Open Board Meeting Agenda

Date: September 23, 2026 @ 1:00 PM

Place: School Board Office – Dawson Creek, BC

"We acknowledge that we share this territory with the people of Treaty 8."

APPROVAL OF AGENDA

1. **ITEMS FOR ADOPTION**
   R1.1 – Regular Board Meeting Minutes – June 17, 2026
   R1.2 – Closed Meeting Excerpts – June 17, 2026
   R1.3 – Special Open Meeting – June 24, 2026
   R1.4 – Special Closed Meeting Excerpts – July 29, 2026

2. **BUSINESS ARISING**

3. **ESSENTIAL ITEMS**

4. **CORRESPONDENCE**
   R4.1 – August 25, 2026 – Rec'd from City of Dawson Creek – Re: Proposed Running Track

5. **PRESENTATIONS**
   R5.1 – Auditors Report – J. Grindle, Eclipse LLP (w/ audit management letter)
   - Audit Management Letter

6. **REPORTS FROM THE SECRETARY-TREASURER**
   R6.1 – 2025-2026 Audited Financial Statements
   - Financial Statement Presentation
   - Financial Statement Discussion & Analysis Report

   R6.2 – 2026-2027 Preliminary Enrolment Report
   R6.3 – 2027-2028 Minor Capital Submission
   R6.4 – 2026 General Trustee Election Update
   R6.5 - Capital Projects Update

7. **REPORTS FROM THE SUPERINTENDENT OF SCHOOLS**
   R7.1 – School/Student News
   R7.2 – Welcome Back Message
   R7.3 – Tumbler Ridge Updates

8. **TRUSTEE ITEM**
   R8.1 – BCSTA Update – C. Anderson

9. **COMMITTEE REPORTS**
   R9.1 - Indigenous Education Advisory Partners' Council (Dawson Creek) – T. Jones
   R9.2 - Indigenous Education Council – C. Hillton
   R9.3 – Policy Committee – A. Schurmann

10. DIARY

11. QUESTION PERIOD
Questions or comments must relate to items in this meeting's agenda.

12. FUTURE BUSINESS / EVENTS
R12.1 – Open Board Meeting – October 21, 2026 (Chetwynd **Location TBD)

ADJOURNMENT

School District No. 59 (Peace River South)

BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)

11600 – 7TH Street, Dawson Creek, BC V1G 4R8

Open Board Meeting Minutes

DATE & TIME: June 17, 2026 – 1:00 PM

PLACE: School Board Office – Dawson Creek, BC

PRESENT: Trustees:
C. Anderson (Chair)
C. Hillton
S. Mounsey
A. Schurmann
C. Wards
T. Jones

C. Clouthier, Assistant Superintendent
P. Neale, Secretary Treasurer
R. Schwartz, Recording Secretary

REGRETS: C. Fennell, Superintendent
R. Gulick (Vice-Chair)

Called to Order – 1:05 PM

The Board Chair acknowledged that we share this territory with the people of Treaty 8.

The Board Chair welcomed Candy Clouthier to the meeting. Candy Clouthier is helping out the district in a temporary Assistant Superintendent role.

APPROVAL OF AGENDA

Additions: R7.7 Projected 2026-2027 Annual Budget

Deletions: Nil

(2026-06-007)
MOVED/SECONDED – Wards/Mounsey
THAT the Board of Education of School District No. 59 (Peace River South) approve the June 17, 2026 Regular Board Meeting agenda as amended.
CARRIED

1.0 ITEMS FOR ADOPTION

The Chair asked for any corrections to the minutes.

R1.1 Regular Board Meeting Minutes – May 20, 2026

(2026-06-008)
The Chair declared the minutes of the open meeting May 20, 2026 approved as presented.

R1.2 Excerpts of Closed Board Meeting – May 20, 2026

(2026-06-009)
The Chair declared the excerpts of the closed board meeting May 20, 2026 approved as presented.

R1.3 Excerpts of Special Closed Board Meeting – May 25, 2026

(2026-06-010)
The Chair declared the excerpts of the closed board meeting May 25, 2026 approved as presented.

R1.4 Excerpts of Special Closed Board Meeting – May 29, 2026

(2026-06-011)
The Chair declared the excerpts of the closed board meeting May 29, 2026 approved as presented.

2.0 BUSINESS ARISING

3.0 ESSENTIAL ITEMS

4.0 PRESENTATIONS

5.0 CORRESPONDENCE

R5.1 – May 25, 2026 – Email from H. Scott

(2026-06-012)
MOVED/SECONDED - Hillton/Schurmann
THAT, the Board of Education of School District No. 59 (Peace River South) receive the correspondence for information.
CARRIED

6.0 REPORTS FROM THE SUPERINTENDENT OF SCHOOLS

R6.1 School/Student News

The Superintendent reported school/student news:

- Schools across the district have been celebrating National Indigenous Peoples Day with numerous activities this month. The celebration hosted by the Indigenous Education Partners' Advisory Council will be held on June 23rd, 2026 at Dawson Creek Secondary School – South Peace Campus. The District's Zoom Around the District will be held on June 19, 2026.
- This is a busy time of year with field trips to the Pat O'Reilly Outdoor Education and Environmental site at Gwillim Lake. The site is accessible for all students to participate in activities and enjoy the outdoors!
- Schools in the district are hosting Welcome to Kindergarten and Ready, Set, Learn events.
- Students from DCSS Central and South Peace Campuses attended the track and field provincials in Prince George.
- Students at Central Campus had a fun competition building and coding battle bots!
- Canalta Elementary School hosted a Spring Showcase where each class wrote and performed their original composition. This year, the staff did a number for the students too. The grade 6/7 class hosted a night at the museum for their parents to showcase their learning this term. The K/1 classes hatched and released butterflies. Grade 7 celebrations continue as the students have had their tour of Central Campus, received their honorary grad hoodies (cost shared with the school PAC group) and they are heading off to Gwillim and will be having a celebration lunch next week.
- Don Titus Montessori students participated in a STEM project with Engineer Jody Watson. The students designed and made kites. The windy weather was perfect to test out their designs as the students ran through the field to see if their kite would fly! Two classes had a field trip to the WAC Bennett Dam.
- Students at Windrem Elementary participated in the District of Chetwynd's community pitch in event. Students collected 15 bags of garbage from the side streets around the school. Students are finishing up the mural with Wayne LaRiviere. The mural is a culminating project for the science unit on eco-systems and biodiversity. Students learned from the Saulteau First Nations land guardians about the importance of taking only what you need from the land. Conservation officers helped students understand what the Moberly lake eco-system is like and helped them learn about the different fish that are included in the mural.
- Students at Devereaux Elementary School are having fun building bug hotels.
- McLeod Elementary participated in the BC Dental Association's Brush to Win Contest. Mrs. Doornbos' primary class entered their plan for good dental health care and was selected to win a prize of $1,000 for the school.
- Trisha Warnke has been appointed to Principal at Chetwynd Secondary School effective August 1, 2026.
- The Musical Theatre Program at DCSS - South Peace Campus presented the musical Frozen.
- Due to the weather, the Agriculture Safety Day was rescheduled to September 23, 2026.
- Graduation events will be happening throughout the district from June 19-20th. Congratulations Grads!

7.0 REPORTS FROM THE SECRETARY TREASURER

R7.1 Childcare Spaces

For 2026-27, the Province has launched the ChildCareBC Operational Start-Up (OSU) Fund to assist school districts and eligible child care operators to expand or create new school age care programs on school grounds by assisting with initial operational costs. Funding is provided for operational start-up expenses to help support the opening and operating of new school age spaces on school grounds. Eligible operators can receive $1,500 for each new school age care space, up to a maximum of $150,000 per site.

The District has requested OSU Funds for developing before/after-school childcare spaces at the following schools:

- Canalta Elementary School - $144,000
- Crescent Park Elementary School - $72,000

(2026-06-013)
MOVED/SECONDED – Hillton/Schurmann
THAT the Board of Education, in accordance with provisions under section 142(4) of the School Act, hereby approves the proposed Capital Plan (Child Care Capital Programs) for 2026/27, as provided on the Capital Plan Summary for 2026/27 submitted to the Ministry of Infrastructure.

CARRIED

R7.2 2026-2027 Capital Plan Response Letter/Bylaw

The Secretary Treasurer presented the annual capital plan. The Major Capital Plan includes a gym addition request for Moberly Lake Elementary, and a replacement school for Chetwynd Secondary School/Windrem Elementary School and a replacement school for Canalta Elementary School.

The minor capital plan will be presented in the September 2026 board meeting.

The Ministry will advise in Spring 2027 of supported projects in the District's plans.

(2026-06-014)
MOVED/SECONDED – Hillton/Wards
THAT the Board of Education, in accordance with provisions under section 142(4) of the School Act, hereby approves the Major Capital Submission of the 2027-2028 Annual Five-Year Capital Plan as provided, and approves for submission to the Ministry of Education and Child Care.

CARRIED

R7.3 2026-2027 Board Meeting Dates

The board meeting dates for the 2026-2027 school year were presented. The board meeting dates will be posted on the district website.

(2026-06-015)
MOVED/SECONDED – Hillton/Mounsey
THAT the Board of Education of School District No. 59 (Peace River South) adopt the 2026-2027 board meeting schedule as presented.

CARRIED

R7.4 2026 Trustee Election Update
Planning is underway for the 2026 General School Trustee Election. The District partners with local municipalities and the regional district to run the election. Candidate information sessions will be held for anyone interested in learning more about becoming a school trustee. Nomination period opens on September 1, 2026 and closes September 11, 2026. General Voting Day will be held on Saturday, October 17, 2026.

R7.5 Monthly Financial Report
The Secretary Treasurer presented the monthly finance report for May 2026.

R7.6 Capital Projects Report

Crescent Park Elementary School Expansion
The final stages of the expansion are nearing completion. The expansion will be completed over the summer, and the space will be ready for staff and students in the new school year. Costs to date are within budget and the Board's capital bylaw, including contingency.

ChildcareBC New Spaces – Tremblay & Tumbler Ridge Elementary
The prime consultants began the process of pulling the building permits for both facilities. Tender packages for both facilities are posted on BC Bid and will close on June 30, 2026.

Tumbler Ridge Campus
Work is being completed on repairing the soccer field. This includes sodding the field and installing an irrigation system. The centre complex installation which will house the new school office, common area and washrooms will be completed over the summer.

Full updates on the capital projects are available at https://www.sd59.bc.ca/district/capital-projects.

R7.7 Projected 2026-2027 Annual Budget
The Secretary-Treasurer presented the projected 2026-2027 Annual Budget with a balanced operating budget. A decline in enrolment is directly related to a decrease in funding.

Two readings of the bylaw were presented. The final reading for approval will be completed in a special open meeting to be scheduled before the end of June.

(2026-06-016) – Schurmann/Hillton
THAT the School District No. 59 (Peace River South) Annual Budget Bylaw for the fiscal year 2026-2027 showing the estimated revenues and expenditures and the total budget bylaw amount of $66,552,941 for the 2026-2027 fiscal year be read a first time.
CARRIED

(2026-06-017) – Wards/Schurmann
THAT the School District No. 59 (Peace River South) Annual Budget Bylaw for the fiscal year 2026-2027 showing the estimated revenues and expenditures and the total budget bylaw amount of $66,552,941 for the 2026-2027 fiscal year be read a second time.
CARRIED

8.0 TRUSTEE ITEMS

R8.1 BCSTA Update – C. Anderson
Chair Anderson presented the latest news and events from the BCSTA.

Trustee Gulick will be attending Canadian School Board Association (CSBA) Conference from July 5-8, 2026 in Whistler, BC in her director role with BCSTA.

9.0 COMMITTEE REPORTS

R9.1 Indigenous Education Partners' Advisory Council (Dawson Creek) – T. Jones
Trustee Jones reported the Dawson Creek council held their year end gathering to celebrate the year. Council is hosting the Indigenous Peoples Day celebration on June 23rd. The celebration includes a BBQ, music, outdoor activities and games and presentation of student achievement awards.

R9.2 Indigenous Education Council – C. Hillton
Trustee Hillton reported the Indigenous Education Council reviewed school proposals for Indigenous celebrations. Council's final meeting of the school year is scheduled on June 24, 2026.

R9.3 Policy Committee
The Policy Committee brought back the student withdrawal policy for adoption. No feedback was received on this policy during the circulation period.

(2026-06-018)
MOVED/SECONDED – Jones/Wards
THAT the Board of Education of School District No. 59 (Peace River South) adopt Policy and Regulation 4105 Student Withdrawal as presented.
CARRIED

10.0 DIARY

11.0 NOTICE OF MOTION

12.0 QUESTION PERIOD
A question and answer period was provided.

13.0 FUTURE BUSINESS
R13.1 - Regular Board Meeting – September 23, 2026

ADJOURNMENT

(2026-06-019)
MOVED – Hillton
THAT, the Board of Education of School District No. 59 (Peace River South) Regular Board Meeting of June 17, 2026 be terminated. (2:14 PM)
CARRIED

CERTIFIED CORRECT:

____
C. Anderson, Board Chair

____
P. Neale, Secretary Treasurer

School District No. 59 (Peace River South)

MEETING: **Closed Board Meeting**
DATE: **June 17, 2026 10:30 AM**
PLACE: **School Board Office – Dawson Creek, BC**

The meeting was called to order at 10:30 a.m. and the following was reported:

Items for Adoption
- Approval of Agenda
- Closed Meeting Minutes – May 20, 2026
- Special Closed Meeting Minutes – May 25, 2026
- Special Closed Meeting Minutes – May 29, 2026

Business Arising

Presentation

Trustee Items
Items discussed and reported included:
- BCPSEA Update
- Tumbler Ridge Update

Superintendent's Reports
Items discussed and reported included:
- Personnel Matters

Secretary Treasurer's Reports
Items discussed and reported included:
- Exempt Staff Compensation

Adjournment Motion @ 11:09 p.m.

CERTIFIED CORRECT:

____
C. Anderson, Board Chair

____
P. Neale, Secretary Treasurer

School District No. 59 (Peace River South)

BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 59

11600 – 7TH Street, Dawson Creek, BC V1G 4R8

MINUTES OF THE

SPECIAL OPEN BOARD MEETING

OF THE

BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 59 (PRS)

DATE & TIME: June 24, 2026 – 9:00 AM

PLACE: Zoom Meeting

PRESENT: Trustees:
C. Anderson (Chair)
R. Gulick (Vice-Chair)
A. Schurmann
T. Jones
C. Hillton
C. Wards

C. Fennell, Superintendent
P. Neale, Secretary Treasurer
R. Schwartz, Recording Secretary

REGRETS: S. Mounsey, Trustee

Called to order – 9:00 AM

"We acknowledge that we share this territory with the people of Treaty 8".

APPROVAL OF AGENDA

(2026-06-020)
MOVED/SECONDED – Gulick/Schurmann
THAT the Board of Education of School District No. 59 (Peace River South) adopt the June 24th, 2026 Special Open Meeting agenda as presented.

CARRIED

Secretary Treasurer Reports

1.0 Projected 2026-2027 Annual Budget
The Board completed the 3rd reading of the 2026-2027 Annual Budget. No changes were made from the 1st and 2nd readings completed in the regular meeting on June 17th, 2026.

(2026-06-021) – Jones/Wards
THAT the School District No. 59 (Peace River South) Annual Budget Bylaw for the fiscal year 2026-2027 showing the estimated revenues and expenditures and the total budget bylaw amount of $66,552,941 for the 2026-2027 fiscal year be read a third time, passed, and adopted.

CARRIED

2.0 2026-2027 Minor Capital Bylaw Amendment
The Board received funding approval for the two child care capital projects outlined in the regular meeting of the board on June 17, 2026. The funding is through the ChildCareBC Operational Start-Up 9OSU) Fund. Spaces at Crescent Park and Canalta Elementary Schools will be renovated to expand before and after-school child care programs in the district.

An amendment to the 2026-2027 Capital Project Bylaw is required.

(2026-06-022)
MOVED/SECONDED – Schurmann/Hillton
THAT, the Capital Project Bylaw No. 2026/27-CPSD59-02 of the Board approved by the Minister as outlined in the letter received from the Capital Management Branch dated June 19, 2026 be read a first time.

CARRIED

(2026-06-023)
MOVED/SECONDED – Wards/Jones
THAT, the Capital Project Bylaw No. 2026/27-CPSD59-02 of the Board approved by the Minister as outlined in the letter received from the Capital Management Branch dated June 19, 2026 be read a second time.

CARRIED

(2026-06-024)
MOVED/SECONDED – Hillton/Schurmann
THAT the Board allows the third reading of Capital Project Bylaw No. 2026/27-CPSD59-02 to occur in the June 24, 2026 meeting.

CARRIED

(2026-06-025)
MOVED/SECONDED – Gulick/Schurmann
THAT, the Capital Project Bylaw No. 2026/27-CPSD59-02 of the Board approved by the Minister as outlined in the letter received from the Capital Management Branch dated June 19, 2026 be read a third time, passed, and adopted.

CARRIED

3.0 Statutory Right of Way Bylaw

BC Hydro is requesting a statutory right-of-way in connection with an upcoming transformer replacement and electrical undergrounding project. BC Hydro is requesting to install a service box on the property of Crescent Park Elementary School which includes placing cables underground via a trench which will be filled in after construction is complete.

(2026-06-026)
MOVED/SECONDED – Schurmann/Wards
THAT Bylaw No. 2026-02 (Statutory Right-of-Way) of the Board of Education dated June 24, 2026 be read a first time.
CARRIED

(2026-06-027)
MOVED/SECONDED – Hillton/Jones
THAT Bylaw No. 2026-02 (Statutory Right-of-Way) of the Board of Education dated June 24, 2026 be read a second time.
CARRIED

(2026-06-028)
MOVED/SECONDED – Schurmann/Gulick
THAT the Board allows the third reading of Bylaw No. 2026-02 (Statutory Right-of-Way) to occur in the June 24, 2026 meeting.
CARRIED

(2026-06-029)
MOVED/SECONDED – Wards/Jones
THAT Bylaw No. 2026-02 (Statutory Right-of-Way) of the Board of Education dated June 24, 2026 be read a third time, passed, and adopted.
CARRIED

Trustee Reports

4.0 Trustee Remuneration

Trustee Anderson brought forward proposed amendments to Regulation 2205 “Trustee Remuneration, Benefits, and Recognition.” The amendment is specific to the trustee remuneration criteria.

(2026-06-030)
MOVED/SECONDED – Anderson/Schurmann
THAT, the following amendment to Regulation 2205 be circulated for feedback for a period of 30 days.
1 A stipend shall be paid to members of the Board of Education as follows:
1.1 **Trustee, vice chair and chair stipends** ~~All Trustees will receive a base amount that~~ will be adjusted annually based on the Canadian Consumer Price Index (CPI) established in July of each year. (~~The base amounts and any further~~ remuneration for each member of the Board of Education will be reflected in the SOFI Report and can be found on the School District #59 website);

1.2 The effect of the annual adjustment in section 1.1 shall be limited for any position (trustee, vice chair or chair), such that SD59 stipends shall be no more than 5% above what the BCSTA Trustee Compensation Survey shows for each position, in the prior year, for the average of the 10 districts nearest in size, by student population.
~~1.2 The Vice Chair will receive $1,000 annually in addition to the base amount;~~
~~1.3 The Chair shall receive $2,000 annually in addition to the base amount;~~
~~1.4~~ **1.3** The annual stipend shall be paid to each Board member in twelve equal installments. Remuneration shall commence the month immediately following an official school trustee election.

FURTHERMORE, at circulation of the proposed amendment, an accompanying report from the Secretary Treasurer will be provided that shows both:

- the current SD59 stipends for trustee, vice chair and chair, and
- the average stipends for trustee, vice chair and chair, of the 10 districts nearest in size, by student population, using data from the latest BCSTA trustee remuneration survey.

DEFEATED (OPPOSED – Hillton, Gulick, Jones)

ADJOURNMENT

(2026-06-031)
MOVED – Schurmann
THAT the Special Open Meeting of June 24, 2026 be adjourned (9:25 AM).
CARRIED

CERTIFIED CORRECT:

____
C. Anderson, Board Chair

____
P. Neale, Secretary-Treasurer

School District No. 59 (Peace River South)

MEETING: **Special Closed Board Meeting**
DATE: **July 29, 2026 12:00 PM**
PLACE: **VIA Zoom**

The meeting was called to order at 12:00 p.m. and the following were reported:

Approval of Agenda

1.0 Legal Matters

Adjournment Motion @ 2:42 p.m.

CERTIFIED CORRECT:

____
C. Anderson, Board Chair

____
P. Neale, Secretary Treasurer

August 25, 2026

School District No. 59
Board of School Trustees

Via email: rschwartz@sd59.bc.ca

Re: Request for Support of Proposed Running Track at South Peace Campus

Dear Chair and Members of the Board:

At its June 29, 2026 meeting, City Council received a presentation from Mr. Eric Wolf and Mr. Carsten Erbe, representing School District No. 59, regarding a proposed 400-metre rubberized running track to be built at South Peace Campus. During the presentation, a request was made to the City to apply to the Northern Development Initiative Trust (NDIT) Recreation Infrastructure Recreation Infrastructure funding stream on behalf of the School District to assist in funding the project. Council considered the request and directed staff to contact NDIT to confirm the project's eligibility and application requirements and implications for the City.

City staff subsequently confirmed with NDIT that the School District may apply directly to the Recreation Infrastructure program with a letter of support from the City of Dawson Creek. NDIT also advised that, although school district-owned facilities are not typically eligible for Northern Development funding, the proposed project appeared to be eligible for funding consideration due to its broader community benefit, being a facility that would be available to the general public to use.

At the July 13, 2026 Regular Council Meeting, staff reported these findings back to Council. Council then considered whether to provide a letter of support for the proposed running track at the South Peace Campus and directed staff to seek further confirmation from the School District Board before the matter is brought back for further consideration.

Specifically, Council is requesting confirmation that:

1. The Board fully supports and is committed to the proposed project; and
2. Any facility constructed as part of the project will be designed and constructed to meet the appropriate standards for the full range of intended track and field activities, including both running and field events.

Box 150, Dawson Creek, BC V1G 4G4
Telephone: (250) 784-3600
Administration Fax: (250) 782-3203
General Fax (250) 782-3352

Upon receipt of the Board’s response, staff will bring the matter back to Council for further consideration. Thank you for your attention to this matter. We look forward to receiving the Board’s response.

Yours truly,

Janice Anderson
Deputy Corporate Officer

Box 150, Dawson Creek, BC V1G 4G4
Telephone: (250) 784-3600

Administration Fax: (250) 782-3203
General Fax (250) 782-3352

September 23, 2026

School District No. 59 (Peace River South)
11600 – 7 St
DAWSON CREEK BC V1G 4R8

Dear Board of Education

We are pleased to inform you that the audit of the School District No. 59 (Peace River South) is now complete for the year ending June 30, 2026. Canadian auditing standards require that we communicate the following information with you in relation to your audit.

Evaluation of Internal Controls

The audit includes consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls. Matters that are reported to the Board of Education are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

We found the system of internal controls was functioning adequately and therefore we have no issues to bring to your attention at this time.

Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by the School District No. 59 are described in Note 2, Summary of Significant Accounting Policies, in the financial statements.

There were no new accounting policies adopted or changes to the application of accounting policies during the year.

Misstatements

We have attached the Schedule of Unadjusted Financial Statement Misstatements. These are uncorrected misstatements aggregated by us during the audit that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Unusual Transactions

We are not aware of any significant or unusual transactions entered into by School District No. 59 (Peace River South) that you should be informed about.

Accounting Estimates

Management is responsible for the accounting estimates included in the financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

We have found management's accounting estimates are reasonable within the context of the financial statements as a whole.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the School District's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Consultation with Other Accountants (Second Opinions)

Management may consult with other accountants about auditing and accounting matters to obtain a “second opinion”. When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity’s financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian auditing standards on the Reports on the Application of Accounting Principles.

We are not aware of any consultations that have taken place with other accountants.

Issues Discussed

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management in the initial or recurring appointment of the auditor during the normal course of business. There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Board of Education.

We would like to thank Peter Neale, Lauralee Cooper and the staff at School District No. 59 (Peace River South) for their assistance in completing the audit.

Should any member of the Board of Education wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact me at any time.

Yours very truly
ECLIPSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Jason Grindle

Jason Grindle
B. Comm., CPA, CA

cc: Peter Neale
Secretary Treasurer

School District No. 59 (Peace River South)
Schedule of Unadjusted Financial Statement Misstatements
June 30, 2026

Asset/Liability/Equity A/L/E	Description	Statement of Financial Position effect of misstatement over (under) Asset	Liability	Ending Equity	Statement of Operations effect of misstatement over (under)
	Carryforward variances - ARO estimate	(582,185.00)	(582,185.00)		-
	Correction of carryforward variances	582,185.00	582,185.00		
	Uncorrected carryforward variances	-	-	-	-
A / L	Visa payment recorded prematurely	(100,338.00)	100,338.00	-	-
		(100,338.00)	100,338.00	-	-

Conclusion: In our opinion, the effects of not recording the above identified financial statement misstatements are, both individually and in aggregate, immaterial to the financial statements of School District No. 59 (Peace River South) taken as a whole.

Eclipse LLP, per Jason Grindle

Date September 15, 2026

School District No. 59 (Peace River South), per Digitally signed by Peter Neale Date: 2026.09.16 08:23:25 -07'00'

Date

School District No. 59 (Peace River South)

DATE: 2026-09-23

TO: Board of Education

FROM: Peter Neale
Secretary-Treasurer

RE: 2025-2026 Audited Financial Statements

Purpose

The Board of Education is recommended to approve the audited financial statements and the allocation of operating surplus, and to accept the auditor communications as information.

Attachments

Background

Each year, School District No. 59 (Peace River South) is required to appoint an auditor and prepare audited financial statements for the Board of Education, the public, and the BC Government.

The BC Government also requires school districts to provide a Financial Statement Discussion and Analysis report to accompany the audited financial statements and help readers understand the financial information presented.

The Board of Education contracted with Eclipse LLP to audit the financial statements for the year ended June 30, 2026. The contract with Eclipse LLP continues through March 2027.

Considerations

Eclipse LLP expects to issue an unmodified (clean) audit opinion. No significant concerns are noted in the auditor's communications, including the management letter and schedule of unadjusted differences.

The attached “Variance Analysis” and “Financial Statement Discussion and Analysis Report” provide additional context for the audited financial statements.

Recommendation

“THAT the Board of Education accepts as information the management letter and schedule of unadjusted differences provided by Eclipse LLP for the year ending June 30, 2026.”

“THAT the Board of Education approves the operating surplus allocations disclosed in Note 22 of the audited financial statements for the year ended June 30, 2026;

AND FURTHER, the Board of Education approves the Audited Financial Statements for the year ended June 30, 2026.”

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Audited Financial Statements of

School District No. 59 (Peace River South)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 59 (Peace River South)

June 30, 2026

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School District No. 59 (Peace River South)

MANAGEMENT REPORT

Version: 9208-8463-6480

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 59 (Peace River South) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 59 (Peace River South) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Eclipse LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 59 (Peace River South) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 59 (Peace River South)

Signature of the Chairperson of the Board of Education	Date Signed
Signature of the Superintendent	Date Signed
Signature of the Secretary Treasurer	Date Signed

Eclipse LLP | Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 59 (Peace River South) and the Minister of Education and Child Care of British Columbia

Opinion

We have audited the accompanying financial statements of School District No. 59 (Peace River South) which comprise the statement of financial position as at June 30, 2026, and the statement of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School District No. 59 (Peace River South) as at June 30, 2026, and the result of its operations and its cash flows for the year then ended in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conduct our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the district in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Note 2 to the financial statements discloses the impact of these differences.

Other Information

Management is responsible for the other information. Other information comprises of the unaudited schedules 1-4 that are attached to the audited financial statements.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Board of Education of School District No. 59 (Peace River South) and the Ministry of Education and Child Care of British Columbia *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information identified above, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the district's ability to continue as a going concern, disclosing, as applicable, matter relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the district or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the district's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report to the Board of Education of School District No. 59 (Peace River South) and the Ministry of Education and Child Care of British Columbia *(continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the district's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause the district to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dawson Creek, BC

Chartered Professional Accountants

School District No. 59 (Peace River South)

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	**15,246,302**	20,636,158
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**852,739**	
Due from Province - Other	**568,041**	
Due from First Nations	**444,064**	
Other (Note 3)	**288,457**	399,646
Total Financial Assets	**17,399,603**	21,035,804
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	**25,950**	
Other (Note 4)	**3,149,835**	3,632,462
Unearned Revenue (Note 5)	**99,543**	64,093
Deferred Revenue (Note 6)	**1,948,849**	2,011,212
Deferred Capital Revenue (Note 7)	**47,665,080**	39,029,709
Employee Future Benefits (Note 8)	**1,085,058**	1,123,487
Asset Retirement Obligation (Note 18)	**7,100,000**	6,151,717
Total Liabilities	**61,074,315**	52,012,680
Net Debt	**(43,674,712)**	(30,976,876)
Non-Financial Assets		
Tangible Capital Assets (Note 9)	**56,020,728**	44,704,625
Prepaid Expenses	**231,794**	261,109
Total Non-Financial Assets	**56,252,522**	44,965,734
Accumulated Surplus (Deficit) (Note 22)	**12,577,810**	13,988,858

Unrecognized Assets (Note 13)

Contractual Obligations (Note 14)

Contractual Rights (Note 15)

Measurement Uncertainty (Note 2(o))

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education	Date Signed
Signature of the Superintendent	Date Signed
Signature of the Secretary Treasurer	Date Signed

The accompanying notes are an integral part of these financial statements.

School District No. 59 (Peace River South)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	61,381,029	**62,767,651**	61,010,061
Other	204,594	**436,528**	188,295
Tuition	74,553	**74,553**	63,627
Other Revenue	2,156,830	**3,014,916**	2,600,518
Rentals and Leases	181,000	**183,522**	176,715
Investment Income	427,000	**293,664**	770,640
Amortization of Deferred Capital Revenue	2,003,799	**1,971,964**	1,852,276
Total Revenue	66,428,805	**68,742,798**	66,662,132
Expenses			
Instruction	52,118,052	**52,945,340**	50,166,511
District Administration	2,616,848	**2,860,118**	2,701,903
Operations and Maintenance	10,160,393	**9,683,537**	9,582,319
Transportation and Housing	4,535,727	**4,664,851**	4,786,970
Total Expense	69,431,020	**70,153,846**	67,237,703
Surplus (Deficit) for the year	(3,002,215)	**(1,411,048)**	(575,571)
Accumulated Surplus (Deficit) from Operations, beginning of year		**13,988,858**	14,564,429
Accumulated Surplus (Deficit) from Operations, end of year		**12,577,810**	13,988,858

The accompanying notes are an integral part of these financial statements.

School District No. 59 (Peace River South)

Statement of Changes in Net Debt
Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Surplus (Deficit) for the year	(3,002,215)	**(1,411,048)**	(575,571)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,103,909)	**(13,814,868)**	(6,569,824)
Amortization of Tangible Capital Assets	2,647,889	**2,498,765**	2,326,549
Total Effect of change in Tangible Capital Assets	543,980	**(11,316,103)**	(4,243,275)
Acquisition of Prepaid Expenses		**(231,794)**	(261,109)
Use of Prepaid Expenses		**261,109**	175,442
Total Effect of change in Other Non-Financial Assets	-	**29,315**	(85,667)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(2,458,235)	**(12,697,836)**	(4,904,513)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**(12,697,836)**	(4,904,513)
Net Debt, beginning of year		**(30,976,876)**	(26,072,363)
Net Debt, end of year		**(43,674,712)**	(30,976,876)

The accompanying notes are an integral part of these financial statements.

School District No. 59 (Peace River South)

Statement of Cash Flows
Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**(1,411,048)**	(575,571)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**(1,753,655)**	230,296
Prepaid Expenses	**29,315**	(85,666)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**(456,677)**	994,844
Unearned Revenue	**35,450**	(27,000)
Deferred Revenue	**(62,363)**	366,502
Employee Future Benefits	**(38,429)**	17,314
Amortization of Tangible Capital Assets	**2,498,765**	2,326,549
Amortization of Deferred Capital Revenue	**(1,971,964)**	(1,852,276)
Total Operating Transactions	**(3,130,606)**	1,394,992
Capital Transactions		
Tangible Capital Assets Purchased	**(6,201,316)**	(4,113,902)
Tangible Capital Assets -WIP Purchased	**(6,665,269)**	(2,455,922)
Total Capital Transactions	**(12,866,585)**	(6,569,824)
Financing Transactions		
Capital Revenue Received	**10,607,335**	3,045,637
Total Financing Transactions	**10,607,335**	3,045,637
Net Increase (Decrease) in Cash and Cash Equivalents	**(5,389,856)**	(2,129,195)
Cash and Cash Equivalents, beginning of year	**20,636,158**	22,765,353
Cash and Cash Equivalents, end of year	**15,246,302**	20,636,158
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**15,246,302**	20,636,158
	15,246,302	20,636,158

The accompanying notes are an integral part of these financial statements.

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 59 (Peace River South)", and operates as "School District No. 59 (Peace River South)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 59 (Peace River South) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(e) and 2(l).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(e) and 2(l), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2025 – increase in annual surplus by $4,001,591.

June 30, 2025 – increase in accumulated surplus and decrease in deferred contributions by $32,726,900.

Year-ended June 30, 2026 – increase in annual surplus by $9,565,643.

June 30, 2026 – increase in accumulated surplus and decrease in deferred contributions by $42,292,543.

b) Cash and Cash Equivalents

Cash and cash equivalents include Certificates of Deposit with the Provincial Treasury that are readily convertible to known amounts of cash, have no set maturity terms, and that are subject to an insignificant risk of change in value. These cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivables are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

e) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (l).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2025 and projected to March 31, 2025. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

g) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

(a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
(b) the past transaction or event giving rise to the liability has occurred;
(c) it is expected that future economic benefits will be given up; and
(d) a reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 (i)). Assumptions used in the calculations are reviewed annually.

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the School District:
    - is directly responsible; or
    - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

j) Prepaid Expenses

Prepaid expenses consist of unexpired insurance premiums and other prepaid amounts which are stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 11 – Interfund Transfers and Note 22 – Accumulated Surplus).

l) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2(a) for the impact of this policy on these financial statements.

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

Revenue from transactions with no performance obligations is recognized when the district:
(a) has the authority to claim or retain an inflow of economic resources; and
(b) identifies a past transaction or event that gives rise to an asset.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

m) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year is expensed.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and Indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented; therefore, no statement of remeasurement gains or losses is included in these financial statements.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

o) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2026	2025
Due from Federal Government	$212,350	$271,045
Simon Fraser University	15,960	29,196
Skills Trades BC	14,890	-
WorkSafeBC	11,695	-
BCGEU	2,966	2,747
BCTF	1,419	11,938
PRSTA	533	16,358
Other	28,644	68,362
	$288,457	**$399,646**

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade payables	$1,447,744	$2,115,012
Salaries and benefits payable	510,446	477,002
Source deductions	293,461	263,130
Accrued vacation pay	849,634	727,365
Other	48,550	49,953
	$3,149,835	**$3,632,462**

NOTE 5 UNEARNED REVENUE

	2026	2025
Balance, beginning of year	$64,093	$91,092
Changes for the year:		
Increase:		
Dollars Received	116,893	117,758
Decrease:		
Dollars Spent	81,443	144,757
Net changes for the year	35,450	(26,999)
Balance, end of year	**$99,543**	**$64,093**

NOTE 6 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Changes in deferred revenue are as follows:

	2026	2025
Balance, beginning of year	$2,011,212	$1,644,710
Changes for the year:		
Increase: Contributions received		
Provincial grants – Ministry of Education & Child Care	8,040,109	6,966,508
Provincial grants – Other	269,433	
Investment income	1,308	1,940
Other	1,625,970	1,314,918
	9,936,820	8,283,366
Decrease:		
Expenses	9,720,231	7,655,398
Interfund Transfers	261,466	261,466
Recovered	17,486	
	9,999,183	7,916,864
Net changes for the year	(62,363)	366,502
Balance, end of year	**$1,948,849**	**$2,011,212**

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue/contributions ("Deferred Cap. Contr.") includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Changes in deferred capital revenue are as follows:

	Spent Deferred Capital Contr. 2026	Unspent Deferred Capital Contr. 2026	Total Deferred Capital Contr. 2026	Total Deferred Capital Contr. 2025
Balance, beginning of year	$32,726,900	$6,302,809	$39,029,709	$37,836,348
Changes for the year:				
Increase:				
Transfer: Unspent Deferred Cap. Contr.	5,777,470	-	5,777,470	3,688,945
Transfer: Unspent Deferred Cap. Contr. (WIP)	5,760,137	-	5,760,137	2,164,922
Provincial Grants: Ministry of Education	-	5,427,116	5,427,116	2,941,087
Provincial Grants: Other	-	5,086,725	5,086,725	-
Investment Income	-	92,494	92,494	103,550
Other	-	1,000	1,000	1,000
	11,537,607	10,607,335	22,144,942	8,899,504
Decrease:				
Amortization: Spent Deferred Cap. Contr.	1,971,964	-	1,971,964	1,852,276
Transfer: Spent Deferred Cap. Contr.	-	5,777,470	5,777,470	3,688,945
Transfer: Spent Deferred Cap. Contr. (WIP)	-	5,760,137	5,760,137	2,164,922
	1,971,964	11,537,607	13,509,571	7,706,143
Net increase (decrease) for the year	9,565,643	(930,272)	8,635,371	1,193,361
Balance, end of year	**$42,292,543**	**$5,372,537**	**$47,665,080**	**$39,029,709**

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	2026	2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	741,778	1,022,956
Service Cost	85,748	94,433
Interest Cost	30,071	44,857
Benefit Payments	(107,890)	(94,969)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(70,975)	(325,499)
Accrued Benefit Obligation – March 31	678,732	741,778
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	678,732	741,778
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(678,732)	(741,778)
Employer Contributions After Measurement Date	28,442	15,765
Benefits Expense After Measurement Date	(28,566)	(28,955)
Unamortized Net Actuarial (Gain) Loss	(406,202)	(368,520)
Accrued Benefit Asset (Liability) - June 30	(1,085,058)	(1,123,487)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	1,123,487	1,106,173
Net Expense for Fiscal Year	82,138	115,604
Employer Contributions	(120,567)	(98,289)
Accrued Benefit Liability (Asset) - June 30	1,085,058	1,123,487
Components of Net Benefit Expense		
Service Cost	84,658	92,262
Interest Cost	30,772	41,161
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(33,292)	(17,819)
Net Benefit Expense (Income)	82,138	115,604
Assumptions		
Discount Rate - April 1	4.00%	4.25%
Discount Rate - March 31	4.50%	4.00%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	12.7	12.7

NOTE 9 TANGIBLE CAPITAL ASSETS

2026

Cost:	Balance, beginning of year	Additions	Disposals	Transfers (WIP)	Balance, end of year
Sites	$ 5,244,777	$ -	$ -	$ -	$ 5,244,777
Buildings	93,132,149	6,943,793	-	-	100,075,942
Buildings – work in progress	2,164,922	6,665,269	-	-	8,830,191
Furniture & Equipment	1,918,699	34,056	(103,433)	-	1,849,322
Vehicles	4,998,566	132,073	(186,427)	-	4,944,212
Computer Hardware	67,441	39,677	(23,230)	291,000	374,888
Computer Hardware (WIP)	291,000	-	-	(291,000)	-
Total	$ 107,817,554	$ 13,814,868	$ (313,090)	$ -	$ 121,319,332

Accumulated Amortization:	Balance, beginning of year	Amortization	Disposals	Transfers (WIP)	Balance, end of year
Buildings	$ 59,820,365	$ 1,768,991	$ -	$ -	$ 61,589,356
Furniture & Equipment	987,359	188,401	(103,433)	-	1,072,327
Vehicles	2,253,353	497,140	(186,427)	-	2,564,066
Computer Hardware	51,852	44,233	(23,230)	-	72,855
Total	$ 63,112,929	$ 2,498,765	$ (313,090)	$ -	$ 65,298,604

2025

Cost:	Balance, beginning of year	Additions	Disposals	Transfers (WIP)	Balance, end of year
Sites	$ 5,244,777	$ -	$ -	$ -	$ 5,244,777
Buildings	89,982,471	3,149,678	-	-	93,132,149
Buildings – work in progress	-	2,164,922	-	-	2,164,922
Furniture & Equipment	1,975,745	70,788	(127,834)	-	1,918,699
Vehicles	4,678,391	893,436	(573,261)	-	4,998,566
Computer Hardware	67,441	-	-	-	67,441
Computer Hardware (WIP)	-	291,000	-	-	291,000
Total	$ 101,948,825	$ 6,569,824	$ (701,095)	$ -	$ 107,817,554

Accumulated Amortization:	Balance, beginning of year	Amortization	Disposals	Transfers (WIP)	Balance, end of year
Buildings	$ 58,185,875	$ 1,634,490	$ -	$ -	$ 59,820,365
Furniture & Equipment	920,471	194,722	(127,834)	-	987,359
Vehicles	2,342,765	483,849	(573,261)	-	2,253,353
Computer Hardware	38,364	13,488	-	-	51,852
Total	$ 61,487,475	$ 2,326,549	$ (701,095)	$ -	$ 63,112,929

Net Book Value	2026	2025
Sites	$5,244,777	$5,244,777
Buildings	38,486,586	33,311,784
Buildings – work in progress	8,830,191	2,164,922
Furniture & Equipment	776,995	931,340
Vehicles	2,380,146	2,745,213
Computer Hardware	302,033	15,589
Computer Hardware – work in progress	-	291,000
Total	**$56,020,728**	**$44,704,625**

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry- age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2023, indicated a $4,572 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

The school district paid $4,250,930.99 for employer contributions to the plans for the year ended June 30, 2026 (2025: $4,129,622).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan was December 31, 2027.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

NOTE 11 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2026 were as follows:

<u>Operating Fund to Capital Fund</u>

- A transfer in the amount of $162,380 (2025: $215,008) was made from the operating fund to the capital fund for capital purchases put into productive use.
- A transfer in the amount of $905,132 (2025: $239,483) was made from the operating fund to the capital fund for capital purchases that were work in progress at the year end.

Special Purpose Fund to Capital Fund

- A transfer in the amount of $261,466 (2025: $209,949) was made from the special purpose fund to the capital fund for capital purchases put into productive use.
- A transfer in the amount of $0 (2025: $51,517) was made from the special purpose fund to the capital fund for capital purchases that were work in progress at the year end.

NOTE 12 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 13 UNRECOGNIZED ASSETS

The School District has been made available the use of Crown Land. The Crown Land has not been recorded in these Financial Statements.

NOTE 14 CONTRACTUAL OBLIGATIONS

The School District has a total of $2,573,444 (2025: $3,835,637) of contractual obligations at year end related to the construction or renovation of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual obligations	Project	2026	2025
Crescent Park Elementary Expansion	Modulars	$834,940	$1,944,194
Crescent Park Elementary Expansion	Engineering	22,051	44,683
Tumbler Ridge Child Care	Architect	215,682	226,655
Dawson Creek Child Care	Architect	208,670	219,338
Tremblay Elementary	Roofing	519,047	-
Don Titus Elementary	Roofing	452,112	-
Tremblay Elementary	HVAC	320,942	-
Tremblay Elementary	Playground	-	207,058
Tumbler Ridge Elementary	HVAC	-	1,193,709
		$2,573,444	**$3,835,637**

NOTE 15 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for rental revenue. The following table summarizes the contractual rights of the School District for future assets:

Contractual rights	2027	2028	2029	2030	2031	Thereafter
Future Rental Revenue	$143,975	$141,733	$131,732	$20,239	$1,000	$10,000

NOTE 16 CONTINGENT LIABILITIES

Each year the School District is involved with a number of legal actions and arbitrations. Although the outcomes of these matters are not determinable at this time, management believes they will not have a material adverse effect on the School District's financial position or results of the operation.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on March 11, 2026. The Board adopted a preliminary annual budget on April 30, 2025. The amended budget is used for comparison purposes, as these are based on actual student enrollments.

The difference between the two budgets is as follows:

	2026 Amended	2026 Preliminary	Difference
Revenues			
Provincial Grants			
Ministry of Education	$ 61,381,029	$ 60,284,027	$ 1,097,002
Other	204,594	204,594	-
Tuition	74,553	54,692	19,861
Other Revenue	2,156,830	2,268,317	(111,487)
Rentals and Leases	181,000	181,000	-
Investment Income	427,000	577,000	(150,000)
Amortization of Deferred Capital Revenue	2,003,799	2,003,799	-
Total Revenue	66,428,805	65,573,429	855,376
Expenses			
Instruction	52,118,052	43,242,932	8,875,120
District Administration	2,616,848	9,624,725	(7,007,877)
Operations and Maintenance	10,160,393	10,575,637	(415,244)
Transportation and Housing	4,535,727	4,604,126	(68,399)
Total Expenses	69,431,020	68,047,420	1,383,600
Surplus (Deficit) for the year	(3,002,215)	(2,473,991)	(528,224)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets			
From Operating and Special Purpose Funds	(2,103,909)	(1,870,500)	(233,409)
From Deferred Capital Revenue	-	-	-
Total Acquisition of Tangible Capital Assets	(2,103,909)	(1,870,500)	(233,409)
Amortization of Tangible Capital Assets	2,647,889	2,647,889	-
Total Effect of change in Tangible Capital Assets	543,980	777,389	(233,409)
(Increase) Decrease in Net Financial Assets	$ (2,458,235)	$ (1,696,602)	$ (761,633)

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal or disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized using the modified retroactive approach as at July 1, 2022 and a change in estimate was completed as at June 30, 2026. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

Asset Retirement Obligation, July 1, 2023	$6,151,717
Change in Estimate (2026)	948,283
Settlements during the year	-
Asset Retirement Obligation, closing balance	$7,100,000

NOTE 19 EXPENSE BY OBJECT

	2026	2025
Salaries and benefits	$55,649,386	$54,044,419
Services and supplies	12,005,695	10,866,735
Amortization	2,498,765	2,326,549
	$70,153,846	**$67,237,703**

NOTE 20 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 21 SUBSEQUENT EVENTS

On July 21, 2026, the School District and the Government of British Columbia entered into a memorandum of agreement to dispose through remediation a school building and associated site improvements in the community of Tumbler Ridge. The Government of British Columbia will be conducting the disposal directly including the costs of the remediation. Land will be brought to a state allowing for a future use, with the costs at this time being undetermined.

NOTE 22 ACCUMULATED SURPLUS

	2026	2025
OPERATING		
Internally Restricted (appropriated) by Board for:		
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**

NOTE 23 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held, and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2025 related to credit, market or liquidity risks.

School District No. 59 (Peace River South)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2026

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	$	$	$	$	$
Accumulated Surplus (Deficit), beginning of year	7,987,358		6,001,500	**13,988,858**	14,564,429
Changes for the year					
Surplus (Deficit) for the year	(1,145,713)	261,466	(526,801)	**(1,411,048)**	(575,571)
Interfund Transfers					
Tangible Capital Assets Purchased	(162,380)	(261,466)	423,846	-	
Tangible Capital Assets - Work in Progress	(905,132)		905,132	-	
Net Changes for the year	**(2,213,225)**	**-**	**802,177**	**(1,411,048)**	**(575,571)**
Accumulated Surplus (Deficit), end of year - Statement 2	**5,774,133**	**-**	**6,803,677**	**12,577,810**	13,988,858

School District No. 59 (Peace River South)

Schedule of Operating Operations
Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	53,915,128	**54,636,622**	54,393,293
Other	204,594	**167,095**	188,295
Tuition	74,553	**74,553**	63,627
Other Revenue	1,189,494	**1,434,989**	1,302,362
Rentals and Leases	180,000	**183,522**	176,715
Investment Income	425,000	**292,356**	767,215
Total Revenue	55,988,769	**56,789,137**	56,891,507
Expenses			
Instruction	44,225,014	**43,481,193**	42,519,213
District Administration	2,616,848	**2,680,261**	2,701,903
Operations and Maintenance	7,749,480	**7,609,885**	7,739,619
Transportation and Housing	4,020,018	**4,163,511**	4,295,021
Total Expense	58,611,360	**57,934,850**	57,255,756
Operating Surplus (Deficit) for the year	(2,622,591)	**(1,145,713)**	(364,249)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	4,465,034		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,842,443)	**(162,380)**	(215,008)
Tangible Capital Assets - Work in Progress		**(905,132)**	(239,483)
Total Net Transfers	(1,842,443)	**(1,067,512)**	(454,491)
Total Operating Surplus (Deficit), for the year	-	**(2,213,225)**	(818,740)
Operating Surplus (Deficit), beginning of year		**7,987,358**	8,806,098
Operating Surplus (Deficit), end of year		**5,774,133**	7,987,358
Operating Surplus (Deficit), end of year			
Internally Restricted		**2,524,133**	4,344,495
Unrestricted		**3,250,000**	3,642,863
Total Operating Surplus (Deficit), end of year		**5,774,133**	7,987,358

School District No. 59 (Peace River South)

Schedule of Operating Revenue by Source
Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	53,404,333	**53,248,965**	53,296,594
ISC/LEA Recovery	(1,030,494)	**(1,236,103)**	(1,030,404)
Other Ministry of Education and Child Care Grants			
Pay Equity	944,395	**944,395**	944,395
Funding for Graduated Adults		**5,395**	
Student Transportation Fund	441,458	**441,458**	441,458
Support Staff Benefits Grant			16,677
Foundation Skills Assessment (FSA) Scorer Grant	8,187	**8,187**	8,187
Child Care Funding	12,000	**19,655**	11,687
Labour Settlement Funding		**879,049**	483,962
ICY Clinical Counsellor Funding	65,249	**129,778**	62,707
Indigenous Education Councils (IEC) Funding		**152,777**	136,491
Recruitment & Retention (FRSP) Grants	70,000	**43,066**	21,539
Total Provincial Grants - Ministry of Education and Child Care	53,915,128	**54,636,622**	54,393,293
Provincial Grants - Other	204,594	**167,095**	188,295
Tuition			
International and Out of Province Students	74,553	**74,553**	63,627
Total Tuition	74,553	**74,553**	63,627
Other Revenues			
Funding from First Nations	1,030,494	**1,236,103**	1,030,404
Miscellaneous			
Careers	64,000	**90,310**	59,002
Private School Busing	52,530	**63,851**	54,697
Sale Proceeds		**3,690**	58,038
Donations		**10,000**	45,000
Just Before Child Care Revenue	9,500	**7,026**	8,239
Miscellaneous	32,970	**9,009**	46,982
After School Sport and Arts Initiative		**15,000**	
Total Other Revenue	1,189,494	**1,434,989**	1,302,362
Rentals and Leases	180,000	**183,522**	176,715
Investment Income	425,000	**292,356**	767,215
Total Operating Revenue	55,988,769	**56,789,137**	56,891,507

School District No. 59 (Peace River South)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Salaries			
Teachers	18,220,724	**18,812,095**	18,846,468
Principals and Vice Principals	4,434,476	**4,575,941**	4,491,136
Educational Assistants	6,130,925	**5,657,275**	5,482,171
Support Staff	6,295,559	**6,166,603**	6,628,893
Other Professionals	2,721,160	**2,727,597**	2,214,612
Substitutes	2,077,627	**1,987,470**	1,882,436
Total Salaries	39,880,471	**39,926,981**	39,545,716
Employee Benefits	9,094,983	**9,474,119**	9,166,138
Total Salaries and Benefits	48,975,454	**49,401,100**	48,711,854
Services and Supplies			
Services	1,873,283	**1,779,663**	2,017,370
Student Transportation	1,209,183	**2,122,082**	1,264,134
Professional Development and Travel	670,743	**571,825**	508,386
Rentals and Leases	36,938	**27,042**	31,130
Dues and Fees	606,668	**662,082**	535,349
Insurance	238,764	**193,289**	198,591
Supplies	3,043,526	**1,953,622**	2,046,572
Utilities	1,956,801	**1,224,145**	1,942,370
Total Services and Supplies	9,635,906	**8,533,750**	8,543,902
Total Operating Expense	58,611,360	**57,934,850**	57,255,756

School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	16,006,918	1,215,260	41,075	576,950	226,821	943,489	**19,010,513**
1.03 Career Programs	39,951	34,018	18,277		126,195	420	**218,861**
1.07 Library Services	210,467		54,909			43,660	**309,036**
1.08 Counselling	620,661		43,962	4,096	163,187	3,894	**835,800**
1.10 Inclusive Education	1,477,553		5,022,037		217,441	425,249	**7,142,280**
1.30 English Language Learning	24,870		91,307			5,260	**121,437**
1.31 Indigenous Education	431,675	705,307	368,845		110,141	17,957	**1,633,925**
1.41 School Administration		2,550,741		755,971		102,541	**3,409,253**
1.62 International and Out of Province Students							**-**
Total Function 1	**18,812,095**	**4,505,326**	**5,640,412**	**1,337,017**	**843,785**	**1,542,470**	**32,681,105**
4 District Administration							
4.11 Educational Administration		70,615			547,858	1,681	**620,154**
4.40 School District Governance					127,701		**127,701**
4.41 Business Administration				244,200	673,820	2,162	**920,182**
Total Function 4	**-**	**70,615**	**-**	**244,200**	**1,349,379**	**3,843**	**1,668,037**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				57,016	342,495	655	**400,166**
5.50 Maintenance Operations				2,676,132		295,025	**2,971,157**
5.52 Maintenance of Grounds				520,622		25,247	**545,869**
5.56 Utilities							**-**
Total Function 5	**-**	**-**	**-**	**3,253,770**	**342,495**	**320,927**	**3,917,192**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				58,458	191,938		**250,396**
7.70 Student Transportation			16,863	1,273,158		120,230	**1,410,251**
Total Function 7	**-**	**-**	**16,863**	**1,331,616**	**191,938**	**120,230**	**1,660,647**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**18,812,095**	**4,575,941**	**5,657,275**	**6,166,603**	**2,727,597**	**1,987,470**	**39,926,981**

School District No. 59 (Peace River South)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**19,010,513**	4,631,863	**23,642,376**	1,948,893	**25,591,269**	25,134,485	24,734,708
1.03 Career Programs	**218,861**	48,749	**267,610**	163,951	**431,561**	534,479	556,027
1.07 Library Services	**309,036**	74,256	**383,292**	53,208	**436,500**	470,913	496,110
1.08 Counselling	**835,800**	177,452	**1,013,252**	18,058	**1,031,310**	1,275,494	984,210
1.10 Inclusive Education	**7,142,280**	1,694,651	**8,836,931**	242,061	**9,078,992**	9,643,506	8,921,309
1.30 English Language Learning	**121,437**	27,804	**149,241**	24,974	**174,215**	167,314	135,832
1.31 Indigenous Education	**1,633,925**	385,632	**2,019,557**	199,723	**2,219,280**	2,446,906	2,003,827
1.41 School Administration	**3,409,253**	756,696	**4,165,949**	110,100	**4,276,049**	4,354,917	4,526,535
1.62 International and Out of Province Students	**-**		**-**	242,017	**242,017**	197,000	160,655
Total Function 1	**32,681,105**	**7,797,103**	**40,478,208**	**3,002,985**	**43,481,193**	44,225,014	42,519,213
4 District Administration							
4.11 Educational Administration	**620,154**	136,700	**756,854**	66,931	**823,785**	789,610	776,187
4.40 School District Governance	**127,701**	8,638	**136,339**	97,199	**233,538**	236,628	236,657
4.41 Business Administration	**920,182**	216,916	**1,137,098**	485,840	**1,622,938**	1,590,610	1,689,059
Total Function 4	**1,668,037**	**362,254**	**2,030,291**	**649,970**	**2,680,261**	2,616,848	2,701,903
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**400,166**	98,375	**498,541**	332,256	**830,797**	811,005	760,205
5.50 Maintenance Operations	**2,971,157**	723,631	**3,694,788**	1,027,024	**4,721,812**	4,818,405	4,851,735
5.52 Maintenance of Grounds	**545,869**	129,328	**675,197**	155,467	**830,664**	790,320	792,283
5.56 Utilities	**-**		**-**	1,226,612	**1,226,612**	1,329,750	1,335,396
Total Function 5	**3,917,192**	**951,334**	**4,868,526**	**2,741,359**	**7,609,885**	7,749,480	7,739,619
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**250,396**	51,912	**302,308**	17,354	**319,662**	324,740	329,945
7.70 Student Transportation	**1,410,251**	311,516	**1,721,767**	2,122,082	**3,843,849**	3,695,278	3,965,076
Total Function 7	**1,660,647**	**363,428**	**2,024,075**	**2,139,436**	**4,163,511**	4,020,018	4,295,021
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	-	-
Total Functions 1 - 9	**39,926,981**	**9,474,119**	**49,401,100**	**8,533,750**	**57,934,850**	58,611,360	57,255,756

School District No. 59 (Peace River South)

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	7,465,901	**8,131,029**	6,616,768
Other		**269,433**	
Other Revenue	967,336	**1,579,927**	1,298,156
Investment Income		**1,308**	1,940
Total Revenue	8,433,237	**9,981,697**	7,916,864
Expenses			
Instruction	7,893,038	**9,464,147**	7,647,298
District Administration		**179,857**	
Operations and Maintenance	261,466	**72,027**	
Transportation and Housing	17,267	**4,200**	8,100
Total Expense	8,171,771	**9,720,231**	7,655,398
Special Purpose Surplus (Deficit) for the year	261,466	**261,466**	261,466
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(261,466)	**(261,466)**	(209,949)
Tangible Capital Assets - Work in Progress			(51,517)
Total Net Transfers	(261,466)	**(261,466)**	(261,466)
Total Special Purpose Surplus (Deficit) for the year	-	**-**	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		**-**	-

DRAFT FOR BOARD APPROVAL

School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year		97,123	757,177	35,124	20,121	19,822	31,919		1,109
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	261,466	185,178		204,000	31,850	104,587	416,681	344,252	3,819,638
Provincial Grants - Other									
Other			1,615,226						
Investment Income									
	261,466	185,178	1,615,226	204,000	31,850	104,587	416,681	344,252	3,819,638
Less: Allocated to Revenue	261,466	197,905	1,560,570	233,484	33,587	124,409	375,231	344,252	3,820,747
Recovered									
Deferred Revenue, end of year	**-**	**84,396**	**811,833**	**5,640**	**18,384**	**-**	**73,369**	**-**	**-**
Revenues									
Provincial Grants - Ministry of Education and Child Care	261,466	197,905		233,484	33,587	124,409	375,231	344,252	3,820,747
Provincial Grants - Other									
Other Revenue			1,560,570						
Investment Income									
	261,466	197,905	1,560,570	233,484	33,587	124,409	375,231	344,252	3,820,747
Expenses									
Salaries									
Teachers						49	47,003		3,068,966
Principals and Vice Principals								79,164	
Educational Assistants		155,408				33,352	185,741		
Support Staff				169,434			7,489	25,516	
Other Professionals				5,731	10,516	9,100	32,944	58,580	
Substitutes		609			6,115	6,479	13	123,995	22,593
	-	156,017	-	175,165	16,631	48,980	273,190	287,255	3,091,559
Employee Benefits		41,888		45,612	3,643	15,285	84,176	53,044	729,188
Services and Supplies			1,560,570	12,707	13,313	60,144	17,865	3,953	
	-	197,905	1,560,570	233,484	33,587	124,409	375,231	344,252	3,820,747
Net Revenue (Expense) before Interfund Transfers	261,466	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(261,466)								
	(261,466)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Early Childhood Education (ECE) Dual Credit Program	Student & Family Affordability (SFAF)	JUST B4	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	192,654	30,353	46,924	63,885	23,306		9,579	92,384	142,756
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	218,646		55,000			25,000		533,330	509,028
Provincial Grants - Other									
Other									
Investment Income									
	218,646	-	55,000	-	-	25,000	-	533,330	509,028
Less: Allocated to Revenue	411,300	4,200	63,001	39,700	23,306	25,000	9,579	150,073	583,361
Recovered		13,086							
Deferred Revenue, end of year	**-**	**13,067**	**38,923**	**24,185**	**-**	**-**	**-**	**475,641**	**68,423**
Revenues									
Provincial Grants - Ministry of Education and Child Care	411,300	4,200	63,001	39,700	23,306	25,000	9,579	150,073	583,361
Provincial Grants - Other									
Other Revenue									
Investment Income									
	411,300	4,200	63,001	39,700	23,306	25,000	9,579	150,073	583,361
Expenses									
Salaries									
Teachers	83,110								
Principals and Vice Principals				16,326				122,879	55,814
Educational Assistants									71,897
Support Staff						18,631			
Other Professionals				15,615					
Substitutes	156,350		7,711	331			2,028		431
	239,460	-	7,711	32,272	-	18,631	2,028	122,879	128,142
Employee Benefits	43,011		534	7,173		4,662	430	26,031	31,144
Services and Supplies	128,829	4,200	54,756	255	23,306	1,707	7,121	1,163	424,075
	411,300	4,200	63,001	39,700	23,306	25,000	9,579	150,073	583,361
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Health Career Grants	Professional Learning Grant	National School Food Program	Dual Credit Pathway to Teacher Education	Career Grants	Early Learning Grants	Tumbler Ridge Recovery	French Lang Assistants	TOTAL
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	45,831	238,867	106,842		8,635	46,801			2,011,212
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care			160,260	50,000			1,081,193	40,000	8,040,109
Provincial Grants - Other							269,433		269,433
Other					5,000	5,744			1,625,970
Investment Income						1,308			1,308
	-	-	160,260	50,000	5,000	7,052	1,350,626	40,000	9,936,820
Less: Allocated to Revenue	28,349	74,134	206,752	-	3,570	17,095	1,350,626	40,000	9,981,697
Recovered	4,400								17,486
Deferred Revenue, end of year	**13,082**	**164,733**	**60,350**	**50,000**	**10,065**	**36,758**	**-**	**-**	**1,948,849**
Revenues									
Provincial Grants - Ministry of Education and Child Care	28,349	74,134	206,752				1,081,193	40,000	8,131,029
Provincial Grants - Other							269,433		269,433
Other Revenue					3,570	15,787			1,579,927
Investment Income						1,308			1,308
	28,349	74,134	206,752	-	3,570	17,095	1,350,626	40,000	9,981,697
Expenses									
Salaries									
Teachers							244,171		3,443,299
Principals and Vice Principals	20,507						35,069		329,759
Educational Assistants							330		446,728
Support Staff							55,640		276,710
Other Professionals							7,100	36,400	175,986
Substitutes		42,789					32,180		401,624
	20,507	42,789	-	-	-	-	374,490	36,400	5,074,106
Employee Benefits	4,473	5,252					75,034	3,600	1,174,180
Services and Supplies	3,369	26,093	206,752		3,570	17,095	901,102		3,471,945
	28,349	74,134	206,752	-	3,570	17,095	1,350,626	40,000	9,720,231
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	261,466
Interfund Transfers									
Tangible Capital Assets Purchased									(261,466)
	-	-	-	-	-	-	-	-	(261,466)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 59 (Peace River South)

Schedule of Capital Operations
Year Ended June 30, 2026

	2026 Budget	2026 Actual: Invested in Tangible Capital Assets	2026 Actual: Local Capital	2026 Actual: Fund Balance	2025 Actual
	$	$	$	$	$
Revenues					
Rentals and Leases	1,000			-	
Investment Income	2,000			-	1,485
Amortization of Deferred Capital Revenue	2,003,799	**1,971,964**		**1,971,964**	1,852,276
Total Revenue	2,006,799	**1,971,964**	-	**1,971,964**	1,853,761
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,149,447	**2,001,625**		**2,001,625**	1,842,700
Transportation and Housing	498,442	**497,140**		**497,140**	483,849
Total Expense	2,647,889	**2,498,765**	-	**2,498,765**	2,326,549
Capital Surplus (Deficit) for the year	(641,090)	**(526,801)**	-	**(526,801)**	(472,788)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,103,909	**423,846**		**423,846**	424,957
Tangible Capital Assets - Work in Progress		**905,132**		**905,132**	291,000
Total Net Transfers	2,103,909	**1,328,978**	-	**1,328,978**	715,957
Total Capital Surplus (Deficit) for the year	1,462,819	**802,177**	-	**802,177**	243,169
Capital Surplus (Deficit), beginning of year		**5,826,010**	**175,490**	**6,001,500**	5,758,331
Capital Surplus (Deficit), end of year		**6,628,187**	**175,490**	**6,803,677**	6,001,500

School District No. 59 (Peace River South)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	5,244,777	93,132,149	1,918,699	4,998,566		67,441	**105,361,632**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,971,466		3,749			**2,975,215**
Deferred Capital Revenue - Other		2,802,255					**2,802,255**
Operating Fund			34,056	128,324			**162,380**
Special Purpose Funds		221,789				39,677	**261,466**
Asset Retirement Obligation Increase		948,283					**948,283**
Transferred from Work in Progress						291,000	**291,000**
	-	6,943,793	34,056	132,073	-	330,677	**7,440,599**
Decrease:							
Deemed Disposals			103,433	186,427		23,230	**313,090**
	-	-	103,433	186,427	-	23,230	**313,090**
Cost, end of year	5,244,777	100,075,942	1,849,322	4,944,212	-	374,888	**112,489,141**
Work in Progress, end of year		8,830,191					**8,830,191**
Cost and Work in Progress, end of year	5,244,777	108,906,133	1,849,322	4,944,212	-	374,888	**121,319,332**
Accumulated Amortization, beginning of year		59,820,365	987,359	2,253,353		51,852	**63,112,929**
Changes for the Year							
Amortization for the Year		1,768,991	188,401	497,140		44,233	**2,498,765**
		1,768,991	188,401	497,140	-	44,233	**2,498,765**
Deemed Disposals			103,433	186,427		23,230	**313,090**
Written-off During Year							**-**
							-
		-	103,433	186,427	-	23,230	**313,090**
Accumulated Amortization, end of year		61,589,356	1,072,327	2,564,066	-	72,855	**65,298,604**
Tangible Capital Assets - Net	**5,244,777**	**47,316,777**	**776,995**	**2,380,146**	**-**	**302,033**	**56,020,728**

School District No. 59 (Peace River South)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	$	$	$	$	$
Work in Progress, beginning of year	2,164,922			291,000	**2,455,922**
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	5,708,524				**5,708,524**
Deferred Capital Revenue - Other	51,613				**51,613**
Operating Fund	905,132				**905,132**
	6,665,269	-	-	-	**6,665,269**
Decrease:					
Transferred to Tangible Capital Assets				291,000	**291,000**
	-	-	-	291,000	**291,000**
Net Changes for the Year	6,665,269	-	-	(291,000)	**6,374,269**
Work in Progress, end of year	**8,830,191**	**-**	**-**	**-**	**8,830,191**

School District No. 59 (Peace River South)
Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	28,830,478	896,187	835,313	**30,561,978**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,975,215	2,802,255		**5,777,470**
	2,975,215	2,802,255	-	**5,777,470**
Decrease:				
Amortization of Deferred Capital Revenue	1,859,302	75,537	37,125	**1,971,964**
	1,859,302	75,537	37,125	**1,971,964**
Net Changes for the Year	1,115,913	2,726,718	(37,125)	**3,805,506**
Deferred Capital Revenue, end of year	29,946,391	3,622,905	798,188	**34,367,484**
Work in Progress, beginning of year	1,731,995	432,927		**2,164,922**
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	5,708,524	51,613		**5,760,137**
	5,708,524	51,613	-	**5,760,137**
Net Changes for the Year	5,708,524	51,613	-	**5,760,137**
Work in Progress, end of year	7,440,519	484,540	-	**7,925,059**
Total Deferred Capital Revenue, end of year	**37,386,910**	**4,107,445**	**798,188**	**42,292,543**

School District No. 59 (Peace River South)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	$	$	$	$	$	$
Balance, beginning of year	3,256,623	164,253	2,843,674		38,259	**6,302,809**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	5,427,116					**5,427,116**
Provincial Grants - Other			5,086,725			**5,086,725**
Other					1,000	**1,000**
Investment Income		9,282	81,609		1,603	**92,494**
	5,427,116	9,282	5,168,334	-	2,603	**10,607,335**
Decrease:						
Transferred to DCR - Capital Additions	2,975,215		2,802,255			**5,777,470**
Transferred to DCR - Work in Progress	5,708,524		51,613			**5,760,137**
	8,683,739	-	2,853,868	-	-	**11,537,607**
Net Changes for the Year	(3,256,623)	9,282	2,314,466	-	2,603	**(930,272)**
Balance, end of year	**-**	**173,535**	**5,158,140**	**-**	**40,862**	**5,372,537**

Variance Analysis

The District reported a consolidated annual deficit of $1,411,048 for 2025/26, compared with a budgeted deficit of $3,002,215. The result was $1,591,167 better than budget because consolidated revenue exceeded budget by $2,313,993, partly offset by expenses that were $722,826 above budget.

Line item / comparison	Variance	Explanation
Consolidated annual deficit Actual: $1,411,048 Budget: $3,002,215	**$1,591,167 better than budget**	Higher-than-budget revenue, including late-year labour-settlement funding and incident-recovery funding, more than offset the consolidated expense overage.
Operating Fund expenses Actual: $57,934,850 Budget: $58,611,360	**$676,510 under budget**	Lower educational-assistant staffing and reduced discretionary spending were partly offset by retroactive compensation and other cost pressures.
Cash and cash equivalents 2026: $15,246,302 2025: $20,636,158	**$5,389,856 decrease**	The decline primarily reflects capital spending, including the Crescent Park Elementary expansion, for which funding had been received in advance.
Tangible capital assets 2026: $56,020,728 2025: $44,704,625	**$11,316,103 increase**	Capital additions and work in progress exceeded amortization. Major activity included Crescent Park and the Tumbler Ridge modular classroom complex.
Operating accumulated surplus Ending balance: $5,774,133	**$2,524,133 restricted $3,250,000 unrestricted**	The unrestricted amount represents approximately 5.6% of annual operating expenses and is within the Board's Policy 5010 requirement.

Overall interpretation
The 2025/26 results reflect a year of significant capital activity, late compensation decisions, targeted spending restraint, and substantial Tumbler Ridge recovery activity. Because the statements consolidate the Operating, Special Purpose, and Capital Funds, the schedules that follow the notes provide the clearest view of the underlying variances.

Basis of analysis

This report follows the order of the 2025/26 financial statement package. Variances are generally presented against the 2025/26 amended budget and, where useful, against 2024/25 actual results. Dollar amounts are exact unless described as approximate. The audited statements are the controlling source when a draft explanation or the background financial report uses a different amount or characterization.

Source: 2025/26 audited financial statements and supplementary schedules; Financial Statement Discussion and Analysis dated September 14, 2026; management's detailed variance explanations.

Statement 1 — Statement of Financial Position

Financial statement package, page 5

Statement 1 compares the District's financial position at June 30, 2026 with June 30, 2025. The principal year-over-year changes are summarized below.

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.

Line item / comparison	Variance	Explanation
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 Saulteau 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.

Understanding net debt
Net debt increased to $43,674,712. In public-sector reporting, deferred capital revenue is presented as a liability even though it generally does not require repayment; it is recognized as revenue over the useful lives of the related assets. Excluding deferred capital revenue, the District would be in a net financial asset position.

Statement 2 — Statement of Operations

Financial statement package, page 6

Statement 2 consolidates the Operating, Special Purpose, and Capital Funds. The fund schedules later in this report explain where the principal revenue and expense variances arose.

Line item / comparison	Variance	Explanation
Ministry of Education and Child Care revenue Actual: $62,767,651 Budget: $61,381,029 2025: $61,010,061	**$1,386,622 above budget $1,757,590 above 2025**	The increase includes labour-settlement funding and higher Special Purpose Fund activity, including Tumbler Ridge recovery.
Other provincial revenue Actual: $436,528 Budget: $204,594 2025: $188,295	**$231,934 above budget**	The variance includes $269,433 from another provincial source for Tumbler Ridge recovery.
Other revenue Actual: $3,014,916 Budget: $2,156,830 2025: $2,600,518	**$858,086 above budget**	Higher school-generated fund activity and recovery-related revenue contributed to the increase.
Investment income Actual: $293,664 Budget: $427,000 2025: $770,640	**$133,336 below budget $476,976 below 2025**	Investment income declined because cash balances and realized interest rates were lower than anticipated.

Line item / comparison	Variance	Explanation
Total revenue Actual: $68,742,798 Budget: $66,428,805 2025: $66,662,132	**$2,313,993 above budget** **$2,080,666 above 2025**	Late compensation funding and increased Special Purpose Fund activity were the main drivers.
Instruction expense Actual: $52,945,340 Budget: $52,118,052 2025: $50,166,511	**$827,288 over budget** **$2,778,829 above 2025**	Special Purpose Fund instruction activity and retroactive compensation increased consolidated instruction expense.
District administration expense Actual: $2,860,118 Budget: $2,616,848 2025: $2,701,903	**$243,270 over budget**	The consolidated variance includes $179,857 of Tumbler Ridge recovery costs recorded in the Special Purpose Fund, as well as Operating Fund legal, compensation, and recruitment pressures.
Operations and maintenance expense Actual: $9,683,537 Budget: $10,160,393	**$476,856 under budget**	Lower Operating Fund spending and the treatment of Annual Facilities Grant activity offset capital amortization and other costs.
Transportation expense Actual: $4,664,851 Budget: $4,535,727	**$129,124 over budget**	Fuel and parts cost pressures contributed to the variance.
Annual deficit Actual: $1,411,048 Budget: $3,002,215 2025: $575,571	**$1,591,167 better than budget** **$835,477 higher than 2025**	Revenue gains more than offset the consolidated expense overage, producing a smaller deficit than budgeted.

Statement 4 — Statement of Changes in Net Debt

Financial statement package, page 7

Line item / comparison	Variance	Explanation
Tangible capital asset acquisitions Actual: $13,814,868 Budget: $2,103,909	**$11,710,959 above budget**	The audited acquisition measure includes cash purchases, construction work in progress, and the $948,283 non-cash increase in the asset retirement obligation.
Amortization of tangible capital assets Actual: $2,498,765	**Non-cash expense**	Amortization reduced the carrying value of assets and partly offset the effect of current-year additions.
Increase in net debt Actual: $12,697,836 Budget: $2,458,235	**$10,239,601 above budget**	The increase is primarily attributable to the scale and timing of capital activity and the related increase in deferred capital revenue.
Net debt, end of year 2026: $43,674,712 2025: $30,976,876	**$12,697,836 increase**	The increase should be considered together with the $11.3 million rise in net tangible capital assets and the $8.6 million rise in deferred capital revenue.

Statement 5 — Statement of Cash Flows

Financial statement package, page 8

Line item / comparison	Variance	Explanation
Operating transactions	**$3,130,606 cash used**	Working-capital changes and the annual operating result resulted in a net operating cash outflow.
Tangible capital asset purchases	**$6,201,316 cash used**	Cash purchases of completed capital assets were a significant use of funds.

Line item / comparison	Variance	Explanation
Work-in-progress purchases	**$6,665,269 cash used**	Construction activity, particularly Crescent Park, contributed to the work-in-progress cash outflow.
Capital revenue received	**$10,607,335 cash received**	Current-year capital funding partially financed the capital purchases. Some capital cash had also been received in prior years.
Net decrease in cash	**$5,389,856 decrease**	The result reconciles opening cash of $20,636,158 to closing cash of $15,246,302.

Selected Notes to the Financial Statements

Financial statement package, pages 9–25

The following notes contain the most relevant detail for the material variances and Board commitments discussed in this report.

Note 4 — Accounts Payable and Accrued Liabilities

Line item / comparison	Variance	Explanation
Trade payables 2026: $1,447,744 2025: $2,115,012	**$667,268 decrease**	The prior-year balance included nominal-roll refunds to Saulteau First Nations and West Moberly First Nations that did not recur in 2025/26.
Salary, benefit, source-deduction, and vacation accruals 2026 total: $1,702,091 2025 total: $1,517,497	**$184,594 increase**	The increase partly offset the decline in trade payables. Statement 1 also includes $25,950 due to the Province in the total liability.

Note 6 — Deferred Revenue

Line item / comparison	Variance	Explanation
Deferred revenue Beginning: $2,011,212 Contributions received: $9,936,820 Ending: $1,948,849	**$62,363 net decrease**	Revenue is recognized only as eligible Special Purpose Fund expenses are incurred. Current-year allocations, transfers, and recoveries totaled $9,999,183.

Note 7 — Deferred Capital Revenue

Line item / comparison	Variance	Explanation
Deferred capital revenue Beginning: $39,029,709 Increases: $22,144,942 Decreases: $13,509,571 Ending: $47,665,080	**$8,635,371 increase**	The ending balance consists of $42,292,543 related to spent capital contributions and $5,372,537 of unspent deferred capital contributions.

Note 18 — Asset Retirement Obligation

Line item / comparison	Variance	Explanation
Asset retirement obligation 2026: $7,100,000 2025: $6,151,717	**$948,283 increase**	The estimate was revised for escalation in expected remediation costs. The adjustment increased both the liability and the carrying amount of buildings.

Note 21 — Subsequent Event

Item	Board-level context
Tumbler Ridge remediation	On July 21, 2026, the District and the Government of British Columbia entered into an agreement for the Province to dispose of, through remediation, a school building and associated site improvements in Tumbler Ridge. The Province will conduct and pay for the work, and the land will be restored for future use. The costs remain undetermined.
Related 2025/26 activity	The financial statements also include $1,350,626 of Special Purpose Fund recovery grants and expenses and $2,802,075 for modular classrooms and associated installation and support costs.

Note 22 — Accumulated Surplus

The Operating Fund ended the year with accumulated surplus of $5,774,133: $2,524,133 internally restricted and $3,250,000 unrestricted. The unrestricted amount represents approximately 5.6% of annual operating expenses and is within the Board's Policy 5010 requirement.

	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.

Source: Note 22. The prior-year Service Improvement Allocation ($18,585), department carry-forwards ($107,566), and AED equipment allocation ($33,000) were fully used or otherwise resolved during 2025/26.

Schedule 1 — Schedule of Changes in Accumulated Surplus by Fund

Financial statement package, page 26

Line item / comparison	Variance	Explanation
Accumulated surplus, beginning of year Operating: $7,987,358 Capital: $6,001,500 Total: $13,988,858	**Opening position**	The District began the year with accumulated surplus in both the Operating and Capital Funds.
2025/26 change Operating: $2,213,225 decrease Capital: $802,177 increase	**$1,411,048 net decrease**	The Operating Fund deficit and net transfers reduced Operating Fund surplus, while capital activity increased Capital Fund surplus.
Accumulated surplus, end of year Operating: $5,774,133 Capital: $6,803,677 Total: $12,577,810	**Closing position**	The ending total agrees to Statement 1. Special Purpose Funds do not carry an accumulated surplus because unspent amounts are deferred.

Schedule 2 — Schedule of Operating Operations

Financial statement package, page 27

The Operating Fund records the District's day-to-day educational and administrative activity. It excludes transactions restricted to Special Purpose Funds and capital accounting entries.

Line item / comparison	Variance	Explanation
Operating revenue Actual: $56,789,137 Budget: $55,988,769 2025: $56,891,507	**$800,368 above budget $102,370 below 2025**	Late-year labour-settlement funding was partly offset by lower investment income. Overall revenue was essentially consistent with the prior year.
Operating expense Actual: $57,934,850 Budget: $58,611,360 2025: $57,255,756	**$676,510 under budget $679,094 above 2025**	Staffing adjustments and reduced discretionary spending offset retroactive compensation and other cost pressures.
Operating deficit before transfers Actual: $1,145,713 Budget: $2,622,591 2025: $364,249	**$1,476,878 better than budget**	The revenue improvement and expense underspend produced a smaller operating deficit than planned.
Net transfers to other funds Actual: $1,067,512 Budget: $1,842,443 2025: $454,491	**$774,931 below budget**	Transfers principally supported capital asset purchases and work in progress, including the $905,132 Operating Fund contribution to Crescent Park.
Operating accumulated surplus Ending: $5,774,133	**$2,213,225 decrease**	The closing balance consists of $2,524,133 internally restricted and $3,250,000 unrestricted.

Schedule 2A — Schedule of Operating Revenue by Source

Financial statement package, page 28

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.

Line item / comparison	Variance	Explanation
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 2B — Schedule of Operating Expense by Object

Financial statement package, page 29

Salaries and benefits represented approximately 85% of Operating Fund expenses. Some 2025/26 disclosure categories were refined to align with provincial reporting guidance; reclassification therefore affects comparisons for support salaries, other professional salaries, student transportation, and utilities.

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, 2025 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.

Line item / comparison	Variance	Explanation
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 District 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 2C — Operating Expense by Function, Program and Object

Financial statement package, pages 30–31

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 carry-forwards 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 Province, 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.

Schedule 3 — Schedule of Special Purpose Operations

Financial statement package, page 32

Special Purpose Funds are restricted for defined programs. Revenue is recognized as eligible expenses are incurred; unspent resources are reported as deferred revenue. These funds do not retain an accumulated surplus or deficit.

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.

Line item / comparison	Variance	Explanation
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.

Schedule 3A — Changes in Special Purpose Funds and Expense by Object

Financial statement package, pages 33–35

Line item / comparison	Variance	Explanation
School Generated Funds Contributions: $1,615,226 Revenue recognized: $1,560,570 Ending deferred revenue: $811,833	**$765,226 above the $850,000 budget assumption for contributions**	Activity varies with school programs, fundraising, donations, field trips, graduations, hot lunches, and similar school-based activity. Revenue is recognized as related expenditures occur.
Classroom Enhancement Fund — Remedies Contributions: $218,646 Revenue recognized: $411,300 Ending deferred revenue: $0	**Approximately $427,000 less contributions than 2025**	The decrease followed clarification that Category Q students are not included in the provincial remedy calculation. Opening deferred revenue of $192,654 supported current-year expenses.
Early Care and Learning Contributions: $533,330 Revenue recognized: $150,073 Ending deferred revenue: $475,641	**$383,257 of current-year contributions deferred**	The District received two 2025/26 payments totaling $175,000 and front-loaded funding for 2026/27 and 2027/28, including an additional 2026/27 amount. Future-year resources remain deferred.
Professional Learning Grant Contributions: $0 Revenue recognized: $74,134 Ending deferred revenue: $164,733	**No current-year contributions**	This is a three-year initiative for which funding was front-loaded in the prior year. Current activity was funded from the opening deferred balance.
Tumbler Ridge Recovery Contributions and expense: $1,350,626 Ending deferred revenue: $0	**$1,350,626 new activity**	Funding consisted of $1,081,193 from the Ministry of Education and Child Care and $269,433 from another provincial source. All amounts were recognized against eligible recovery expenditures.
Annual Facilities Grant Capital transfer: $261,466	**$261,466 transferred to capital**	Eligible capital expenditures were recorded as Special Purpose Fund revenue and transferred to the Capital Fund, consistent with year-end accounting treatment.

Schedule 4 — Schedule of Capital Operations

Financial statement package, page 36

Line item / comparison	Variance	Explanation
Capital revenue Actual: $1,971,964 Budget: $2,006,799 2025: $1,853,761	**$34,835 below budget**	Capital revenue is primarily amortization of deferred capital revenue; it is recognized over the useful lives of funded assets rather than when cash is received.
Capital expense Actual: $2,498,765 Budget: $2,647,889 2025: $2,326,549	**$149,124 under budget**	The expense consists of amortization of tangible capital assets.
Capital deficit before transfers	**$526,801 deficit**	Amortization expense exceeded amortization of deferred capital revenue.
Net transfers from other funds Actual: $1,328,978 Budget: $2,103,909	**$774,931 below budget**	Transfers included $423,846 for tangible capital assets and $905,132 for work in progress, principally the Crescent Park expansion.
Capital surplus, end of year Investment in TCA: $6,628,187 Local Capital: $175,490 Total: $6,803,677	**$802,177 annual increase**	Investment in Tangible Capital Assets represents assets funded from operating resources and is not cash available for other purposes. Local Capital remains available for designated capital purchases.

Schedule 4A — Tangible Capital Assets

Financial statement package, page 37

Line item / comparison	Variance	Explanation
Capital cost additions	**$7,440,599 increase**	Additions included $2,975,215 funded by capital bylaw, $2,802,255 from other deferred capital revenue, $423,846 from Operating and Special Purpose Funds, $291,000 transferred from work in progress, and the $948,283 asset retirement obligation adjustment.
Deemed disposals	**$313,090 decrease**	Fully depreciated furniture, vehicles, and computer hardware were removed from cost and accumulated amortization.
Annual amortization	**$2,498,765 expense**	Amortization was recorded across buildings, furniture and equipment, vehicles, and computer hardware.
Net tangible capital assets 2026: $56,020,728 2025: $44,704,625	**$11,316,103 increase**	The ending balance includes $8,830,191 of work in progress. The Tumbler Ridge modular classroom complex accounted for approximately $2.8 million of completed additions.

Schedule 4B — Tangible Capital Assets: Work in Progress

Line item / comparison	Variance	Explanation
Work in progress Beginning: $2,455,922 Additions: $6,665,269 Transferred to assets: $291,000 Ending: $8,830,191	**$6,374,269 net increase**	The Crescent Park Elementary expansion was the principal project in work in progress, with $7,423,661 recorded at year-end.

Schedule 4C — Deferred Capital Revenue

Line item / comparison	Variance	Explanation
Spent deferred capital revenue Assets in service: $34,367,484 Work in progress: $7,925,059 Total: $42,292,543	**Closing spent balance**	Capital contributions are transferred from unspent to spent deferred capital revenue as eligible project costs are incurred. Revenue is then recognized over the useful lives of completed assets.

Schedule 4D — Changes in Unspent Deferred Capital Revenue

Line item / comparison	Variance	Explanation
Unspent deferred capital revenue Ministry restricted: $173,535 Other provincial: $5,158,140 Other: $40,862 Total: $5,372,537	**$5,372,537 ending balance**	The balance primarily relates to Dawson Creek and Tumbler Ridge New Spaces Child Care centre funding. It also includes $173,535 not used on the Pouce Coupe expansion that the Ministry approved for transfer to Ministry restricted capital.

Additional Board Context

Matters disclosed or described after the June 30, 2026 reporting date

Item	Board-level context
New Tumbler Ridge school	The provincial and federal governments have announced commitments for a new high school at a new site. Timing and total project costs were undetermined when the background financial report was prepared. This commitment is not included in the June 30, 2026 balances unless amounts were otherwise recognized in the financial statements.
Future student and staff supports	The Province committed support funding of up to $2.8 million, available to the District through March 31, 2027. Funding and support beyond that date were undetermined. Revenue will be recognized in accordance with the applicable funding terms and accounting requirements.
Financial outlook	The $650,000 2026/27 budget allocation, $500,000 strategic-initiatives reserve, and $242,903 operating contingency provide flexibility for enrolment, staffing, program, and recovery-related uncertainty while the amended budget is developed.

Conclusion

The District's 2025/26 consolidated deficit was materially lower than budget. The year-end position nevertheless reflects significant capital commitments, reduced cash, a higher net debt measure, and continued reliance on operating reserves for planned priorities and risk management. Ongoing monitoring should focus on enrolment-driven funding, staffing costs, Tumbler Ridge supports, and the timing and funding of major capital projects.

Eclipse LLP | Chartered Professional Accountants

June 30, 2026

School District No. 59 (Peace River South)
11600 – 7 St
DAWSON CREEK BC V1G 4R8

Dear Board of Education

SCHOOL DISTRICT NO. 59 (PEACE RIVER SOUTH)

We have completed the interim audit of the School District No. 59 (Peace River South) for the year ended June 30, 2026. The purpose of our audit is to express an opinion on the financial statements. The audit includes consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls. Matters that are reported to the Board of Education are limited to those deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

We are pleased to advise you that our audit procedures to date have revealed no major weaknesses in internal controls and that we found the system of internal controls to be functioning effectively.

If you have any questions regarding the above, do not hesitate to contact me.

Yours very truly
ECLIPSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Jason Grindle

Jason Grindle,
B. Comm., CPA, CA

cc: Peter Neale,
Secretary Treasurer

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FINANCIAL STATEMENT DISCUSSION & ANALYSIS

For the year ended June 30, 2026

School District No. 59 Peace River South

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Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. It is based on currently known facts, decisions, and conditions. This report should be read in conjunction with the District's financial statements for the same period.

The purpose of a Financial Statement Discussion and Analysis is to provide an explanation of the information included in the financial statements and the trends and factors that influence them. The goal is to increase the reader's understanding of the financial statements.

The School District

School District No. 59 (Peace River South) has approximately 3,750 students and serves the communities of Chetwynd, Dawson Creek, Pouce Coupe, Tumbler Ridge and the surrounding rural area. We acknowledge the South Peace region is located within Treaty 8 Territory, a traditional travelling route for the Cree, Dunne-Za and Métis. The district has 15 elementary schools, 3 high schools and offers a distributed learning program.

The governing body of the School District is the Board of Education comprised of 7 trustees who are each elected for a four-year term 2022-2026. The day-to-day operations are managed by the administrative staff of the School District, led by the Superintendent of Schools.

Our Mission

To embrace, inspire, and value learning, meaningful communication, and integrity for each individual and for the communities we serve.

Strategic Plan

The 2024-2028 Strategic Plan identifies three areas of focus; each area has identified goals.

1. Student Success
2. Building Capacity
3. Communication

The Strategic Plan serves as a foundation for senior administration to develop operational initiatives to meet the goals of each priority in the overarching plan. Targets and fiscal responsibility (if required) are attached to each initiative and reviewed on an ongoing basis.

Composition of Financial Statements

The financial statements are prepared using fund accounting and are a consolidation of 3 separate funds: operating, special purpose and capital. Financial performance is difficult to ascertain in the audited statements as the three funds are combined. Financial details of each fund are reported in the supplementary schedules that follow the notes to the financial statements.

Key Audited Statements

1. Statement of Financial Position (Statement 1) summarizes financial assets, liabilities and accumulated surplus as at June 30, 2026.
2. Statement of Operations (Statement 2) summarizes revenues received and expenses incurred between July 1, 2025 and June 30, 2026.

Schedule 2 – Operating Fund

The Operating Fund accounts for the district's daily operating transactions. Annual and accumulated surpluses within the Operating Fund are an important indication of financial health. School districts are unable to incur an accumulated deficit position. When the district has an available accumulated surplus balance, those funds are available to use for future expenses and to reduce the financial risk of unforeseen circumstances. Accumulated surplus balances are subject to the Board's Accumulated Operating Surplus Policy 5010.

Schedule 3 – Special Purpose Funds

Special Purpose Funds are funds that are restricted for a specific purpose. These funds do not result in an accumulated surplus position but instead are accounted for as deferred revenue (deferral method). This is because revenue is only recognized as related expenses are incurred. If expenses for a program within a Special Purpose Fund exceed the revenues received, the deficit must be transferred to the Operating or Capital Fund depending on the nature of the expenditure. School districts are unable to incur a deficit position in any special purpose fund.

Schedule 4 – Capital Fund

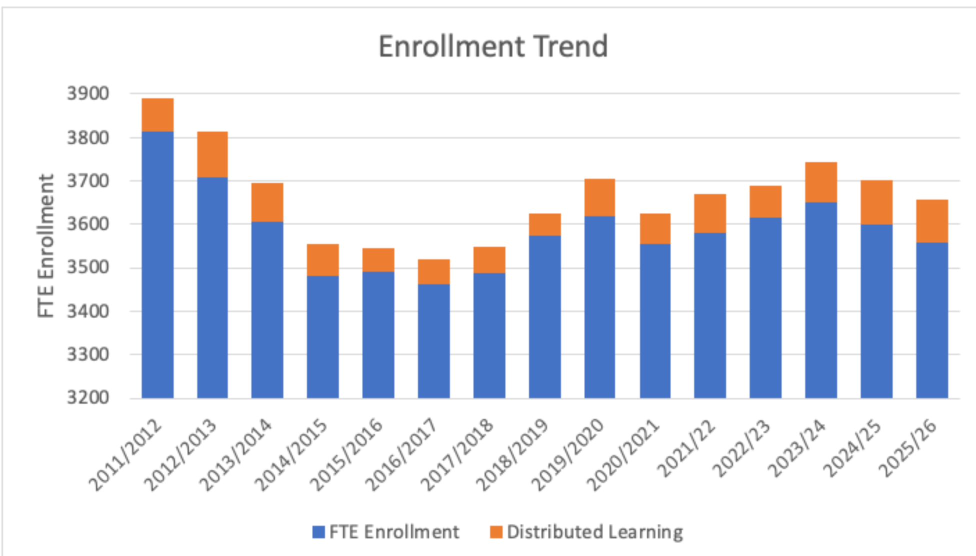
The Capital Fund reports investments in, and financial activities related to, tangible capital assets, including land, buildings, furniture, vehicles, computers and equipment. Capital contributions are accounted for using the deferral method. Recognition of the capital funding revenue is spread out over the life of the related capital asset to match the amortization expense. Therefore, capital fund revenues reflected in the financial statements are not a reflection of actual funding received in a year. Because the amortization of revenue may not keep pace with the rate of amortization expense, the Capital Fund is the only fund that may reflect a deficit.

District Enrolment

	2025/26 Actual	2025/26 Prelim Budget	2024/25 Actual	Variance to Budget	% Change to Budget	Variance to Prior Year	% Change to Prior Year
Standard School	3,556.88	3,624.71	3,600.50	-67.84	-1.87%	-43.63	-1.21%
DL	100.25	90.00	100.50	10.25	11.39%	-0.25	-0.25%
Total FTE	3,657.13	3,714.71	3,701.00	-57.59	-1.55%	-43.88	-1.19%

Variance to Budget

The 2025/26 Preliminary Budget Enrolment estimates were submitted in February 2025. The variance between preliminary and actual enrolment is -57.59 FTE (1.55%) and shows a decrease in enrolment since the projections were made.



Statement of Financial Position

The Statement of Financial Position presents the District's financial assets and liabilities at a point in time. This statement provides two key performance measures of the District's ability to finance its operations and provide future service: Net Financial Asset (Net Debt) and Accumulated Surplus (Deficit).

Net Financial Asset (Debt)

Net Debt is a term unique to public sector financial reporting. It is the difference between a district's financial assets and liabilities at a point in time. This measure provides readers with valuable information regarding the district's requirement to generate future revenues to fund past services and transactions.

School districts will show a Net Financial Debt position due to funding, primarily provided by the Ministry of Education and Child Care, to support capital projects. This balance is reported under the title "Deferred Capital Revenue." Different from a true liability, these funds do not have to be repaid and are decreased (amortized) over time. If the Deferred Capital Revenue balance were eliminated from consideration, the District would be in a Net Financial Asset position.

Accumulated Surplus (Deficit)

The Accumulated Surplus (Deficit) represents the net recognized economic resources (all assets and liabilities) of a district at the date of the financial statements. This measure provides the net economic position of a district from all years' operations at a point in time.

The District was in an Accumulated Surplus position as at June 30, 2026.

	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%

Assets

Cash & Cash Equivalents have decreased. This is largely due to the Crescent Park Elementary Expansion Project for which $5 million in deferred revenue was received in 2023/24 in advance of the expenses being incurred. During 2025/26, dollars received and kept from the prior year were expended on the capital project.

Accounts Receivable relating to the Province is due to dollars owing relating to capital projects and incident recovery programming. Further, amounts were receivable from education services provided for Indigenous students and were received after the year end.

Accounts Receivable (Other) are amounts owed to the District and primarily consist of a GST rebate and other receivables, both of which decreased from the prior year.

Liabilities

Accounts Payable (Other) is comprised of amounts the District owes and primarily consists of salaries and benefits payable and accrued vacation payable. The variance noted is due to amounts owing in the prior year for nominal roll refunds to West Moberly First Nations and Saulteau First Nations.

Deferred Revenue refers to unused funds from the Special Purpose Funds. The majority of this balance consists of school generated funds, Early Care & Learning (ECL), and a professional learning grant.

Deferred Capital Revenue relates to funding provided by the BC Government (primarily the Ministry of Education and Child Care) for capital projects and is decreased as the tangible capital assets are amortized. For the year ended June 30, 2026, Deferred Capital Revenue increased due to increased spending on capital assets and work in progress capital projects, namely the Crescent Park Elementary expansion project, modular classrooms in Tumbler Ridge, and various smaller capital projects.

The Accrued Employee Future Benefits liability is actuarially calculated annually and includes vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits resulting from employment contract provisions.

The Asset Retirement Obligation represents an estimate of remediation costs for buildings and properties owned by the school district. The increase noted is due to cost escalation for remediation.

Non-Financial Assets

Tangible Capital Assets reflect the remaining unamortized cost of land, buildings, furniture, vehicles, computers and equipment. Prepaid Expenses are a result of making advance payments for a good or service that will be received in the future. At June 30, 2026, the prepaid balance is made up primarily of software licenses and other subscription renewals, membership fees, insurance and school supply and agenda orders in advance of the new fiscal year.

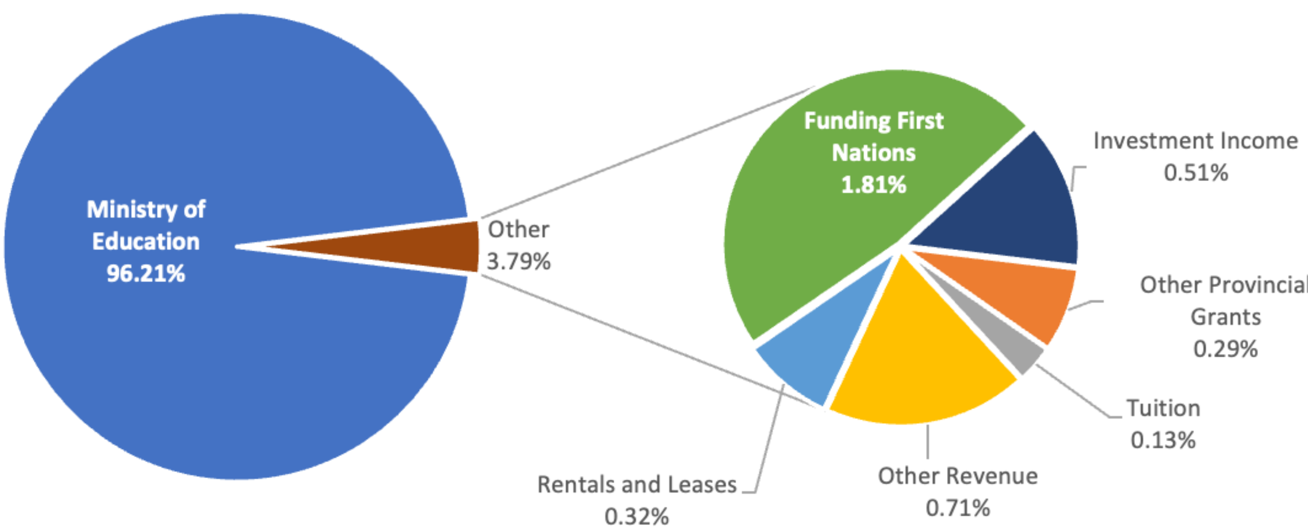
Operating Fund – Schedule 2

The Operating Fund provides the financial information relating to the primary operations of the school district, separate from capital activities and dollars identified for a special purpose.

Revenues

Total operating revenues for the District were $56.8 million for the 2025/26 school year. The Ministry of Education and Child Care funding makes up 96% of total operating revenue for the school district. This means the District is heavily reliant on the Base Operating Grant, which is calculated primarily on student enrolments.

	2025/2026 Actual	2025/2026 Budget	Variance to Budget	2024/2025 Actual	Variance to Prior Year
	$	$	$	$	$
Revenues					
Provincial Grants					
Ministry of Education	**54,636,622**	53,915,128	721,494	54,393,293	243,329
Other	**167,095**	204,594	(37,499)	188,295	(21,200)
Tuition	**74,553**	74,553	-	63,627	10,926
Other Revenue	**1,434,989**	1,189,494	245,495	1,302,362	132,627
Rentals and Leases	**183,522**	180,000	3,522	176,715	6,807
Investment Income	**292,356**	425,000	(132,644)	767,215	(474,859)
Total Revenue	**56,789,137**	55,988,769	800,368	56,891,507	(102,370)
Expenses					
Instruction	**43,481,193**	44,225,014	(743,821)	42,519,213	961,980
District Administration	**2,680,261**	2,616,848	63,413	2,701,903	(21,642)
Operations and Maintenance	**7,609,885**	7,749,480	(139,595)	7,739,619	(129,734)
Transportation and Housing	**4,163,511**	4,020,018	143,493	4,295,021	(131,510)
Total Expense	**57,934,850**	58,611,360	(676,510)	57,255,756	679,094
Operating Surplus (Deficit)	**(1,145,713)**	(2,622,591)	1,476,878	(364,249)	(781,464)
Appropriation of Surplus	2,213,225	4,465,034	(2,251,809)	818,740	1,394,485
Net Transfers from other funds					
Tangible Capital Assets Purchased	**(1,067,512)**	(1,842,443)	774,931	(454,491)	(613,021)
Total Operating Surplus, End of Year	**5,774,133**	-	-	7,987,358	(2,213,225)



Revenues - Variance to Budget

Total Variance to Budget was an increase of $800,368. Primarily, the increase in revenues relates to a one-time payment for retroactive compensation for teaching and exempt staff, with a noted decrease in investment income due to lower cash balances and lower than anticipated interest rates.

The Operating Grant, after consideration of the retroactive payments for compensation, had negligible percentage variance from budget.

Miscellaneous revenue is a year-to-year estimate and is estimated. Variance from the prior year is within normal expectations.

Revenues - Variance to Prior Year

Total Actual to Prior Year was consistent with the prior year at $56,789,137.

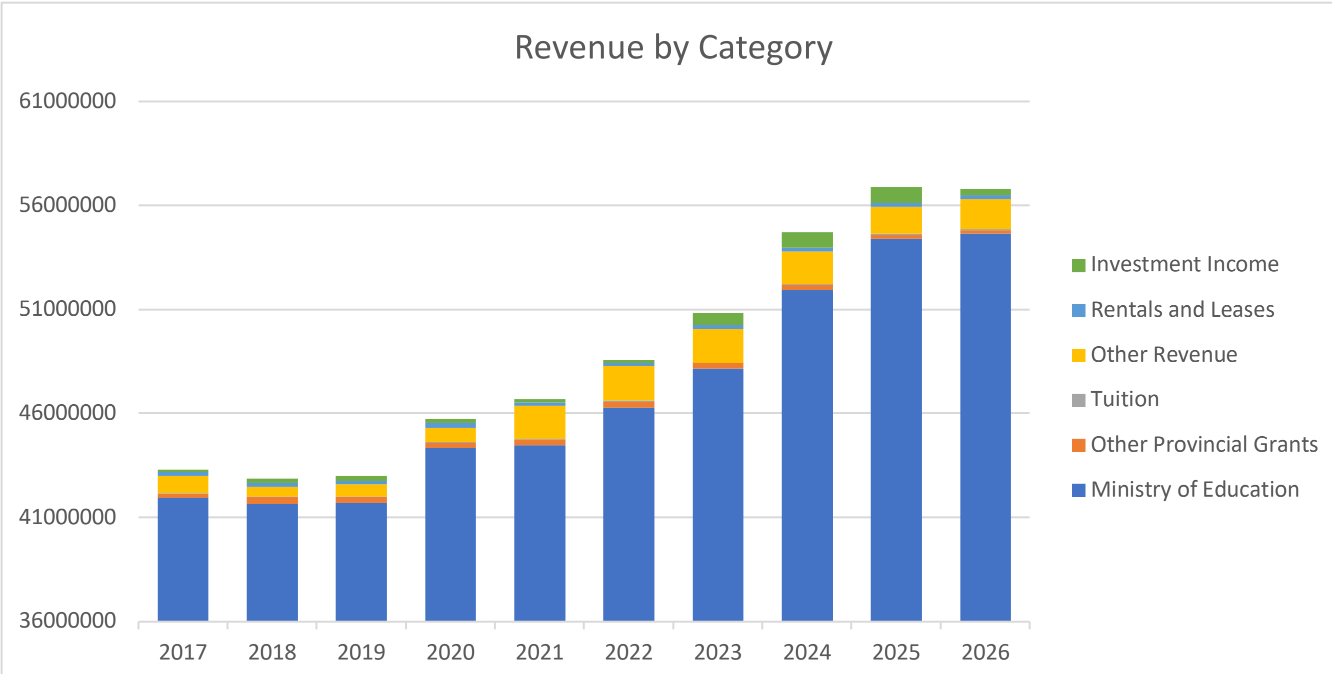
Similar to the variance to budget, primarily the increase in revenues relates to a one-time payment for retroactive compensation for teaching and exempt staff, with a noted decrease in investment income due to lower cash balances and lower than anticipated interest rates.

There was a noted increase in "Funding from First Nations" due to an increase in students enrolled and supported by our schools.

Below is a comparison of the funding line items in the operating grant:

	2025/26 Actual	2024/25 Actual	Change	Variance
Enrolment	3,657	3,701	(44)	-1.2%
Standard Schools	32,065,228	32,100,129	(34,901)	-0.1%
Online Learning	274,820	306,900	(32,080)	-10.5%
Home Schooling	8,000	6,500	1,500	23.1%
Enrolment Decline	55,243	56,597	(1,354)	-2.4%
Inclusive Supports	6,727,440	6,171,530	555,910	9.0%
English Language Learners	250,470	288,995	(38,525)	-13.3%
Indigenous Education	2,094,300	2,040,810	53,490	2.6%
Adult Education	5,036	-	5,036	
Equity of Opportunity Supplement	273,540	241,664	31,876	13.2%
Supplement for Salary Differential	1,148,152	1,306,317	(158,165)	-12.1%
Unique Geographic Factors	9,773,131	10,159,281	(386,150)	-3.8%
Curriculum and Learning Support Fund	32,790	33,236	(446)	-1.3%
Indigenous Education Council (IEC)	152,777	136,491	16,286	11.9%
September Enrolment	52,860,927	52,848,450	12,477	0.0%
February Enrolment	341,915	378,265	(36,350)	-9.6%
May Enrolment	205,660	206,370	(710)	-0.3%
Full Year Funding	53,408,502	53,433,085	(24,583)	0.0%
Less: Indigenous Services Canada	(1,236,103)	(1,030,404)	(205,699)	20.0%
Enrolment Based Operating Grant	52,172,399	52,402,681	(230,282)	-0.4%

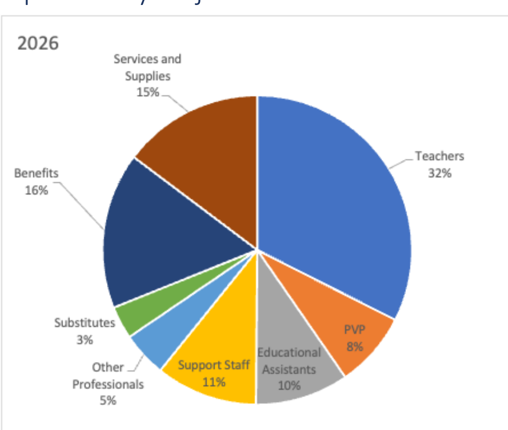
Comparisons of operating revenue from all sources over time are presented below:

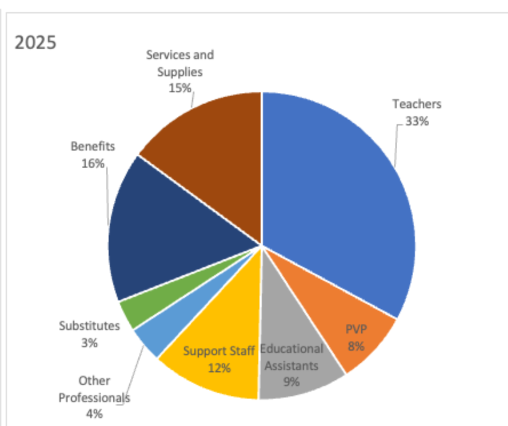


Expenses

Of the School District's operating expenses, 85.3% (85.1% in 2024/25) are related to salaries and benefits, with most salaries (47%) paid to teachers. The remaining 14.7% of operating expenses are related to supplies and services including professional development, student transportation, utilities, and insurance.

Expenses by Object



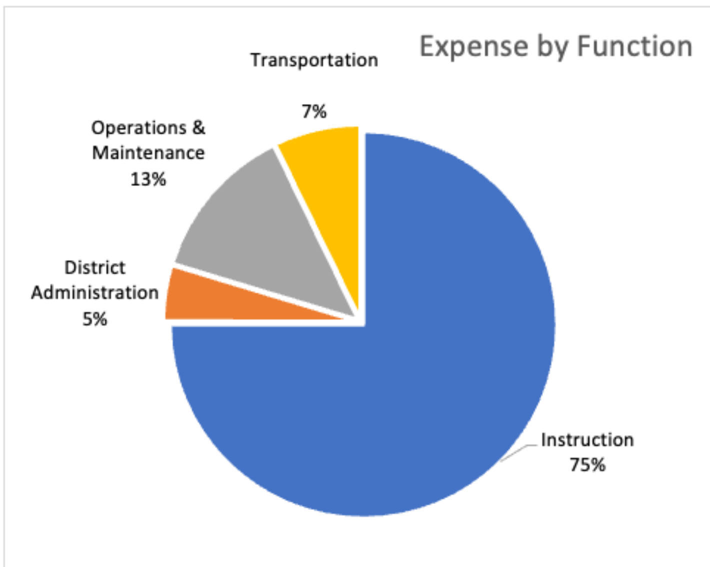


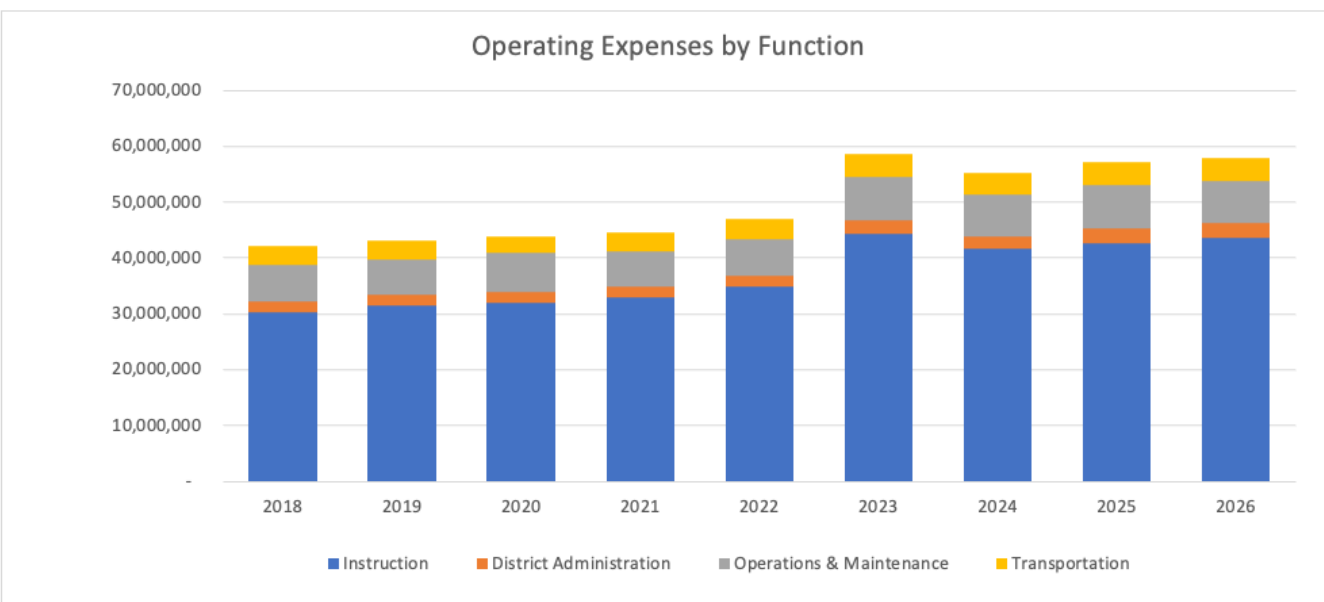
The percentages per function have remained steady within the district over many years.

Expenses by Function

The four functions are described below:

- **Instruction** function includes expenses related to the instruction of students.
- **District Administration** function includes expenses related to district governance and district administration of education, business and human resources.
- **Operations and Maintenance** function includes expenses related to the operation, maintenance and safety of buildings and equipment.
- **Transportation** function includes expenses involved with the transportation of students.





Expenses - Variance to Budget

Operating expenses as compared to budget were $676,510 less than the amended budget.

	Budget	Actual	Under / (Over)	%
Teachers and Principals/Vice-Principals	22,655,200	23,388,036	(732,836)	-3.2%
Education Assistants and Support Staff	12,426,484	11,823,878	602,606	4.8%
Other Professionals	2,721,160	2,727,597	(6,437)	-0.2%
Substitutes	2,077,627	1,987,470	90,157	4.3%
Benefits	9,094,983	9,474,119	(379,136)	-4.2%
Services & Supplies	9,635,906	8,533,750	1,102,156	11.4%
Total	58,611,360	57,934,850	676,510	1.2%

The increase noted in certified staffing resulted from a retroactive collective agreement settlement and retroactive increases in principal compensation determined near the end of the fiscal year. Support staffing was lower than budgeted due to a reduction in educational assistant staffing considering a realignment of staffing to student needs.

The reduction in benefits is related to a one-time reduction in the overall annual premiums reflecting lower actual usage of benefits.

A reduction in “Supplies and Services” is noted, resulting from a planned reduction in discretionary spending during the second half of the year as well as a reduction in programming for initiatives due to a shift in priorities starting in February 2026.

In particular, for expenditures under “Supplies and Services”, school budgets are decentralized. Allowable carry forwards from one year to the next are calculated as the actual amount or 3% of the school budget, whichever is less, and are represented by the $304,005 in school surpluses carried to 2026/27. Overall district instruction accounts were spent below budget.

For 2025/26, detailed expenditure disclosures were reclassified for the current year to align to best practices, resulting in variances in the comparative and budget information from the prior year. Generally, the change in expenditure disclosures and variances from budget or the prior year can be noted on Schedule 2B “Schedule of Operating Expense by Object” and Schedule 2C, as follows:

- Other Professional Salaries: exempt staff (non-union) support salaries were disclosed under this category for 2025/26. In the prior year, both exempt and union support salaries were disclosed under “Support Staff Salaries”; and

- Student Transportation: costs relating to all student transportation operations on Schedule 2B now align to Schedule 2C. Previously, some transportation costs such as fuel were disclosed under “Utilities” on Schedule 2B.

Further variances noted on Schedule 2C, "Operating Expenses by Function, Program and Object", include:

Administration was spent above budget by $63,413

Notable variances included increases in legal expenses and exempt compensation approved by the BC Government, as well as increases in recruitment initiatives.

Operation and Maintenance was spent below budget by $139,595

Total salaries and benefits were spent below budget, reflecting an increase in the use of school district staff to support annual facilities grant maintenance renewal, which is budgeted through the capital fund and special purpose funds.

Transportation was spent above budget by $143,493

Costs relating to fuel and vehicle parts were higher than expected due to economic cost pressures.

Surplus

The school district ended the 2025/26 fiscal year with an operating deficit of $1,145,713. The 2025/26 amended budget committed planned operating reserves of $2,622,591.

There are certain balances within 2025/26 internally restricted operating reserves that are restricted for a specific use because of the purpose for which those dollars were allocated in 2025/26 or the source of the funding received, as shown below:

Indigenous Education	$	67,784
Indigenous Education Council		261,716
School-based Surpluses		304,005
Just Before		37,593
Alberta School Sports		1,747
Integrated Child and Youth		108,386
Total	$	781,231

The planned initiatives that were being funded from reserves in 2025/26 are detailed below as well as the year end carry forwards to 2026/27. Actual use of dollars may be amended to reflect the amended budget approved later in 2026/27.

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**

In February 2024, the Board carried a resolution to leverage the Ministry funding for the Crescent Park Expansion project with $1.7 million from reserves to incorporate the library currently being housed in a detached annex into the school building, as well as to relocate the office to a more central location in the school across from the new library.

Although the project commenced in the 2023/24 school year, the majority of construction costs and the need for the Board's contribution occurred in the 2025/26 school year. The amount of dollars contributed from internally restricted reserves during 2025/26 to support the expansion was $905,132.

Accumulated Operating Reserves

Policy 5010 Accumulated Operating Surplus states that the Board of Education is responsible for ensuring the District is protected financially from financial forecasting risk and unforeseen circumstances which could negatively impact the education of students and service delivery. The accumulated operating surplus serves as a contingency reserve for the risk associated with unexpected increases in expenses and/or decreases in revenues related to major emergent operating issues, one-time costs and intermittent projects. Regulation 5010 states the Board of Education will attempt to maintain an unrestricted operating fund balance of 5% of annual operating expenses.

As at June 30, 2026, the district has $5,774,133 in operating reserves, of which $2,524,133 is restricted for specific purposes and $3,250,000 is unrestricted. Restricted reserve funds are held for an intended purpose. The unrestricted operating surplus represents 5.6% of the 2025/26 annual operating expenses and is within the Board's Policy 5010 requirement.

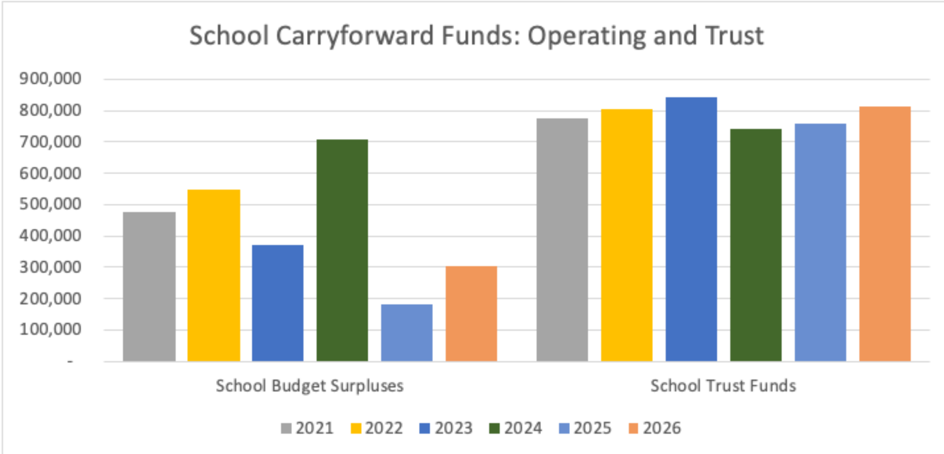
	2021	2022	2023	2024	2025	2026
Internally Restricted	2,058,880	3,643,721	2,305,371	3,506,179	4,344,495	2,524,133
Unrestricted	6,530,601	6,441,631	7,188,301	5,299,919	3,642,863	3,250,000
Total Operating Surplus	$ 8,589,481	$ 10,085,352	$ 9,493,672	$ 8,806,098	$ 7,987,358	$ 5,774,133
Unrestricted Surplus as a % of annual operating expenses	15%	14%	14%	10%	6%	6%

School Funds

The District practices school-based budgeting which allows schools that end the year in a surplus or deficit position to carry forward balances. These balances are restricted at year-end and then pulled out of reserves at the beginning of each school year for the schools to apply to their new budget. For the last four years, school surpluses greater than 2.5-3% of budget were restricted to ensure the best use of available dollars.

	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

School trust funds are tracked and maintained by the school administrator and secretary. Most of these funds exist for a specific purpose (field trips, graduation fundraising, hot lunch programs, yearbook sales, etc.). The school trust funds are tracked within a special purpose fund called School Generated Funds and are not part of the operating budget. There are no restrictions on the carry forward in the school trust account, although school principals are encouraged to review multi-year static category balances to determine if they can be repurposed for other school initiatives. This avoids year-over-year balances that are not used for students.



Special Purpose Fund – Schedule 3

The Special Purpose Funds (SPF) are designated for service delivery and capital asset purposes. The balances are deferred to subsequent years for their intended purpose.

The following table summarizes the transactions for the year:

	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

Capital Fund – Schedule 4

During the year, the District undertook and completed various capital projects as indicated in the following table:

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**
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:		
Cresent Park Elementary Expansion Project	$	905,132
Total District Operating Fund	**$**	**1,306,995**
New Spaces Child Care		
Work in Progress:		
Consulting and Design - Tumbler Ridge and Dawson Creek	$	484,540
Total New Spaces Child Care	**$**	**484,540**
Tumbler Ridge Modulars		
Total Tumber Ridge Modulars	**$**	**2,802,075**

The School District invested $6.5 million in capital additions and a further $8.8 million in capital additions not yet completed called "work in progress" for a total investment of $15.3 million.

Once the capital projects are complete and put into use, they will move from work in progress to the asset pool and begin to be amortized.

The estimate for the school district's asset retirement obligation (ARO) was increased by approximately $950,000, which increased the unamortized portion of capital buildings and the ARO liability by the same amount.

The Capital Fund, reported as the Investment in Tangible Capital Assets, includes the unamortized portion of capital assets and spent and unspent deferred capital contributions. Also included in the capital fund are dollars identified as an internally restricted capital reserve for future capital purchases.

Specific balances in the Capital Fund are as follows:

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

The $5,372,537 of Unspent Deferred Capital primarily includes dollars held for the Dawson Creek and Tumbler Ridge New Spaces Child Care centre funding. Also included is $173,535 in funding not spent on the Pouce Coupe Expansion project that the ministry approved to transfer to Ministry of Education and Child Care Restricted Capital.

In 2020, the District also entered into a twenty-year capital lease with a local utility for which $1,000 capital lease revenue is received annually.

There are two capital fund surpluses:

The **Local Capital** fund of $175,490 represents accumulated surpluses designated to fund the purchase of Tangible Capital Assets. This balance can increase if the Board makes a motion to transfer operating surpluses to Local Capital or when the district receives the unrestricted portion (25%) from sales of property.

The **Investment in Tangible Capital Assets** fund of $6,628,187 represents capital investments that are funded by operating funds (shows as a net transfer from other funds). As an asset is amortized (shown as an expense), the surplus will decrease. Therefore, the balance is used to fund future amortization costs and does not represent funds that are available for other purposes.

Other Significant Matters

Tumbler Ridge Recovery

On February 10, 2026, staff, students, families, and the community of Tumbler Ridge experienced a tragedy. Since the incident, significant investments into the recovery have occurred. The following highlights the financial impacts to the year-end financial operations of the school district as of June 30, 2026.

Special Purpose Funds

Grants and expenditures of $1,350,626 are recorded.

Capital Assets Purchased

Modular classrooms and associated costs for installation, as well as supports to create a modular classroom complex, totaled $2,802,075 and are recorded in the financial statements.

Building Remediation

On July 21, 2026, the School District and the Government of British Columbia entered into a memorandum of agreement to dispose of, through remediation, a school building and associated site improvements in the community of Tumbler Ridge. The Government of British Columbia will be conducting the disposal directly, including the costs of the remediation. Land will be brought to a state allowing for a future use, with the costs at this time being undetermined.

New School Build

The Government of British Columbia, in partnership with the Federal Government, has made commitments for a new school building at a new school site. The timeline and costs for the new high school are undetermined at this time.

Future Supports

The Government of British Columbia has committed to providing funding to support students and staff. As of June 30, 2026, supports for up to $2.8 million are available to the school district until March 31, 2027. Funding and supports after March 31, 2027 are undetermined at this time.

Contact Management

This financial report was completed for the purpose of providing a general overview of the School District's finances as at June 30, 2026 and demonstrating the District's accountability for the funding it receives.

If you have any questions about the report, please contact the Secretary Treasurer's office at 250-782-8571.

DATE: 2026-09-23

TO: Board of Education

FROM: Peter Neale
Secretary-Treasurer

RE: Enrolment Update – Mid September

Purpose

To provide an update to the Board of Education on enrolment estimates mid-September.

Appendix

Summary of Enrolments

Background

This report explains how September enrolment compares with the spring budget projection and the prior year, identifies where the variances are concentrated, and considers kindergarten and grade-cohort information as indicators of future enrolment.

Financial impacts will be determined during the amended budget process based on actual staffing, actual student counts and supports through the CEF funding.

The final enrolment report will be presented at the October meeting after the 1701 data is submitted to the Ministry of Education and Child Care.

Note the following does not include Kelly Lake students and does not include homeschool. Kelly Lake students are projected to be thirteen (13), which is consistent to prior years. Gundy area students are included in the analysis and projected at seven (7) students.

Considerations

September enrolment is 68.25 FTE, or 2%, above the enrolment projected in the spring budget. Total enrolment is above the spring projection, but this should not be interpreted as overall growth: District enrolment remains below the prior year with the decline concentrated in elementary schools.

- The favourable variance is concentrated primarily in secondary enrolment, particularly at DC Central and Tumbler Ridge Secondary. Despite exceeding budget projections, total enrolment remains 101.75 FTE, or 3%, below the prior year.

- The year-over-year reduction is concentrated in elementary enrolment, which declined by 105 FTE.

- Preliminary kindergarten enrolment is also below the current Grade 1 cohort, indicating that continued elementary enrolment pressure may remain unless offset by migration into the District.

- Enrolment trends vary significantly by school, and staffing, space and program implications should therefore be considered at the individual-school level rather than solely from the District-wide favourable variance.

Significant school level variances

School	To projection Student & %	To prior year Student & %	Qualitative assessment
DC Central	+38 +10%	+13 +3%	Largest increase variance, representing about 79% of the secondary variance. Review staffing and timetables.
Tumbler Ridge Secondary	+14 +8%	(0.56) 0%	Above projection but essentially unchanged from last year.
Frank Ross	+12 +3%	(19) (4%)	Above budget but below last year. Kindergarten supports stability.
Tremblay	+9 +5%	(8) (4%)	Above budget with a relatively stable kindergarten profile.
Moberly Lake	+8 +21%	+5 +12%	Strong variance from a small base; kindergarten of 2 suggests caution.
Windrem	+5 +16%	+5 +16%	Above both comparisons; kindergarten is promising but the small base is volatile.
Crescent Park	(21) (9%)	(34) (14%)	Largest decrease variance; low kindergarten supports continued decline risk.
Chetwynd Secondary	(8.75) (3%)	(11.81) (4%)	Below both comparisons; the Grade 7 feeder cohort is smaller than Grade 8.
McLeod	(6) (12%)	(17) (27%)	Material decline; kindergarten of 3 provides no near-term recovery signal.

- Total reported enrolment including Distributed Learning is 3,544.25 FTE.
- Enrolment is 68.25 FTE or 2% above the spring projection of 3,476.00.
- Enrolment remains 101.75 FTE, or 3%, below the prior year.
- Approximately 71% of the favourable variance to projection comes from secondary enrolment.
- The year-over-year reduction is almost entirely an elementary-school issue: elementary enrolment declined by 105 FTE.
- The favourable budget variance is concentrated in a small number of schools, especially DC Central.

Geographic observations

Dawson Creek Urban:
Elementary enrolment is nearly on projection at 3 FTE above budget, and is 73 FTE or 7% below last year. Secondary enrolment is 43 FTE or 5% above projection and approximately 10 FTE above last year. Combined urban enrolment is therefore approximately 46 FTE above projection but remains about 63 FTE below the prior year.

The urban area is experiencing a change in grade composition rather than overall growth. Current pressure is concentrated at the secondary level, while the elementary base has contracted.

Dawson Creek Rural:
Rural enrolment is 3 FTE above projection and 4 FTE below last year. The overall result is comparatively stable, but individual schools are moving in different directions. Parkland and Pouce Coupe are above last year, while Deveraux and McLeod have declined.

Chetwynd and Area:
Elementary schools are 13 FTE above projection but 23 FTE below last year. Chetwynd Secondary is 8.75 FTE below projection and 11.81 FTE below last year. Combined enrolment is approximately 4.25 FTE above projection but nearly 35 FTE below the prior year.

The spring projection anticipated much of the decline so the budget variance is manageable; note the year-over-year trend remains a planning concern.

Tumbler Ridge:
Elementary enrolment is 5 FTE below both projection and the prior year. Secondary enrolment is 14 FTE above projection and essentially unchanged from last year. The combined area is above budget expectations but modestly below the prior year.

The secondary variance appears to reflect a conservative spring projection rather than new year-over-year growth.

Kindergarten observations by area

Dawson Creek Urban:
Kindergarten of 126 is close to Grade 1 enrolment of 129 and the area's typical cohort size. Stabilization may be possible, although enrolment is unevenly distributed among schools.

Dawson Creek Rural:
Kindergarten of 35 is materially below Grade 1 enrolment of 55, indicating future pressure.

Chetwynd and Area:
Kindergarten of 39 is above Grade 1 enrolment of 35 but below most older cohorts. This may provide limited stabilization and may not yet reverse the broader decline.

Tumbler Ridge:
Kindergarten of 31 is consistent with the area and suggests relative stability.

Secondary cohort observations

Dawson Creek has large Grade 8 and Grade 10 cohorts of 218 and 239 students. These cohort bulges support current secondary enrolment but should not automatically be treated as permanent growth.

Chetwynd Secondary has larger Grade 8 to 10 cohorts than Grades 11 and 12. This supports near-term enrolment, although the current Grade 7 feeder cohort of 46 is smaller than the Grade 8 cohort of 62.

Tumbler Ridge Secondary should remain relatively stable in the immediate term: the Grade 7 cohort is 31 compared with 30 students currently in Grade 12.

Recommendation

The report is provided for information.

2026-2027	Total SD59	PROJ'D	Variance to PROJ'D	Variance to PROJ'D	PRIOR YEAR	Variance to PRIOR YEAR	Variance to PRIOR YEAR
Canalta	213.00	210.00	3.00	1%	225.00	(12.00)	-5%
Crescent Park	216.00	237.00	(21.00)	-9%	250.00	(34.00)	-14%
Chetwynd Secondary	255.25	264.00	(8.75)	-3%	267.06	(11.81)	-4%
DC South Peace	567.00	562.00	5.00	1%	570.13	(3.13)	-1%
DC Central	407.00	369.00	38.00	10%	394.00	13.00	3%
Deveraux	74.00	73.00	1.00	1%	80.00	(6.00)	-8%
Don Titus	131.00	134.00	(3.00)	-2%	143.00	(12.00)	-8%
Frank Ross	419.00	407.00	12.00	3%	438.00	(19.00)	-4%
Little Prairie	164.00	161.00	3.00	2%	185.00	(21.00)	-11%
McLeod	45.00	51.00	(6.00)	-12%	62.00	(17.00)	-27%
Moberly Lake	47.00	39.00	8.00	21%	42.00	5.00	12%
Parkland	71.00	72.00	(1.00)	-1%	64.00	7.00	11%
Peace View Colony	32.00	30.00	2.00	7%	32.00	-	0%
Pouce Coupe	127.00	123.00	4.00	3%	121.00	6.00	5%
South Peace Colony	43.00	40.00	3.00	8%	37.00	6.00	16%
Tremblay	188.00	179.00	9.00	5%	196.00	(8.00)	-4%
Tumbler Ridge Elementary	214.00	219.00	(5.00)	-2%	219.00	(5.00)	-2%
Tumbler Ridge Secondary	189.00	175.00	14.00	8%	189.56	(0.56)	0%
Windrem	36.00	31.00	5.00	16%	31.00	5.00	16%
FTE Total	3,438.25	3,376.00	62.25	2%	3,545.75	(107.50)	-3%
Distributed Learning-September	48.00	42.00	6.00	14%	37.75	10.25	27%
Distributed Learning - February	28.00	28.00	-	0%	34.25	(6.25)	-18%
Distributed Learning - May	30.00	30.00	-	0%	28.25	1.75	6%
	3,544.25	**3,476.00**	**68.25**	**2%**	**3,646.00**	**(101.75)**	**-3%**

Summary by Grade Division							
Elementary	2,020.00	2,006.00	14.00	1%	2,125.00	(105.00)	-5%
Secondary	1,418.25	1,370.00	48.25	4%	1,420.75	(2.50)	0%
Distributed Learning	106.00	100.00	6.00	6%	100.25	5.75	6%
	3,544.25	3,476.00	68.25	2%	3,646.00	(101.75)	-3%

Summary by Area: Elementary							
Dawson Creek Urban	1,036.00	1,033.00	3.00	0%	1,109.00	(73.00)	-7%
Dawson Creek Rural	392.00	389.00	3.00	1%	396.00	(4.00)	-1%
Chetwynd and Area	378.00	365.00	13.00	4%	401.00	(23.00)	-6%
Tumbler Ridge	214.00	219.00	(5.00)	-2%	219.00	(5.00)	-2%
	2,020.00	2,006.00	14.00	1%	2,125.00	(105.00)	-5%

Summary by Area: Secondary							
Dawson Creek Urban	974.00	931.00	43.00	5%	964.13	9.88	1%
Dawson Creek Rural							
Chetwynd and Area	255.25	264.00	(8.75)	-3%	267.06	(11.81)	-4%
Tumbler Ridge	189.00	175.00	14.00	8%	189.56	(0.56)	0%
	1,418.25	1,370.00	48.25	4%	1,420.75	(2.50)	0%

Summary: Distributed Learning	106.00	100.00	6.00	6%	100.25	5.75	6%

DATE: 2026-09-23

TO: Board of Education

FROM: Peter Neale
Secretary-Treasurer

RE: Minor Capital 2027/28

Purpose

The purpose of this report is to obtain Board approval of the proposed 2027/28 Capital Plan for Minor Capital Programs for submission to the Ministry of Infrastructure.

Appendix

Page 3 Minor Capital Projects (2026-09-23)

Background

The School Act provides that the Minister of Infrastructure may require a Board of Education to prepare and submit a capital plan for the School District to the Ministry of Infrastructure (Ministry). The plan must set out particulars for each capital project, including an estimate of the capital funding that may be required, under the Major Capital Programs, Minor Capital Programs and Child Care Capital Programs.

The Ministry's 2027/28 Capital Plan Instructions provide the framework for the annual submission. Boards develop five-year capital plans that identify current and expected district needs and submit requests through the MyCAPS system. The Ministry assesses each request against program-specific criteria and available resources, with funding allocated to the highest-priority projects.

Considerations

The District's capital planning framework considers safety, enrolment and capacity, existing building condition, climate and emissions, and the funding categories available. Requests are also considered in the context of the Long-Range Facilities Plan and the District's ability to deliver approved work within scope, schedule and budget.

Submission deadlines for the 2027/28 Five-Year Capital Plan are June 30, 2026 for all Major Capital Programs and September 29, 2026 for all Minor Capital Programs, including the Building Envelope Program. In accordance with section 142 (4) of the School Act, the Board must approve the proposed capital plan for its school district by resolution, and the resolution must be included with the Capital Plan submission.

For the 2027/28 planning cycle, boards are to provide separate resolutions for Major Capital, Minor Capital and Child Care Capital submissions.

<u>Minor Capital</u>

Minor Capital Programs for 2027/28 include:

- School Enhancement Program (SEP) - improvements to safety, condition, operational efficiency and functionality that extend the useful life of existing schools;
- Carbon Neutral Capital Program (CNCP) - energy-efficiency projects that reduce district carbon emissions and operating costs;
- Playground Equipment Program (PEP) - new or replacement universally designed playground equipment for eligible elementary schools;
- Bus Acquisition Program (BUS) - eligible fleet replacement or expansion based on age, mileage, safety, mechanical condition and demonstrated service need;
- Food Infrastructure Program (FIP) - minor upgrades that create, improve or expand infrastructure for school food programs; and,
- Building Envelope Program (BEP) - remediation of eligible schools affected by water ingress and premature building-envelope failure

Minor Capital requests follow a one-step approval process. Staff review and refine the submission before the deadline, and approved projects are generally required to be completed by March 31, 2028.

<u>Next Steps</u>

Staff will submit the Minor Capital Plan to the Ministry of Infrastructure on or before September 29, 2026. Staff may update project estimates before submission. Any material changes to the projects, priorities or total funding request approved by the Board will be brought back to the Board for approval.

Once the Ministry has assessed capital plan submissions from all school districts and the Province has tabled the provincial budget, the Ministry will issue a Capital Budget Outcomes and Next Steps letter. The letter will identify major projects supported for further development, minor projects approved for procurement and funding, and the required next steps for each project. The Minister may approve, approve with modifications, or reject a capital plan submitted by the Board to the Ministry.

Recommendation

Motion: “THAT, in accordance with provisions under section 142 (4) of the School Act, the Board of Education of School District No. 59 (Peace River South) hereby approves the proposed Capital Plan (Minor Capital Programs) for 2027/28, as provided on the Capital Plan Summary for 2027/28 submitted to the Ministry of Infrastructure.”

Submission Summary

Submission Summary:	Minor 2027/2028 | 2026-09-30 | MAIN - K12
Submission Type:	Capital Plan
School District:	Peace River South (SD59)
Open Date:	2026-04-24
Close Date:	2026-09-30
Submission Status:	Draft

Submission Category	Sum Total Funding Requested
SEP	$2,160,000
PEP	$400,000
CNCP	$450,000
BUS	$1,077,248
Total	**$4,087,248**

SD Category Rank	Project Number	Facility/Site	Project Type	Project Description	Total Funding Requested
	BUS				
1	174991	Transportation	Replacement	A2591 – 2012 year, 231,273. Kms	$214,738
2	171214	Transportation	Replacement	A1590 – 2013 year, 232,429 Kms	$214,738
3	174992	Transportation	Replacement	A1592 – 2013 year, 211,679 Kms	$214,738
4	174993	Transportation	Replacement	A3591 – 2013 year, 198,425 Kms	$216,517
5	174994	Transportation	Replacement	A3592 – 2013 year, 151,022 Kms	$216,517
				Submission Category Total:	**$1,077,248**
	CNCP				
SD Category Rank	Project Number	Facility/Site	Project Type	Project Description	Total Funding Requested
1	171219	Tumbler Ridge Elementary	Exterior Wall Systems	Replace old Aluminum windows with energy efficient windows. Window caulking	$450,000
				Submission Category Total:	**$450,000**
	PEP				
SD Category Rank	Project Number	Facility/Site	Project Type	Project Description	Total Funding Requested
1	152028	Mcleod Elementary Secondary	New (PEP)	Small Rural School with limited access to PAC funding this school does not have a	$200,000
2	174857	Crescent Park Elementary	New (PEP)	Install an accessible playground close to the school. Current playgrounds are all	$200,000
				Submission Category Total:	**$400,000**
	SEP				
SD Category Rank	Project Number	Facility/Site	Project Type	Project Description	Total Funding Requested
1	174974	Dawson Creek Secondary (Central	HVAC (SEP)	Replace four 1,000,000 BTU Thermal Solution boilers with 10 smaller IBC boilers.	$600,000
2	174851	Crescent Park Elementary	Roofing (SEP)	Replace roof membrane	$500,000
3	174855	Tumbler Ridge Elementary	Roofing (SEP)	Replace roof membrane	$650,000
4	171212	Mcleod Elementary Secondary	Electrical (SEP)	Replace main electrical service. Current service is outdated and parts are no longer	$110,000
5	165709	Various	Interior Construction	Upgrade doors to electronic key lock system.	$300,000
				Submission Category Total:	**$2,160,000**

Submission Summary

Submission Summary:	Minor 2027/2028 | 2026-09-30 | FIP
Submission Type:	Capital Plan
School District:	Peace River South (SD59)
Open Date:	2026-04-24
Close Date:	2026-09-30
Submission Status:	Draft

Submission Category	Sum Total Funding Requested
SEP	$25,000
Total	**$25,000**

	FIP				
SD Category Rank	Project Number	Facility/Site	Project Type	Project Description	Total Funding Requested
1	175028	Various	Food Infrastructure (SEP)	Replace old coolers and freezers in FIP kitchens. They are starting to cost us a lot	$25,000
				Submission Category Total:	**$25,000**

School District No. 59 (Peace River South)

DATE: 2026-09-23

TO: Board of Education

FROM: Peter Neale
Secretary-Treasurer

RE: 2026 Trustee Election Update

Purpose

To provide an update to the Board of Education on the status of current elections, and planning for September, October and November.

Appendix

None

Background

The 2026 General School Trustee Election is scheduled for October 17, 2026.

School District No. 59 elects seven (7) trustees across four (4) trustee electoral areas. Candidate information, election notices, key dates and supporting resources are available on the District's election webpage at https://www.sd59.bc.ca/district/trustee-election-2026.

This report reflects information available as of September 17, 2026. Candidates were declared at 4:00 p.m. on September 11, 2026.

Trustee Electoral Area I (Chetwynd and Contiguous Rural Area) has two candidates for two positions and is expected to be finalized by declaration of acclamation on Monday, September 21, 2026, at 4:00 p.m.

Elections are expected in Trustee Electoral Areas II (District of Tumbler Ridge), III (City of Dawson Creek), and IV (Rural Areas surrounding Dawson Creek & Pouce Coupe).

The District of Tumbler Ridge will operate the election for Trustee Electoral Area II, and the City of Dawson Creek will operate the election for Trustee Electoral Area III.

School District No. 59 will operate the election for Trustee Electoral Area IV in a 50/50 cost-sharing partnership with the Peace River Regional District, and in cooperation with the Village of Pouce Coupe.

Considerations

Election coordination and communications completed to date include:

- The Chief Election Officer and Deputy Chief Election Officer attended the City of Dawson Creek candidates meeting on September 11 and shared information with candidates about coordination with Parent Advisory Councils (PACs), communications with schools, and the use of school district facilities.

  The following key messages were shared across all electoral areas:

  - PACs should treat all candidates equally. Any candidate forums or meetings should be held at a public venue that is not on school district property.

  - Schools may not distribute or support communications for any candidate.

  - The school district remains neutral toward all candidates.

  - Staff may participate in political activities as private individuals but must not endorse a candidate when acting as representatives of the school district.

- SD59 supported the District of Tumbler Ridge with candidate communications issued on September 14, including the information shared at the City of Dawson Creek candidates meeting.

- A communication was sent to school principals on September 15 for distribution to staff and Parent Advisory Councils. It reinforced the District's neutrality, equal treatment of candidates, restrictions on campaigning and signage on school property, facility-use requirements, and expectations for employees participating in political activities.

- The Chief Election Officer and Deputy Chief Election Officer met with the Peace River Regional District on September 16 to coordinate planning for Trustee Electoral Area IV. During the meeting, voting locations were confirmed, staffing and electoral processes were reviewed, and planning for election supplies was discussed.

- Letters were sent to Trustee Electoral Area IV candidates on September 17. The letters outlined voting opportunities, election advertising and campaign-financing requirements, expectations relating to PACs and schools, election offences, key dates and available resources.

- Communications and coordination has been started with the Village of Pouce Coupe.

- Subject to the declaration of acclamation, a meeting to welcome the new trustees for the Chetwynd area is being planned for the week of September 21. The declaration is scheduled for September 21 at 4:00 p.m. Candidates may withdraw without approval until September 18 at 4:00 p.m.: after that deadline, withdrawal requires the Minister's approval.

- The Chief Election Officer, Deputy Chief Election Officer and Superintendent met to begin planning orientation sessions and learning opportunities for incoming trustees. Further details will be confirmed following the October 17 election.

The key election dates identified at the time of report preparation were as follows:

- September 18 at 4:00 p.m. — deadline for candidates to withdraw without Ministerial approval.

- September 21 at 4:00 p.m. — declarations of election by voting or acclamation.

- October 7 — required advance voting day.

- October 14 — second advance voting day (excluding Pouce Coupe).

- October 17 — general voting day and announcement of preliminary results following the close of voting and completion of ballot counts.

- By October 21 — declaration of official election results.

- November 1 — new trustee term begins.

- **November 2 — oath of office and inaugural meeting of the Board of Education.**

There are no concerns to report at this time. Coordination with election partners is continuing, candidate and school communications have been issued, and planning is progressing as expected.

The Deputy Chief Election Officer has provided consistent and valuable support in coordinating partner communications, preparing candidate information, and advancing the operational planning required for the election.

Recommendation

The Board of Education receives the “2026 Trustee Election Update” report for information.

School District No.59 (Peace River South)

DATE: 2026-09-23

TO: Board of Education

FROM: Peter Neale
Secretary-Treasurer/CFO

RE: CAPITAL PROJECTS UPDATE

Please follow https://www.sd59.bc.ca/district/capital-projects for updates on these projects.

Purpose

To update the Board of Education on significant capital projects currently in process for the school district.

Crescent Park Elementary School Expansion Project

July and August

- Storm drains, catch basins and a fire hydrant were installed
- Water and sewer lines were tied in
- Landscaping and paving were completed
- New staffroom reno was completed
- Millwork was installed (desks, cabinets, coat hooks)
- Life safety systems were verified
- New PA, security and phone systems were installed
- Network cabling was completed and network was brought online
- Whiteboards, bulletin boards and boot racks were installed
- Classroom and teacher items were moved into the classroom, library and office
- August 19 final building inspector walk-through

September

- Occupancy permit was received
- Fire department did a tour of the school
- Students and teachers had class in the new classrooms

Financial Update

Senior leadership reviewed all available capital fund dollars at year-end to identify sources to reduce the budgeted $1.7 million commitment from operating reserves (surplus).

As a result of the work done, $173,000 was identified that can be used towards this project which was supported by the BC Government.

Further, senior leadership, through the use of capital funding and annual facilities grant dollars, found savings that reduced the need to use unrestricted dollars.

The net result of the work done since June 2026 was to reduce the Board of Education's financial commitment from the operating reserves from **$1.7 million** to **$905,000** (as of June 30, 2026).

Also, during the summer, an additional change order was needed to address safety and accessibility needs, including improving drainage. The $194,028 increase in the total project cost has increased the total project budget from its initial budget of $9.2 million to $9.21 million.

It is expected that the final cost of the project will be slightly higher due to finishing work and safety handrails. Required finishing work is not expected to be significant, and differences will be addressed through year-end reserves established during the audit process.

Project Budget Update

$8,477,767	Spent to Date (2026-09-15)
$465,233	Outstanding to Complete (Estimated)
$9,210,000	Total Spend Expected

$7,500,000	Funding from BC Government
$632,000	Dollars from Other Capital Funding
$173,000	Capital Fund Reserve Dollars (Restricted, Approved by Government)
$905,000	Funding from School District (Operating Reserve)
$9,210,000	Total Funding Available

ChildCareBC New Spaces – Dawson Creek & Tumbler Ridge

Tumbler Ridge

- On July 15, 2026, we awarded the construction of the childcare building in Dawson Creek (Tremblay) to C. Chandler Contracting Celtic Construction Ltd. in the amount of $4,994,236.
- The bid was conducted in accordance with Policy 5080 Purchasing Authority; the bid is within budget and in accordance with the funding agreement provided by the Government of BC.
- Multiple meetings were held and emails were sent to finalize the details.
- Security fencing went up at the start of August.
- Excavation for services started mid-August.
- Work on footings/foundation began.
- The footing was poured.

Tremblay

- On July 15, 2026, we awarded the construction of the childcare building in Dawson Creek (Tremblay) to C. Chandler Contracting Celtic Construction Ltd. in the amount of $4,859,558.44.
- The bid was conducted in accordance with Policy 5080 Purchasing Authority; the bid is within budget and in accordance with the funding agreement provided by the Government of BC.
- Multiple meetings were held and emails were sent to finalize the details.
- The security fence went up, and the job shack was moved to the site.
- Work started on tying in water and sewer.
- Excavation for foundation started.
- Pile installation started.

Project Budget Update

<u>$617,820</u> Spent to Date (2026-09-15)

<u>$13,659,175</u> Funding from BC Government

<u>$179,010</u> Interest Accrued ($97,401 is from 2024-25)

Tumbler Ridge Kodiak Campus

- The original two NVIT Trades trailers were removed and replaced by one new trailer.
- Multiple meetings were held in preparation for the arrival of the new centre complex.
- Earthwork and foundation work for the new centre complex were completed.
- Water and sewer lines were run to the science and art room portables.
- Centre complex portables were installed.
- Portable sections were set up, and work started on the inside.
- Equipment and furniture were moved from the wildfire trailers to the new centre complex.
- Wildfire trailers were removed and the trades trailer was relocated again.
- Students and staff were able to enjoy the new complex.
- Facilities leadership met with Celtic Construction to come up with a plan to complete the new parking area.
- Kodiak Campus parking lot construction was completed.

Budget Update

Special Purpose Funds
Grants and expenditures of $1,350,626 are recorded.

Capital Assets Purchased
Modular classrooms and associated costs for installation, as well as supports to create a modular classroom complex, totaled $2,802,075 and are recorded in the financial statements.

Building Remediation
On July 21, 2026, the School District and the Government of British Columbia entered into a memorandum of agreement to dispose of, through remediation, a school building and associated site improvements in the community of Tumbler Ridge. The Government of British Columbia will conduct the disposal directly and cover the remediation costs. The land will be brought to a state that allows for future use. The costs are currently undetermined.

New School Build
The Government of British Columbia, in partnership with the Federal Government, has made commitments for a new school building at a new school site. The timeline and costs for the new high school are undetermined at this time.

Future Supports
The Government of British Columbia has committed to providing funding to support students and staff. As of June 30, 2026, supports for up to $2.8 million are available to the school district until March 31, 2027. Funding and supports after March 31, 2027 are undetermined at this time.

Childcare Spaces Funding

Canalta Before and After School Care

- A bathroom was added to the portable, including a sewer lift pump and holding tank
- A sink and counter were added to the main area
- An air conditioner was installed
- The YMCA worked with licensing to get the facility licensed
- The YMCA purchased and installed furniture and equipment

Funding: $144,000
Spent to Date: $72,113

Crescent Park Before and After School Care

- The renovation will start in September when the building is available.

Funding: $72,000
Spent to Date: $1,208

School District No. 59 (Peace River South)

September 23, 2026

Childcare / Early Learning Updates

School District No. 59 has had a flurry of activity within our Early Learning/Child Care department with new projects. The before and after school care at Crescent Park will be expanding to add an additional 12 new seats. Funding for the expansion renovation is through the ChildCare BC Operational Start-Up Fund.

You will also notice the beginning stages of our two new builds for full day childcare through the ChildCareBC New Spaces Fund. One Centre is being built at Tremblay Elementary School, and the other is in Tumbler Ridge. In total, 74 new childcare spaces will be available in Dawson Creek and Tumbler Ridge to provide support for families with young children. This initiative was part of the new spaces grants that we qualified for in 2023; it is wonderful to see these projects beginning.

Canalta Elementary is also opening a before and after school care at their school and the YMCA is taking registrations while we are waiting for licensing approval. Existing space is being renovated under the new ChildCareBC Operational Start Up Fund to add 24 new spaces.

In our district, we have partnered with the YMCA to help deliver before and after school care in all the communities we serve. We are extremely grateful for this partnership and look forward to all the new programming and opportunities in partnership with the YMCA.

It is exciting that SD 59 is able to create and enhance these spaces to help support families in finding childcare.

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July 20, 2026

Community Update: Tumbler Ridge Secondary School

Dear Tumbler Ridge community,

As we continue to move forward together, we want to share an update on the next steps for Tumbler Ridge Secondary School.

Our hearts remain with the students, families, staff, first responders, and everyone in our community who continue to navigate the aftermath of this devastating tragedy. We know that Tumbler Ridge Secondary School holds deep meaning for many people, and we recognize that the work ahead may bring a range of emotions.

Over the past several months, we have listened to students, families, staff, Indigenous partners, community members, and experts as we considered the best path forward. Based on those conversations, the Peace River South School District requested support from the province to build a new secondary school at a new location in Tumbler Ridge, and to remove the existing school using a thoughtful, trauma-informed approach.

Removal of the Existing School
Work to remove the existing school has begun and will continue throughout the summer. Every effort is being made to carry out this work in a way that respects the significance of the site and minimizes disruption to students, families, and the broader community.

To support privacy and reduce impacts, the following steps will be taken:

- Most of the work to remove furniture and other moveable materials will take place inside the building and materials will be removed using covered trucks.
- The building will be carefully dismantled in stages, rather than using more disruptive methods.
- All building materials will be transported to regional landfills. The Tumbler Ridge landfill will not be used.

The removal of the school is expected to be completed this fall. We will continue to share updates if timelines change.

Honouring Tumbler Ridge Secondary School
We know many people would like an opportunity to recognize the important place Tumbler Ridge Secondary School has held in our community. During the week of July 20th, you will notice that the signs will be taken down and the flags will be removed. We share this information in advance so that those who wish to may reflect and remember in their own way.

Preparing for the New School Year
While work continues at the existing school site, preparations for the upcoming school year are also well underway.

Beginning later this month, the central complex for the Kodiak Campus will begin arriving on site. This facility will include washrooms, offices, staff workspaces, counselling spaces, and a gathering area for students, and will be ready for the start of the school year.

Looking Ahead

Planning for a new Tumbler Ridge Secondary School is also moving forward. In the coming weeks, the school district, in partnership with the Ministry of Infrastructure, will begin the process of selecting an architect to develop design concepts for the new school. When consultation begins this fall, students, staff, families, and community members will have the opportunity to review these concepts and provide feedback – the first step in creating a school that reflects the needs and aspirations of the Tumbler Ridge community.

Staying Connected

We know many people will have questions as this work progresses. We are committed to keeping you informed and will continue to share updates as the project moves forward.

Thank you for your patience, your compassion, and the care you continue to show one another. Together, we will honour the past while creating a new learning environment that will serve students and families for generations to come.

To learn about the supports available for people affected by the Tumbler Ridge tragedy, visit: https://www2.gov.bc.ca/gov/content/family-social-supports/youth-and-family-services/tumbler-ridge

Superintendent,

Christy Fennell

School District No. 59 (Peace River South)

August 11, 2026

Community Update: Tumbler Ridge Secondary School

Dear Tumbler Ridge community,

We are writing to provide an update on the removal of the existing Tumbler Ridge Secondary School.

Beginning Monday, August 17, work will begin to remove the exterior of the school building. This is an important milestone in the careful, staged removal of the existing school, which is expected to take a few more weeks. After the structure is removed, work will continue through the fall to restore the site to grass.

We recognize that seeing the building change will be significant for many in the community. We are sharing this update in advance so students, families, staff and community members know what to expect as this next stage of the work begins.

The work will continue to be carried out in stages, with measures in place to minimize disruption and protect privacy. As previously shared, building materials will be transported to regional landfills, and the Tumbler Ridge landfill will not be used.

We will continue to keep the community informed as the work progresses and share further updates as timelines and next steps are confirmed.

We recognize the significance of this moment and thank the Tumbler Ridge community for its continued care, compassion and understanding.

Superintendent,
Christy Fennell

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School District No. 59 (Peace River South)

September 3, 2026

Community Update: New Prefabricated Gym

Dear Tumbler Ridge Community,

As students prepare to return to school in the coming weeks, we are pleased to share an update from the Ministry of Infrastructure that a new secondary school-sized gym is starting construction behind the current aquatic centre and skating rink to support Tumbler Ridge Secondary School students.

The new prefabricated gym will provide students with a dedicated indoor space for physical education, sports and other activities while they continue learning at their temporary school campus.

Until the new gym is ready for use, secondary students will continue to use space in partnership with the Recreation Centre for physical education and activities. The District of Tumbler Ridge and the Recreation Centre have been a great support in providing space for different activities since March. We are grateful for their help and support.

The gym is designed to be delivered and ready for use quickly, helping meet the immediate needs of students and staff. It is expected to be ready for students in early 2027.

We recognize the importance of having dedicated spaces for students to learn, stay active and connect with one another. This new gym will provide that space while work continues toward the construction of a new permanent secondary school. Consultation for the new build will happen this fall.

Once the new secondary school is built, the prefabricated gym will continue to be used by the District of Tumbler Ridge to support the broader Tumbler Ridge recreation and community activities.

We are pleased to share this update with families and community members ahead of the new school year and will continue to provide information as construction progresses and timelines are confirmed.

We thank the Tumbler Ridge community for its continued patience, care and support as this work moves forward.

Superintendent
Christy Fennell

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September 21, 2026

New Tumbler Ridge School Project Takes Next Step

We know how important a new school is to the Tumbler Ridge community, and we are pleased to share an update.

The Province and SD 59 Peace River South School District are continuing to work together to move the new school project forward. An RFP (Request for Proposal) for preliminary site work will be issued this week. This work will help us better understand the site and inform the next stages of the project.

The Ministry of Infrastructure and the District of Tumbler Ridge have identified a potential location for the new secondary school in the middle bench area. This aligns with what we heard from many people during the spring consultation with Safer Schools Together.

We understand that this proposed site may be new information, and we want to make sure families, and community members have clear information as the project progresses.

At this stage, the work will focus on learning more about the site to see if it is suitable for a new school. This is an important early step in moving the project forward and making sure we are doing our due diligence.

Starting this process now is important because winter conditions in Tumbler Ridge can make the work more challenging. Getting this underway as soon as possible will help keep the overall project moving forward.

<u>Upcoming Community Consultations</u>
There will be an opportunity for students, families and community members to share their input as the project moves forward. **Community consultations are planned for later this fall,** and we look forward to hearing from the Tumbler Ridge community and sharing more information soon.

We know there is a lot of interest in this project, and we'll continue to keep students, families and the broader Tumbler Ridge community informed as we move forward.

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School District No. 59 (Peace River South)

DATE: September 23, 2026

CHAIR: Trustee Schurmann

Policy for Discussion:

Policy for Circulation:

- 2205 Trustee Remuneration, Benefits and Recognition

Policy for Adoption:

Policy/Regulation Under Review:

Policy/Regulation for Repeal:

Regulations for Board Information:

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2205 Trustee Remuneration, Benefits and Recognition

Policy 2205 STATUS: Under Review

TRUSTEE REMUNERATION, BENEFITS AND RECOGNITION

Board Approved and Issued: November 9, 1981

Last Revised: June 19, 2013; March 12, 2020 (Combined 2200,2230,2231,2235)

Description:

The Board of Education recognizes in order to carry out their duties of office, that trustees need to be reimbursed for expenses, have the equipment and education required for the role of trustee and that it is important to recognize their service to SD 59.

The following will be provided to trustees as they carry out the duties of their office:

1. Trustees of School District No. 59 (Peace River South) shall be paid an annual stipend.

2. Trustees shall be reimbursed for expenses incurred in the discharge of their duties at rates established by the Board.

3. Trustees will have access to the appropriate technological devices necessary to carry out their duties.

4. Trustees will have access to individual professional development that benefits them in their role.

5. Trustees will be recognized for their public service on leaving the Board.

6. Additional compensation may be considered when Board members are required to undertake duties that are authorized by the Board and are within the scope of their role, but that result in a significant increase in responsibilities, availability, or time commitment beyond what is normally expected. See Regulation 2205 Section 6: Additional Duties and Extraordinary Circumstances Compensation Policy.

Regulation 2205 STATUS: UNDER REVIEW

TRUSTEE REMUNERATION, BENEFITS AND RECOGNITION

Board Approved and Issued: September 9, 1985

Last Revised: June 19, 2013; August 2014; September 2016; February 2017; March 12, 2020 (Combined 2200,2230,2231,2235); May 15, 2024

Description:

1 A stipend shall be paid to members of the Board of Education as follows:

1.1 All Trustees will receive a base amount that will be adjusted annually based on the Canadian Consumer Price Index (CPI) established in July of each year. (The base amounts and any further remuneration for each member of the Board of Education will be reflected in the SOFI Report and can be found on the School District #59 website);

1.2 The Vice Chair will receive $1,000 annually in addition to the base amount;

1.3 The Chair shall receive $2,000 annually in addition to the base amount;

1.4 The annual stipend shall be paid to each Board member in twelve equal installments. Remuneration shall commence the month immediately following an official school trustee election.

2 Reimbursement of Trustee Expenses:

2.1 To claim reimbursement for in-district or out-of-district costs, the Trustees will be required to file a completed "Travel Expenses" form supported by appropriate receipts or invoices for travel, accommodation, registration(s) and other out-of-pocket expenses necessarily incurred. Whenever, possible and practical, car pooling will be used.

2.2 Travel expenses will be calculated as follows:

2.2.1 Kilometers or airfare (The calculation for airfare reimbursement shall be based on the best rate available at that time, including transportation to and from the airport and parking);

2.2.2 A kilometer rate that shall be equal to the current rate paid by the BCSTA;

2.2.3 The actual costs of taxis, rental cars, ferry charges, tips (up to 18%) etc., will be reimbursed. In situations where 18% is not available, 20% would be acceptable; any amount higher needs to be approved by the secretary-treasurer. Receipts are required.

2.3 The per diem rate for out-of-district business is $77/day for meals ($17 for breakfast, $22 for lunch and $38 for dinner).

2.4 Other incidental expenses as approved by the Secretary-Treasurer will be reimbursed upon the submission of receipts.

2.5 The actual cost of the hotel/motel may be claimed. Receipts are required. Any charges for room service or personal telephone costs incurred by the Trustee will be payable by the Trustee.

2.6 Trustees may claim actual expenses for in-district travel which will be reimbursed upon presentation of receipts. A per diem will not be issued.

2.7 Trustees who use their private vehicle while on board business shall be reimbursed the cost differential in upgrading their private vehicle insurance from pleasure to business/work as required.

2.8 The Trustee expenses shall cover those expenditures incurred in the normal day-to-day business of the Board and which are part of the Board's normal expectations of all Trustees. The day-to-day business of the Board includes travel to and attendance at:

- 2.8.1 Board meetings;
- 2.8.2 Board committee meetings;
- 2.8.3 PAC meetings and school events;
- 2.8.4 Negotiation/arbitration sessions and meetings;
- 2.8.5 Board delegations;
- 2.8.6 Any other Board supported activity.

2.9 Administration of reimbursements will ensure the following:

- 2.9.1 To ensure that Trustee expenses are accounted for in the fiscal year in which they are incurred, claims must be submitted within 30 days after the close of the fiscal year. Claims submitted after the accounts are closed for audit purposes shall not be honoured;
- 2.9.2 All Trustee expense claims shall be reviewed by the Secretary-Treasurer, or in their absence, the Superintendent of Schools. Any expense claim that does not comply with the regulations will require Board approval for payment.

3 Benefits will be considered as follows:

3.1 Technology:

- 3.1.1 At the beginning of each term in office, Trustees will be provided with a new computer or i-pad, and cell phone with the option of using their personal cell phone (with a reimbursement determined annually by the Secretary-Treasurer);
- 3.1.2 If an increased cost is incurred between the basic cost of internet at home and internet required to conduct trustee business at home, the district will reimburse the difference.
- 3.1.3 Use of the technology will fit within the District Network Use Agreement;
- 3.1.4 The technology provided at the beginning of each term, remains the property of the school district unless the Trustee exercises his or her option to purchase the computer/i-pad when they leave office of trustee

with SD 59. The original software with purchase will be included. Any software that is part of a district license will not be included.

Cost of the computer/i-pad will be:

- 1 year – 80% of original cost
- 2 years – 50% of original cost
- 3 years – 25% of original cost
- 4 years – 15% of original cost
- 5 years – 10% of original cost
- 6 years – 5% of original cost
- 7+ years – 0% of original cost

4 Individual Professional Development

4.1 Board of Education Trustees are able to access individual professional development opportunities as follows:

4.1.1 The individual professional activity must be related to the duties of a trustee and fall within at least one of the following guidelines:
- Conference or Seminar;
- Post Secondary Course and/or Program;
- Professional Organization Course;
- Resources;

4.1.2 Requests for individual professional development are to be submitted to the Board Chair for approval. If the Chair is to make a request, they will submit the request to the Vice Chair for approval;

4.1.3 An individual trustee may appeal in writing, a decision of the Chair or Vice Chair to the Board of Education;

4.1.4 The trustee is expected to submit a report to the Board of Education on the professional development activity;

4.1.5 Trustees will be allotted individual professional development funds in the amount of $2000.00 per year;

4.1.6 Trustees may carry over professional development funds from one year to the next to a maximum of $3000.00.

5 Trustee Recognition

5.1 Trustees leaving the Board will be honoured by the Board at a dinner with the presentation of an appropriate gift, the value of which will be commensurate with the years of service. (1 term = gift value $150.00, plus $50.00 for each additional term).

6 Additional Duties and Extraordinary Circumstances Compensation Policy

6.1 The intent of this policy is not to compensate Board Members for the ordinary discharge of their duties, but to provide a mechanism for additional compensation where the Board has formally determined that extraordinary circumstances have resulted in a significant and sustained increase in a Board member's duties and time commitment.

6.2 This policy applies only where the additional duties:

- 6.2.1 Are authorized or directed by the Board and are within the lawful scope of the Bord members responsibilities;
- 6.2.2 Arise from circumstances that are exceptional, unforeseen, urgent or otherwise materially different from normal Board operations;
- 6.2.3 Require a significant increase in the Board member's duties, responsibilities, availability or time commitment beyond the normal expectations of the position; and
- 6.2.4 Are undertaken for the benefit of the organization and in furtherance of the Board responsibilities.

6.3 Where the Board determines that the requirements of this policy have been met, additional compensation will be authorized by the Board in conjunction with the Secretary-Treasurer in the form of:

- 6.3.1 A fixed additional honorarium;
- 6.3.2 An hourly additional honorarium at a rate of $25.00 per hour for eligible Trustee duties, based on the actual time spent performing such duties.

6.4 Compensation Limits:

- 6.4.1 Additional compensation payable to a Trustee under this policy shall not exceed $300 per day.
- 6.4.2 The total additional compensation payable to any Trustee under this policy shall not exceed $1,500 per school year.