



2026-27 Preliminary Annual Budget Overview



INCLUSION

**HONOURING
CULTURE &
LAND**

**STUDENT
WELL-BEING**

RESPONSIBILITY



Approved by the Board of Education on
the 27th day of May, 2026.

Nanaimo Ladysmith Public Schools
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District overview

Nanaimo Ladysmith Public Schools (NLPS) is the second-largest school district on Vancouver Island and resides within the traditional territories of the Snuneymuxw, Snaw-Naw-As and Stz'uminus First Nations. In addition, NLPS is a proud community partner with Tillicum Lelum Aboriginal Friendship Centre and Mid Island Métis Nation. District enrolment is approximately 15,895 students, with approximately 2,568 students identifying as Indigenous and 1,681 students with diverse abilities and disabilities. The district offers a full range of programs from kindergarten to grade 12, with additional programs for pre-school and adult learners.

There are 28 elementary schools; eight secondary schools (including Learning Alternatives and Career Technical Centre); one distributed learning school – Island ConnectEd (K-12); and approximately 2,200 employees.

The district encompasses the City of Nanaimo, the towns of Ladysmith and Lantzville, Gabriola Island, North Oyster, Cedar, and many other communities which represent a total population of 132,623 (2021 Census). The district is part of one of the fastest growing communities in Canada. The district's consolidated Operating and Special Purpose Fund annual budgeted expense is \$234 million.

Board of Education



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Executive summary

The 2026–27 Preliminary Budget developed in alignment with the Board’s strategic goals, reflects the district’s transition into a period of modest enrolment decline. Through the removal of various contingencies and targeted reductions in central office budgets, as well as minor shifts due to operational changes the district is able to absorb the financial impact of this year’s enrolment decrease while maintaining stability in core services.

The budget includes a modest increase in education assistant hours compared to the previous year’s preliminary budget, a significant expansion of childcare supports, and the addition of an information technology position. The district has also been able to maintain the substantial supports that were added in 2025–26, including two full-time equivalent inclusion support teachers, nearly two full-time equivalent counselling positions, enhanced supervision, an additional child and youth and family support worker, and enhanced employee wellness initiatives.

Overall, the district remains in a favourable position. Although, the Board should be aware that the budget does not include a transfer to local capital for technology, and this pressure will need to be addressed through available surplus. In addition, the financial impacts of the recently concluded teachers’ labour settlement are not reflected in this preliminary budget. With budgeted contingencies largely depleted, the Board should be aware that balancing future budgets may require decisions that could more directly affect service levels. Ultimately, staff are confident that the budget supports student success and provides the resources to allow students and staff to belong, grow and thrive.

Strategic Plan

Nanaimo Ladysmith Public Schools' 2024-2028 Strategic Plan defines the key areas of focus as we work together to support student learning in order to achieve our goals and objectives.

Guiding wisdom

Syeyutsus Reconciliation Framework

Through the Syeyutsus Framework, themes, values, and teachings of Indigenous Peoples include:

- The underpinnings of knowledge are the land, language, and culture.
- The land is our teacher.
- We are all one family.
- It is important to live with balance, honour, respect, courage, and vulnerability.
- It is vital that we establish a sense of belonging and connectedness to each other and the environment.
- We are all connected.
- We use holistic approaches that include mental, physical, emotional, and spiritual lenses.

JEDI stance

Justice, Equity, Diversity, Inclusion (JEDI)

- **Justice** the right to be treated and the responsibility to treat others with fairness and a fair process that meaningfully addresses barriers.
- **Equity** to identify, remove and prevent systemic barriers and discriminatory practices.
- **Diversity** a representation of people's identities and experiences, collectively and as individuals.
- **Inclusion** feeling welcomed, valued, safe and a sense of belonging to participate freely with respect, dignity, and freedom from discrimination.

Environmental stewardship

The goals of this Strategic Plan reflect our commitment to engage in environmentally sustainable practices within our schools and classrooms, as well as across the broader system. We are committed to responding to the climate crisis with actions informed by Indigenous knowledge and western science. This will maximize positive outcomes over generations, integrating our *Environmental Stewardship Action Plan (ESAP)* to ensure every aspect of our operations contributes to a greener and more sustainable future.

Vision & mission statements

Vision - Guided by our commitment to Justice, Equity, Diversity, and Inclusion (JEDI) principles and the Syeyutsus Reconciliation Framework for Truth and Reconciliation, our vision in Nanaimo Ladysmith Public Schools (NLPS) is to create an inclusive and equitable learning community where every individual thrives.



Mission - NLPS is committed to multiple approaches and pathways to success for all students. Students will imagine, reflect, and innovate within a safe, equitable, and responsive learning environment that develops their academic, social, and emotional growth and holistic well-being.

Board goals

Student success

Objectives

- Increase literacy success rates for all students
- Increase numeracy success rates for all students
- Increase graduation rates for students: who identify as Indigenous, who have disabilities and diverseabilities, and/or are Children and Youth in Care

Student and employee Wellness

Objectives

- Increase the number of students who feel welcome, safe and have a sense of belonging in their school
- Increase the number of employees who feel valued and/or engaged

Truth & Reconciliation

Objectives

- Increase awareness of and access to resources available to support hul'q'umi'num language learning
- Create and share district wide, Syeyutsus Principles of Teaching & Learning



Community engagement

Nanaimo Ladysmith Public Schools recognizes the value of public participation and the wisdom of our community and as such, is committed to creating appropriate opportunities for students, staff, the local community, education partners, local First Nations, and the Mid Island Métis Nation through a meaningful engagement process. The district also recognizes that public participation is an important step in the decision-making process that provides the board an opportunity to make well-informed, data-driven, and community-informed decisions.

With every public participation opportunity, the district will value:

- Transparency and accountability - It will clearly communicate public participation opportunities, the process it intends to follow, and will share the results and outcome of its decision-making process.
- Inclusivity - With direction from the Inclusion Policy, it will provide public participation opportunities based on the principles of respect, acceptance, safety, and equity.
- Authenticity - The community will be given the opportunity to participate in a variety of avenues. The district will discern all respectful and authentic feedback during the decision-making process.
- Relevance - All public participation, no matter in-person or electronic, will be received and considered provided it is relevant to the respective engagement process.

Engagement opportunities during the budget and financial Planning cycle include but are not limited to the following:

- Surveys/questions
- Sessions with our Leaders for Learning Group (Indigenous Partners Group)
- Budget and financial literacy sessions
- Individual stakeholder meetings
- Email feedback

Information, ideas, recommendations, and wisdom gathered throughout the engagement sessions will be incorporated into the districts multi-year financial plan where it aligns with our Strategic or Operational Plans, or in support of enhanced student outcomes as much as available resources and educational planning and delivery parameters permit.

2026-27 Budget community engagement survey

Breakdown of Participants (Total of 196)

23	Employees
1	Student
163	Parents/Caregivers
9	General Community Members/Other

In order to align this year's survey with the districts Strategic Plan, questions focused on each of the three board goals.



The most common themes related to Student Success were:

- Additional funding for EAs, Child and Youth workers and classroom supports.
- New infrastructure and improvements to infrastructure- including a new Ladysmith Intermediate and Nanaimo District Secondary.
- Extra supports for numeracy training.
- More release time for schools.

The most common themes related to Student and Employee Wellness were:

- Improving learning environments such as classroom improvements, building improvements (paint, upgrades to old infrastructure), replacing aging portables and buildings.
- More classroom support such as EAs.
- More access to school counsellors.
- More programs and resources that support mental health.

The most common themes related to Truth and Reconciliation were:

- More time with Elders and Knowledge Keepers.
- Funding for more field trips and cultural activities and land-based learning.

How we aligned the annual budget with survey feedback**Student Success**

- Maintain Counselling FTE well in excess of ratio requirements. (over ratio by 8.7FTE in 2025/26)
- Maintain increased EA Supervision hours added in 2025/26. (25 positions)
- Successful application and approval for a new Ladysmith Intermediate, and expansion to Ladysmith Primary.

Student and Employee Wellness

- Creation of the Student Wellness Framework (Employee Framework in progress), and significant enhancements to the districts website to include a dedicated wellness resource section available to all employees, students, and caregivers.
- Realignment within the Human Resource department to create a new sub-department called Department of People, Culture, and Engagement which includes focus on workforce wellbeing.
- In addition to the Employee Family Assistance Program (EFAP), continued subscription to LifeSpeak and WellBeats, the districts current mental health well-being software platforms.
- Continued subscription to OpenParachute, a mental health software platform

Truth and Reconciliation

- Focus on enhancing local First Nations relations with district/schools.
- Promote cultural safety through a system wide professional learning approach.



Notable areas of risk and opportunity

Risk

Enrolment – The districts enrolment estimates for the 2026-27 school year, which the Preliminary Annual Budget is resourced on, were very conservative due to current domestic trends and dynamics. In 2025-26 we welcomed less students than anticipated as projections were more optimistic than actual enrolments, as well, actual enrolment versus the prior year was flat. The forward trajectory anticipated a slow decline in enrolment as the growth over the last 10 years moves through to secondary and then to graduation, along with the trend of less local student populations entering district schools. With this year’s projections being more conservative we do not anticipate missing our targets, however, we will monitor registrations and external dynamics between now and September in order to identify mitigative strategies if actual enrolments do fall short. This would not necessarily mean making cuts, but instead, not staffing preliminary budgeted positions that have not yet been filled.

Inflationary pressures - Inflationary cost pressures facing the district continue to rise, the most significant being the heightened cost of replacement staff, employee benefit costs, and the ongoing rise of service and supply costs. Additionally, the Ministry of Education and Child Care did not increase funding levels for 2026-27 to address inflationary costs which means the district must absorb them within the same level of operating dollars. In order to balance the 2026-27 Annual Budget, the majority of district operational contingencies have been removed which means limited resources are available for further cost pressures or risk mitigation strategies. While staffing remains in place to support both educational and business operations, unadjusted operational budgets must continue to support departments and schools as there are no additional resources to allocate out to the system.

Collective Agreement enhancements – The newly negotiated BCTF 2025-2029 Collective Agreement includes general wage increases, benefit enhancements, and other terms and conditions that have financial impact. At this time however, we have not received funding from the Ministry of Education and Child Care to cover associated costs so neither revenue nor expenses have been accounted for in the Preliminary Annual Budget. Once Ministry provides funding all applicable expenses will be updated and reflected in the Amended Annual Budget. As a reminder, some of the negotiated enhancements such as general wage increases are retroactive to July 1, 2025, so span two fiscal years, therefore the adjusted revenue and expenses will be significant. It is expected that Ministry will provide full funding to cover the negotiated costs, however, historic funding levels have often fallen a bit short so the additional contractual obligations remain a current notable risk. CUPE negotiations are still pending.

Capital/local capital – With competing capital pressures across the province the provincial government is tasked with addressing emergent needs in order of priority. Nanaimo Ladysmith Public Schools is extremely fortunate to be recently awarded Capital support for the replacement of Ladysmith Intermediate and the expansion of Ladysmith Primary. The Capital approval however was contingent on a district contribution to the project from our Local Capital reserve which puts pressure on future Local Capital initiatives. It will therefore be important to direct a reasonable portion of any available accumulated operating surplus dollars over to our Local Capital Fund to support future projects, as well as to set aside a contribution for the eventual replacement of Nanaimo District Secondary School.



Technology – The Ministry of Education and Child Care does not provide direct funding for technology; it is expected that the district’s Operating Fund will cover such expenditures. The district therefore continues to restrict accumulated operating surplus funds towards the annual technology plan which provides for digital learning devices, software applications, hardware, Wi-Fi, and network maintenance. We note the ongoing resource allocation best supports student learning, and proactively enhances district technology, however, if funded by the Ministry, resources could be redirected to additional programing aimed at enhancing student outcomes.

Opportunity

Workforce challenges - In response to ongoing challenges with recruiting and retention of qualified Education Assistants the district has created an in-house training and mentorship program. Building Education Assistants through Mentorship (BEAM) has been modeled in collaboration with other provincial school districts experiencing similar staffing constraints. BEAM is designed for professional and caring adults who wish to work with students with physical, social, behavioural, sensory, and/or learning needs as an Education Assistant (EA). It is a six-month, part-time program that combines in-class sessions, observations & an internship with an experienced EA mentor. The first cohort of participants began in May 2025 and due to the programs success, it is being continued.

Child care - Over the last few years, the district has successfully implemented a child care strategy that includes multiple 0-5 child care sites operated by third-party providers utilizing district-built facilities. As well, there are currently nine school-district operated before and after school care sites (261 spaces) which not only provide much needed services for community families but also provides opportunity for our staff to increase their annual salaries. In 2026-27 the district plans to expand to a total of fifteen district operated child care sites (405 spaces).

Annual budget overview

Boards of Education are required to prepare and submit to the Ministry of Education and Child Care, two budgets per fiscal year. The Annual Budget is based on estimated student enrolment, revenues, and expenses, and the Amended Annual Budget is based on confirmed student enrolment and updated revenues and expenses.

The majority of a school districts funding comes from the Ministry of Education and Child Care through the Operating Grant, Special Purpose Funds, and Capital Funding. Further, the Ministry requires all school districts to submit their budgets in the same format where revenues and expenses are to be accounted for and presented in these three distinct funding categories.

In addition to Ministry of Education and Child Care funding the district receives revenues from a variety of sources that are recorded in either the Operating Fund, or a Special Purpose Fund. Some examples include revenues from our International Student Education program, Federal French Funding, community rentals and leases, and other miscellaneous grants and donations.

The Preliminary Annual Budget document begins with overarching guiding principals and budget criteria then provides budget preparation and development information, a budget timeline, and student enrolment information. Following that, the document presents budget information in two distinct funding categories: the Operating Fund, and the districts Special Purpose Funds.



Guiding Principles

- The annual budget complies with the School Act, district policy, and other legislative requirements.
- The Board must submit a balanced budget.
- The budget process is aligned with and supports the Board’s strategic direction and goals.
- Positive student experience and outcomes are priority.
- Feedback from community and stakeholder engagement process will be incorporated where resources allow and in alignment with board and operational goals.
- Ongoing costs should not be greater than ongoing revenues.
- District accumulated surplus is established and maintained in accordance with board policy.
- Sustainable, inclusive, equitable and financially prudent resource allocations, along with risk mitigation strategies are key drivers in budget decisions and creation.

Budget Criteria

- Maximize success and completion rates for all students.
- Maximize literacy and numeracy support for students.
- Optimize schools and facilities as safe, healthy, and inclusive learning and workspaces.
- Provide all students with safe, equitable and inclusive access to schools and programs.
- Provide greater supports and opportunities to embed Indigenous culture, teachings, and curriculum for all students.
- Provide a variety of pathways for every student to meet their desired learning outcomes.
- Provide adequate and sustainable budgets for facilities and technology to sustain necessary infrastructure and space needs.
- Optimize the use of technology as a tool to support student learning and organizational efficiencies.
- Support student and employee wellness throughout the district.
- Optimize organizational capacity through ongoing leadership enhancement opportunity and succession planning.
- Reduce the impact of our operations on the environment through continuously improved sustainability practices.

Budget preparation and development

Preparation for the annual budget begins by utilizing the prior year’s amended budget as the initial starting point. It is not rebuilt from zero each year as educational programs are ongoing, and many operational costs are fixed. One-time revenue and expenditures, along with any appropriated surpluses are removed, and adjustments are made to account for student enrolment estimates, current year funding levels as approved by the Ministry, and other revenue and expenditures changes deemed necessary per review of all budget categories. This ensures the district has accounted for all known variables, inflation, areas of risk, and current year initiatives in support of student education, and any required adjustments to respond to the emergent or strategic needs of the district. Included in the creation of the new budget are updated estimates, assumptions, and adjustments pertaining to the following revenue and expense categories:



Revenues:

Ministry of Education and Child Care Operating Grant
 Other Ministry of Education and Child Care Grants
 International Student Education tuition and fees
 Investment/Interest income
 Rentals and Leases
 Other Provincial revenues/Grants
 Miscellaneous grants (one-time funding)
 Special Purpose Funds
 Annual Facilities Grant current year funding/priorities
 Prior year restricted surplus and deferred revenues removed

Expenses:

Salary adjustments per Collective Agreements and Ministry directive
 Replacement and benefits costs
 Technology plan, including all district annual software license fees
 Collective Agreement contractual obligation adjustments
 Inflationary adjustments for applicable services and supply budgets
 Cost adjustments for ongoing contracts as applicable
 Expense adjustments for all known ongoing operational cost pressures
 Adj. for Ministry shared service costs and other identified obligations
 Removal of one-time prior year expenses
 Addition of new expenses determined through the budget process

Reallocations:

Special Purpose Fund reorganizations to align with annual educational programming plans
 Departmental expenditure reorganization per determined needs
 Realignment of ongoing resource to support coming year initiatives and/or educational strategies

Following the adjustments required to account for all known cost pressures, changes in revenue and potential shifts in educational delivery models pursuant to student outcomes, the budget may be subject to further changes to support additional educational programming to enhance student outcomes. These may arise per request through the community engagement process by partner groups, the community, stakeholders, or by direction of the board.

Budget timeline

In accordance with the School Act, school districts must approve a balanced budget and submit it to the Ministry of Education and Child Care by the end of June each year, and an Amended Annual Budget by the end of February each year. Below is an example of a Budget Timeline for a fiscal year.

September

Financial Statement and any recommended surplus appropriations presented to the Board

November

Budget literacy sessions scheduled for Leadership and Partner Groups

January

Student enrolment estimates for the coming school year prepared
 Current year's Amended Annual Budget presented to the Board and Partner Groups
 Budget priorities, initiatives, and potential changes for coming year assessed

February

Community engagement process for coming year's budget takes place
 Budget discussions and information sessions scheduled with Leadership and Partner Groups
 Board approves current year's Amended Annual Budget (basis for coming year's Annual Budget)
 Revenue/Expense analysis for coming year's Annual Budget begins

March

Community engagement results reviewed with the Board and Partner Groups
 Ministry funding confirmed for coming school year (majority of district resources)
 Preliminary Annual Budget compiled

April

Preliminary Annual Budget overview presented to the Board and Partner Groups
 Budget discussions continue and changes incorporated if applicable
 Proposed Annual Budget completed

May

Proposed Annual Budget presented to the Board and Partner Groups
 Budget discussions continue and changes incorporated if applicable
 Proposed Annual Budget approved by the Board



2026-27 Annual Budget – Operating Fund

The district's Operating Fund consolidates all grants received from the Ministry of Education and Child Care, grants received by other provincial ministries, international student education tuition, First Nation Local Education Agreement funding, income generated by district rentals and leases, investment income, as well as other miscellaneous revenues not deemed to be a Special Purpose Fund by the Ministry of Education and Child Care.

Total revenues estimated for the fiscal year support the district's general operations including school and district-based programming and staffing, maintenance of grounds and facilities, business operations, information technology, human resources, health and safety and other key area of operation in support of business and educational services.

Presentation of the Operating Fund follows presentation of the Operating Grant which is the largest contributor of the district's total funding, based predominately on student enrolment.

Student enrolment

In order to comply with section 106.3 (2) of the *School Act*, enrolment must be estimated to include the number of students who may be enrolled in educational programs provided by the board, at three distinct intervals, and for specific student categories, for the coming school year. Estimates are due each year on or before February 15. The intervals and categories are as follows:

- September Enrolment Count – includes School-Age, Adults, Alternate and Continuing Education, Online Learning, Unique Student Needs, Indigenous Education, and English Language Learning students.
- February Enrolment Count – includes Continuing Education, Online Learning, Diverse Student Needs enrolment growth and Newcomer Refugee Students.
- May Enrolment Count - includes Continuing Education and Online Learning students.

Enrolments captured at each interval are then submitted to the Ministry of Education and Child Care who uses the data to calculate our coming year's Operating Grant. For funding purposes Kindergarten to grade 9 students count as 1.0 FTE each but for secondary and Distributed Learning the FTE is based on the number of courses each student takes, where each course is .125 FTE, and may be greater or less than 1.0 FTE per student. In addition to per student funding, there are multiple supplemental categories that provide additional financial resources to support student educational programming and district operations.

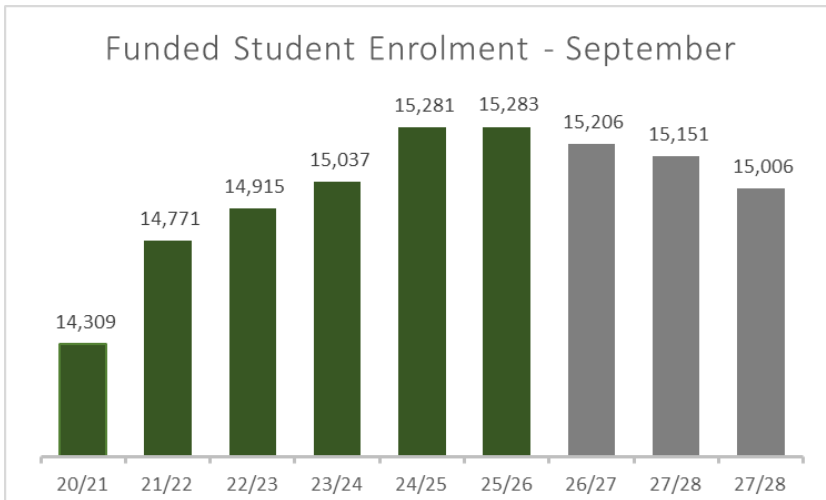
As boards are required to project what enrolment will be well in advance of the associated school year, the district is essentially receiving an advance of funding that supports all preliminary budgeted expenses. Once those future estimated enrolments are confirmed in September, the preliminary funding is adjusted up or down. Due to this uncertainty, it is important to estimate in a somewhat conservative manner.

Enrolment estimates are calculated using a variety of district metrics which includes historic enrolment trends, current student cohorts, the application of a secondary headcount to funded student full time equivalent (FTE) conversion factor pursuant to individual student course loads, and local knowledge.



The district also utilizes a software solution called Baragar Systems which uses our student enrolment data collected each September in conjunction with demographic trends, school migration trends, birth rates, student participation, and a number of other minor factors to produce the districts annual enrolment projection.

Presented below is the districts historic funded student enrolment captured each September, as well as estimates for the next three school years.



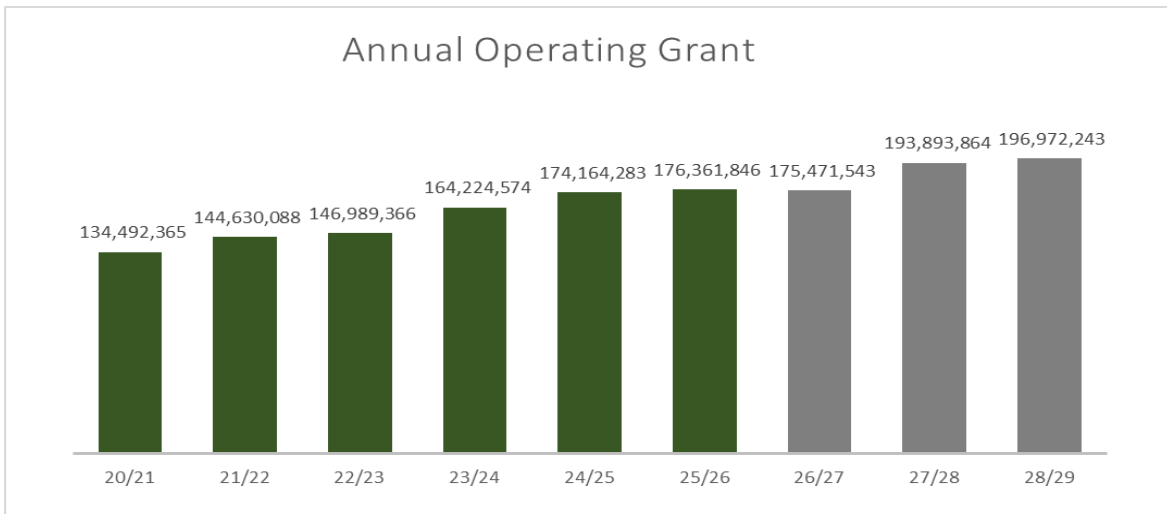
- 20-21 to 25-26 source - 1701 September Student Data counts as confirmed by Ministry
- 26-27 to 28-29 source - Three-Year Enrolment estimates submitted to Ministry Feb 2026

Operating Grant

As noted, the largest portion of the districts Operating Fund comes by way of the annual Operating Grant. Preliminary Operating Grants for the K-12 system are allocated by the Ministry of Education and Child Care using estimated student enrolment data collected from districts each February and applying formulae to ensure equity across British Columbia. Operating Grants are then confirmed and adjusted, if necessary, based on actual student enrolment collected each September.

Based on actual student enrolment collected the end of September each year via the 1701 Student Data Collection, the districts historic Operating Grants are reflected below.

Also presented are the estimated Operating Grants for the next three fiscal year's based on projected student enrolment.



- 20-21 to 24/25 source - Audited Financial Statements
- 25-26 source - Amended Annual Budget
- 26-27 to 28/29 source – Estimates and projections

Presented below, in the format and with the formulae per the Ministry of Education and Child Care, is the 2026-27 Preliminary Operating Grant versus the 2025-26 Operating Grant as reflected in the Amended Annual Budget in February:

	Funded FTE			RATES	Funding \$		
	2026-27 Est. Budget	25-26 Amended Budget	Change		2026-27 Est. Budget	25-26 Amended Budget	Change
September Enrolment							
Standard (Regular) Schools	14,680.351	14,742.000	(61.65)	9,015	132,343,364	132,899,130	(555,766)
Alternate Schools	272.000	272.000	-	9,015	2,452,080	2,452,080	-
Distributed Learning	248.645	260.625	(11.98)	7,280	1,810,136	1,897,350	(87,214)
Continuing Education	0.625	1.250	(0.63)	9,015	5,634	11,269	(5,634)
Adult Education (Non-Graduates)	4.000	6.750	(2.75)	5,755	23,020	38,846	(15,826)
Total September Enrolment	15,205.621	15,282.625	(77.004)		136,634,234	137,298,675	(664,441)
Unique Student Supplements							
Home Schooling	78.00	78.00	-	250	19,500	19,500	-
Course Challenges	8.00	8.00	-	282	2,256	2,256	-
Level 1 Diverse Needs	19.00	19.000	-	51,300	974,700	974,700	-
Level 2 Diverse Needs	832.00	825.000	7.00	24,340	20,250,880	20,080,500	170,380
Level 3 Diverse Needs	164.00	176.000	(12.00)	12,300	2,017,200	2,164,800	(147,600)
English Language Learning	806.00	839.000	(33.00)	1,815	1,462,890	1,522,785	(59,895)
Indigenous Education	2,535.00	2,597.000	(62.00)	1,790	4,537,650	4,648,630	(110,980)
Total Unique Supplements	-	-	-		29,265,076	29,413,171	(148,095)
Other Funding Categories							
Equity of Opportunity Supplement					847,875	873,224	(25,349)
Salary Differential Supplement					3,404,319	3,421,559	(17,240)
Unique Geographic Factor Supplement					3,865,724	3,893,332	(27,608)
Education Plan Supplement					137,483	137,489	(6)
Indigenous Education Council					37,058	98,712	(61,654)
February Data Count	88.250	86.250	2.00		778,024	759,994	18,030
May Data Count	68.225	64.225	4.00		501,750	465,690	36,060
Total Other Funding Supplements	156.475	150.475	6.000		9,572,233	9,650,000	(77,767)
Total September Enrolment	15,205.621	15,282.625	(77.004)		136,634,234	137,298,675	(664,441)
Total Unique Student Supplements					29,265,076	29,413,171	(148,095)
Total Other Funding Categories	156.475	150.475	6.00		9,572,233	9,650,000	(77,767)
Grand Total - FTE and Revenue	15,362.096	15,433.100	(71.004)		175,471,543	176,361,846	(890,303)

As shown in the chart, the district anticipates (77.004) less full time equivalent students in September 2026 versus September 2025, and (71.004) less overall for the year. This results in a (\$890,303) reduction in the districts 2026-27 Preliminary Operating Grant versus the 2025-26 Amended Annual Budget.

The School District's 2026-27 Estimated Operating Block can be found at:

<https://www2.gov.bc.ca/assets/gov/education/administration/resource-management/k12funding/26-27/26-27-sd68-march-2026.pdf>

Operating Fund - Revenue and Expense Changes

As previously noted, the districts Operating Fund includes the Operating Grant, as well as a variety of other grants not considered to be a "Special Purpose Fund" by the Ministry of Education and Child Care. (*Special Purpose Funds will be presented in a subsequent section*)

The following financial summaries reflect all known or anticipated changes in both revenues and expenses to account for the 2026-27 Preliminary Annual Budget, versus the 2025-26 Amended Annual Budget.

Operating Fund Revenues and Expenses Summary			
	2026-27 Annual Budget	Change	2025-26 Amended Budget
Revenues - Operating			
Ministry of Education Grants	176,049,817	(385,064)	176,434,881
Other Provincial	238,416	(7,000)	245,416
International Student Tuition	6,835,000	350,000	6,485,000
Other Revenue	4,486,644	533,860	3,952,784
Rentals & Leases	926,170	96,170	830,000
Investment Income	815,000	-	815,000
<i>Total Revenues</i>	<u>189,351,047</u>	<u>587,966</u>	<u>188,763,081</u>
Expenses - Operating			
Salaries			
Teachers	80,179,310	(545,967)	80,725,277
Administrative Officers	11,409,498	187,325	11,222,173
Education Assistants	15,861,964	175,982	15,685,982
Support Staff	14,533,917	64,288	14,469,629
Other Professionals	6,470,273	(22,704)	6,492,977
Substitutes	8,193,593	(161,811)	8,355,404
Total Salaries	<u>136,648,555</u>	<u>(302,887)</u>	<u>136,951,442</u>
Benefits	35,548,467	2,752	35,545,715
Total Salaries and Benefits	<u>172,197,022</u>	<u>(300,135)</u>	<u>172,497,157</u>
Services & Supplies	18,030,025	(2,322,625)	20,352,650
<i>Total Expenses</i>	<u>190,227,047</u>	<u>(2,622,760)</u>	<u>192,849,807</u>
Net Revenue (Expense)	<u>(876,000)</u>	<u>3,210,726</u>	<u>(4,086,726)</u>
Restricted Surplus	876,000	(4,194,572)	5,070,572
Unrestricted Surplus	-	(1,330,000)	1,330,000
Local Capital Transfer	-	2,313,846	(2,313,846)
Budgeted Surplus (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>

Total change in annual revenues is \$587,966 and the total change in operating expenses is (\$2,622,760). This is then balanced by removing the surplus that was used in the prior year (surplus is a source of revenue but not considered an annual revenue so shown after the net between annual revenues and expenses), as well as the 2025-26 total transfer to Local Capital.

For the 2026-27 fiscal year, budgeted expenses exceed budgeted revenues by \$876,000 so we are appropriating accumulated operating surplus reserves in order to balance the budget. Note that although the summary of change reflects \$756,000 of surplus being appropriated for use in 2026-27, the Preliminary Annual Operating Budget includes a total of \$876,000 as two multi-year expenses are being funded by surplus which means they have carried from the prior year so do not constitute change.

2026-27 Annual Budget - Summary of Revenue and Expense changes

Revenues	Increases	Decreases
Operating Grant - Enrolment decrease		(758,446)
Operating Grant - Funding decrease		(131,857)
One-time revenue removal (Hydro Rebate)		(51,140)
SkilledTradesBC/FSA one-time 2025-26 increases removed		(8,500)
Before and After School Care revenue increase per expansion	685,000	
International Student Education tuition increase	350,000	
Microsoft rebate revenue added to cover IT staffing cost	185,000	
February Work In Trades revenue est. added to cover WEX pilot costs	153,075	
Rentals revenue change	96,170	
Integrated Child & Youth Team (ICY) revenue change	43,664	
Cafeteria revenue change	25,000	
Changes in revenue	1,537,909	(949,943)
Total changes in revenue		587,966
Expenses	Costs	Savings
2025-26 Restricted Surplus removed		(2,811,726)
2025-26 Unrestricted Surplus removed		(1,155,000)
General staffing adjustments for estimated 2026-27 enrolments and divisions		(1,067,945)
Removal of contingency Secondary/Elementary staffing historically unused		(322,179)
BCTEA change in budget practice, retaining SPF so no Operating supplement needed		(288,866)
Island Connect Ed shifts to align with estimated enrolment		(232,495)
School calendar adjustment		(111,392)
Enrolment adjustment for Indigenous Target		(110,980)
Transfer of costs from Nanaimo Schools Foundation to National School Foods Program		(75,000)
Secretary Treasurer budget reduction		(75,000)
Indigenous Education Council Target funding reduction per revenue reduction		(61,654)
One-time direct expense removal (Hydro Rebate)		(51,140)
LOU18 adjustment to recover prior enhancement no longer required		(43,246)
Corrective transfer of costs from Operating to CEF		(43,116)
Skills Trades/FSA one-time increases removed		(8,500)
Misc. expense changes		(3,144)
Average Teacher Salary update (Incremental costs only, not general wage increases)	931,991	
Identified one-time staffing/benefit/expense costs (surplus funded)	756,000	
Before and After School Care adjustment for planned expansion	685,000	
District replacement cost adjustment	379,027	
Education Assistant staffing adjustment	332,283	
IT staffing adjustments for enhanced in-house programing initiatives	185,000	
Work Experience (WEX) Pilot Program costs/FTE	153,075	
Rental expense adj/3rd Party Child Care additional sites/future cost reserve added	146,170	
Utilities expense increase	100,000	
ICY .5FTE Coordinator moved to the Operating Fund	68,554	
ICY expense adjustment to match revenue	43,664	
.20FTE Indigenous Staffing moved from the Target into the Operating Fund	26,948	
Cafeteria expense adjustment to match revenue	25,000	
ND/Cedar/ISE Clerical adj - funded partially by contingent Clerical FTE	3,189	
Misc. salary changes	2,722	
Changes in expense	3,838,623	(6,461,383)
Total changes in expense		(2,622,760)
Net Revenue/Expense		3,210,726
2025-26 Restricted Surplus removed		(2,811,726)
2025-26 Unrestricted Surplus removed		(1,155,000)
Appropriation of Accumulated Operating Surplus added		756,000
Surplus (Deficit)		-

Revenue changes

In addition to the Operating Grant reduction and some other small miscellaneous shifts and changes the most significant increases in revenue relate to the expansion of Before and After School Care, as well as adjusting our 2026-27 International Student Education (ISE) tuition for the coming year's anticipated enrolment. ISE enrolment estimates are generally aligned with 2025-26 enrolments; however, the revenue was not adjusted fully within the 2025-26 Amended Budget as second semester intake was still taking place and total revenues had not yet been confirmed.

A summary of revenue changes by funding source is shown below:

Operating Fund - Summary of Revenue by Source (Schedule 2A)	26/27 Annual Budget	25/26 Amended Budget	Change
Ministry of Education and Child Care			
Operating Grant	175,471,543	176,361,846	(890,303)
<i>Less funding redirected to First Nations (LEA)</i>	<i>(1,873,644)</i>	<i>(1,873,644)</i>	-
Other Ministry Grants			-
Student Transportation	244,630	244,630	-
Pay Equity	160,000	160,000	-
ICY Team	978,520	934,856	43,664
Child Care	900,000	590,000	310,000
Other	168,768	17,193	151,575
Total Ministry of Education and Child Care Grants	176,049,817	176,434,881	(385,064)
Provincial Grants - Other	238,416	245,416	(7,000)
Tuition			
International Student Education	6,835,000	6,485,000	350,000
Other Revenues			
Conseil Scolaire Francophone (CSF)	420,000	420,000	-
Funding from First Nations	1,873,644	1,873,644	-
Cafeteria Revenue	625,000	600,000	25,000
BC Hydro Energy Grant	60,000	60,000	-
Child Care	1,100,000	725,000	375,000
Other	408,000	274,140	133,860
Total Other Revenues	4,486,644	3,952,784	533,860
Rentals and Leases	926,170	830,000	96,170
Investment Income	815,000	815,000	-
Total Operating Revenue	189,351,047	188,763,081	587,966

Expense changes

The majority of district expenses relate to salary, benefit, and employee replacement costs (approx. 91%) with the balance providing for supplies and services in support of school-based and general district operations. Pursuant to the changes in district enrolments and revenues for the 2026-27 fiscal year, and to update expenses to align with future estimated costs, some of the most significant changes in expense are as follows:



Removal of one-time expenses funded by surplus - All initiatives or expenses funded in the prior year using one-time surplus allocations are automatically removed.

Replacement and Benefit Costs – The 2026-27 Annual Budget has been adjusted to account for estimated replacement and benefit costs based on a blending of historic costs, as well as the average % of each expense in relation to the districts operating revenue. These expense adjustments are extensively analysed in order to ensure there are enough resources earmarked for the total estimated fiscal expense with as little variance as possible so other expense areas are not affected.

Average Teacher Salary – Although teacher bargaining has concluded and the new Collective Agreement includes general wage increases; the Ministry of Education and Child Care has yet to provided funding to cover the costs applicable to 2026-27 so they have not been accounted for within the Preliminary Annual Budget. Alternately, the estimated cost for teaching staff incrementing to the next salary grid level according to Collective Agreement language is not funded by the Ministry and must instead be absorbed within district operating resources annually.

District Programs – For the 2026-27 fiscal year the planned expansion to the Before and After School Care program has been incorporated, as well, adjustments were made to account for the anticipated enrolment for the coming year within the districts online learning program.

Staffing – Changes in district staffing include adjustments to account for one-time staffing in a prior year being removed and staffing realignments to support the year’s estimated student enrolment. The summary of staffing changes per employee category for the coming year versus 2025-26 are shown below.

FTE Changes - 2026-27 Preliminary Annual Budget versus the 2025-26 Amended Budget									
Staffing Category	26-27 Annual Budget			25-26 Amended Budget			Change		
	Op	SPF	Total	Op	SPF	Total	OP	SPF	TOTAL
Teachers	790.065	140.791	930.856	802.819	140.791	943.610	(12.754)	-	(12.754)
Admin Officers	72.800	1.200	74.000	71.800	2.200	74.000	1.000	(1.000)	-
Education Assistants	328.216	50.528	378.744	323.981	51.471	375.452	4.235	(0.943)	3.292
Support Staff	235.595	48.462	284.057	236.387	46.837	283.224	(0.792)	1.625	0.833
Other Professionals	53.150	4.850	58.000	53.650	3.850	57.500	(0.500)	1.000	0.500
Total FTE	1,479.825	245.831	1,725.657	1,488.637	245.149	1,733.786	(8.812)	0.682	(8.129)

The most significant change is to teacher staffing which has been reduced to account for lower enrolment at both elementary, secondary, and within the online learning programming. As well, there was historic contingent FTE within budget to mitigate enrolment variances from projections, however, with funding pressures that FTE is no longer able to be maintained so it has been removed, however it is noted as an area of risk.

Education Assistant staffing has been adjusted to account for the removal of surplus funded FTE added in 2025-26, the addition of staffing to support the estimated student support needed in 2026-27 and further increased for the expansion of Before and After Child Care.

These and all other staffing changes are detailed in the next chart:



2026-27 Amended Budget Summary of Staffing Changes - All Funds				
Staffing Category	Op. Fund	Indigenous Target	SP Funds	Total FTE
Administrative Officers				
VP adjustment	1.000			1.000
Position change in CEF from District VP to Director			(1.000)	(1.000)
Admin Totals	1.000	-	(1.000)	-
Teachers				
Staffing adjustment per enrolments	(7.792)			(7.792)
Online Learning staffing adjustment per enrolment	(1.200)			(1.200)
Historic unused contingent staffing removed	(2.762)			(2.762)
Indigenous Ed Coordinator removed		(1.000)		(1.000)
Teacher Totals	(11.754)	(1.000)	-	(12.754)
Education Assistants				
Computer Assistant Learning Tutor removal	(0.814)			(0.814)
Restricted Surplus EA Staffing removal	(6.261)			(6.261)
Supervision changes per enrolment	(0.191)			(0.191)
EA Staffing adjustment per Special Ed enrolment	4.640			4.640
EA Staffing to support BASC expansion	6.861			6.861
Youth Resilience Grant CYFSW removal			(0.943)	(0.943)
EA Totals	4.235	-	(0.943)	3.292
Support Staff				
IT position for in-house programming/contract reduction	1.000			1.000
ISE historic FTE for summer student leader removed	(1.000)			(1.000)
Secondary Clerical adjustment per enrolment	0.857			0.857
Clerical contingent FTE released to support above	(0.538)			(0.538)
Elementary Clerical adjustment per enrolment	(0.286)			(0.286)
Transportation FTE adjustment with BCTEA	0.175		(0.175)	-
Childcare coordinator removed	(1.000)			(1.000)
Youth Resilience Grant Clerical removed			(0.200)	(0.200)
Painters for AFG projects added			2.000	2.000
Support Staff Totals	(0.792)	-	1.625	0.833
Other Professionals				
Senior HR Manager (Surplus funded) retirement	(1.000)			(1.000)
Homestay coordinator increase	0.500			0.500
Position change in CEF from District VP to Director			1.000	1.000
Other Professionals Totals	(0.500)	-	1.000	0.500
Total All Categories	(7.811)	(1.000)	0.682	(8.129)

Indigenous Education - Target fund

Targeted funding requires the collaboration of Boards of Education and Indigenous Education Councils to develop and deliver programs and services that integrate academic achievement and Indigenous culture, language, or both. School age students of Indigenous ancestry participating in Indigenous education programs and services offered by public schools are eligible for Indigenous education funding. Targeted funding provided to Boards of Education must be spent on the provision of Indigenous education programs and services. Funded Indigenous education programs and services must be in addition to any other program and service which an Indigenous student is eligible.

As the Indigenous Education target funding is part of the district's Operating Fund, revenues and expenses were included within the Operating Fund financial summary previously provided. However, for transparency purposes and pursuant the requirement to account and report the target funding separately, note the information below:

Indigenous Education Program	26/27 Annual Budget	25/26 Amended Budget	Change
<u>Enrolment and Revenue</u>			
Student Enrolment (FTE)	2,535	2,597	(62)
Per Pupil Funding Rate	1,790	1,790	-
Revenue	4,537,650	4,648,630	(110,980)
Prior Year-End Balance	-	388,502	(388,502)
Total Revenue	4,537,650	5,037,132	(499,482)
<u>Expenses</u>			
Administrative Officers	153,453	153,453	-
Teachers	1,784,879	1,877,339	(92,460)
Education Assistants	1,139,506	1,141,990	(2,484)
Support Staff	70,630	71,619	(989)
Replacement Costs	191,821	168,008	23,813
Benefits	871,301	901,694	(30,393)
Services/Supplies	326,060	723,029	(396,969)
Total Expenses	4,537,650	5,037,132	(499,482)
Net Revenue/Expense	-	-	-
<u>Staffing Summary</u>			
	FTE	FTE	Change
Administration	1.000	1.000	-
Education Assistants	23.914	23.914	-
Support Staff	1.343	1.343	-
Teachers	17.486	18.486	(1.000)
Total Staffing (FTE)	43.743	44.743	(1.000)

For the 2026-27 school year versus the prior year, we are anticipating (62) less students pursuant to larger numbers of students moving through to graduation than entering schools, similar to general enrolment district wide, resulting in (\$111K) less funding. Additionally, the prior year-end unspent balance that was added to the 2025-26 Amended Budget has been removed along with the associated expenditures. Following the 2025-26 year-end financial results, any underspend of target dollars will be added to the 2026-27 Amended Budget and may be used to enhance services for the year as determined by the Indigenous Education Council. With regards to staffing, the (1.0) Teacher FTE represents the removal of a coordinator position, as noted in the summary of district staffing changes. Historic financial information is presented below.

Indigenous Education - Historic Financial Summary

Fiscal Year	24/25	23/24	22/23
<u>Enrolment and Revenue</u>			
Student Enrolment	2568	2577	2511
Per Pupil Funding Rate	\$1,770	\$1,710	\$1,565
Target Revenue	4,545,360	4,406,670	3,929,715
Audit Adjustment			(12,520)
Deferred Revenue	290,413	131,664	415,439
Total Revenue	4,835,773	4,538,334	4,332,634
<u>Expenses</u>			
Administrative Officers	153,768	56,549	-
Other Professionals	-	99,285	149,580
Teachers	1,851,743	1,890,781	1,824,446
Education Assistants	1,216,563	1,018,530	1,106,371
Support Staff	65,159	68,550	58,937
Replacement Costs	106,824	84,812	68,043
Benefits	851,607	751,861	775,298
Services/Supplies	201,608	277,552	218,295
Total Expense	4,447,272	4,247,921	4,200,970
Year End Surplus	388,502	290,413	131,664

*Source 24/25 - 22/23 = Financial Statements: Program 1-31

Special Purpose Funds

Special Purpose funds are separate funding envelopes provided by the Ministry of Education and Child Care or other third-party sources for particular programs, functions, or activities. These individual funds have restrictions as to how they may be spent so revenues and expenditures are tracked separately. In addition, each fund has reporting requirements either annually, semi-annually or are subject to contract specifications. Where applicable, surplus balances at the end of each year or purpose are either returned back to the funding party, or in the case of a Ministry program, are deferred for use in the next fiscal year. A brief outline of the majority of district ongoing Special Purpose Funds is provided below.

Special Purpose Fund	General purpose and budget information
ASSAI - After School Sport and Art Initiatives	Funding is directed to a local professional organization that provides fun, safe, accessible and high-quality after school programming to BC children in Kindergarten to Grade 8.
AFG - Annual Facility Grant	Funds for projects required to maintain facility assets through their anticipated economic life and to prevent premature deterioration of these assets.
BCTEA - First Nation Student Transportation	Funding covers the cost of enhanced transportation services requested by Nations to get indigenous students living on reserve to and from school, as well as to school organized extra-curricular activities, and may also include any special supports requested and approved by BCTEA.
CEF - Staffing	Funding for additional teachers required pursuant to class size and composition language (LOU17).
CEF - Overhead	Funding to cover overhead costs associated with increased teaching staff and administration resulting from LOU17 which includes teacher replacement costs, custodial, payroll, human resources, finance, and district learning services staff, as well as covers some contractual professional development costs.
CEF - Remedies	Funding to pay for the cost of Teacher Remedies owed in cases where class size or composition contract language cannot be met.
LINK - CommunityLINK	Funding provided to support the academic achievement and social functioning of vulnerable students. With these funds the district staffs Child, Youth & Family Support Workers (CYFSW), a Community School Coordinator, Coordinator, Speech Pathologist, and Specialist Teaching time (FTE). There is a small contingency in place to cover general wage increases each year, and any residual fund balance may be directed to support programming.
ELCCCG - Early Learning Child Care Capacity	Funding to establish a District Lead ELCC position. The district used these funds for a District Principal for Early Learning and Care.
FFG - Federal French Grant	Funding supports a variety of programs aimed at increasing access to French second language instruction, including core French programs, French immersion (FI), and support for educational materials and teacher training.
FFF - Feeding Futures Fund	Funding to create or expand local school food programs to ensure students are properly fed which supports learning and therefore enhances positive academic and healthy outcomes. Budgeted funds cover the cost of secondary school cafeteria programs, as well as the annual contract cost for food services provided to district schools by the Nanaimo Ladysmith Schools Foundation.
LIF - Learning Improvement Fund	Provides additional resources, specifically targeted to support complex classes that present challenging learning conditions. The district used these funds by allocating an additional hour to each Educational Assistant (EA) budgeted for at the beginning of the school year, increased Supervision Aide positions from 3.3 to 3.5 hours each, and supported 1 additional EA position.
MHG - Mental Health in Schools Grant	Funding provided to give students with mental health issues equitable learning opportunities. Funds cover the cost of a software solution called Open Parachute that creates mental health and well being programs for K-12 students, in addition to other determine supports over the fiscal year.
NSFP - National School Food Program	These funds are meant to compliment the Feeding Futures funds in order to create or expand local school food programs.
RSL - Ready Set Learn	Events for 3 to 5 year olds and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten.
SACCSE - School Age Child Care Space Expansion	Funding to support participation in a multi-year pilot to expand child care spaces on school grounds. Funds are to be used to cover annual cost overruns if applicable, as well as to fund start up costs for site expansions.
SGF - School Generated Funds	Funds collected at schools for student programs including field trips/international travel, funding for food, school supplies, playgrounds, spirit wear, specific fundraising initiatives, and other programs/incentives that support students.
SDK - Seamless Day Kindergarten	Funding for an Early Childhood Educator (ECE) which allows primary school children to attend childcare in a kindergarten classroom.
SS - Strong Start	School based drop in programs for children aged birth to five and their parents or caregivers. The district had 8 Strong Start Facilitators working at 8 elementary schools.

Note that Special Purpose Funds are subject to change, and new Funds may be announced during an operational year. Any applicable adjustments following the approval of the Annual Budget will be accounted for and presented within the Amended Annual Budget in February 2027.

A financial summary of the Special Purpose Funds confirmed for 2026-27, as well as a three-year historic summary is presented below:

Special Purpose Fund - Summary of Annual Revenues

Special Purpose Fund	Estimates	Historic Actuals		
	2026/27	2025/26	2024/25	2023/24
ASSAI - After School Sports Arts Initiative	142,000	142,000	147,000	147,020
AFG - Annual Facilities Grant	555,746	555,746	555,746	555,746
BCTEA - Student Transportation Fund	286,000	289,596	227,707	206,843
CEF - Classroom Enhancement Fund	18,724,489	19,887,789	17,243,146	14,806,571
LINK - CommunityLINK	2,630,683	2,630,683	2,630,683	2,567,164
CR4YC -ChangeResults4YoungChildren	-	-	11,250	11,250
ELCCC - Early Learning Child Care Capacity	175,000	175,000	175,000	175,000
ECE - ECE Dual Credit	-	-	5,000	26,000
FFG - Federal French Grant	298,099	298,099	298,099	373,820
FFF - Feeding Futures Fund	1,672,016	1,682,926	1,665,804	1,663,981
HDC - Health Care Dual Credit	-	-	50,000	50,000
LIF - Learning Improvement Fund	607,398	610,903	604,087	604,136
MHF - Mental Health Fund	51,000	51,000	51,000	51,000
NSFP - National School Food Program	484,730	484,730	-	-
RSL - Ready Set Learn Fund	68,600	68,600	68,600	66,150
SACCC - School Age Child Care Space Expansion	TBD	-	360,000	360,000
SGF - School Generated Funds	3,560,000	3,310,000	3,330,000	2,705,000
SDK - Seamless Day Kindergarten	55,400	55,400	55,400	55,400
SEY2KT - StrengthenEarlyYrs2KTransition	-	-	19,000	19,000
SS - Strong Start	272,000	272,000	256,000	256,000
SFAF - Student Family Affordability Fund	-	-	-	495,000
YRG - Youth Resilience Grant	-	49,214	118,067	178,609
Total	29,583,161	30,563,686	27,871,589	25,373,690

Budgeted figures by category of expense, as well as total staffing under each Fund is provided below for the 2026-27 Preliminary Annual Budget:

Special Purpose Fund - Summary of Expenses and Staffing (FTE)

Fund	Teachers		Education Assistants		Support Staff		Administration		Subs	Benefits	Services and Supplies	Funded by Operating	Total FTE	Total Funding
	FTE	\$	FTE	\$	FTE	\$	FTE	\$						
ASSAI											142,000		-	142,000
AFG					37.090		3.500				555,746		40.590	555,746
BCTEA					3.872	218,499			7,464	60,037			3.872	286,000
CEF	135.540	13,526,932			7.500	439,839	1.550	251,558	469,477	3,958,925	77,758		144.590	18,724,489
LINK	3.400	380,150	30.171	1,543,388					89,064	512,274	105,807		33.571	2,630,683
ELCCC							1.000	161,899		35,942		(22,841)	1.000	175,000
FFG	0.850	96,305						6,240	27,377	168,177			0.850	298,099
FFF	1.001	100,726	6.257	284,233				23,789	108,318	1,154,952			7.258	1,672,016
LIF			9.529	452,792				26,262	127,429	915			9.529	607,398
MHF										51,000			-	51,000
NSFP								56,250		18,750	409,730			484,730
RSL								34,240	9,657	24,703			-	68,600
SGF								46,800	13,200	3,500,000			-	3,560,000
SDK				41,550					-	13,850	-		-	55,400
SS			4.571	222,904						59,293		(10,197)	4.571	272,000
Total	140.791	14,104,113	50.528	2,544,867	48.462	658,338	6.050	469,707	703,336	4,945,052	6,190,788	(33,038)	245.831	29,583,161

Note1: AFG costs are captured under Capital Fund; FTE shown is for informational purposes only.

Note2: StrongStart shows a negative value which is the cost overrun the Operating Fund must absorb.

Note3: Early Learning Child Care Grant shows a negative value which is the cost overrun the Operating Fund must absorb.

Notables and changes by Fund

Classroom Enhancement Fund (CEF) – Funding for Teacher Staffing remains the same as the prior year until actual requirements pursuant to Class Size and Composition language under LOU17 are confirmed at the end of September. Remedy for 2025-26 has been removed and remedy applicable to 2026-27 will also be confirmed in the fall and then incorporated into the Amended Budget. Overhead funding remains consistent so any changes must be made within the current funding envelope. Under the overhead category, 1.0FTE was converted from a District Principal to a Director to account for a shift in staffing assignments.

Feeding Futures Fund – Funding has been reduced for the 2026-27 school year by the Ministry of Education and Child Care. While the amount is small, it is concerning as the fund is meant to provide food security programming to district students. As programing includes staffing and costs for wages and benefits increases year-over-year, as does the cost of food, the lack of inflationary funding will detrimentally impact future services.

Learning Improvement Fund – Funding under the Learning Improvement Fund has been flat since 2023-24 while salary and benefit costs have increased significantly. This Fund is intended to improve student learning and, in our district, typically provides additional EA hours. Over time, as funding falls behind incrementing costs, the impact of the fund may be affected.

CommunityLINK – Similar to the Learning Improvement Fund, LINK funding has been the same for the last few years, not increased to account for rising salary and benefit cost. This Fund supports the districts pool of Child Youth Family Support Workers and with cost escalations will soon be inadequate. This will result in the need to shift staffing costs to the Operating Fund if resources are available to do so or reducing core services. In the current environment of enrolment decline, having available operating funds to absorb these staffing costs is unlikely.

Strong Start – Although the Ministry of Education and Child Care increased Strong Start funding in 2025-26 after 10+ years of stagnicity and rising costs year-over-year, the funding envelope remains inadequate to cover current expenses, as well as future cost escalations. This funding shortfall continues to be absorbed by the Operating Fund, however with current and estimated future pressure on district resources, ongoing support for programming may be at risk.

Youth Resilience Grant (YRG) – This program completed March 31, 2026, following it's three year Term. For the 2026-27 Preliminary Annual Budget the revenue, staffing and expenses have therefore been removed.

Special Purpose Fund - Financial Summary

Presented below is the 2026-27 Financial Summary for the district's Special Purpose Funds, note that as they are each targeted to the specific educational initiative, the revenue is directly offset by planned expenses so there are no associated variances.

Also note that although revenues are shown for each SPF, expenses are consolidated to align with presentation under the Ministry of Education and Child Care budget document.



Special Purpose Fund Revenue and Expense Summary			
	2026-27 Annual Budget	Change	2025-26 Amended Budget
Revenues - Special Purpose			
Annual Facilities Grant	555,746	(17,500)	573,246
BCTEA Transportation Fund	286,000	(61,939)	347,939
Child Care Space Expansion	-	(591,745)	591,745
Classroom Enhancement Fund	18,724,489	(1,163,300)	19,887,789
Community Link	2,630,683	(32,573)	2,663,256
CR4YC	-	(1,579)	1,579
ECE and Health Dual Credit Funds	-	(33,827)	33,827
ELCCCF	175,000	-	175,000
Feeding Futures Fund	1,672,016	(93,751)	1,765,767
French Programs	298,099	-	298,099
Learning Improvement Fund	607,398	(3,505)	610,903
Mental Health	51,000	-	51,000
National School Foods Program	484,730	(251,773)	736,503
Other Misc./Deferred Revenue	142,000	(418,544)	560,544
Professional Learning Grant	-	(221,496)	221,496
Ready Set Learn	68,600	(11,597)	80,197
School Generated Funds	3,560,000	250,000	3,310,000
Seamless D-K	55,400	-	55,400
SEY2KT	-	(23,203)	23,203
Strong Start	272,000	-	272,000
Total Special Purpose Revenue	29,583,161	(2,676,332)	32,259,493
Expenses - Special Purpose			
Salaries			
Teachers	14,104,113	20,406	14,083,707
Administrative Officers	188,820	(161,899)	350,719
Education Assistants	2,539,678	(52,874)	2,592,552
Support Staff	658,338	(17,857)	676,195
Other Professionals	224,637	(160,000)	384,637
Substitutes	700,875	(1,023,377)	1,724,252
Total Salaries	18,416,461	(1,395,601)	19,812,062
Benefits			
Total Salaries and Benefits	4,900,912	(308,354)	5,209,266
Services & Supplies	6,265,788	(972,377)	7,238,165
Total Special Purpose Expenses	29,583,161	(2,676,332)	32,259,493
Fund Variance	-	-	-

Included within the majority of the Special Purpose Funds presented within the financial summary is any applicable prior year-end Fund balance (deferred revenue) that was available to be used during the 2025-26 school year. As that is not applicable to the 2026-27 Preliminary Annual Budget those dollars have been removed and are consolidated under the line item below totalling \$1,684,971.

As well, any changes in the annual Special Purpose funding amounts for 2026-27 versus 2025-26 are summarized below:

Summary of Changes:	\$
BCTEA Student Transportation Fund	(3,596)
Classroom Enhancement Fund - Remedy	(1,163,300)
Feeding Futures Fund	(10,910)
Learning Improvement Fund	(3,505)
Other Misc. Revenue and Youth Resilience Grant	(60,050)
School Generated Funds	250,000
All Funds Deferred Revenue (prior year balances)	(1,684,971)
Total	(2,676,332)

Consolidated Funds summary

(Operating and Special Purpose funds)

Total Operating Expenses of \$190,227,047 exceed total Operating Revenues of \$189,351,047 which result in an appropriation of accumulated operating surplus in the amount of \$876,000 to balance the districts budget.

The appropriation is targeted to general cost pressures as well as the following:

- Harewood Turf Field 10 year contractual term (year 4 of 10) - \$70,000
- Building Education Assistance through Mentorship Program - \$50,000
- Wellness Initiatives - \$35,000
- Trustee Election costs - \$25,000

Total Special Purpose revenues and expenses are \$29,583,161

Consolidated Financial Summary is as follows:

Consolidated Revenues	218,934,208
Consolidated Expenses	219,810,208
Net Revenue/Expense	<u>(876,000)</u>
Surplus Appropriation	<u>876,000</u>
Consolidated Surplus (Deficit)	<u><u>-</u></u>

Budget Reconciliation and Bylaw Expense

The 2026-27 Preliminary Annual Budget, reconciled to include the consolidated Operating and Special Purpose Funds, as well as the Capital Funds, is presented below. The result is the districts total budgeted expense which is the Bylaw amount for approval by the Board of Education. These figures can be found on Statement 2 of the Ministry of Education and Child Care Annual Budget document which is provided separately.



2026-27 Amended Budget Reconciliation	
Operating Revenue	189,351,047
Special Purpose Revenue	29,583,161
Amortization of Deferred Capital Revenue	8,700,000
Local Capital Investment Income	170,000
Total Revenue	227,804,208
Operating Expense	190,227,047
Special Purpose Expense	29,583,161
Amortization of Capital Asset Expense	12,900,000
Total Expense	232,710,208
<i>Surplus(Deficit)</i>	<i>(4,906,000)</i>
Appropriation of Accumulated Surplus	876,000
Surplus(Deficit)	(4,030,000)

The deficit reflected above is related only to the Capital Fund and is permitted by Ministry. The value represents the difference between the Local Capital investment income plus the amortization of deferred capital revenue less the amortization expense of district tangible capital asset. $((\$8,700,000 + \$170,000 = \$8,870,000) - \$12,900,000) = (\$4,030,000)$

The budget bylaw for approval by the Board of Education represents the districts total planned expenses for the fiscal year as follows:

2026-27 Amended Budget Bylaw	
Operating Expense	190,227,047
Special Purpose Expense	29,583,161
Amortization of Capital Asset Expense	12,900,000
Tangible Capital Assets Purchased from Local Capital	1,500,000
Total Budget Bylaw amount	234,210,208

