2025-2026

Financial Discussion & Analysis

School District No. 54 **(BULKLEY VALLEY)**

For year ended June 30, 2026

TABLE of CONTENTS

INTRODUCTION . . . . . 3.

DISTRICT CONTEXT . . . . . 3.

STRATEGIC PLAN . . . . . 3.

ENROLLMENT . . . . . 4.

STAFFING . . . . . 4.

FINANCIAL STATEMENT DISCUSSION REVIEW

COMPOSITION OF FINANCIAL STATEMENTS . . . 5.

ANALYSIS OF FINANCIAL STATEMENTS

Cash & Cash Equivalents . . . . . 7.

Liquidity . . . . . 7.

Revenue . . . . . 8.

Expenses . . . . . 9.

Capital . . . . . 10.

Surplus . . . . . 11.

SIGNIFICANT FACTORS . . . . . 12.

CONTACTING THE DISTRICT'S MANAGEMENT . . . . 13.

Introduction

The following is a discussion and analysis of School District 54's financial performance for the fiscal year ended June 30, 2026. This section of the report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the School District's financial statements.

District Context

School District No. 54 (Bulkley Valley) is situated along Highway 16 in Northwest BC, on the traditional territory of the Wit'suwit'en Nation. The District serves the four communities of Wit'set, Smithers, Telkwa, and Houston and operates a total of nine schools and educational programs.

Serving approximately 1900 learners, the District offers a broad range of educational opportunities designed to support student engagement, achievement, and well-being. Programs include early learning, arts, athletics, trades, and dual-credit opportunities developed in partnership with Coast Mountain College. In addition, the District supports families by providing facilities for licensed childcare, including before- and after-school care programs.

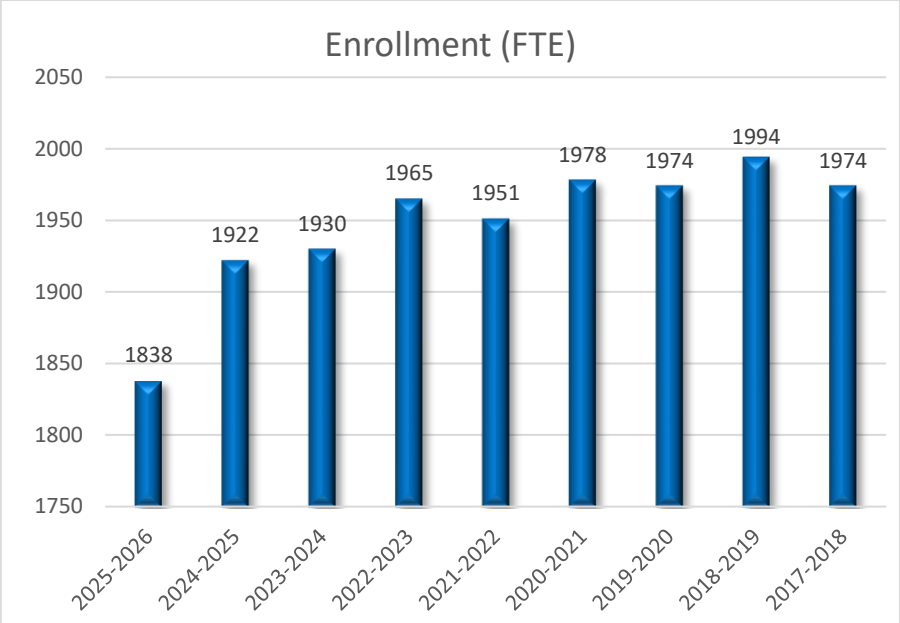
Indigenous students represent approximately one-quarter of the District's student population. The District is committed to fostering strong relationships with Indigenous communities through collaboration, mutual respect, and shared responsibility for student success. This commitment is reflected in Local Education Agreements with Indigenous partners, including Witset First Nation, and through the guidance of the Indigenous Education Council. Together, these partnerships support the development of educational programs, services, and learning environments that honour Indigenous perspectives, strengthen cultural connections, and promote positive outcomes for Indigenous learners and all students.

Strategic Plan

Financial planning and decisions for School District 54 are created in conjunction with the District four-year Strategic Plan and reported on by the Framework for Enhancing Student Learning. Since the adoption of the strategic plan, it has provided guidance to budgets, school planning, staffing, facility planning, teacher training and professional development. The Plan was, and will be, reviewed and adjusted by the Board in June of each year. The Strategic Plan is in the process of be reviewed and revised for the next four-year term. The Strategic Plan is recreated in conjunction with financial planning and consultation with educational stakeholders.

Enrollment

Provincial grant funding is primarily based on student enrolment, unique student needs, unique geographical requirements and additional funding for indigenous students. School District student enrollment is summarized as follows:



Enrollment been consistently declining which provides financial challenges given that enrollment-based funding constitutes approximately 93% of district funding. This past year, the School District has experienced an decrease in enrolment.

Staffing

As noted in the table below, staffing has remained consistent over the past year. There still exists a small shortage in teachers, educational assistants and bus drivers which has resulted in uncertified teachers and educational assistants and the cancellation of bus runs due to driver shortage.

Staffing - Total						
Teachers	**20/21**	**21/22**	**22/23**	**23/24**	**24/25**	**25/26**
P/VP	110	113	114	110	111	112
Education Assistants	14	15	13	14	14	14
Support Staff	42	38	49	50	50	51
Other Professionals	59	58	58	58	58	58
	226	**225**	**233**	**231**	**233**	**235**

Financial Statement Discussion & Analysis Overview

The following is a discussion and analysis of the financial performance of School District 54 (Bulkley Valley) for the fiscal year ended June 30, 2026. This report should be read in conjunction with the District's consolidated financial statements for the same period.

Composition of the Financial Statements

The two key audited statements are:

- The **Statement of Financial Position (Statement 1)**, which summarizes the districts assets and liabilities at June 30, 2026. This provides an indication of the financial health of the School District.

- The **Statement of Operations (Statement 2)**, which summarizes the revenues received and expenses incurred between July 1, 2025 and June 30, 2026. This statement provides an indication of the funding received by the School District and how that funding was spent.

The **Statement of Changes in Net Debt (Statement 4)**, the **Statement of Cash Flows (Statement 5)** and the notes to the financial statements are also audited and provide further analysis of the District's finances. The District manages its financial activities in three distinct areas;

- The Operating fund (Schedule 2);
- Special Purpose Funds (Schedule 3); and the
- Capital Fund (Schedule 4)

These schedules are included at the end of the financial statements and are in a format prescribed by the Ministry of Education. These schedules provide additional details specific to each of these areas. The balances reported in the schedules, when combined together, are consistent with the balances reported in the statements. These schedules are unaudited.

Schedule 1 illustrates the sum of the funds in all three of these areas.

Schedule 2 provides detail on the **Operating Fund**.

> The Operating Fund supports the day-to-day delivery of educational programs and services across SD54. The largest portion of operating expenditures goes to Instruction, which includes teaching staff, educational assistants, learning resources, classroom supports, and student services. Administration covers governance, financial management, human resources, and district-level support services. Operations and Maintenance supports ongoing operations, including maintenance, custodial services, and utilities required to keep schools safe and functional. Transportation and Housing supports student transportation and expenses associated with serving a geographically dispersed district.

Legislation requires that the district present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund is carried forward from previous years.

Schedule 3 provides detail on the **Special Purpose Funds**.

Special purpose funds are utilized to capture funding designated for specific purposes and balances can be deferred to subsequent years for the intended use. Grant revenues are only recognized as expenses are incurred. Any unused grants or funds remaining at the end of the year are treated as deferred revenue.

Annual Facility Grant	The Annual Facilities Grant provides funding for the planned repair and maintenance costs. This funding can also be used for Capital projects. The expectation is that funding is fully spent during the year.
Learning Improvement Fund	The Learning Improvement Fund is intended to provide Educational Assistants with additional time for enhanced consultation, collaboration, and planning time, to attend IEP and other school-based meetings. It is allocated in annual consultation with CUPE
Strong Start	The Strong Start fund is to provide free, school -based early learning programs that prepare young children (birth to five) for success in kindergarten.
Ready, Set, Learn	The Ready,Set, Learn fund is provide to support districts in hosting free events and activities for children (birth to five).
Official Languages in Education Program (OLEP)	The OLEP fund provides French language support.
Community LINK	The Community LINK fund is designed to support the academic achievement and social functioning of vulnerable students. Programs and services can include breakfast, lunch and snack programs, academic supports, counseling, youth workers and after-school programs.
Classroom Enhancement Fund	The Classroom Enhancement Fund provides funding to support additional teacher costs due to restored collective agreement language dating back to 2002 under LOU 17.
First Nations Student Transportation (BCTEA)	The First Nations Student Transportation fund is an initiative under the BC Tripartite Education Agreement designed to improve transportation services for First Nations Students attending BC Public Schools.
Mental Health in Schools Grant	The Mental Health in Schools grant provides targeted support to hire professionals, provide workshops and implement early intervention programs.
Early Care and Learning	The Early Learning and Care fund provides support for Early Care and Learning including childcare development.

Feeding Futures Fund	The Feeding Futures fund provides dedicated funding to operate and expand school food programs.
Professional Learning Grant	The Professional Learning Grant provides funding for educators and school staff to build skills, complete specialized training and improve instruction methods.
National School Food Program	The National School Food Program provides funding to deliver school food programs.

Schedule 4 provides detail on the **Capital Fund**.

The Capital Fund supports the acquisition, construction, improvement, and replacement of long-term District assets. Capital investments include constructing, renovating, and preserving school facilities and buildings; upgrading infrastructure such as heating, ventilation, electrical, and technological systems; and purchasing or replacing vehicles, including buses and equipment. Capital funding may also be used for improvements to athletic fields and outdoor spaces, as well as the acquisition of land to support future educational and operational needs. These investments help ensure that District facilities remain safe, sustainable, and capable of meeting the needs of students and communities over the long term.

ANALYSIS OF FINANCIAL STATEMENTS

Cash & Cash Equivalents

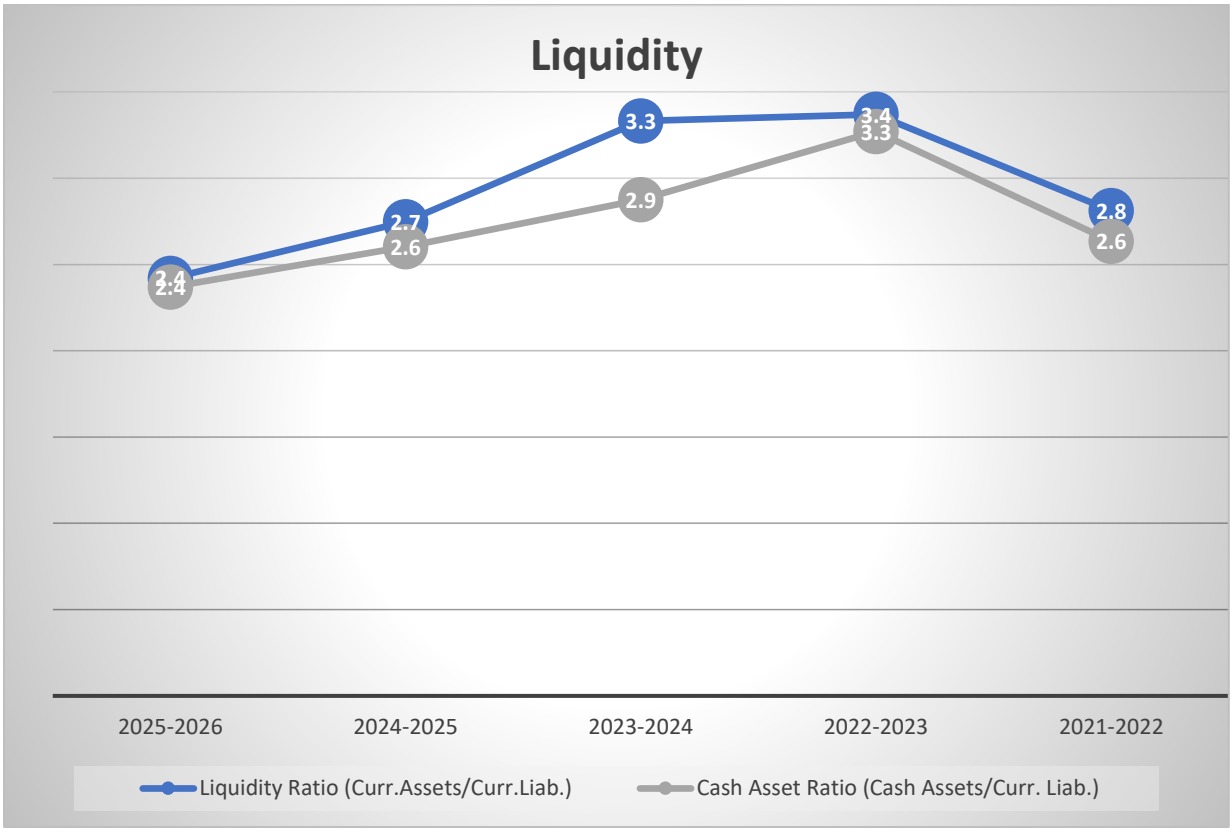
Financial assets are assets available to charge existing liabilities or finance future operations. Overall, there was an increase of $935,356 from the prior year's current assets balance. The current liabilities have also increased by $785,152. Net Current Assets reflect the remaining cash after liabilities have been accounted for and paid. This demonstrates the School District's ability to cover current liabilities owed by the District.

Statement 1	*2025-2026*	*2024-2025*	*2023-2024*
Cash and Cash Equivalents	$ 8,827,648	$ 7,654,537	$ 7,976,970
Accounts Receivable	$ 190,468	$ 428,223	$ 1,266,681
Total Current Assets	**$ 9,018,116**	**$ 8,082,760**	**$ 9,243,651**
Current Liabilities	**$ 3,726,392**	**$ 2,941,240**	**$ 2,773,661**
Net Current Assets	**$ 5,291,724**	**$ 5,141,520**	**$ 6,469,990**

Liquidity

Liquidity, or the current ratio, is calculated as current assets divided by current liabilities. If the current ratio is greater than or equal to 1, then there are sufficient assets on hand to meet current liabilities. In this case,

current liabilities are equal to total liabilities less deferred capital revenue. Currently, the current ratio is 2.4 which means the School District has the ability to meet the current liabilities 2.4 times.



The Cash Asset Ratio is another tool to assess the District's ability to meet their Current Liabilities. It is the result of cash and cash equivalents divided by current liabilities and determines how quickly obligations can be met. Currently, the Cash Asset Ratio is 2.4.

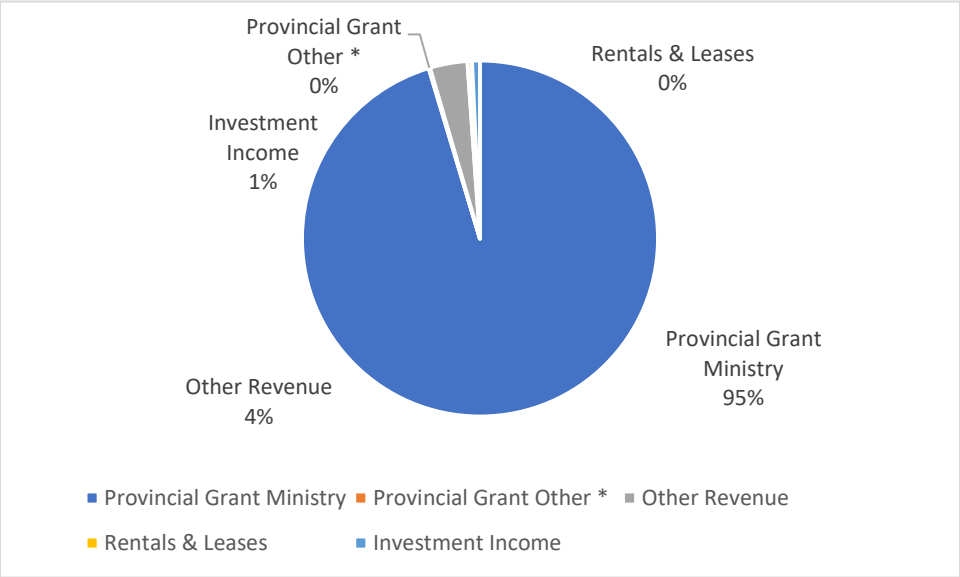
Revenue

Consolidated revenues from all sources increased from $33.3 million to $33.4 million in 2026. 93% of total revenue comes from the Ministry of Education, The other 7% comes from several different sources such as the Indigenous, rentals, leases of property, investment returns and amortization of deferred capital revenue.

2025-2026 Operating Revenues	Budgeted	Actual	Actual Proportion
Provincial Grant Ministry	$ 25,784,716	$ 26,272,270	95.3%
Provincial Grant Other *	$ 230,600	$ 31,140	0.1%
Other Revenue	$ 813,722	$ 940,778	3.4%
Rentals & Leases	$ 91,100	$ 111,413	0.4%
Investment Income	$ 206,000	$ 198,936	0.7%
Total	**$ 27,126,138**	**$ 27,554,537**	

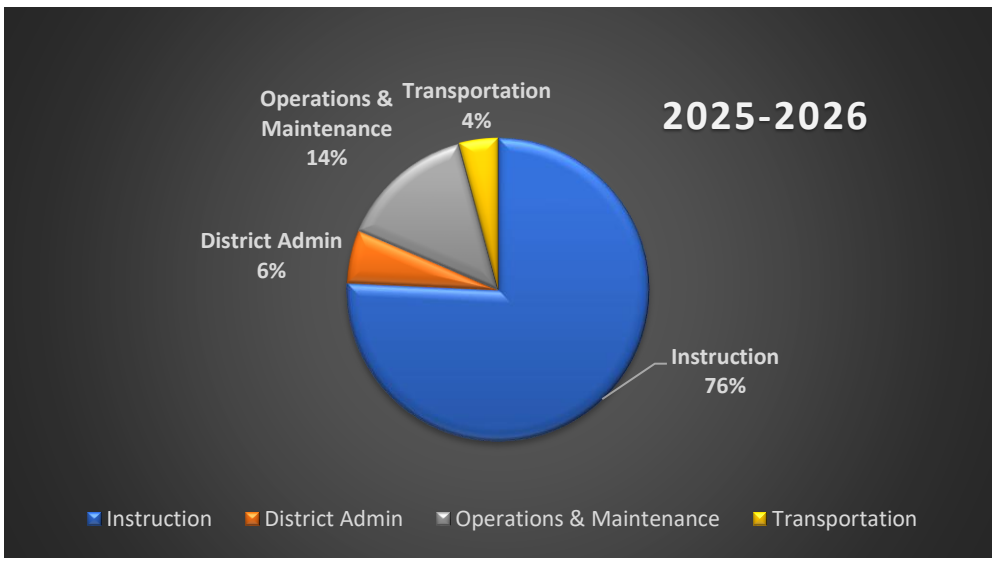
Operating Fund Revenue

The School District received $26.2 million from the Ministry of Education in the form of the operating grant which is based on student enrollment and other student and geographical factors. Other revenue was composed of Indigenous funding and other provincial grants. The remaining revenue amount is largely comprised of rentals, and investment income.



Expenses

District expenses (categorized by Instructional, District Administration, Operations & Maintenance and Transportation) remain proportionately similar from previous years with a majority of the expenses going towards instruction.



Generally, salaries increased from the prior year due to an increase in wages as the teachers collective agreement was ratified and being fully staffed. CUPE negotiations are still ongoing, so we expect salary increases in the next fiscal year. Benefit costs have increased given increasing rates for benefits programs. Despite services and supplies generally costing more due to inflation, the services and supplies costs have decreased. This was due to planned reductions in purchasing given increases in inflationary pressures.

Operating Expenses	Budgeted	Actual
Salaries		
Teachers	$ 8,734,342	$ 9,371,588
Principals and Vice Principals	$ 2,075,281	$ 2,196,432
Educational Assistants	$ 2,823,621	$ 2,386,598
Support Staff	$ 3,036,131	$ 3,031,945
Other Professionals	$ 1,658,047	$ 1,739,574
Substitutes	$ 1,005,409	$ 1,029,517
Total Salaries	$ 19,332,831	$ 19,755,654
Employee Benefits	$ 4,196,620	$ 4,455,666
Service and Supplies		
Services	$ 775,583	$ 520,822
Professional Development	$ 263,000	$ 334,573
Dues and Fees	$ 148,250	$ 34,208
Insurance	$ 54,250	$ 51,520
Supplies	$ 1,784,193	$ 1,569,457
Utilities	$ 559,900	$ 689,595
Total Services and Supplies	$ 3,585,176	$ 3,200,175
Total Expenses	$ 27,114,627	$ 27,411,495

Capital

Funding for capital expenditures is sourced primarily through the Ministry of Education with incremental funding provided through locally generated capital funds.

At this time there is no significant change in enrollment, building capacity or demographics that would warrant adjustment of capital plans.

Capital Assets Net Book Value at year end are as follows:

Tangible Capital Assets (Net of Ammortization)

	Net Book Value June 30, 2026	Net Book Value June 30, 2025
Sites	$ 1,274,661	$ 1,274,661
Building	$ 57,124,012	$ 56,868,137
Furniture & Equipment	$ 1,828,466	$ 1,915,834
Vehicles	$ 1,733,446	$ 2,029,539
Computer Hardware	$ 72,803	$ -
Total	$ 62,033,388	$ 62,088,171

Minor Capital

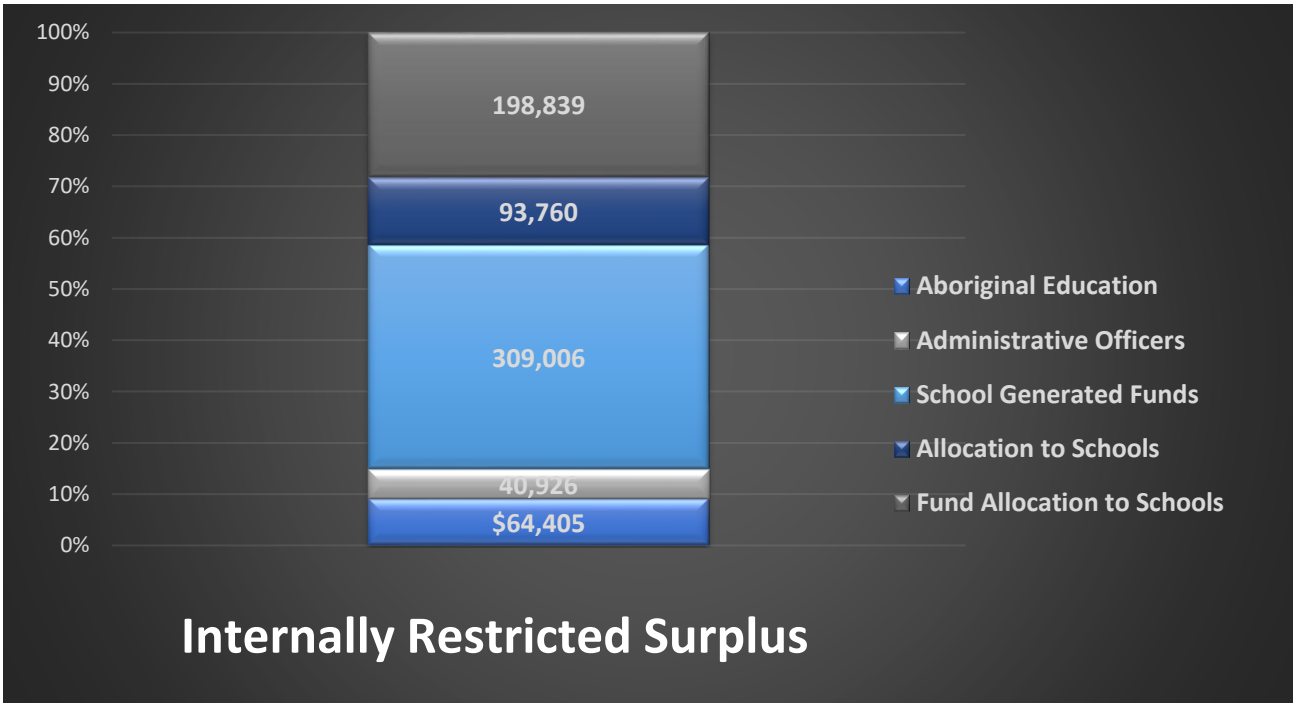
The District continued to invest in school facilities through several capital improvement projects completed during the year. Projects included roofing upgrades at Houston Secondary School, building envelope improvements at Twain Sullivan Elementary, exterior siding and electrical upgrades at Telkwa Elementary, gymnasium washroom renovations at Muheim Memorial Elementary, classroom flooring replacements at Silverthorne Elementary, and upgrades to learning commons spaces and classrooms across the district. Additional investments included new freezers, sinks, and cabinetry to support school operations and student learning. These projects reflect the District's ongoing commitment to providing safe, modern, and engaging learning environments.

Land

The were no land dispositions or acquisitions.

Surplus

The School District has requirements to fund future obligations. These are the internally restricted Surplus – Operating Surpluses:



Internally Restricted	$ 706,936
Unrestricted Operating Surplus (Deficit)	$1,785,579
Total Surplus Available for Future Operations	$2,492,515

Unrestricted operating surplus has been planned to support operations to fulfill the goals of the District Strategic Plan and internal capital projects. The unrestricted operating surplus has decreased from $2,573,714 for the 2025-2026 year.

Local capital reserve (LCR) are funds restricted by the Board for the purchase of capital assets. The District will continue to utilize LCR to support classroom and learning commons revitalization and the improving the building envelopes to support energy efficiency.

The District maintains a restricted surplus account in order to work with the Ministry on future capital projects to upgrade schools. The District will continue to review and reduce, if necessary, the operating, local capital and ministry restricted surpluses to adhere to the board policy directing district surplus.

Surplus Accounts

	2025-2026	2024-2025
Internally Restricted	$ 706,936	760,855
Unrestricted Operating	$ 1,785,579	1,812,859
Local Capital Reserve	$ 606,555	592,696
Restricted Ministry Surplus	$ 1,547,830	1,792,829
Total	**$ 4,646,900**	**4,959,239**
Increase (decrease) in Surplus	-$ 312,339	

SIGNIFICANT FINANCIAL FACTORS

The District submitted a balanced budget to the Ministry of Education for the 26/27 school year that will continue to deliver various programs and services currently offered to students in our schools. Moving into 2026 and beyond, there are several factors that may impact the district's operations and financial position.

- Union Negotiations: The Provincial Government and CUPE collective agreement negotiations. This will impact the collective agreements and several expenses over the future. Any salary increases should be adjusted for in regular block funding. The Teacher Collective Agreement was ratified in Spring of 2026.
- Supply of Labour: As with most northern School Districts, there is a shortage of qualified labour in most areas. It has generally been a challenge to find new teachers or support staff. A significant issue in staffing has been in the trades department and technologist.
- Shortage of Contractors: Labour supply market for contractors is also diminishing. Trades contractors have been reluctant to take on school district projects or provide services. This is making it very difficult to complete, or even engage, contractors in our annual facility grant and capital projects. Consequently, the district has increased the maintenance department staff to try and support capital projects internally.
- Inflationary Pressures: Increasing inflation rates have created increased district costs over the past year. This is especially noticeable in fuel, energy, staff benefits, maintenance costs and school supplies.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Secretary Treasurer's office at lauren.smahamuir@sd54.bc.ca.