



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2025

District Overview

The Langley School District is the fifth largest district in the Province and operates on a budget of \$408.6 million. Located in the central Fraser Valley, the District is bordered by the Fraser River to the north, the Canada–U.S. border to the south, Surrey to the west, and Abbotsford to the east. It serves approximately 26,800 students across 46 school sites and employs over 3,800 staff. The District offers a range of programs, including French Immersion, Fundamental, and Alternate.

Land Acknowledgement



As the Langley School District works to inspire all of our learners to reach their full potential, we acknowledge that we do so on the traditional, ancestral, and unceded territories of the Máthxwi, ḡʷɑ:ńłəń, ḡícəý, and SEMYOME First Nations, who have been the stewards of these lands since time immemorial.

Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2025. 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 Budget 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. The budget for the Langley School District is built under the following 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 in caring, safe and welcoming schools.
2. We believe in educational opportunities to improve student success.
3. We believe in proactive planning for maintaining healthy and sustainable schools.
4. We believe in responsible stewardship of resources.
5. We believe in creating compassionate and inclusive social and academic learning communities that provide access for every learner.
6. We believe in establishing trusting, respectful partnerships between schools, the School District, and Aboriginal community, acknowledging shared responsibility to implement the Aboriginal Education Enhancement Agreement.
7. We believe that every child deserves to feel a sense of belonging and safety in our schools with the ability to find their own success.
8. We believe in equity for all learners: equity means fair, not equal. This lens means that different learners come from different starting places, with different contexts and supports. The District recognizes these truths and works to allocate resources to meet the unique needs of every student and to ensure access to opportunities to reach their full potential.
9. We believe continuous improvement is required to inspire every student to reach their full potential. Every employee of the Langley School District must continuously learn to allow the system to be responsive to the ever-changing needs of its students.

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 learners.
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 practice.
5. Student learning is best served when adequate staffing exists at all levels of the organization and the necessary infrastructure supports are in place.

Alignment with Strategic Plan

The Ministry of Education and Child Care requires multi-year financial plans to provide greater transparency and accountability for the planning and reporting of the financial resources managed by boards of education (boards). One of the primary goals of the multi-year plan is to outline how the Langley School District will use their funding and resources to support their strategic objectives and operational needs with a focus on improving student educational outcomes for all students. Boards must also develop and maintain public policies detailing how they will plan to report out to local community and education partner groups, including local First Nations and Métis Nation BC on their progress towards aligning funding and resources with board strategic plans and other operational needs of the School District.

The Board sets its financial direction through a financial plan and an annual budget that determines how resources are allocated to schools, departments and programs.

The following excerpt is from the Ministry of Education and Child Care's website on K-12 funding and allocation:

The Provincial government and B.C.'s 60 elected boards of education co-manage the education system in British Columbia.

- The Province establishes the amount of grant funding for public education annually and uses a funding formula to allocate these funds to boards of education.
- Boards manage and allocate their allotment based on local spending priorities. In addition, the Province provides capital costs and funding for special programs through supplemental government funds.
- The funding allocation system provides financial resources for the operation of the K-12 system by using data collected from schools and districts and applying formulae to ensure equity across B.C.

GOALS AND OBJECTIVES

- To allocate operating funding so that students in all districts have an equal opportunity to receive a quality education.
- To ensure operating grants are based consistently on the funding formula and are within the budget limits established by the Minister of Finance.
- To ensure that boards of education and the public understand how funds are allocated to boards of education.

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

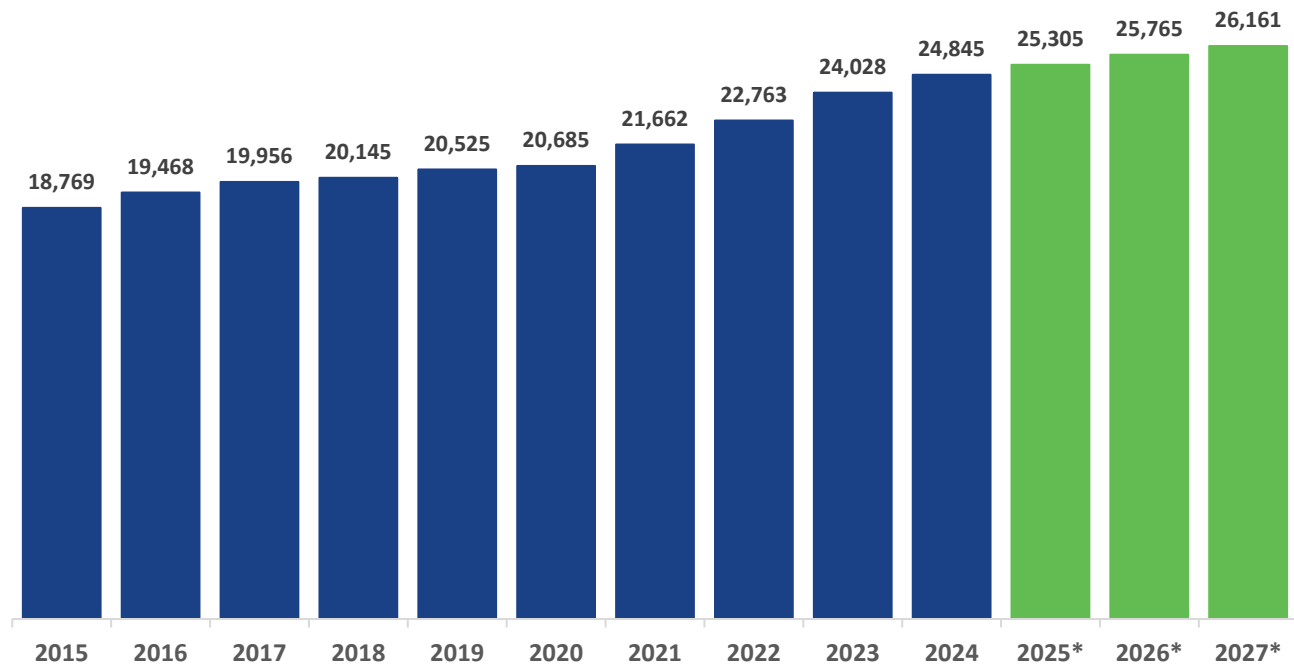
Provincial grant funding is driven by student enrolment, unique student needs and unique geographical requirements, with additional funding for adult and summer school education. School District student enrolment is summarized as follows.

| | | | | Increase (Decrease) From 2023 - 2024 | Increase (Decrease) From Budget Variance |
|----------------------------|-------------------|-------------------|-------------------|---|--|
| | 2024-25 Actual | 2023-24 Actual | 2024-25 Budget | | |
| Standard (Regular) Schools | 24,845.0000 | 24,027.9375 | 24,841.8447 | 817.0625 | 3.1553 |
| Continuing Education | 15.3125 | 16.1250 | 13.7500 | (0.8125) | 1.5625 |
| Alternate Schools | 280.0000 | 261.0000 | 268.3375 | 19.0000 | 11.6625 |
| Total FTE | 25,140.3125 | 24,305.0625 | 25,123.9322 | 835.2500 | 16.3803 |

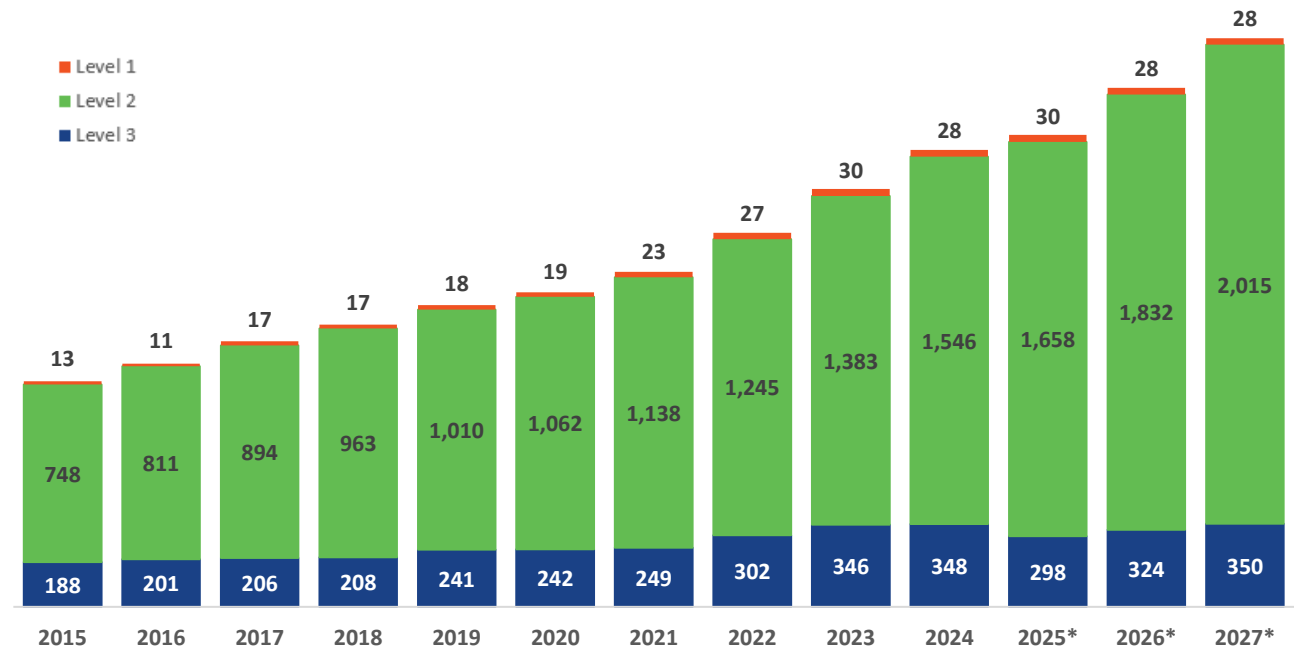
| | | | | Increase (Decrease) From 2023 - 2024 | Increase (Decrease) From Budget Variance |
|----------------------|-------------------|-------------------|-------------------|---|--|
| | 2024-25 Actual | 2023-24 Actual | 2024-25 Budget | | |
| Online Learning (DL) | 160.1875 | 179.8750 | 171.0000 | (19.6875) | (10.8125) |
| Home Schooling | 50.0000 | 47.0000 | 47.0000 | 3.0000 | 3.0000 |
| Course Challenges | 136.0000 | 89.0000 | 89.0000 | 47.0000 | 47.0000 |
| Summer school | 475.8750 | 440.1250 | 440.1250 | 35.7500 | 35.7500 |
| Adult Education | 56.0000 | 55.8125 | 53.5000 | 0.1875 | 2.5000 |
| Total FTE | 878.0625 | 811.8125 | 800.6250 | 66.2500 | 77.4375 |

The bar graphs in the following pages show that regular student enrolment has been increasing at a steady rate over the past few years. FTE growth rates (as of September 30th each year) show increases of 5.1%, 5.6%, and 3.4% in 2022, 2023, and 2024. (Data Source: Ministry of Education and Child Care September 1701). The green columns in the bar graphs are projections for the years 2025 to 2027 that align with the District's 3-year financial plan.

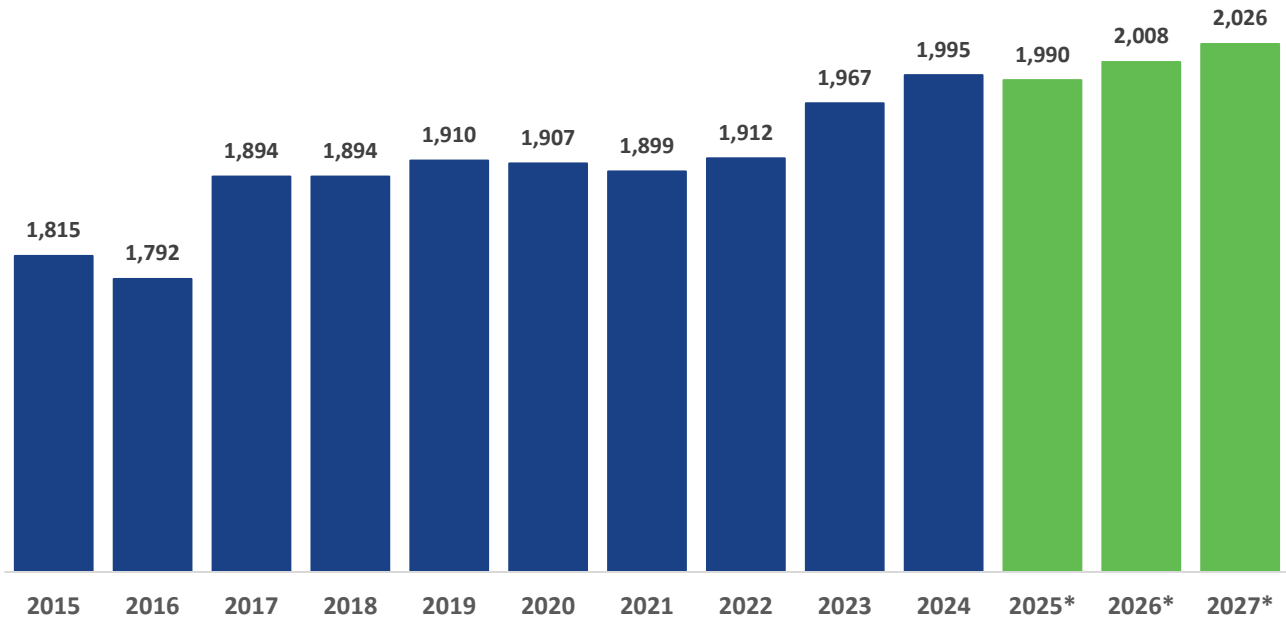
School-Age September Enrolment (FTE)



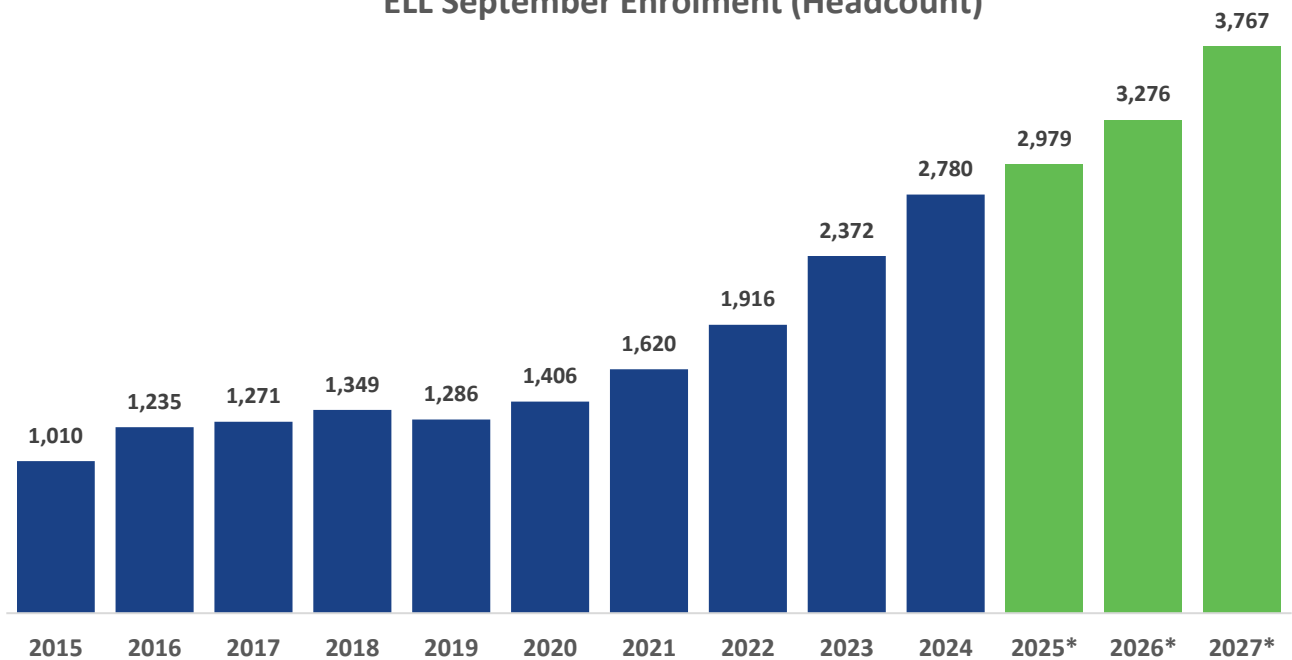
Inclusive Education September Enrolment (Headcount)



Indigenous September Enrolment (Headcount)



ELL September Enrolment (Headcount)



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. 66.8% of the District's revenue is from the Operating Grant, 14.7% is provincial grant funding within the Special Purpose Fund, 4.1% of revenue is generated from International Education Programs, 2.9% 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.

Salaries and benefits comprised 90.5% of the School District's actual operating results for 2024/2025. The balance of expenditures is related to supplies and services including utilities, professional development and maintenance.

Financial Results for 2024/2025

| | Operating | SPF | Capital | Total |
|--|--------------------|-------------------|--------------------|--------------------|
| Revenues | | | | |
| Provincial Grants | 289,228,084 | 63,632,416 | 30,733,407 | 383,593,907 |
| Municipal Grants | - | - | 3,032,923 | 3,032,923 |
| Federal Grants | - | 1,099,885 | - | 1,099,885 |
| Tuition | 17,642,938 | - | - | 17,642,938 |
| Other Revenue | 1,495,105 | 9,340,418 | - | 10,835,523 |
| Rentals and Leases | 1,329,530 | - | - | 1,329,530 |
| Investment Income | 2,687,796 | - | 22,323 | 2,710,119 |
| Gain (Loss) on Disposal of Tangible Capital Assets | - | - | - | - |
| Amortization of Deferred Capital Revenue | - | - | 12,473,953 | 12,473,953 |
| Total Revenues | 312,383,453 | 74,072,719 | 46,262,606 | 432,718,778 |
| Expenses | | | | |
| Instruction | 258,842,362 | 72,163,069 | - | 331,005,431 |
| District Administration | 11,084,383 | 1,003,241 | - | 12,087,624 |
| Operations and Maintenance | 31,628,623 | 710,513 | 469,809 | 32,808,945 |
| Transportation and Housing | 2,927,008 | 37,712 | - | 2,964,720 |
| Amortization of Tangible Capital Assets | - | - | 24,424,166 | 24,424,166 |
| Debt Services | - | - | - | - |
| Total Expenses | 304,482,376 | 73,914,535 | 24,893,975 | 403,290,886 |
| Surplus (Deficit) | 7,901,077 | 158,184 | 21,368,631 | 29,427,892 |
| Net Transfers to/from other Funds | | | | |
| Local Capital | (6,298,585) | (158,184) | 6,456,769 | - |
| Total Net Transfers | (6,298,585) | (158,184) | 6,456,769 | - |
| Total Surplus (Deficit) for the year | 1,602,492 | - | 27,825,400 | 29,427,892 |
| Surplus (Deficit) beginning of the year | 22,141,388 | - | 129,714,985 | 151,856,373 |
| Accumulated Surplus (Deficit) | 23,743,880 | - | 157,540,385 | 181,284,265 |

Operating Accounts

The School District was in a surplus position of \$1.6 million when factoring in capital from operating for the 2024/2025 fiscal year. This is favorable when compared to deficit that was budgeted for the year of \$5.99 million. The following are some explanations for this variance:

- Revenue is higher than the Amended Budget due mainly to an increase in international student tuition (\$1,000/year tuition increase and increased enrolment). Other revenue is higher than anticipated due to conservative budgeting practices and higher than expected interest income.
- Higher substitute costs due to vacancies coverage and higher employee absence rates resulting in higher expenditures on teacher replacement costs.
- Educational Assistant Costs were \$977 thousand under budget due to late starts and vacancies, offset by higher casual costs. As well as staggered hiring for educational assistants throughout the school year.
- Late start and vacancies (partially offset by higher substitute costs) was a factor in teacher salaries being \$6.76 million under budget.
- Benefits rate of 25.2% is higher than the previous year's rate of 24.2%, actual benefit costs were \$1.359 million lower than budgeted due to lower salary costs.
- Spending on Services and Supplies was slightly over budget by \$47 thousand. Due to the impact of inflation on supply costs as well as realignment of school and central budgets towards Services and Supplies when staffing levels were not achieved. This was mostly offset by savings in Utilities in the year.
- Due to timing of orders and ongoing projects, \$2.9 million of goods had not yet arrived by the end of the fiscal year and as such have been restricted from the operating surplus.

Special Purpose Accounts

All Special Purpose Funds tracked within the Amended Budget including the Classroom Enhancement Fund accounts discussed below. New funding for this year included Health Career Grants, Professional Learning Grant, and the National School Food Program Grant.

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 five major construction projects during the year; the continuation of building of the new Josette Dandurand Elementary, modular additions being installed at Nicomekl Elementary and Lynn Fripps Elementary, seismic upgrades undertaken at Peter Ewart Middle, the start of an addition at Langley Secondary and the start of the Smith Middle and Secondary school. Minor capital projects include new windows at ACSS and kitchen upgrades at multiple schools under the food infrastructure program. A new elementary school site was also purchased in the Southwest Latimer area of Langley for future enrolment growth.

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 2024/2025 school year \$60.44 million was provided to Langley and was utilized for the hiring of 402.04 (annualized) FTE teachers, to pay for an estimated \$6.21 million in remedy and to pay for an estimated \$1.03 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, 2025 and 2024.

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | Increase (Decrease) |
|--|------------------------|------------------------|------------------------|
| Financial Assets | | | |
| Cash and cash equivalents | \$ 104,664,515 | \$ 97,919,209 | \$ 6,745,306 |
| Accounts Receivable | | | |
| Due from Province - Ministry of Education and Child Care | 10,476,438 | 4,438,187 | 6,038,251 |
| Other | 5,055,241 | 3,238,642 | 1,816,599 |
| Total Financial Assets | 120,196,194 | 105,596,038 | 14,600,156 |
| Liabilities | | | |
| Accounts payable and accrued liabilities | 64,836,799 | 48,379,793 | 16,457,006 |
| Unearned revenue | 14,841,101 | 16,133,075 | (1,291,974) |
| Deferred revenue | 8,003,943 | 6,706,400 | 1,297,543 |
| Deferred capital revenue | 312,873,104 | 261,719,752 | 51,153,352 |
| Employee future benefits | 7,622,746 | 7,143,784 | 478,962 |
| Asset Retirement Obligation | 37,324,535 | 31,326,079 | 5,998,456 |
| Total Liabilities | 445,502,228 | 371,408,883 | 74,093,345 |
| Net Financial Assets (Debt) | (325,306,034) | (265,812,845) | (59,493,189) |
| Non-Financial Assets | | | |
| Tangible capital assets | 503,298,471 | 415,117,391 | 88,181,080 |
| Prepaid expenses | 3,291,828 | 2,551,827 | 740,001 |
| Total Non-Financial Assets | 506,590,299 | 417,669,218 | 88,921,081 |
| Accumulated surplus | \$ 181,284,265 | \$ 151,856,373 | \$ 29,427,892 |
| 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 and cash equivalents increased \$6.7 million over the prior year. Cash held in the bank for current operational needs totals \$59.4 million as of June 30, 2025. In addition, \$40.8 million is held on deposit with the Ministry of Finance and is available within 2-3 business days if required. The funds on deposit at the bank earn interest at 3.15%, and the funds in the Ministry Central Deposit Program account earn interest at 2.95% (as of June 30, 2025). These rates are floating based on Bank Prime and have decreased significantly over the fiscal year due to the decline in the Prime rate.

Cash and cash equivalent assets as at June 30 are categorized as follows.

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | Increase (Decrease) |
|---------------------------------------|------------------------|------------------------|------------------------|
| Funds deposited with ScotiaBank | \$ 59,384,651 | \$ 53,752,088 | \$ 5,632,563 |
| Central deposit - Ministry of Finance | 40,783,273 | 39,298,560 | 1,484,713 |
| School generated funds | 4,496,591 | 4,168,561 | 328,030 |
| | <u>\$ 104,664,515</u> | <u>\$ 97,219,209</u> | <u>\$ 7,445,306</u> |

Cash and cash equivalents are required to fulfill the payment and liability obligations and timing differences as illustrated in the following table:

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | Increase (Decrease) |
|--|------------------------|------------------------|------------------------|
| Obligations | | | |
| Trade payables | \$ 26,151,796 | \$ 12,040,674 | \$ 14,111,122 |
| Salaries and benefits payable | 27,926,622 | 27,716,066 | 210,556 |
| Accrued vacation pay | 5,630,121 | 5,151,357 | 478,764 |
| Due to Province - Ministry of Education and Child Care | 470,753 | - | 470,753 |
| Other payable | 4,657,507 | 3,471,696 | 1,185,811 |
| Unearned Revenue - International students program | 14,568,654 | 15,965,822 | (1,397,168) |
| Unearned Revenue - Other | 272,447 | 167,253 | 105,194 |
| Deferred Revenue - Special Purpose Funds | 8,003,943 | 6,706,400 | 1,297,543 |
| Employee Future Benefits | 7,622,746 | 7,143,784 | 478,962 |
| Deferred Capital Revenue - Unspent | 3,670,953 | 7,001,296 | (3,330,343) |
| Local Capital | 768,600 | 642,129 | 126,471 |
| Other | - | - | - |
| | | | - |
| Assets | | | |
| Receivable - Ministry of Education and Child Care | (10,476,438) | (4,438,187) | (6,038,251) |
| Receivable - Other | (5,055,241) | (3,238,642) | (1,816,599) |
| Prepaid expense | (3,291,828) | (2,551,827) | (740,001) |
| | <u>80,920,635</u> | <u>75,777,821</u> | <u>5,142,814</u> |
| Accumulated Operating Surplus | <u>23,743,880</u> | <u>22,141,388</u> | <u>1,602,492</u> |
| | <u>\$ 104,664,515</u> | <u>\$ 97,919,209</u> | <u>\$ 6,745,306</u> |

Accounts Receivable from Ministry of Education and Child Care is primarily due to bylaw accrual funding for capital projects. The growth in the balance year-over-year is due to the increase in capital project activity taking place in the District (see Capital asset additions and commitments in FS note 5, 15 and 20).

The majority of the \$1.8 million increase in other accounts receivable is due to certain amounts owing from the Township of Langley and City of Langley, the two municipalities which the Langley School District operates including for land acquisitions and Project Black Feather (an At-Risk youth program funded through the municipalities).

Accounts Payable and Other Liabilities include trades payable increase of \$14.1 million primarily due to large capital invoices accrued at year end for the previously noted large capital projects taking place at the District. As well, CEF Remedy is no longer being paid to the Langley Teacher Association and instead being held at the School District for future use by Teachers, accounting for \$6 million of the increase. Also, there is an increase in the payments owed to International Student Program homestay families due to an increase to the rates and the number of families. Any remaining increases are due to timing and increased volume of purchases due to organizational/budget growth over the prior year.

Unearned Revenue is primarily related to International Student Program tuition for subsequent years received in advance. This balanced decreased from the prior year due to decreased international student enrollments for 2025/2026 year compared to 2024/2025.

Deferred Revenues increase of \$1.15 million is due to unspent special purpose funds for CEF Staffing in 2024/2025 due to not being able to fill positions. Another \$215 thousand is due to the unspent National School Food Program funding, offset with the spending of the Student and Family Affordability Fund and Feeding Futures carryforward balances from 2023/2024.

Deferred Capital Revenue increased due to the increase in capital draws related to new capital projects taking place in the District.

Tangible Capital Assets increased \$88.2 million primarily due to capital costs incurred for Southwest Latimer land purchase, construction of the new Josette Dandurand Elementary, Peter Ewart Middle seismic upgrade, and modular additions at Richard Bulpitt Elementary, Nicomekl Elementary, and Lynn Fripps Elementary.

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, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|--|------------------------|------------------------|-----------------------|--|--------------------|
| Provincial Grants - Ministry of Education and Child Care | \$ 288,989,525 | \$ 269,788,627 | \$ 288,971,536 | \$ 19,200,898 | \$ 17,989 |
| Provincial Grants - Other | 238,559 | 255,959 | 246,559 | (17,400) | (8,000) |
| | <u>\$ 289,228,084</u> | <u>\$ 270,044,586</u> | <u>\$ 289,218,095</u> | <u>\$ 19,183,498</u> | <u>\$ 9,989</u> |

Grant Revenues were \$19.18 million higher than last year due to increased enrollment and increases in funding for per student amounts for collective agreements.

International Education Revenues

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-------------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Tuition - International | 17,432,959 | 15,723,579 | 16,715,115 | 1,709,380 | 717,844 |
| | <u>\$ 17,432,959</u> | <u>\$ 15,723,579</u> | <u>\$ 16,715,115</u> | <u>\$ 1,709,380</u> | <u>\$ 717,844</u> |

International Student Program revenues were \$1.7 million higher due to a \$1,000/year tuition increase per student per year as well as increased enrollment from the prior year.

Other Revenues

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Tuition - Other | 209,979 | 239,245 | 187,928 | (29,266) | 22,051 |
| Other Revenue | 1,495,105 | 1,493,879 | 1,082,439 | 1,226 | 412,666 |
| Rental and Leases | 1,329,530 | 1,042,949 | 1,092,150 | 286,581 | 237,380 |
| Investment Income | 2,687,796 | 3,570,264 | 2,620,000 | (882,468) | 67,796 |
| | <u>\$ 5,722,410</u> | <u>\$ 6,346,337</u> | <u>\$ 4,982,517</u> | <u>\$ (623,927)</u> | <u>\$ 739,893</u> |

Other revenue was comparable to the prior year, but higher than the budget due to increased salary recoveries and other miscellaneous revenue and grants. Rental Revenue was higher than last year due to

the higher number of film and community rentals in the year. Lower interest rates at the Ministry Central Deposit Program and with the bank resulted in decreased investment income from prior year.

Expenses

Teachers

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|----------|------------------------|------------------------|-----------------------|--|--------------------|
| Teachers | \$ 128,287,987 | \$ 120,403,675 | \$ 135,049,221 | \$ 7,884,312 | \$ (6,761,234) |

Teacher Salary Expenses were \$7.88 million higher than last year due to additional FTE, collective agreement salary increases, and salary increments for grid step increases. There were additional teachers hired due to enrollment increases.

Teacher Salary Expenses were \$6.76 million 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, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|--------------------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Principals and Vice-Principals | 15,810,311 | 14,598,788 | 15,725,040 | 1,211,523 | 85,271 |

Principals and VP Salaries were \$1.21 million higher than prior year. \$596 thousand was due to wage increases, \$312 thousand was for 2.5 VPs added at HDSM, NBE, & Vanguard and \$149 thousand for an additional District Principal for Learning Support Services.

Principals and VP Salaries were \$85 thousand higher than budgeted due to timing of retirements and hiring of new staff.

Educational Assistants

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|------------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Educational Assistants | 30,897,883 | 26,530,948 | 31,875,209 | 4,366,935 | (977,326) |

Actual expenses were \$4.37 million higher than last year. \$762 thousand is due to contractual wage increases. There were 92 SEA positions added in the 2024/2025 Budget which added \$2.66 million; 2 Youth Care Workers added \$94 thousand; 17 Youth Care Workers previously funded by Community Link SPF funding added \$775 thousand; 3.2 Visually Impaired SEAs added \$118 thousand; 1 Bus monitor added \$27 thousand; 1 Career Advisor added \$42 thousand and; 2.43 Aboriginal Support Workers added \$110 thousand. This was offset by late starts and vacancies.

Actual expenses were lower than budget by \$977 thousand due to late starts and vacancies, this is offset by higher casual costs.

Support Staff

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|---------------|------------------------|------------------------|-----------------------|--|--------------------|
| Support Staff | 22,296,648 | 20,857,145 | 21,517,502 | 1,439,503 | 779,146 |

Actual expenses were \$1.44 million higher than last year. Contractual wage increases accounted for \$517 thousand of the increase. 2 additional Bus Drivers added \$65 thousand; 3.5 Custodial positions added \$180 thousand; 1.8 school clerical positions added \$88 thousand; 1 Project Coordinator and 1 Cabinet Maker added \$156K combined. Also, higher overtime costs increased costs over the prior year.

Expenditures were \$779 thousand higher than budget. This is mainly due to higher than budgeted overtime of \$444 thousand and higher than budgeted vacation and sick day payout costs.

Other Professionals

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|---------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Other Professionals | 7,270,175 | 6,505,977 | 7,240,497 | 764,198 | 29,678 |

Actual expenses were \$764 thousand higher than last year. Wage increases accounted for \$339 thousand. Added 1 Director of Learning Support Services which added \$165 thousand; 1 Director of Finance added \$115 thousand; 1 Director of HR added \$165 thousand; 1 Privacy Officer added \$98 thousand; 0.8 FTE Early Years Community Schools Coordinator and 0.50 HR Officer positions added \$127 thousand. This was offset by late starts.

Actual expenses were in line with budget.

Substitutes

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-------------|------------------------|------------------------|-----------------------|--|--------------------|
| Substitutes | 15,228,596 | 13,735,545 | 11,889,328 | 1,493,051 | 3,339,268 |

Actual expenses were \$1.49 million higher than last year. This is due to increased employee absences, vacancies and late starts in both Teaching and Support categories, as well as collective wage increases.

Substitute costs were \$3.34 million higher than budgeted. Actual casual support expenses were \$599 thousand higher than budgeted due mainly to the backfilling for vacancies and illnesses for SEAs and Custodians. TTOC replacement vacancy costs were \$1.03 million higher due to increased vacancies and late starts at the beginning of the school year and for the second semester. The remaining increase from the prior year was due to increased illness and administrative absences.

Benefits

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Employee Benefits | 55,477,830 | 49,033,781 | 55,921,157 | 6,444,049 | (443,327) |

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

Actual expenses were lower than budget due to the vacancies and late starts, primarily in the Teaching categories.

Supplies

Supplies categories represent approximately 9.6% of the operating budget expenditures. Overall, Services and Supplies were over budget, but individual variance analysis within the sub-categories within Supplies are provided below.

Services and Supplies

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|----------|------------------------|------------------------|-----------------------|--|--------------------|
| Services | 8,958,589 | 7,297,058 | 8,941,964 | 1,661,531 | 16,625 |
| Supplies | 11,398,056 | 10,108,996 | 10,905,873 | 1,289,060 | 492,183 |
| | 20,356,645 | 17,406,054 | 19,847,837 | 2,950,591 | 508,808 |

Actual expenses for Services & Supplies were combined \$2.95 million higher than last year.

Services: \$1.66 million increase. \$529 thousand due to increase in software licensing costs and new software programs; \$193 thousand increase in payments to Inclusion Langley Society for diversion funding and contract for orientation and mobility services for visually impaired students; \$189 thousand for consulting costs for leadership development; \$807 thousand due to certain software costs move from supplies; all offset by \$58 thousand in net decrease in service costs.

Supplies: \$1.29 million increase. Primarily due to upward price inflation, increased student enrollment, and \$249 thousand increase in printed book purchases.

Actual expenses were \$509 thousand higher than budget.

Services: \$17 thousand – Aligned with budget.

Supplies: \$492 thousand. The variance is primarily attributed to inflationary pressures increasing the cost of maintenance supplies along with higher prices for vehicle parts and repairs.

Transportation

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|------------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Student transportation | 235,343 | 230,751 | 243,800 | 4,592 | (8,457) |

No significant change.

Actual expenses were \$8 thousand lower than budget due to less than budgeted amount for field trips.

Professional Development & Travel

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|---------------------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Professional development travel | 2,790,822 | 2,033,282 | 2,922,094 | 757,540 | (131,272) |

Actual Pro-D costs were \$758 thousand higher than last year primarily due to increased travel and new Pro-D funding provided to different employee groups. Increases were in the following categories:

\$89 thousand – Conferences & Travel
 \$315 thousand – Contractual Pro-D
 \$103 thousand – Staff Development
 \$250 thousand – Leadership Development

Actual expenses were \$131 thousand lower than budget primarily due to lower than anticipated expenses for conferences and contractual Pro-D.

Rentals & Leases

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|--------------------|------------------------|------------------------|-----------------------|--|--------------------|
| Rentals and leases | 77,085 | 36,408 | 69,324 | 40,677 | 7,761 |

Increase in facility rentals for different District related events added \$16 thousand and an increase in equipment rentals added \$25 thousand.

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

Dues and Fees

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|---------------|------------------------|------------------------|-----------------------|--|--------------------|
| Dues and fees | 1,665,455 | 1,721,860 | 1,679,060 | (56,405) | (13,605) |

Dues and Fees expenses were \$56 thousand lower due partially to less commissions expenses for the International Student Program as well as lower professional dues and fees.

Dues & Fees were \$14 thousand lower than budgeted due to lower than budgeted professional dues and HR programs including criminal record checks and medical monitoring, lower foreign exchange rates realized on international transactions, offset by higher ISP commissions.

Insurance

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-----------|------------------------|------------------------|-----------------------|--|--------------------|
| Insurance | 651,301 | 620,172 | 697,120 | 31,129 | (45,819) |

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

Variance from budget is primarily due to reduced claim costs for the District.

Utilities

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | 2024 - 2025 Budget | Increase (Decrease) From Jun 30, 2024 | Budget Variance |
|-----------|------------------------|------------------------|-----------------------|--|--------------------|
| Utilities | 3,366,734 | 3,245,582 | 3,705,000 | 121,152 | (338,266) |

Utilities increased by a total of \$121 thousand compared to the 2023/2024 school year. The main driver for the increase was an increase in utility rates, the opening of the Richard Bulpitt modular and addition of more portables in the District in the year.

Utilities were \$338 thousand lower than budgeted primarily due to the following:

\$315 thousand – decrease in natural gas price and warmer weather
 \$141 thousand – lower use of electricity due to warmer weather
 \$89 thousand – water and sewer increase
 \$34 thousand – garbage cost increase

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, in most cases, 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.

| | | | <div> <div>Increase (Decrease) From Jun 30, 2024</div> <div>Deferred Revenue Balance Jun 30, 2025</div> </div> | |
|---|------------------------|------------------------|--|---------------------|
| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | | |
| Provincial Grants - Ministry of Education and Child Care | | | | |
| Annual Facility Grant | \$ 680,305 | \$ 680,305 | \$ - | \$ - |
| Learning Improvement Fund | 1,018,472 | 964,307 | 54,165 | - |
| Strong Start | 288,000 | 288,771 | (771) | - |
| Ready, Set, Learn | 59,532 | 91,794 | (32,262) | 48,893 |
| Official Languages in Education Protocol | 272,029 | 467,589 | (195,560) | - |
| CommunityLINK | 2,365,238 | 2,305,166 | 60,072 | - |
| Classroom Enhancement Fund - Overhead | 1,033,519 | 991,667 | 41,852 | - |
| Classroom Enhancement Fund - Staffing | 47,751,288 | 41,630,506 | 6,120,782 | 5,449,513 |
| Classroom Enhancement Fund - Remedies | 6,208,732 | 4,664,346 | 1,544,386 | - |
| First Nation Student Transportation | 37,712 | 36,418 | 1,294 | 12,412 |
| Mental Health in Schools | 57,197 | 96,445 | (39,248) | - |
| Changing Results for Young Children | 12,941 | 4,361 | 8,580 | - |
| Seamless Day Kindergarten | 110,800 | 110,898 | (98) | - |
| Early Childhood Education Dual Credit | 51,810 | 28,277 | 23,533 | 52,049 |
| Student & Family Affordability | 318,056 | 937,876 | (619,820) | - |
| Just B4 | 25,000 | 25,000 | - | - |
| Early Years to Kindergarten | 19,000 | 34,214 | (15,214) | - |
| Early Care & Learning | 175,000 | 175,000 | - | - |
| Feeding Futures Fund | 3,019,742 | 2,358,338 | 661,404 | 45,924 |
| Health Career | 28,043 | - | 28,043 | 979 |
| Professional Learning | - | - | - | 208,468 |
| Project Penny | 100,000 | - | 100,000 | - |
| Project Resiliency | 973,458 | 1,113,223 | (139,765) | - |
| National School Food Program | - | - | - | 215,249 |
| | 64,605,874 | 57,004,501 | 7,601,373 | 6,033,487 |
| Provincial Grants - Other | | | | |
| Settlement Workers in Schools | 1,099,885 | 906,829 | 193,056 | 377,440 |
| | 1,099,885 | 906,829 | 193,056 | 377,440 |
| Other | | | | |
| School Generated Funds | 8,366,960 | 8,272,845 | 94,115 | 1,593,016 |
| | 8,366,960 | 8,272,845 | 94,115 | 1,593,016 |
| Total | \$ 74,072,719 | \$ 66,184,175 | \$ 7,888,544 | \$ 8,003,943 |

Statement of Operations - Capital Funds

Capital Fund Balances are as Follows:

| | | | Increase (Decrease) From Jun 30, 2024 |
|--|------------------------|------------------------|--|
| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | |
| Bylaw Capital | | | |
| Provincial Grants - Ministry of Education and Child Care | \$ 94,709,088 | \$ 32,062,509 | \$ 62,646,579 |
| Transfer project surplus to MECC Restricted | (145,291) | (1,045,208) | 899,917 |
| Reclassify revenue for AFG expense projects | (469,809) | - | (469,809) |
| Site Purchases | (30,070,490) | - | (30,070,490) |
| Work in progress | (65,643,741) | (28,377,633) | (37,266,108) |
| Capital additions | (431,724) | - | (431,724) |
| Settlement of ARO | (193,108) | (305,585) | 112,477 |
| Net Change for the Year | (2,245,075) | 2,334,083 | (4,579,158) |
| Opening Balance | 2,334,083 | - | 2,334,083 |
| Closing Balance | 89,008 | 2,334,083 | (2,245,075) |

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 Southwest Latimer land purchase, PEMS seismic, LSS expansion, Smith middle and secondary schools, JDE elementary, 3 modular expansions, AFG and ARO remediation.

| | | | Increase (Decrease) From Jun 30, 2024 |
|--|------------------------|------------------------|--|
| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | |
| Ministry of Education and Child Care - Restricted Capital | | | |
| Investment income | 53,146 | 59,545 | (6,399) |
| Transfer project surplus from Bylaw Capital | 145,291 | 1,045,208 | (899,917) |
| Work in progress | (512,622) | (184,638) | (327,984) |
| Net Change for the Year | (314,185) | 920,115 | (1,234,300) |
| Opening Balance | 1,681,442 | 761,327 | 920,115 |
| Closing Balance | 1,367,257 | 1,681,442 | (314,185) |

Ministry Restricted Capital Balance: These are funds held on behalf of the Ministry of Education and Child Care. Per the Ministry agreement for the LSS Expansion project, the District will also contribute \$1.0 million to the project. In 2025, there was a projected surplus of \$145,291 upon completion of the Southwest Latimer land purchase and ACSS windows project. The District also contributed \$370,000 towards the PEMS seismic project.

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | Increase (Decrease) From Jun 30, 2024 |
|------------------------------|------------------------|------------------------|--|
| Land Capital | | | |
| School site acquisition fees | 2,184,038 | 1,549,853 | 634,185 |
| Investment income | 77,802 | 72,314 | 5,488 |
| Site acquisitions | (3,032,923) | - | (3,032,923) |
| Net Change for the Year | (771,083) | 1,622,167 | (2,393,250) |
| Opening Balance | 2,985,771 | 1,363,604 | 1,622,167 |
| Closing Balance | 2,214,688 | 2,985,771 | (771,083) |

Land Capital Balance: In 2025 \$2.18 million was collected by the District from the Township of Langley and City of Langley as part of the school site acquisition charge and these funds will be used for future site purchases. In 2025 \$3.03 million was used towards the Southwest Latimer land purchase.

| | Jun 30, 2025 Actual | Jun 30, 2024 Actual | Increase (Decrease) From Jun 30, 2024 |
|------------------------------|------------------------|------------------------|--|
| Local Capital | | | |
| Investment income | 22,323 | 70,485 | (48,162) |
| Transfer from Operating Fund | 6,298,585 | 10,304,214 | (4,005,629) |
| Capital assets purchased | (6,128,870) | (9,935,597) | 3,806,727 |
| Work in progress | (65,567) | (214,366) | 148,799 |
| Net change for the year | 126,471 | 224,736 | (98,265) |
| Opening balance | 642,129 | 417,393 | 224,736 |
| Closing balance | 768,600 | 642,129 | 126,471 |

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 in progress during the year.

PEMS Seismic School: On June 16, 2022 the Ministry of Education and Child Care 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 began in June 2024 and the project is expected to be completed in August 2025. Students have been accommodated on site during construction through the use of portables.

Josette Dandurand Elementary School: On May 18, 2023 the Ministry of Education and Child Care announced approval for a new 555-seat elementary school in the Northeast Latimer neighbourhood. The school will include a neighbourhood learning centre that will offer services, such as child care, to benefit families in the broader community. Construction began in March 2024. The school is expected to be completed in August 2025.

Langley Secondary School: On June 9, 2023 the Ministry of Education and Child Care 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.

Nicomekl Elementary School: On June 7, 2024 the Ministry of Education and Child Care announced a \$12 million investment to add 200 more student spaces at Nicomekl Elementary school by way of a prefabricated school addition. The addition will include eight classrooms and storage for students' personal belongings. Construction began in January 2025 and the project is expected to be completed in August 2025.

Smith Middle/Secondary Schools: On September 9, 2024 the Ministry announced a new joint school campus located in the Willoughby area of the Township of Langley that will be home to Smith Middle and Smith Secondary schools. The Smith Secondary school will provide spaces for 1,900 new students through approximately \$203 million from the Province. An additional \$103 million in provincial funding will be used to create 900 new seats at Smith Middle school, and will include a neighbourhood learning centre for child care to benefit the broader community. This is the largest amount of funding provided by the Ministry of Education and Child Care for a school project in the province's history. Work began in March 2025 and both schools are expected to be completed by fall 2027.

Lynn Fripps Elementary School: On September 17, 2024 the Ministry of Education and Child Care announced a \$9 million investment to add 150 more student spaces at Lynn Fripps Elementary school by way of a prefabricated school addition. The addition will include six classrooms and storage for students' personal belongings. Construction began in January 2025 and the project is expected to be completed in August 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. \$4.35 million was provided by the Ministry of Education and Child Care to fund the following projects in 2024/2025.

- Roof replacement, major sections: 3 schools and repairs at various sites (gutters and drains)
- Roofing Consultation: Multiple sites
- Flooring: Various classrooms and hallways, various gyms floors resurfaced
- Lighting upgrade: 4 sites
- Fire safety plans: 5 sites
- Flush Tank Removal: 4 sites
- Grease Trap Installation: 1 site
- UPS Upgrade for Elementary schools: Multiple sites
- Washroom Renovations/Upgrades: Multiple sites
- Parking Lot Extension: 1 site
- Field Maintenance: 11 sites
- Playground Wood chip replacement and top up: Multiple sites
- Site Fencing repairs: Multiple sites
- Mechanical System upgrades: Multiple sites
- RTU Replacements: Multiple sites
- Furnace Replacements: Multiple sites
- Fire Alarm Upgrades: 2 sites
- Duct Cleaning: 8 sites
- Paving, Drainage, and Site upgrades: Multiple sites
- Speed Drive upgrades: Multiple sites
- Information Technology infrastructure upgrades: Various schools
- Asbestos Abatement: Removal at various schools
- Functional Improvements, Door & door Hardware replacement: Various Schools
- Disabled Access upgrades (curbs, Handrails, Accessible Washrooms): Multiple sites
- Accessibility access: Multiple sites
- Electrical vault service: 2 sites
- Emergency Lighting Upgrade: 1 site
- Parking Lot Painting: Multiple sites
- Interior Paint: 2 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, 2024 | Appropriated to Balance Amended 24/25 Budget | Appropriated to Balance Preliminary 25/26 Budget | 24/25 Surplus | June 30, 2025 |
|---|----------------------|---|---|--------------------|----------------------|
| Total Capital Fund Surplus | \$129,714,985 | | | | \$157,540,385 |
| Restricted Operating Surplus | | | | | |
| Constraints on Funds: | | | | | |
| Internally restricted for commitments 2024/2025 | 3,022,083 | (3,022,083) | - | 2,867,969 | 2,867,969 |
| Internally restricted for initiatives not completed 2024/2025 | 139,000 | (139,000) | - | 119,000 | 119,000 |
| Internally restricted for Indigenous Education 2024/2025 | - | - | - | 107,814 | 107,814 |
| Internally restricted for Administration supports | 445,000 | (445,000) | - | 400,000 | 400,000 |
| Internally restricted for Clerical supports | - | - | - | 100,000 | 100,000 |
| Internally restricted for Exempt mentorship | - | - | - | 40,000 | 40,000 |
| Internally restricted for Middle school initiatives for K-7 schools | 50,000 | (50,000) | - | 20,000 | 20,000 |
| Internally restricted for Accessible playground equipment | 400,000 | (400,000) | - | 400,000 | 400,000 |
| School Generated Funds | 2,862,690 | - | - | 71,911 | 2,934,601 |
| Operations Spanning Multiple Years: | | | | | |
| Internally restricted to balance 2024/2025 budget | 350,000 | (350,000) | - | - | - |
| Internally restricted to balance 2025/2026 budget | - | - | 1,528,446 | - | 1,528,446 |
| Internally restricted to balance future budgets | 2,936,333 | - | (808,446) | 1,023,761 | 3,151,648 |
| Internally restricted for student capacity needs | 3,607,331 | - | (720,000) | 800,000 | 3,687,331 |
| School surpluses | 428,032 | (428,032) | - | 392,071 | 392,071 |
| Internally restricted for classroom furniture | 420,000 | (420,000) | - | 400,000 | 400,000 |
| Internally restricted for ERP replacement | 950,000 | - | - | 350,000 | 1,300,000 |
| Internally restricted for Project Management costs for Smith Middle/Seconda | 300,000 | - | - | - | 300,000 |
| Internally restricted for Cyber security | 250,000 | (105,000) | - | - | 145,000 |
| Internally restricted for Facility upgrades | 600,000 | (600,000) | - | 500,000 | 500,000 |
| | | | | | - |
| Future Capital Cost Share: | | | | | |
| Restricted for Future District Capital Contribution | 30,919 | (30,919) | - | - | - |
| Total restricted surplus | 16,791,388 | (5,990,034) | 0 | 7,592,526 | 18,393,880 |
| Unrestricted Operating Surplus | 5,350,000 | | | 0 | 5,350,000 |
| Total Operating Surplus | 22,141,388 | (5,990,034) | 0 | 7,592,526 | 23,743,880 |
| Accumulated Surplus | \$151,856,373 | (\$5,990,034) | \$0 | \$7,592,526 | \$181,284,265 |

Potential Future Financial impact on the District

There are several factors that could impact the District's stable and healthy financial situation during the 2024/2025 school year and beyond.

Risk Assessment

In 2017/2018, a risk assessment was completed that identified 20 areas of risk. In December of 2024 the District re-evaluated and prioritized the risks listed in the risk register. Additionally, the results of the risk identification process for the data analyst and cybersecurity domains, identifying 30 risks. 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. Labour Disruption - The risk that an agreement cannot be reached with the BCTF or CUPE Unions, leading to a strike or other forms of labor disruption.
2. District Rapid Growth – The risk of the School District of not having enough classroom space and staffing to accommodate the growth in the District.
3. 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.
4. Cyber Security - The risk that SD35 may be the subject of a cyber security breach or internal leak, resulting in the loss of confidential or personal information, resulting in reputational damage, loss of credibility, and possible legal or regulatory action.
5. Artificial Intelligence - The risk that the implementation and use of AI technologies in SD35 may lead to unintended consequences, such as biased decision-making, privacy breaches, or lack of compliance with regulatory standards.

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. In addition to this is the added constraint of changes in the Federal immigration policy that has impacted the number of students and families entering Canada. These events have had an impact on the number of students entering the District and the District continues to take measures to limit the impact. 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 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.

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.

Staff Recruitment

Staffing recruitment challenges resulting from the cost of living in the lower mainland and unprecedented increases in student enrolment for all Metro Vancouver school districts makes hiring staff even more competitive in an already tight market. Additional operational challenges are highlighted by Provincial funding inadequacies and greater demand for staffing in specialized positions. While this is certainly critical in specialty subject matter and supporting students with unique needs, including education assistants, it is also difficult to recruit professionals in the finance, human resources, payroll, procurement, facilities project management, and qualified trades staffing in our information technology, and maintenance departments.

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.

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 Dental and 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 4.4% and has fluctuated throughout the year and sat at 1.9% at the 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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