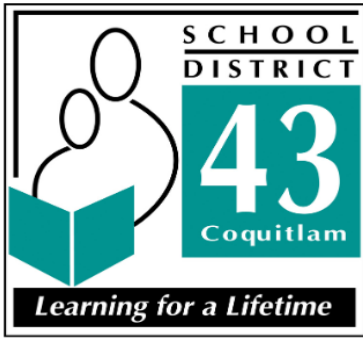




FINANCIAL STATEMENT DISCUSSION & ANALYSIS

For the Year Ended June 30, 2026



Table of Contents

INTRODUCTION	2
DISTRICT OVERVIEW	3
FINANCIAL HIGHLIGHTS: CONSOLIDATED SUMMARY	9
ENROLMENT AND STAFFING	14
STATEMENT OF FINANCIAL POSITION: STATEMENT 1	19
STATEMENT OF OPERATIONS: STATEMENT 2	22
OPERATING FUND: SCHEDULE 2	23
ACCUMULATED SURPLUS – OPERATING FUND	32
SPECIAL PURPOSE FUND (SPF): SCHEDULE 3	33
CAPITAL FUND: SCHEDULE 4	36
FINANCIAL STABILITY, RISKS, AND OTHER SIGNIFICANT ITEMS.....	43
APPENDIX A - Special Purpose Funds Descriptions.....	45
APPENDIX B – Ministry Operating Grant	48



INTRODUCTION

INTRODUCTION

This Financial Statement Discussion and Analysis document should be read in conjunction with the audited financial statements and accompanying notes for School District 43, Coquitlam for the year ended June 30, 2026.

The purpose of this report is to highlight information and provide explanations to enhance the reader's understanding of the school district's audited financial statements and the significant events and factors that influenced the financial results presented in these statements.

This report consists of the following sections:



INTRODUCTION

Background information about the school district and the Board's Strategic Plan, Directions 2025



HIGHLIGHTS

Summary of financial results and significant events



ENROLMENT & STAFFING

Overview and comparative analysis of enrolment and staffing trends



FINANCIALS

Summary of the district's financial performance and variance analysis of key performance indicators



RISK & UNCERTAINTY

Explanation of the district's enterprise risk management framework

A separate document, [*'Guide to Financial Statements'*](#), has been developed to assist users of school district financial statements with their understanding of the information provided.

2025/26 DISTRICT OVERVIEW

3rd LARGEST SCHOOL DISTRICT IN BC

ENROLMENT 34,065

FULL-TIME EQUIVALENT (FTE)

SCHOOL AGE K-12	32,145
CONTINUING ED	946
ONLINE LEARNING	690
ALTERNATE LEARNING	284

WORKFORCE 4,380

STAFF HEADCOUNT (FULL-TIME/PART-TIME/TEMPORARY)

TEACHERS	62%
SUPPORT STAFF	33%
PRINCIPALS & VPs	3%
OTHER PROFESSIONALS	2%

74 SCHOOLS

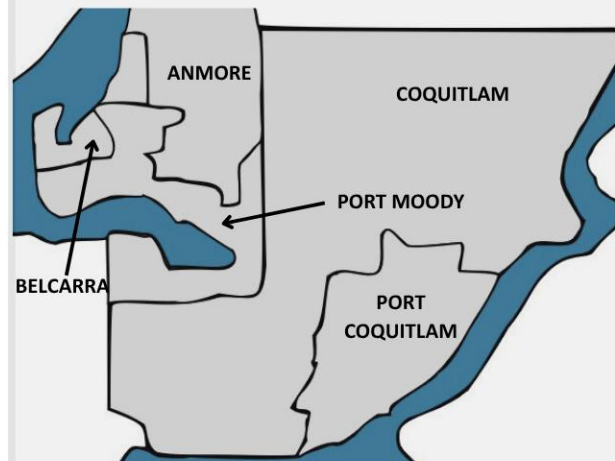

47
ELEMENTARY


14
MIDDLE


9
SECONDARY


4
ALTERNATE

5 MUNICIPALITIES SERVED



SPECIALIZED EDUCATION PROGRAMS & SERVICES

ALTERNATE EDUCATION
CAREER & TRADE PROGRAMS
COMMUNITY HUBS & SCHOOLS
CONTINUING EDUCATION
ENGLISH FOR ADULT LEARNERS
FRENCH PROGRAMS

GIFTED PROGRAMS
HOSPITAL HOME BOUND
INDIGENOUS EDUCATION
INTERNATIONAL BACCALAUREATE
INTERNATIONAL EDUCATION
MANADARIN BILINGUAL

MONTESSORI
ONLINE LEARNING
READY SET LEARN
STEAM
STRONG START
SUMMER LEARNING



VISION

Increasing Success in Life for All

MISSION

Our mission is to ensure quality learning opportunities for all students of all ages.

PURPOSE

The Board of Education accepts its responsibility to provide a quality and equitable public education for the success of all learners, within the limits and resources available.

CORE BELIEFS AND PRINCIPLES

The Board of Education believes in:

- Public Education and the need to advocate on its behalf;
- Instilling a passion for learning;
- Learners as the most important focus;
- High quality and equitable learning opportunities;
- Innovation, creativity, problem solving, critical thinking and sustainability;
- The essential value of District/Community/Global Partnerships;
- Safe, inclusive and socially responsible learning communities.

The Board of Education is committed to:

- Creating a culture of care and shared responsibility where every learner matters;
- Engaging and empowering lifelong learners;
- Providing flexible, integrated, diverse, and active learning environments;
- Developing shared leadership through innovative, sustainable professional learning.

DIRECTIONS 2025

Strategic Goals and Objectives



Aligning Budget Planning & Resource Allocation with Strategic Plan

The district is committed to a model of transparent budget planning and resource allocation that supports the strategic vision and goals set out in *Directions 2025*.

This consultative model ensures that the budget process is inclusive, data informed, and responsive to stakeholder input. It integrates meaningful engagement with partner groups and staff throughout the process. Key components of the model include:

- Articulating the Boards strategic plan as outlined in *Directions 2025*
- Providing timely, accurate and accessible budget information
- Receiving budget input and feedback from all interested parties
- Evaluating and prioritizing budget requests against board and district priorities
- Allocating available resources to best support initiatives aligned with strategic priorities
- Communicating decisions and outcomes to ensure transparency and accountability

Current Strategic Alignment: The 2025/26 Budget is aligned with *Directions 2025*, the District's current approved strategic plan, providing continuity stability during the transition to the next planning cycle.

Strategic Planning Transition: *Directions 2030* was finalized after the 2026/27 Budget and will guide future budgets and planning decisions. Any resource adjustments required to support implementation of the new strategic plan will be addressed through the District's established budget amendment processes, ensuring continued alignment between strategic priorities and financial resources.

BUDGET TIMELINES

The *School Act* (Sec 113) requires that school districts submit a balanced budget to the Ministry of Education and Child Care by June 30 each year. The district starts the budget process in early January with a formal consultation engagement and completes the process by the end of April with the approval of the preliminary budget

BUDGET IMPLEMENTATION, MONITORING, AND REPORTING

Once the preliminary budget is approved, it is regularly updated to reflect changes in enrolment and related grant funding, other revenues and changes in expenditures that may impact the district's financial operations. These updates are incorporated into the amended budget, which must be approved by the Board and submitted to the Ministry of Education and Child Care by February 28th of the fiscal year.

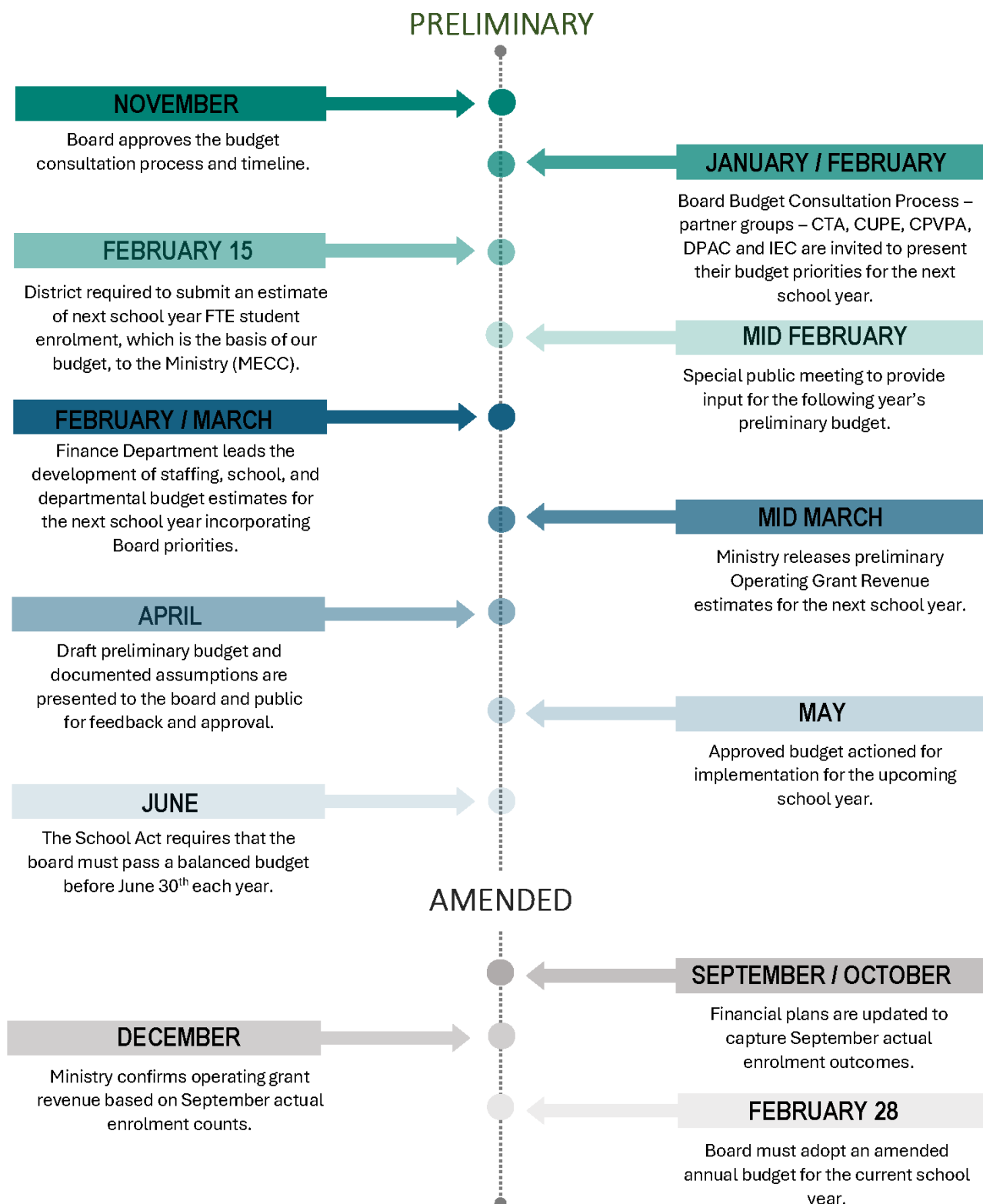
The district follows established administrative procedures and financial controls based on best practices to guide budget implementation and reporting. Within this framework the Board grants management the flexibility to make necessary financial adjustments to address unforeseen operational needs and to optimize the use of available resources.

To ensure transparency and accountability, financial updates are presented to the board at least quarterly. These updates include:

- A high-level summary of the budget and actuals-to-date, including significant financial variances,
- Staffing changes,
- Financial risk elements,
- Other relevant information to support the Board's governance responsibilities

At the end of the fiscal year (June 30), management prepares a Financial Statement Discussion and Analysis (FSD&A) report in conjunction to the annual financial statements. The FSD&A provides detailed explanations on variances between the approved budget and actual financial results.

Budget Planning Cycle



HIGHLIGHTS

2025/26 DISTRICT FUNDING AT A GLANCE

DISTRICT OPERATIONS INCLUDE 3 FUNDS

OPERATING FUND

SUPPORTS THE
DAY-TO-DAY
OPERATIONS OF THE
SCHOOL DISTRICT



SPECIAL PURPOSE FUND

USED FOR SPECIFIC
PROGRAMS OR
ACTIVITIES WITH
RESTRICTED FUNDING



CAPITAL FUND

LONG-TERM
INVESTMENTS IN
BUILDINGS, VEHICLES
& MAJOR EQUIPMENT



MAJOR REVENUE SOURCES BY FUND \$553.9M

OPERATING
77%

MINISTRY OPERATING GRANTS
INTERNATIONAL EDUCATION
INVESTMENT INCOME
RENTALS & OTHER REVENUE

SPECIAL
PURPOSE
15%

MINISTRY PROVINCIAL GRANTS
SCHOOL GENERATED FUNDS
FEDERAL GRANTS
OTHER FUNDING SOURCES

CAPITAL
8%

MINISTRY BYLAW CAPITAL RECOGNIZED
OTHER REVENUE & REBATES
INVESTMENT INCOME
CLOSED SCHOOL RENTALS

MAJOR EXPENDITURES BY FUND \$521.3M

OPERATING
79%

SALARIES & BENEFITS
SERVICES & SUPPLIES
TRANSPORTATION, UTILITIES & LEASES
PRO D, FEES & INSURANCE

SPECIAL
PURPOSE
16%

CLASSROOM SUPPORTS
VULNERABLE STUDENTS SUPPORTS
SPECIALTY PROGRAMS
EARLY EDUCATION PROGRAMS

CAPITAL
5%

AMORTIZATION OF CAPITAL ASSETS
CAPITAL LEASE INTEREST
MINOR CAPITAL EXPENDITURES

2025/26 ENROLMENT & STAFFING HIGHLIGHTS

MINISTRY OPERATING GRANT DRIVERS

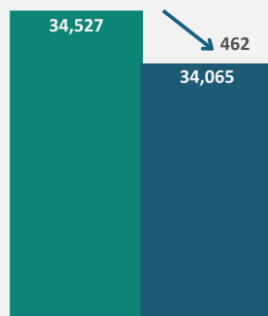
FTE = FULL-TIME EQUIVALENT

ENROLMENT-BASED

Funding per Student

- Standard K-12 \$9,015
- CE & Alternate \$9,015
- Online Learning \$7,280

■ 24/25 ■ 25/26

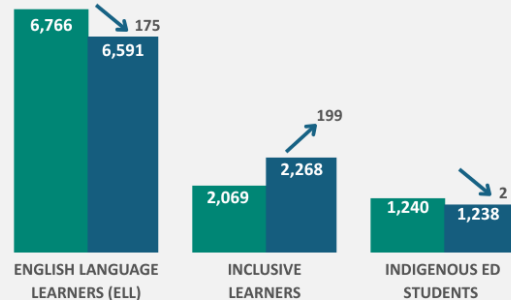


SUPPLEMENTAL-BASED

Funding per Unique Learner

- ELL \$1,815
- Inclusive Ed Level 1 \$51,300
- Inclusive Ed Level 2 \$24,340
- Inclusive Ed Level 3 \$12,300
- Indigenous Ed \$1,790

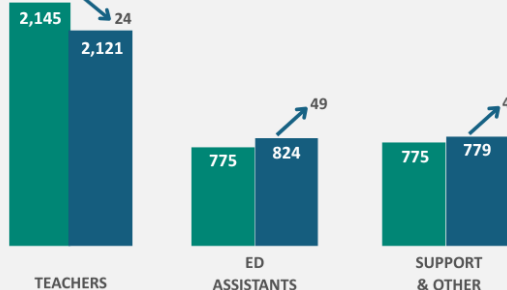
■ 24/25 ■ 25/26



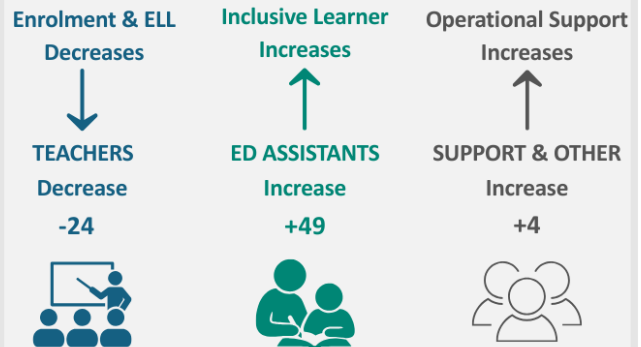
MAJORITY OF EXPENDITURES ARE STAFFING RELATED

EMPLOYEE FTE COMPARABLES

■ 24/25 TOTAL STAFF 3,695 ■ 25/26 TOTAL STAFF 3,724



EMPLOYEE FTE CHANGES



ED ASSISTANTS' CATEGORY INCLUDES

EAs
(Ed Assistants, Audiology, Transcribers, Visual Languages)
LEARNING INCLUSION SUPPORT WORKERS
CAREER ADVISORS
COORDINATORS
LIBRARIANS
SETTLEMENT WORKERS
YOUTH WORKERS

SUPPORT STAFF CATEGORY INCLUDES

CLERICAL
(Accounting, HR, Payroll, Purchasing, Receptionists, Secretaries)
CARETAKING
INFORMATION TECHNOLOGY
MAINTENANCE
(Carpenters, Electricians, Grounds, HVAC, Painters)
MEAL COORDINATORS & COOKS
NOON HOUR

2025/26 OPERATING FUND HIGHLIGHTS

FINANCIAL SNAPSHOT

REVENUE



$$\begin{array}{rclcl} \$390.7M & + & \$23.7M & + & \$9.4M & = & \$423.8M \\ \text{Ministry \& Other Grants} & & \text{International \& CE Tuition} & & \text{Investments, Rentals \& Other} & & \end{array}$$

LESS EXPENSES



$$\begin{array}{rclcl} \$294.2M & + & \$81.9M & + & \$32.8M & = & \$408.9M \\ \text{Salaries} & & \text{Benefits} & & \text{Supplies \& Services} & & \end{array}$$

LESS TRANSFERS TO CAPITAL



$$\begin{array}{rclcl} \$3.6M & + & \$0.8M & + & \$0.5M & = & \$4.9M \\ \text{Computer \& Tech Equipment} & & \text{Equipment \& Vehicles} & & \text{Furniture \& Fixtures} & & \end{array}$$

EQUALS YEAR END SURPLUS

= \$10.0M

WHAT CONTRIBUTED TO THE SURPLUS



HIGHER REVENUE

- Feb & May Enrolment
- Inclusive Learners
- Graduated Adult
- Facility Rentals

More money came in



LOWER EXPENDITURES

- Staff Vacancies & Leaves
- Benefit Savings
- Utilities & Snow Removal
- Underutilized Budgets

Less money went out

HOW THE SURPLUS WAS RESTRICTED

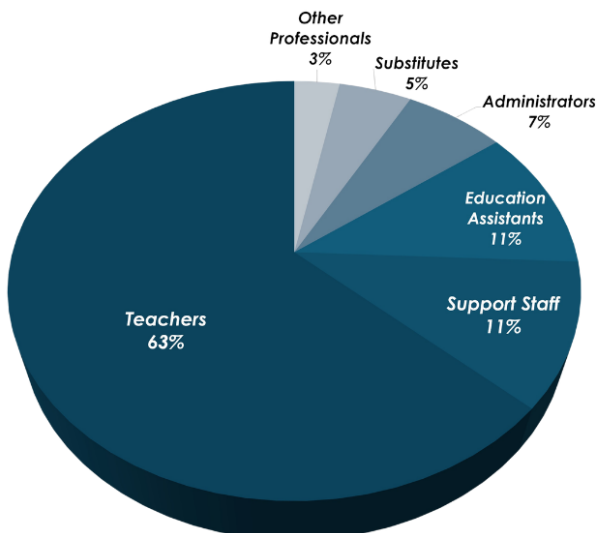


YEAR-END SURPLUS

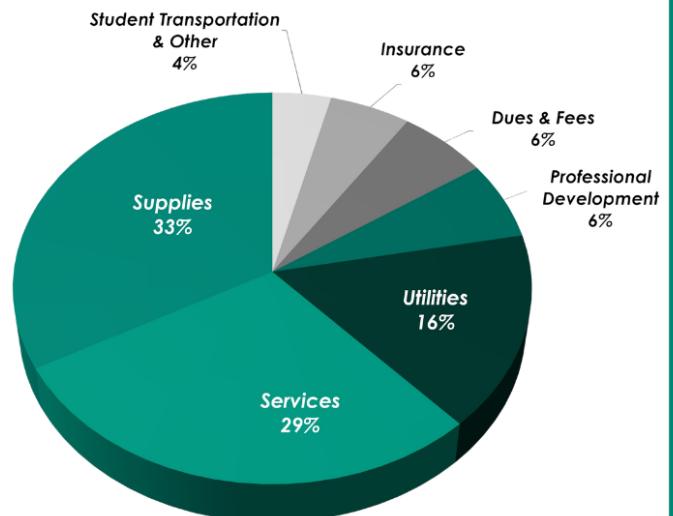
Business Systems Initiatives	\$7.7M
Risk Management Contingency	\$2.0M
Budget Carryforwards	\$0.3M
Total	\$10.0M

Result: Surplus

SALARIES & BENEFITS 92% OF EXPENSES



SERVICES & SUPPLIES 8% OF EXPENSES



2025/26 SPECIAL PURPOSE FUNDS HIGHLIGHTS

MAJOR REVENUE CATEGORIES \$85.0M

\$66.2M	+	\$14.4M	+	\$4.0M	+	\$0.4M
MINISTRY & OTHER PROVINCIAL GRANTS		SCHOOL GENERATED FUNDS		FEDERAL GRANTS		OTHER MISCELLANEOUS

MAJOR EXPENSE CATEGORIES \$85.0M

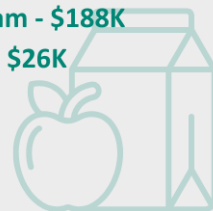
CLASSROOM, EDUCATION & OTHER \$74.4M

- Classroom Enhancement Fund - \$56.7M
- School Generated Funds - \$14.4M
- Learning Improvement Fund - \$1.33M
- Annual Facilities Grant - \$1.14M
- Official Languages Education in French - \$514K
- Staff Dev, ProD & Other - \$154K
- First Nations Student Transportation - \$110K



VULNERABLE LEARNERS \$5.7M

- Feeding Future Program - \$3.3M
- Community LINK - \$1.8M
- National School Food Program - \$395K
- Provincial Resource Program - \$188K
- Mental Health in Schools - \$26K



SPECIALIZED PROGRAMS \$4.3M

- Language Instruction for Newcomers - \$3.2M
- Settlement Workers in Schools - \$821K
- Apprenticeship Program - \$302K

EARLY EDUCATION \$0.6M

- Strong Start - \$340K
- Early Care and Learning - \$157K
- Ready Set Learn - \$105K
- Strengthening Early Years to K Transitions - \$1K

OVER 470 FTE STAFF SUPPORTED THROUGH SPECIAL PURPOSE FUNDING

2025/26 CAPITAL FUND HIGHLIGHTS

CAPITAL PROJECT ACTIVITY

MAJOR PROJECTS COMPLETED, IN PROGRESS, OR ACTIVE PLANNING

CHILDCARE SPACES	CLASSROOM ADDITIONS	ENVELOPE REPLACEMENTS
 Eagle Ridge Elementary  Mary Hill Elementary  Moody Elementary	 Charles Best Secondary (12 classrooms)	 Bramblewood Elementary  Mountain Meadows Elementary  Pinetree Way Elementary  Roy Stibbs Elementary
NEW SCHOOLS	SEISMIC REPLACEMENTS	OTHER
 Burke Mountain Secondary  Hazel Trembath Elementary	 Montgomery Middle  Moody Elementary	 Annual Facility Grant Projects  Ioco Childcare Centre



Completed



In Progress



Active Planning

TANGIBLE CAPITAL ASSETS \$852.0M (NET OF DEPRECIATION)

 \$695.1M Buildings & WIP	 \$135.8M Sites	 \$10.2M Computer Hardware	 \$8.8M Furniture & Equipment	 \$2.1M Vehicles
--	--	---	---	---

ENROLMENT AND STAFFING

The Coquitlam School District operations are primarily funded through the Operating Grant provided by the Ministry of Education and Child Care. The grant is largely based on student enrolment and includes supplemental funding for students with diverse needs, English language learning, Indigenous education, newcomer refugee students, and other demographic and geographic considerations.

Enrolment projections are submitted to the Ministry in February and form the basis of the district's Preliminary Budget and initial staffing plans for the upcoming school year. The official enrolment count is conducted in September, and funding is adjusted once enrolment is confirmed by the Ministry, typically in December. This updated funding is reflected in the Amended Budget, which represents the district's revised financial plan for the year. Additional enrolment counts in February and May are used to update funding for online learning, continuing education, students with diverse needs, and newcomer refugee students.

Enrolment

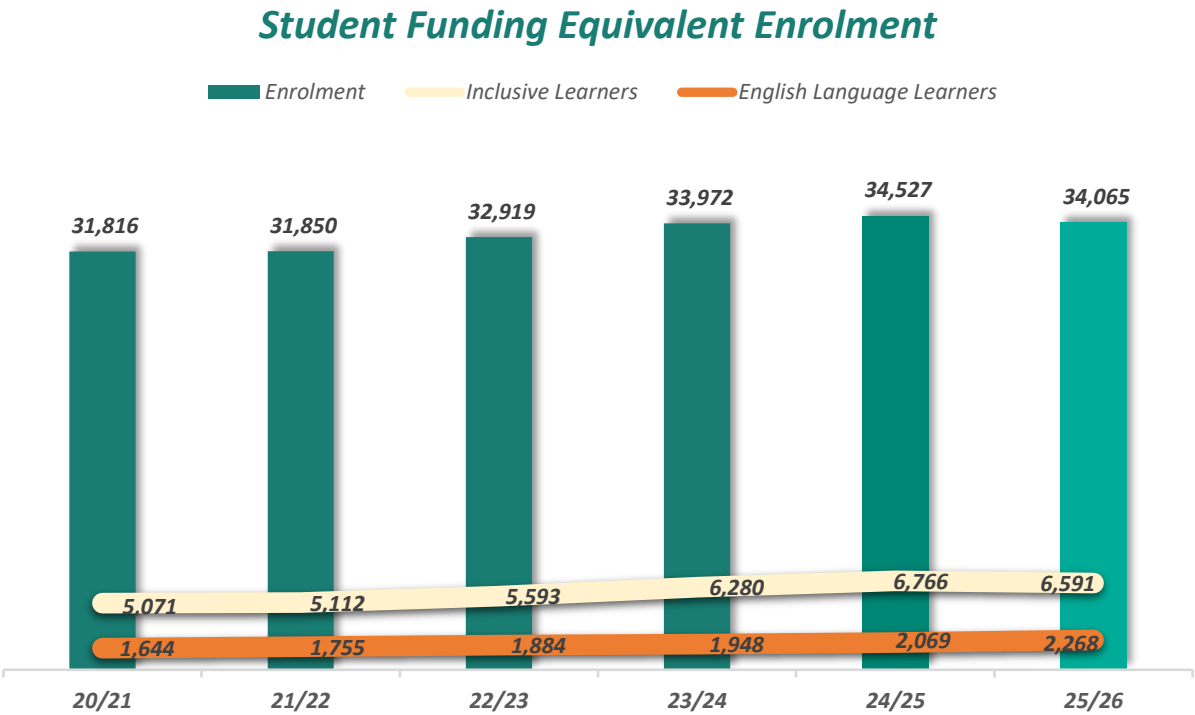
The table below outlines actual enrolment figures compared to the prior year and the Amended Budget, with further analysis provided in the sections that follow.

ENROLMENT COUNT	Prior Year	Budget	Actual	Actual to Prior Year	Actual to Budget
				Higher/(Lower)	
September Enrolment Count:					
K-12 Standard Reg Schools	32,592	32,145	32,145	(447)	0
Continuing Education	3	4	4	1	0
Alternate Schools	264	284	284	20	0
Online Learning	265	262	262	(3)	0
Adult Education (Non-Graduates only)	66	73	73	7	0
Total September School-Age & Adult	33,190	32,768	32,768	(422)	0
July Summer Learning	684	678	678	(6)	0
February School-Age & Adult	532	446	500	(32)	55
May School-Age & Adult	121	107	119	(2)	12
Total School-Age & Adult	34,527	33,999	34,065	(462)	66
Unique Students					
Level 1 Inclusive Education	21	24	24	3	0
Level 2 Inclusive Education	1,706	1,834	1,893	187	59
Level 3 Inclusive Education	342	325	351	9	26
Sub-total Inclusive Education	2,069	2,183	2,268	199	85
English Language Learning	6,766	6,581	6,591	(175)	10
Indigenous Education	1,240	1,238	1,238	(2)	0

Enrolment for 2025/26 declined by 462 full-time equivalent (FTE) students compared to the previous year. Enrolment continues to be influenced by demographic trends, including more students are graduating than entering Kindergarten. Lower birth rates, housing affordability challenges, and the rising cost of living have contributed to fewer young families settling in the district, resulting in an ongoing imbalance between incoming and outgoing students. These pressures have been further compounded by broader regional population shifts and federal immigration policy changes, including work and study permit caps introduced in 2025, which have reduced the number of students entering the district.

It is further noted that the composition of our student population is also changing. The number of inclusive learners for the 2025/26 school year increased by 199 FTE compared to the prior year, driven primarily by growth in students with Level 2 designations. In contrast, the number of English language learners fell by 175 FTE, reflecting lower immigration levels and fewer students qualifying for supplemental language funding. Enrolment in Indigenous Education remained relatively stable, decreasing by only 2 FTE when compared to the prior year.

Further details on student enrolment and the associated Ministry of Education and Child Care (MECC) funding can be found in [Appendix B](#). The accompanying chart illustrates the district’s annual full-time equivalent student enrolment from the 2020/21 to 2025/26 fiscal years.



Staffing

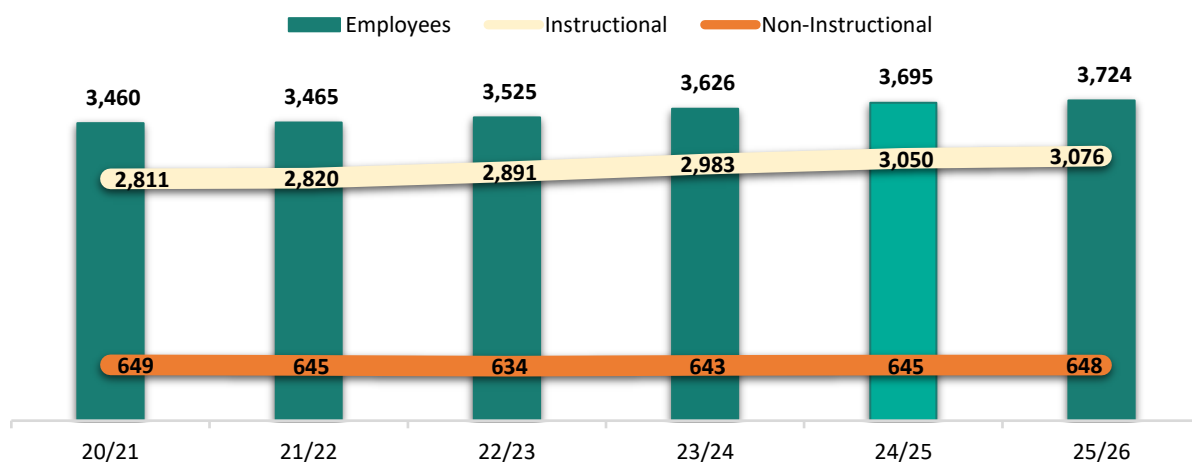
Student enrolment is a key driver of both operating grant funding and staffing requirements across the district. As enrolment changes, the need for teachers, educational assistants, and other school-based staff also changes. Staffing costs represent the largest component of the district's operating budget. While the district currently employs 3,724 full-time equivalent (FTE) positions, its workforce consists of approximately 4,380 employees. The difference reflects the number of employees working in part-time positions that represent less than 1.0 FTE.

STAFFING GROUPS (in Staff Full-Time Equivalent-FTE)	Prior Year	Budget	Actual	Actual to	Actual to
				Prior Year	Budget
				Higher/(Lower)	
Teachers	2,130	2,116	2,106	(24)	(10)
Educational Assistants	775	782	824	49	42
Administrators	130	130	131	1	1
Substitutes	15	15	15	0	0
Total Instructional Staff	3,050	3,043	3,076	26	33
Support	569	570	570	1	0
Other Professionals	76	76	78	2	2
Total Non-Instructional Staff	645	646	648	3	2
Total Staff	3,695	3,688	3,724	29	36

The district's workforce is comprised of six employee groups, each playing an important role in supporting student success and effective district operations. Approximately 83% of employees work in instructional roles, including teachers, educational assistants, administrators, and substitute employees who directly support student learning, well-being, and achievement. The remaining 17% work in non-instructional roles, providing the services and support necessary to operate schools and district facilities safely and efficiently. The district is committed to maintaining appropriate staffing levels across all employee groups to support student success and long-term financial sustainability.

As shown in the chart below, staffing levels have steadily increased since the 2020/21 fiscal year. This upward trend closely mirrors the change in composition of student enrolment over the same period.

Number of Full-Time Equivalent Employees

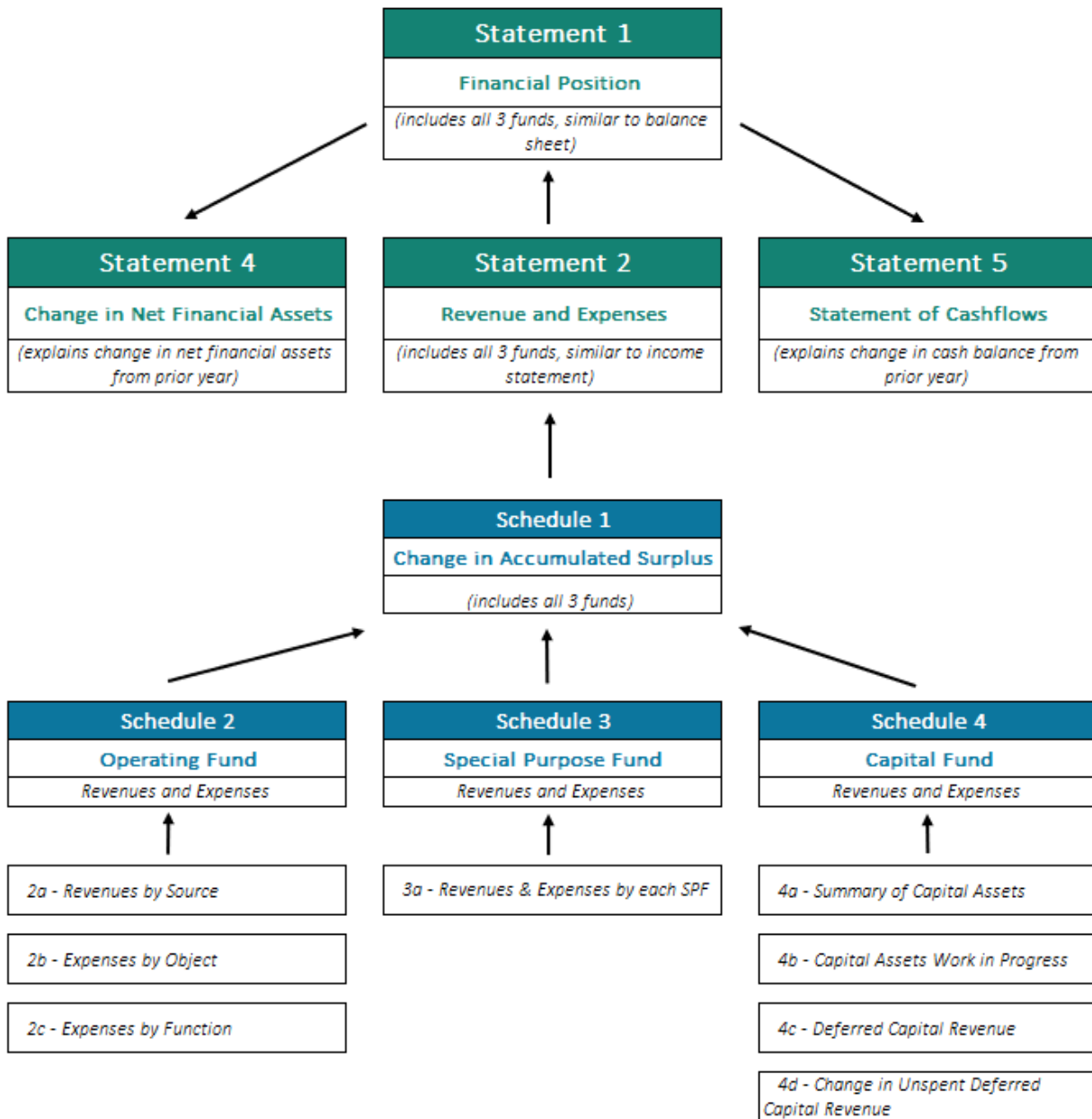


FINANCIALS

FINANCIAL STATEMENT REPORTING

As a public sector organization, school districts in British Columbia are required to prepare their financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS). The district's financial statements are prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* and related regulations issued by the Province of British Columbia Treasury Board.

The annual financial statements consist of several audited financial statements and accompanying notes, including a summary of significant accounting policies. They are supported by several unaudited schedules that provide additional detail and reconcile information presented in the audited statements. The diagram below illustrates how the various schedules connect and flow into the annual audited financial statements.



Note: Statement 3 "Remeasurement Gains and Losses" shows the unrealized change in the value of financial instruments. This statement is not applicable to the District at this time.

The district's financial statements present the current year's financial results alongside both the approved budget and prior year comparatives. This Financial Statement Discussion and Analysis (FSD&A) provides additional context to help readers understand the information contained within the financial statements. It explains key financial results and highlights significant variances from both budget and prior year amounts. The report accompanies the audited financial statements submitted annually to the Ministry of Education and Child Care. Given the volume and complexity of information contained in the financial statements, this discussion focuses on the most significant and noteworthy financial trends and variances. For ease of reference, any budget amounts presented in this report are based on the District's amended budget unless otherwise indicated.

Readers are encouraged to review this report in conjunction with the Audited Financial Statements for the year ended June 30, 2026, to obtain a comprehensive understanding of the district's financial position, operating results, and overall financial performance.

STATEMENT OF FINANCIAL POSITION: STATEMENT 1

The following table compares the school district's net financial position for the fiscal years ended June 30, 2026, and June 30, 2025, with the more significant year over year changes discussed below.

Statement 1	June 30, 2025 Balance	June 30, 2026 Balance	\$ Variance	% Variance
	(in thousands of dollars)		Higher/ (Lower)	
Financial Assets				
Cash and Cash Equivalents	\$169,267	\$167,594	(\$1,673)	(1.0%)
Accounts Receivable due from Ministry	\$12,265	\$13,598	\$1,333	10.9%
Accounts Receivable Other	\$11,747	\$10,400	(\$1,347)	(11.5%)
Portfolio Investments	\$70,000	\$71,500	\$1,500	2.1%
Total Financial Assets	\$263,278	\$263,092	(\$186)	(0.1%)
Liabilities				
Accounts Payable & Accrued Liabilities	\$62,089	\$59,440	(\$2,649)	(4.3%)
Unearned Revenue	\$18,828	\$17,830	(\$999)	(5.3%)
Deferred Revenue	\$9,287	\$11,268	\$1,980	21.3%
Deferred Capital Revenue	\$605,223	\$656,241	\$51,018	8.4%
Employee Future Benefits (EFB)	\$46,198	\$45,957	(\$241)	(0.5%)
Asset Retirement Obligations	\$9,968	\$9,878	(\$90)	(0.9%)
Capital Lease Obligations	\$167	\$131	(\$36)	(21.4%)
Other Liabilities	\$8,966	\$9,338	\$372	4.2%
Total Liabilities	\$760,726	\$810,082	\$49,356	6.5%
Net Financial Assets (Debt)	(\$497,448)	(\$546,990)	(\$49,542)	(10.0%)
Non-Financial Assets				
Tangible Capital Assets	\$777,020	\$851,952	\$74,932	9.6%
Other Assets	\$0	\$7,500	\$7,500	100.0%
Prepaid Expenses	\$562	\$315	(\$248)	(44.1%)
Total Non-Financial Assets	\$777,583	\$859,767	\$82,184	10.6%
Accumulated Surplus - Capital	\$226,430	\$249,072	\$22,642	10.0%
Accumulated Surplus - Operations	\$53,705	\$63,705	\$10,000	18.6%
Total Accumulated Surplus (Deficit)	\$280,135	\$312,776	\$32,642	11.7%

Cash which includes funds held in bank deposits and the Central Deposit Program (CDP), decreased by \$1.7 million compared to the prior year, primarily as a portion of available cash was reinvested into short- and long-term investments to enhance investment returns. The district continues to maintain sufficient liquidity to meet operational requirements while optimizing earnings through a conservative investment strategy. Cash balances held in operating and high-interest savings accounts earn interest at tiered rates, while funds invested through the CDP earn interest at bank prime less 2.0%.

Portfolio Investments consist of a Guaranteed Investment Certificate (GIC) maturing in 2026 with an annual yield of 5.75%, and Principal Protected Market-Linked Notes maturing between 2033 and 2036 with potential annual yields ranging from 5.75% to 7.80% if called prior to maturity. Investment balances increased by \$1.5 million during the year as excess cash was reinvested. The district continues to maintain a conservative investment strategy focused on capital preservation while maximizing investment income within approved investment guidelines.

Total Cash and portfolio investments held by the district totaled \$239.1 million as of June 30, 2026, which is a decrease of \$172k from prior year. The table below shows a breakdown of the district's cash assets between the various categories.

Cash Assets	June 30, 2025 Balance	June 30, 2026 Balance	\$ Variance	% Variance
	(in thousands of dollars)		Higher/ (Lower)	
Cash: Bank Deposits	\$109,165	\$113,564	\$4,399	4.0%
Cash Equivalents: CDP Investments	\$60,100	\$54,030	(\$6,071)	(10.1%)
Portfolio Investments: Short Term	\$25,000	\$5,000	(\$20,000)	(80.0%)
Portfolio Investments: Long Term	\$45,000	\$66,500	\$21,500	47.8%
Total Cash Assets	\$239,266	\$239,094	(\$172)	(0.1%)

Accounts Receivable - due from MECC increased by \$1.3 million compared to the prior year, primarily due to a \$2.1 million receivable related to the CUPE wage settlement, representing the 75% portion confirmed for Ministry funding at year-end. The remaining 25% will be recognized once funding approval is received. This increase was partially offset by lower Certificate of Approval (COA) receivables as major capital projects reached completion, including the 12-classroom addition at Dr. Charles Best Secondary and the seismic replacement of Moody Elementary School.

Accounts Receivable - Other decreased by \$1.3 million from the prior year. The decrease was primarily attributable to a \$1.8 million reduction in accrued interest receivable as a portion of the district's investment portfolio shifted from traditional GICs to callable Principal Protected Market-Linked Notes. Unlike GICs, interest on these investments is recognized only when the note is called and therefore cannot be accrued during the investment term. Further reductions were related to the collection of municipal deposits for capital projects, federal grant receivables, and GST input tax credits, totaling \$1.0 million. These decreases were partially offset by a \$1.5 million increase in benefit deposit allowances held with Pacific Blue Cross.

Accounts Payable and Accrued Liabilities represents amounts owed to suppliers and employees. The balance decreased by \$2.6 million compared to the prior year, primarily due to lower construction-related invoices and holdbacks following the completion of major capital projects, including the Dr. Charles Best Secondary 12-classroom addition and the Moody Elementary School seismic replacement. These decreases were partially offset by higher year-end salary and benefit accruals, including CUPE wage increases that were accrued at year-end and paid in July 2026 following ratification of the collective agreement.

Unearned Revenue represents International Education Tuition Fees collected in advance for the 2026/27 school year. This will be recognized and recorded as revenue over the course of the next fiscal year. As of June 30, 2026, the unearned revenue declined by \$1.0 million from prior year, primarily due to lower enrolment of international students compared to the same time period last year, largely due to changes in Canadian immigration policies.

Deferred Revenue represents unspent special purpose fund balances remaining at the end of the year, including unspent school generated funds that are held by each individual school. Deferred revenue is recognized as revenue as expenses are incurred. The deferred revenue balance increased by \$2.0 million from prior year primarily due to an increase in school generated funds of \$0.8 million, Early Learning and Child Care Leads Project of \$0.4 million, Classroom Enhancement Fund remedies of \$0.5 million, other various combined increases of \$0.3 million.

Deferred Capital Revenue relates to funding received and spent on capital projects. As required by Treasury Board regulations, funding for capital projects is recognized as revenues over the expected useful life (amortization) of the asset purchased. Deferred capital revenue increases by grant funding received and is reduced by the annual recognition of capital revenue over the useful life of the capital asset. Deferred Capital revenue increased by \$51.0 million because of many new and ongoing capital projects (primarily related to schools that are under construction).

Employee Future Benefits Liability represents estimated future cost to the district to provide employees benefits such as vested sick leave, retirement/severance, vacation, overtime, death benefits, and remaining NTPP post-retirement health and dental benefits. Employee Future Benefits decreased by total of \$241k primarily due to higher cash cost recognized for post employment retirement obligations. Employee future benefit liability increased by a net of \$359k and the Post Retirement Group Benefit plan obligation for NTPP retirees decreased by \$600k.

Asset Retirement Obligations (ARO) represents the liability for the legal obligation associated with the retirement of a tangible capital asset primarily associated with the removal and disposal of deemed hazardous materials, such as asbestos and lead containing paints. The ARO obligation decreased by \$90k based on removal of these materials when conducting minor capital work in buildings containing these hazardous materials.

Capital Lease Obligations correspond to assets purchased under a lease that depreciates and incur interest over their useful life. At the end of the lease term, the district will have the option to purchase these assets for below fair market value (a “bargain” purchase). The capital lease obligation balance decreased by \$36k representing interest charged at an average implicit interest rate of 8.5%.

Other Liabilities is comprised of vacation liability obligation of \$8.6 million and \$0.7 million of various other liabilities. Other liabilities increased by \$372k primarily due to an increase in the accrued vacation payable related to higher unused vacation days held by employees as of June 30th and slightly higher wages.

Other Assets is comprised of a \$7.5 million land acquisition deposit related to a future elementary school site within the Fraser Mills development. The deposit will be applied toward the future purchase of the site once the acquisition is completed.

Tangible Capital Assets represents the net balance of tangible capital assets less accumulated amortization. The district carries out various capital projects and purchases capital assets throughout the year including upgrades, additions, building of new schools and replacing old schools. Current year additions include the preliminary capitalization of the Moody Elementary School seismic replacement, and a land-related transaction with Wesbild Holdings Ltd to acquire the future Marigold school site. Also included in the additions are computer hardware, furniture and equipment, vehicles and other minor capital projects and purchases. Funds spent on these are capitalized as Tangible Capital Assets.

The Net Tangible Capital Assets amount of \$851.95 million, as reported on *Statement 1* of the financial statements, is made up of six different asset classes as summarized below. The largest tangible capital asset category is buildings, including work in progress (WIP), totalling \$695.1 million or 81.6%. The balance of the tangible capital assets includes sites, computer hardware, furniture and equipment, and vehicles.

Tangible Capital Assets	Sites	Building	Building WIP	Furniture & Equipment	Vehicles	Computer Hardware	Total
	(in millions of dollars)						
Cost:							
Beginning of Year	\$112.50	\$885.68	\$120.13	\$14.21	\$2.95	\$21.03	\$1,156.49
Additions	\$23.29	\$6.67	\$67.70	\$0.86	\$0.32	\$3.17	\$102.01
Disposals	\$0.00	\$0.00	(\$0.19)	(\$0.28)	(\$0.15)	(\$3.75)	(\$4.37)
Transfer from/(to) WIP	\$0.00	\$41.81	(\$42.08)	\$0.27	\$0.00	\$0.00	(\$0.00)
Cost, Ending	\$135.79	\$934.16	\$145.55	\$15.07	\$3.11	\$20.44	\$1,254.12
Accumulated Amortization:							
Beginning of Year	\$0.00	\$363.65	\$0.00	\$5.11	\$0.88	\$9.84	\$379.47
Additions	\$0.00	\$20.97	\$0.00	\$1.46	\$0.30	\$4.15	\$26.88
Disposals	\$0.00	\$0.00	\$0.00	(\$0.28)	(\$0.15)	(\$3.75)	(\$4.18)
Accumulated Amort, Ending	\$0.00	\$384.61	\$0.00	\$6.30	\$1.02	\$10.24	\$402.17
25/26 Net Tangible Capital Assets	\$135.79	\$549.55	\$145.55	\$8.78	\$2.09	\$10.20	\$851.95
25/26 Net Tangible Capital Assets	\$112.50	\$522.03	\$120.13	\$9.10	\$2.07	\$11.19	\$777.03
Variance from Prior Year	\$23.29	\$27.52	\$25.43	(\$0.32)	\$0.02	(\$1.00)	\$74.93

STATEMENT OF OPERATIONS: STATEMENT 2

In accordance with Public Sector Accounting Standards (PSAS) and Ministry of Education and Child Care reporting requirements, the district reports its financial activities through three separate funds: the *Operating Fund*, *Special Purpose Fund*, and *Capital Fund*. The combined revenues and expenses of these funds are presented in *Statement 2 – Statement of Operations* in the audited financial statements.

Because each fund serves a distinct purpose, the district's financial performance is best understood by reviewing the funds individually. The following sections provide an overview of each fund, highlighting significant events and key factors that influenced the year's financial results. While the Ministry of Education and Child Care (MECC) oversees educational programs and operating funding for school districts, the Ministry of Infrastructure is responsible for major school capital projects and related capital funding approvals. As a result, the discussion of the Capital Fund includes projects and funding administered through the Ministry of Infrastructure, while the Operating and Special Purpose Funds primarily reflect funding and programs overseen by MECC.

The table below summarizes the financial results for each fund, as well as the district's consolidated financial position.

As a provincially funded public sector organization, most of the district's revenue is provided through grants from the Ministry of Education and Child Care (MECC). In 2025/26, the district received \$456.9 million in provincial funding, representing over 82.5% of total revenue.

The district's largest area of expenditure is Instruction, which includes the costs of teaching, classroom support, and educational programs. In 2025/26, Instruction expenses totaled \$429.9 million, representing over 82.5% of overall expenses.

Statement 2	Operating	Special Purpose	Capital	Total
(in thousands of dollars)				
Revenue:				
Provincial Grants	\$390,712	\$66,190	\$0	\$456,901
Federal Grants	\$0	\$3,996	\$0	\$3,996
Tuition	\$23,729	\$0	\$0	\$23,729
Other Revenue	\$2,009	\$14,841	\$781	\$17,631
Rentals and Leases	\$3,147	\$0	\$395	\$3,543
Investment Income	\$4,236	\$0	\$809	\$5,045
Amortization of Deferred Capital Revenue	\$0	\$0	\$19,795	\$19,795
Contributed Land	\$0	\$0	\$23,290	\$23,290
Total Revenue	\$423,832	\$85,027	\$45,071	\$553,930
Expenses:				
Instruction	\$346,604	\$83,339	\$0	\$429,943
District Administration	\$18,503	\$438	\$0	\$18,941
Operations and Maintenance	\$42,994	\$1,140	\$421	\$44,555
Amortization Tangible Capital Assets	\$0	\$0	\$26,882	\$26,882
Transportation and Housing	\$844	\$110	\$0	\$954
Debt Services	\$0	\$0	\$13	\$13
Total Expenses	\$408,946	\$85,027	\$27,316	\$521,288
Surplus/(Deficit) for the Year	\$14,887	\$0	\$17,755	\$32,642
Fund Transfers to/(from)	(\$4,887)	\$0	\$4,887	\$0
Surplus/(Deficit), Net of Transfers	\$10,000	\$0	\$22,642	\$32,642

OPERATING FUND: SCHEDULE 2

The Operating Fund captures the day-to-day costs of running the district. Operations are funded primarily through Ministry of Education and Child Care grants, along with other revenues that support instructional programs, school and district administration, facilities operations and maintenance, and transportation. For 2025/26, the Operating Fund reported a surplus of \$10.0 million. The following schedule compares results for the year ended June 30, 2026, to the amended budget and prior year.

Schedule 2	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
REVENUE:					
Ministry & Other Grants	\$375,747	\$378,028	\$381,603	\$5,856	\$3,576
Labour Settlements*	\$4,148	\$0	\$9,108	\$4,961	\$9,108
Total Operating Grant	\$379,895	\$378,028	\$390,712	\$10,817	\$12,684
Other Revenue	\$35,517	\$32,453	\$33,121	(\$2,396)	\$667
Total Operating Revenue	\$415,412	\$410,481	\$423,832	\$8,421	\$13,351
EXPENSES:					
Salaries	\$279,719	\$290,471	\$285,533	\$5,815	(\$4,938)
Salaries - Labour Settlements*	\$3,733	\$0	\$8,707	\$4,974	\$8,707
Benefits	\$78,543	\$84,379	\$80,815	\$2,272	(\$3,563)
Benefits - Labour Settlements*	\$415	\$0	\$1,091	\$676	\$1,091
Services & Supplies	\$31,437	\$36,101	\$32,799	\$1,362	(\$3,302)
Total Operating Expenses	\$393,847	\$410,952	\$408,946	\$15,098	(\$2,006)
NET REVENUE (EXPENSE)	\$21,565	(\$470)	\$14,887	(\$6,678)	\$15,357
Budget Appropriation	\$0	\$3,750	\$0	\$0	(\$3,750)
Net Transfers (to)/from other funds:					
Capital Assets Purchased	(\$5,070)	(\$2,500)	(\$3,116)	\$1,954	(\$616)
Local Capital	(\$3,452)	(\$780)	(\$1,771)	\$1,681	(\$991)
Net Transfers to/(from) other funds	(\$8,522)	(\$3,280)	(\$4,887)	\$3,635	(\$1,608)
Surplus (Deficit) Net of Transfers	\$13,043	\$0	\$10,000	(\$3,043)	\$10,000

* Labour settlement revenues and expenses were fully offset, except for \$684k or 25% related to the CUPE wage settlement that had not yet been approved for Ministry funding at year-end.

Factors that contributed to the current year's surplus are as follows:

- *Higher Ministry Funding:* due to higher February enrolment, increased inclusive learners, and growth in graduated adult education enrolment and course completions.
- *Higher Other Revenue:* due to increase in rental revenues from stronger-than-anticipated community use rentals.
- *Lower Salary and Benefit Costs:* due to savings from vacant positions and employee leaves, particularly within support staff, education assistant, and specialized teacher positions, and year-end benefit adjustments.
- *Lower Services and Supplies Costs:* due to savings realized from lower utility and snow removal costs, unused contingencies, and departmental budget savings across the district.

These favourable variances were partially offset by higher-than-budgeted transfers to Capital to support technology replacements, vehicles and equipment, infrastructure improvements, and other asset purchases. In addition, the \$3.75 million budget appropriation was not required in 2025/26.

Revenues – Schedule 2A

Schedule 2A in the financial statements is a summary of the operating revenues for the year. It is comprised of several revenue streams including Provincial Ministry Grants, Tuition based revenue, Rentals revenue, Investment Income and other Miscellaneous revenues.

Provincial Grant Revenues

Provincial Ministry grants continue to be the district's primary source of revenue and form 92.2% of total operating revenues. The table below summarizes Ministry grant revenue by category for the prior year, amended budget, and current year.

GRANT REVENUES	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
REVENUE:					
Ministry Operating Grant	\$372,625	\$375,502	\$376,773	\$4,148	\$1,270
Labour Settlement Funding	\$4,148	\$0	\$9,108	\$4,961	\$9,108
Net Operating Grant	\$376,772	\$375,502	\$385,881	\$9,109	\$10,379
Other Ministry Grants:					
Graduated Adult Funding	\$2,150	\$1,619	\$3,170	\$1,020	\$1,551
Pay Equity	\$706	\$706	\$706	\$0	\$0
Other Ministry & Provincial	\$267	\$200	\$955	\$688	\$754
Total Other Ministry Grants	\$3,123	\$2,525	\$4,831	\$1,708	\$2,305
Total Ministry & Other Grants	\$379,895	\$378,028	\$390,712	\$10,817	\$12,684

Grant revenue increased by \$10.8 million compared to the prior year. The increase was primarily driven by a \$4.1 million rise in per-student funding, reflecting the full-year impact of prior-year COLA adjustments. While overall enrolment declined, growth in the number of inclusive learners helped offset the funding impact. An additional \$5.0 million was received for labour settlements, and Graduated Adult funding increased by \$1.0 million due to higher enrolment and course completions.

Compared to the amended budget, operating grant revenues were \$12.7 million higher than anticipated. The variance was primarily driven by \$9.1 million in unbudgeted labour settlement funding. Additional favourable variances included \$1.5 million from Graduated Adult Program funding, \$1.3 million from higher-than-projected February enrolment-based funding, and \$0.8 million from other Ministry grants and initiatives. See [Appendix B](#) for detailed enrolment and operating grant information.

Other Revenues

The district has five other revenue sources in addition to Ministry Grant Revenues: Continuing Education, International Tuition Fees, Miscellaneous, Rentals and Leases, and Investment Income. The following table provides a summary of Other Revenue with each revenue source is discussed in more detail below.

OTHER REVENUE	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
REVENUE:					
Continuing Education	\$474	\$266	\$443	(\$31)	\$176
International Tuition Fees	\$24,126	\$23,330	\$23,286	(\$840)	(\$44)
Miscellaneous	\$889	\$1,674	\$2,009	\$1,120	\$335
Rentals and Leases	\$2,804	\$2,668	\$3,147	\$343	\$479
Investment Income	\$7,223	\$4,516	\$4,236	(\$2,988)	(\$280)
Total Other Revenue	\$35,517	\$32,453	\$33,121	(\$2,396)	\$667

Continuing Education

Continuing Education revenue was \$31k below the prior year and \$176k above the amended budget. Although revenue declined slightly year over year, enrolment in the Business Careers and Job Skills program and summer tuition-based credit courses for international students exceeded budget expectations, resulting in a favourable variance.

International Education Revenues

International Education revenue declined by \$840k compared to the prior year, primarily due to lower enrolment of 82 FTE students. The decrease reflects recent changes in Canadian immigration policies, which contributed to lower enrolment and reduced tuition, application, and processing fee revenues. This impact was offset, in part, by a \$500 increase in the international tuition fee rate, which went up from \$17,500 per student in 2024/25 to \$18,000 per student in the current year.

Compared to the amended budget, International Education revenue was \$44k lower than projected. This was primarily due to a decrease in enrolment of 26 FTE students in the regular program than the budgeted number of 1,150 FTE students. The impact of lower regular program tuition revenue was partially offset by higher-than-expected revenues in the summer school and short-term programs.

Miscellaneous Revenues

Other miscellaneous revenues were \$1.1 million higher than prior year, primarily due to a one-time grant received for future computer hardware purchases and the recognition of deferred revenues related to the Terry Fox Theatre seat levy. These levy funds were collected over several years and restricted for the theatre seat replacement project, which was completed during the year.

Compared to the amended budget, miscellaneous revenues were \$335k higher than anticipated, mainly due to the recognition of Terry Fox Theatre seat levy revenues, higher recoveries from the sale of maintenance vehicles and equipment, and additional grant funding received from BC Hydro and FortisBC.

Rentals and Leases

Facility rental revenue, including childcare space rentals and other related revenues exceeded projections, finishing \$343k higher than the prior year and \$479k above the amended budget. The increase was driven by strong community demand for facility rentals, along with rental rate increases implemented during the year to help offset inflationary cost pressures.

Revenue was also supported by the expansion of school-age childcare programs on school grounds, including the addition of 24 new licensed spaces at both Smiling Creek Elementary and Moody Elementary, as well as expansions of existing programs at Glen Elementary and Hampton Park Elementary, where capacity increased from 24 to 54 licensed spaces at each site.

Investment Income

Investment income was \$3.0 million lower than the prior year and \$280k below the amended budget. The decrease was primarily due to the district's transition from Guaranteed Investment Certificates (GICs) to secure callable Principal Protected Market-Linked Notes. Unlike GICs, investment income earned on these instruments is not recognized until the note is called. As a result, investment income recorded in the current year was lower budgeted.

Salaries and Benefits Expenses – Schedule 2B

The largest component of the district's operating expenses is associated with salaries and benefits. This makes up 92.0% of total operating expenses. The table below provides a summary of salary expense by each staffing group for the prior year, amended budget and current year. This information is derived from *Schedule 2B* of the financial statements. Overall, the district spent \$10.8 million more on salaries this year than the prior year, and \$3.8 million more than was budgeted. Included in these salary amounts are labour settlement costs totaling \$8.7 million, which were \$5.0 million higher than the prior year and were not included in the current year budget. Each salary category is discussed in more detail below.

SALARIES	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
Salaries:					
Teachers	\$178,034	\$178,129	\$182,124	\$4,090	\$3,995
Administrators	\$20,172	\$20,660	\$20,346	\$174	(\$314)
Educational Assistants	\$28,755	\$31,819	\$32,076	\$3,321	\$257
Support Staff	\$30,611	\$33,216	\$32,114	\$1,502	(\$1,102)
Other Professionals	\$8,994	\$9,119	\$9,074	\$80	(\$45)
Substitutes	\$16,885	\$17,528	\$18,506	\$1,622	\$979
Total Salaries	\$283,452	\$290,471	\$294,240	\$10,789	\$3,769

Teachers

Teacher salary expenses were \$4.0 million higher than the prior year, primarily due to the teacher collective agreement settlement, which included a 3.0% wage increase at an additional cost of \$5.5 million. Salary costs also increased to support higher enrolment in the Graduated Adult Program. These increases were partially offset by a reduction of 28.2 FTE teachers resulting from lower overall student enrolment and fewer English Language Learners (ELL).

Teacher salary expenses were \$4.0 million above budget, primarily due to the teacher collective agreement settlement, which included a 3.0% wage increase at an additional cost of \$5.5 million. The impact was partially offset by savings from ongoing recruitment challenges in specialized student services positions, including Psychologists, Vision Teachers, and Speech-Language Pathologists, as well as an unused contingency provision of \$435k.

Principals and Vice Principals

Principal and Vice-Principal salary expenses were \$174k higher than the prior year, primarily due to salary increments of 2.5% totalling \$449k, offset by savings in the lag time in hiring a district principal position and unanticipated unpaid leaves.

Actual expenses were \$314k lower than budget, primarily due to lag time in filling vacant positions and unanticipated unpaid leaves. In addition, salary increment costs originally budgeted by the District were no longer required after the Ministry confirmed funding support for these costs. The budgeted amount more than offset the impact of actual salary increments of 2.5%.

Education Assistants

Educational Assistant salary expenses were \$3.3 million higher than the prior year, primarily due to the addition of 52.0 FTE Educational Assistants to support a growing number of inclusive learners and increasingly complex student needs. Costs also increased due to the 3.0% CUPE wage increments, which were accrued at year-end following ratification of the collective agreement.

Educational Assistant salary expenses were \$257k above budget, primarily due to \$1.1 million in unbudgeted wage increases resulting from the CUPE settlement. This was partially offset by \$0.8 million in salary savings from unpaid leaves, unpaid sick time, and normal staffing lag between employee departures and replacement assignments.

Support Staff

Support Staff salary expenses were \$1.5 million higher than the prior year, primarily due to \$960k in accrued CUPE wage increments resulting from the 3.0% wage settlement ratified shortly after year-end. Additional cost pressures resulted from fewer caretaking leaves and other employee absences, as well as the addition of new positions to support operational and student needs. These included 0.43 FTE of clerical support and 0.25 FTE of caretaker support at Minnekhada Middle to address enrolment growth and additional portables, along with 0.43 FTE of noon hour supervision to enhance student visibility and safety.

Despite the year-over-year increase, Support Staff salary expenses finished \$1.1 million below budget, primarily due to \$2.1 million in vacancy savings, particularly in maintenance, HVAC, carpentry, and information technology positions, as well as temporary staffing gaps resulting from employee turnover and unpaid leaves. These savings were partially offset by \$960k in unbudgeted wage increases related to the CUPE settlement.

Other Professionals

Actual expenses were \$80k higher than the prior year, primarily due to salary increments averaging 2.5%, totalling \$163k, and costs associated with two staff members supporting Enterprise Resource Planning (ERP) process documentation; however, these costs will ultimately be funded from restricted surplus set aside for ERP implementation. The increase was partially offset by savings resulting from the vacancy of a Maintenance Manager position and an administrative reorganization following the retirement of an Assistant Superintendent whose position was not replaced.

Actual expenses ended the year \$45k below budget. Savings were realized from salary increment costs that were initially budgeted by the District but later funded by the Ministry, as well as the vacancy of a Maintenance Manager position. These savings more than offset the impact of actual salary increases, the addition of two temporary ERP support positions to assist with the ERP selection process, and the transfer of capital project manager salaries to the operating fund as available capital funding was insufficient to fully support these costs.

Substitutes

Substitute salary expenses exceeded the prior year by \$1.6 million and budget by \$1.0 million, primarily due to increased replacement costs for teacher and educational assistant absences related to illness and other leaves, temporary staffing coverage during employee turnover, and contractual wage increases that were not budgeted for in the current year. These additional costs were partially offset by savings from permanent TTOCs working in teaching assignments, and support staff absences that were not replaced.

Benefits

Benefit costs consist of both statutory and contractual obligations. Statutory benefits include CPP, EI, Employer Health Tax, and WorkSafeBC premiums, which vary based on employee earnings and legislated rates. Contractual benefits include pension contributions, employer-paid premiums for extended health and dental coverage, the Employee Assistance Program (EAP), and post-employment benefits, which are based on employee participation in benefit plans and years of service.

Benefit costs are the second largest expense category after salaries, representing over 20% of total operating expenditures. Overall, the district spent \$2.9 million more on benefits than the prior year, and \$2.5 million less than budgeted. Included in these amounts are benefits related to labour settlement costs totalling \$1.1 million, which were \$0.7 million higher than prior year and were not included in the current year budget. The table below provides a breakdown of the benefit expenses.

BENEFITS	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
Statutory:					
Canada Pension Plan	\$11,759	\$12,643	\$12,743	\$984	\$100
Employment Insurance	\$4,182	\$4,268	\$4,244	\$62	(\$24)
Employer Health Tax	\$5,231	\$5,296	\$5,413	\$182	\$117
WorkSafeBC	\$3,729	\$3,975	\$3,965	\$236	(\$10)
Total Statutory	\$24,901	\$26,182	\$26,365	\$1,464	\$183
Extended Health & Dental:					
Extended Heath	\$11,913	\$13,580	\$12,460	\$547	(\$1,120)
Dental	\$8,348	\$9,572	\$8,598	\$249	(\$974)
Total Extended Health & Dental	\$20,262	\$23,152	\$21,058	\$796	(\$2,094)
Pension:					
Teacher Pension Plan	\$20,778	\$20,833	\$21,341	\$563	\$508
Municipal Pension Plan	\$7,324	\$7,628	\$7,647	\$322	\$19
Total Pension	\$28,103	\$28,461	\$28,988	\$885	\$527
Other - Benefit Costs & Interest	\$2,771	\$3,349	\$2,915	\$144	(\$434)
Other - Various	\$2,922	\$3,235	\$2,581	(\$341)	(\$655)
Total Other	\$5,693	\$6,584	\$5,496	(\$197)	(\$1,089)
Total Benefits	\$78,958	\$84,379	\$81,906	\$2,948	(\$2,473)

Benefit costs increased by \$2.9 million compared to the prior year, primarily due to rising extended health and dental premiums of \$0.8 million, higher pension contributions of \$0.9 million, and increased CPP and EI costs of \$1.0 million. Additional increases in WorkSafeBC premiums and employer health taxes contributed \$0.4 million, partially offset by net savings of \$0.2 million in other benefit-related costs. Many of these increases were driven by contractual wage adjustments and higher premium rates.

Despite the year-over-year increase, actual benefit costs were \$2.5 million below budget. This favourable variance was mainly due to lower-than-budgeted extended health and dental premiums of \$2.1 million, and lower employee future benefit service and interest costs \$0.4 million. Additional net savings of \$0.7 million were realized across other benefit categories, partially offset by higher statutory benefit costs and pension contributions of \$0.7 million.

Services and Supplies – Schedule 2B

Service and supplies expenses for the 2025/26 fiscal year accounted for 8.0% of the district's total operating expenditures. The table below summarizes these costs by each expense category for the prior year, amended budget and current year. This information can be found in [Schedule 2B](#) of the financial statements. Overall, the district spent \$1.4 million more than the prior year but was \$3.3 million below the amended budget. Each expense category is discussed in more detail below.

SERVICES & SUPPLIES	Prior Year	Budget	Actual	Actual vs Prior Year	Actual vs Budget
	(in thousands of dollars)			Higher/(Lower)	
Services & Supplies					
Services	\$9,194	\$9,685	\$9,467	\$274	(\$218)
Student Transportation	\$544	\$694	\$789	\$244	\$94
Professional Development	\$2,232	\$2,392	\$2,149	(\$83)	(\$243)
Rentals & Leases	\$435	\$534	\$548	\$113	\$15
Dues & Fees	\$1,888	\$1,892	\$2,031	\$143	\$139
Insurance	\$1,820	\$2,000	\$1,790	(\$30)	(\$210)
Supplies	\$9,835	\$12,091	\$10,702	\$868	(\$1,389)
Utilities	\$5,489	\$6,813	\$5,322	(\$167)	(\$1,490)
Total Services & Supplies	\$31,437	\$36,101	\$32,799	\$1,362	(\$3,302)

Services

Service-related expenses increased by \$274k compared to the prior year, primarily due to inflationary pressures and higher contracted service costs across several areas. Key drivers included increased International Education advertising, higher maintenance and repair contracts, greater insurance deductible costs, and other miscellaneous service fees.

Despite the year-over-year increase, actual expenditures finished \$218k below the amended budget. This favourable variance was largely driven by snow removal costs that were \$265k lower than anticipated due to milder winter conditions. These savings were partially offset by net budget pressures of approximately \$47k across other service categories.

Student Transportation

Student transportation costs were \$244k higher than the prior year and \$94k above budget. The increase was partly attributable to a one-time \$132k capital cost recovery recorded in the prior year related to the delayed opening of Coast Salish Elementary. Additional cost pressures included higher contractual rates, increased fuel surcharges, and a growing number of students requiring transportation services. Fuel surcharges remained elevated throughout the year due to ongoing volatility in energy markets.

Professional Development

Professional development expenditures decreased by \$83k when compared to the prior year, primarily due to lower implementation, travel, and mentorship costs. These savings were partially offset by increased spending on teacher and educational assistant training, along with other professional development initiatives. Although these costs were higher than the prior year, actual overall expenditure finished \$243k below budget expectations.

Rentals and Leases

Rental and lease expenses increased by \$113k compared to the previous year and were \$15k higher than the amended budget. The increase was primarily driven by higher facility rental costs for the Coquitlam Learning Opportunity Centre (CLOC) and other programs. These pressures were partially offset by lower costs for leased vehicles following recent investments in locally funded capital vehicle replacements.

Dues and Fees

Expenses for dues and fees were \$143k higher than the prior year and \$139k above budget. While International Education enrolment declined compared to both the prior year and budget, agency commission expenses were higher than the prior year due to a shift in student demographics. Historically, many international students remained in the district for multiple years, reducing the frequency of recruitment-related commission payments. More recent enrolment trends show a higher proportion of short-term students from European markets, where commission rates are typically higher. The combination of higher commission rates and more frequent student turnover contributed to the increase in expenses.

Insurance

Insurance expenses decreased by \$30k from the prior year and were \$210k below amended budget. The favourable variances were primarily attributable to lower Medical Services Premium (MSP) costs associated with reduced International Education enrolment, resulting in savings of \$65k compared to the prior year and \$125k compared to budget. These savings were partially offset by increases in vehicle fleet and property insurance premiums under the School Protection Program.

Supplies

Supplies expense was \$868k higher than the previous year, primarily due to fewer large equipment purchases being capitalized. As a result, a greater proportion of purchases consisted of smaller equipment and supply items that were expensed through operations rather than capitalized. This increase in supply costs was partially offset by lower year-over-year spending on building maintenance materials and custodial supplies, as well as higher unspent contingency budgets.

Supplies expense was \$1.4 million below budget. The favourable variance was primarily due to \$0.6 million more in transfers to capital for tangible capital asset purchases than budgeted, which reduced operating supply expenses. Additional savings resulted from unspent contingency budgets as well as lower-than-anticipated spending on building maintenance materials and custodial supplies.

Utilities

Utilities expenses decreased by \$167k compared to the prior year and finished \$1.5 million below amended budget. The favourable variances were primarily driven by a milder winter, which reduced natural gas and electricity consumption. Additional savings resulted from the district's energy conservation initiatives, and lower carbon tax charges. Overall, these results reflect both effective energy management practices and favourable weather conditions during the year.

ACCUMULATED SURPLUS – OPERATING FUND

The Board's *Accumulated Operating Surplus Policy (Policy #23)* is a key component of its multi-year financial strategy to support a stable and sustainable organization. Reviewed annually, the policy helps reduce year-to-year funding fluctuations, supports long-term financial planning, and provides resources to address unforeseen costs, fund one-time priorities, and support capital investments such as technology, educational initiatives, deferred facility maintenance, and other unfunded capital needs.

The policy also restricts funds for unspent targeted grants and school-based budgets, allowing resources to be carried forward to support expenditures that span multiple years.

The operating surplus summary below outlines the current year's results, including the planned use of reserves carried forward from prior years.

Current Year Surplus Summary	Amount
	(in thousands of dollars)
Total Operating Surplus (Deficit), for the year - per Schedule 2	\$9,999
Adjust for Budgeted Surplus Usage	\$3,750
Adjust for Other Surplus Usage	\$312
2025/26 Adjusted Surplus	\$14,061

Surplus Continuity Summary

The table below summarizes the change in accumulated surplus from the beginning to the end of the fiscal year, as detailed in Schedule 2. The closing balance reflects the planned future use of operating surplus funds and will be formally approved by the Board as part of the annual financial statement approval process.

Schedule of Accumulated Surplus	2024-25	2025-26		
	Opening	Utilized	Restricted	Closing
	(in thousands of dollars)			
Internally Restricted Due to the Nature of Constraints on the Funds:				
Carryforward Surpluses	\$3,208	\$0	\$323	\$3,531
ESA Contingency Reserve	\$1,000	(\$9)	\$0	\$991
Facility & Maintenance Initiatives	\$2,056	(\$18)	\$0	\$2,037
Technology Initiatives	\$1,225	\$0	\$0	\$1,225
Education Stabilization Reserve	\$4,000	\$0	\$0	\$4,000
Teacher Mentorship Funds	\$621	(\$14)	\$0	\$606
Business Systems Initiative	\$4,165	(\$241)	\$7,709	\$11,633
Staffing Stabilization Reserve	\$6,000	\$0	\$0	\$6,000
Contingency for Benefits	\$5,000	\$0	\$0	\$5,000
Contingency for Risk Management	\$0	\$0	\$2,000	\$2,000
School Based Capital Initiatives	\$11,683	(\$29)	\$0	\$11,654
Contractual Reserves (Joint Use Agreements)	\$3,497	\$0	\$279	\$3,777
Subtotal Balance	\$42,455	(\$312)	\$10,311	\$52,455
Internally Restricted for Operations Spanning Multiple School Years:				
2025/26 - Staffing Stabilization Provision	\$3,750	(\$3,750)	\$0	\$0
2026/27 - Staffing Stabilization Provision	\$3,750	\$0	\$0	\$3,750
2027/28 - Staffing Stabilization Provision	\$2,500	\$0	\$1,250	\$3,750
2028/29 - Staffing Stabilization Provision	\$1,250	\$0	\$1,250	\$2,500
2029/30 - Staffing Stabilization Provision	\$0	\$0	\$1,250	\$1,250
Subtotal Balance	\$11,250	(\$3,750)	\$3,750	\$11,250
Total Internally Restricted Operating Fund Surplus	\$53,705	(\$4,062)	\$14,061	\$63,705

SPECIAL PURPOSE FUND (SPF): SCHEDULE 3

Special Purpose Funds consist of targeted funding allocated to school districts for a specific purpose. The annual funding received varies from year to year and is confirmed throughout the year. SPF revenues are recognized in conjunction with expenses incurred. SPF's account for approximately 16.3% of the district's total expenses and are made up approximately 20-25 different funds as summarized below. A full description of each of the Special Purpose Funds has been provided in [Appendix A](#).

Special Purpose Funds	Prior Year	Budget	Actual
	(in thousands of dollars)		
Deferred Revenue, beginning of year	\$11,611	\$9,287	\$9,287
Add: Contributions Received	\$82,443	\$81,395	\$87,135
Less: Expenses	(\$84,767)	(\$82,674)	(\$85,027)
Less: CEF Remedy Recovery	\$0	\$0	(\$128)
Deferred Revenue, end of year	\$9,287	\$8,007	\$11,268

Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. The table below captures the expenses incurred in fiscal 2025/26 for each of the special purpose funds.

Special Purpose Funds	Prior Year		Actual	
	FTE	in \$000's	FTE	in \$000's
Provincial Grant Funded:				
Annual Facilities Operating Grant	-	\$1,140	-	\$1,140
Changing Results for Young Children	-	\$7	-	\$0
Classroom Enhancement Fund	383.2	\$54,364	387.3	\$56,705
Community LINK	18.0	\$1,758	18.0	\$1,799
Early Care and Learning	1.1	\$169	0.3	\$157
Feeding Futures School Fund Program	10.1	\$3,790	9.8	\$3,318
First Nation Student Transportation Fund	-	\$69	-	\$110
Learning Improvement Fund	24.2	\$1,310	24.2	\$1,333
Literacy Professional Learning	-	\$0	-	\$50
Mental Health in Schools	-	\$58	-	\$26
National School Food Program	-	\$0	-	\$395
Official Languages Education in French Programs	0.8	\$796	1.4	\$514
Provincial Resource Program (Day Treatment)	1.5	\$183	1.5	\$188
Ready Set Learn	0.5	\$109	0.5	\$105
Strengthening Early Years to K Transitions	-	\$7	-	\$1
Strong Start	5.0	\$320	5.0	\$340
Student and Family Affordability Fund	-	\$849	-	\$0
Sub-total	444.5	\$64,928	448.0	\$66,180
School Generated Funds:				
School Generated Funds	-	\$14,325	-	\$14,444
Sub-total	-	\$14,325	-	\$14,444
Federal Grant Funded:				
Language Instruction for Newcomers	13.5	\$3,342	12.5	\$3,175
Settlement Workers in Schools	10.5	\$845	8.5	\$821
Sub-total	24.0	\$4,187	21.0	\$3,996
Other:				
Apprenticeship Program	1.7	\$360	1.7	\$302
Others (Staff Dev, Comm Connections, Sundry etc.)	-	\$967	-	\$104
Sub-total	1.7	\$1,327	1.7	\$406
Total	470.2	\$84,767	470.7	\$85,027

Classroom Enhancement Fund

The Classroom Enhancement Fund was established in 2017 following a Memorandum of Agreement, between the Ministry of Education and Child Care, The BC Teachers Federation (BCTF) and BC Public School Employers' Association, resolving all matters related to the implementation of the 2016 Supreme Court of Canada decision on class size and composition. The fund supports school districts in hiring additional teachers and covering related overhead costs to meet restored collective agreement provisions.

CEF funding is made of three separate components: Teacher Staffing, Overhead Costs and Remedy. The diagram below provides comparative figures from prior year.

Classroom Enhancement Fund	Prior Year		Actual		Higher/(Lower)	
	FTE	in \$000's	FTE	in \$000's	FTE	in \$000's
Staffing:						
Teachers	349.2	\$45,594	353.3	\$47,551	4.1	\$1,957
TTOC's		\$1,902		\$1,981	-	\$80
Total Staffing	349.2	\$47,496	353.3	\$49,532	4.1	\$2,036
Overhead:						
Educational Assistants	33.0	\$1,955	33.0	\$2,013	-	\$59
Administrators	1.0	\$438	1.0	\$452	-	\$13
Other Expenses		\$110		\$113		\$3
Total Overhead	34.0	\$2,503	34.0	\$2,578	-	\$75
Remedy Costs		\$4,365		\$4,594		\$229
Total	383.2	\$54,364	387.3	\$56,705	4.1	\$2,341

The school district received \$49.5 million in teacher staffing funding which provided staffing of 353.3 FTE teachers. Staffing increased over the prior year because of an increase in non-enrolling student to staffing ratio requirements and the usage of the flex factor.

The district received \$2.6 million in overhead funding which provided staffing of 33.0 Educational Assistants, 1.0 District Principal, mentoring cost of new teachers, some administrative cost of remedy tracking and costs related to relief time for teachers to do Individual Education Plans (IEP's).

Initial remedy funding was based on extrapolation of actual October 2025 remedies incurred. Actual Remedy costs came in higher than the prior year and below amended budget. Since the funding provided for remedy was higher than actual costs incurred, the excess funding will be recovered by the Ministry in the following fiscal year.

School Generated Funds

School Generate Funds is the second largest component of the Special Purpose funds and represents the total accumulated funds held at the school level. These funds are held within each school's own bank account and is comprised of monies raised through fundraising activities, student fees, cafeteria revenue, school store revenue, donations from Parent Advisory Councils, to support school-based programs, various activities, equipment purchases, field trips and other educational opportunities. While School Generated Funds are consolidated into the district's financial statements, decisions regarding the use of these funds are generally made at the school level and are restricted to supporting the purposes for which the funds were raised or collected.

Federally Funded Programs

The Language Instruction for Newcomers to Canada (LINC) and Settlement Workers in Schools (SWIS) are federally funded programs to support newcomer families in developing language skills, accessing services, and successfully integrating into the community. Recent federal funding reductions have affected both programs.

- LINC provides English language instruction and settlement support for newcomer and refugee families. The program currently funds 12.5 FTE staff, a reduction of 1.0 FTE from the prior year due to federal funding reductions.
- SWIS provides school-based settlement support, helping newcomer students and families navigate the education system and connect with community resources. The program currently funds 8.5 FTE staff, a reduction of 2.0 FTE from the prior year due to federal funding reductions.

Feeding Futures School Food Program

The district received \$3.53 million in Feeding Futures funding for the 2025/26 school year, along with \$57k carried forward from the prior year. Funding was used to support and expand student food security initiatives across the district through direct school allocations, community partnerships, district meal programs, staffing, food purchases, supplies, and family food security supports. Key community partners included Share Society, BC Agriculture in the Classroom, Access Youth Outreach Services, Fresh Roots, Rotary Club, and Backpack Buddies supported initiatives. The program continued to enhance access to nutritious food for students by supporting breakfast, lunch, snacks, food hub, and family support programs across the district. Most of the available funding was utilized during the year, with \$272k remaining to be carried forward into 2026/27 to support ongoing program delivery and future initiatives.

Feeding Futures Food Program	Prior Year		Actual		Higher/(Lower)	
	FTE	in \$000's	FTE	in \$000's	FTE	in \$000's
Funds Allocated:						
Direct to Schools		\$1,123		\$855		(\$268)
Direct to Food Partners		\$749		\$688		(\$61)
Total Funds Allocated	-	\$1,871	-	\$1,542	0.0	(\$329)
Funds Held at Board Level:						
Lunch Program Food		\$764		\$678		(\$86)
Staffing	10.1	\$806	9.8	\$765	(0.3)	(\$41)
Teacher DH Allowances		\$265		\$265		\$0
Other: Equip, Supplies, Mileage		\$84		\$67		(\$16)
Total Funds Held at Board Level	10.1	\$1,919	9.8	\$1,775	(0.3)	(\$143)
Total	10.1	\$3,790	9.8	\$3,318	(0.3)	(\$472)

National School Food Program

The National School Food Program complemented Feeding Futures by providing an additional \$531k in federal funding, along with \$18k carried forward from prior year. The funding was used to expand food access through community partnerships, and investments in kitchen equipment and food preparation infrastructure. By June 30, 2026, the district had spent approximately \$395k, with the remaining \$154k carried forward to further enhance school food programs in 2026/27.

CAPITAL FUND: SCHEDULE 4

Capital fund revenues and expenses reflect the district's capital activities, including school construction, facility upgrades, vehicles, furniture and equipment, portable classrooms, and other infrastructure investments. Capital transactions are recorded as Investments in Tangible Capital Assets or Local Capital, depending on the source and nature of the funding. Capital projects are funded through a variety of provincial and local sources and are subject to specific funding and approval requirements. Beginning in 2025, responsibility for major school capital projects transitioned to the Ministry of Infrastructure, while the Ministry of Education and Child Care continues to oversee educational planning and operating funding.

The table below is a summary of the Schedule of Capital operations – see [Schedule 4](#) of the financials.

Capital Operations (Schedule 4)	Previous Year	Invested in Tangible Capital Assets	Local Capital	Total Actual
	(in thousands of dollars)			
Revenues	\$20,469	\$43,185	\$1,886	\$45,071
Expenses	\$26,459	\$26,982	\$334	\$27,316
Capital Surplus (Deficit) for the year	(\$5,990)	\$16,203	\$1,552	\$17,755
Fund Transfers	\$8,522	\$3,068	\$1,819	\$4,887
Other Adjustments	\$0	\$6,839	(\$6,839)	\$0
Total Capital Surplus (Deficit) for the year	\$2,532	\$26,110	(\$3,468)	\$22,642
Opening Accumulated Surplus	\$223,898	\$193,105	\$33,325	\$226,430
Closing Accumulated Surplus	\$226,430	\$219,215	\$29,857	\$249,072

Revenues are comprised of funding received from the Ministry for larger projects such as school buildings and District generated revenues such as lease income from closed school sites, investment income, and other miscellaneous revenues. Ministry funded projects are generally recorded as deferred capital revenue over the life of the asset, at the same rate as the amortization of the asset, and this is recorded under Investments in Tangible Capital Assets. District generated revenues on the other hand are recorded in the year received and recorded under local capital. In the current year, the district recognized a total of \$45.1 million in capital revenues including \$23.3 million associated with a major land-related transaction, \$19.8 million in deferred capital revenues from the Ministry, and \$2.0 million in district generated capital revenues.

Expenses are comprised of amortization of tangible capital assets, interest on capital leases and expenses for minor capital repairs and maintenance that are too small to capitalize. For the current year, the district recorded \$26.9 million in amortization of assets and an additional \$0.4 million in minor capital initiatives funded through local capital funds.

Fund Transfers are comprised of funds transferred from the Operating Fund required to capitalize the purchase of assets such as computers, vehicles, furniture, and equipment and to support other capital infrastructure-related initiatives. During the year, \$3.1 million was transferred from the Operating Fund for capital items purchased during the year and an additional \$1.8 million was transferred to local capital for asset purchases in progress, funds required for replacement maintenance vehicles and equipment, and the replacement of computer hardware and display screens.

Other Adjustments are comprised of transfers from Local Capital to Tangible Capital Assets for capital purchases funded through Local Capital. This includes the District's \$6.0 million contributions toward the new Burke Mountain Secondary school (part of the \$25.0 million commitment), as well as investments in computers, vehicles and equipment for the facilities department.

The table below summarizes the school district's various capital fund balances, which have specific restrictions or have been set aside for specific use.

Capital Funds (Schedule 4D)	June 30, 2025	June 30, 2026	Variance
	(in thousands of dollars)		
Ministry Restricted Capital	\$3,855	\$3,955	\$100
SSAC Capital	\$18,939	\$21,576	\$2,637
Other Provincial Capital	\$6,285	\$5,727	(\$558)
Other Capital	\$756	\$648	(\$108)
Total Deferred Capital Revenue	\$29,836	\$31,906	\$2,070

Ministry Restricted Capital: These are funds held on behalf of the Ministry and may include their portion of proceeds on the disposal of land and buildings, and any surpluses from completed Ministry funded capital projects. The balance in this fund increased by \$100k, due to interest earned during the year.

School Site Acquisition Charge (SSAC) Capital: These funds represent monies collected from municipalities and villages through School Site Acquisition Charges, which are restricted for future school site land acquisitions identified in the district's capital plan. The increase was attributed to \$426k in investment income earned on the balance and \$2.2 million in School Site Acquisition Charges remitted to the district during the year. As of June 30, 2026, the fund had an available balance of \$21.6 million, but \$7.5 million has been restricted for a land acquisition related to a future elementary school site within the Fraser Mills development. The deposit will be applied towards the School Site Acquisition Charge balance once the acquisition is completed.

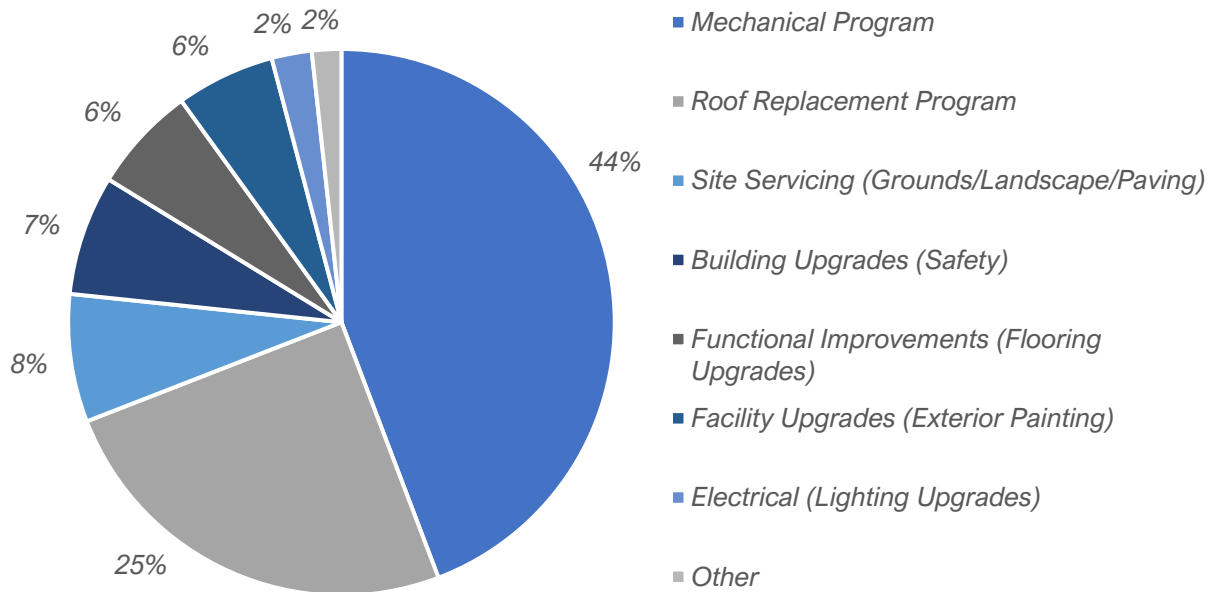
Other Provincial Capital: These funds represent amounts received from the Ministry of Children and Family Development under their Childcare BC New Spaces initiative. During the year, the district received \$5.6 million for the IOCO Child Care Centre, partially offset by \$0.6 million in related project costs. The remaining balance relates primarily to completed childcare projects, including new childcare spaces at Coast Salish and Moody Elementary schools, and before-and after-school care spaces at Alderson, Blakeburn, Kilmer, and Glen Elementary schools. These funds are being retained to cover any remaining project costs, including invoices received after project completion.

Other Capital: These funds represent proceeds held back from the Glen Elementary land sale with the City of Coquitlam to provide annual maintenance to the artificial turf field at Centennial Secondary. The decrease in this fund represents the recognition of the current year's maintenance costs. The remaining balance represents the value of the maintenance costs for future years along with other miscellaneous contributions received.

Annual Facility Grant (AFG)

The Annual Facility Grant is provided by the Ministry for designated school capital or maintenance upgrades. \$7.72 million was provided by the Ministry for the 2025/26 school year and was expensed on the following projects as illustrated below:

2025/26 Project Funding by Type



The district completed 120 AFG funded projects last year, detailed in the table below. These projects are in addition to maintenance work supported through the operating funds.

Project Type	Number of Projects	Spend on Projects
	#	(in thousands of dollars)
Mechanical Program	30	\$3,412.19
Roof Replacement Program	7	\$1,919.17
Site Servicing (Grounds/Landscape/Paving)	25	\$583.95
Building Upgrades (Safety)	22	\$547.59
Functional Improvements (Flooring Upgrades)	22	\$484.56
Facility Upgrades (Exterior Painting)	7	\$451.31
Electrical (Lighting Upgrades)	4	\$183.06
Other: Contractual Reserves	1	\$76.16
Other: Site Upgrades	1	\$29.04
Other: IT Updates	1	\$28.98
Total	120	\$7,716.01

Capital Projects

The district has been working on various capital projects throughout the year. The following is a summary of some of the projects that were completed during the year, in-progress or being actively planned.

Burke Mountain Secondary (new school)



- Coquitlam
- Funding approval date: March 1, 2022
- Anticipated opening: Fall 2027
- Estimated student capacity: 1000 with the ability to expand to 1200 students
- Estimated total project cost: \$160 million

Hazel Trembath Elementary (replacement)



- Port Coquitlam
- Funding approval date: January 16, 2026
- Anticipated opening: December 2027
- Estimated student capacity: 240
- Estimated total project cost: \$39 million

Montgomery Middle (seismic replacement)



- Coquitlam
- Funding approval date: July 23, 2024
- Anticipated opening: Fall 2028
- Estimated student capacity: 600
- Estimated total project cost: \$86 million

Moody Elementary (seismic replacement)



- Port Moody
- Funding approval date: August 23, 2023
- Opened: January 2026
- Estimated student capacity: 325 with the ability to expand to 450
- Estimated total project cost: \$39 million

Charles Best Secondary (12 classroom addition)



- Coquitlam
- Funding approval date: July 5, 2024
- Anticipated opening: Summer 2026
- Estimated student capacity: 300
- Estimated total project cost: \$18 million

Loco School (childcare centre)



- Port Moody
- Funding approval date: April 24, 2025
- Anticipated opening: Coming soon
- Estimated student capacity: 150
- Estimated total project cost: \$14 million

In addition to the projects noted above, other major capital initiatives include building envelope replacements at Bramblewood Elementary, Mountain Meadows Elementary, Pinetree Way Elementary, and Roy Stibbs Elementary.

On June 19, 2026, the district received approval for \$288k in ChildCareBC New Spaces Fund funding from the Ministry to support the development of two before-and after-school childcare centres. The projects will create 24 licensed childcare spaces at both Eagle Ridge Elementary and Mary Hill Elementary, adding a total of 48 new spaces across the district. These additions will increase access to licensed childcare within the community and help meet the growing demand for childcare services.

Capital Plan Funding Requests

SD43's capital plan requests, submitted to the Ministry of Infrastructure annually in June, consists of the following highest priority projects.

New School Expansion Projects

- *NE Coquitlam Middle*
- *Marigold Elementary*

School Additions

- *Maple Creek Middle*
- *Moody Elementary*

School Replacements

- *Maple Creek Middle*
- *Nestor Elementary*

Seismic Mitigation

- *Maple Creek Middle*
- *Dr. Charles Best Secondary*

Site Acquisition

- *Fraser Mills Elementary*

RISK & UNCERTAINTY

FINANCIAL STABILITY, RISKS, AND OTHER SIGNIFICANT ITEMS

The district maintains a Risk Registry which identifies various areas of risk exposure for the district and actions taken or planned to mitigate these risks. This report is updated on an annual basis and presented to the Board. While the operationalization of the accumulated surplus policy helps to soften or reduce some of these risk exposures, the following risks have been identified to have the greatest impact on school district operations.

Cyber Security and Infrastructure

In today's digital world, the threat of cyber-attacks is a constant and evolving risk. As the district's technology systems and infrastructure age, vulnerabilities increase, making it essential to maintain up-to-date systems to safeguard against cyber threats and ensure operational efficiency. Proactive monitoring, ongoing staff and student education, and responsible use of emerging technologies such as artificial intelligence are critical to protecting sensitive data and maintaining system integrity.

Additionally, the district's legacy Enterprise Resource Planning (ERP) system is also aging and lacks the modern functionality and robust security features required to support current operational demands. Its limitations pose a risk of service disruptions and hinder effective decision making. Replacing the legacy ERP system and keeping pace with rapid technological advancements will require significant investment in technical expertise and financial resources that will increase budgetary pressures.

Grant Revenue - Underfunding of Wage Settlement, Benefits, and Inflation

The operating grant is the single largest source of funding for the school district's operating expenses. The Ministry of Education and Child Care provides funding based on student enrolment, unique student needs as well as some other supplemental funds. While the funding increases mostly cover the negotiated salary and wage increases, it does not adequately cover teacher step increments, incremental staffing needs or inflationary increases.

Funding has not kept pace with rising statutory and contractual benefit costs, including higher CPP contributions, new second-tier CPP costs, increased WorkSafe premiums, and unfunded sick leave for substitute staff. Inflationary pressures are also not funded by the Ministry, reducing resources available to schools and requiring the district to do more with less. This underfunding is not sustainable and cannot be absorbed without reductions elsewhere, particularly as less than 10% of operating expenses relate to services and supplies, leaving limited flexibility.

Federal Immigration Policy Changes

Recent changes in federal immigration policy have introduced significant uncertainty in student enrolment projections, making it increasingly difficult for the district to plan effectively for staffing and resource allocation. Fluctuations in newcomer populations can lead to sudden shifts in enrolment, which directly impact operating grant funding that is tied to student headcount. This unpredictability poses a risk to the district's financial stability and its ability to staff classrooms in the most efficient and effective manner.

International Education and Policy Changes

The district's international education program is exposed to risks arising from changes in federal immigration policies, international geopolitical events, and shifting global demand for study opportunities. These factors can affect enrolment levels, resulting in revenue fluctuations and resource planning challenges. To reduce this risk, the district continues to diversify its international student base, review program offerings, use scenario-based enrolment planning, and maintain financial reserves to help manage fluctuations in enrolment and revenue.

Facilities – Maintenance

Many of the schools in the district are aging and need to be replaced or require major maintenance. However, due to limited provincial capital funding, the district is often forced to invest in costly repairs and maintenance. While the Ministry provides allocations under the Annual Facilities Grant to address maintenance related costs, rising inflation and escalating costs are outpacing available funding. The funding gap is leading to further deterioration of school buildings, creating sub-optimal learning environments for students and staff, and compounding future capital costs. School districts are often having to find other sources to pay for replacement and maintenance of school equipment and facilities; thus, unintentionally taking funds away from classroom needs.

Capital Requirements and Interfund Transfer Requirements

For the past few years, the district has gone through a growth phase creating pressures for increased classroom space, especially in the northeast sector of the district and municipal urban core. Additionally, the requirement to comply with collective agreement restored language related to class size and composition has placed an added burden and demand for classroom space. The district has addressed this by adding portables or by converting extra space in schools into classrooms. These additions and conversions are generally not funded by the ministry and often require operating funds to be transferred to local capital to pay, thus effectively redirecting resources from classroom supports to capital needs.

Staff Recruitment and Retention

The district continues to face challenges recruiting and retaining qualified employees particularly for specialized positions in teaching, trades-related roles, and in some professional category roles. Staffing shortages, retirements, and limited availability of trained candidates may result in service pressures, increased workloads, loss of organizational knowledge and challenges maintain continuity in key operational and education services. To mitigate this risk, the district continues to invest in mentorship, leadership development, succession planning, and employee training.

Student and Staff Wellbeing

Supporting the wellbeing of students and staff remains a key priority and an ongoing risk area. Increasing student needs, pressures on community-based mental health services, safety concerns, and staff absenteeism can affect learning outcomes, workplace wellbeing, and the overall school environment. Ministry funding, lengthy waitlists for community-based supports, and increasing complexity of student needs affect the district's ability to provide timely and appropriate supports. The district continues to work with community partners, invests in supports and training, and promotes health and wellness initiatives to help address these challenges

Classroom Enhancement Fund (CEF)

Classroom Enhancement Funding resulted from the restoration of collective agreement language associated with class size and class composition. In 2025/26 the total CEF budget, totaled \$57.4M including \$5.3M in remedy costs. At the March grant funding announcement, the Ministry confirmed it will provide 100% of this amount for budget planning purposes. However, additional funding requirements for staffing and remedies will not be confirmed until December 2026, well after staffing contracts have been confirmed and classroom organization completed which can pose a challenge to the district. This poses a significant financial risk to the school district

APPENDIX A - Special Purpose Funds Descriptions

Annual Facility Grant (AFG)

The Annual Facility Grant was established to account for Ministry of Education and Child Care grants and expenditures relating to annual facility maintenance projects. The AFG allocation is comprised of both a special purpose fund allocation and a bylaw capital allocation.

AFG funds may be spent for the purpose of:

- Upgrading or replacing existing facility components throughout the expected economic life of an existing capital asset
- Enhancing the service potential of an existing capital asset or a component of an existing capital asset by correcting deficiencies in design or construction and unsafe conditions
- Significantly lowering the associated operating costs of an existing capital asset
- Extending the life of an existing capital asset or a component of an existing capital asset beyond its original life expectancy

SD43 must provide the Ministry with the AFG project spending plan prior to April 30th of each year. The plan includes a list of the AFG projects and expenditures the district will undertake between April 1st and March 31st.

Apprenticeship Programs

Work in Trades program provides students with an opportunity to begin an apprenticeship in various trades while still in school. The program combines paid work-based training and a provincial curriculum that allows students to earn up to 16 graduation credits and 480 work-based training hours required for provincially and nationally recognized industry trades credentials. The school district works closely with Post Secondary Institutions and receives funding from the Industrial Training Authority to support these programs.

Changing Results for Young Children (CR4YC)

This fund is a partnership with approximately 47 school districts and the United Way of the Lower Mainland to implement on-going collaborative professional learning among early learning educators across school and communities to support social, emotional, and learning outcomes for children in the early learning years (birth through age eight).

Classroom Enhancement Fund (CEF)

This fund was originally established in 2017 as an outcome of the restored teacher collective agreement pertaining to the class size and composition language. The funding is provided through a Ministry of Education and Child Care grant to cover related staffing, overhead and remedy costs.

CommunityLINK (CLINK)

Learning Includes Nutrition and Knowledge (Community LINK) funding from the Ministry of Education and Child Care is designed to support the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counseling, youth workers and after-school programs. Additional funding is provided through public donations.

Early Care and Learning (ELCC)

This project-based funding is to help districts gather information about existing early learning and childcare offered on school grounds and use this information to support a planned, integrated approach to increase access to affordable, quality childcare by strengthening relationships with the community and existing providers.

Feeding Futures School Fund Program (FFSFP)

In April 2023, the Ministry of Education and Child Care announced a multi-year Feeding Futures School Food Program, targeted to help school districts increase food security for students by expanding or creating food programs. The funding is a commitment to ensure students are properly fed for learning to enhance positive academic and healthy outcomes.

First Nation Student Transportation

This grant is provided as part of the BC Tripartite Education Agreement (BCTEA) supporting First Nation Student Success, to assist with the cost of transportation for on-reserve students attending public schools.

Language Instruction for Newcomers to Canada (LINC)

This program is designed to assist parents of newcomers and refugee children to improve their English skills; learn about Canadian society; laws and health care; the job market; and other valuable information to support successful life in Canada. LINC enables our district to help parents connect with the local community, find volunteer work and network with other new Canadians. The program provides three free childminding centres for two to five-year old's to be cared for while their parents are participating in LINC classes.

Learning Improvement Fund (LIF)

The Learning Improvement Fund was established by the province for the purpose of providing additional resources, specifically targeted to support complex classes that present challenging learning conditions. Districts are required to submit a spending plan to the Ministry of Education and Child Care by October of each year for approval. To develop the spending plans, district staff work collaboratively with CUPE. In the past these funds have been utilized to create additional education assistant (EA) positions and provide additional hours of support to all EAs.

Literacy Professional Learning Grant

The Ministry of Education and Child Care provided funds to support professional learning for teachers and support staff in evidence-based approaches to literacy development, and literacy information/resources for parents and caregivers.

Mental Health in Schools

This fund is to support the development of new/enhanced evidence-based inclusive mental health and well-being activities, either universal or targeted in support of students, families and/or educators. It also enables our district to design action plans to capture how funding is spent and what outcomes are achieved.

National School Food Program

In March 2025, an agreement between the B.C. Government and the Government of Canada was announced, enabling B.C. to access National School Food Program Funds. This funding will complement Feeding Futures and will provide an additional \$39.4 million over three years for B.C. schools and districts to expand and enhance school food programs.

Official Language Education Program (OLEP)

The Ministry of Education and Child Care administers federal funding intended to support incremental costs resulting from offering French as a second official-language instruction in BC. All French funding is to be spent by June 30th of each year. An annual report outlining how the funds were spent and what benefits were derived is required at the end of the fiscal year.

Provincial Resource Program - Day Treatment (PRP)

This fund represents educational programming services offered to youth receiving intensive structured psychiatric care through the Fraser Health Authority.

Ready Set Learn (RSL)

The Ready Set Learn funding is provided by the Ministry of Education and Child Care that allows the district to facilitate community events targeted towards 3-year-old children. The events are about providing good information on how to support a young child's early learning and development, and how to help develop positive connections between families, the school system and local community agencies.

School Generated Funds (SGF)

This fund represents the accumulated funds held by individual schools. Each school has its own bank account and records the funds received and disbursed throughout the year. These funds are raised at the school level through fundraising, cafeteria revenue, school store revenue, and various other activities. The school generated funds are intended to be used to fund activities that directly benefit the students in the school.

Settlement Workers (SWIS)

The SWIS program is a school-based service for new immigrant families to meet their immediate and ongoing settlement needs. Families who have children in the district are connected to schools and community and government organizations. SWIS services include settlement support, culturally sensitive services, workshops, and links to various resources.

Staff Development

This grouping of funds consists of a variety of smaller grants to enhance teaching staff development. This includes the ART Starts grant, (resources for teachers and art leadership) and Decoda Literacy programs (resources, training to support community-based literacy and learning).

Strengthening Early Years to Kindergarten Transitions (SEY2KT)

This project partners with districts/community sites and is focused on developing guidelines, models, and district/site partnerships to ensure children and their families experience coherent transitions from community based early learning experience to kindergarten in schools/districts.

StrongStart (SS)

The Ministry of Education and Child Care funded StrongStart program allows parents to participate with their young children (aged birth to five) in play-based early learning activities, including story time, music, and art. This early learning drop-in program helps prepare children for success in kindergarten and is provided at no cost to the families.

Student and Family Affordability Funds (SFAF)

The Student & Family Affordability Funding was introduced in August 2022 as a one-time fund to help offset costs for parents, guardians, and students, including field trips, school fees, extracurricular activities, and school supplies.

In March 2024, the Ministry of Education and Child Care announced a one-year extension and additional funding for the program. As this announcement was made late in the 2023/24 fiscal year, the funding was eligible to be carried forward into 2024/25.

APPENDIX B – Ministry Operating Grant

Final Operating Grants Overview - 2025/26 School Year

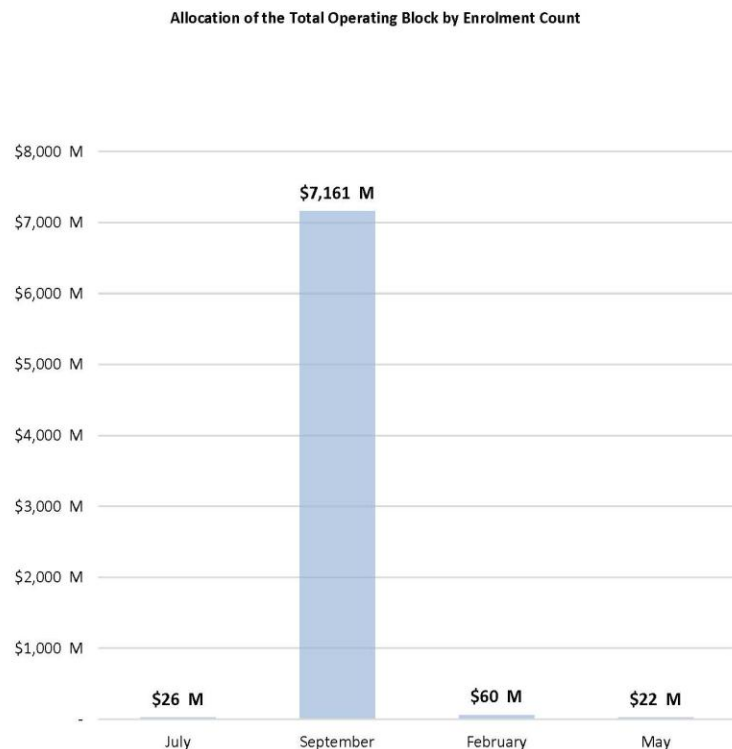
School District 43 (Coquitlam)

September 2025 Enrolment Count				
	School-Age Enrolment	Funding Level	Funding	Total Supplement
Standard (Regular) Schools	32,144.7500	\$9,015	\$289,784,921	
Continuing Education	3.5625	\$9,015	\$32,116	
Alternate Schools	284.0000	\$9,015	\$2,560,260	
Online Learning	262.3125	\$7,280	\$1,909,635	
Home Schooling	66	\$250	\$16,500	
Course Challenges	188	\$282	\$53,016	
Total Enrolment-Based Funding (September)	32,694.6250			\$294,356,448
	Total Enrol. Change	Funding Level	Funding	Total Supplement
1% to 4% Enrolment Decline	-429.5625	\$4,508	\$443,229	
4%+ Enrolment Decline		\$6,761	\$0	
Significant Cumulative Decline (7%+)	1,549.4375	\$4,508	\$0	
Supplement for Enrolment Decline				\$443,229
	Enrolment	Funding Level	Funding	Total Supplement
Level 1 Inclusive Education	24	\$51,300	\$1,231,200	
Level 2 Inclusive Education	1,824	\$24,340	\$44,396,160	
Level 3 Inclusive Education	325	\$12,300	\$3,997,500	
English Language Learning	6,571	\$1,815	\$11,926,365	
Indigenous Education	1,238	\$1,790	\$2,216,020	
Adult Education	73.4063	\$5,755	\$422,453	
Equity of Opportunity Supplement			\$1,142,243	
Supplement for Unique Student Needs				\$65,331,941
		Funding		
Variance from Provincial Average	-\$63			
Estimated Number of Educators	1,820.446		-\$114,688	
	Enrolment	Funding Level	Funding	Total Supplement
FTE Distribution	32,768.0313	\$180.33	\$5,909,059	
Supplement for Salary Differential				\$5,794,371
Supplement for Unique Geographic Factors				\$2,971,513
Funding Protection				\$0
Curriculum and Learning Support Fund				\$298,118
September 2025 Enrolment Count, Total				\$369,195,620

July 2025 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
Summer Learning Grade 1-7	3,505	\$260	\$911,300	
Summer Learning Grade 8-9	572	\$260	\$148,590	
Summer Learning Grade 10-12	1,349	\$510	\$687,990	
Supplemental Summer Learning Funding			\$450,225	
Cross-Enrolment, Grade 8 and 9	0	\$510	\$0	
Summer Learning, Total				\$2,198,105
February 2026 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	3.6250	\$9,015	\$32,679	
Adult FTE - Continuing Education	82.8125	\$5,755	\$476,586	
K-Gr 9 School-Age FTE - Online Learning	2.0000	\$3,640	\$7,280	
Gr 10-12 School-Age FTE - Online Learning	383.0000	\$7,280	\$2,788,240	
Adult FTE - Online Learning	0.0000	\$5,755	\$0	
Level 1 Inclusive Education Enrolment Growth	0	\$25,650	\$0	
Level 2 Inclusive Education Enrolment Growth	69	\$12,170	\$839,730	
Level 3 Inclusive Education Enrolment Growth	26	\$6,150	\$159,900	
Newcomer Refugees	27.0000	\$4,508	\$121,716	
ELL Supplement - Newcomer Refugees	20	\$908	\$18,160	
Youth Train in Trades	2.125	\$9,015	\$19,157	
Health Careers Dual Credit	0	\$9,015	\$0	
February 2026 Enrolment Count, Total				\$4,463,448
May 2026 Enrolment Count				
	Enrolment	Funding Level	Funding	Total Supplement
School-Age FTE - Continuing Education	15.0000	\$9,015	\$135,225	
Adult FTE - Continuing Education	60.1875	\$5,755	\$346,379	
K-Gr 9 School-Age FTE - Online Learning	2.0000	\$2,427	\$4,854	
Gr 10-12 School-Age FTE - Online Learning	41.0000	\$7,280	\$298,480	
Adult FTE - Online Learning	0.3750	\$5,755	\$2,158	
May 2026 Enrolment Count, Total				\$787,096
Indigenous Education Councils				\$128,450
2025/26 Full-Year Final Total				\$376,772,719
Estimated 2025/26 Operating Grant from Indigenous Services Canada				\$0
Estimated 2025/26 Operating Grant from Ministry of Education and Child Care				\$376,772,719

June 2026

Overview of the 2025/26 Operating Grant Allocation Formula



74% allocated through the Basic Allocation	Basic Allocation	
	Common per student amount for every FTE student enrolled by school type.	
	Standard School	\$9,015 per school age FTE
	Alternate School	\$9,015 per school age FTE
	Continuing Education	\$9,015 per school age FTE
18% allocated to recognize unique student enrolment	Online Learning	\$7,280 per school age FTE
	Unique Student	
	Additional per student funding to address uniqueness of district enrolment and support additional programming. Includes Equity of Opportunity Supplement for children and youth in care and students with mental health challenges.	
	Level 1 Inclusive Education	\$51,300 per student
	Level 2 Inclusive Education	\$24,340 per student
	Level 3 Inclusive Education	\$12,300 per student
7% allocated to recognize unique district factors	English/French Language Learning	\$1,815 per student
	Indigenous Education	\$1,790 per student
	Adult Education	\$5,755 per FTE
	Unique District	
	Additional funding to address uniqueness of district factors.	
	Small Community	For small schools located a distance away from the next nearest school
	Low Enrolment	For districts with low total enrolment
	Rural Factor	Located some distance from Vancouver and the nearest large regional population centre
	Climate Factor	Operate schools in colder/warmer climates; additional heating or cooling requirements
	Sparseness Factor	Operate schools that are spread over a wide geographic area
0.2% allocated to buffer the effects of declining enrolment	Student Location Factor	Based on population density of school communities
	Supplemental Student Location Factor	Level 1 and 2 Inclusive education enrolment
	Salary Differential	Funding to districts that have higher average educator salaries
	Funding Protection / Enrolment Decline	
	Funding Protection	Funding to ensure that no district experiences a decline in operating grants greater than 1.5% when compared to the previous September
	Enrolment Decline	Funding to districts experiencing enrolment decline of at least 1% when compared to the previous year
	CSF Supplement	
	District receives a 15% funding premium on allocated funding.	



Contacting Management

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

If you have questions about this financial report, please contact the Office of the Secretary–Treasurer/Chief Financial Officer at 604-939-9201.

You are encouraged to also review the Board's strategic vision and plan [Directions 2030](#).

School District No. 43 (Coquitlam)

1080 Winslow Avenue
Coquitlam, BC V3J 0M6

www.sd43.bc.ca

