpitt School: On November 2, 2023 the Ministry announced a new six-classroom modular expansion for Richard Bulpitt Elementary which will cost \$9 million and serve 150 students. The modular units are expected to be built and installed for fall 2024.

Nicomekl School: On June 7, 2024 the Ministry announced a \$12-million investment to add 200 more student spaces at Nicomekl Elementary school. The addition will include eight classrooms connected by corridors and storage for students' personal belongings. The use of prefabricated construction means it will be built quickly, with the new addition expected to be ready for students by fall 2025.

Annual Facility Grant (AFG)

The Annual Facility Grant funding is provided by the Ministry of Education and Child Care for designated school capital or maintenance upgrades. \$4.26 million was provided by the Ministry of Education and Child Care to fund the following projects in 2023/2024.

- Roof replacement major sections: 4 schools including gutters and drains
- Roofing Consultation: multiple sites
- Exterior painting: multiple sites
- Flooring: various classrooms and hallways, various gyms floors resurfaced
- Lighting upgrade: six sites
- Custodial Room Upgrade: two sites
- Washroom Renovations/Upgrades: 3 schools
- Mechanical System upgrades: multi sites
- Heat Pump Replacements: 2 sites
- Fire Alarm Upgrades: 3 sites
- Elevator FOB Access: Various schools
- Duct Cleaning: 6 schools
- Paving, Drainage, and Site upgrades: Multi Sites
- Speed Drive upgrades: multi sites
- Information Technology infrastructure upgrades: various schools
- Asbestos Abatement: (removal) various schools
- Functional Improvements, Door & door Hardware replacement: Various Schools
- Disabled Access upgrades (wheelchair ramps, Handrails, Accessible Washrooms): multiple sites
- Accessibility access: multi sites
- Electrical vault service: 2 sites
- Elevator replacement: 1 site
- Emergency Lighting Upgrade: 1 site
- PA System upgrade: 1 site
- Interior Upgrades: multiple sites
- Exterior Upgrades: multiple sites
- Site Upgrades: multiple sites

Surplus (Operations)

The Board of Education has established an Operating Surplus Policy that allows the District to budget for expenditure in excess of revenue in a given year. The Board of Education is responsible for ensuring the District is protected financially from financial risk and unforeseen circumstances which could negatively affect the education of students. Refer to [Policy 17](#) available on the SD35 website for more information.

The Board reviews this policy annually and provides further details in the Audited Financial Statements as to how restricted surplus funds are planned to be utilized in subsequent years.

	June 30, 2023	Appropriated to Balance Amended 23/24 Budget	Appropriated to Balance Preliminary 24/25 Budget	23/24 Surplus	June 30, 2024
Total Capital Fund Surplus	\$120,838,955				\$129,714,985
Restricted Operating Surplus					
Constraints on Funds:					
Internally restricted for commitments 2023/2024	2,937,040	(2,937,040)	-	3,022,083	3,022,083
Internally restricted for Initiatives not completed 2023/2024	125,000	(125,000)	-	139,000	139,000
Internally restricted for Indigenous Education 2022/2023	77,271	(77,271)	-	-	-
Internally restricted for Administration supports	-	-	-	445,000	445,000
Internally restricted for Middle school initiatives for K-7 schools	-	-	-	50,000	50,000
Internally restricted for Accessible playground equipment	-	-	-	400,000	400,000
School Generated Funds	2,695,414	-	-	167,276	2,862,690
					-
Operations Spanning Multiple Years:					
Internally restricted to balance 2024/2025 budget	-	-	350,000	-	350,000
Internally restricted to balance 2023/2024 budget	2,565,672	(2,565,672)	-	-	-
Internally restricted to balance future budgets	1,981,482	-	-	954,851	2,936,333
Internally restricted for infrastructure replacement	-	-	-	-	-
Internally restricted for student capacity needs	1,747,329	-	-	1,860,002	3,607,331
School surpluses	264,997	(264,997)	-	428,032	428,032
Internally restricted for classroom furniture	270,000	-	-	420,000	420,000
Internally restricted for projector replacements	350,000	(350,000)	-	-	-
Internally restricted for ERP replacement	-	-	-	950,000	950,000
Internally restricted for Project Management costs for Smith Middle/Secondary	-	-	-	300,000	300,000
Internally restricted for Cyber security	-	-	-	250,000	250,000
Internally restricted for Facility upgrades	-	-	-	600,000	600,000
					-
Future Capital Cost Share:					
Restricted for Future District Capital Contribution	30,919	-	-	-	30,919
Total restricted surplus	13,045,124	(6,319,980)	350,000	9,986,244	16,791,388
Unrestricted Operating Surplus	4,350,000			1,000,000	5,350,000
Total Operating Surplus	17,395,124	(6,319,980)	350,000	10,986,244	22,141,388
Accumulated Surplus	\$138,234,079	(\$6,319,980)	\$350,000	\$10,986,244	\$151,856,373

Potential Future Financial impact on the District

There are several factors that could impact the District's stable and healthy financial situation during the 2023/2024 school year and beyond.

Risk Assessment

In 2017/2018, a risk assessment was completed that identified 20 areas of risk. School District staff continue to work on mitigating the risks identified within the report. The following are the top risk factors that could have potential financial and non-financial impact on the School District:

1. Delivery of capital projects – That the District is unable to secure adequate funding to successfully deliver highly complex capital projects.
2. Supporting students and families with mental health issues - The risk that, due to limited funding, the District and supporting agencies may not have sufficient or appropriate tools and resources to address the needs of students and families with mental health issues.

Classroom Enhancement Fund/Restored Teacher Collective Agreement Language

BCPSEA and BCTF reached an agreement on the restored language arising from the Supreme Court of Canada ruling early 2017. The restoration has been categorized into four areas:

- Non-Enrolling Teacher Staffing ratios.
- Class Size Provisions.
- Class Composition Provisions.
- Process and Ancillary Language.

A related issue is timely and sustainable funding from the Ministry of Education and Child Care to create required classroom spaces for subsequent years. Local capital funds are not sufficient to support this level of capital outlay. Delays between identified needs and required funding add to uncertainty and place stress on the School District's capacity to fulfill requirements.

Grant Funding Model Review

During 2018, the Ministry of Education and Child Care initiated a review of the current grant-funding model that has been in place since 2002. The review involved input and consultation from all 60 school districts and over 350 education stakeholders. Final Working Group reports were completed in October 2019, and partners noted that some of the recommendations would be relatively straightforward to implement while others would not. Upon completion of the review, the Ministry will implement recommendations with a two-phase plan, beginning with 12 of the 22 recommendations (specifically, 2, 3, 12, 13, 14, 15, 16, 17, 19, 20, 21 and 22). Phase 1 of the model was implemented, and funding adjustments were reflected in the 2020-21 Preliminary Budget. Phase 2 still needs to be implemented and at the current time the impact on funding levels to the School District remains unknown.

International Education

The School District is heavily reliant on International Education programs to provide a significant source of revenue funding to reduce the gap on grant funding shortfalls. The restored teacher collective agreement has added space constraints for attracting more international students. The District has had to place limits on the intake of International Students. While we do not envision negative events that would interrupt these programs, International Education is an important stabilizing financial influence on the School District.

Facilities – Capital Funds

There continues to be an increasing demand for enrolment space in the Willoughby area and the Brookwood/Fernridge area will be developed over the coming years. The long-term facilities plan has identified the need for a number of schools in the area. The capital approval process takes time and resources to get new capital projects up and running. The Ministry continues to request that school districts contribute more local funds towards capital projects. Furthermore, the requirement to comply with collective agreement restored language places an increased burden and demand on class space to accommodate students. This coupled with the cost and availability of portables for these additional students adds more constraints on resources.

Facilities – Ministry of Education and Child Care Mandate Letter

The Ministry has issued a mandate which provides guidance to the District on Provincial priorities. The mandate is important in supporting families across our District for child care spaces. This mandate may place additional constraints on financial resources and learning spaces for our District.

On February 21, 2023, the government released Budget 2023 and announced new supports for childcare and school based early learning programs including the expansion of the Seamless Day Kindergarten (SDK), Just B4 (JB4) and Strengthening Early Years to Kindergarten Transition (SEY2KT) initiatives. These programs are intended to integrate childcare into the broader learning environment.

The District has already maximized its underutilized classroom and space capacity in providing childcare – including, pre-kindergarten and before and afterschool care. A challenge to increasing childcare spaces is the increased elementary school enrolment experienced in the current/future years and the limitations on classroom space for existing educational priorities.

Technology Requirements

The demand for technology hardware, software, and system utilization continues at a rapid pace. Providing the required services and ensuring that information is secure and protected necessitates increased financial resources. Technology in support of education will allow us to implement the paradigm shift and transformational education required to be at the forefront and on the cutting-edge in the 21st-century. Technology in support of the framework for enhancing student learning and more real-time reporting on student progress is a crucial undertaking. MyEdBC student administration system requires enhancements in order to meet the ongoing needs for improved data and reporting.

Enrollment Growth in the District

Enrollment continues to grow at a rapid pace in the District. This adds increased demand for additional schools and classroom space. District requires funding from the Ministry to build new schools. This also requires the District to hire more teaching and educational assistant staff in the classroom, at a time where there are staffing shortages.

Cyber Security

In today's digital world, a potential cyber-attack is an ongoing threat. As systems and infrastructure age, the threat increases. Systems must be kept current to mitigate cyber threats and to run operations efficiently. The District must carefully monitor operations and educate staff and students about cyber security to ensure that our systems and information are securely protected. Keeping up with the rapid pace of technological change will require additional technical expertise and financial resources that will increase budgetary pressures.

Inflationary Cost Pressures

The Ministry of Education and Child Care provides funding based on student enrollment, unique student needs as well as some other supplemental funds. While the Ministry funds districts for contractually negotiated increases, it does not generally fund for any inflationary cost pressures and statutory increases. The District's share for Benefit premiums continue to rise for the Canada Pension Plan, WorkSafe premiums and for Extended Health Benefit premiums for all employee groups. This continues to add financial pressure to the District's budget. Canada's inflation rate started this fiscal year at 4.0% and has fluctuated throughout the year and sat at 2.7% at then end of June (Source: Statistics Canada). The inflation rate impacts the buying power for district resources and commodities.

Contacting Management

This financial report is designed to provide the School District's stakeholders with a general but more detailed overview of the School District's finances and to demonstrate increased accountability for the public funds received by the School District.

If you have questions about this financial report, please contact the Office of the Secretary–Treasurer.



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