FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2025/2026

Chilliwack School District

Table of Contents

1.0 OVERVIEW 2

1.1 About Us 2
1.2 Board Authority, Roles, and Responsibilities 3
1.3 Our Mission Statement 4
1.4 Our Vision Statement 4
1.5 Our Motto: "Partners in Learning" 4
1.6 Our Core Values 4

2.0 STRATEGIC PLAN 5

3.0 FINANCIAL GOVERNANCE AND PLANNING CYCLE 6

3.1 Planning Cycle (Timelines 2025/26) 6
3.2 Board Advisory Committees (Policy 160) 7
3.3 Public Budget Presentation 8

4.0 FINANCIAL STATEMENT COMPOSITION OVERVIEW 9

4.1 Statement of Financial Position 10

5.0 FINANCIAL HIGHLIGHTS 12

5.1 Enrolment 12
5.2 Revenues 13
5.3 Expenditures 14
5.4 Strategic Plan Initiatives 15
5.5 Governance Costs 15
5.6 Reserves 16

6.0 FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE 17

6.1 Analysis of Operating Results to Amended Budget and Last Year 17
Revenues 17
Wages & Benefits 21
Supplies and Services 24
6.2 Special Purpose Funds 29
6.3 Capital Fund Accounts 31
6.4 Major Capital Projects 31
6.5 Capital Fund Balances 32
6.6 Reserves – Operating, Special Purpose and Capital Balances 33

7.0 FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE / OTHER POTENTIALLY SIGNIFICANT MATTERS 34

8.0 CONTACTING MANAGEMENT 36

1.0 Overview

This document will discuss and analyze the financial performance of the Chilliwack School District ("the District") for the fiscal year ending June 30, 2026 and will provide clarity to the variances from prior years. The District's financial statements represent the consolidation of three separate funds: operating, special purpose, and capital.

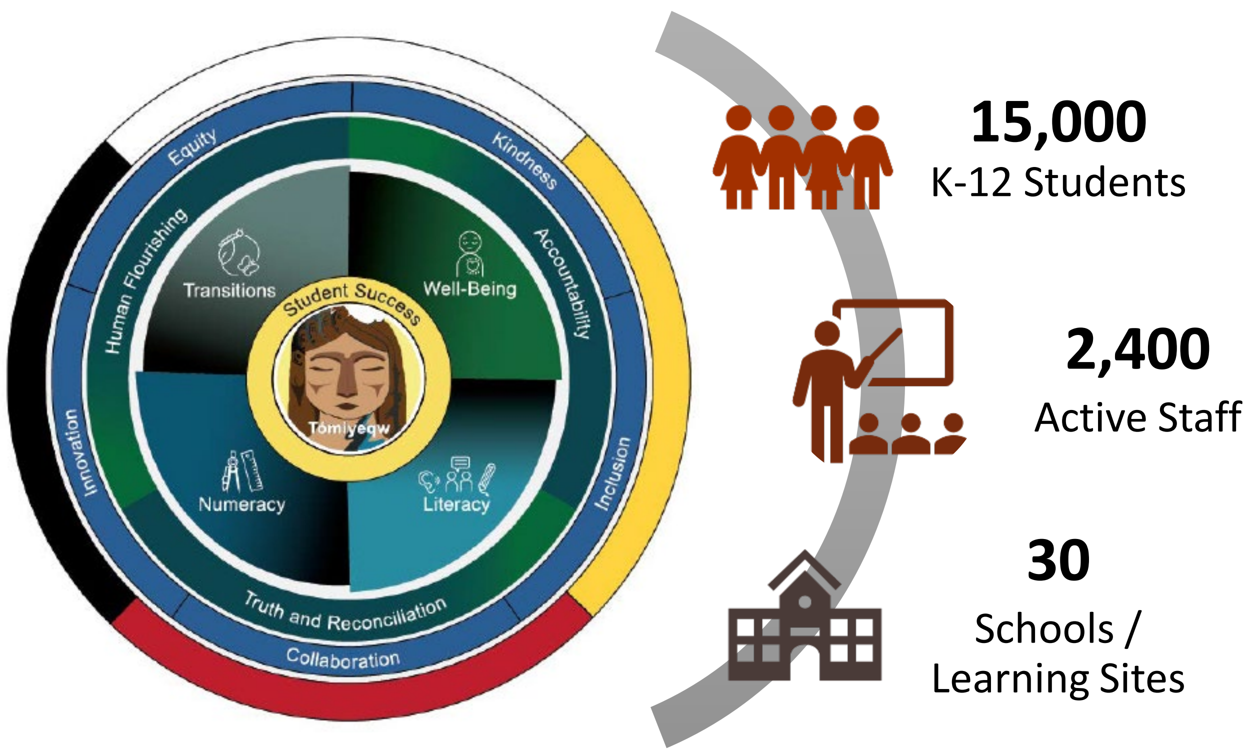
1.1 About Us

Chilliwack School District No.33 is located in the heart of the Stó:lo territory, People of the River. Surrounded by the Ts'elxweyeqw, Pilalt, and Sema:th communities, the Stó:lo refer to this as S'ólh Téméxw (our world). We honour and acknowledge our history, live in the present and look to the future to guide all teaching and learning.

As one of the fastest growing school districts in the province, the Chilliwack School District covers approximately 1,825 square kilometers including Chilliwack, Sardis, Vedder, and the surrounding areas of Yarrow, Cultus Lake, Rosedale, and Greendale.

The District has twenty elementary schools (kindergarten to grade 5), five middle schools (grades 6- 8), and five secondary schools (grades 9-12). In addition, we offer multiple programs including alternate education, trades and careers, sports academies, summer learning, distributed learning, French immersion, and continuing education.

Approximately 15,000 full and part-time students attend our facilities plus approximately 1,100 Early Learning students (Pre-K) and are served by approximately 2,400 permanent and casual staff members.



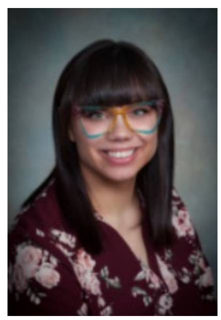
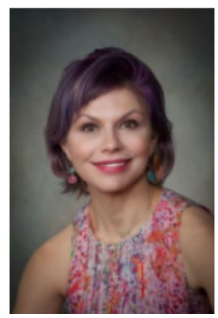
1.2 Board Authority, Roles, and Responsibilities

The Board of Education has, as its primary role, the governance of the District and the commitment to student achievement. The Board fulfills this role, in part, through the development and implementation of a strategic plan that establishes a vision, mission and goals to direct resources and align the work of staff.

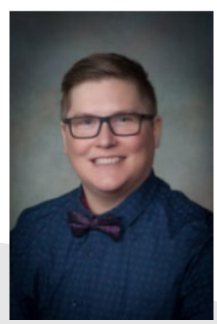
The Board also has a foundational responsibility to competently protect the interests, image, and credibility of the school district, to ensure its financial viability and to act in accordance with all applicable laws, regulations, and policies.

The Board's authority is established within the *School Act* and its regulations. The rights, powers, duties, and liabilities of the Board rest only with the legally constituted Board, and not with committees of trustees or individual trustees.

The Board exercises its authority and responsibilities through the development of policy and the establishment of a balanced annual budget.





Sardis Secondary Addition - 2026

1.3 Our Purpose Statement

Honouring, Shaping and Inspiring our Past, Present and Future
We value the histories, cultures and contributions of all who came before us. Together, we support every learner's journey by building connected, caring communities. We empower curious, courageous, and compassionate learners who have the knowledge and skills to contribute to a changing world.

We're committed to Truth and Reconciliation, lifelong learning, and shared responsibility for the future.

1.4 Our Vision Statement

Syó:ys lets'e th'ále, lets'emó:t (See EYE yees LETS - a - thala LETS - a - mot)
(One heart, one mind, working together for a common purpose)

1.5 Our Motto: "Partners in Learning"

Students, parents, guardians, caregivers, staff, First Nations, Rights Holders, Inuit, Métis, community members and organizations are important members of our education community and partners in learning with the Board of Education. Together we strive to create a culture of mutual respect that supports engagement and collaboration in order to achieve the shared goals outlined in our District strategic plan. Collectively we aim to meet the present needs of our students and our community, while remaining flexible to anticipate and respond to future priorities.

1.6 Our Core Values

We provide a learning and working environment where these core values are central to all that we do:

2.0 Strategic Plan

The Chilliwack Board of Education's Strategic Plan 2025-2029 sets priorities and defines the path of our school district.

The Strategic Plan has four main priorities:

Transitions

Each student experiences changes that bring new challenges, expectations, and opportunities. Well planned transitions involve preparation, communication and collaboration.

We will plan successful transitions for students as they move from early years into adulthood in collaboration with families, staff and community.

Well-being

Well-being embraces the whole person including their physical, emotional, mental, and spiritual health.

We will create environments in which everyone feels safe, supported, and valued. We will care for ourselves, each other, the community, and the land.

Numeracy

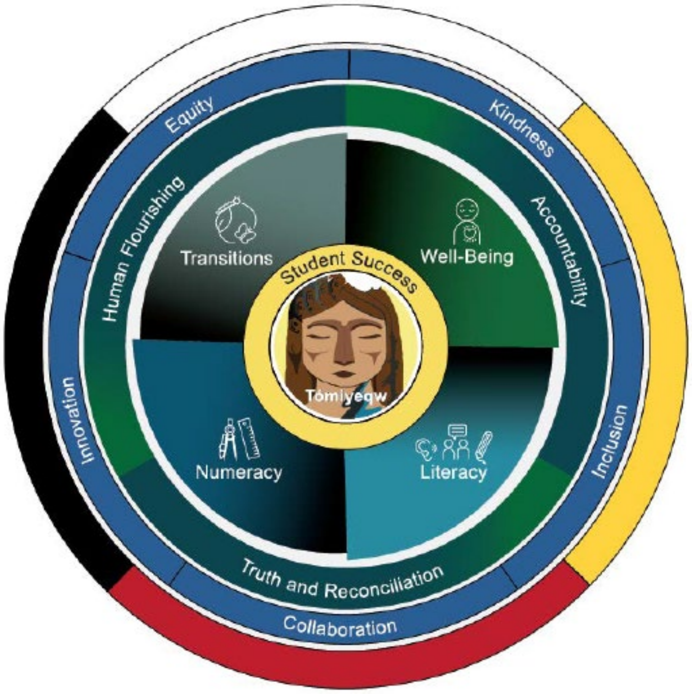
Numeracy is the ability to understand, interpret, and work with mathematical concepts. Developing number sense builds confidence, curiosity and supports everyday problem solving.

We will support learners to understand, apply and communicate mathematical

Literacy

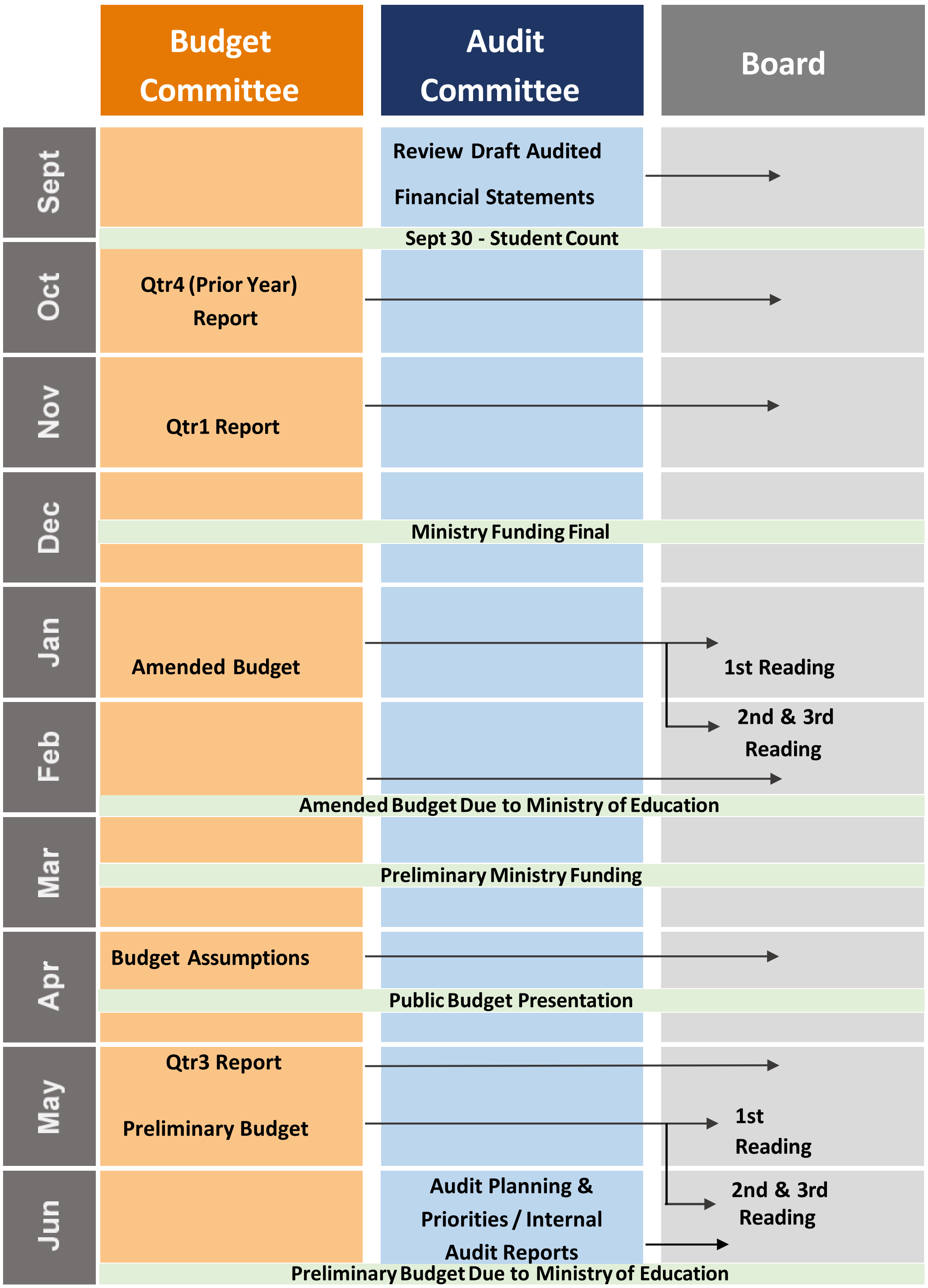
Well-being embraces the whole person including their physical, emotional, mental, and spiritual health.

We will create environments in which everyone feels safe, supported, and valued. We will care for ourselves, each other, the community, and the land.



3.0 Financial Governance and Planning Cycle

3.1 Planning Cycle (Timelines 2025/26)



3.2 Board Advisory Committees (Policy 160)

Committees may be created to advise the Board on specific matters as determined by the Board. Committees are advisory only, and committee members serve in a voluntary capacity and will not be compensated for their services.

Standing committees provide an opportunity to engage with key employee and partner groups in areas of Board governance on an ongoing basis.

Budget Advisory Committee (Policy 162)

The Board of Education values consultation as an important part of budget development and monitoring. The Board also recognizes and accepts its responsibility to approve the annual budget. The Budget Advisory Committee is advisory in nature and reports directly to the Board through the chair of the committee.

The Budget Committee will consist of three trustees of the Board and one representative of each of Chilliwack Principals' and Vice Principals' Association, Chilliwack Teachers' Association, Canadian Union of Public Employees' Local 411, District Parent Advisory Committee, Indigenous community, district management employees and up to two community representatives. Any trustee may attend as an observer.

Audit Working Committee (Policy 163)

The Audit Working Committee's mandate is to assist the Board in fulfilling its financial oversight responsibilities. The committee is advisory in nature and reports directly to the Board through the Chair of the committee. The Audit Working Committee will have direct communication channels with the external auditor to discuss and review issues within its mandate.

The committee comprises a committee of the whole, in which all Trustees are members and up to two community members who are financially literate in these processes.

3.3 Public Budget Presentation

Public Budget Presentation - 2025/26 Operating Budget

On April 21, 2026, the Chilliwack Board of Education hosted the public presentation during the Regular Board meeting and invited input into the 2026/2027 Operating Budget. Specific strategic initiatives were presented to show the priorities for the use of resources. The impetus for this was to demonstrate how budget allocation aligns with the District's Strategic Plan. This presentation was presented live and recorded for the public to view. Questions from the public were welcome before, during and after the recording.

Microsoft PowerPoint Presentation – click above image to view PDF version.

4.0 Financial Statement Composition Overview

The District uses fund accounting, and each of these funds has restrictions on accounting for each fund's revenues and expenditures. There are three funds that are reported in the financial statements:

OPERATING FUND

Includes revenues and expenses related to the daily operation of the district, including school and administrative functions.

SPECIAL PURPOSE FUNDS

Funding is restricted for a specific purpose and includes school generated funds. These funds do not report a surplus as revenues are only recognized when the related expenditure occurs. There may be a deficit in this fund which is then transferred to the Operating Fund or Capital Fund depending on the nature of the expenditure.

CAPITAL FUND

This fund includes financial activities for tangible capital assets. The Ministry of Education & Child Care provides capital funding which is accounted for using the deferral accounting methodology whereby capital revenue is recorded over the life of the related asset to match the amortization expense recorded in the financial statements. Therefore, the revenue reported in the financial statements does not match the actual capital funding received in a year.

4.1 Statement of Financial Position

The Statement of Financial Position (balance sheet) presents the school district's financial assets and liabilities at the fiscal year-end. It provides a comparative analysis of the district's net financial position for fiscal years ending June 30, 2025 and June 30, 2026 along with the year over year dollar and percentage changes.

	2026	2025	Change	%
Financial Assets				
Cash and Cash Equivalents	54,173,875	51,053,163	3,120,712	6%
Accounts Receivable				
Due from Province - Ministry of Education & Child Care	1,507,391	2,949,269	(1,441,878)	(49%)
Due from LEA/Direct Funding	581,434	19,851	561,583	2829%
Other	793,916	737,611	56,305	8%
Total Financial Assets	57,056,616	54,759,894	2,296,722	4%
Liabilities				
Accounts Payable and Accrued Liabilities	28,606,848	23,502,594	5,104,254	22%
Unearned Revenue	2,986,642	2,682,065	304,577	11%
Deferred Revenue	4,985,538	4,817,454	168,084	3%
Deferred Capital Revenue	267,445,017	253,584,548	13,860,469	5%
Employee Future Benefits	5,536,984	5,366,838	170,146	3%
Asset Retirement Obligation	15,173,367	14,161,408	1,011,959	7%
Other Liabilities	2,126,155	1,817,082	309,073	17%
Debt Payable on Demand	6,133,539	0	6,133,539	-
Total Liabilities	332,994,090	305,931,989	27,062,101	9%
Net Financial Assets (Debt)	(275,937,474)	(251,172,095)	(24,765,379)	10%
Non-Financial Assets				
Tangible Capital Assets	344,518,017	314,727,083	29,790,934	9%
Restricted Assets-Endowments	73,261	73,261	0	0%
Prepaid Expenses	840,872	904,758	(63,886)	(7%)
Total Non-Financial Assets	345,432,150	315,705,102	29,727,048	9%
Accumulated Surplus (Deficit)	**69,494,676**	**64,533,007**	**4,961,669**	**8%**

Explanation of Components of Financial Position

Cash and Cash Equivalents represent funding available to meet short term obligations such as Accounts Payable. Both Cash and Accounts Payable have increased significantly from the prior year due to the volume of spending on four concurrent building projects.

Accounts Receivable are monies owed to the District and primarily consist of GST rebates and draw claims from the Ministry of Education & Child Care for capital projects.

- **Due from Province** includes reimbursements receivable for expenses made on capital projects.
- **Due from LEA** relates to funding owed to the District from local First Nations for their students attending schools in the District.
- **Other** receivables consist of GST rebates and rental revenue still to be collected.

Accounts Payable & Accrued Liabilities are monies owed to vendors at year end for supplies that have been received or services rendered during the year.

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

Deferred Revenue refers to the unused money in Special Purpose Funds. The majority of this balance consists of School Generated Funds and Scholarship & Bursary investments.

Deferred Capital Revenue is money provided to the District for Capital projects. This account will increase as new building projects are constructed and decrease to match the amortization on those buildings. Note how the increase this year closely relates to that of Tangible Capital Assets.

Employee Future Benefits relate to retirement payments to employees for years of service and are actuarially adjusted on an annual basis.

Asset Retirement Obligation reflects an estimate of the fair value of removing/disposing of asbestos and other hazardous materials within district owned buildings that will undergo major renovations or demolition in the future.

Tangible Capital Assets reflect the unamortized cost of land, buildings and equipment owned by the District.

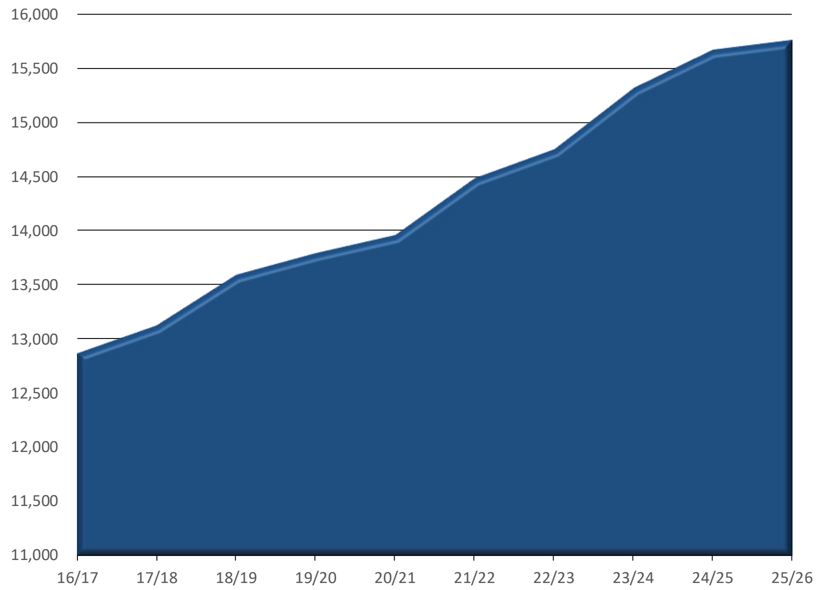
Restricted Assets – Endowments are funds given to the District to earn investment income. The income can be used for scholarships and bursaries; however, the initial investment cannot be spent.

Prepaid Expenses are expenditures that have been made for a future period (e.g., next year's insurance premiums paid in advance).

5.0 Financial Highlights

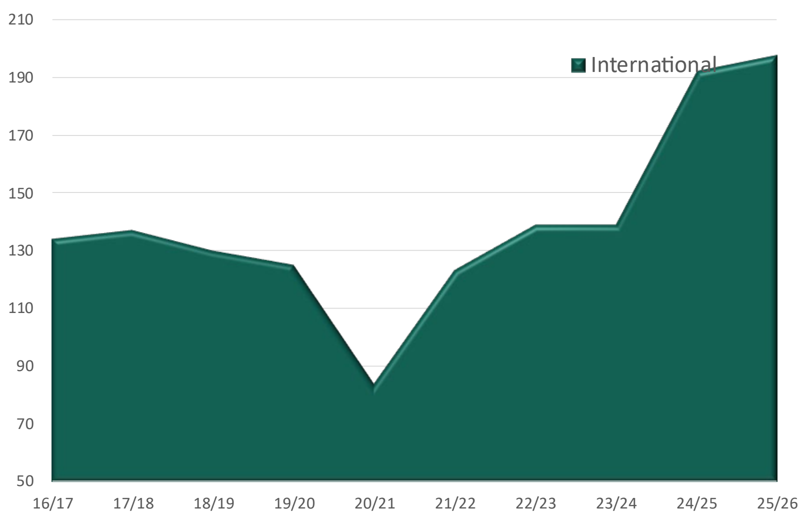
5.1 Enrolment

In the past decade, our enrolment has increased from 12,863 Full Time Equivalent (FTE) K-12 students to 15,758 FTE. This is an increase of 2,895 students, and an average of 290 students per year.



This increase of students has a direct impact on our government grant funding and the costs required to support these students. It also required a significant investment in space to accommodate the influx. The average annual student increase is enough to fill a new elementary, school each year.

International student enrolment continues to grow with a number of students opting for half year programs. With new school builds being completed over the next couple of years, there should be capacity for further growth in international student numbers.

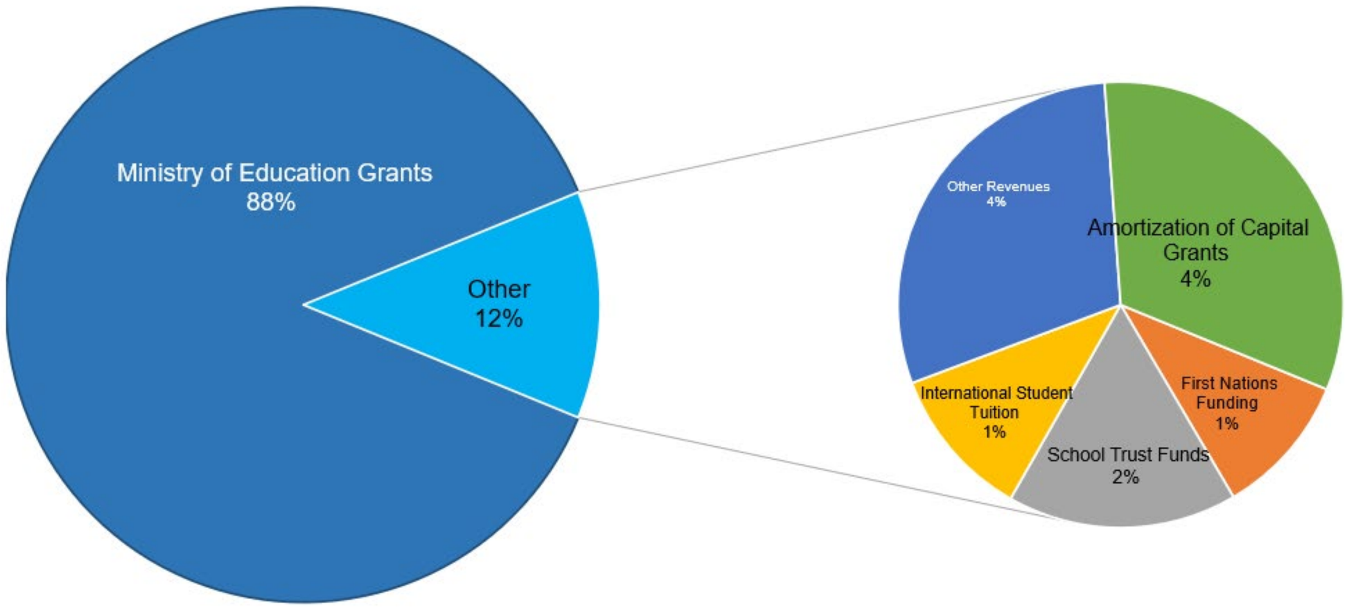


5.2 Revenues

Total revenues for the District were $262 million for 2025/26. Revenue is heavily reliant upon funding from the provincial government which is based mainly on student enrolments. The grant is calculated on student enrolment which is compiled through a data collection process called 1701 in September, February, May, and July. The District receives a fixed amount per full-time equivalent student (FTE). The District also receives supplementary grants for students who are identified as having unique needs and for other demographic and geographical factors.

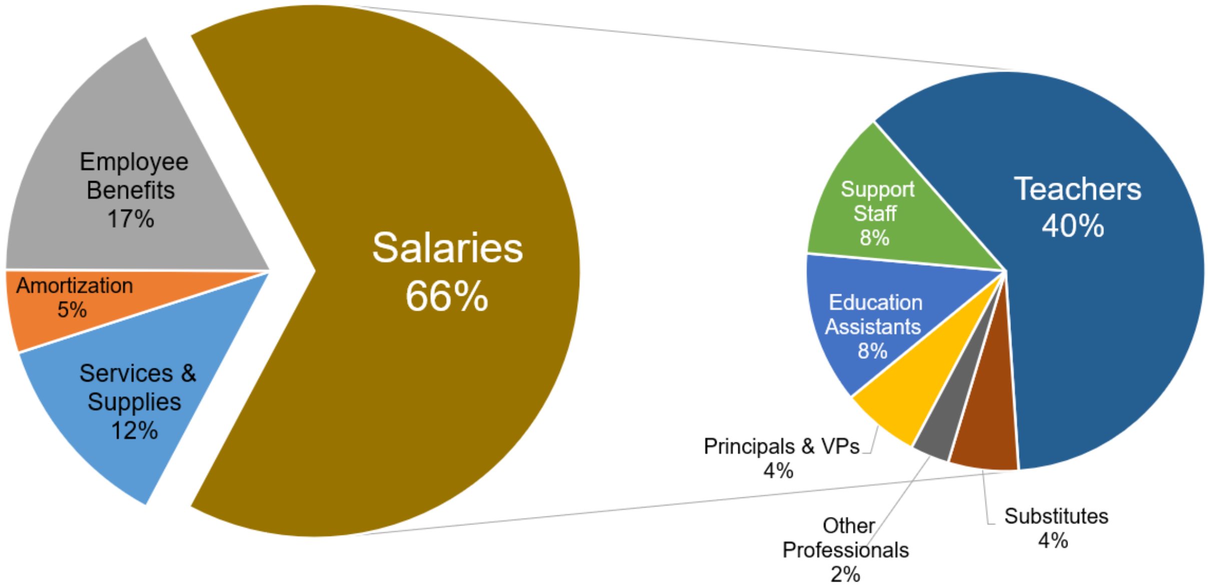
Revenues increased 7% versus last year due mainly due to increases in government grants for enrolment increases and collective agreement wage increases.

88% of the District's revenue is from Ministry of Education & Child Care funding, 4% is recognized in Other Revenues which are primarily associated with labour settlement funding, 4% is associated with the recognition of deferred capital grants, 2% is funds raised by schools through their trust funds,1% of revenue is First Nations funding, 1% of revenue is generated from International Education Programs, and the balance through other revenue programs such as facility rentals and investment income.

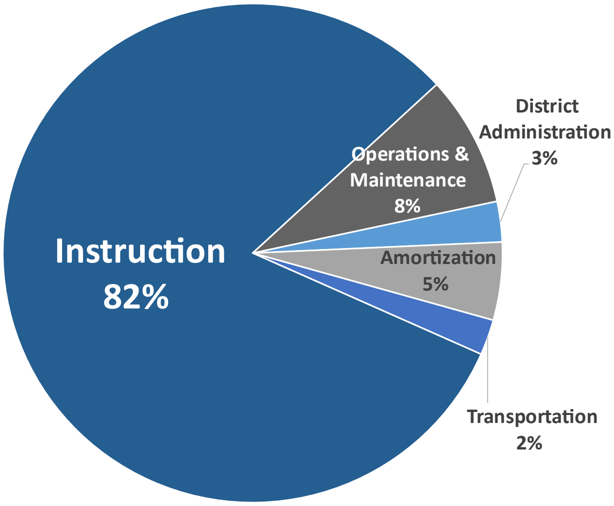


5.3 Expenditures

The District's expenses primarily consist of salaries and benefits, which comprise 83% of total expenditure. Among these salaries, 40% are allocated to teachers, 8% to Education Assistants, and 8% to Support Staff. The remaining portion of the expenditure is related to supplies, services (encompassing utilities, professional development, and maintenance), as well as the amortization of capital assets.



Overall expenses increased 5.4% versus last year. This increase can be attributed to higher staffing requirements due to increases in wages resulting from settlements regarding collective agreement wages, elevated benefit premiums, a growth in enrollment, and expenses related to replacement staff. Looking at expenditures by Program, 82% of expenditures are on instruction, and 10% on operations and maintenance, and transportation.



5.4 Strategic Plan Initiatives

The 2025/26 Amended Budget supports the strategic plan with resource allocations tied to the District's Strategic Plan. Resource allocations were included in the following focus areas:

Strategic Plan Focus Area
Literacy
Numeracy
Well-Being
Transitions

5.5 Governance Costs

Governance costs represent supports for the locally elected Board of Education. The main costs are as follows:

Expense Category	Amount
Trustee Stipends & Benefits	$192,059
BCSTA Membership	$58,935
Legal	$55,461
Staff Retirement/Recognition	$20,170
Travel & Professional Development	$14,680
Contract Services	$11,371
PAC/DPAC Grants	$10,958
Supplies	$10,099
Telephone/Internet Allowance	$4,000
Advertising	$373
TOTAL	**$378,105**

5.6 Reserves

Total reserves increased by $748,436 during the year, from $10,869,051 to $11,617,487. This increase reflects growth in both unrestricted reserves (accumulated operating surplus) and internally restricted reserves established by the Board for specific future purposes. A summary of surplus accounts from all funds is presented in Section 6.6 Accumulated Surplus.

Unrestricted reserves (accumulated operating surplus) increased by $145,906 during the year, from $7,930,367 to $8,076,273. The ending balance represents 3.9% of budgeted operating expenses for the 2026/27 school year and remains within the Board's target range of 2% to 4% as established in the Accumulated Operating Surplus Policy.

Internally restricted reserves increased by $602,530 during the year, from $2,938,684 to $3,541,214. These reserves have been designated by the Board to support specific future initiatives and commitments.

Internally Restricted Reserves	June 30, 2026	June 30, 2025	YoY Change
School Surpluses	1,528,416	1,793,342	(264,926)
Indigenous Ed. Unexpended	621,715	312,591	309,124
Indigenous Ed. Council	194,410	91,196	103,214
Jordan's Principle C'fwd	47,808	227,102	(179,294)
New Technology - ERP	600,000	300,000	300,000
Early Learning Initiatives	378,865	214,453	164,412
Service Improvement Fund	170,000	0	170,000
Total	**3,541,214**	**2,938,684**	**602,530**

Schools are permitted to carry forward budget surpluses to future years. As a result, school surplus carryforwards form a significant component of internally restricted reserves. In the current year, the balance decreased by $264,926 as schools utilized previously accumulated balances.

Internally restricted reserves also include unexpended Indigenous Education funding that may be carried forward to support future Indigenous Education initiatives, including amounts designated for the Indigenous Education Council. During the year, reserves for technology and ERP investments increased by $300,000, Early Learning reserves increased by $164,412 to support future program growth and enhancement, the inclusion of the $170,000 Service Improvement Fund, and a reduction to the Jordan's Principle carryforward amount.

6.0 Financial Analysis of the School District as a Whole

6.1 Analysis of Operating Results to Amended Budget and Prior Year

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. This section of the 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, as well as in comparison with the amended budget. In the charts that follow, any reference to "budget" means the amended budget. These sections are broken down into three areas: Revenues, Wages and Benefits, and Supplies and Services. This is only an introduction and should be read in conjunction with the School District's financial statements.

Revenues

Operating Budget	2025/26		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
REVENUE							
Provincial Grants, Ministry of Education & Child Care	192,960,844	198,538,314	188,456,253	5,577,470	3%	10,082,061	5%
LEA/Direct Funding from First Nations	3,785,418	3,362,718	3,157,642	(422,700)	(11%)	205,076	6%
International Student Tuition	3,160,525	3,594,673	3,019,487	434,148	14%	575,186	19%
Investment Income	1,085,000	916,728	1,157,731	(168,272)	(16%)	(241,003)	(21%)
Other Revenue	1,073,651	1,407,506	1,183,910	333,855	31%	223,596	19%
Rentals & Leases	250,000	325,521	342,738	75,521	30%	(17,217)	(5%)
Provincial Grants, Other	200,000	165,700	170,560	(34,300)	(17%)	(4,860)	(3%)
Federal Grants, Other	0	0	380,788	0	0%	(380,788)	0%
Total Revenue	**202,315,438**	**208,145,460**	**197,317,761**	**5,830,022**	**2.9%**	**10,827,699**	**5%**

Provincial Grants – Ministry of Education & Child Care

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Provincial Grants – Ministry of Education & Child Care	192,960,844	198,538,314	188,456,253	5,577,470	3%	10,082,061	5%

- Labour settlement funding of $5,104,000 was added after the amended budget was submitted.
- The February count of students with Special Needs exceeded budget expectations by $545,000.
- Other changes to the operating grant, including child care and LEA funding, increased revenue by $117,000 over budget.

- Increased funding rate primarily due to increases in collective agreement funding totaling $5,104,000.
- Increased funding for Special Needs of $3,503,000.
- Increased funding for enrollment increases of $800,000.

LEA (Local Education Agreement) / Direct Funding from First Nations

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
LEA/Direct Funding from First Nations	3,785,418	3,362,718	3,157,642	(422,700)	(11%)	205,076	6%

Funding for students under Local Education Agreements (LEAs) is recovered directly from local First Nations rather than through the operating grant. Enrolment was lower than budget, resulting in $423,000 less LEA revenue.

Funding for LEA students is recovered through billings to local First Nations. Higher enrolment than the prior year resulted in $205,000 more LEA revenue.

Provincial Grant – Other

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Provincial Grants, Other	200,000	165,700	170,560	(34,300)	(17%)	(4,860)	(3%)

Skilled Trades BC revenues were below budget as actual revenues were lower than budget assumptions.

Skilled Trades BC expenditure is very close to the prior year.

International Student Tuition

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
International Student Tuition	3,160,525	3,594,673	3,019,487	434,148	14%	575,186	19%

There were more students (200 FTE) than budget (185 FTE) as we continue to promote our International Program in different parts of the world.

- International revenue increases significantly in 2025/26 by $575,000 or 19%.
- Student FTE increased from 192 to 200, 4%.

Other Revenues

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Other Revenues	1,073,651	1,407,506	1,183,910	333,855	31%	223,596	19%

Childcare revenue was $252,000 over budget as we continue to grow our Early Learning program.

- Early Learning childcare funding from non-Ministry sources increased by $202,000.
- Bus fees increased from $357,000 in 2024/25 to $388,000 in 2025/26, an increase of $31,000.

Rentals & Leases

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Rentals & Leases	250,000	325,521	342,738	75,521	30%	(17,217)	(5%)

Rental revenue exceeded budget as more rental revenue was realized than assumed in the budget.

Rental revenue was slightly lower than the prior year, reflecting one-time election rental revenue recognized in 2024/25. This was offset with rental revenues increases of 3% in 2025/26.

Investment Income

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Investment Income	1,085,000	916,728	1,157,731	(168,272)	(16%)	(241,003)	(21%)

Investment income was below budget as funds used to acquire property for a future school site reduced investment earnings.

Investment income decreased from the prior year due to lower cash balances and related financing costs associated with the acquisition of a future school site.

6.1 Budgetary Highlights / Analysis of Operating Results to Amended Budget and Last Year *(continued)*

Wages & Benefits

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
EXPENSE							
Salaries							
Teachers	81,214,769	83,712,380	79,240,408	2,497,611	3%	4,471,972	6%
Education Assistants	20,520,507	19,586,371	18,331,208	(934,136)	(5%)	1,255,163	7%
Support Staff	18,377,864	19,975,987	18,384,059	1,598,123	9%	1,591,928	9%
Principals & Vice-Principals	10,337,555	10,487,518	9,991,569	149,963	1%	495,949	5%
Substitutes	8,780,555	9,238,317	8,444,833	457,762	5%	793,484	9%
Other Professionals	5,370,142	5,069,284	4,888,186	(300,858)	(6%)	181,098	4%
Total Salaries	**144,601,392**	**148,069,857**	**139,280,263**	**3,468,465**	**2%**	**8,789,594**	**6%**
Employee Benefits	38,914,584	38,553,891	35,997,772	(360,693)	(1%)	2,556,119	7%
Total Salaries & Benefits	**183,515,976**	**186,623,748**	**175,278,036**	**3,107,772**	**2%**	**11,345,712**	**6%**
Services & Supplies	20,471,857	20,401,072	20,256,224	(70,785)	(0%)	144,848	1%
Total Expense	**203,987,833**	**207,024,820**	**195,534,259**	**3,036,987**	**1%**	**11,490,561**	**6%**

Teachers

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Teachers	81,214,769	83,712,380	79,240,408	2,497,611	3%	4,471,972	6%

Teacher salaries exceeded budget due to the 3% provincial labour settlement, which was known at the time of budget development but not incorporated into the budget, in alignment with Ministry communications.

The increased cost from last year included:

- Collective Agreement increase: $2,377,000.
- Teacher movement through salary grids $1,109,000.
- Enrolment increases: $450,000.

Principals & Vice Principals

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Principals & Vice Principals	10,337,555	10,487,518	9,991,569	149,963	1%	495,949	5%

Principals and Vice Principals salaries are over budget due to backfilling staff on leave.

Principals and Vice Principals salaries are higher than the prior year due to annual compensation increases and backfilling staff on leave.

Education Assistants

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Education Assistants	20,520,507	19,586,371	18,331,208	(934,136)	(5%)	1,255,163	7%

Education Assistant salaries were below budget due to replacement costs being recorded in Substitute salaries ($332,000) and a budget allocation adjustment between Education Assistants and Support Staff ($600,000).

Education Assistant salaries increased from the prior year due to collective agreement wage increases ($550,000) and additional staffing to support student needs ($700,000).

Support Staff

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Support Staff	18,377,864	19,975,987	18,384,059	1,598,123	9%	1,591,928	9%

Support Staff salaries exceeded the budget due to staffing levels above budget ($1,000,000) and a budget allocation adjustment between Education Assistants and Support Staff ($600,000).

Support Staff salaries increased from the prior year due to collective agreement wage increases ($550,000) and additional staffing to support operational needs ($1,000,000).

Other Professionals

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Other Professionals	5,370,142	5,069,284	4,888,186	(300,858)	(6%)	181,098	4%

Other Professional salaries were below budget as several budgeted managerial positions remained vacant for a portion of the year.

Annual wage increases of $122,000.

Substitutes

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Substitutes	8,780,555	9,238,317	8,444,833	457,762	5%	793,484	9%

Substitute salaries exceeded budget primarily due to higher replacement costs across employee groups during the year.

- Teacher $147,000 over budget
- Education Assistants $103,000 over budget
- Other Support $103,000 over budget

Substitute salaries increased from the prior year due to collective wage increases and higher replacement needs:

- Education Assistants $332,000 over budget
- Teachers $254,000 over budget
- Collective Agreement wage increase of $253,000.

Employee Benefits

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Employee Benefits	38,914,584	38,553,891	35,997,772	(360,693)	(1%)	2,556,119	7%

Employee Benefits expenses are within budget.

Employee Benefits expenses were 7% higher in 2025/26 compared to the prior year and grew at a rate faster than general wage increases which were 3%.

6.1 Budgetary Highlights / Analysis of Operating Results to Amended Budget and Last Year (continued)

Supplies and Services

Services and Supplies categories represent approximately 10% of the amended operating budget expenditures. Overall, services and supplies are within budget. Details for each Supply category are explained below.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
NON-DISTRICT PORTION OF SUPPLIES/SERVICES							
Schools	5,657,904	5,257,530	4,854,072	(400,374)	(7%)	403,459	8%
Indigenous Education	1,158,115	943,380	903,274	(214,735)	(19%)	40,106	4%
DISTRICT PORTION OF SUPPLIES/SERVICES							
Services	4,604,738	5,427,132	5,274,389	822,395	18%	152,743	3%
Student Transportation	17,500	10,634	26,965	(6,866)	(39%)	(16,331)	(61%)
Professional Development & Travel	1,149,811	1,062,638	1,163,631	(87,173)	(8%)	(100,993)	(9%)
Rentals & Leases	163,200	137,576	59,287	(25,624)	(16%)	78,289	132%
Dues & Fees	363,799	615,008	441,154	251,209	69%	173,854	39%
Insurance	415,908	430,236	406,092	14,328	3%	24,143	6%
Supplies	4,436,383	4,246,521	4,785,623	(189,862)	(4%)	(539,102)	(11%)
Utilities	2,504,500	2,270,418	2,341,736	(234,082)	(9%)	(71,319)	(3%)
Total Supplies/Services	**20,471,858**	**20,401,072**	**20,256,223**	**(70,786)**	**(0%)**	**144,849**	**1%**

Schools

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Schools	5,657,904	5,257,530	4,854,072	(400,374)	(7%)	403,459	8%

School supplies and services spending was below budget, resulting in carryforward balances that will be available to support future school priorities and initiatives.

- Elementary schools underspent by 8%.
- Middle schools underspent by 2%.
- Secondary schools underspent by 11%.

School supplies and services spending increased from the prior year as schools continued to invest carryforward balances and respond to local school priorities.

- Elementary school spending increased by 8%.
- Middle school spending decreased by 2%.
- Secondary school spending increased by 11%.

Indigenous Education

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Indigenous Education	1,158,115	943,380	903,274	(214,735)	(19%)	40,106	4%

Indigenous Education Council expenditures were $120,000 below budget.

There was very little change in spending compared to the prior year.

Services

This account includes costs for contracted professionals, consultants and technical services, software maintenance, grounds upkeep, security services, bank charges, telephones, and legal and audit fees.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Services	4,604,738	5,427,132	5,274,389	822,395	18%	152,743	3%

Items contributing to an increase in services charges over budget include:

- Student Services assessments $366,000
- Increased Commissions and support for International Students $162,000
- Technology services and licenses $121,000
- Increased facilities service expenses $104,000
- Legal and Audit Services $94,000

Items contributing to an increase in services charges over the prior year include:

- Technology Department $225,000
- Student Services assessments $206,000
- International Student support service $86,000.
- By-Election ($105,000)
- Preliminary Capital Acquisition expenses ($220,000)

Student Transportation

This account includes payments for charter buses and travel assistance reimbursements to parents/guardians.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Student Transportation	17,500	10,634	26,965	(6,866)	(39%)	(16,331)	(61%)

Student Transportation spending was within budget.

Actual expenditures decreased from prior year.

Professional Development & Travel

This account includes costs incurred for training and travel.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Professional Development & Travel	1,149,811	1,062,638	1,163,631	(87,173)	(8%)	(100,993)	(9%)

Management Pro-D spending was $30,000 under budget. The residual discrepancy is made up of several other immaterial amounts.

PVP Pro-D Initiatives decreased by $51,000,
CUPE Pro-D Skills training decreased by $25,000.

Rentals & Leases

This includes operating expenditures for the rental of space, vehicles, and equipment for temporary or long-term use by the School District.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Rentals & Leases	163,200	137,576	59,287	(25,624)	(16%)	78,289	132%

Storefront Education Centre lease was $$21,000 below budget.

Mathiesen Centre and Storefront Education Centre leases added $109,000 in new leases.

Bus Leasing decreased by $32,000.

Dues & Fees

This account includes membership fees and/or dues in professional organizations as determined by the policies and regulations of the School District.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Dues & Fees	363,799	615,008	441,154	251,209	69%	173,854	39%

Trades course fees were over budget by $253,000

Trades course fees increased by $172,000.

Insurance

This account includes all forms and types of insurance coverage (vehicles, buildings, liability).

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Insurance	415,908	430,236	406,092	14,328	3%	24,143	6%

Insurance Expense was within budget.

Vehicle insurance increased by $16,000 from the prior year.

Supplies

This item consists of expenditures on supplies and materials of a consumable and/or non-capital nature. This includes classroom supplies, learning resources, computer equipment, and custodial supplies.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Supplies	4,436,383	4,246,521	4,785,623	(189,862)	(4%)	(539,102)	(11%)

- Indigenous Education Council spending was $119,000 under budget
- Storefront Education Spending was $70,000 under budget
- Transportation spending was under budget by $63,000.
- Facilities supplies spending was under budget by $32,000

- Technology spending decreased by $177,000
- Facilities spending decreased by $90,000.
- Transportation spending decreased by $85,000
- Human Resources spending decreased by $20,000

Utilities

Included here are the expenditures for electricity, heating, water & sewer, and garbage & recycling costs.

Operating Budget	2025/2026		2024/25	Increase (Decrease) vs. BUDGET		Increase (Decrease) from PRIOR YEAR	
	BUDGET	ACTUAL	ACTUAL	$	%	$	%
Utilities	2,504,500	2,270,418	2,341,736	(234,082)	(9%)	(71,319)	(3%)

- Lower natural gas prices and the end of the carbon tax resulted in Heating Fuel $263,000 under budget.
- Garbage $52,000 over budget
- Electricity expense was $14,000 under budget
- Water and Sewer $7,000 were over budget.

- Heating Fuel was $173,000 below prior year
- Electricity was $84,000 over prior year
- Garbage was $21,000 over prior year
- Carbon offsets was $4,000 below prior year
- Water & Sewer was $1,000 over prior year

6.2 Special Purpose Funds

Special Purpose Funds consist of restricted grants and other funding subject to a legislative or contractual restriction on its use. These revenues are deferred until the relevant expenditures are incurred. The School District incurred the following expenditures in 2025/2026 as related to significant Special Purpose grants:

GRANT	SOURCE	AMOUNT RECEIVED	AMOUNT EXPENDED	DISCUSSION
Annual Facility Grant (AFG) Operating Portion	Ministry of Education & Child Care	$456,617	$456,617	See discussion in the Capital Projects section under “Annual Facility Grant (AFG) Funding.”
Learning Improvement Fund (LIF)	Ministry of Education & Child Care	$660,105	$660,105	Funding to augment Educational Assistants’ hours to provide additional support to complex learners.
Scholarships and Bursaries	Other and Investment Income	$311,635	$222,450	Funds collected from donors which are awarded to graduating students in the district to attend post-secondary schools.
School Generated Funds	Other and Investment Income	$5,415,363	$5,330,313	Monies collected by schools for field trips, school sports, and fundraising for school equipment.
Strong Start	Ministry of Education & Child Care	$238,000	$238,000	Funding for Strong Start early learning centers to provide school- based, drop-in programs for children from birth to age five and their parents or caregivers.
Ready, Set, Learn (RSL)	Ministry of Education & Child Care	$51,450	$48,344	Funding for eligible RSL events for 3 to 5-year-olds and their parents to support and facilitate a smooth transition to Kindergarten.
Official Languages in Education French Programs (OLEP)	Ministry of Education & Child Care	$196,203	$196,203	Funding for core French- language programs and curriculum resources.
Community LINK	Ministry of Education & Child Care	$775,082	$767,898	Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning.
Classroom Enhancement Fund (CEF) Overhead, Staffing and Remedies	Ministry of Education & Child Care	$23,986,632	$23,862,469	Funding for eligible expenses resulting from restoration of class size and composition language. Expenses include teacher staffing, overhead staffing, and equipment costs.
First Nation Student Transportation	Ministry of Education & Child Care	$15,379	$15,379	Funding to support the transportation needs of on-reserve First Nation students to/from school and extra-curricular activities.
Mental Health in Schools	Ministry of Education & Child Care	$51,000	$47,566	Funding for Mental Health literacy activities with a goal to build a safe, caring, and inclusive environment in schools.
Changing Results for Young Students (CR4YC)	Ministry of Education & Child Care	$0	$3,029	Funding for collaborative professional learning for early learning educators focused on improving social-emotional outcomes for young children.
Early Childhood Education Dual Credit	Ministry of Education & Child Care	$110,169	$110,169	Funding to help set up and train secondary school students for a career in Early Childhood Education.

6.2 Special Purpose Funds (continued)

GRANT	SOURCE	AMOUNT RECEIVED	AMOUNT EXPENDED	DISCUSSION
Student & Family Affordability	Ministry of Education & Child Care	$0	$89,118	Funding to make back-to-school more affordable for the most vulnerable in the school community. Focused spending on food security and school supplies.
Seamless Day Kindergarten	Ministry of Education & Child Care and Other Income	$55,400	$176	Funding to support transitions between before/after school care and the kindergarten classroom. Additional funding for expanding program to multiple locations.
Just B4	Ministry of Education & Child Care	$25,000	$50,617	Supplement to the Strong Start program targeting students about to enter Kindergarten with a focus on developing skills in engaging with others, well-being, and communication.
Early Years to Kindergarten (SEY2KT)	Ministry of Education & Child Care	$0	$3,499	Funding to help develop partnerships with community-based learning experiences to ensure coherent transitions to Kindergarten.
Early Care and Learning	Ministry of Education & Child Care	$525,000	$210,598	Funding to help to pay for staffing to plan for expansion of child care on school grounds including aligning district resources with early learning initiatives and an environmental scan.
Feeding Futures	Ministry of Education & Child Care	$1,838,735	$2,345,710	Funding to help create and expand food programs in schools.
Expect Respect & a Safe Education (ERASE)	Ministry of Public Safety	$67,770	$130,153	Funding for personnel dedicated to enhancing capacity in response to potential, suspected or confirmed threats of student gang-related violence and/or exploitation in partnership with school district staff, community, and local law enforcement.
After School Sport and Arts Initiative	Ministry of Education & Child Care	$113,000	$112,853	Funding for ASSAI supports participating school Districts to offer safe, accessible, high-quality, and fun programming that meets the needs of their school communities.
Health Careers Grants	Ministry of Education & Child Care	$50,000	$34,857	Funding provided to expand careers and dual credit programs in health care.
Dual Credit Program Expansion	Ministry of Education & Child Care	$35,000	$19,879	Funding provided to expand multiple disciplines of dual credit programs.
Work Experience Enhancement	Ministry of Education & Child Care	$0	$958	Funding provided to strengthen Work Experience partnerships with employers in fields of Technology, Climate Change and Emergency Management.

6.3 Capital Fund Accounts

Capital fund schedules provide information on the District's tangible capital acquisitions and the net book value of these acquisitions. The Capital Fund includes capital expenditures related to land, buildings, computer hardware and software, vehicles and equipment that are funded from Ministry of Education & Child Care capital grants, land capital, local capital, the operating fund, and special purpose funds.

During the year ended June 30, 2026, the District invested $41.8 million in capital additions, as follows:

2025/26 Projects	Current Year Additions	Total Spent to Date
Stitó:s Lá:lém Totí:lt School	$ 389,196	$ 56,789,336
Sardis Secondary Addition	11,703,514	24,522,975
New Eastside Elementary	13,891,469	17,939,653
AD Rundle Addition	139,960	-
Land Promontory and Yale	12,302,699	-
School Enhancement Program	984,393	984,393
Carbon Neutral Climate Program	573,153	573,153
Building Envelope Program	131,715	131,715
Childcare Spaces	12,235	12,235
School Buses	968,910	968,910
Feeding Futures	138,681	138,681
Vehicles & Equipment	538,310	538,310
	$ 41,774,235	$102,599,361

Funding to make these additions came from the Ministry of Education & Child Care.

6.4 Major Capital Projects

Construction of the new East Side Elementary School continues to progress well and remains on schedule for completion in Spring 2027. Work is advancing steadily; the building structure is now complete. Construction is transitioning from structural work to interior, exterior, and site development activities.

** New East Side Elementary Construction*

6.5 Capital Fund

Capital Funds	June 30, 2026	June 30, 2025	Change
Bylaw Capital	$ 1,901,883	$ -	$ 1,901,883
Other Provincial Capital	55,978	68,213	(12,235)
Land Capital	80,837	6,049,885	(5,969,048)
Other Capital	23,887	516,225	(492,338)
	$ 2,062,585	$ 6,634,323	$ (4,571,738)

Specific balances in the Capital Fund are as follows:

Bylaw Capital

Bylaw Capital represents Ministry of Education & Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education & Child Care, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding, and other project funding paid through a COA.

Restricted Capital

Ministry of Education & Child Care restricted capital represents the Ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The Ministry's permission must be received to spend these funds. There is currently a zero balance.

Other Provincial Capital

These funds were provided by the Ministry of Jobs, Tourism and Skills Training to purchase trades training equipment in support of Industrial Training Authority Youth Trades programs.

Land Capital

The balance in the Land Capital Reserve Fund is comprised of School Site Acquisition Charges (SSAC), which municipalities collect on behalf of school districts to help school boards pay for future school sites. Municipalities collect these charges for each new residential parcel to be created and new multiple family residential units to be constructed on an existing parcel. The funds may only be used to purchase ministry approved sites for new schools.

Other Capital

Other capital is comprised of funds from other non-provincial government sources, such as municipal grants, PAC contributions for playgrounds, etc. All the current balance is funding raised for playgrounds and new childcare spaces.

Local Capital Reserve

The Board's Local Capital Reserve is designated for local capital expenditures. The balance in the fund at June 30, 2026 represents a commitment for vehicle purchases that were delayed due to supply chain issues in the industry.

6.6 Accumulated Surplus: Operating, Special Purpose and Capital Funds

Accumulated Surplus	June 30, 2026	June 30, 2025
Operating Fund Accumulated Surplus		
Internally Restricted	3,541,214	2,938,684
Unrestriced Operating Surplus	8,076,273	7,930,367
Total	11,617,487	10,869,051
Specifial Purpose Funds Surplus		
Specifial Purpose Funds Surplus	73,261	73,261
Capital Fund Accumulated Surplus		
Local Capital	0	0
Investment in Tangible Capital Assets	57,803,928	53,590,695
Total	57,803,928	53,590,695
Total Accumulated Surplus	**69,494,676**	**64,533,007**

1 - Operating Fund Surplus

The Board of Education maintains an accumulated operating surplus to help manage financial risks, unforeseen circumstances, and strategic priorities in accordance with the Accumulated Operating Surplus Policy.

As at June 30, 2026, the District reported an Operating Fund Accumulated Surplus of $11,617,487, consisting of $3,541,214 in internally restricted reserves and $8,076,273 in unrestricted operating surplus.

The unrestricted operating surplus represents 3.9% of budgeted operating expenses for the 2026/27 school year and remains within the Board's target range of 2% to 4%. Additional information regarding internally restricted reserves is provided in Section 5.6 Reserves.

2 - Special Purpose Fund Surplus

This amount of $73,261 is for endowments where the original donors have stipulated that the principal amounts cannot be spent. Investment income earned on the balances can be paid out as scholarships.

3 - Capital Fund Surplus

There are three categories of Capital Fund Surpluses:

The **Local Capital** reserve fund represents a portion of accumulated operating surpluses designated to fund the purchase of Tangible Capital Assets which are not funded directly from the Ministry of Education & Child Care. The Local Capital Reserve fund is increased if the Board of Education passes a motion to transfer operating surpluses to Local Capital.

The **Capital Cost Sharing** reserve fund represents the District's share of the costs towards building new schools or school additions. From time to time, the Ministry may ask the District to contribute a portion of generated surplus towards the cost of a new building or site. Currently there are no demands on the District for these funds.

The **Investment in Tangible Capital Assets** reserve represents capital investments that are funded by operating revenues (recorded as transfers of accumulated operating surplus to the capital fund). Then, as assets are amortized, a deficit is incurred in the capital fund which is applied against the Invested in Tangible Capital Assets reserve. Therefore, the balance in this fund is to cover future amortization costs and is not available for other purposes.

**Sardis Secondary School – Sep 2026*

7.0 Factors Bearing on The School Districts Future/ Other Potentially Significant Matters

Space/Capacity

There continues to be an increasing demand for space throughout the District. The District currently has close to 100 portables, which are expensive to purchase and maintain. While new schools and expansions continue to happen over the next few years, they will not be adequate for our current over-capacity situation and future enrolment projections. The long-term facilities plan has identified the need for several new schools; however, suitable land is in short supply in the area, and the government capital approval process takes considerable time.

Cyber Security

The threat of cyber attacks, scams and fraudulent activity is ever present and is becoming more sophisticated. The District continues to review its risk mitigation strategy and put controls and safeguards in place to combat such activity.

Recruitment and Retention

While the post-pandemic recruitment pressures seemed to have eased, our District is still challenged by the high cost of living in the Lower Mainland and what that does in attracting workers from other regions.

Child Care

With the Ministry of Education now including Child Care as part of its mandate, there have been several initiatives for childcare programs within the District. We anticipate these programs to grow in the coming years which will create challenges and opportunities on our facilities as well as new types of staffing positions and operational issues not common to K-12.

8.0 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 or need additional financial information, please contact the Secretary Treasurer's office at 604-792-1321.

Raman Brar, Secretary Treasurer
secretary_treasurer@sd33.bc.ca

TBD, Assistant Secretary Treasurer
EMAIL

Kevin Josephson, Manager of Budget and Analysis
kevin_josephson@sd33.bc.ca

Lovepreet Gill, Accounting Manager
lovepreet_gill@sd33.bc.ca