

NANAIMO LADYSMITH PUBLIC SCHOOLS
STRATEGIC DIRECTIONS COMMITTEE
PUBLIC MEETING
ACTION SHEET

DATE: February 11, 2026
TO: Strategic Directions Committee
FROM: Mark Walsh, Secretary-Treasurer
SUBJECT: 2025-26 Amended Annual Budget and Second Quarter Financial Report (Q2)

Recommendation

The Strategic Directions Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) give the School District No. 68 (Nanaimo-Ladysmith) 2025-2026 Amended Annual Budget Bylaw all three readings at one meeting on February 25, 2026.

The Strategic Directions Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) adopt the Amended Annual Budget of the Board for the fiscal year 2025-2026 at the Board of Education meeting on February 25, 2026.

Background

The Ministry of Education and Child Care requires districts to prepare an Annual Budget in advance of the school year, which is based on estimated enrolments, revenues, and expenses. An Amended Annual Budget is then prepared each February based on actual enrolments captured September 29th on the 1701 Student Data Collection, and revised revenue and expense estimates based on more current operations and information.

The following financial report presents the districts Amended Annual Budget, which includes all changes in revenues, expenses, and staffing since the Preliminary Annual Budget, second quarter financial results to December 31st with a prior year comparator, and a total reconciliation of the Budget Bylaw that requires approval by the Board of Education. Additional information includes an update on the district's investment portfolio, and a current summary of the Capital, and Local Capital Funds for the Board's information.

Discussion

Since approval of the 2025-26 Annual Budget in May 2025, the board was provided with a financial update in early November which included all adjustments incorporated into the district's budget, as well as actual financial results, up to September 30, 2025. The Amended Annual Budget and second quarter financial report represents financial results to December 31, 2025, as well as all changes in revenues, expenses, and staffing to reflect current operations, planning, and revised estimates, and to align with district needs and priorities.

Operating Fund:

From an Operating revenue perspective, the most notable changes include an increase of \$731k for Before and After School Care (BASC) to account for current programming levels, a loss of (\$362k) in the Operating Grant due to lower than anticipated enrolment, a reduction of (\$102k) in International Student Education to bring the original estimate in-line with overall student participation this school year, an increase of \$115k investment income, and a (\$114k) reduction to the estimated Integrated Child and Youth (ICY) Team per confirmation of this years Grant. Overall, total revenue has increased from original estimates by \$355k.

Operating expenses, however, have seen significant change since the first quarter financial report, most notably due to the investments made through allocation of accumulated operating surplus, in support of district priorities and in alignment with the Strategic Plan. These temporary investments using one-time funds were added to budget in early October following recommendation to, and approval by the board in late September.

Other notable changes included some staffing adjustments to align with actual September student enrolments (\$262k), an additional \$329k to account for a wage increase to the Education Assistant position pursuant to a job evaluation review, an increase of \$731k in the Before and After School Care (BASC) program to reflect current staffing costs, and a recovery of \$881k to the Operating Fund due to the approval of the 2025-26 Classroom Enhancement Fund allowing the temporary supplemented staffing costs to shift over to the Special Purpose Fund. Overall, total operating expenses have increased by \$4.12Million.

| 2025-26 Operating Revenues and Expenses Summary | | | | | | 2024-25 Comparator | | |
|---|--------------------|------------------------|----------------------|--------------------|-----------------------|--------------------|------------------------|----------------------|
| | Actuals at Dec 31 | 2025-26 Amended Budget | % Collected or Spent | Change | 2025-26 Annual Budget | Actuals at Dec 31 | 2025-26 Amended Budget | % Collected or Spent |
| Revenues - Operating | | | | | | | | |
| Ministry of Education Grants | 72,328,915 | 176,434,881 | 41% | (267,561) | 176,702,442 | 69,685,163 | 174,107,277 | 40% |
| Other Provincial | 137,706 | 245,416 | 56% | 7,000 | 238,416 | 137,533 | 238,416 | 58% |
| International Student Tuition | 3,298,122 | 6,485,000 | 51% | (102,000) | 6,587,000 | 3,041,175 | 6,325,000 | 48% |
| Other Revenue | 1,729,665 | 3,952,784 | 44% | 602,949 | 3,349,835 | 1,379,146 | 3,349,835 | 41% |
| Rentals & Leases | 428,212 | 830,000 | 52% | - | 830,000 | 428,617 | 670,000 | 64% |
| Investment Income | 521,625 | 815,000 | 64% | 115,000 | 700,000 | 622,067 | 600,000 | 104% |
| Total Revenues | 78,444,245 | 188,763,081 | 42% | 355,388 | 188,407,693 | 75,293,701 | 185,290,528 | 41% |
| Expenses - Operating | | | | | | | | |
| Salaries | | | | | | | | |
| Teachers | 31,411,717 | 80,725,277 | 39% | (810,177) | 81,535,454 | 32,130,549 | 81,035,915 | 40% |
| Administrative Officers | 5,414,997 | 11,222,173 | 48% | 1,993 | 11,220,180 | 5,323,887 | 10,799,867 | 49% |
| Education Assistants | 6,502,976 | 15,685,982 | 41% | 1,068,937 | 14,617,045 | 5,755,268 | 14,634,117 | 39% |
| Support Staff | 6,994,132 | 14,469,629 | 48% | (129,964) | 14,599,593 | 7,123,301 | 14,422,356 | 49% |
| Other Professionals | 3,003,624 | 6,492,977 | 46% | 107,993 | 6,384,984 | 2,822,017 | 6,128,550 | 46% |
| Substitutes | 3,400,967 | 8,355,404 | 41% | 637,730 | 7,717,674 | 2,953,946 | 7,650,916 | 39% |
| Total Salaries | 56,728,413 | 136,951,442 | 41% | 876,512 | 136,074,930 | 56,108,968 | 134,671,721 | 42% |
| Benefits | 14,230,902 | 35,545,715 | 40% | 408,390 | 35,137,325 | 12,418,114 | 34,921,557 | 36% |
| Total Salaries and Benefits | 70,959,315 | 172,497,157 | 41% | 1,284,902 | 171,212,255 | 68,527,082 | 169,593,278 | 40% |
| Services & Supplies | 8,419,289 | 20,352,650 | 41% | 2,838,732 | 17,513,918 | 8,018,856 | 19,526,929 | 41% |
| Total Expenses | 79,378,604 | 192,849,807 | 41% | 4,123,634 | 188,726,173 | 76,545,938 | 189,120,207 | 40% |
| Net Revenue (Expense) | | | | | | | | |
| | (934,359) | (4,086,726) | | (3,768,246) | (318,480) | (1,252,237) | (3,829,679) | |
| Restricted Surplus | | 5,070,572 | | 4,561,892 | 508,680 | | 3,894,679 | |
| Unrestricted Surplus | | 1,330,000 | | 1,330,000 | - | | 3,225,000 | |
| Local Capital/TCA Transfers | (3,222,662) | (2,313,846) | | (2,123,646) | (190,200) | (3,534,360) | (3,290,000) | |
| Surplus (Deficit) | (4,157,021) | - | | - | - | (4,786,597) | - | |

With regard to the financial results to December 31st, all categories of revenues and expenses align with anticipated percentage levels. Note the summary of revenue and expense changes below:

| 2025-26 Operating Fund - Summary of Revenue Changes | |
|---|--------------------|
| Opening Revenue - 2025-26 Annual Budget (May 2025) | 188,407,693 |
| <u>Changes in Revenue</u> | |
| Q1 Art Start Grant not applicable to 2025-26 | (17,000) |
| Q1 Integrated Youth Team (ICY) adjustment to preliminary funding estimate | (114,234) |
| Q1 FSA Grant increase for 2025-26 | 1,500 |
| Q1 Skilled Trades BC adjustment to preliminary funding estimate | 7,000 |
| Q2 BASC re-estimated revenue for 2025-26 | 731,000 |
| Q2 Investment income adjustment | 115,000 |
| Q2 Operating grant reduction per actual student enrolment | (362,018) |
| Q2 International Student Ed revenue adjustment to actual vs. estimate | (102,000) |
| Q2 Miscellaneous revenue adjustments | 96,140 |
| Total change in Revenue | 355,388 |
| Closing Revenue - 2025-26 Amended Budget (Feb 2026) | 188,763,081 |
| 2025-26 Operating Fund - Summary of Expense Changes | |
| Opening Expense - 2025-26 Annual Budget (May 2025) | 188,726,173 |
| <u>Changes in Expense</u> | |
| Q1 Art Start revenue and Admin time (.025FTE) removed | (23,659) |
| Q1 Integrated Youth Team (ICY) adjustment to preliminary funding estimate | (114,234) |
| Q1 FSA expense increase | 1,500 |
| Q1 Skilled Trades BC expense adjustment (Careers Technical Centre) | 7,000 |
| Q1 Retirement crossover costs | 150,000 |
| Q1 Costs associated with job evaluations | 25,000 |
| Q1 Current position incumbent staffing updates | 28,287 |
| Q1 Trustee Salary Increases for 2025-26 per annual CPI adjustment | 15,429 |
| Q1 Elementary prep adjustment | 36,056 |
| Q1 NSAA Contractual Pro-D adjustment | 1,000 |
| Q2 Secondary staffing reduction from preliminary allocation per enrolment | (250,210) |
| Q2 Elementary prep staffing correction | (12,019) |
| Q2 EA Wage increase | 328,951 |
| Q2 Indigenous Ed direct target increase expense adjustment | 173,630 |
| Q2 District program staffing and expense adjustment | 101,244 |
| Q2 Staffing costs transferred into now approved CEF from Operating fund | (880,764) |
| Q2 School operating budget reduction per student enrolment | (13,768) |
| Q2 Child Care staffing expense per increased revenue | 731,000 |
| Q2 Utilities increase per re-estimated costs | 90,000 |
| Q2 Other miscellaneous adjustments | 110,945 |
| Q2 Transfer between Operating and Local Capital correction | 190,200 |
| Q2 Surplus Allocations (Sept 2025) | |
| Q2 CTC Work Experience Pilot | 78,000 |
| Q2 Post budget unusual expenses | 15,000 |
| Q2 Communications | 10,000 |
| Q2 Indigenous Education Program | 388,502 |
| Q2 Indigenous Education Council | 76,631 |
| Q2 NDTA Teacher mentorship grant | 174,650 |
| Q2 ICY Team | 121,327 |
| Q2 District BASC reserve | 23,295 |
| Q2 Trustee professional development/travel | 24,340 |
| Q2 Undelivered purchase orders | 803,527 |
| Q2 School/district equipment costs | 293,000 |
| Q2 School year-end balances | 264,774 |
| Q2 Secondary programming | 50,000 |
| Q2 CTC programming | 25,000 |
| Q2 Coordinator - Behavior Interventionalist | 130,000 |
| Q2 Literacy supports (Grd 8+9) | 25,000 |
| Q2 Inclusive Ed response fund | 670,000 |
| Q2 Priority populations support | 50,000 |
| Q2 CYSFW/Counsellor capacity building fund | 50,000 |
| Q2 Employee Wellness | 30,000 |
| Q2 Leadership/Distributed Learning fund | 125,000 |
| Total change in Expense | 4,123,634 |
| Closing Expense - 2025-26 Amended Budget (Feb 2026) | 192,849,807 |

The Indigenous Education program, which is included within the Operating Fund, is provided targeted resource that must be accounted for and reported to the Ministry of Education and Child Care separately. Reflected below are the 2025-26 Amended Budget figures, the Annual Budget figures, the 2024-25 fiscal year-end results as a comparator, and all associated variances.

| 2025-26 Indigenous Education Target Budgets, with prior year comparator | 2025-26 Amended Budget | Change | 2025-26 Annual Budget | Change | 2024-25 Year-End Actuals |
|---|------------------------|--------------|-----------------------|----------------|--------------------------|
| Target Revenues | | | | | |
| Student Enrolment (FTE) | 2,597 | 97 | 2,500 | (68) | 2,568 |
| Per Pupil Funding Rate | 1,790 | - | 1,790 | 20 | 1,770 |
| Revenue | 4,648,630 | 173,630 | 4,475,000 | (70,360) | 4,545,360 |
| Prior Year-End Balance | 388,502 | 388,502 | - | (290,414) | 290,414 |
| Total Revenue | 5,037,132 | | 4,475,000 | | 4,835,774 |
| Target Expenses | | | | | |
| Administrative Officers | 153,453 | - | 153,453 | (315) | 153,768 |
| Teachers | 1,877,339 | 46,806 | 1,830,533 | (21,210) | 1,851,743 |
| Education Assistants | 1,141,990 | 62,523 | 1,079,467 | (137,096) | 1,216,563 |
| Support Staff | 71,619 | - | 71,619 | 6,460 | 65,159 |
| Replacement Costs | 168,008 | 51,203 | 116,805 | 9,981 | 106,824 |
| Benefits | 901,694 | 42,353 | 859,341 | 7,734 | 851,607 |
| Services/Supplies | 723,029 | 359,247 | 363,782 | 162,174 | 201,608 |
| Total Expenses | 5,037,132 | | 4,475,000 | | 4,447,272 |
| Net Revenue/Expense | - | | - | | 388,502 |
| Staffing Summary | | | | | |
| | FTE | Change | FTE | Change | FTE |
| Administration | 1.000 | - | 1.000 | - | 1.000 |
| Education Assistants | 23.914 | 1.314 | 22.600 | (2.475) | 25.075 |
| Support Staff | 1.343 | - | 1.343 | - | 1.343 |
| Teachers | 18.486 | 0.886 | 17.600 | (1.500) | 19.100 |
| Total Staffing (FTE) | 44.743 | 2.200 | 42.543 | (3.975) | 46.518 |

Changes to the Indigenous Target since the Annual Budget include 97 additional students over preliminary estimates which provided the \$174k increase in funding shown, along with the 2024-25 year-end surplus which was added to budget early October and is able to support additional staffing and programming initiatives over the 2025-26 school year.

Total staffing changes of 2.2FTE includes the 1.514FTE that is shown later in this report under the Staffing Summary section, as well as the .686FTE Hul'qum'num Language increase that was noted within the first quarter financial report.

Special Purpose Funds:

The most notable change to the district's Special Purpose Funds includes a substantial increase in Classroom Enhancement dollars totaling \$3.7Million, which correlates directly to the additional staffing required this school over last, in order to be compliant with LOU18, and to provide for this year's total estimated remedy costs. With the approval of this year's staffing request to the Ministry of Education and Child Care, the partial staffing cost of \$881k that was being supported by the Operating Fund was able to be recovered there, and the total amount of CEF staffing now reflected within the Special Purpose Fund.

Additional changes include the addition of \$1.7M of deferred revenue, which represents the 2024-25 year-end consolidated balances of all applicable funds, able to enhance programming in the 2025-26

school year, as well as the confirmed BCTEA Transportation Fund of \$290k, the National School Food Program allocation of \$485k for this fiscal year, along with some other small shifts and changes for a total increase in both revenues and offsetting expenses of \$6.15Million.

| 2025-26 Special Purpose Revenues and Expenses | | | | | | 2024-25 Comparator | | |
|---|-------------------|------------------------|----------------------|------------------|-----------------------|--------------------|------------------------|----------------------|
| | Actuals at Dec 31 | 2025-26 Amended Budget | % Collected or Spent | Change | 2025-26 Annual Budget | Actuals at Dec 31 | 2025-26 Amended Budget | % Collected or Spent |
| Revenues - Special Purpose | | | | | | | | |
| Annual Facilities Grant | 505,117 | 573,246 | 88% | 17,500 | 555,746 | 382,250 | 573,246 | 67% |
| Learning Improvement Fund | 251,983 | 610,903 | 41% | - | 610,903 | 250,991 | 604,087 | 42% |
| French Programs | 48,010 | 298,099 | 16% | - | 298,099 | 40,840 | 298,099 | 14% |
| Ready Set Learn | 1,272 | 80,197 | 2% | 11,597 | 68,600 | 1,411 | 92,411 | 2% |
| Strong Start | 127,217 | 272,000 | 47% | 16,000 | 256,000 | 122,467 | 256,000 | 48% |
| Community Link | 1,049,737 | 2,663,256 | 39% | 32,573 | 2,630,683 | 1,062,799 | 2,678,646 | 40% |
| Classroom Enhancement Fund | 7,476,469 | 19,887,789 | 38% | 3,738,036 | 16,149,753 | 6,451,011 | 17,243,727 | 37% |
| CR4YC | - | 1,579 | 0% | (9,671) | 11,250 | 3,814 | 16,831 | 23% |
| Mental Health | 36,576 | 51,000 | 72% | - | 51,000 | 36,585 | 71,328 | 51% |
| BCTEA Transportation Fund | 133,971 | 347,939 | 39% | 347,939 | - | 104,414 | 321,018 | 33% |
| ECE and Health Dual Credit Funds | 1,270 | 33,827 | 4% | 33,827 | - | 13,999 | 86,617 | 16% |
| Seamless D-K | - | 55,400 | 0% | - | 55,400 | 1,881 | 55,400 | 3% |
| SEY2KT | 1,923 | 23,203 | 8% | 4,203 | 19,000 | 3,163 | 35,856 | 9% |
| Student Family Affordability Fund | - | - | 0% | - | - | 31,905 | 469,276 | 7% |
| ELCCCF | 97,345 | 175,000 | 56% | - | 175,000 | 86,157 | 175,000 | 49% |
| Feeding Futures Fund | 680,369 | 1,765,767 | 39% | 82,841 | 1,682,926 | 585,440 | 1,938,950 | 30% |
| Child Care Space Expansion | 6,011 | 591,745 | 1% | 591,745 | - | 3,851 | 719,418 | 1% |
| School Generated Funds | 1,421,273 | 3,310,000 | 43% | 10,000 | 3,300,000 | 1,387,068 | 3,330,000 | 42% |
| Professional Learning Grant | 52,986 | 221,496 | 24% | 221,496 | - | - | - | 0% |
| National School Foods Program | - | 736,503 | 0% | 736,503 | - | - | - | 0% |
| Other Misc./Deferred Revenue | 201,211 | 560,544 | 36% | 315,117 | 245,427 | 228,190 | 824,718 | 28% |
| Total Revenue | 12,092,740 | 32,259,493 | 37% | 6,149,706 | 26,109,787 | 10,798,236 | 29,790,628 | 36% |
| Expenses - Special Purpose | | | | | | | | |
| Salaries | | | | | | | | |
| Teachers | 5,301,403 | 14,083,707 | 38% | 1,955,142 | 12,128,565 | 4,534,398 | 12,134,382 | 37% |
| Administrative Officers | 178,749 | 350,719 | 51% | - | 350,719 | 198,310 | 382,704 | 52% |
| Education Assistants | 1,077,363 | 2,592,552 | 42% | (12,349) | 2,604,901 | 1,123,196 | 2,667,149 | 42% |
| Support Staff | 334,717 | 676,195 | 50% | 230,590 | 445,605 | 212,531 | 510,459 | 42% |
| Other Professionals | 42,419 | 384,637 | 11% | 320,000 | 64,637 | 97,819 | 481,734 | 20% |
| Substitutes | 605,596 | 1,724,252 | 35% | 973,515 | 750,737 | 491,869 | 1,677,470 | 29% |
| Total Salaries | 7,540,247 | 19,812,062 | 38% | 3,466,898 | 16,345,164 | 6,658,123 | 17,853,898 | 37% |
| Benefits | 1,904,953 | 5,209,266 | 37% | 974,134 | 4,235,132 | 1,667,489 | 4,577,590 | 36% |
| Total Salaries and Benefits | 9,445,200 | 25,021,328 | 38% | 4,441,032 | 20,580,296 | 8,325,612 | 22,431,488 | 37% |
| Services & Supplies | 2,647,540 | 7,238,165 | 37% | 1,708,674 | 5,529,491 | 2,472,624 | 7,359,140 | 34% |
| Total Expenses | 12,092,740 | 32,259,493 | 37% | 6,149,706 | 26,109,787 | 10,798,236 | 29,790,628 | 36% |
| Fund Variance | - | - | - | - | - | - | - | - |

With regard to the financial results to December 31st, there are no areas of concern, most categories of revenues and expenses align with anticipated percentage levels.

However, the Substitute category of expense reflects 35% spent this year versus 29% last year, but this is to be expected due to the increase and recognition of remedy costs at December 31st. And within the Other Professional category, the budget has been increased to account for the deferred revenue in the Child Care Space Expansion Grant where it's anticipated that cost overruns would for the most part be administrative, however, there is no offsetting cost at this time as the overall program surplus(deficit) at year-end will result in a final balancing expense recognition. Also important to be reminded that this Special Purpose Fund is intended to address cost overruns as the district works through stages of Child Care program implementation, thus is expected to be utilized and depleted over a number of school years.

| 2025-26 Special Purpose Fund - Summary of Revenue/Expense Changes | |
|--|-------------------|
| Opening Revenues/Expenses - 2025-26 Annual Budget (May 2025) | 26,109,787 |
| <u>Changes in Revenue/Expense</u> | |
| Q1 Changing Results for Young Children (CR4YC) Grant discontinued | (11,250) |
| Q1 Strengthening Early Years to Kindergarten Transitions (SEY2KT) Grant discontinued | (19,000) |
| Q1 StrongStart Grant increased/EA Costs under SPF increased | 16,000 |
| Q1 After School Sports Art Initiative (ASSAI) Grant reduced | (5,000) |
| Q2 Added the prior year-end Fund balances (Deferred Revenue) | 1,684,971 |
| Q2 BCTEA Transportation funding for 2025-26 | 289,596 |
| Q2 National School Foods Program - Year 2 funding | 484,730 |
| Q2 Youth Resilience Grant - final year confirmation adjustment | (49,213) |
| Q2 Classroom Enhancement funding for 2025-26 over 2024-25 | 3,738,036 |
| Q2 Other miscellaneous grants | 10,836 |
| Q2 Investment income adjustment | 10,000 |
| Total changes in Revenue/Expense | 6,149,706 |
| Closing Revenues/Expenses - 2025-26 Amended Budget (Feb 2026) | 32,259,493 |

District Staffing Changes:

All changes that have taken place since the preliminary Annual Budget in May 2025 are noted in sequence below.

| 2025-26 FTE Changes - Amended Budget (Q2) versus the Q1 Financial Report | | | | | | | | | |
|--|-------------------------|----------------|------------------|------------------|----------------|------------------|----------------|---------------|---------------|
| Staffing Category | 25-26 Amended Budget Q2 | | | 25-26 Q1 Budget | | | Change | | |
| | Op | SPF | Total | Op | SPF | Total | OP | SP | TOTAL |
| Teachers | 802.819 | 140.791 | 943.610 | 811.277 | 121.651 | 932.928 | (8.458) | 19.140 | 10.682 |
| Admin Officers | 71.800 | 2.200 | 74.000 | 71.800 | 2.200 | 74.000 | - | - | - |
| Education Assistants | 323.981 | 51.471 | 375.452 | 316.041 | 52.516 | 368.557 | 7.939 | (1.045) | 6.894 |
| Support Staff | 236.387 | 46.837 | 283.224 | 239.434 | 29.790 | 269.224 | (3.047) | 17.047 | 14.000 |
| Other Professionals | 53.650 | 3.850 | 57.500 | 53.650 | 3.850 | 57.500 | - | - | - |
| Total FTE | 1,488.637 | 245.149 | 1,733.786 | 1,492.202 | 210.007 | 1,702.209 | (3.566) | 35.142 | 31.576 |

Total FTE Changes in the Q1 Financial Report presented at the Nov 8/25 Strategic Directions Committee Meeting 9.336
 Total FTE Changes reported within the Q2 Financial Report (Amended Budget) 31.576
 Overall Changes in FTE since the Preliminary Annual Budget 40.912

| 2025-26 FTE Changes - Q1 Financial Report versus the Preliminary Annual Budget | | | | | | | | | |
|--|------------------|----------------|------------------|---------------------|----------------|------------------|---------------|----------------|--------------|
| Staffing Category | 25-26 Q1 Budget | | | 25-26 Annual Budget | | | Change | | |
| | Op | SPF | Total | Op | SPF | Total | OP | SP | TOTAL |
| Teachers | 811.277 | 121.651 | 932.928 | 810.520 | 121.651 | 932.171 | 0.757 | - | 0.757 |
| Admin Officers | 71.800 | 2.200 | 74.000 | 71.800 | 2.200 | 74.000 | - | - | - |
| Education Assistants | 316.041 | 52.516 | 368.557 | 307.738 | 53.241 | 360.979 | 8.303 | (0.725) | 7.578 |
| Support Staff | 239.434 | 29.790 | 269.224 | 239.434 | 29.790 | 269.224 | - | - | - |
| Other Professionals | 53.650 | 3.850 | 57.500 | 52.650 | 3.850 | 56.500 | 1.000 | - | 1.000 |
| Total FTE | 1,492.202 | 210.007 | 1,702.209 | 1,482.142 | 210.732 | 1,692.874 | 10.061 | (0.725) | 9.336 |

| FTE Changes - 2025-26 Preliminary Annual Budget versus the 2024-25 Amended Budget | | | | | | | | | |
|---|---------------------|----------------|------------------|----------------------|----------------|------------------|--------------|----------------|--------------|
| Staffing Category | 25-26 Annual Budget | | | 24-25 Amended Budget | | | Change | | |
| | Op | SPF | Total | Op | SPF | Total | OP | SP | TOTAL |
| Teachers | 810.520 | 121.651 | 932.171 | 809.252 | 121.701 | 930.953 | 1.268 | (0.050) | 1.218 |
| Admin Officers | 71.800 | 2.200 | 74.000 | 70.600 | 2.400 | 73.000 | 1.200 | (0.200) | 1.000 |
| Education Assistants | 307.738 | 53.241 | 360.979 | 308.392 | 54.099 | 362.491 | (0.654) | (0.858) | (1.512) |
| Support Staff | 239.434 | 29.790 | 269.224 | 237.468 | 30.927 | 268.396 | 1.966 | (1.137) | 0.828 |
| Other Professionals | 52.650 | 3.850 | 56.500 | 52.000 | 5.500 | 57.500 | 0.650 | (1.650) | (1.000) |
| Total FTE | 1,482.142 | 210.732 | 1,692.874 | 1,477.713 | 214.627 | 1,692.340 | 4.429 | (3.895) | 0.534 |

All changes made since presentation of the first quarter financial report are noted below:

| 2025-26 Amended Budget Summary of Staffing Changes - All Funds | | | | |
|---|-----------------|--------------------------|-----------------|------------------|
| Staffing Category | Op. Fund | Indigenous Target | SP Funds | Total FTE |
| Teachers | | | | |
| Cost Transfer - Indigenous Target into Operating | 0.200 | (0.200) | | - |
| Additional staffing funded by Target surplus | | 0.400 | | 0.400 |
| District program support | 0.600 | | | 0.600 |
| Classroom Enhancement Fund confirmation adjustment | (6.971) | | 19.140 | 12.169 |
| Secondary staffing recoveries | (1.857) | | | (1.857) |
| Secondary staffing converted to Release | (0.541) | | | (0.541) |
| Elementary Prep correction | (0.089) | | | (0.089) |
| Teacher Totals | (8.658) | 0.200 | 19.140 | 10.682 |
| Education Assistants | | | | |
| Additional staffing funded by surplus | 6.625 | | | 6.625 |
| Additional staffing funded by Target surplus | | 1.314 | | 1.314 |
| Learning Improvement Fund reduction per EA wage increase | | | (0.102) | (0.102) |
| Youth Resilience Grant adjustment per current yr funding | | | (0.943) | (0.943) |
| EA Totals | 6.625 | 1.314 | (1.045) | 6.894 |
| Support Staff | | | | |
| BCTEA Transportation Fund confirmation adjustment | (4.047) | | 4.047 | - |
| Work Experience Facilitator position added (CTC) | 1.000 | | | 1.000 |
| Capital project staff updated in budget | | | 13.000 | 13.000 |
| Other Professional Totals | (3.047) | - | 17.047 | 14.000 |
| Total All Categories | (5.080) | 1.514 | 35.142 | 31.576 |

In summary of the above, a total of 31.576FTE in staffing between all categories and amongst all Funds, as well as the Indigenous Education Target, was added to the Amended Budget between the period of October 1, 2025, and December 31, 2025. Prior to that the district added 9.336FTE which was detailed within the first quarter financial report; total staffing added since the Preliminary Annual Budget is a consolidated 40.912FTE in support of our students and district operations.

As a reminder, of the 9.336FTE added to budget and presented within the first quarter report, the majority related to the staffing added to account for the expansion of the Before and After School Care program which included 7.579FTE Education Assistant FTE, and 1.0FTE for a Child Care Assistant Manager position. The remaining .757FTE was Teacher staffing which included .686FTE added to the Indigenous Education program, and a small corrective prep adjustment of .017FTE.

With regards to the 31.576FTE reflected above, note that the 13.0FTE additional capital project staff showing are not new employees, staffing within the capital projects is only updated periodically within budget as this staffing correlates to the amount of capital projects in a given year, therefore it is not always consistent.

Of additional significance, the Classroom Enhancement Fund (CEF) adjustment accounts for 19.14 additional teacher FTE staffing this school year, over last school year, however, as noted in the expense section of this report, the Operating Fund had been supplementing \$881k of the staffing costs until the CEF was approved. With that approval, the cost and FTE have now been removed from the Operating Fund and transferred over to the Classroom Enhancement Fund.

The adjustment for the BCTEA Student Transportation Fund is similar in nature, in that the staffing is accounted for in the Operating Fund until the special purpose funding is confirmed, the transfer is then processed within budget.

Amended Budget Bylaw reconciliation:

The information provided below reconciles the 2025-26 Amended Annual Budget figures presented within this financial report to those reflected in the Ministry of Education and Child Care Budget document, on Statement 2. (See Appendix A)

| 2025-26 Amended Budget Reconciliation | |
|--|--------------------|
| Operating Revenue | 188,763,081 |
| Special Purpose Revenue | 32,259,493 |
| Amortization of Deferred Capital Revenue | 8,150,000 |
| Local Capital Investment Income | 170,000 |
| Total Revenue | 229,342,574 |
| Operating Expense | 192,849,807 |
| Special Purpose Expense | 32,259,493 |
| Amortization of Capital Asset Expense | 12,200,000 |
| Total Expense | 237,309,300 |
| Surplus(Deficit) | (7,966,726) |
| Appropriation of Accumulated Surplus | 6,400,572 |
| Surplus(Deficit) | (1,566,154) |

Note that the deficit showing is applicable to the Capital Fund only and is the difference between the amortization of Capital revenue, plus interest income, and the Local Capital Fund transfer, less the amortization of Capital asset expense; Ministry allows for this deficit.

The amounts shown below represent the district’s total Budget Bylaw for board approval, which includes budgeted expenses only:

| 2025-26 Amended Budget Bylaw | |
|--|--------------------|
| Operating Expense | 192,849,807 |
| Special Purpose Expense | 32,259,493 |
| Amortization of Capital Asset Expense | 12,200,000 |
| Tangible Capital Assets Purchased from Local Capital | 1,800,000 |
| Total Budget Bylaw amount | 239,109,300 |

For additional information at the end of the second quarter, the following provides an update on the district’s investment portfolio, as well as a Capital and Local Capital update.

Investment portfolio:

Since the Q1 update in October, the Coast Capital Savings 18-month GIC matured on January 5th, 2026. As interest rates have fallen a further 25bps, staff are looking at different strategies for these funds that are in line with our investment administrative procedure but may provide a higher rate of return. A further update will be provided in Q3. Below is a summary of our current investment portfolio:

| Investment | Purchase Date | Rate | Total Investment |
|--|---------------------------|-------|------------------|
| Central Deposit Program (CDP) | <i>historical balance</i> | 2.45% | 6,096,027 |
| Coast Capital Savings - GIC - 4 year fixed | 03-Nov-22 | 5.45% | 4,000,000 |
| Coast Capital Savings - GIC - 18 month fixed | 03-Jul-24 | 5.25% | 2,947,122 |
| Coast Capital Savings - GIC - 12 month fixed | 06-Jul-25 | 3.45% | 1,052,500 |

Local Capital update:

Pursuant to longer range facilities planning, district initiatives and priorities, and emergent projects that arise, the Local Capital Fund supports capital work that is not funded by the Ministry of Education and Child Care. As Local Capital has no direct source of funding, the district transfers periodic allocations in from the Operating Fund in order to maintain project work. On page 2 of this financial report, the Operating Revenue and Expense Summary shows the board approved transfer of \$2.3Million this fiscal year. The transfer includes \$1.8Million to support multi-year project planning, as well as \$281k directed to future capital upgrades to Child Care facilities, and \$232k to account for a number of the approved surplus allocations that related to capital upgrades including outdoor learning spaces, accessibility upgrades, etc.

The current Local Capital schedule, along with current project expenses to December 31, 2025, is as follows:

| 2025-26 Local Capital Schedule | | | | | | |
|---|-------------------------|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| December 31, 2025 | | | | | | |
| <u>Revenue</u> | 2025-26 Budget | Dec 31 2025 Actuals (Q2) | Balance | 2026-27 Planning | 2027-28 Planning | 2028-29 Planning |
| Deferred Revenue per Financial Statements/Future Estimates | 6,322,323 | | | 2,467,323 | 1,682,323 | 872,323 |
| <u>Operating Fund and/or Accumulated Surplus Transfers</u> | | | | | | |
| Transfers necessary to support three-year planning | 1,100,000 | | | 1,100,000 | 1,100,000 | 1,100,000 |
| Technology / Infrastructure Upgrades | 700,000 | | | 700,000 | 700,000 | 700,000 |
| Third Party Child Care Capital Reserve | 281,846 | | | - | - | - |
| Unrestricted Surplus Allocations (Capital) | 232,000 | | | - | - | - |
| <i>Total Transfer from Operating</i> | <u>2,313,846</u> | | | <u>1,800,000</u> | <u>1,800,000</u> | <u>1,800,000</u> |
| Investment Income | 170,000 | | | 125,000 | 100,000 | 100,000 |
| Total Revenue | <u>8,806,169</u> | | | <u>4,392,323</u> | <u>3,582,323</u> | <u>2,772,323</u> |
| <u>Local Capital Priorities - Current and Future Years</u> | | | | | | |
| Board Goal - Student Success | | | | | | |
| Equitable Access to Technology (Wi-Fi) | 500,000 | 141,287 | 358,713 | 500,000 | 500,000 | 500,000 |
| Technology Plan | 715,000 | 37,363 | 677,637 | 750,000 | 750,000 | 750,000 |
| Learning Studios | 300,000 | 29,241 | 270,759 | 300,000 | 300,000 | 300,000 |
| School Capacity | 350,000 | 61,746 | 288,254 | 300,000 | 300,000 | 300,000 |
| Outdoor Learning Fund | 125,000 | 24,313 | 100,687 | 50,000 | 50,000 | 50,000 |
| Board Goal - Student and Employee Wellness | | | | | | |
| Accessibility Projects | 150,000 | 19,884 | 130,116 | 100,000 | 100,000 | 100,000 |
| Environmental Upgrades | 50,000 | 39,906 | 10,094 | 50,000 | 50,000 | 50,000 |
| School-based Projects/Equipment | 250,000 | 81,238 | 168,762 | 200,000 | 200,000 | 200,000 |
| Long Range Facilities Plan (LRFP) | | | | | | |
| Vehicle/Asset Replacement Program | 332,000 | 34,093 | 297,907 | 275,000 | 275,000 | 275,000 |
| School Opening/Capital Project Synergy | 425,000 | 329,195 | 95,805 | 75,000 | 75,000 | 75,000 |
| Child Care Reserve (Third Party Operated) | 281,846 | - | 281,846 | TBD | TBD | TBD |
| AFG Contingency | 50,000 | - | 50,000 | 50,000 | 50,000 | 50,000 |
| Support of Pending/New Capital Projects | 60,000 | 18,625 | 41,375 | 60,000 | 60,000 | 60,000 |
| Capital Cost-Share Contribution (Priority Future Planning) | 2,750,000 | - | 2,750,000 | - | - | - |
| Total Projects/Expenses | <u>6,338,846</u> | <u>816,891</u> | <u>5,521,955</u> | <u>2,710,000</u> | <u>2,710,000</u> | <u>2,710,000</u> |
| <u>Fund Balance</u> | | | | 2,467,323 | 1,682,323 | 872,323 |
| | | | | | | 62,323 |

Also as a reminder, a significant budget is set aside for a required contribution to the Ladysmith Infrastructure Project, which is still pending final decision and approval by the Ministry.

Capital Fund update:

The Schedule below reflects all currently approved Capital projects, along with a summary of the expenses recorded in prior years, and as well as current year expenses to December 31, 2025. Note that each project as a reference ID number beside it to indicate which Ministry Capital Program it relates to:

- B - Bus Acquisition Program
- BE - Building Envelope Program
- CC - Child Care Capital Planning
- FP - Food Programs
- S - Seismic Projects
- SA - School Additions
- SE - School Enhancement Programs

| 2025-26 Capital Project Budget - Revenue/Expense Schedule | | | | | | | | | | |
|--|---------------|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------------------|-----------------------------------|--------------------------|
| December 31, 2025 | | | | | | | | | | |
| Capital Projects | Ref ID | Total Project COA | WIP Yr. 1 | WIP Yr. 2 | WIP Yr. 3 | WIP Yr. 4 | WIP Yr. 5 | 2025-26 Annual Budget | 2025-26 Expenses at Dec 31 | Balance Remaining |
| District | B | 228,004 | - | - | - | - | - | 228,004 | 228,004 | - |
| Forest Park | BE | 1,060,500 | 6,132 | 12,209 | 3,400 | 2,707 | 909,047 | 127,006 | 99,804 | 27,202 |
| John Barsby | BE | 714,000 | 6,947 | 8,341 | 70 | 2,626 | 510,091 | 185,925 | 167,771 | 18,154 |
| LIS | BE | 33,000 | 6,495 | 18,588 | 33 | 16 | 756 | 7,113 | - | 7,113 |
| Cilaire | CC | 2,698,085 | 100,360 | - | - | - | - | 2,597,725 | 16,652 | 2,581,073 |
| Pleasant Valley | CC | 2,838,069 | 47,172 | - | - | - | - | 2,790,897 | 11,162 | 2,779,735 |
| QQS | CC | 1,976,689 | 17,018 | 51,515 | 600,806 | 1,005,702 | - | 301,648 | 180,654 | 120,994 |
| Quarterway | CC | 1,994,355 | 3,651 | 8,556 | 28,024 | - | - | 1,954,124 | 12,073 | 1,942,050 |
| Seaview | CC | 3,179,070 | 4,257 | 10,306 | 50,442 | 472,119 | - | 2,641,946 | 666,979 | 1,974,968 |
| District | FP | 100,000 | - | - | - | - | - | 100,000 | 77,156 | 22,844 |
| LIS | S | TBD | - | - | - | - | - | - | - | - |
| North Oyster | S | TBD | - | - | - | - | - | - | - | - |
| Chase River | SA | 5,000,000 | 590,854 | - | - | - | - | 4,409,146 | 1,765,344 | 2,643,802 |
| Ladysmith Primary | SA | TBD | - | - | - | - | - | - | - | TBD |
| Wellington | SA | 6,000,000 | 1,694,327 | - | - | - | - | 4,305,673 | 3,707,866 | 597,807 |
| Hammond Bay | SE | 159,000 | 132,672 | 18,135 | 1,270 | - | - | 6,923 | - | 6,923 |
| John Barsby Interior | SE | 514,573 | 87,188 | - | - | - | - | 427,385 | 111,563 | 315,822 |
| Mountain View | SE | 662,500 | 34,503 | - | - | - | - | 627,997 | 471,821 | 156,176 |
| NDSS | SE | 791,700 | 52,499 | - | - | - | - | 739,201 | 293,441 | 445,760 |
| Rutherford Exterior | SE | 250,000 | - | - | - | - | - | 250,000 | - | 250,000 |
| Rutherford Interior | SE | 898,200 | 616,395 | - | - | - | - | 281,805 | 177,585 | 104,220 |
| Wellington | SE | 737,500 | 4,869 | - | - | - | - | 732,631 | 28,069 | 704,562 |
| Totals | | 29,835,245 | 3,405,340 | 127,650 | 684,045 | 1,483,169 | 1,419,894 | 22,715,148 | 8,015,943 | 14,699,205 |

- Note 1: Annual Budget figures are the Total Project COA, less prior year(s) WIP
- Note 2: WIP stands for Work in Progress and represents project expenditures recorded in a prior fiscal year.
- Note 3: COA stands for Certificate of Approval and reflects the current approved funding amount
- Note 4: This list does not include Annual Facilities Grant or Local Capital funded projects

Appendix A: SD68 2025-26 Amended Annual Budget (Draft)