



Memorandum to the Board of Education

Meeting in Public

FROM: Michael McLellan, Secretary-Treasurer
TO: The Board of Education
DATE: January 16, 2026
SUBJECT: Financial Report as of December 31, 2025

For Information

Introduction

This memorandum provides an update on the District's year-to-date financial results.

Attached are the Statements of Operations for all funds (Operating, Special Purpose, and Capital) for the period ended October 31, 2025.

Operating and Special Purpose Budgets

As noted in last month's financial report, lower enrolment than forecast will result in \$319,387 less operating fund revenue than in the 2025-2026 Annual Budget. The District has adopted various strategies to mitigate the potential deficit.

The use of operating fund services and supplies budgets has been limited, and potential discretionary expenditures will be deferred to 2026-2027. Using in-house staff for eligible minor capital projects and the school board office renovation has been cost-savings-productive. In conjunction with continued use of existing in-house staff, the new electrician hired this month will be funded through minor capital funding, thereby reducing potential cost pressures on the operating budget.

Cost mitigation efforts to minimize or eliminate a deficit will remain the primary focus of this year's budget.

All Funds Revenues & Expenditures

As of September 30, total revenues across all funds were \$6,138,211, while total expenses were \$6,903,395, resulting in a year-to-date deficit of \$735,184 (compared with \$643,776 at the end of October 2025). Despite the year-to-date loss, a balanced budget or a modest year-end deficit is anticipated, contingent on both the expense mitigation strategies noted above and confirmation of remaining operating grants later in the year.

Operating Fund Expenditures

As of December 31, revenues in the operating fund were \$5,096,790, while expenses were \$5,693,264. This results in a year-to-date deficit of \$596,474, which accounts for the majority of the total deficit across all funds and is typical at this point in the fiscal cycle. \$182,386 of the deficit is attributable to spending authorized by an appropriation of accumulated surplus. Without these surplus appropriations, the operating fund deficit would be \$414,088.



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Special Purpose Funds Expenditures

As of September 30, 2025, \$530,599 in expenditures had been incurred from Special Purpose Funds, out of a total annual budget of \$1,580,736. The special-purpose funds with the largest expenditures include \$85,804 from the Classroom Enhancement Fund and \$140,083 from the Feeding Futures Fund.

Capital Funds

For the 2025–2026 year, the District has approved capital budgets funded through the Ministry of Education and Child Care (MECC), totalling \$2,282,715:

- Annual Facilities Grant (AFG)- \$375,858
- SEP & CNCP HVAC Upgrades, All Schools but mainly NSS the LESS - \$948,162
- SEP & CNCP Electrical Upgrades, All Schools but mainly NSS - \$327,339
- SEP Plumbing, All Schools - \$90,000
- SEP Interior Construction, NSS and LESS - \$450,000
- FIP Kitchen Upgrades at NES - \$91,356
- **TOTAL MECC-funded project budgets = \$2,282,715**

As of January 16, 2025, \$180,632 had been spent from AFG, and \$1,070,973 from other capital projects.

Additionally, the Board authorized the use of \$341,000 of surplus appropriations (from operating surplus or local capital) for capital expenses:

- Classroom Improvement Fund - \$15,000
- Technology Equipment - \$36,000
- School Board Office Renovation funded by Operating Fund and Local Capital - \$160,000
- Vehicles:
 - Skid Steer \$50,000
 - Van - \$80,000
- **TOTAL Authorized surplus-funded capital budgets = \$341,000**

As of January 16, 2026, the District had incurred \$65,348 related to the School Board Office renovation (excluding in-house trades staff), had purchased a skid steer for \$50,013, and a van for \$67,025, for a total of \$182,386 spent from combined local capital and operating surplus funds (these appropriations are also noted in the operating fund section above).

	2025-2026 At December 31, 2025				2025-2026 Budget		2024-2025 At June 30, 2025	
	Operating Fund	Special Purpose	Capital	Actual	Budget	Remaining	Actual	Variance
	\$	\$	\$	\$	\$	\$	\$	\$
ENROLMENT								
Elementary & Secondary				489,2823	484,0000		495,282	(6)
Online Learning				23,0000	30,0000		23,000	-
Home Schooling				6,0000	7,0000		7,000	(1)
TOTAL Ministry of Education (FTE)				518,2823	521,0000		525,282	(38)
REVENUES					519			
Provincial Grants				-				
Ministry of Education	4,902,854	458,979		5,361,833	13,334,619	60%	13,069,214	(7,707,381)
Other	57,265	11,060		68,324	151,318	55%	115,758	(47,434)
Other Revenue	105,104	60,560		165,664	381,250	57%	386,374	(220,710)
Rentals & Leases	2,020	-		2,020	5,260	62%	2,969	(949)
Investment Income	29,547		1,464	31,011	134,000	77%	121,576	(90,565)
Amortization of Deferred Capital Revenue			509,358	509,358	1,039,944	51%	968,455	(459,097)
TOTAL Revenues	5,096,790	530,599	510,822	6,138,211	15,046,391	59%	14,664,346	(8,526,135)
	83.0%	8.6%	8.3%					
EXPENSES BY FUNCTION	90.6%	9.4%						
Instruction	3,722,406	454,090		4,176,496	10,364,008	60%	10,363,215	(6,186,719)
District Administration	779,580	51,056		830,636	1,366,389	39%	1,550,016	(719,380)
Operations & Maintenance (Amortization + Interest)	897,412	25,453	491,275	1,414,140	2,573,341	45%	2,495,691	(1,081,551)
Transportation & Housing (Amortization)	293,866	-	158,257	452,123	934,339	52%	817,665	(365,542)
TOTAL Expenses	5,693,264	530,599	649,532	6,873,395	15,238,077	55%	15,226,587	(8,353,192)
	82.8%	7.7%	9.4%					
NET Revenue	(596,474)	-	(138,710)	(735,184)	(191,686)	-284%	(562,241)	(172,943)
Budgeted Allocation (Retirement of Surplus)	182,386			182,386	293,571			
Surplus (Deficit) for the year (to date)	(414,088)	-	(138,710)	(735,184)	101,885		(562,241)	(172,943)

ACCUMULATED SURPLUSES (DEFICITS)

Schedule 1

Opening Balance, Beginning of Year	1,953,310	-	1,844,647	3,797,957	3,797,957		4,360,198
Prior Period Adjustments							
Opening Balance, Beginning of Year	\$1,953,310	-	\$1,844,647	3,797,957	\$3,797,957		\$4,360,198
Surplus (Deficit) for the year	(414,088)	-	(138,710)	(552,798)	101,885		(153,709)
Interfund Transfers							
Tangible Assets Purchased - Ops	(146,760)			(146,760)	(250,000)		(758,768)
Tangible Assets Purchased - SP				-	(27,960)		(35,806)
Tangible Assets Purchased - Cap			146,760	146,760	277,960		794,574
Surplus (Deficit), for the Year (to date)	(560,848)	-	8,050	(552,798)	101,885		(153,709)
Balance, End of Period/Year	1,392,462	-	1,852,697	3,245,159	3,899,842		4,206,489