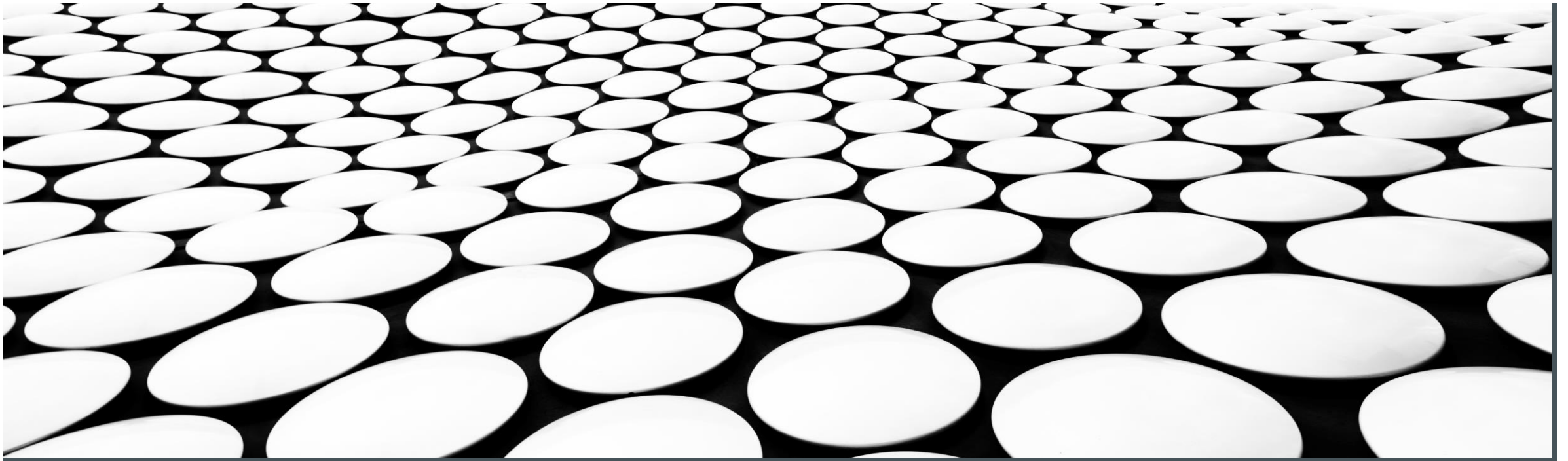

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 23, 2026 BOARD OF EDUCATION



KEY STATEMENTS (PAGE 3)

- Audited Statements
 - Statement 1: Statement of Financial Position
 - Statement 2: Statement of Operations
[Schedule 2 + Schedule 3 + Schedule 4]
 - Notes

- Unaudited Statements
 - Schedule 2 – Operating Fund
 - Schedule 3 – Special Purpose Funds
 - Schedule 4 – Capital Fund

STATEMENT 1 - STATEMENT OF FINANCIAL POSITION (PAGE 6)

■ Assets

- Cash
- Accounts Receivable

■ Liabilities

- Accounts Payable
- Deferred Revenue and SPF
- Deferred Capital (Schedule 4)
- Asset Retirement Obligation

■ Accumulated Surplus (Deficit)

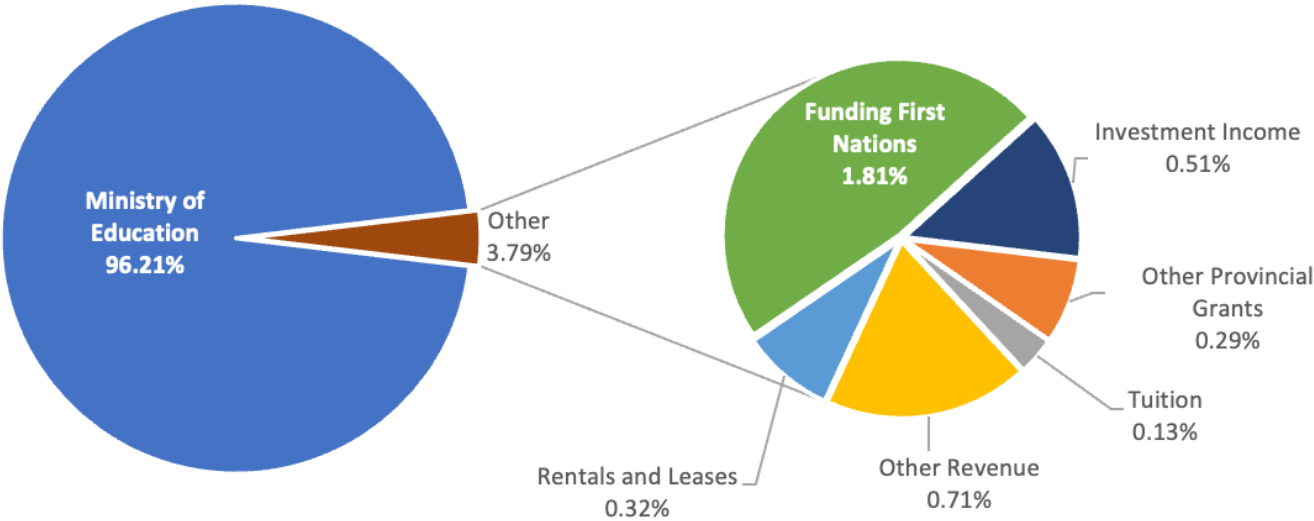
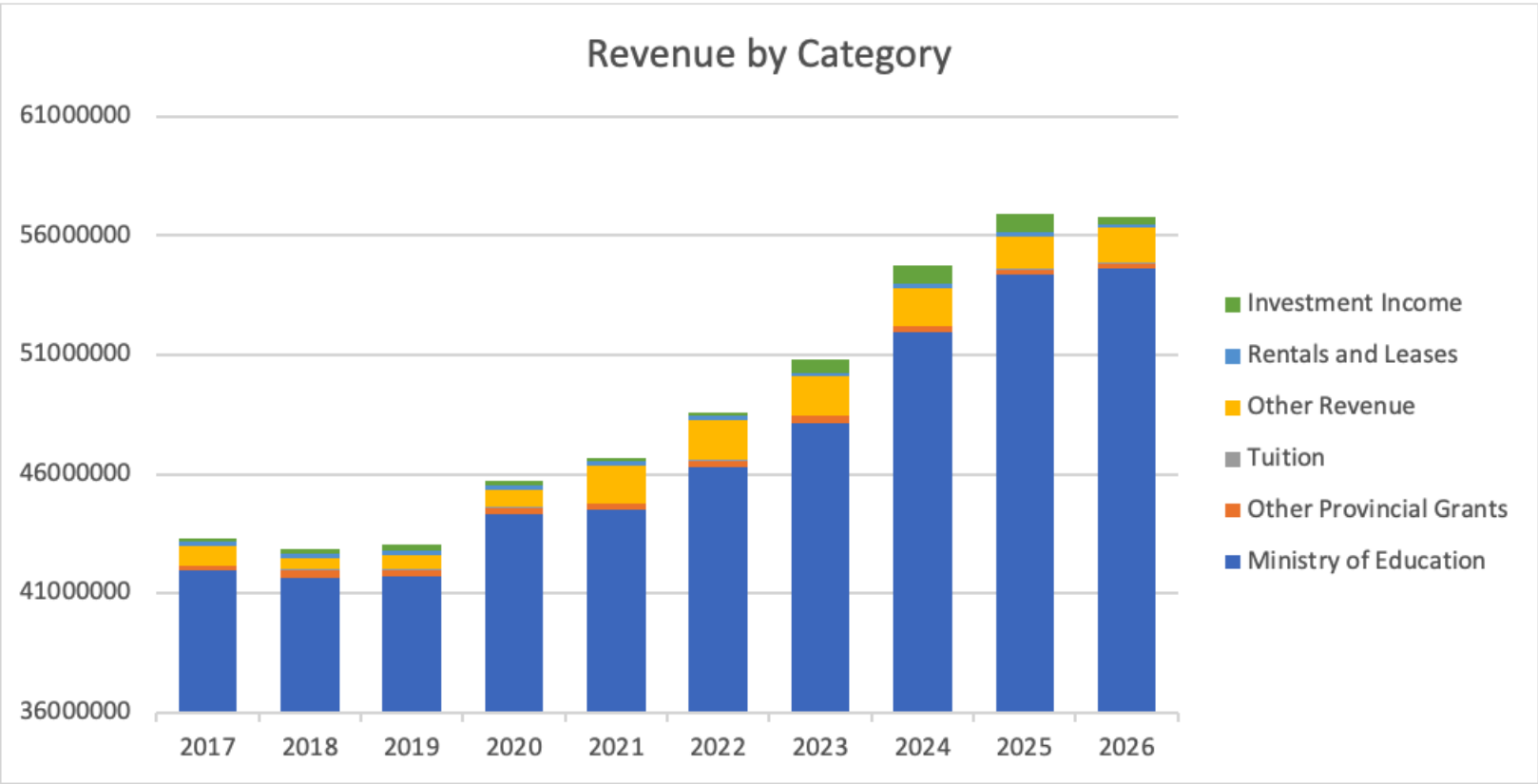
- Note 22

	June 30, 2026 Actual	June 30, 2025 Actual	Increase (Decrease)	Increase (Decrease)
	\$	\$	\$	%
Financial Assets				
Cash & Cash Equivalents	15,246,302	20,636,158	-5,389,856	-26%
Accounts Receivable				
Due from Province	1,420,780	-	1,420,780	0%
Due from First Nations	444,064	-	444,064	#DIV/0!
Other	288,457	399,646	-111,189	-28%
Total Financial Assets	17,399,603	21,035,804	-3,636,201	-17%
Liabilities				
Accounts Payable and Accrued Liabilities	3,175,785	3,632,462	-456,677	-13%
Unearned Revenue	99,543	64,093	35,450	55%
Deferred Revenue	1,948,849	2,011,212	-62,363	-3%
Deferred Capital Revenue	47,665,080	39,029,709	8,635,371	22%
Employee Future Benefits	1,085,058	1,123,487	-38,429	-3%
Asset Retirement Obligation	7,100,000	6,151,717	948,283	
Total Liabilities	61,074,315	52,012,680	9,061,635	17%
Net Financial Assets (Debt)	(43,674,712)	(30,976,876)	-12,697,836	41%
Non - Financial Assets				
Tangible Capital Assets	56,020,728	44,704,625	11,316,103	25%
Prepaid Expenses	231,794	261,109	-29,315	-11%
Total Non-Financial Assets	56,252,522	44,965,734	11,286,788	25%
Accumulated Surplus (Deficit)	12,577,810	13,988,858	-1,411,048	-10%

STATEMENT OF FINANCIAL POSITION – SIGNIFICANT VARIANCES

Line item / comparison	Variance	Explanation
Cash and cash equivalents 2026: \$15,246,302 2025: \$20,636,158	\$5,389,856 decrease (26.1%)	Capital expenditures used cash that had been received in earlier years, particularly for the Crescent Park Elementary expansion. Statement 5 provides the related cash-flow detail.
Due from Province of British Columbia 2026: \$1,420,780 2025: \$0	\$1,420,780 increase	The receivable relates mainly to amounts owing for capital projects and incident-recovery programming.
Due from First Nations 2026: \$444,064 2025: \$0	\$444,064 increase	Amounts owing for education services provided to Indigenous students were collected after year-end. Improved invoicing and year-end nominal-roll reconciliation also changed the position from prior-year payables to a current-year receivable.
Other accounts receivable 2026: \$288,457 2025: \$399,646	\$111,189 decrease	The balance consists primarily of GST rebates and other receivables, both of which were lower than in the prior year.
Accounts payable and accrued liabilities 2026: \$3,175,785 2025: \$3,632,462	\$456,677 decrease	The prior-year balance included nominal-roll refunds arising from over-invoicing: approximately \$184,000 to Sauteau First Nations and \$469,000 to West Moberly First Nations. Those prior-year items did not recur.
Deferred revenue 2026: \$1,948,849 2025: \$2,011,212	\$62,363 decrease	This represents unused Special Purpose Fund resources. The largest remaining balances relate to school-generated funds, Early Care and Learning, and the professional learning grant.
Deferred capital revenue 2026: \$47,665,080 2025: \$39,029,709	\$8,635,371 increase (22.1%)	The increase reflects capital funding associated with additions and work in progress, including Crescent Park, the Tumbler Ridge modular classrooms, and other capital projects.
Asset retirement obligation 2026: \$7,100,000 2025: \$6,151,717	\$948,283 increase (15.4%)	The estimated remediation obligation was updated for cost escalation. The same amount was added to the carrying cost of buildings.
Tangible capital assets 2026: \$56,020,728 2025: \$44,704,625	\$11,316,103 increase (25.3%)	Current-year additions and construction work in progress exceeded amortization and disposals. Schedules 4A and 4B provide the detailed continuity.
Accumulated surplus 2026: \$12,577,810 2025: \$13,988,858	\$1,411,048 decrease (10.1%)	The decrease equals the consolidated annual deficit reported in Statement 2.

SCHEDULE 2 – OPERATING FUND REVENUES (PAGE 8)

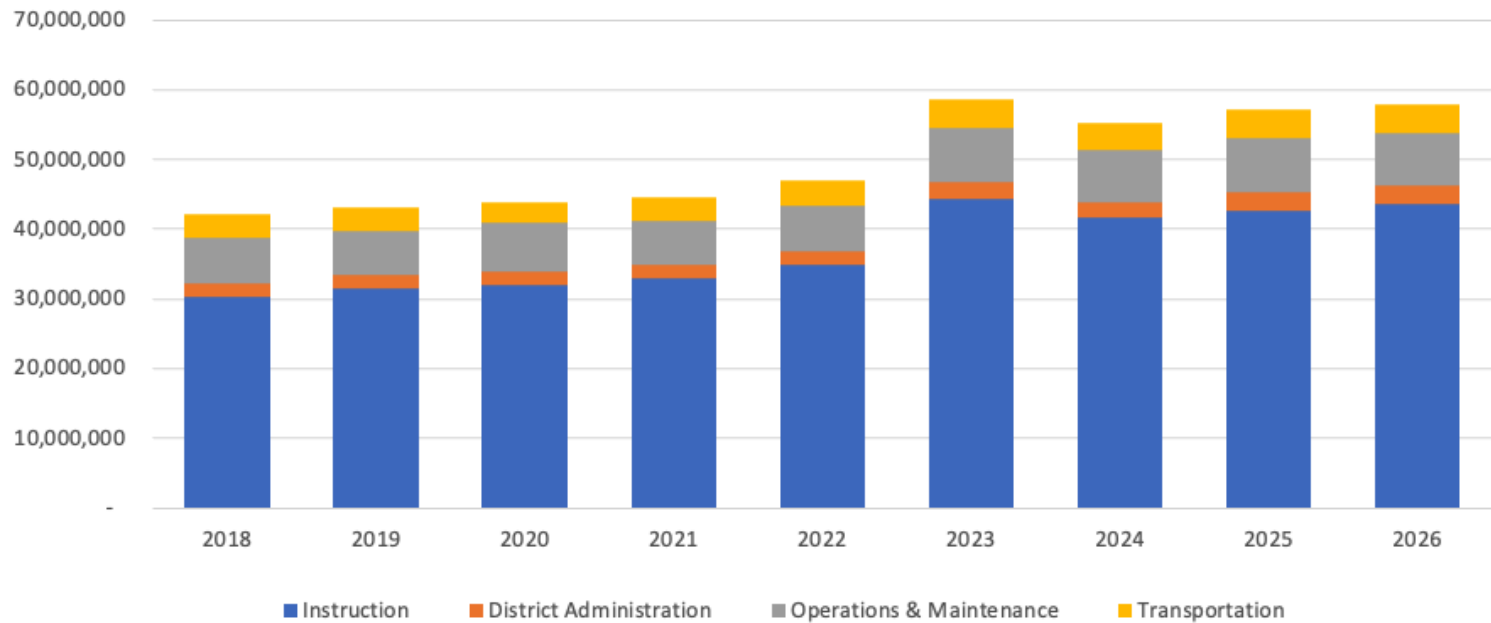


SCHEDULE 2 – SIGNIFICANT VARIANCES (SCHEDULE 2A)

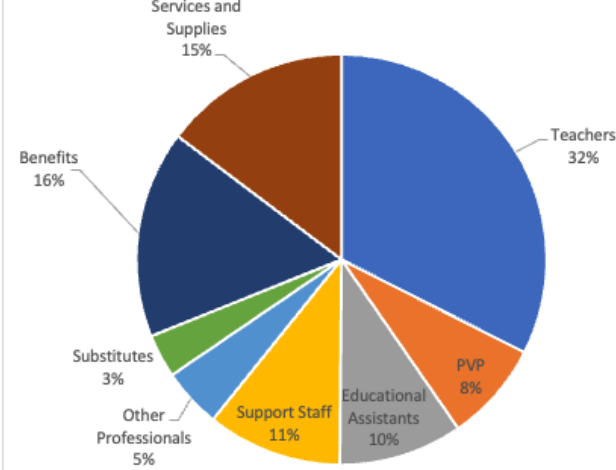
Line item / comparison	Variance	Explanation
Labour Settlement Funding Actual: \$879,049 Budget: \$0 2025: \$483,962	\$879,049 above budget \$395,087 above 2025 (81.6%)	Funding was provided in May and June after the Public Sector Employers' Council compensation decisions. It supported retroactive teacher and exempt-staff increases and was not included in the preliminary or amended budget.
Operating Grant Actual: \$53,248,965 Budget: \$53,404,333	\$155,368 below budget	After considering the separate labour-settlement funding, the core operating grant was close to budget.
Indigenous Education Council Actual: \$152,777 Budget: \$0 2025: \$136,491	\$152,777 above budget	Funding received for the Council is recognized as Operating Fund revenue; unspent amounts are internally restricted for the intended purpose.
Integrated Child and Youth clinical funding Actual: \$129,778 Budget: \$65,249 2025: \$62,707	\$64,529 above budget	The increase reflects expansion of the program and related staffing support.
Funding from First Nations Actual: \$1,236,103 Budget: \$1,030,494 2025: \$1,030,404	\$205,609 above budget	The increase reflects more students enrolled and supported by District schools.
Investment income Actual: \$292,356 Budget: \$425,000 2025: \$767,215	\$132,644 below budget \$474,859 below 2025	Lower cash balances and lower-than-anticipated interest rates reduced investment returns.
Total operating revenue Actual: \$56,789,137 Budget: \$55,988,769	\$800,368 above budget	The labour-settlement payment was the largest positive variance, partly offset by lower investment income.

SCHEDULE 2 – OPERATING FUND EXPENSES (PAGE 10)

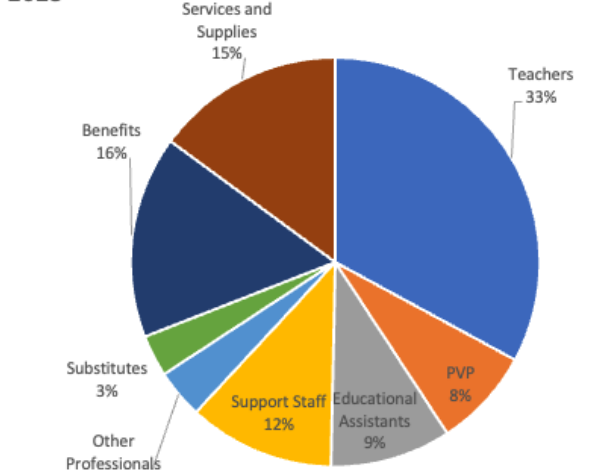
Operating Expenses by Function



2026



2025

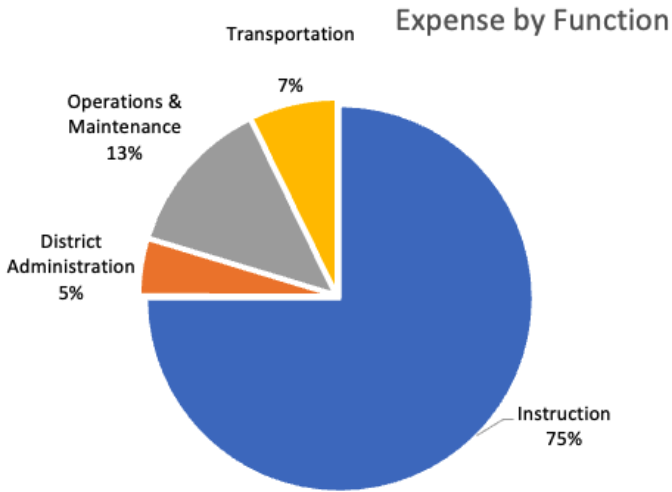


SCHEDULE 2 – SIGNIFICANT VARIANCES (PAGE 12; SCHEDULE 2B)

Line item / comparison	Variance	Explanation
Teachers' salaries Actual: \$18,812,095 Budget: \$18,220,724 2025: \$18,846,468	\$591,371 over budget \$34,373 below 2025	A retroactive 3% teacher compensation adjustment effective September 1, <u>2025</u> was determined late in the year and was not included in the budgets.
Educational assistants' salaries Actual: \$5,657,275 Budget: \$6,130,925 2025: \$5,482,171	\$473,650 under budget	Educational-assistant staffing was reduced in the second half of the fiscal year as staffing was realigned to student needs and available budget.
Support staff salaries Actual: \$6,166,603 Budget: \$6,295,559 2025: \$6,628,893	\$128,956 under budget \$462,290 below 2025	Part of the year-over-year decrease is presentational: exempt, non-union support roles were moved to Other Professionals in 2025/26 to align with provincial guidance.
Other professionals' salaries Actual: \$2,727,597 Budget: \$2,721,160 2025: \$2,214,612	\$6,437 over budget \$512,985 above 2025	The year-over-year increase primarily reflects the reclassification of exempt, non-union support roles, together with a retroactive 2.5% increase for exempt staff effective July 1, 2025.
Employee benefits Actual: \$9,474,119 Budget: \$9,094,983 2025: \$9,166,138	\$379,136 over budget \$307,981 above 2025	Salary and settlement effects increased total benefit expense. A one-time premium reduction based on lower actual benefit usage partly offset, but did not eliminate, the overall overage.
Student transportation Actual: \$2,122,082 Budget: \$1,209,183 2025: \$1,264,134	\$912,899 over budget \$857,948 above 2025	Most of the variance reflects reclassification of fuel and related transportation costs from Utilities so Schedule 2B aligns with Schedule 2C. Cost pressure in fuel and vehicle parts also contributed.
Supplies Actual: \$1,953,622 Budget: \$3,043,526 2025: \$2,046,572	\$1,089,904 under budget	The <u>District</u> reduced discretionary spending during the second half of the year and paused or deferred some initiatives after February 10, 2026. Eligible school and Indigenous Education Council balances were carried forward.
Utilities Actual: \$1,224,145 Budget: \$1,956,801 2025: \$1,942,370	\$732,656 under budget \$718,225 below 2025	The decrease primarily reflects the reclassification of transportation fuel from Utilities to Student Transportation.
Total operating expense Actual: \$57,934,850 Budget: \$58,611,360	\$676,510 under budget	Compensation and transportation variances were more than offset by staffing, supplies, utilities, and other savings.

SCHEDULE 2 – SIGNIFICANT VARIANCES (PAGE 12; SCHEDULE 2C)

Line item / comparison	Variance	Explanation
Instruction Actual: \$43,481,193 Budget: \$44,225,014 2025: \$42,519,213	\$743,821 under budget \$961,980 above 2025	Lower educational-assistant staffing and supplies spending offset retroactive compensation. Allowable school and program <u>carry-forwards</u> remain available for their intended purposes in 2026/27.
District administration Actual: \$2,680,261 Budget: \$2,616,848 2025: \$2,701,903	\$63,413 over budget	Higher legal costs, exempt compensation approved by the <u>Province</u> , and recruitment initiatives contributed to the overage.
Operations and maintenance Actual: \$7,609,885 Budget: \$7,749,480 2025: \$7,739,619	\$139,595 under budget	More District staff supported Annual Facilities Grant maintenance renewal work, with eligible costs recorded through capital and Special Purpose Fund activity.
Transportation and housing Actual: \$4,163,511 Budget: \$4,020,018 2025: \$4,295,021	\$143,493 over budget \$131,510 below 2025	Fuel and vehicle-parts costs were higher than expected. The functional total is not affected by the Schedule 2B reclassification between Utilities and Student Transportation.



ACCUMULATED SURPLUS (PAGE 13; NOTE 22)

OPERATING

Internally Restricted (appropriated) by Board for:

	2026	2025
School-based Surpluses	\$304,005	\$180,383
Indigenous Education Surplus	67,784	74,421
Indigenous Education Council Surplus	261,716	136,107
Capital Projects	100,000	1,700,000
Service Improvement Allocation	-	18,585
Ministry Grants WEX and ICY	108,386	207,373
Just Before	37,593	8,659
Alberta School Sports	1,747	-
Department Carry Forwards	-	107,566
AED Equipment	-	33,000
Budget Allocation 2026-27	650,000	1,034,901
Capital Asset Additions	250,000	170,500
Strategic Initiatives	500,000	673,000
Operating Contingency	242,903	-
Subtotal Internally Restricted	2,524,133	4,344,495
Unrestricted Operating Reserve – Risk Mitigation	3,250,000	3,642,863
Total Operating Reserves	5,774,133	7,987,358

CAPITAL

Investment in Tangible Capital Assets	6,628,187	5,826,010
Local Capital	175,490	175,490
Subtotal Capital Surplus	6,803,677	6,001,500

ACCUMULATED SURPLUS

\$12,577,810 \$13,988,858

ACCUMULATED OPERATING RESERVES (PAGE 13; NOTE 22)

Risk Mitigation

Strategic Initiatives & Operating Contingency

- Labour Costs
- Enrolment Changes
- Funding Uncertainty
- CEF Application
- Recovery

	Reserve balance	Purpose and year-over-year context
\$304,005	School-based surpluses	Up \$123,622 from \$180,383. Schools curtailed spending in the second half of the year; allowable balances were carried forward for school use.
\$67,784	Indigenous Education surplus	Targeted Indigenous Education resources remain restricted for the purposes for which they were provided.
\$261,716	Indigenous Education Council	Unspent provincial funding remains restricted for implementation and operation of the Indigenous Education Council.
\$100,000	Capital projects	Down \$1,600,000 from \$1,700,000. The District contributed \$905,132 during 2025/26 toward the Crescent Park Elementary expansion; the remaining amount is reserved for capital purposes.
\$108,386	Ministry grants: WEX and ICY	Unspent Integrated Child and Youth funding provided under an agreement with the Ministry of Children and Family Development remains restricted for its intended purpose.
\$37,593	JUST B4	Unspent early-learning resources were retained to help maintain the program in 2026/27.
\$1,747	Alberta School Sports	Funding received but unspent at year-end was carried forward to 2026/27.
\$650,000	2026/27 budget allocation	Reserved to address the preliminary 2026/27 budget shortfall, subject to the amended budget.
\$250,000	Capital asset additions	\$75,000 supports a delayed vehicle purchase and \$175,000 supports ongoing vehicle and equipment renewal.
\$500,000	Strategic initiatives	Reserved for 2026/27 strategic initiatives to be considered through leadership, Board, and amended-budget planning.
\$242,903	Operating contingency	Reserved for enrolment and funding uncertainty, inclusive student needs, and support-staff collective bargaining risk.
\$3,250,000	Unrestricted surplus	Maintained as a general contingency in accordance with Policy 5010.

ACCUMULATED SURPLUS (PAGE 13; NOTE 22)

- School reserve balances of up to 3% were supported for carryover;
- Schools showing no carryover were in a slight deficit and, in review, were supported;
- High schools comprise the largest carryforward balances
- Trust funds may be held for a purpose and not used to support general school operations

	FINAL RESERVES	SGF	TOTAL
	304,005	811,833	1,115,838
CANALTA	11,688	21,264	32,952
CENTRAL MIDDLE		80,307	80,307
CRESCENT PARK		20,253	20,253
ECOLE FRANK ROSS		22,853	22,853
SOUTH PEACE SECONDARY	12,004	207,750	219,754
TREMBLAY	22,338	64,426	86,764
POUCE COUPE	25,007	28,148	53,155
CHETWYND SECONDARY	6,711	118,374	125,085
WINDREM	0	13,348	13,348
DON TITUS	9,681	24,751	34,432
DEVEREAUX	1,275	18,935	20,210
MOBERLY LAKE	10,247	1,670	11,917
MCLEOD	27,931	36,109	64,040
PARKLAND ELEMENTARY	6,985	15,578	22,563
SOUTH PEACE ELEMENTARY	11,192		11,192
TUMBLER RIDGE SECONDARY	56,483	74,646	131,129
TUMBLER RIDGE ELEMENTARY	63,882	23,657	87,539
LITTLE PRAIRIE ELEMENTARY	-	39,764	39,764
PEACE VIEW COLONY	9,217		9,217
DISTRIBUTED LEARNING	29,363		29,363

	2021	2022	2023	2024	2025	2026
School Budget Surpluses	477,553	547,586	371,294	709,326	180,383	304,005
School Trust Funds	775,774	804,636	840,937	740,962	757,177	811,833
School Funds Total	\$ 1,253,327	\$ 1,352,222	\$ 1,212,231	\$ 1,450,288	\$ 937,560	\$ 1,115,838

SCHEDULE 3 - SPECIAL PURPOSE FUND (PAGE 16)

	Opening	Dollars Received	Expense & Capital	Closing
Ministry of Education Grants				
Annual Facility Grant	-	261,466	(261,466)	-
Learning Improvement Fund	97,123	185,178	(197,905)	84,396
StrongStart	35,124	204,000	(233,484)	5,640
Ready Set Learn	20,121	31,850	(33,587)	18,384
French Language	19,822	104,587	(124,409)	-
Community Links	31,919	416,681	(375,231)	73,369
Mental Health in Schools	46,924	55,000	(63,001)	38,923
First Nation Student Transportation	30,353	(13,086)	(4,200)	13,067
Classroom Enhancement Fund	193,763	4,382,536	(4,576,299)	-
Early Childhood Education Dual Credit Program	63,885	-	(39,700)	24,185
Student & Family Affordability Fund	23,306	-	(23,306)	-
Just B4	-	25,000	(25,000)	-
Early Care & Learning Grant	92,384	533,330	(150,073)	475,641
Feeding Futures	142,756	509,028	(583,361)	68,423
Health Careers Grants	45,831	(4,400)	(28,349)	13,082
SEY2KT (Early Years to Kindergarten)	9,579	-	(9,579)	-
National School Food Program	106,842	160,260	(206,752)	60,350
French Language Assistants	-	40,000	(40,000)	-
Dual Credit Pathway	-	50,000	-	50,000
Literacy Professional Learning Grant	238,867	-	(74,134)	164,733
Other Special Purpose Funds				
School Generated Funds	757,177	1,615,226	(1,560,570)	811,833
Tumbler Ridge Recovery	-	1,350,626	(1,350,626)	-
Early Learning Funds	46,801	7,052	(17,095)	36,758
Career Grants	8,635	5,000	(3,570)	10,065
Total	2,011,212	9,919,334	(9,981,697)	1,948,849

SCHEDULE 3 -
SPECIAL
PURPOSE FUND

SIGNIFICANT
VARIANCES

Line item / comparison	Variance	Explanation
Ministry of Education and Child Care grants Actual: \$8,131,029 Budget: \$7,465,901 2025: \$6,616,768	\$665,128 above budget (8.9%) \$1,514,261 above 2025 (22.9%)	Higher restricted-program activity, including Tumbler Ridge recovery and changes across targeted programs, increased grant revenue.
Other provincial grants Actual: \$269,433 Budget: \$0 2025: \$0	\$269,433 increase	The amount was provided through another provincial source to support Tumbler Ridge recovery and is identified in Schedule 3A.
Other revenue Actual: \$1,579,927 Budget: \$967,336 2025: \$1,298,156	\$612,591 above budget (63.3%)	School-generated fund activity was the main source of variability.
Instruction expense Actual: \$9,464,147 Budget: \$7,893,038 2025: \$7,647,298	\$1,571,109 over budget (19.9%) \$1,816,849 above 2025 (23.8%)	The increase reflects expanded restricted-program activity, including the instruction-related component of Tumbler Ridge recovery and changes across targeted programs.
District administration expense Actual: \$179,857 Budget: \$0 2025: \$0	\$179,857 over budget	Tumbler Ridge recovery expenditures included legal costs and District leadership and trustee travel that were not budgeted.
Operations and maintenance expense Actual: \$72,027 Budget: \$261,466	\$189,439 under budget (72.4%)	The budget included the operating portion of the Annual Facilities Grant in this function. The actual statements record the grant as Special Purpose Fund revenue and transfer eligible capital expenditures to the Capital Fund.
Total revenue / total expense Revenue: \$9,981,697 Expense: \$9,720,231	\$261,466 net revenue before transfers	The \$261,466 balance was transferred to the Capital Fund for tangible capital assets, leaving no Special Purpose Fund surplus.

Ministry of Education

Annual Facilities Grant	\$	1,674,452
Dawson Creek Central Windows		288,641
Network Refresh Project		51,517
Tremblay Elementary HVAC		1,076,284
Tremblay Playground		193,555
Vehicles		3,749
Total	\$	3,288,198

Work in Progress:		
Crescent Park Elementary Expansion Project	\$	7,423,661
Minor Capital		16,858
Total	\$	7,440,519

Total Ministry of Education	\$	10,728,717
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District Operating Fund

Technology Offices Renovation		239,483
Photocopiers		22,180
Custodial and Grounds Equipment		29,368
Vehicles		110,832
Total	\$	401,863

Work in Progress:		
Crescent Park Elementary Expansion Project	\$	905,132

Total District Operating Fund	\$	1,306,995
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New Spaces Child Care

Work in Progress:		
Consulting and Design - Tumbler Ridge and Dawson Creek	\$	484,540
Total New Spaces Child Care	\$	484,540

Tumbler Ridge Modulares

Total Tumbler Ridge Modulares	\$	2,802,075
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SCHEDULE 4 -
CAPITAL FUND
(PAGE 17)

Capital Fund	June 30, 2026	June 30, 2025	Change
Unspent Deferred Capital	5,372,537	6,302,809	(930,272)
Deferred Capital	42,292,543	32,726,900	9,565,643
Local Capital	175,490	175,490	-
Total	47,840,570	39,205,199	8,635,371

FINANCE TEAM

Lauralee Cooper: Manager of Finance

Lauren Speer: Payroll Coordinator

Chaeryn Davison: Payroll Clerk

Janice Lescano: Senior Accounts Clerk

Rohania Roberts: Senior Accounts
Clerk