# School District No. 51 (Boundary)

## Financial Statement

### Discussion and Analysis

## 2025-2026

# Contents

## Introduction

The following provides a discussion and analysis of the financial performance of School District No. 51 (Boundary) for the fiscal year ended June 30, 2026. It is intended to provide readers with an understanding of the District's financial results and any material changes in its financial position and operating results during the year. The results are discussed in comparison with the budget and prior year. This report should be read in conjunction with the District's financial statements for the same period.

The financial statements represent the consolidation of three separate funds (operating, special purpose, and capital). Financial performance of each fund is reported in the supplementary schedules that accompany the financial statements.

## Who We Are

The Board of Education is constituted under the School Act and governs the District through seven elected trustees. General local elections are held every four years, with the next general voting day scheduled for October 17, 2026.

Located between the Okanagan Valley and the West Kootenays, the District stretches from Big White Resort to Christina Lake and serves rural communities across approximately 7,000 square kilometres. The District provides educational programs to approximately 1,260 students from Kindergarten to Grade 12 in six elementary schools, two secondary schools, one alternate school and one K-9 community school.

Some unique characteristics of the District include:

- The District is one of only two school districts in the Province that operates on a four-day school week, with students generally attending school Monday through Thursday.
- More than 70% of students are registered for busing, with some students travelling more than two hours each day to get to school and return home.
- School sizes vary significantly across the District, with the largest school serving approximately 400 students and the smallest approximately 12 students in 2025/26.

## Our Vision

To nurture curiosity, resilience and joy in all

## Our Mission

To ensure our students are flourishing today so they can build a confident future tomorrow

## We value

Kindness and compassion

Indigenous ways of knowing

Growth mindset

Honesty and courage

Connectedness and relationships

## We believe

Everyone has a role to play in Reconciliation

Students need a sense of belonging, mastery, independence and generosity to reach their full potential

Everyone has something to contribute

We are stronger together

Students flourish when they feel safe and are connected to nature and community

Students who feel a sense of purpose and power over their learning are more engaged

Mistakes are opportunities to learn

## Enrolment

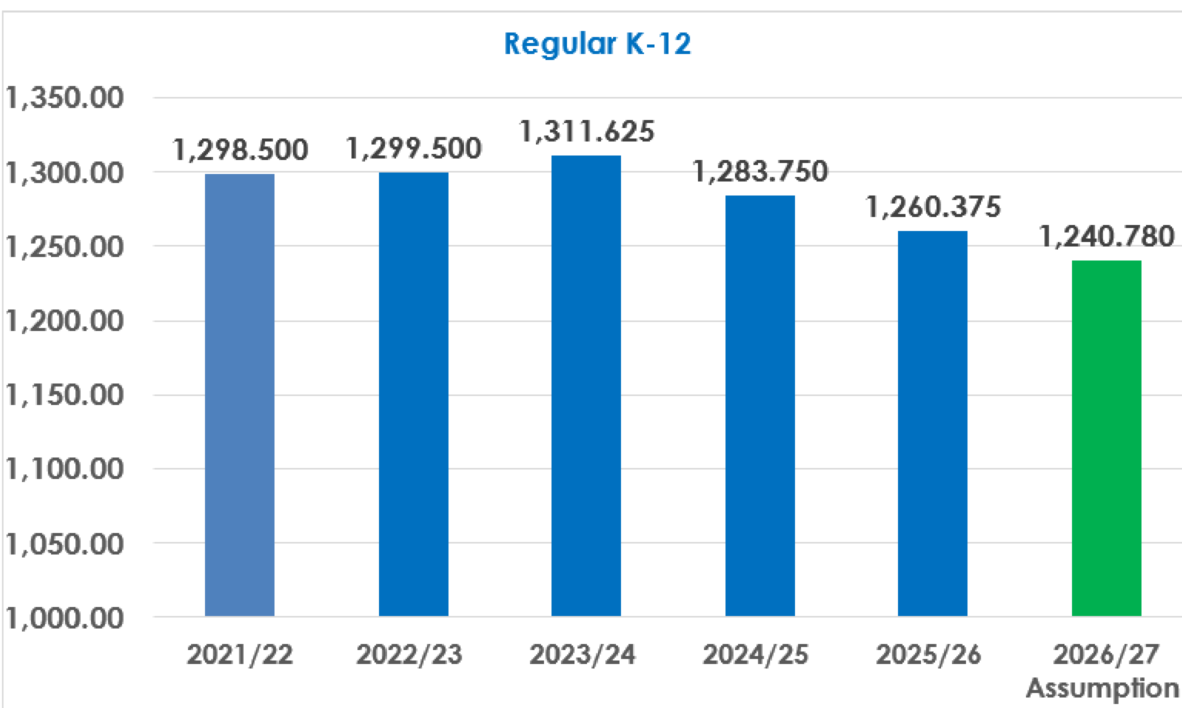
The District is funded primarily through an Operating Grant provided by the Ministry of Education and Child Care (MECC). A significant portion of the Operating Grant is determined by student enrolment, which is reported to the Ministry through the Form 1701 Student Data Collection process. The September enrolment count is the primary basis for school-age funding, with additional data collections in February and May used for certain enrolment categories and funding adjustments.

In addition to the Basic Allocation, the District receives supplementary funding that reflects unique student needs and district-specific factors, including inclusive education, Indigenous Education, English Language Learning, enrolment changes, salary differentials and unique geographic factors.

Student enrolment is an important driver of both the District's operating funding and staffing requirements. Salaries and employee benefits represent the majority of the District's operating expenditures; accordingly, reliable enrolment projections are an important component of the District's financial and workforce planning. Each year, the District reviews historical enrolment and student retention trends, demographic information, regional population trends and other relevant factors to develop enrolment projections for future budget years.

In 2025/26, regular school-age enrolment decreased to 1,260.375 FTE from 1,283.750 FTE in 2024/25, a decline of 23.375 FTE, or approximately 1.8%. Despite the decline, actual 2025/26 enrolment was higher than originally projected for the year.

Current projections indicate that enrolment is expected to decline further in 2026/27. Longer-term enrolment is expected to be influenced by demographic trends, student retention and population changes within the communities served by the District.



## Operating Fund

## Revenues

District operating revenues for 2025/26 were $1.93 million higher than budget and $1.47 million higher than the prior year. The following provides a breakdown of the revenue variances by category.

| | Actual | | Budget | Variance to | |
|---|---|---|---|---|---|
| | 2024/2025 | 2025/2026 | 2025/2026 | Budget | Prior Year |
| Ministry of Education and Child Care (MECC) | $21,549,971 | $22,109,415 | $21,220,585 | $888,830<br>*4.19%* | $559,444<br>*2.60%* |
| Other Provincial Grants | 64,975 | 72,138 | 49,260 | $22,878<br>*46.44%* | $7,163<br>*11.02%* |
| Tuition | 19,869 | 3,434 | 24,000 | ($20,566)<br>*-85.69%* | ($16,435)<br>*-82.72%* |
| Other Revenues | 174,571 | 1,131,319 | 81,000 | $1,050,319<br>*1296.69%* | $956,748<br>*548.06%* |
| Rentals | 51,500 | 48,143 | 50,000 | ($1,857)<br>*-3.71%* | ($3,357)<br>*-6.52%* |
| Investment Income | 136,490 | 107,503 | 120,000 | ($12,497)<br>*-10.41%* | ($28,987)<br>*-21.24%* |
| **Total** | **$21,997,376** | **$23,471,952** | **$21,544,845** | **$1,927,107**<br>***8.94%*** | **$1,474,576**<br>***6.70%*** |

## Ministry of Education and Child Care (MECC) Grants

The favourable variance of $0.89 million in MECC grants relative to budget is primarily attributable to higher-than-anticipated student enrolment, which resulted in additional MECC funding. Compared with the prior year, MECC funding increased by $0.56 million, driven primarily by an increase in funding per student to support collective agreement-related wage increases.

## Other Provincial Grants

Other Provincial Grants were $0.02 million higher than budget and $0.01 million higher than the prior year. These grants are primarily provided to support child care-related activities within the District.

## Tuition

Tuition revenue comprises fees received from international and out-of-province students. Tuition revenue was lower than both budget and the prior year, primarily due to fewer fee-paying students enrolled in the District in 2025/26 than anticipated and compared with the prior year.

## Other Revenues

Other revenues include miscellaneous items such as insurance claim proceeds, proceeds from the sale of equipment and vehicles, and energy rebates. Other revenues were $1.05 million higher than budget and $0.96 million higher than the prior year, primarily due to $0.94 million of insurance proceeds in 2025/26 related to flood damage that occurred in August 2025. In accordance with Public Sector Accounting Standards, the insurance proceeds and the related expenditures are reported separately as revenue and expenses, respectively, rather than on a net basis.

## Rentals

District rental revenues are primarily derived from fees charged for community and public use of District facilities.

## Investment Income

Investment income consists of interest earned on the District's bank account balances and investments, including funds held through the Provincial Government's Central Deposit Program (CDP). The District invests funds between the CDP and its banking institution to take advantage of favourable interest rates while maintaining access to funds. Investment income was lower than budget and the prior year, primarily due to lower interest rates in 2025/26.

## Expenses

Overall District operating expenses were $1.36 million higher than budget in 2025/26 and $1.14 million higher than the prior year. The following analysis provides details of the significant variances, grouped between staffing costs and services and supplies.

## Staffing

| | Actual | | Budget | Variance to | |
|---|---|---|---|---|---|
| | 2024/2025 | 2025/2026 | 2025/2026 | Budget | Prior Year |
| **Salaries** | | | | | |
| Teachers | $7,354,764 | $7,705,327 | $7,187,480 | ($517,847)<br>*-7.20%* | ($350,563)<br>*-4.77%* |
| Principals and Vice Principals | 1,512,580 | 1,397,283 | 1,493,529 | $96,246<br>*6.44%* | $115,297<br>*7.62%* |
| Education Assistants | 1,527,757 | 1,609,154 | 1,432,093 | ($177,061)<br>*-12.36%* | ($81,397)<br>*-5.33%* |
| Support Staff | 2,991,019 | 2,949,077 | 2,798,967 | ($150,110)<br>*-5.36%* | $41,942<br>*1.40%* |
| Other Professionals | 864,597 | 1,047,202 | 988,913 | ($58,289)<br>*-5.89%* | ($182,605)<br>*-21.12%* |
| Substitutes | 935,977 | 759,718 | 979,834 | $220,116<br>*22.46%* | $176,259<br>*18.83%* |
| **Total Salaries** | **15,186,694** | **15,467,761** | **14,880,816** | ($586,945)<br>*-3.94%* | ($281,067)<br>*-1.85%* |
| Benefits | 3,659,543 | 3,687,576 | 3,715,122 | $27,546<br>*0.74%* | ($28,033)<br>*-0.77%* |
| **Total Staffing** | **$18,846,237** | **$19,155,337** | **$18,595,938** | **($559,399)**<br>***-3.01%*** | **($309,100)**<br>***-1.64%*** |

## Teachers

Teachers' salary costs were $0.52 million higher than budget, primarily due to higher-than-anticipated enrolment, which resulted in additional staffing FTEs, as well as higher Employee Future Benefits (EFB) costs based on the Ministry's most recent actuarial valuation. Compared with the prior year, teachers' salary costs increased by $0.35 million, primarily due to salary increments and step increases.

## Principals and Vice-Principals

Principals and Vice-Principals expenses reflect the salary costs of certified teachers serving as Principals and Vice-Principals. In 2025/26, expenses were $0.10 million below budget and $0.12 million lower than the prior year, primarily due to greater utilization of Special Purpose Funds, with eligible salary costs allocated to those funds.

## Educational Assistants

Educational Assistants' salary costs were $0.18 million higher than budget, primarily due to higher-than-budgeted enrolment, which resulted in additional staffing FTEs. Compared with the prior year, costs increased by $0.81 million, primarily due to salary increments.

## Support Staff

Support Staff comprises administrative staff (excluding Principals and Vice-Principals), secretaries, clerks, and other non-unionized staff, as well as maintenance and trades staff, custodians, noon-hour supervisors, and crossing guards. In 2025/26, expenses were $0.15 million higher than budget, primarily due to additional hours worked that were not anticipated in the original projections. Compared with the prior year, costs decreased by $0.04 million, primarily due to cost-saving measures implemented in anticipation of lower enrolment.

## Other Professionals

Other Professionals include District staff excluded from union agreements, such as the Superintendent, Secretary-Treasurer, and other management staff. In 2025/26, expenses were generally in line with budget, with a slight unfavourable variance of $0.06 million. Compared with the prior year, expenses were higher, primarily due to positions that were vacant in 2024/25 being filled in 2025/26, as well as salary increments.

## Substitutes

Substitute costs include replacement costs for Teachers, Educational Assistants, and Support Staff, with the majority of costs in this category relating to Teachers Teaching on Call (TTOCs). In 2025/26, expenses were $0.22 million lower than budget and $0.18 million lower than the prior year, primarily due to fewer sick days than anticipated based on historical trends.

## Benefits

Benefits include amounts paid by the District on behalf of or to employees for programs such as Employment Insurance, Canada Pension Plan, municipal and teacher pensions, and employee health and dental coverage. In 2025/26, benefit costs were largely in line with budget and $0.03 million higher than the prior year, primarily due to salary increases and the associated impact on employee benefit costs.

## Services and Supplies

| | Actual | | Budget | Variance to | |
|---|---|---|---|---|---|
| | 2024/2025 | 2025/2026 | 2025/2026 | Budget | Prior Year |
| Services | $918,390 | $807,477 | $816,980 | $9,503<br>*1.16%* | $110,913<br>*12.08%* |
| Student Transportation | $118,560 | $106,116 | $133,545 | $27,429<br>*20.54%* | $12,444<br>*10.50%* |
| Professional Development and Travel | $223,864 | $211,648 | $242,637 | $30,989<br>*12.77%* | $12,216<br>*5.46%* |
| Dues and Fees | $43,197 | $42,568 | $44,210 | $1,642<br>*3.71%* | $629<br>*1.46%* |
| Insurance | $66,630 | $73,168 | $72,650 | ($518)<br>*-0.71%* | ($6,538)<br>*-9.81%* |
| Supplies | $722,612 | $1,718,173 | $811,885 | ($906,288)<br>*-111.63%* | ($995,561)<br>*-137.77%* |
| Utilities | $542,413 | $504,013 | $542,000 | $37,987<br>*7.01%* | $38,400<br>*7.08%* |
| **Total** | **$2,635,666** | **$3,463,163** | **$2,663,907** | **($799,256)**<br>***-30.00%*** | **($827,497)**<br>***-31.40%*** |

## Services

This category includes expenditures such as computer maintenance, contracted professional and technical services, repairs and maintenance, grounds upkeep, snow removal, and security services. In 2025/26, expenditures were largely aligned with budget. Compared with the prior year, expenditures were $0.11 million lower, primarily due to cost-saving measures implemented during the year.

## Student Transportation

This category mainly includes costs related to field trips and interschool transportation. In 2025/26, expenditures were $0.03 million lower than budget and $0.01 million lower than the prior year, primarily due to cost-saving initiatives that began in the prior year.

## Professional Development and Travel

This category includes training and travel costs such as registration fees, transportation, mileage allowances, meals, accommodation, per diems, and other related expenses. Like other cost categories, expenditures were lower than budget and the prior year, primarily due to cost-saving initiatives that began in the prior year.

## Dues and Fees

This category includes membership fees and dues to professional organizations, in accordance with District policies and requirements. In 2025/26, expenditures were largely in line with both budget and the prior year.

## Insurance

This category includes expenditures for all forms of insurance coverage, including premiums and deductibles. In 2025/26, expenditures were largely in line with budget and slightly higher than the prior year.

## Supplies

This category consists of expenditures for supplies and materials of a consumable and/or non-capital nature, including consumable supplies and learning resources.

In 2025/26, expenditures were $0.91 million higher than budget and $1.00 million higher than the prior year, primarily due to $0.94 million of restoration costs related to flood damage that occurred in August 2025. In accordance with Public Sector Accounting Standards, the insurance proceeds and related expenditures are reported separately as revenue and expenses, respectively, rather than on a net basis.

## Utilities

This category includes expenditures for utilities such as electricity, heating, water, sewage, garbage, and recycling. In 2025/26, expenditures were slightly lower than budget and the prior year, primarily due to less severe weather conditions during the year.

## Operating Surplus Analysis

The District closed out 2025/26 with an accumulated operating surplus of $1.32 million, of which $0.56 million is internally restricted for specific purposes, leaving $0.77 million as unrestricted operating surplus. This represents an increase of $0.39 million from the total accumulated operating surplus of $.93 million at June 30, 2025.

The unrestricted operating surplus increased by $0.26 million, from $0.51 million in 2024/25 to $0.77 million in 2025/26, while internally restricted operating surplus increased by $0.13 million, from $0.43 million to $0.56 million. As a percentage of operating expenditures, unrestricted operating surplus increased from 2.35% to 3.39%, while internally restricted surplus increased from 1.99% to 2.46%. Total accumulated operating surplus therefore increased from 4.34% to 5.85% of operating expenditures.

The increase in accumulated operating surplus was primarily driven by higher-than-budgeted Ministry funding associated with higher-than-anticipated enrolment, together with savings achieved across several operating expenditure categories as a result of cost-saving initiatives that began in the prior year. These favourable results were partially offset by higher staffing costs during the year. The District also transferred $0.43 million to Local Capital to support future capital requirements.

| Accumulated Operating Surplus | 2025/2026 | 2024/2025 |
|---|---|---|
| **Internally Restricted** | | |
| Indigenous Education Council | $213,300 | $100,639 |
| School Funds | $76,075 | $61,654 |
| Facility Upgrades | $205,287 | $118,013 |
| Other District Committed Expenditures | $60,873 | $146,194 |
| **Total Internally Restricted** | $555,535 | $426,500 |
| **Prior Year Adjustments** | | ($75,839) |
| **Unrestricted** | $767,508 | $581,031 |
| **Total Accumulated Operating Surplus** | **$1,323,043** | **$931,692** |

The prior-year adjustment relates to fully amortized assets that were previously included in prepaids and have been fully expensed as part of the review of prepayments in 2025-26 fiscal year.

## Restricted Operating Reserve

Table below list the detailed items in restricted operating surplus:

| Operating Budget - Expenditure | 2025/26 | 2024/25 |
|---|---|---|
| Operating Budget - Expenditure | $22,618,500 | $21,481,903 |

| Schedule of Accumulated Operating Surplus | 2025/26 | 2024/25 |
|---|---|---|
| **Nature of Constraints on the Funds** | | |
| Auditorium Trust | $22,932 | $21,602 |
| Community Network | $37,941 | $95,964 |
| Indigenous Education Council Grant | $213,300 | $100,639 |
| Playground Equipment | $0 | $5,000 |
| Speech | $0 | $2,359 |
| Facility Upgrades | $205,287 | $118,013 |
| Child Care | $0 | $21,269 |
| School Year End Carry Forwards | $76,075 | $61,654 |
| **Internally Restricted Operating Fund Surplus** | $555,535 | $426,500 |
| Percentage of Operating Budget - Expenditure | 2.46% | 1.99% |
| **Unrestricted Operating Surplus (Deficit)** | $767,508 | $505,192 |
| Percentage of Operating Budget - Expenditure | 3.39% | 2.35% |
| **Total Operating Fund Surplus (Deficit)** | $1,323,043 | $931,692 |
| Percentage of Operating Budget - Expenditure | 5.85% | 4.34% |

## Financial Health

## Liquidity

Liquidity is measured by taking financial assets over liabilities, excluding deferred capital revenue. A liquidity ratio of greater than one is desirable as this means that the District can pay its current liabilities when they become due. A liquidity ratio of less than one indicates that the District may potentially struggle to meet its short-term obligations. A higher liquidity ratio means that the District can meet its short-term obligations and can better respond to changing circumstances.

| **Liquidity** | | | |
|---|---|---|---|
| | **2023/2024** | **2024/2025** | **2025/2026** |
| Financial Assets | $5,029,997 | $5,992,698 | 7,041,798 |
| Financial Liabilities | $3,983,111 | $4,898,858 | 5,367,516 |
| | | | |
| Liquidity | 1.26 | 1.22 | 1.31 |

## Accumulated Surplus to Revenue

The table below provides an overview of the District's operating revenues and accumulated operating surplus over the past three years. Over this period, operating revenues have increased, while the District has maintained a positive accumulated operating surplus, providing financial flexibility to manage changing enrolment, operating costs and other emerging priorities.

| **Total Accumulated Surplus to Revenue** | | | |
|---|---|---|---|
| | **2023/2024** | **2024/2025** | **2025/2026** |
| Unrestriced Surplus | $624,311 | $505,192 | $767,508 |
| Restricted Surplus | $184,493 | $426,500 | $555,535 |
| Total Surplus | $808,804 | $931,692 | $1,323,043 |
| Revenue | $21,395,759 | $21,997,376 | $23,471,952 |
| Percentage | 3.78% | 4.24% | 5.64% |

## Accumulated Amortization to Assets

The accumulated amortization to assets ratio is a financial measurement tool that determines the age, value, and remaining useful life of a fixed asset. A low ratio may indicate that the assets have plenty of life remaining while a high ratio could indicate that assets will need replacement.

| Accumulated Amortization to Buildings | | | |
|---|---|---|---|
| | 2023/2024 | 2024/2025 | 2025/2026 |
| Gross Assets | $54,994,001 | $56,421,762 | 58,959,851 |
| Accumulated Amortization | $32,349,632 | $33,426,691 | 34,540,714 |
| Ratio | 0.59 | 0.59 | 0.59 |

| Accumulated Amortization to Furniture/Equipment and Vehicles | | | |
|---|---|---|---|
| | 2023/2024 | 2024/2025 | 2025/2026 |
| Gross Assets | $3,059,046 | $3,321,621 | 3,844,865 |
| Accumulated Amortization | $1,158,528 | $1,310,584 | 1,541,762 |
| Ratio | 0.36 | 0.34 | 0.40 |

| Accumulated Amortization to Computer Hardware and Software | | | |
|---|---|---|---|
| | 2023/2024 | 2024/2025 | 2025/2026 |
| Gross Assets | $1,665,262 | $1,973,616 | 1,875,238 |
| Accumulated Amortization | $570,173 | $826,819 | 1,000,831 |
| Ratio | 0.34 | 0.42 | 0.53 |

| Accumulated Amortization to All | | | |
|---|---|---|---|
| | 2023/2024 | 2024/2025 | 2025/2026 |
| Gross Assets | $59,718,309 | $61,716,999 | $64,679,954 |
| Accumulated Amortization | $34,078,333 | $35,564,094 | $37,083,307 |
| Ratio | 0.57 | 0.58 | 0.57 |

## Special Purpose Funds

The Special Purpose Fund consists of restricted grants and other funding that are subject to legislative or contractual restrictions on their use. Related revenues are deferred until the corresponding expenditures are incurred. The following table outlines the significant Special Purpose grants the District received in 2025–2026:

| Grant | Source | Opening Balance | Recovered | 2025/26 Grants/Revenue | Spent | Balance | Discussion |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Annual Facility Grant (AFG) Operating portion | Ministry of Education & Child Care | $0 | | $113,371 | ($113,371) | $0 | Please see discussion in the Capital Projects section under "Annual Facility Grant (AFG) Funding". |
| Learning Improvement Fund (LIF) | Ministry of Education & Child Care | $6,857 | $0 | $72,269 | ($72,380) | $6,746 | Funding used specifically to augment EAs hours providing additional support to complex learners. |
| Strong Start | Ministry of Education & Child Care | $1,538 | $0 | $136,000 | ($137,538) | $0 | Strong Start early learning centers provide school-based, drop-in programs for children from birth to age five and their parents or caregivers. |
| Ready, Set, Learn (RSL) | Ministry of Education & Child Care | $0 | $0 | $14,700 | ($14,700) | $0 | Eligible RSL events for children aged 3 to 5 and their parents are hosted to support early learning and facilitate a smooth transition to Kindergarten. |
| Official Languages in Education French Programs (OLEP) | Ministry of Education & Child Care | $12,489 | $0 | $12,690 | ($4,166) | $21,013 | Funding for core French-language programs and curriculum resources. |
| Community LINK | Ministry of Education & Child Care | $0 | $0 | $172,818 | ($172,818) | ($0) | Funding for programs and initiatives to improve the education performance of vulnerable students, including both academic achievement and social functioning. |
| Classroom Enhancement Fund (CEF) – Overhead, Staffing and Remedies | Ministry of Education & Child Care | $34,621 | ($34,621) | $1,664,128 | ($1,664,129) | ($1) | Eligible expenses include teacher staffing and overhead staffing costs resulting from restoration of class size and composition language. |

| Grant | Source | Opening Balance | Recovered | 2025/26 Grants/Revenue | Spent | Balance | Discussion |
|---|---|---|---|---|---|---|---|
| Student and Family Affordability | Ministry of Education & Child Care | $76,841 | $0 | $0 | ($65,142) | $11,699 | Funding to support students and families with school-related costs, including school supplies, fees, field trips, and participation in sports and music programs. |
| Just B4 | Ministry of Education & Child Care | $74,944 | $0 | $73,719 | ($6,530) | $142,133 | Funding for a school-based, licensed preschool program designed to support children in the year before they enter kindergarten and help facilitate their transition to school. |
| National School Food Program | Ministry of Education & Child Care | $0 | $0 | $59,150 | $0 | $59,150 | Federal funding provided through the Province to expand and enhance school food programs, complementing the existing Feeding Futures program. |
| Early Care and Learning (ECL) | Ministry of Education & Child Care | $202,767 | $0 | $525,000 | ($193,775) | $533,992 | Funding to support early learning and child care initiatives and staffing that strengthen the integration of early learning and child care within the school system. |
| Seamless Day Kindergarten | Ministry of Education & Child Care | $10,788 | $0 | $55,400 | ($66,188) | $0 | Funding to support before- and after-school child care integrated into the kindergarten classroom, providing continuity of learning and care throughout the day. |

| Grant | Source | Opening Balance | Recovered | 2025/26 Grants/Revenue | Spent | Balance | Discussion |
|---|---|---|---|---|---|---|---|
| Feeding Futures Fund | Ministry of Education & Child Care | $156,104 | $0 | $350,000 | ($425,478) | $80,626 | The program is designed to invest in and expand local school food initiatives, ensuring that more children and youth have access to healthy meals and snacks during the school day. |
| Professional Learning Grant | Ministry of Education & Child Care | $247,553 | $0 | $0 | ($107,699) | $139,854 | New funding has been provided under the K-12 Literacy Supports program to enable additional training and professional learning opportunities for teachers and support staff. |
| School Generated Funds | Schools | $473,045 | $0 | $517,751 | ($447,090) | $543,706 | Funds generated and managed at the school level from activities such as fundraising, student activities, school trips, donations and other school-based revenues. |
| Others | Other Sources | $45,296 | $0 | $154,527 | ($161,936) | $37,887 | Other externally restricted funding received for specific purposes from sources other than the Ministry of Education and Child Care. |
| **Total** | | **$1,342,843** | **($34,621)** | **$3,921,523** | **($3,652,942)** | **$1,576,803** | |

## Capital Funds

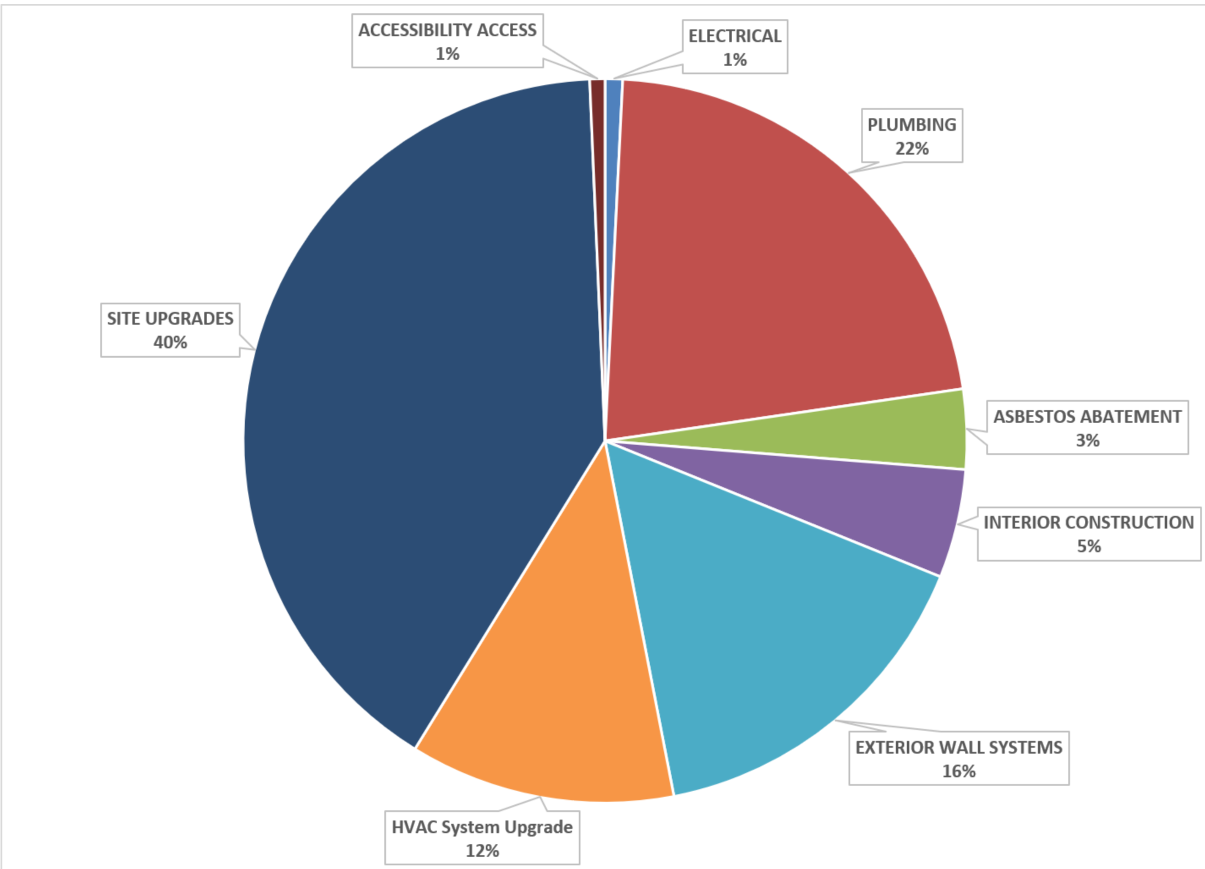
## 2025-2026 AFG Funds

In 2025-2026, the District received approximately $0.76 million in capital and operating Annual Facilities Grant (AFG) funding. These funds are used throughout District schools to address ongoing maintenance and improvement needs. AFG funding is received and approved on a March 31 fiscal year end. For the 2026-2027 fiscal year, the District has been approved for $0.82 million in funding.

### Eligible Uses of AFG Funds:

- Roof Replacements and Major Repairs
- Mechanical System Upgrade and Repair
- Electrical System Upgrade and Repair

- Site and Facility Upgrades
- Loss Prevention-Fire and Security Alarms
- Technology Infrastructure Upgrades
- Accessibility Improvements
- Asbestos Abatement
- Health and Safety Upgrades
- Site Servicing



## Minor Capital Projects

In addition to the AFG funding noted above, the District can submit a proposal to the MECC for additional funding for capital projects as described below.

**School Enhancement Program (SEP)** projects are investments that contribute to the safety and function of the school while extending the life of the asset.

**Carbon Neutral Capital Program (CNCP)** projects are investments that contribute to measurable emission reductions and operational costs savings expected as a result of completed projects.

**Various School Playground Equipment Projects (PEP)** are investments in various playground equipment.

**School Food Infrastructure Program (FIP)** a new program effective 2023-2024 designed to support schools with food logistics and distribution.

**Bus Acquisition Program (BUS)** projects are investments in the replacement of school buses to support safe, reliable and efficient student transportation.

Below is a summary of approved funding:

***March 31st Fiscal Year End - 2025-26 Approved Funding***

| Facility Name | Program Project Description | Amount Funded by Ministry |
|---|---|---|
| Christina Lake Elementary, Dr D A Perley Elementary | SEP - Roofing Upgrades | $378,000 |
| Grand Forks Secondary | SEP - Interior Construction Upgrades | $350,000 |
| Dr D A Perley Elementary, John A. Hutton Elementary | CNCP - Energy Upgrades | $190,000 |
| Dr D A Perley Elementary | FIP - Kitchen Equipment and Upgrade | $120,000 |
| Greenwood Elementary | PEP - Universally Accessible Playground Equipment | $200,000 |
| New/Existing Bus Fleet | BUS - Bus Replacement | $243,312 |

## Major Capital Projects

No major capital projects were in progress or initiated during the year, and there were no land sales or purchases.

## Capital Projects Funding- Other Sources

In addition to funding provided by the Ministry of Education and Child Care, the District has secured federal funding through the **Zero Emission Transit Fund (ZETF)** to support the transition to electric school transportation. The funding supports charging stations, and related infrastructure upgrades. The federal contribution is available up to approximately $0.69 million and is reimbursed based on eligible expenditures incurred and approved under the funding agreement.

## Local Capital

The Capital Fund includes Local Capital reserves, as reported in Schedule 4 of the financial statements. Local Capital funds are available to support capital expenditures and the acquisition of tangible capital assets.

As of June 30, 2026, the District's Local Capital balance was $0.29 million, compared with $0.01 million in the prior year. In previous years, Local Capital had been used to support various capital requirements, while contributions to replenish the reserve were relatively limited, resulting in a low available balance at June 30, 2025. Recognizing the importance of maintaining sufficient Local Capital to support future capital requirements, the District increased its contribution to Local Capital in 2025/26. Going forward, more systematic planning for annual contributions will support the District's ability to fund future technology, vehicles, furniture, equipment and other capital requirements while reducing reliance on operating funds in the year expenditures arise.

The remaining Local Capital balance is maintained to support future capital requirements, including technology, vehicles, furniture and equipment. Transfers to Local Capital are approved by the Board through the annual budget process or by specific Board resolution.

# Long Term Outlook

## Enrolment and Financial Sustainability

Student enrolment remains an important factor in the District's long-term financial outlook, as a significant portion of operating funding is driven by enrolment. While actual enrolment in 2025/26 was higher than originally projected, longer-term projections indicate a gradual decline in student numbers. The provincial funding formula provides additional support for districts experiencing enrolment decline and also recognizes factors particularly relevant to smaller rural districts, including low enrolment, small communities, rurality, geographic dispersion and student location.

## Long Range Facility Plan

The District is continuing the development of its first Long-Range Facilities Plan (LRFP), which will provide a framework for longer-term decisions regarding school facilities, capital priorities and the effective use of District assets. The planning process has included community engagement and consideration of priorities for future capital projects.

## Technology, Cybersecurity and Local Capital

Technology continues to play an increasingly important role in both educational programs and District operations. Maintaining technology infrastructure, replacing devices and equipment, and strengthening cybersecurity require ongoing investment. The District will continue to balance these requirements with other operating and capital priorities.