



School District No .27 (Cariboo-Chilcotin)



Financial Statement Discussion and Analysis For the Year Ended June 30, 2026

Financial Statement Discussion & Analysis



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Financial Statement Discussion & Analysis



INTRODUCTION

The following Financial Statement Discussion and Analysis should be read in conjunction with the Audited Financial Statements for the year ended June 30, 2026.

The purpose of this report is to provide readers with a better understanding of the school district's financial statements and to assist in assessing the overall financial condition of the district.



DISTRICT OVERVIEW

Cariboo-Chilcotin School District operates on the traditional unceded territories of the Secwepemc, Tsilhqot'in, and Dakelh Nations. We recognize it is a privilege to do our work in this special place. We understand our legislated responsibility and the moral imperative to act for truth and reconciliation with care, wisdom, and respect to right historic harm done by the education system. We are committed to the success of Indigenous learners and to learning about local First Nations culture by all members of the school district community. We serve the students and families of twelve First Nation communities, which include Tâsîdeldel First Nation (Alexis Creek Band), Tl'etinqox Government (Anaham Band), Yunešit'in Government (Stone Band), Tl'esqox (Toosey Band), Xeni Gwet'in First Nation (Nemiah Valley), ?Esdilagh (Alexandria Band), Tsq'escen (Canim Lake Band), Stswecem'c/Xget'tem (Canoe Cree/Dog Creek Band), Esk'etemc First Nation (Alkali Lake), Xatšūl' (Soda Creek First Nations), T'exelc (Williams Lake First Nation) and Ulkatchot'en (Ulkatcho First Nation).



Cariboo-Chilcotin School District No. 27 extends over a large geographic area roughly the size of New Brunswick in the interior of BC. We are sparsely populated with 487 people per square kilometer of land area within our district communities, compared with the provincial average of 3,644 people per square kilometer. We remain one of the largest employers in the region with over 850 staff, serving approximately 4,400 students from Kindergarten to Grade 12 across 24 schools. More than 1,450 Indigenous students attend our schools, representing on-reserve, off-reserve, and Métis ancestry. Approximately 10% of learners have designations for disabilities or diverse abilities. The number of children and youth in care (CYIC) is variable with children moving in and out of care and reliance on individual MCFD workers and caregivers to update schools. There were 57 CYIC at the end of the school year.



STRATEGIC FRAMEWORK

Mission Statement

Ensuring all students have meaningful learning experiences, empowering them to succeed in an ever-changing world.

School District Vision

We envision an encouraging and understanding learning environment where everyone demonstrates a sense of belonging, mastery, independence, and generosity.

Core Operating Values

The Pillars of Support for the School District No. 27 Mission and Vision are characterized by the following four core operating values:

RESPECT

RESPONSIBILITY

KINDNESS AND CARING

ACCEPTANCE

Current Strategic Plan Priorities

Cariboo-Chilcotin School District looks forward to sharing our next multi-year plan this Fall. We are committed to continuous improvement for ALL learners in Cariboo-Chilcotin School District to flourish. We intentionally act to raise and level the bar of achievement. This means higher achievement and equity of outcomes across all groups of students. We pay particular attention to the outcomes of Indigenous students, children and youth in care, and students with disabilities or diverse abilities. We direct our resources, time, and energy to the following key focus areas confirmed by the Board of Education:

Collective Responsibility

- Common information
- Professional conversations
- Collaborative relationships
- Intentional action

Instructional Capacity

- Literacy
- Numeracy
- Assessment
- Collaborative Professional Development

Inclusive Learning Communities

- Safe, welcome environments
- Meaningful engagement in learning
- Connection to caring adults
- Student voice

Indigenous Learning & Culture

- Local cultural learning
- Language
- Equity of outcomes
- Belonging, Mastery, Independence, Generosity

Place-Based Learning

- Time outdoors
- Time in nature
- Learning on and from the land
- Local learning

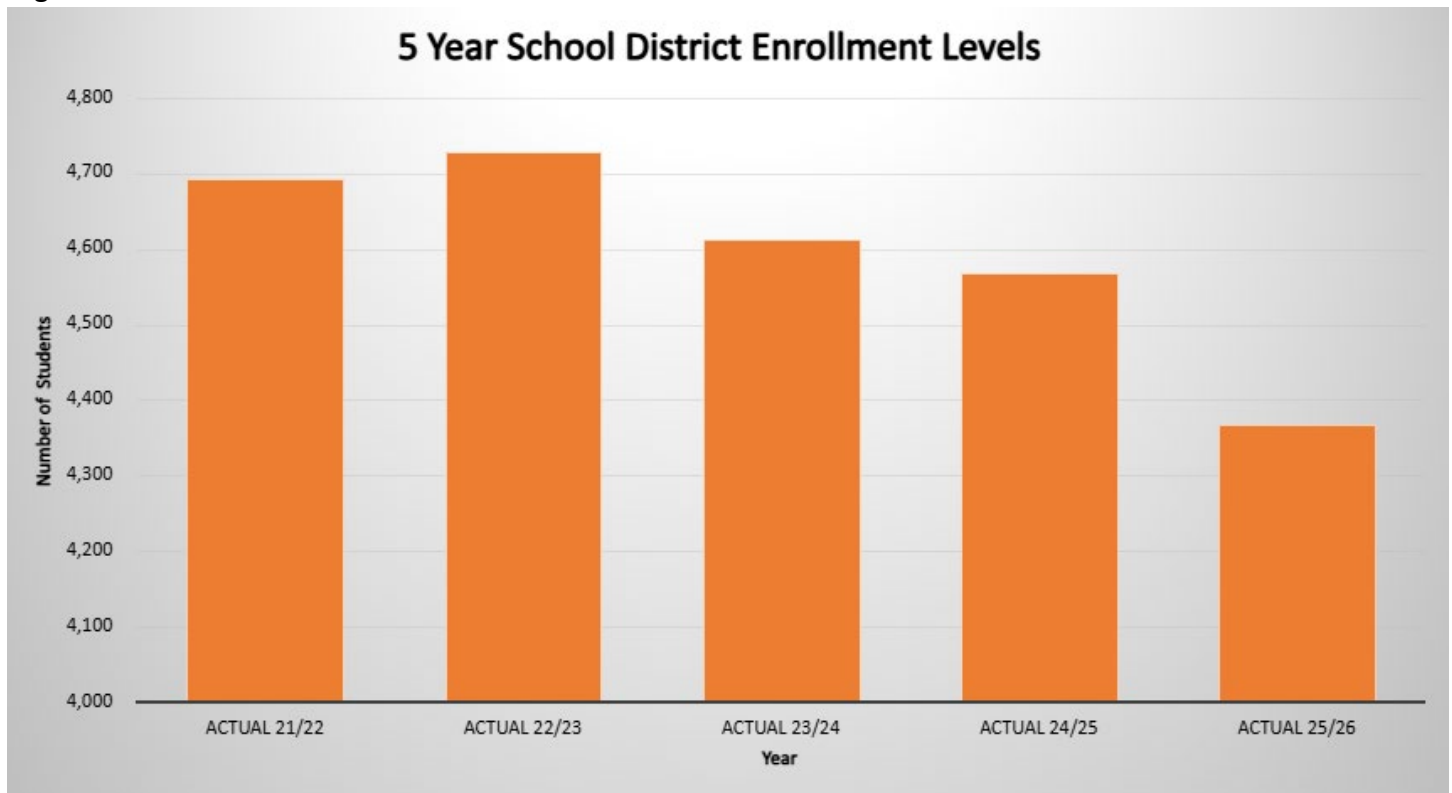
Financial Statement Discussion & Analysis



ENROLLMENT

Student enrollment represents the key driver for determining operating grant revenue and staffing allocations across the district. Over the past five years, enrollment has trended downward following a temporary post-pandemic surge in the 2021/22 and 2022/23 school years.

For the 2025/2026 fiscal year, the district recorded a funded enrollment of 4,368.44 school-age FTE (and 4,370.81 total FTE including adult education). Standard regular schools accounted for 4,289.44 FTE, alternate school programs accounted for 31.00 FTE, and online learning served 48.00 FTE. In addition, the district registered 25 home-schooled learners.



A large portion of school funding comes from the Ministry of Education and Child Care (MECC) based on student FTE. Because of this year's enrollment decrease, the district triggered provincial Funding Protection in the 2025/2026 year, which buffered the immediate financial impact and helped stabilize baseline instructional and operational services across our schools.





School District No. 27 (Cariboo-Chilcotin) had another productive year maintaining its facilities and advancing major capital and operational priorities.

Some of the main financial highlights of the year were as follows:

District Wide

Cariboo-Chilcotin School District No. 27 made strong progress on our capital plan this year. Under provincial Bylaw Capital, we purchased seven replacement school buses to maintain safe student transport across our rural routes. Major facility enhancements included the 100 Mile Elementary building envelope project, electrical upgrades at Lake City Secondary, and kitchen modernizations at Peter Skene Ogden Secondary and Horse Lake Elementary. We also installed commercial kitchen equipment at Lake City Secondary and completed early learning projects at Chilcotin Road Daycare and the Columneetza Dormitory.

The Maintenance Department

Facility maintenance teams focused on essential building envelope renewals, interior updates, and health and safety priorities across the district. Using our Annual Facility Grant (AFG), we completed envelope restorations, exterior painting, and roofing repairs. Interior learning spaces were refreshed with washroom upgrades and new flooring, including refinishing the Columneetza Gymnasium floor. Crews also completed kitchen updates, boiler and DDC replacements, emergency lighting installations, backup battery maintenance, door and sidewalk repairs, and paving.

The IT Department

The IT Department completed a major multi-year network overhaul, transitioning our schools from legacy wiring to modern high-speed wireless across all sites. We replaced the majority of student and teacher devices, migrating them to a unified cloud platform for improved security and manageability. In addition, data centre cooling was upgraded, phone systems shifted to digital calling, keyless entry was finalized across all facilities, surveillance cameras and PA systems were updated, and new applications were launched for web services, laptop inventory, and safety training.



Financial Statement Discussion & Analysis



STATEMENT OF FINANCIAL POSITION

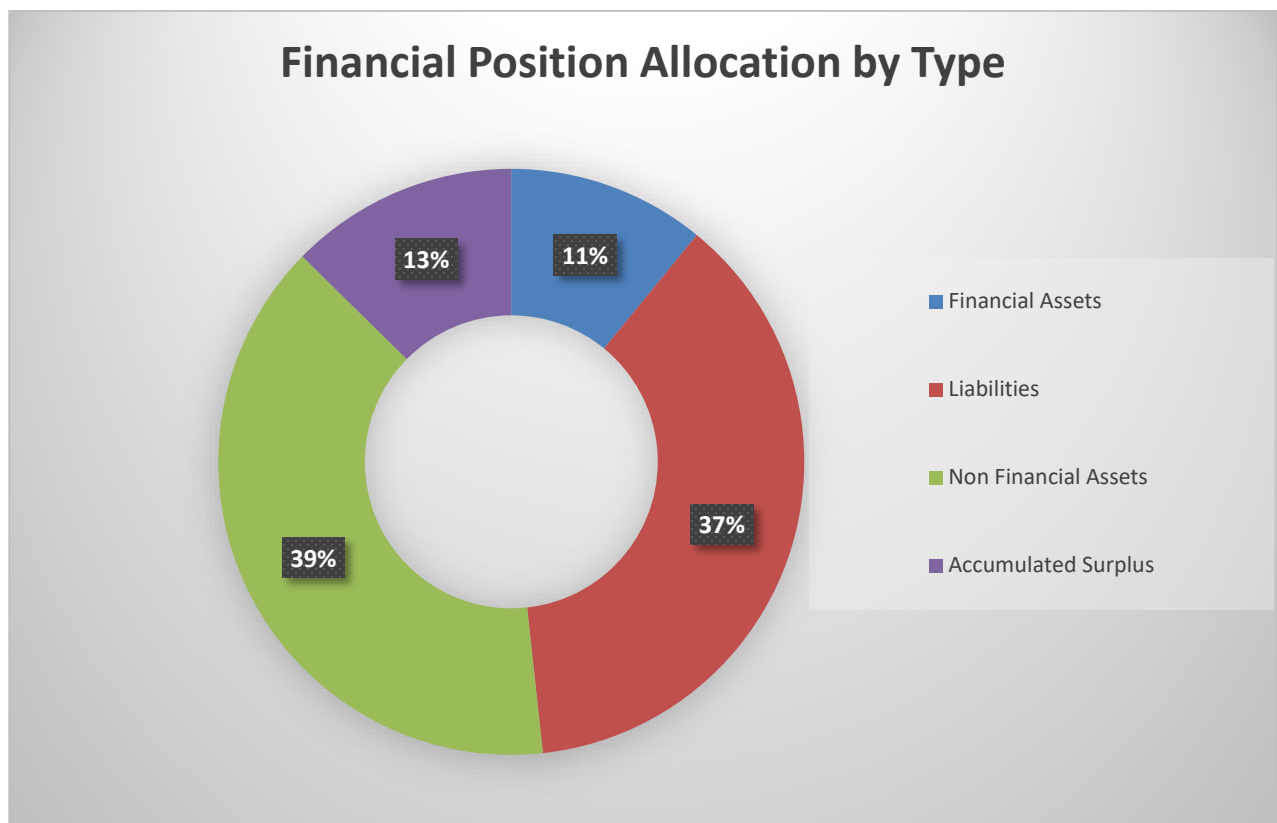
The Statement of Financial Position represents a snapshot of the overall assets and liabilities of the district at the end of the fiscal year. It outlines the year-over-year comparison of the net financial position for the fiscal years ending June 30, 2026, and June 30, 2025.

The largest item on the Balance Sheet is Non-Financial Assets (39%), which includes items such as Tangible Capital Assets, Prepaids, and Supply Inventories.

Liabilities make up the second biggest component of the Balance Sheet (37%); they represent payments owing such as Accounts Payable, Asset Retirement Obligations (ARO), Capital Lease Obligations, and Deferred Revenues.

Financial Assets account for 11% of the graph and are predominantly made up of cash and cash equivalents and receivables.

The final item is the Accumulated Surplus amount which represents the overall surplus of the district (13%). At the end of June 30, 2026, the district had an Accumulated Surplus of \$27.5 million dollars.



Financial Statement Discussion & Analysis



STATEMENT OF FINANCIAL POSITION

Financial Assets increased by \$3.95 million over last year, driven by a \$4.48 million increase in cash reserves from targeted capital draws, lower capital cash outlays, and disciplined operating spending.

Liabilities increased by \$3.54 million, primarily due to a \$2.23 million increase in Deferred Capital Revenue for facility renewals, along with increases in construction Accounts Payable (\$748,212) and Special Purpose Deferred Revenue (\$674,849).

Statement of Financial Position

As at June 30, 2026

	2026 Actual \$	2025 Actual \$
Financial Assets		
Cash and Cash Equivalents	21,935,167	17,451,416
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	442,914	348,373
Due from Province - Other		
Due from First Nations	1,072,685	932,673
Other	270,500	1,038,579
Total Financial Assets	23,721,266	19,771,041
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care		
Due to Province - Other		
Other	6,207,705	5,459,493
Unearned Revenue		14,113
Deferred Revenue	2,369,517	1,694,668
Deferred Capital Revenue	64,351,594	62,121,862
Employee Future Benefits	2,085,678	2,232,232
Asset Retirement Obligation	4,909,249	4,945,000
Capital Lease Obligations	679,705	600,913
Other Liabilities	601,907	597,257
Total Liabilities	81,205,355	77,665,538
Net Debt	(57,484,089)	(57,894,497)
Non-Financial Assets		
Tangible Capital Assets	84,628,449	82,786,395
Restricted Assets (Endowments)	15,000	15,000
Prepaid Expenses	290,907	376,220
Supplies Inventory	17,569	21,076
Total Non-Financial Assets	84,951,925	83,198,691
Accumulated Surplus (Deficit)	27,467,836	25,304,194

Non-Financial Assets increased by \$1.75 million dollars, reflecting capital additions outperforming annual amortization. Net Debt improved by \$410,408 over the prior year. The Accumulated Surplus increased by \$2.16 million dollars, driven by an operating fund surplus of \$1.86 million (with \$647,340 transferred to Local Capital). Operational savings were achieved through administration, maintenance, and benefits management throughout the year.

Financial Statement Discussion & Analysis



STATEMENT OF FINANCIAL POSITION

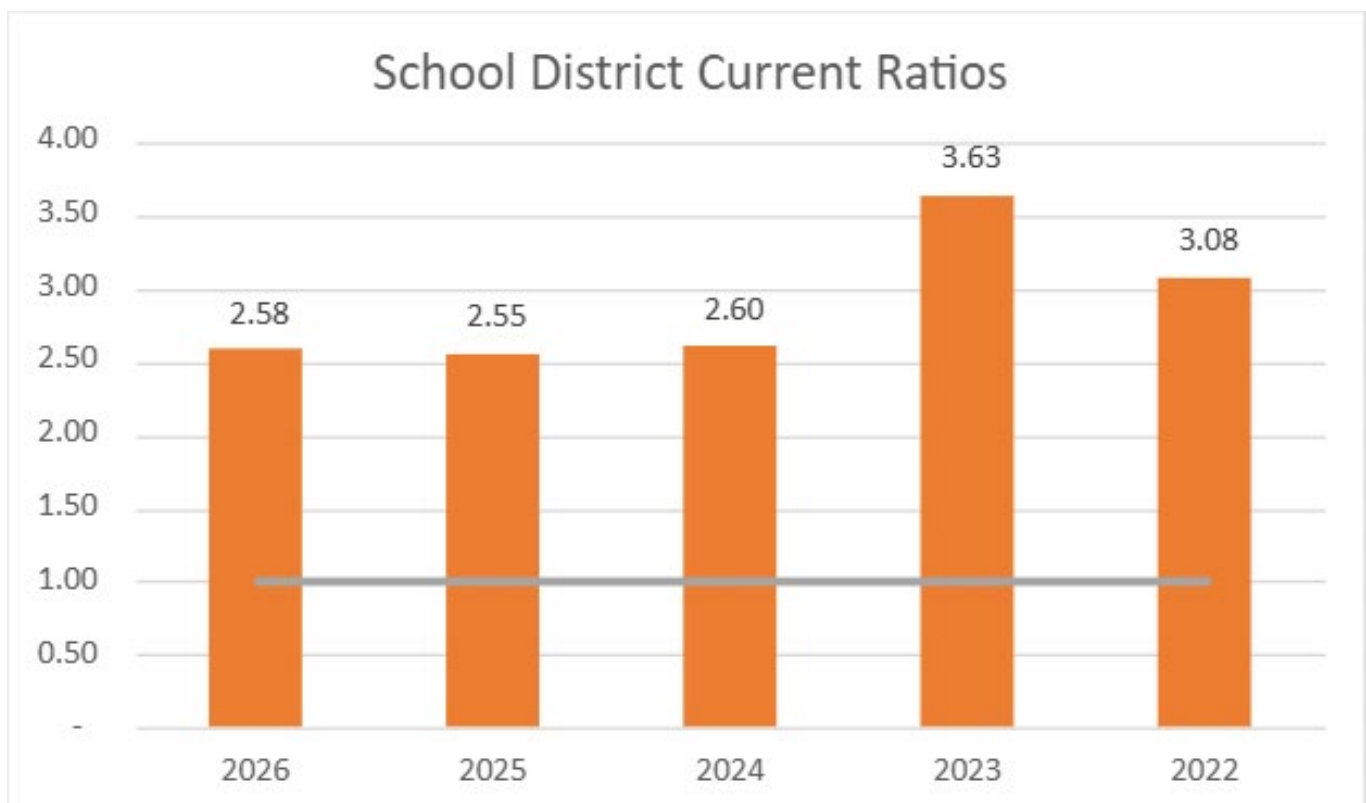
A key indicator of the district's financial health and short-term solvency is the current ratio. It measures the district's ability to cover its short-term financial obligations with its liquid current assets. A ratio greater than 1.0 indicates that the district holds sufficient short-term resources to satisfy immediate liabilities as they come due without relying on operating debt or emergency borrowing.

The current ratio is calculated by dividing total financial assets by current liabilities (excluding non-current and amortizing balances such as Deferred Capital Revenue, Asset Retirement Obligations, and non-current Employee Future Benefits).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

For the fiscal year ended June 30, 2026, the district's current ratio remained consistent at 2.58 (compared to 2.55 in 2025), reflecting strong working capital and a healthy liquidity position.

The 5-year trend highlights consistent liquidity across the district. Following elevated levels in 2021/2022 and 2022/2023 associated with post-pandemic surplus holdbacks and project timing, the ratio has stabilized comfortably above 2.50. This position allows the district to absorb timing differences in grant receipts and maintain uninterrupted day-to-day operations.



Financial Statement Discussion & Analysis

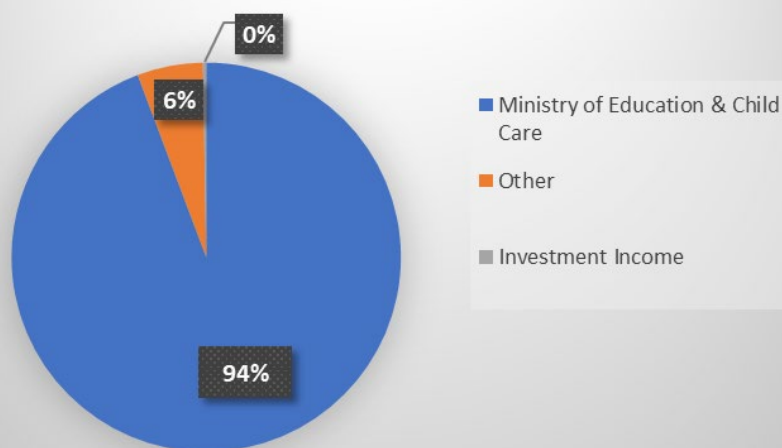


STATEMENT OF OPERATIONS - OPERATING FUND

The Statement of Operations for the Operating Fund reflects the day-to-day revenues and expenses required to deliver instructional programs and maintain district operations.

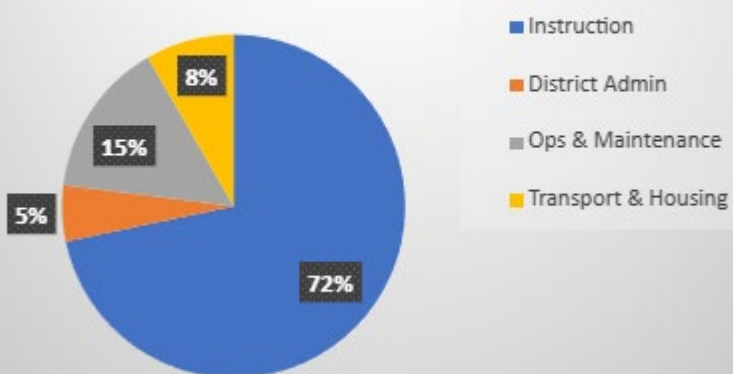
For the fiscal year ended June 30, 2026, total operating revenue was **\$65.05 million**, while operating expenses totaled **\$63.19 million**, resulting in an operating surplus of **\$1.86 million** before transfers.

Revenue By Source



Provincial funding from the Ministry of Education and Child Care (MECC) remains the primary funding source for district operations, accounting for 94.3% (\$61.59 million) of operating revenue. Funding from other sources including First Nations, tuition, other grants, rental revenues represent the second-largest share at 5.5% (\$3.57 million). The remaining 0.2% is interest income earned on operating cash balances.

Expenses by Type



Operating expenditures totaled \$63.19 million, with the vast majority directly supporting schools and classrooms. Instruction accounted for the largest share at 71.7% (\$45.30 million), followed by Operations and Maintenance at 14.7% (\$9.29 million), Transportation and Housing at 8.3% (\$5.26 million), and District Administration at 5.3% (\$3.33 million).

Financial Statement Discussion & Analysis



STATEMENT OF OPERATIONS - OPERATING FUND

The Operating Fund ended the year with an operating surplus before transfers of \$1.86 million, compared to a budgeted surplus of \$217,141. Net transfers of \$647,340 were made to Local Capital to support ongoing multi-year capital projects, and \$63,039 was used for tangible capital asset purchases. This resulted in an overall net operating surplus of \$1,146,956 for the year, bringing the accumulated Operating Fund surplus balance to \$4,189,709 as at June 30, 2026.

Schedule of Operating Operations Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	60,705,759	61,585,360	61,547,889
Other	70,000	46,560	81,950
Federal Grants			
Tuition	3,550	8,750	26,375
Other Revenue	3,186,916	3,143,222	3,310,236
Rentals and Leases	172,000	138,813	139,681
Investment Income	100,000	123,762	176,391
Total Revenue	64,238,225	65,046,467	65,282,522
Expenses			
Instruction	43,808,567	45,301,795	44,702,327
District Administration	4,326,292	3,331,759	3,539,444
Operations and Maintenance	10,643,043	9,290,977	9,687,332
Transportation and Housing	5,243,182	5,264,601	5,140,263
Debt Services			
Total Expense	64,021,084	63,189,132	63,069,366
Operating Surplus (Deficit) for the year	217,141	1,857,335	2,213,156
Budgeted Appropriation (Retirement) of Surplus (Deficit)	486,859		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(50,000)	(63,039)	(21,127)
Local Capital			(900,000)
Other	(654,000)	(647,340)	(624,086)
Total Net Transfers	(704,000)	(710,379)	(1,545,213)
Total Operating Surplus (Deficit), for the year	-	1,146,956	667,943
Operating Surplus (Deficit), beginning of year		3,042,753	2,374,810
Operating Surplus (Deficit), end of year		4,189,709	3,042,753

Financial Statement Discussion & Analysis



STATEMENT OF OPERATIONS - OPERATING FUND

Amended Budget vs Actuals Variance:

Initial projections pointed to potential fiscal tightening due to declining funded enrollment. However, targeted savings, position gapping, and unbudgeted provincial revenues delivered a positive year-end operating result.

The table below reconciles the movement from a balanced amended budget to an ending net operating surplus of \$1,146,956.

Key drivers of the surplus included \$1.35 million in Maintenance savings and \$994,533 in District Administration savings from staffing vacancies, lower contracted services, and deferred projects. Benefits contributed another \$239,595 in savings. Revenue additions included \$368,922 in provincial Funding Protection and \$1.00 million in Labour Settlement Funding, which helped absorb instructional cost increases and allowed the district to leave its \$486,859 budgeted surplus reserve untouched.

Surplus Variance Reconciliation Table

Surplus Variance Items	2026 Amended Budget	2026 Actual	Variance (\$)
Operating Fund Surplus	217,141	1,857,335	1,640,194
Budgeted Surplus Appropriation (Retained)	486,859	-	(486,859)
Adjusted End of Year Operating Fund Surplus	704,000	1,857,335	1,153,335
Net Capital Transfers	(704,000)	(710,379)	(6,379)
Year End Surplus less transfers to other funds	-	1,146,956	1,146,956

Variance Drivers/Cost Savings:

Operations & Maintenance Net Savings	1,352,066
District Administration Net Savings	994,533
Net Operating Revenues Above Budget	808,242

Cost Pressures Absorbed in the Year:

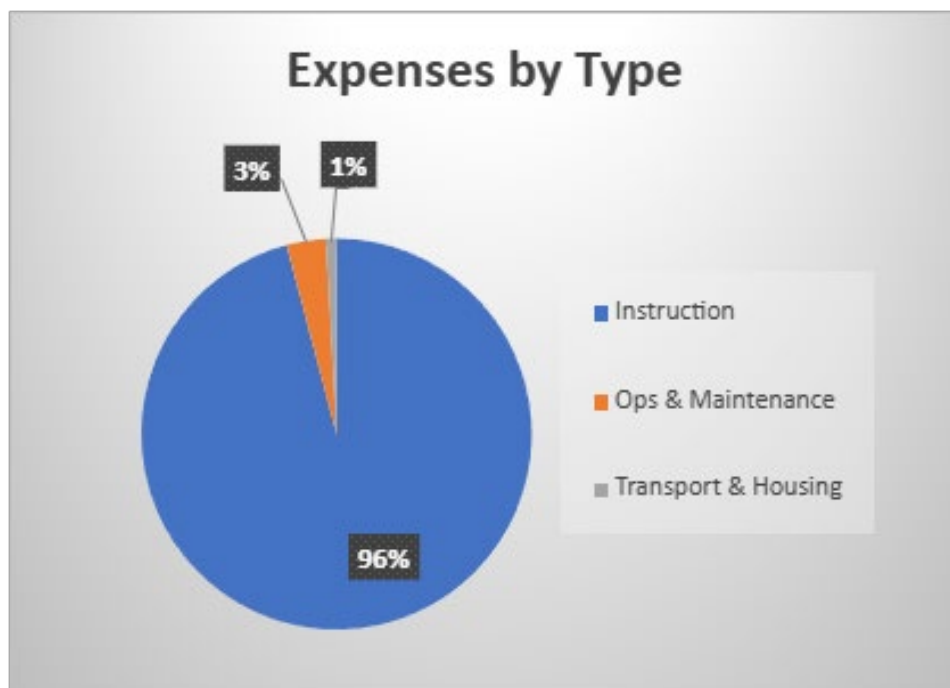
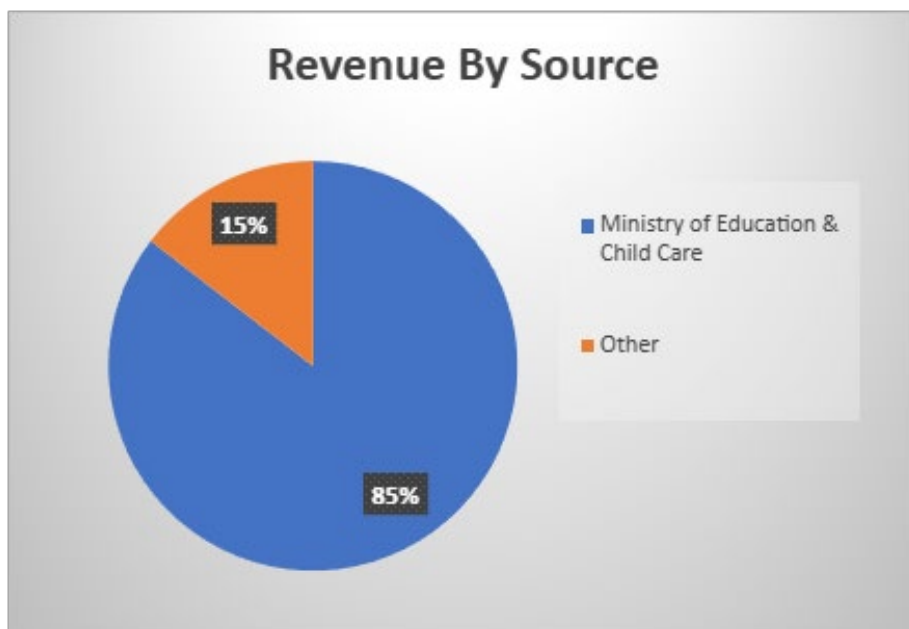
Instruction Wage & Support Costs	(1,493,228)
Planned Surplus Appropriation Not Drawn	(486,859)
Transportation Department Variance	(21,419)
Net Capital Transfers Variance	(6,379)
Net Operating Surplus Explained	1,146,956



STATEMENT OF OPERATIONS - SPECIAL PURPOSE FUNDS

Special Purpose Funds are designated for specific programs and services as mandated by the funding source, which includes provincial ministries, the federal government, and local community contributions. School-generated funds are also included in this category, representing fundraising and fees collected and spent at the school level to support school-based activities and initiatives.

The Ministry of Education and Child Care (MECC) make up 85% of the Special Purpose Funds revenues.



Within the Special Purpose Funds expenses, Instructional costs continue to make up most of the costs at 96% followed by Operations and Maintenance at 3% and lastly Transportation and Housing at 1%.

Special Purpose Funds do not generate operational surpluses or deficits, as revenues are recognized only as eligible qualifying expenses are incurred. Any unspent funding balances sit as deferred revenue on the Statement of Financial Position until expended in subsequent periods.

Financial Statement Discussion & Analysis



STATEMENT OF OPERATIONS - SPECIAL PURPOSE FUNDS

Schedule of Special Purpose Operations Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	8,056,858	8,230,155	8,124,894
Other	56,005	131,150	141,091
Other Revenue	1,000,750	1,197,651	1,359,914
Investment Income		24,545	7,056
Total Revenue	<u>9,113,613</u>	<u>9,583,501</u>	<u>9,632,955</u>
Expenses			
Instruction	8,649,502	9,173,874	9,251,385
Operations and Maintenance	311,807	311,807	312,373
Transportation and Housing	152,304	82,051	69,197
Total Expense	<u>9,113,613</u>	<u>9,567,732</u>	<u>9,632,955</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>15,769</u>	<u>-</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(15,769)	
Tangible Capital Assets - Work in Progress			
Other			
Total Net Transfers	<u>-</u>	<u>(15,769)</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year		15,000	15,000
Special Purpose Surplus (Deficit), end of year		<u>15,000</u>	<u>15,000</u>
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		15,000	15,000
Total Special Purpose Surplus (Deficit), end of year		<u>15,000</u>	<u>15,000</u>



STATEMENT OF OPERATIONS – CAPITAL FUNDS

Each year the district invests capital funding into various projects to renew, modernize, and replace assets across our schools and facilities. These projects address critical facility lifecycle needs ranging from building envelope remediation, mechanical HVAC renewals, and washroom modernizations to school bus fleet replacement, electrical enhancements, and tech infrastructure.

During the 2025/2026 fiscal year, the district invested \$6.74 million into tangible capital assets and active work-in-progress capital projects. Funding was delivered across several key sources, led by Ministry of Infrastructure Bylaw Capital, the Annual Facility Grant (AFG), Local Capital reserves, and targeted child care capital grants. Additionally, the district recognized \$1.55 million in proceeds from capital property disposals, which were directed to capital reserves in accordance with provincial regulations.



Below is a summary of some of the larger projects ongoing and completed by the district in the 25/26 Year:

- Building envelope and exterior upgrades at 100 Mile Elementary
- District-wide roofing replacement projects (PSO, 108 Mile, Forest Grove, 100 Mile Elm)
- Chilcotin Road and regional childcare space commitments
- Heating and ventilation (HVAC) mechanical upgrades
- Accessible playground equipment
- School PA communications, intrusion monitoring, and physical security upgrades
- Cybersecurity and network infrastructure refresh projects
- Major school bus fleet replacements (7 buses)
- Computer hardware and technology device replacements across school site
- Food infrastructure updates

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STATEMENT OF OPERATIONS - CAPITAL FUNDS

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	6,838,305	144,346,079	2,056,103	8,509,933	42,628	3,476,229	165,269,277
Prior Period Adjustments							
Cost, beginning of year, as restated	6,838,305	144,346,079	2,056,103	8,509,933	42,628	3,476,229	165,269,277
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,780,259	50,133	1,371,158			4,201,550
Deferred Capital Revenue - Other		230,623					230,623
Operating Fund			46,602			16,437	63,039
Special Purpose Funds			15,769				15,769
Local Capital		98,764	125,608			20,254	244,626
Acquisitions via Capital Lease						710,852	710,852
Transferred from Work in Progress		844,401	51,241				895,642
	-	3,954,047	289,353	1,371,158	-	747,543	6,362,101
Decrease:							
Disposed of	3,855						3,855
Deemed Disposals			98,185	767,375	28,786	64,715	959,061
Written-off/down During Year							-
Cost, end of year	3,855	-	98,185	767,375	28,786	64,715	962,916
Work in Progress, end of year	6,834,450	148,300,126	2,247,271	9,113,716	13,842	4,159,057	170,668,462
		1,272,576	1,373				1,273,949
Cost and Work in Progress, end of year	6,834,450	149,572,702	2,248,644	9,113,716	13,842	4,159,057	171,942,411
Accumulated Amortization, beginning of year		77,385,728	663,154	3,583,647	35,467	1,710,528	83,378,524
Prior Period Adjustments							
Accumulated Amortization, beginning of year, as restated		77,385,728	663,154	3,583,647	35,467	1,710,528	83,378,524
Changes for the Year							
Increase:							
Amortization for the Year		3,028,973	215,169	881,182	5,647	763,528	4,894,499
		3,028,973	215,169	881,182	5,647	763,528	4,894,499
Decrease:							
Disposed of			98,185	767,375	28,786	64,715	959,061
Deemed Disposals		-	98,185	767,375	28,786	64,715	959,061
Written-off During Year		80,414,701	780,138	3,697,454	12,328	2,409,341	87,313,962
Accumulated Amortization, end of year		80,414,701	780,138	3,697,454	12,328	2,409,341	87,313,962
Tangible Capital Assets - Net	6,834,450	69,158,001	1,468,506	5,416,262	1,514	1,749,716	84,628,449

Financial Statement Discussion & Analysis



STATEMENT OF OPERATIONS - CAPITAL FUNDS

The district successfully executed its capital plan throughout the 2025/2026 school year, starting and completing critical renewal projects across our facilities. Addressing aging infrastructure, improving energy performance, and modernizing learning and operational spaces remain key priorities across all sites.

Reviewing our Tangible Capital Assets, the Net Book Value (NBV) increased to \$84.6 million as at June 30, 2026, an increase of \$1.8 million over the prior year (\$82.8 million in 2024/2025). Total capital additions and active work-in-progress investments (\$6.74 million) outpaced annual amortization (\$4.89 million), demonstrating that the district continues to reinvest in its facilities and fleet faster than they are depreciating.

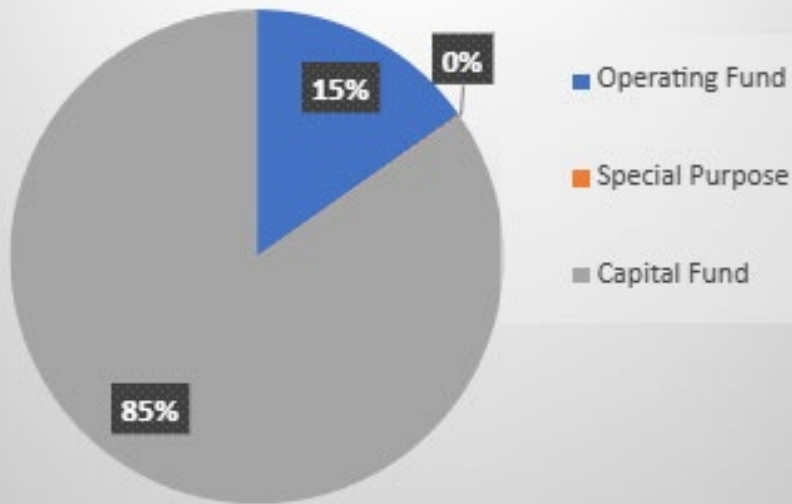
This ongoing capital reinvestment helps stabilize the average physical age of our school facilities and support assets. The district will continue targeted capital renewals into 2026/2027 by leveraging Ministry Bylaw Capital, Annual Facility Grants, and healthy Local Capital reserves to address long-term operational and educational needs.





ACCUMULATED SURPLUS (DEFICIT)

Surplus By Type



The Accumulated Surplus is the combined year over year total surplus or deficit that the district maintains. The surplus is a measure of the cumulative financial state the district is in as a whole.

As shown in the chart, the Operating Fund Surplus accounts for 15% (\$4.19 million) of the total Accumulated Surplus, and a significant portion of those funds is internally restricted for targeted programs, contingency reserves, and school carryovers. The Special Purpose Fund Surplus (<1%) consists solely of a non-spendable endowment fund (\$15,000). The Capital Fund Surplus represents 85% (\$23.26 million) of the total, which is divided between investments in existing tangible capital assets and Local Capital reserves committed to specific Board capital priorities.

During 2025/2026, the district drew \$876,686 from Local Capital for direct capital purchases and active work-in-progress projects, representing a 13% usage of the opening fund balance (\$6.63 million). Supported by proceeds from surplus property disposals and annual transfers from operating, the Local Capital reserve closed the year in a strengthened position at \$8.23 million, providing crucial runway to support long-term facility renewals and fleet investments without over-relying on single-year operating surpluses.

Financial Statement Discussion & Analysis



ACCUMULATED SURPLUS (DEFICIT)

This year the district reported an Operating Surplus before transfers of \$1.857 million dollars. This topped up the prior year's surplus of \$3.043 million dollars to \$4.900 million dollars in the Operating Funds Surplus. Then we deducted the committed \$0.710 million dollar transfers of Surplus to Local Capital and Tangible Capital Asset purchases to end the year at \$4.190 million in Operating Funds Surplus.

	2026	2025
Operating Fund		
Internally restricted:		
School Budget Balances	88,009	37,590
Enrolment Decline Stabilization	800,000	-
Indigenous Education Council (IEC)	194,547	102,433
Indigenous Commitments	615,402	817,518
Unrestricted	2,491,751	2,085,212
Operating Funds	4,189,709	3,042,753
Special Purpose Funds	15,000	15,000
Capital Fund		
Invested in Tangible Capital Assets	15,029,046	15,611,600
Local Capital	8,234,081	6,634,841
	23,263,127	22,246,441
Total Accumulated Surplus	27,467,836	25,304,194

Of the \$4.190 million dollars in Operating Funds Surplus, \$1.698 million dollars of these funds are earmarked for specific programs and can only be spent on those items. The remaining \$2.492 million dollars are classified as Unrestricted Contingent Surplus, which is subject to Board Policy 630 reserve allocations.

Only two portions of reported Accumulated Surplus truly represent surplus funds available to spend: the Operating Surplus of \$4.190 million dollars and the Local Capital Surplus of \$8.234 million dollars, providing a total available surplus of \$12.424 million which can be utilized for operational and capital planning. The \$15.029 million that makes up the Invested in Tangible Capital Assets and the \$15,000 in Special Purpose Funds are not accessible surplus funds within the district's Accumulated Surplus.

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ACCUMULATED SURPLUS (DEFICIT)

Within the Accumulated Surplus - Capital Fund are funds restricted for specific Local Capital projects that align with the strategic goals of the district. These funds are earmarked to enable the district to plan and execute multi-year capital priorities with minimal disruption from annual operational funding fluctuations. Identifying these targeted commitments within Local Capital provides transparency regarding where district capital reserves are allocated.

	2026	2025
Local Capital Project Breakdown		
Building Envelope	1,000,000	1,000,000
Facilities Reserve	1,000,000	1,000,000
PA Security Projects	-	89,182
Physical Security Projects	-	92,447
Cybersecurity Project	73,675	93,675
Camera Security Project	34,558	35,943
Network/Electrical Wiring Project	1,000,000	1,000,000
Maint/Transportation Yard Upgrades	5,125,848	3,323,594
Local Capital Total	8,234,081	6,634,841

Overall, the district maintains a healthy capital surplus balance, avoiding the need for external debt to finance capital renewals or program needs. In 2025/2026, the district completed its dedicated PA and physical security projects, drew down balances for cybersecurity and security camera deployments, and transferred \$647,340 from operating into Local Capital for capital leases. Combined with net capital property disposal proceeds, the district directed \$1.80 million into the Maintenance and Transportation Yard Upgrades reserve, ensuring funding is secured for this critical multi-year infrastructure initiative.



FUTURE RISKS

Recruitment and retention remain persistent near-term operational challenges across the district, especially within rural and remote communities. Sourcing certified educators, educational assistants, bus drivers, and skilled trades continues to strain daily operations, increase overtime, and challenge succession planning. Concurrently, non-discretionary benefit costs continue to climb; rising statutory CPP and EI contribution limits alongside inflationary increases to extended health and dental premiums place relentless upward pressure on a budget where compensation accounts for over 86% of operating expenditures.

Enrolment volatility and changing regional demographics present significant structural risks. While provincial Funding Protection currently buffers the district from sharp grant reductions, this relief diminishes over time. If funded student FTE does not stabilize, fixed overhead costs for facilities and extensive bus routes will outpace per-pupil operating grants, creating multi-year structural budget pressures.

Physical infrastructure and climate risks also demand proactive management across our expansive geography. Decades-old facilities face escalating deferred maintenance that outstrips annual Ministry capital grants, while intensifying seasonal wildfire and severe winter conditions drive unexpected repair and utility costs. Maintaining dedicated Local Capital reserves remains vital to address critical mechanical and building envelope needs before costly failures occur.

Finally, digital threats and shifting monetary policies introduce new vulnerabilities. Sophisticated cyberattacks on educational networks require constant capital reinvestment in network hardening, threat detection, and data security. Meanwhile, projected central bank interest rate cuts will compress district investment income on operating cash and Local Capital holdings, reducing a valuable supplementary revenue source and reinforcing the need for disciplined reserve stewardship.



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CONTACTING MANAGEMENT

This financial report is designed to provide the School District No. 27 (Cariboo-Chilcotin) stakeholders with a general but more detailed overview of the district's finances and to demonstrate increased accountability for the public funds received by School District No. 27 (Cariboo-Chilcotin).

If you have any questions about this financial report, please contact the Secretary-Treasurer at the district office or you can visit the School District No.27 Website <https://www.sd27.bc.ca/>

