



BOARD REPORT

REGULAR

REPORT DATE: June 12 2026

BOARD MEETING DATE: June 17, 2026

BOARD REPORT # 2026-FIN011

TO: Surrey Police Board

FROM: Finance and Risk Committee

FILE: 60540-20-04

SUBJECT: Financial Update – Year-to-Date expenditures (April 30, 2026)

This report is FOR INFORMATION

RECOMMENDATION

Finance and Risk Committee recommends the Surrey Police Board (the “Board”) receive this report FOR INFORMATION.

EXECUTIVE SUMMARY

As of April 30, 2026, year-to-date net expenditures totalled \$77.85M, representing 27% of the total approved budget. Salaries and benefits remain the largest cost category, accounting for approximately 73% of operating costs incurred to date. Overall expenditures are trending below the pro-rated year-to-date budget, resulting in a favourable variance of \$5.33M at this stage. A number of variances are attributable to the timing of expenditures, particularly in relation to information technology, infrastructure projects, equipment purchases, and capital acquisitions, which do not occur evenly throughout the year.

At this time, there is no indication of a material deviation from the overall approved net budget. However, several areas warrant continued monitoring through the next reporting periods. Sworn overtime is trending above budget and remains a key cost pressure, although this is currently being partially offset by staffing vacancies. Auxiliary staffing and supplies and materials are also showing pressure relative to budget, in part because approved budgets in these areas were reduced below prior-year actual expenditures despite increased operational scale in 2026.

Budget uncertainty also remains with respect to SPOSU costs, as discussions between the City and the Province have not yet been resolved and the final amount chargeable remains unknown. Management will continue to monitor expenditure trends closely and manage pressures through prioritization, vacancy management, and offsetting variances where feasible.

PURPOSE

This report summarizes 2026 year-to-date expenditures incurred up to April 30, 2026.

BACKGROUND

The 2026 policing budget, as approved by the Board and adopted by the City, is summarized below.

Approved SPS Budget

	2026
Operating Costs	
Board Remuneration	\$ 200,000
Salaries and Benefits	222,788,174
Lower Mainland Integrated Police Services	23,210,822
Other Operating Expenditures	49,938,117
	296,137,113
Capital Assets and Equipment	8,835,000
Surrey Provincial Operations Support Unit	24,954,864
	329,926,977
Less:	
External Revenues and Recoveries	(15,365,946)
Province of BC contribution	(30,000,000)
Net/Total Policing Expenditures	\$ 284,561,031

The 2026 budget presents policing costs under three main components: SPS Operating Costs, Capital Assets and Equipment, and the Surrey Provincial Operations Support Unit ("SPOSU") (RCMP members supporting SPS). The fundamental planning assumption underlying the budget is a targeted policing strength of 808 sworn members in 2026, including both SPS and RCMP members.

DISCUSSION

As of April 30, 2026, year-to-date ("YTD") net expenditures totalled \$77.85M (27% of the total budget), as presented below. However, although the SPOSU contract cost is presented as a line item in the Surrey Police Board's budget, the Board does not direct the contract's cost or deliverables, as the agreement is between the federal government and the Province of BC. This line item is included in the Board's budget and reporting for presentation purposes only, to provide stakeholders with a consolidated view of Surrey's total policing expenditures. Because the actual cost of SPOSU is unknown to SPS staff, the expense is currently accrued in proportion to the budgeted amount.

2026 Budget vs. Actual - Summary

As of April 30, 2026

	2026 Budget	YTD Actual	% Utilized	Remaining Budget
Operating Costs				
Board Remuneration	200,000	31,536	16%	168,464
Salaries and Benefits	222,788,174	61,044,246	27%	161,743,928
Lower Mainland Integrated Police Services	23,210,822	7,736,941	33%	15,473,881
Other Operating Expenditures	49,938,117	14,336,854	29%	35,601,263
	296,137,113	83,149,577	28%	212,987,536
Capital Assets and Equipment	8,835,000	1,650,467	19%	7,184,533
Surrey Provincial Operations Support Unit	24,954,864	8,118,290	33%	16,836,574
	329,926,977	92,918,334	28%	237,008,643
Less:				
External Revenues and Recoveries	(15,365,946)	(5,064,588)	33%	(10,301,358)
Province of BC contribution	(30,000,000)	(10,000,000)	33%	(20,000,000)
Net/Total Policing Expenditures	284,561,031	77,853,746	27%	206,707,285

Overall, as of the end of April, the most significant expense category is salaries and benefits, which account for approximately 73% of total operating costs incurred to date (\$61.04M of \$83.15M).

When comparing YTD expenditures to the pro-rated budget to April 30, SPS's expenditures are trending below budget at 94%, resulting in a favourable variance of \$5.33M. This variance will fluctuate from month to month because the timing of expenditures does not always align with the monthly budget phasing, even though those expenditures remain within the approved annual budget.

Year-To-Date Budget vs. Actual - Summary

As of April 30, 2026

	YTD Budget	YTD Actual	% Utilized	Remaining Budget
Operating Costs				
Board Remuneration	66,667	31,536	47%	35,131
Salaries and Benefits	62,595,777	61,044,246	98%	1,551,531
Lower Mainland Integrated Police Services	7,736,941	7,736,941	100%	-
Other Operating Expenditures	16,846,039	14,336,854	85%	2,509,185
	87,245,424	83,149,577	95%	4,095,847
Capital Assets and Equipment	2,945,000	1,650,467	56%	1,294,533
Surrey Provincial Operations Support Unit	8,118,290	8,118,290	100%	-
	98,308,714	92,918,334	95%	5,390,380
Less:				
External Revenues and Recoveries	(5,121,982)	(5,064,588)	99%	(57,394)
Province of BC contribution	(10,000,000)	(10,000,000)	100%	-
Net/Total Policing Expenditures	83,186,732	77,853,746	94%	5,332,986

Key Variance Drivers

As of April 30, 2026, the 2025 and 2026 cost-of-living adjustments have not yet been implemented, as SPU and CUPE continue to bargain collective agreements that expired in 2024. Accordingly, salaries and benefits costs incurred to date do not yet reflect any retroactive adjustments. Overtime is currently trending higher than expected and may remain elevated due to operational requirements; however, these additional costs are currently being offset by vacancies.

IT-related costs are also trending lower than expected at this stage. However, IT and infrastructure project costs, equipment purchases, and capital expenditures are not incurred evenly throughout the year. As a result, current variances between budget and actual results are attributed primarily to transaction timing and project prioritization.

Appendices I and II present itemized budget-to-actual results (by full annual budget and by YTD budget, respectively), and Appendix III presents itemized budget-to-actual results for Board expenditures.

COMPLIANCE

All statutory remittances and reporting are currently up to date. Reporting and remittance frequencies are as follows:

- WorkSafeBC – quarterly
- Municipal Pension Plan – within 15 days of each payroll date
- BC Provincial Sales Tax (PST) – monthly
- BC Employer Health Tax (EHT) – quarterly
- Canada Revenue Agency
 - Goods and Services Tax (GST) remittances – annually, with quarterly instalment payments
 - Payroll remittances – immediately following each payroll date

CONCLUSION

The Finance and Risk Committee recommends that the Board receive this report for information.

George Duncan
Chair, Finance and Risk Committee

Appendix I Itemized 2026 Budget vs. Actual – April 30, 2026 and variance analysis
Appendix II Itemized 2026 Year-To-Date Budget vs. Actual – April 30, 2026
Appendix III 2026 Budget vs. Actual – Police Board – April 30, 2026
Appendix IV Most recent prior forecast for 2026, prepared as of March 31, 2026

Appendix I

2026 Budget vs. Actual

As of April 30, 2026

	2026 Approved Annual Budget	YTD Actual	% Utilized	Budget Remaining
Operating Costs				
Board Remuneration	200,000	31,536	15.8%	168,464
Salaries and Benefits	222,788,174	61,044,246	27.4%	161,743,928
Lower Mainland Integrated Police Services	23,210,822	7,736,941	33.3%	15,473,881
Consultants and Professional Services	9,852,921	2,970,265	30.1%	6,882,656
Justice Institute of BC Recruit Training Fees	2,495,430	1,288,000	51.6%	1,207,430
Training and Travel	2,593,500	545,572	21.0%	2,047,928
Other/External Police Agency Support	665,000	205,428	30.9%	459,572
Brand Development and Advertising	288,647	56,662	19.6%	231,985
Events and Meetings	137,900	37,928	27.5%	99,972
Facilities Operating Expenses	2,695,200	494,992	18.4%	2,200,208
Leases and Rental	2,611,100	912,420	34.9%	1,698,680
Memberships and Professional Dues	64,070	26,577	41.5%	37,493
Other Expenditures	325,500	2,292	0.7%	323,208
Risk Management and Insurance	1,502,520	156,939	10.4%	1,345,581
Repairs and Maintenance	4,927,189	984,514	20.0%	3,942,675
Service Fees	129,000	55,144	42.7%	73,856
Software and Application Licences	7,012,654	1,642,919	23.4%	5,369,735
Technology System Levies	5,211,049	1,528,731	29.3%	3,682,318
Telecommunications/Telephony	1,244,900	244,934	19.7%	999,966
Supplies and Materials	7,452,537	2,886,260	38.7%	4,566,277
City of Surrey Allocated Costs	729,000	297,277	40.8%	431,723
Total Operating Costs	296,137,113	83,149,577	28.1%	212,987,536
Capital Assets and Equipment				
Protective Equipment - Armour and Shields	910,000	325,436	35.8%	584,564
Use of Force Equipment – Firearms	720,000	-	0.0%	720,000
Use of Force Equipment – Non-Lethal	90,000	-	0.0%	90,000
Vehicles/Police Fleet	7,115,000	1,325,031	18.6%	5,789,969
Total Capital Assets and Equipment	8,835,000	1,650,467	18.7%	7,184,533
Surrey Provincial Operations Support Unit	24,954,864	8,118,290	32.5%	16,836,574
Total Expenditures	329,926,977	92,918,334	28.2%	237,008,643
Less:				
External Revenues and Recoveries	(15,365,946)	(5,064,588)	33.0%	(10,301,358)
Province of BC contribution	(30,000,000)	(10,000,000)	33.3%	(20,000,000)
Net Policing Expenditures	284,561,031	77,853,746	27.4%	206,707,285

Budget vs. Actual Variance Analysis

In addition to the general explanation in the report above, specific line-item budget-to-actual variances of interest are outlined below. Please refer to the corresponding note numbers in the statement above.

1. The Justice Institute of BC's recruit training expenses are incurred 3 times a year for 3 cohorts; the fees for the second cohort in 2026 were paid in April. This variance is due to the timing of expenditures.
2. Training and travel costs are currently trending lower. Conference, courses, and training expenses are not incurred evenly throughout the year. Furthermore, recent discussions with the Training Section indicate that we will likely not fully spend the training budget, as we do not have sufficient backfill capacity to release members for training.
3. Brand Development and Advertising costs are trending lower primarily due to timing differences. Recruiting campaigns, marketing initiatives, and related expenditures are typically not incurred evenly throughout the year. In addition, some planned activities were postponed until after budget finalization and will occur in later quarters.
4. Facility projects, such as security upgrades, as well as ice and snow removal costs, have not yet been incurred but are expected in Q3 and Q4.
5. Membership fees are generally paid once per year. This variance is due to the timing of expenditures.
6. Most of the risk management and insurance costs in the budget are related to vehicle purchases. There are fleet insurance-related costs from the "City of Surrey Allocated Costs" line that should be reallocated here.
7. Repairs and maintenance expenses are not expected to be incurred evenly throughout the year; therefore, we expect this line item to fluctuate over and under budget from time to time. One of the main drivers for variability is vehicle damage.
8. Service fees increased due to unexpected terminal rental fees charged by Moneris for the RCMP districts. The impact is not expected to be significant relative to the overall SPS budget.
9. IT systems, infrastructure, and software costs are currently trending below expectations. The Financial Services Section is working with the IM/IT Division to determine whether this variance is related to project timing or changes in operational priorities.
10. Telecommunications and telephony costs are lower due to the lower number of employees at this point in the year and are expected to correlate with the hiring cadence over the coming months.
11. Supplies and materials include policing duty equipment, personal-issued equipment, uniforms, and ammunition, which are trending higher than the budget, reflecting current operational needs, resulting in slightly higher than expected spending to date. Management will continue to monitor these costs.
12. Body armour and shields are purchased in bulk to realize better economies of scale. This variance is due to the timing of expenditures.
13. Use of force equipment is purchased in bulk; these items are expected to be ordered later in the year. This variance is due to the timing of expenditures.
14. Vehicle costs are not recognized until delivery from the manufacturer. Most vehicles ordered in 2024 and 2025 are expected to be received later this year. It is unlikely that all our 2026 vehicle orders will arrive this year; therefore, this line item will potentially have a favourable budget variance.

Appendix II

2026 Year-To-Date Budget vs. Actual

As of April 30, 2026

	YTD Budget	YTD Actual	% Utilized	Budget Remaining
Operating Costs				
Board Remuneration	66,667	31,536	47.3%	35,131
Salaries and Benefits	62,595,777	61,044,246	97.5%	1,551,531
Lower Mainland Integrated Police Services	7,736,941	7,736,941	100.0%	-
Consultants and Professional Services	3,284,307	2,970,265	90.4%	314,042
Justice Institute of BC Recruit Training Fees	831,810	1,288,000	154.8%	(456,190)
Training and Travel	864,500	545,572	63.1%	318,928
Other/External Police Agency Support	421,665	205,428	48.7%	216,237
Brand Development and Advertising	96,216	56,662	58.9%	39,554
Events and Meetings	45,967	37,928	82.5%	8,039
Facilities Operating Expenses	898,400	494,992	55.1%	403,408
Leases and Rental	870,367	912,420	104.8%	(42,053)
Memberships and Professional Dues	21,357	26,577	124.4%	(5,220)
Other Expenditures	108,500	2,292	2.1%	106,208
Risk Management and Insurance	500,840	156,939	31.3%	343,901
Repairs and Maintenance	1,642,397	984,514	59.9%	657,883
Service Fees	43,000	55,144	128.2%	(12,144)
Software and Application Licences	2,337,551	1,642,919	70.3%	694,632
Technology System Levies	1,737,016	1,528,731	88.0%	208,285
Telecommunications/Telephony	414,967	244,934	59.0%	170,033
Supplies and Materials	2,484,179	2,886,260	116.2%	(402,081)
City of Surrey Allocated Costs	243,000	297,277	122.3%	(54,277)
Total Operating Costs	87,245,424	83,149,577	95.3%	4,095,847
Capital Assets and Equipment				
Protective Equipment - Armour and Shields	303,333	325,436	107.3%	(22,103)
Use of Force Equipment – Firearms	240,000	-	0.0%	240,000
Use of Force Equipment – Non-Lethal	30,000	-	0.0%	30,000
Vehicles/Police Fleet	2,371,667	1,325,031	55.9%	1,046,636
Total Capital Assets and Equipment	2,945,000	1,650,467	56.0%	1,294,533
Surrey Provincial Operations Support Unit	8,118,290	8,118,290	100.0%	-
Total Expenditures	98,308,714	92,918,334	94.5%	5,390,380
Less:				
External Revenues and Recoveries	(5,121,982)	(5,064,588)	98.9%	(57,394)
Province of BC contribution	(10,000,000)	(10,000,000)	100.0%	-
Net Policing Expenditures	83,186,732	77,853,746	93.6%	5,332,986

Please refer to the variance analysis in Appendix I above for commentary.

Appendix III

2026 Budget vs. Actual - Police Board*As of April 30, 2026*

	2026 Budget Police Board	YTD Actual	% Utilized	Budget Remaining (over)
Operating Costs				
Board Remuneration	\$ 200,000	\$ 31,536	15.8%	168,464
Salaries and Benefits	397,016	132,698	33.4%	264,318
Consultants and Professional Services	255,661	55,184	21.6%	200,477
Training and Travel	11,000	330	3.0%	10,670
Events and Meetings	7,500	-	0.0%	7,500
Memberships and Professional Dues	5,000	2,263	45.3%	2,737
Other Expenditures	-	45	0.0%	(45)
Supplies and Materials	4,500	326	-	4,174
Total Operating Costs	880,677	222,382	25.3%	658,295

Appendix IV

2026 Q1 Forecast

As of March 31, 2026

	2026 Approved Annual Budget	Q1 Forecast	Variance Over (Under) Approved budget
Operating Costs			
Board Remuneration	200,000	200,000	-
Salaries and Benefits	222,788,174	222,076,497	(711,677)
Lower Mainland Integrated Police Services	23,210,822	23,210,822	-
Consultants and Professional Services	9,852,921	9,852,921	-
Justice Institute of BC Recruit Training Fees	2,495,430	2,495,430	-
Training and Travel	2,593,500	2,317,768	(275,732)
Other/External Police Agency Support	665,000	831,217	166,217
Brand Development and Advertising	288,647	288,647	-
Events and Meetings	137,900	139,792	1,892
Facilities Operating Expenses	2,695,200	2,695,200	-
Leases and Rental	2,611,100	2,611,100	-
Memberships and Professional Dues	64,070	64,070	-
Other Expenditures	325,500	325,500	-
Risk Management and Insurance	1,502,520	1,502,520	-
Repairs and Maintenance	4,927,189	4,866,111	(61,078)
Service Fees	129,000	147,572	18,572
Software and Application Licences	7,012,654	7,012,654	-
Technology System Levies	5,211,049	5,211,049	-
Telecommunications/Telephony	1,244,900	1,244,900	-
Supplies and Materials	7,452,537	8,799,420	1,346,883
City of Surrey Allocated Costs	729,000	729,000	-
Total Operating Costs	296,137,113	295,893,190	(243,923)
Capital Assets and Equipment			
Protective Equipment - Armour and Shields	910,000	910,000	-
Use of Force Equipment – Firearms	720,000	720,000	-
Use of Force Equipment – Non-Lethal	90,000	90,000	-
Vehicles/Police Fleet	7,115,000	7,115,000	-
Total Capital Assets and Equipment	8,835,000	8,835,000	-
Surrey Provincial Operations Support Unit	24,954,864	24,954,864	-
Total Expenditures	329,926,977	329,683,054	(243,923)
Less:			
External Revenues and Recoveries	(15,365,946)	(15,365,946)	-
Province of BC contribution	(30,000,000)	(30,000,000)	-
Other Revenues and Recoveries	(45,365,946)	(45,365,946)	-
Net Policing Expenditures	284,561,031	284,317,108	(243,923)

Budget vs. Q1 Forecast Variance Analysis

There is currently no indication of any material variances in the overall net budget. The forecast is presented for information. As of the end of Q1, SPS is forecasting a possible year-end favourable variance of approximately \$244,000.

The projected favourable variance reflects two months of lean operations pending budget approval, as well as civilian vacancies and lower training-related costs, based on current spending trends. As the timeline for district takeovers becomes more aggressive and places additional pressure on staffing resources, training activity is likely to remain below budget as members focus on increasing caseloads and maintaining adequate patrol staffing levels.

SPS also currently forecasts that spending on supplies and materials may exceed the approved budget for that line item, as that budget was adjusted downward to an amount below the prior year's actual expenditures, despite SPS operating at a larger scale than in the prior year. However, this pressure is expected to be manageable through favourable variances in other budget line items.

Key spending areas to be monitored throughout Q2, which may have a material impact on the next forecast update, include:

- Overtime
- Auxiliary Staffing Cost
- Civilian Vacancies
- IT