GULF ISLANDS SCHOOL DISTRICT 64

Board of Education, School District No. 64 (Gulf Islands)
REGULAR BOARD MEETING, PUBLIC SESSION
School Board Office
2026 09 16 at 1:00 p.m.

AGENDA

1. **CALL TO ORDER AND TERRITORIAL ACKNOWLEDGEMENT**

   With the intention of holding a safe, caring, and orderly meeting for all we pledge: To do our best to maintain a respectful and inclusive working environment. We will hold this meeting to the highest standard of civility and appropriate conduct so that we may attend to our business effectively and productively.

2. **ADOPTION OF AGENDA**

3. **APPROVAL OF MINUTES**
   (a) Minutes of the Regular Board Meeting, Public Session held 2026 06 10 (attachment)

4. **IN-CAMERA SUMMARY**
   (a) Summary of In-Camera Meeting held 2026 06 10 (attachment)
   (b) Summary of Special In-Camera Meeting held 2026 07 07 (attachment)

5. **DELEGATIONS**

6. **CORRESPONDENCE**

7. **CHAIRPERSON'S REPORT**
   (a) Chairperson's Update **B U D**
   (b) Board's Annual Work Plan 2026/2027 (attachment) **B U D**
   (c) BCPSEA **U**

8. **SUPERINTENDENT'S REPORT**
   (a) 2026 Enhancing Student Learning Report (attachment) **K B U D**
   Motion: *that the Board approve the 2026 Enhanced Student Learning Report*
   (b) IEC Update **K B U D**
   (c) HR **U**

9. **SECRETARY TREASURER'S REPORT**
   (a) Audit Report (attachment) **D**
   (b) 2025/2026 Audited Financial Statements (link) **D**
   Motion: *that the Board approve the 2025/2026 School District 64 (Gulf Islands) Audited Financial Statements for the year ending June 30, 2026*
   (c) Financial Statement Discussion and Analysis Report (attachment) **D**
   (d) Draft 2027/2028 Five-Year Capital Plan – Minor Submission (attachments) **D**
   Motion: *that the Board approve the 2027/2028 Five-Year Capital Plan, Minor Submission*

AGENDA

(e) Election Update (link) **D**
(f) Facilities – Summer Work Projects Update (attachment) **D**
(g) Water Taxi Schedule Change (link) **D**

10. COMMITTEE REPORTS
(a) Committee of the Whole – no report
(b) Education Committee – no report
(c) Finance, Audit & Facilities Committee – Pre-Audit Meeting Summary 2026 06 24 (attachment)
(d) Policy Committee – no report

i. 2.10 Inclusive and Respectful Environments (attachment)
Circulated for feedback June 12, 2026. No feedback received.
Motion: *that the Board approve amendments to Policy 2.10 Inclusive and Respectful Environments.*

ii. 2.20 Sexual Identity, Gender Diversity and Gender Expression (attachment)
Circulated for feedback June 12, 2026. No feedback received.
Motion: *that the Board approve amendments to Policy 2.20 Sexual Identity, Gender Diversity and Gender Expression.*

iii. 2.70 Use of Board Property for Child Care (attachment)
Circulated for feedback June 12, 2026. No feedback received.
Motion: *that the Board approve amendments to Policy 2.70 Use of Board Property for Child Care.*

11. TRUSTEE REPORTS

12. OTHER BUSINESS

13. QUESTION PERIOD

14. NEXT MEETING DATES
(a) Regular Board Meeting – November 4, 2026 at School Board Office

15. ADJOURNMENT

Present:	Chaya Katrensky	Chairperson
	Deborah Luporini	Vice Chairperson
	Tisha Boulter	Trustee
	Jeannine Georgeson	Trustee
	Greg Lucas	Trustee
	Nancy Macdonald	Trustee
	Rob Pingle	Trustee
	Jill Jensen	Superintendent of Schools
	Jesse Guy	Secretary Treasurer
	Boe Beardsmore	Associate Superintendent
	Adrian Pendergast	Director of Instruction
	Lori Deacon	Director of Corporate Services
	Shauna Klem	Executive Assistant
	Marc Wright	Information Technology Manager
Guests:	Andrew McPhee	GITA President
	Angela Thomas	CUPE President
	Melody Silva	Youth In Action
	Finn Bryant	Youth In Action
	Shaeanna Skye	GISS Student Council
	Bella Leeson	GISS Student Council
Absent:	Shelly Johnson	GIPVPA Representative
		DPAC Representative

1. CALL TO ORDER

The meeting was called to order at 1:00 p.m. by Chair Katrensky. Superintendent Jensen spoke to the privilege and gratitude of living on the sacred traditional territory of the Coast Salish communities, specifically the Hul’qumi’num, and SENĆOŦEN speaking peoples – huy tseep q'u.

With the intention of holding a safe, caring, and orderly meeting for all, we pledge to do our best to maintain a respectful and inclusive working environment. We will hold this meeting to the highest standard of civility and appropriate conduct so that we may attend to our business effectively and productively.

2. ADOPTION OF AGENDA

Moved and seconded that the agenda for the Regular Board Meeting, Public Session, held 2026 06 10 be adopted as presented.

CARRIED 39/26

3. APPROVAL OF MINUTES

Moved and seconded that the minutes of the Regular Board Meeting, Public Session held 2026 05 13 be approved as presented.

CARRIED 40/26

4. IN-CAMERA SUMMARIES

Moved and seconded that the summary of the Regular In-Camera Meeting held 2026 05 13 be approved as presented.

CARRIED 41/26

5. DELEGATIONS

a. **Youth In Action**

A delegation from the GISS Earth Club presented a student-led proposal to implement a recycling and composting program. The group has secured a recycling partner, installed bins, and initiated student education. A waste audit demonstrated that most school waste is recyclable or compostable.

6. CORRESPONDENCE

7. CHAIRPERSON'S REPORT

a. **Celebrating student learning, graduation and staff appreciation K B U D**

Chair Katrensky reflected on the achievements of the past school year and acknowledged students, staff, trustees, partners, and the community. She congratulated the graduating class of 2026 and expressed gratitude to the Indigenous Education Council.

8. SUPERINTENDENT'S REPORT

a. **GISS Student Council K D B U**

Gulf Islands Secondary School Student Council provided an update on their current initiatives, including an open meeting to encourage engagement and a year-end meeting that invited proposals for the upcoming year.

b. **Superintendent Update K D B U**

Superintendent Jensen highlighted initiatives across district schools including kindergarten assessments, student transitions, social emotional skill development, literacy growth, inquiry-based learning, land-based learning, community partnerships, goal-setting efforts, on-going work toward truth, reparation & restoration, and a continued focus on Deepening Learning at GISS.

A total of 81 students received 177 scholarships, bursaries and awards totaling nearly $300,000. The Battle of the Books event, sponsored by Salt Spring Library, engaged 150 students from five elementary schools.

GISS welding student Antoine Gonzalez placed 5th at the Skills Canada National Competition.

c. **IEC Update K B U D**

Superintendent Jensen outlined the role of the Indigenous Education Council in providing guidance on professional development, culturally relevant activities and resources, reporting requirements, and initiatives supporting Indigenous student success. The Board will consult with local First Nations regarding language, culture, and perspectives in learning environments and staff training.

d. **HR D U**

Director of Instruction Pendergast provided an update on the 2026-2027 staffing process. The GITA recall process is complete, and available positions are currently posted. Educational Assistant positions have been assigned and remaining vacancies are posted.

e. **School Fees D U**

The 2026-2027 school fee schedule was presented and will be posted on the district website.

9. SECRETARY TREASURER'S REPORT

a. **Monthly Financial Report D**

Secretary Treasurer Guy shared the Monthly Operating Expenditure Report for May, which indicates expenses are slightly over the amended budget by 1.1% with 91% of the year completed. Increased expenditures reflect retroactive pay issued in May. Labour settlement funding was not included in the amended budget due to uncertainty at that time.

b. **Draft 2027-2028 Five Year Major Capital Plan D**

The draft Five-Year Capital Plan – Major Submission was presented requesting funding for Seismic Mitigation Program projects at schools on Mayne Island, Saturna Island, Galiano Island and Salt Spring Island.

Moved and seconded that Board approves the 2027-2028 Five Year Capital Plan – Major Submission.

CARRIED 42/26

c. **Carbon Neutral Report U D**

The Board received the 2025 Public Sector Organization Climate Change Accountability Report which highlighted efforts to reduce consumption.

d. **Trustees Election Update** **U D**
District staff will host two information sessions prior to the Trustee election on October 17, 2026. The first session, to be held via Microsoft Teams on Wednesday, June 24 at 6:30 p.m. will provide information on the Role of a Trustee. The second session, to be held on Wednesday, September 2 at 6:30 p.m. via Microsoft Teams, will address the election process and required paperwork. Key dates and electoral area were reviewed.

e. **Brokerage Account** **D**
Secretary Treasurer Guy explained the need to open a brokerage account to accept donations of shares for the education trust.

Moved and seconded that the Board authorizes the creation of a brokerage account at the Bank of Montreal for the purpose of receiving securities, and that the administration rights for the account be set up as follows:

i. The Board Chair and Secretary Treasurer will have trading authorization on the account.
ii. Signing authorities for amounts up to and including $75,000 shall be:
Jill Jensen, Chief Executive Officer; or Boe Beardsmore, Associate Superintendent
with Jesse Guy, Secretary Treasurer, or Lori Deacon, Director of Corporate Services
iii. Signing Authorities for amounts over $75,000 shall be:
Jesse Guy, Secretary Treasurer, or Jill Jensen, Chief Executive Officer
With Chaya Katrensky, Board Chair, or Rob Pingle, Trustee

CARRIED 43/26

f. **Education Trust Account**
It is recommended that the inactive Education Trust account be closed and remaining funds transferred into the operating account.

Moved and seconded that the Board authorize the closure of the Educational Trust Fund Account #1015 455 held with the Bank of Montreal, and that all remaining funds be transferred to the Operating Bank Account #1003 104 held with the Bank of Montreal.

CARRIED 44/26

10. COMMITTEE REPORTS

a. **Committee of the Whole** – no report

b. **Education Committee –** no report
c. **Finance, Audit & Facilities Committee** – no report

d. **Policy Committee** **U D**
The Board received the 2026 05 27 Policy Meeting Summary by consensus

i. *Policies to repeal in favour of Administrative Practices*
A number of policies were identified as operational in nature and better suited as Administrative Practices (Aps). Staff will meld the policies with current APs to ensure no important language is lost.

Moved and seconded that in alignment of the BCSTA Policy Review Committee's recommendations, the Board repeal the following policies in favour of Administrative Practices:

- Policy 4.20 Student Physical Restraint and Seclusion
- Policy 4.30 Severe Allergic Reaction
- Policy 4.40 Provision of Menstrual Products
- Policy 4.50 Video Surveillance
- Policy 4.60 Unexpected Health Emergencies
- Policy 3.50 Curricular, Co-Curricular and Extra Curricular Activities

CARRIED 45/26

ii. *Gender-based and Sexualized Violence*
Policies 2.10 Inclusive and Respectful Environments and 2.20 Sexual Identity, Gender Diversity and Gender Expression were amended to strengthen language reflecting non-tolerance of gender-based and sexualized violence.

Notice of Motion was presented to approve amendments to policies 2.10 Inclusive and Respectful Environments and 2.20 Sexual Identity, Gender Diversity and Gender Expression. These policies will be circulated for feedback. Feedback and approval will be considered by the Board at the September 16, 2026 meeting in public.

iii. *Policy 2.70 Use of Board Property for Child Care*
Notice of Motion was presented to approve amendments to policy 2.70 Use of Board Property for Child Care to align with updated requirements of the Child Care Order. The policy will be circulated for feedback. Feedback and approval will be considered by the Board at the September 16, 2026 meeting in public.

iv. *Policy 1.60 Role and Responsibility of the Superintendent of Schools*
Policy was circulated for feedback. No feedback received.

Moved and seconded that the Board adopt new policy 1.60 Role and Responsibility of the Superintendent of Schools.

CARRIED 46/26

11. TRUSTEE REPORTS

12. OTHER BUSINESS

13. QUESTION PERIOD

14. NEXT MEETING DATES

a. Regular Board Meeting – September 16, 2026 - School Board Office

15. ADJOURNMENT

Moved to adjourn at 2:21 p.m.

CARRIED 47/26

Date: ______________________________ ______________________________
Chairperson

Certified Correct: ______________________________
Secretary Treasurer

BOARD OF EDUCATION, SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Reference Section 72 (3) of the *School Act*

Record of Proceedings of the Regular In-Camera Meeting held
at the School Board Office

2026 06 10

Present:	Chaya Katrensky	Chair
	Deborah Luporini	Vice-Chair
	Tisha Boulter	Trustee
	Jeannine Georgeson	Trustee
	Gregory Lucas	Trustee
	Nancy Macdonald	Trustee
	Rob Pingle	Trustee
	Jill Jensen	Superintendent of Schools
	Jesse Guy	Secretary Treasurer
	Shauna Klem	Executive Assistant

The meeting was called to order at 10:32 a.m.

The agenda for the Regular Board Meeting, In-Camera session held 2026 06 10 was adopted, by consensus.

The minutes of the Regular Board Meeting, In-Camera Session, held 2026 05 13 were approved, by consensus.

Items:

1. CUPE Bargaining
2. SIMS Lease. The Board decided to renew their lease agreement with CRD for a 10 year term.
3. Legal Update

The meeting adjourned at 10:49 a.m.

BOARD OF EDUCATION, SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

Reference Section 72 (3) of the *School Act*

Record of Proceedings of the Special In-Camera Meeting held
Via Microsoft Teams

2026 07 07

Present:	Chaya Katrensky	Chair
	Deborah Luporini	Vice Chair
	Jeannine Georgeson	Trustee
	Gregory Lucas	Trustee
	Nancy Macdonald	Trustee
	Rob Pingle	Trustee
	Jill Jensen	Superintendent of Schools
	Jesse Guy	Secretary Treasurer
	Shauna Klem	Executive Assistant
Guest:	Keith Mitchell	Legal Counsel, Harris and Co. LLP
Absent:	Tisha Boulter	Trustee

The meeting was called to order at 9:01 a.m.

The agenda for the Special Board Meeting, In-Camera session held 2026 07 07 was adopted by consensus.

Jeannine Georgeson recused herself from the meeting at 9:13 a.m.

Items:

1. Employment Contract.

Excluded staff member and representative joined the meeting at 9:14 a.m.

Excluded staff member and representative left the meeting at 9:59 a.m.

The Board upheld the decision made by staff regarding an excluded employment contract.

Greg Lucas left the meeting at 10:31 a.m.

The meeting adjourned at 10:33 a.m.

GULF ISLANDS SCHOOL DISTRICT 64

Board's Annual Work Plan

September

- Approve ESLR Report
- Review External Audit Report
- Approve Audited Financial Statements
- Approve Five-Year Minor Capital Plan
- Financial Statement Discussion and Analysis Report
- Review Board Work Plan

October

- Trustee Elections

November

- Oath of Office
- Board Positions Elections
- Commit to Trustee Code of Conduct
- School Plans Shared
- BCPSEA Symposium
- BCSTA Trustee Academy
- VISTA Fall Conference

December

- Board Committee/Liaise Assignments
- Review Board Strategic Plan
- Calendar Consultation
- Consider Motions for BCSTA AGM

January

- Receive MoECC Funding Update
- Review District Graduation/ Completion Rates
- Anti-Racism Review
- Financial Disclosures (due Jan. 15th)

February

- Adopt Amended Annual Budget Bylaw (deadline: Feb. 28)
- Approve School District Calendar (deadline: March 31)
- BCSTA Provincial Council Meeting

March

- MoECC Estimated Funding (for next year) Received by the District

April

- Adopt Capital Funding Agreement Bylaw
- Receive HAWD report
- Annual Inclusive Ed (including restraint and seclusion summary), Indigenous Ed and Early Learning Reports
- BCSTA Annual General Meeting
- VISTA Spring Conference

May

- Draft Annual Budget Presented
- Adopt the Annual Budget Bylaw (deadline: June 30)

June

- Superintendent Growth Plan Update
- Adopt Board Meeting Schedules (for next year)
- Approve Five-Year Major Capital Plan
- Receive Annual PIDA Report (if any)
- FAF Pre-Audit Plan

July/Aug

- Summer Pro-D
- Welcome Back Gathering

2026/2027

Other Items as Needed

Review and approve Board policies

Hear appeals

Approval of Local Bargaining Plans and ratify Collective Agreements

Approve disposition of real property (land and buildings)

Receive BCPSEA Exempt Compensation Grids

Recognize school and community highlights

Department updates shared with Board

Host community engagement events/meetings

Attend school functions year-end celebrations & graduation

when invited (optional)

Draft: September 16, 2026

GULF ISLANDS SCHOOL DISTRICT 64

Enhancing Student Learning Report

September 2026

Board Approval: 16 September 2026

Table of Contents:

Intellectual Development

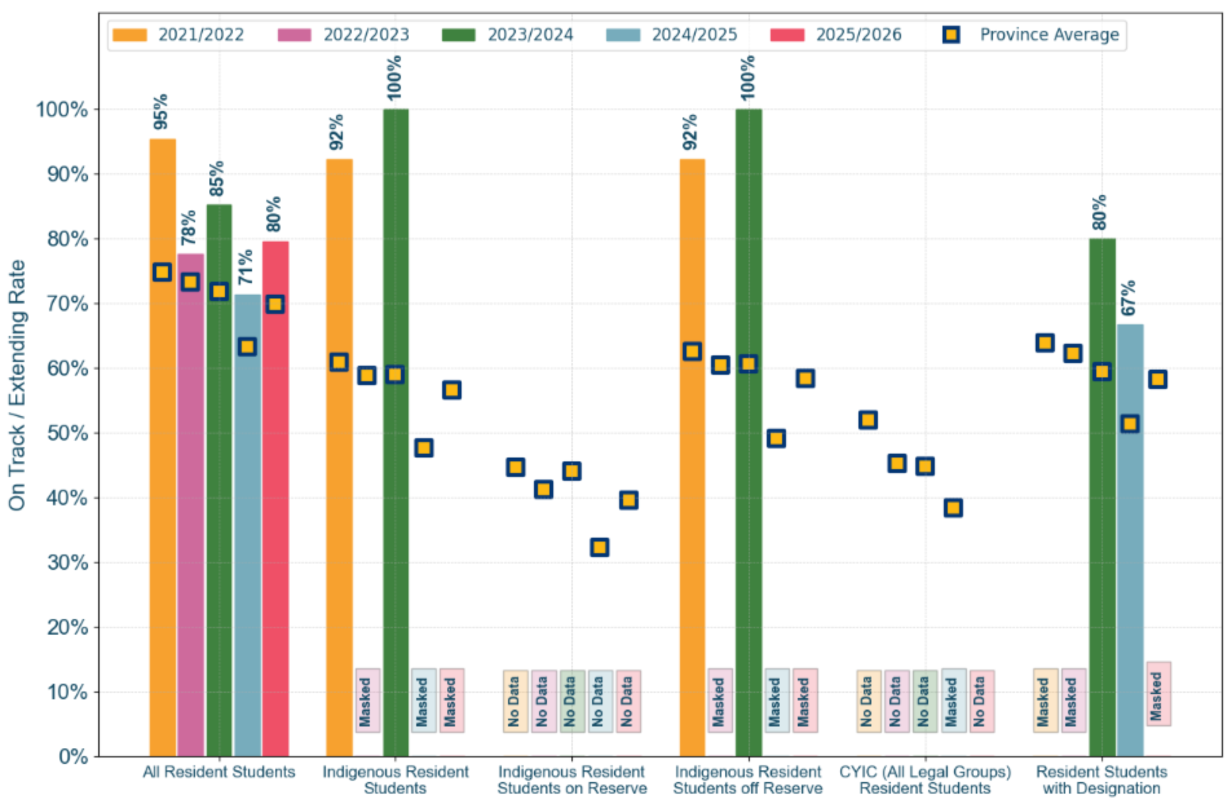
Educational Outcome 1: Literacy

Measure 1.1: *Grade 4 & 7 Literacy Expectations*

SD64 - Grade 4 FSA Literacy - Expected Count | Participation Rate

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
All Resident Students	96 | 92%	101 | 93%	91 | 97%	105 | 93%	108 | 95%
Indigenous Resident Students	13 | 100%	16 | 88%	14 | 93%	13 | 92%	12 | 92%
Indigenous Resident Students on Reserve	0	0	0	0	0
Indigenous Resident Students off Reserve	13 | 100%	16 | 88%	14 | 93%	13 | 92%	12 | 92%
CYIC (All Legal Groups) Resident Students	0	0	0	Masked	0
Resident Students with Designation	Masked	16 | 69%	16 | 94%	21 | 86%	Masked

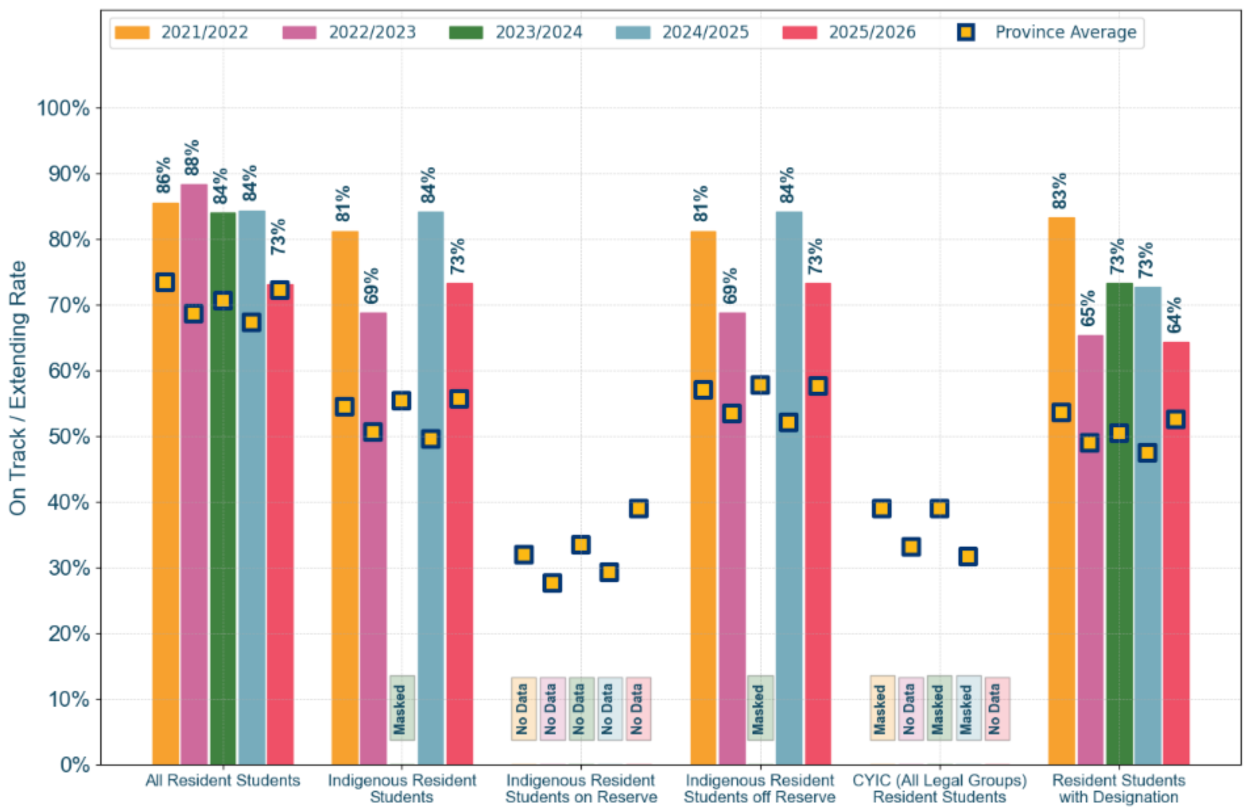
Grade 4 FSA Literacy - OnTrack / Extending Rate



SD64 Grade 7 FSA Literacy - Expected Count| Participation Rate

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
All Resident Students	114 | 97%	141 | 98%	101 | 99%	114 | 96%	113 | 96%
Indigenous Resident Students	16 | 100%	16 | 100%	11 | 100%	20 | 95%	16 | 94%
Indigenous Resident Students on Reserve	0	0	0	0	0
Indigenous Resident Students off Reserve	16 | 100%	16 | 100%	11 | 100%	20 | 95%	16 | 94%
CYIC (All Legal Groups) Resident Students	Masked	0	Masked	Masked	0
Resident Students with Designation	19 | 95%	27 | 96%	15 | 100%	25 | 88%	32 | 88%

SD64 Grade 7 FSA Literacy - On Track / Extending Rate

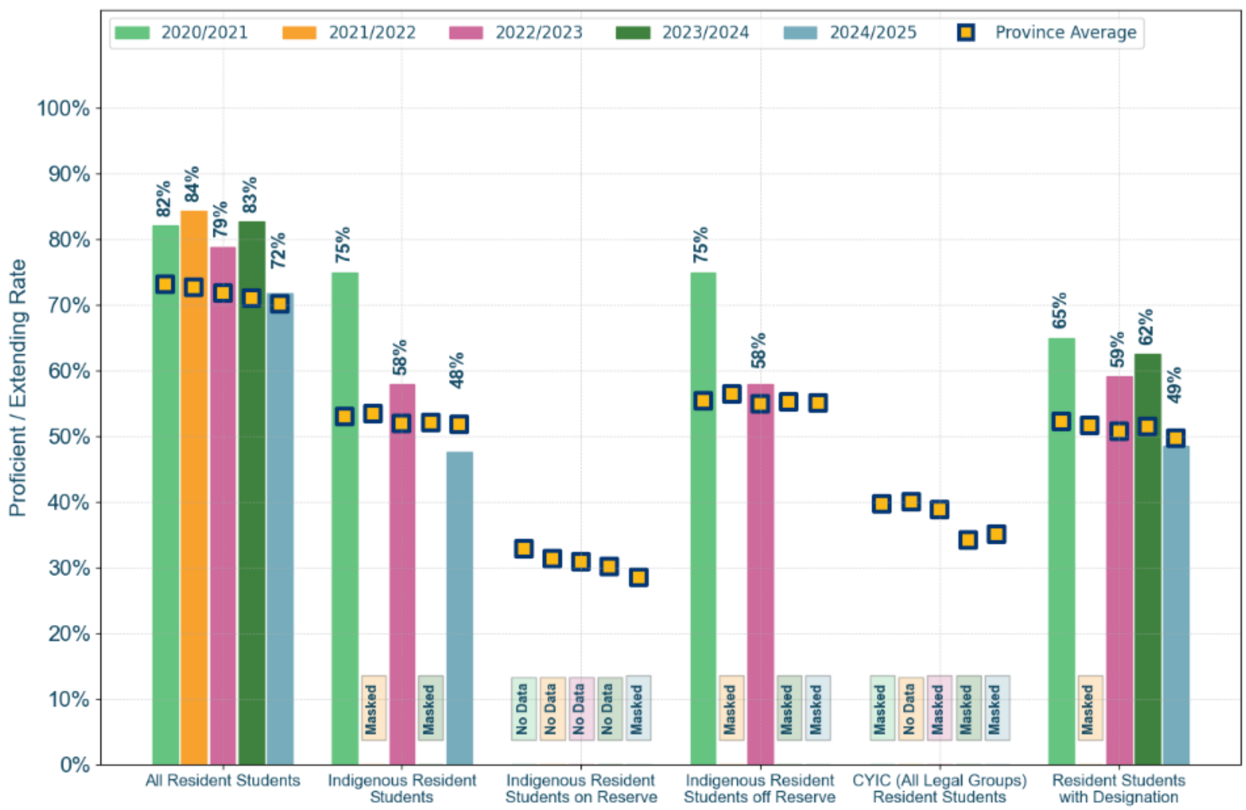


***Measure 1.2**: Grade 10 Literacy Expectations*

Grade 10 Graduation Assessment Literacy - Expected Count | Participation Rate

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	117 | 90%	145 | 82%	141 | 91%	140 | 86%	132 | 88%
Indigenous Resident Students	16 | 94%	Masked	22 | 82%	16 | 75%	20 | 85%
Indigenous Resident Students on Reserve	0	0	0	Masked	0
Indigenous Resident Students off Reserve	16 | 94%	Masked	22 | 82%	Masked	20 | 85%
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	18 | 89%	18 | 67%	25 | 76%	22 | 59%	38 | 74%

SD64 Grade 10 Graduation Assessment Literacy - Proficient / Extending Rate



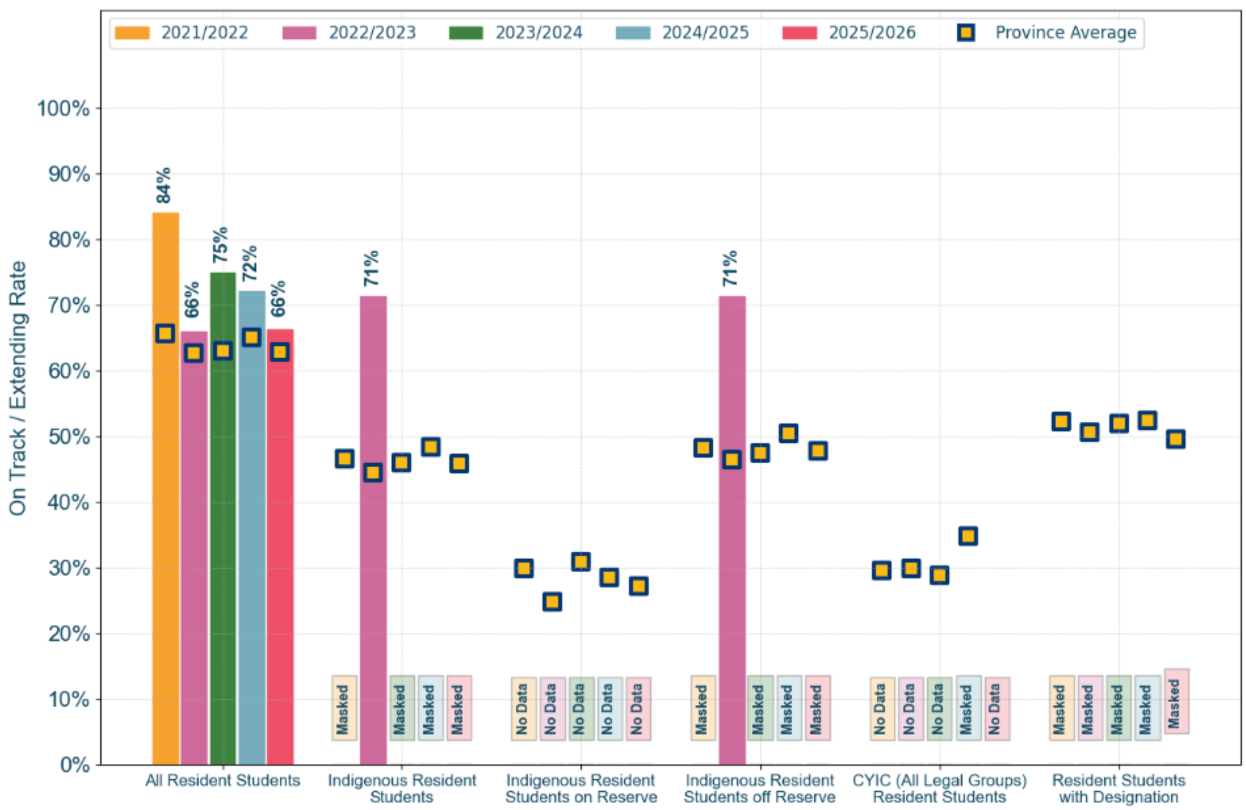
Educational Outcome 2: Numeracy

Measure 2.1: *Grade 4 & Grade 7 Numeracy Expectations*

SD64 Grade 4 FSA Numeracy -Expected Count | Participation Rate

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
All Resident Students	96 | 92%	101 | 93%	91 | 97%	105 | 92%	108 | 96%
Indigenous Resident Students	13 | 100%	16 | 88%	14 | 93%	13 | 92%	12 | 92%
Indigenous Resident Students on Reserve	0	0	0	0	0
Indigenous Resident Students off Reserve	13 | 100%	16 | 88%	14 | 93%	13 | 92%	12 | 92%
CYIC (All Legal Groups) Resident Students	0	0	0	Masked	0
Resident Students with Designation	Masked	16 | 69%	16 | 94%	21 | 86%	Masked

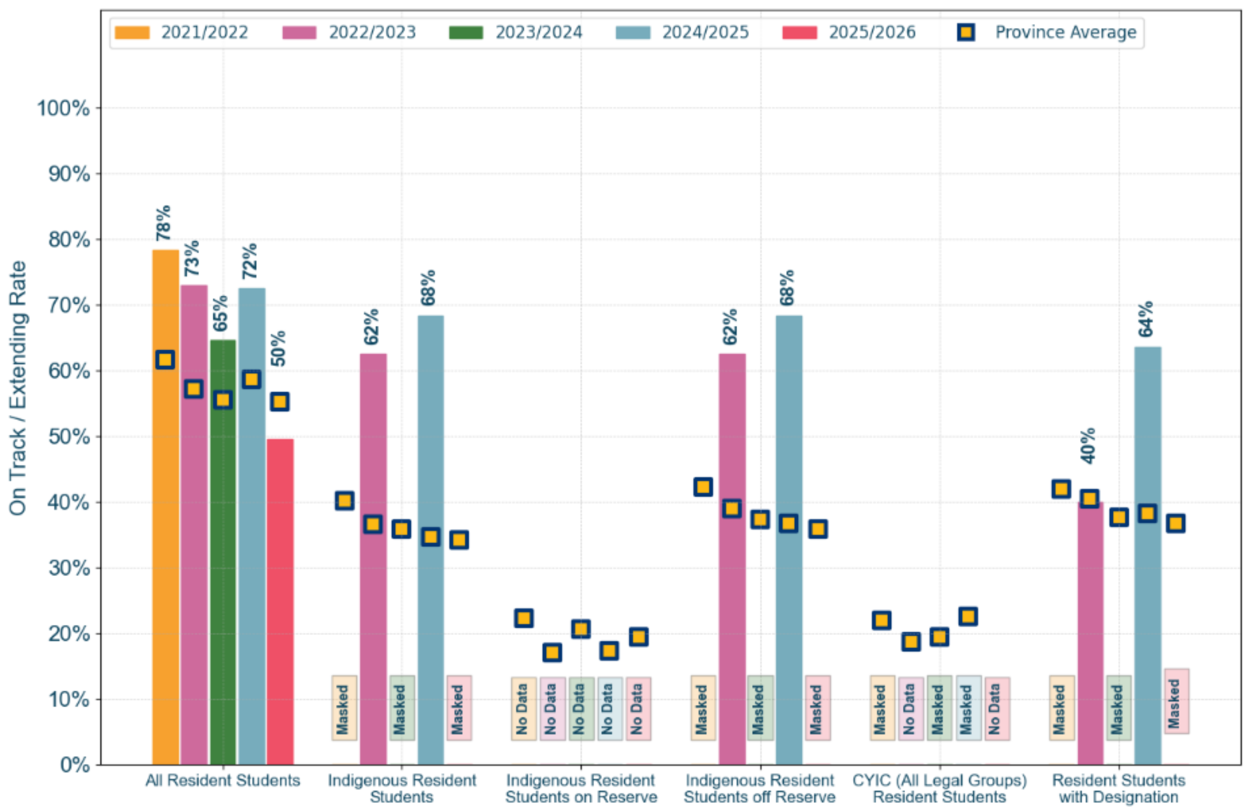
SD64 Grade 4 FSA Numeracy - On Track / Extending Rate



SD64 Grade 7 FSA Numeracy - Expected Count | Participation Rate

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
All Resident Students	114 | 97%	141 | 97%	101 | 98%	114 | 96%	113 | 95%
Indigenous Resident Students	16 | 100%	16 | 100%	11 | 100%	20 | 95%	16 | 88%
Indigenous Resident Students on Reserve	0	0	0	0	0
Indigenous Resident Students off Reserve	16 | 100%	16 | 100%	11 | 100%	20 | 95%	16 | 88%
CYIC (All Legal Groups) Resident Students	Masked	0	Masked	Masked	0
Resident Students with Designation	19 | 95%	27 | 93%	15 | 93%	25 | 88%	32 | 88%

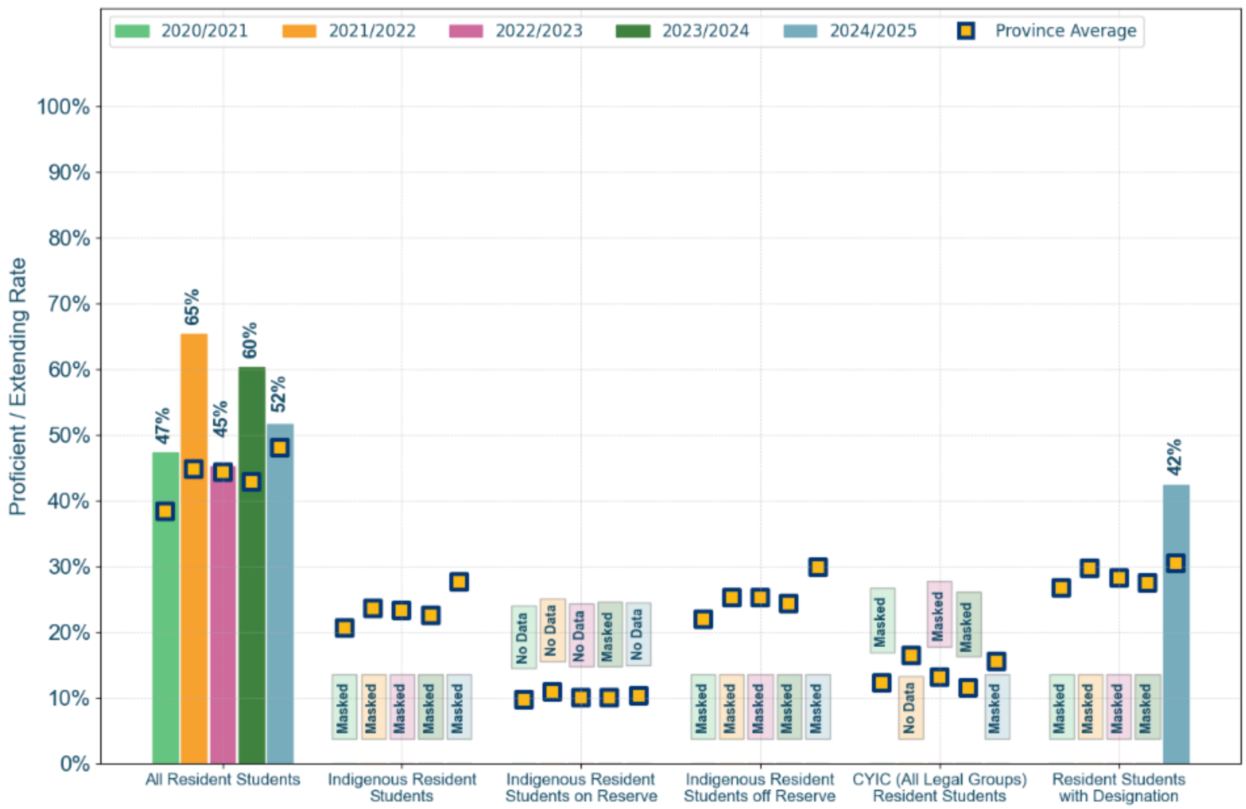
SD64 Grade 7 FSA Numeracy - On Track / Extending Rate



SD64 Grade 10 Graduation Assessment Numeracy - Expected Count | Participation Rate

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	119 | 89%	142 | 75%	138 | 88%	137 | 84%	132 | 92%
Indigenous Resident Students	16 | 88%	Masked	20 | 90%	15 | 87%	20 | 95%
Indigenous Resident Students on Reserve	0	0	0	Masked	0
Indigenous Resident Students off Reserve	16 | 88%	Masked	20 | 90%	Masked	20 | 95%
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	18 | 72%	18 | 61%	23 | 65%	21 | 71%	38 | 87%

SD64 Grade 10 Graduation Assessment Numeracy - Proficient / Extending Rate

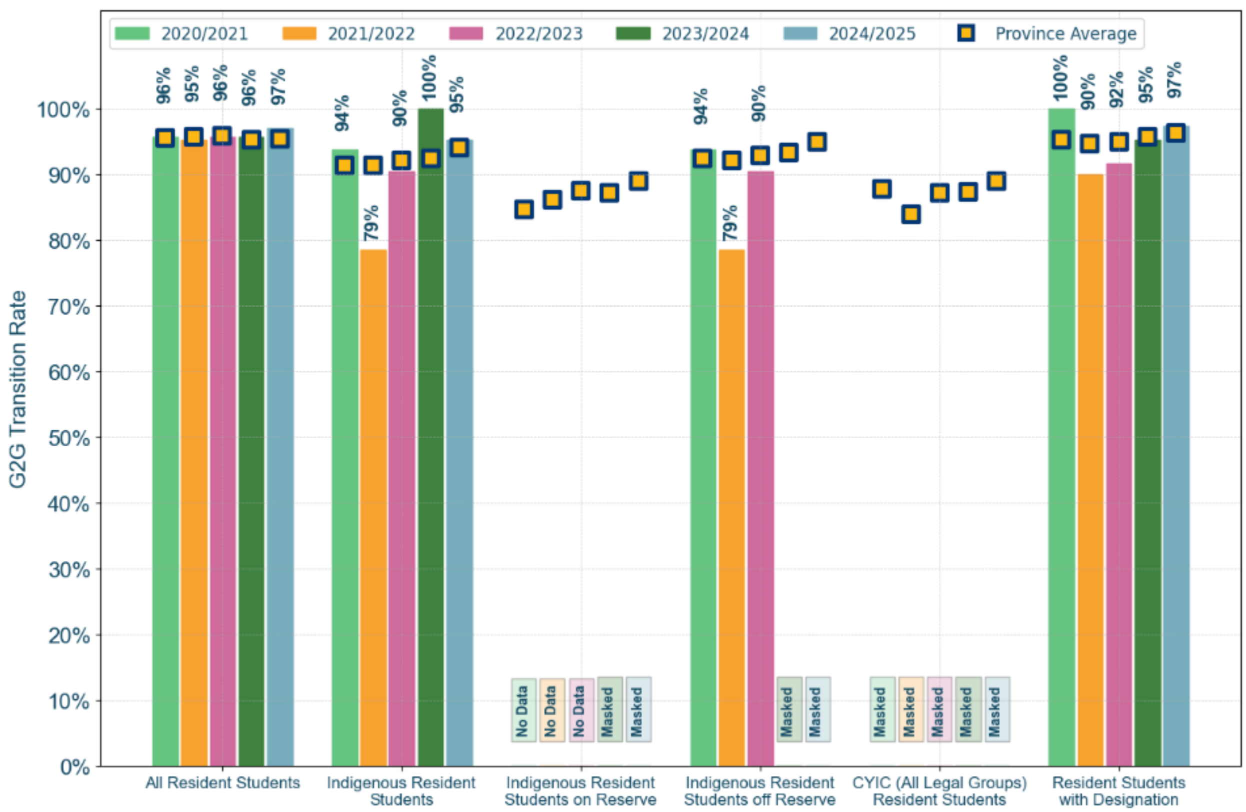


Measure 2.3: *Grade-to-Grade Transitions*

Grade 10 to 11 Transition - Cohort Count

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	118	148	138	139	134
Indigenous Resident Students	16	14	21	16	21
Indigenous Resident Students on Reserve	0	0	0	Masked	Masked
Indigenous Resident Students off Reserve	16	14	21	Masked	Masked
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	18	20	24	21	38

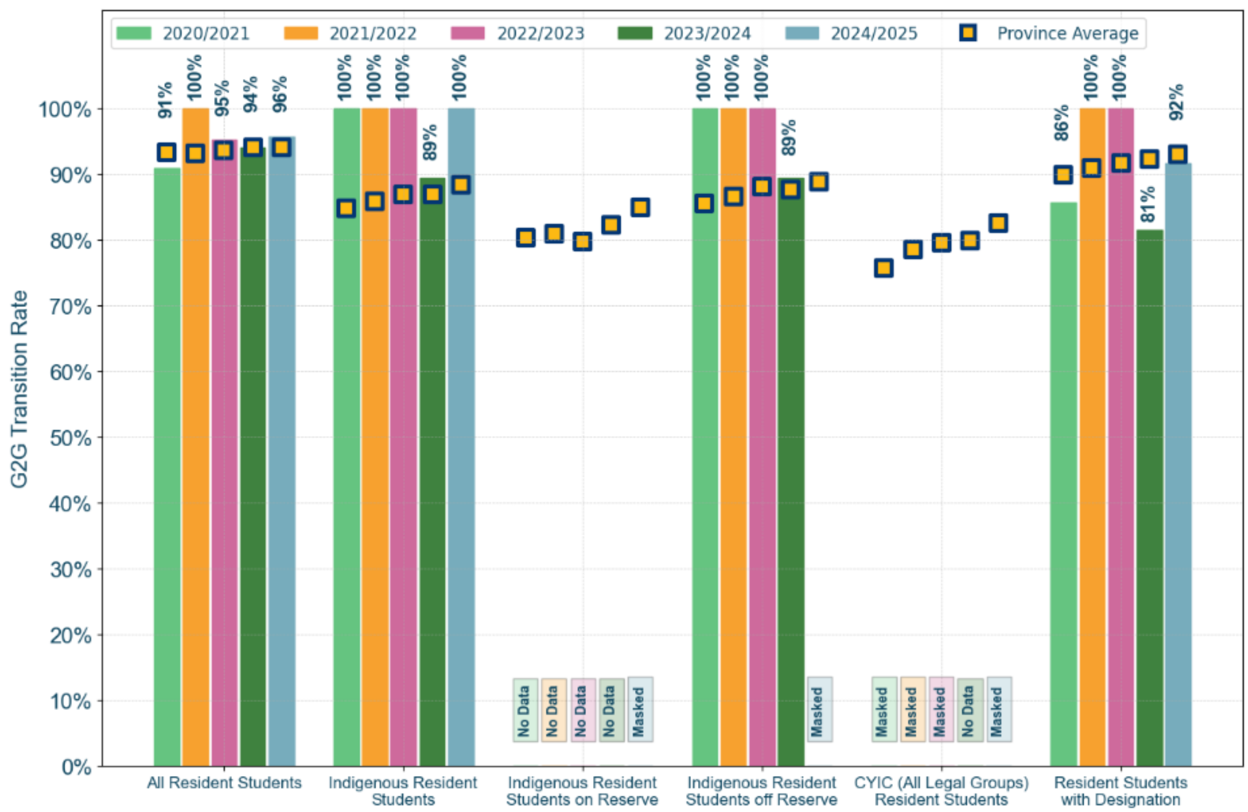
SD64 Grade 10 to 11 Transition Rate



SD64 Grade 11 to 12 Transition - Cohort Count

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	110	112	146	135	142
Indigenous Resident Students	12	16	13	19	19
Indigenous Resident Students on Reserve	0	0	0	0	Masked
Indigenous Resident Students off Reserve	12	16	13	19	Masked
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	0	Masked
Resident Students with Designation	14	16	23	27	24

SD64 Grade 11 to 12 Transition Rate



Intellectual Development | Review Data and Evidence

What areas for growth are affirmed or identified by the data review? Did anything surprising emerge from the date review?

- The significant improvement in Grade 4 literacy for all students, increasing from 71% to 80%, is an encouraging outcome and suggests that early literacy supports are positively impacting student learning.
- Numeracy achievement presents an important area for growth across grade levels. Grade 7 and 10 results indicate a need for targeted efforts to strengthen student understanding, confidence, and achievement in mathematics.
- Reducing achievement gaps for Indigenous students and students with designations remains a priority, particularly in Grade 7 literacy, Grade 10 literacy, and Grade 10 numeracy.
- Transition rates continue to be a strength. Grade 10 and Grade 11–12 transition rates remained stable, while the Grade 11 to 12 transition rate for students with designations increased substantially from 81% to 92%. This positive trend suggests that supports promoting student engagement and school completion are having a meaningful impact.

Intellectual Development | Respond to Results

What key strategic adjustments will be made based on the above areas for growth to improve learning outcomes for all students and enhance equity of outcomes for priority populations?

- Continue K–3 literacy screening and strengthen screening practices in Grades 4-8 through the Equity Tool, with school-based teams reviewing priority learners monthly and documenting timely instructional adjustments.
- Focus professional learning on quality, evidence-based instruction and assessment practices, with particular attention to literacy and numeracy across all grades.
- Use disaggregated data to identify, monitor and address equity gaps for Indigenous students, children and youth in care, and students with disabilities or diverse abilities, ensuring targeted supports are adjusted based on demonstrated impact.
- Establish two targeted Grade 8/9 intervention blocks focused on literacy and numeracy to provide additional support for students.

Human and Social Development

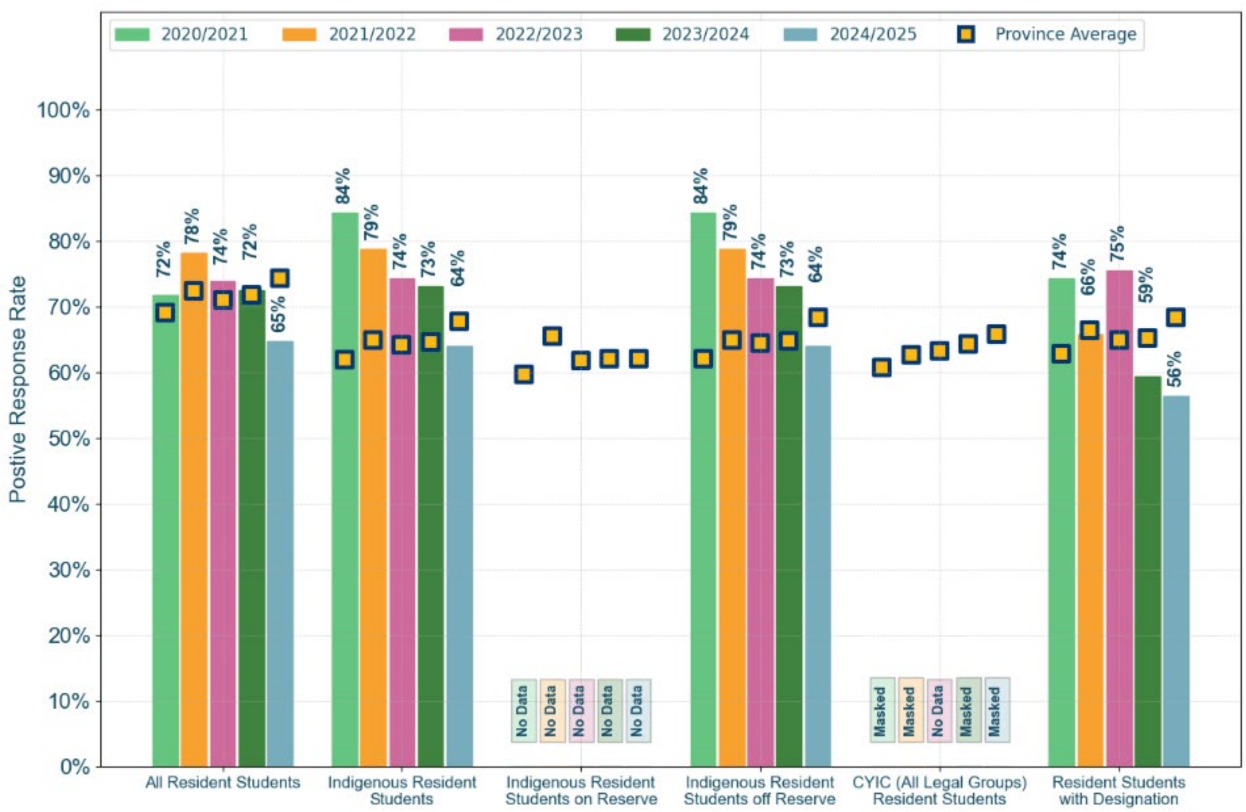
Educational Outcome 3: Feel Welcome, Safe, and Connected

Measure 3.1: *Students Feel Welcome and Safe, & Have a Sense of Belonging at School*

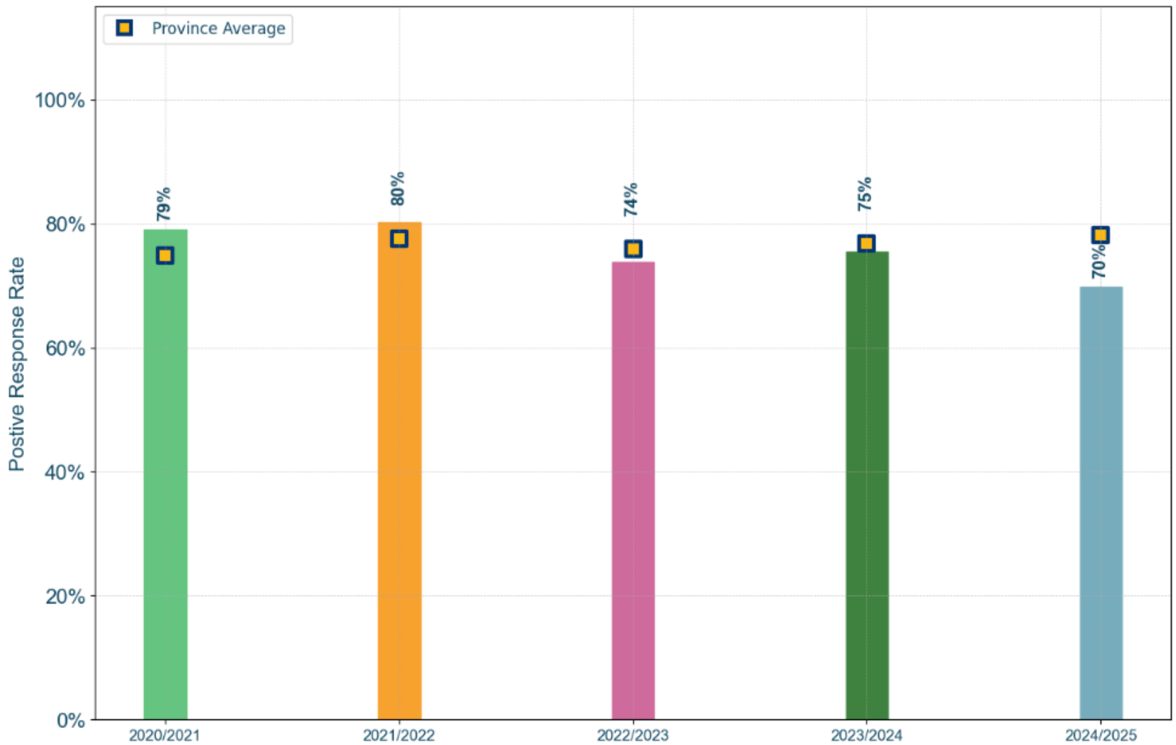
SD64 Learning Survey - Expected Count | Participation Rate for Grade 4, 7, and 10

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	336 | 86%	357 | 83%	375 | 85%	329 | 71%	345 | 83%
Indigenous Resident Students	38 | 84%	42 | 79%	53 | 77%	41 | 61%	53 | 81%
Indigenous Resident Students on Reserve	0	0	0	Masked	Masked
Indigenous Resident Students off Reserve	38 | 84%	42 | 79%	53 | 77%	Masked	Masked
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	42 | 81%	48 | 83%	66 | 77%	52 | 73%	82 | 73%

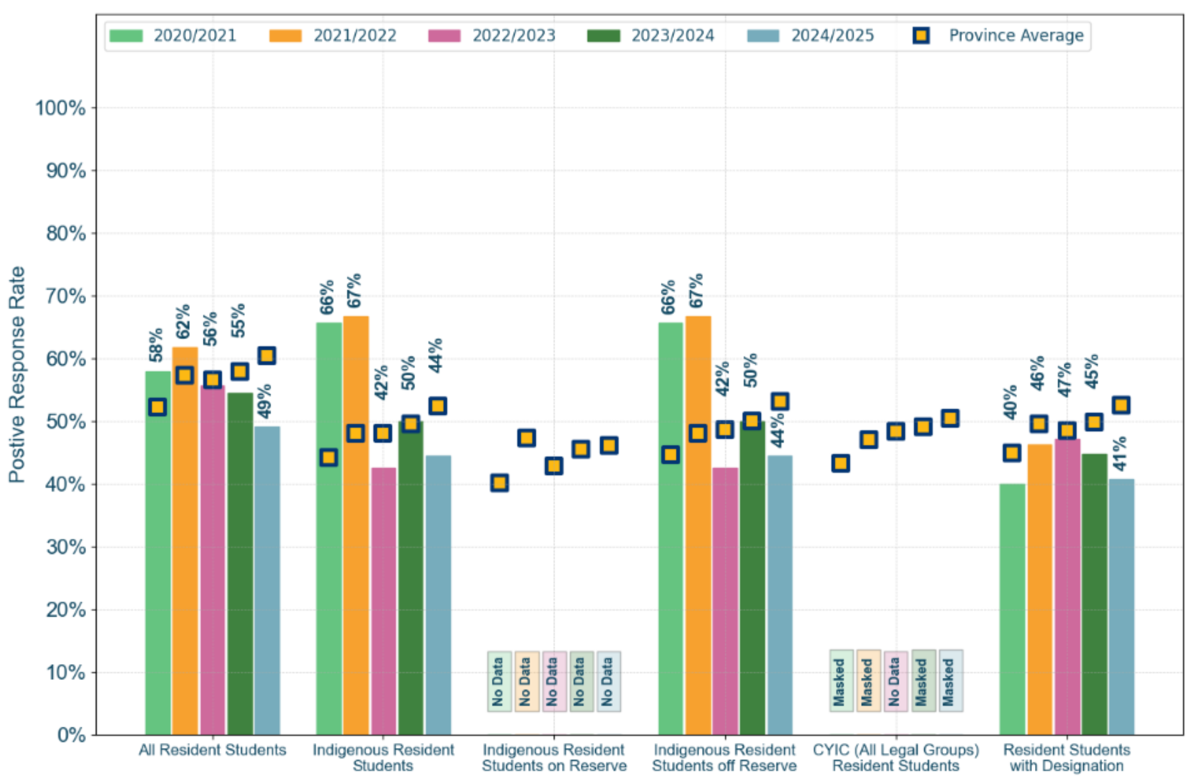
SD64 Feel Welcome - Positive Response Rate for Grade 4, 7, and 10



SD64 Feel Safe - Positive Response Rate for Grades 4, 7, and 10



SD64 Sense of Belonging - Positive Response Rate for Grades 4, 7, and 10



***Measure 3.2:** Students Feel that Adults Care About Them at School*

SD64 Two or More Adults Care - Positive Response Rate for Grades 4, 7, and 10

Human and Social Development | Review Results and Evidence

What areas for growth are affirmed or identified by the data review? Did anything surprising emerge from the data review?

- Student connectedness continues to be an important area of focus. Fewer students reported feeling welcome at school, highlighting an opportunity to strengthen all students' experiences of connection and inclusion.
- Student perceptions of safety present an area for growth. Results declined slightly, indicating a need to further build supportive, responsive, and safe learning environments where all students feel secure and valued.
- Strengthening students' sense of belonging continues to be a key priority. The results underscore the importance of fostering meaningful relationships, engagement, and school communities where every student feels a strong sense of connection and inclusion.
- The data reveals the importance of continuing to monitor and support the experiences of Indigenous students and students with designations, as these groups reported lower levels of feeling welcome and belonging than the overall student population.
- A positive finding was the increase in students reporting that two or more adults at school care about them. Results improved for all students, Indigenous students, and students with designations, with all groups exceeding provincial averages. This suggests that strong and growing relationships with caring adults continue to be a strength within schools and provide a positive foundation for student well-being and success.

Human and Social Development | Respond to Results

What key strategic adjustments will be made based on the above areas for growth to improve learning outcomes for all students and enhance equity outcomes for priority populations?

- Prioritize belonging and connection as district-wide improvement goals, using student voice, school-based evidence, and disaggregated survey data to guide planning and action at each school.
- Continue building adult capacity in social-emotional learning, emotional literacy, trauma-informed practice, and Compassionate Systems Awareness to support safe, caring, and inclusive learning environments. Student well-being is strengthened

when adult well-being is intentionally supported, reflecting the importance of reciprocal relationships throughout the school community

- Maintain and strengthen Child and Youth Care Worker, counselling, Indigenous education, and school-based team supports to ensure students have consistent access to caring adults and responsive interventions. For example, adjustments made to Indigenous Support Workers positions have been made to support and increase opportunities for local Indigenous applicants.
- Develop additional local measures of belonging and safety so the district can monitor whether current strategies are improving student experience between Ministry survey cycles.

Career Development

Educational Outcome 4: Graduation

Measure 4.1: *Achieved Dogwood within 5 Years*

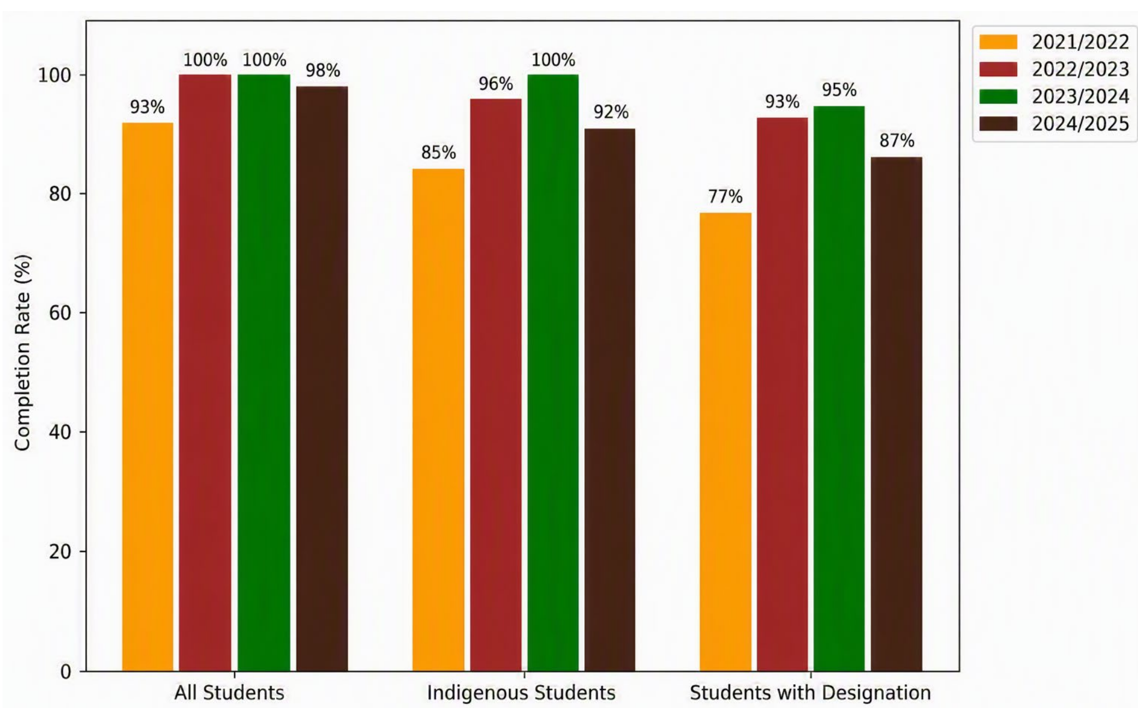
SD64 Completion Rate - Cohort Count | Outmigration Estimation

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
All Resident Students	121 | 11	116 | 13	114 | 14	151 | 17	144 | 14
Indigenous Resident Students	Masked	Masked	18 | 2	12 | 1	18 | 1
Indigenous Resident Students on Reserve	0	Masked	0	0	0
Indigenous Resident Students off Reserve	Masked	Masked	18 | 2	12 | 1	18 | 1
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	26 | 2	20 | 2	22 | 3	38 | 4	36 | 3

SD64 Five-Year Completion Rate| Dogwood + Adult Dogwood

SD64 Five-Year Completion Rate | Dogwood

SD64 Six-Year Completion Rate



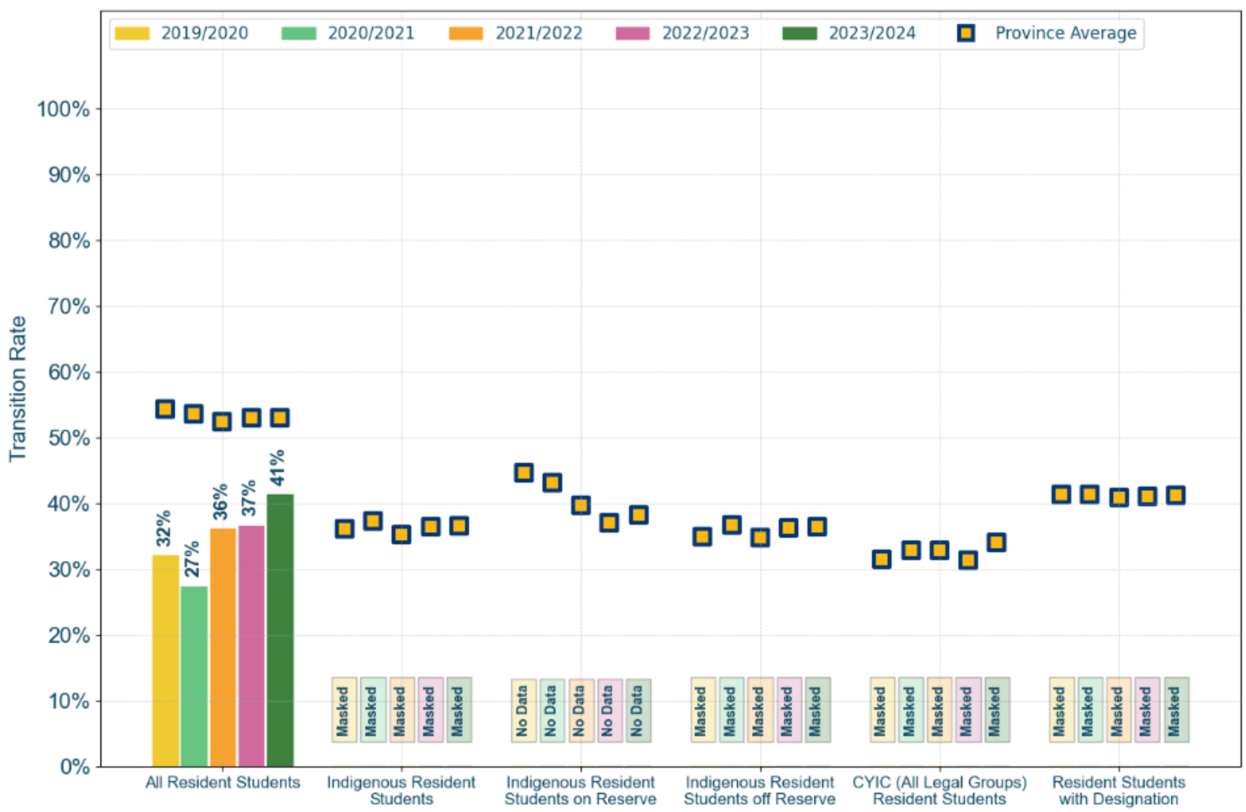
Educational Outcome 5: Life and Career Core Competencies

Measure 5.1*: Post-Secondary Transitions*

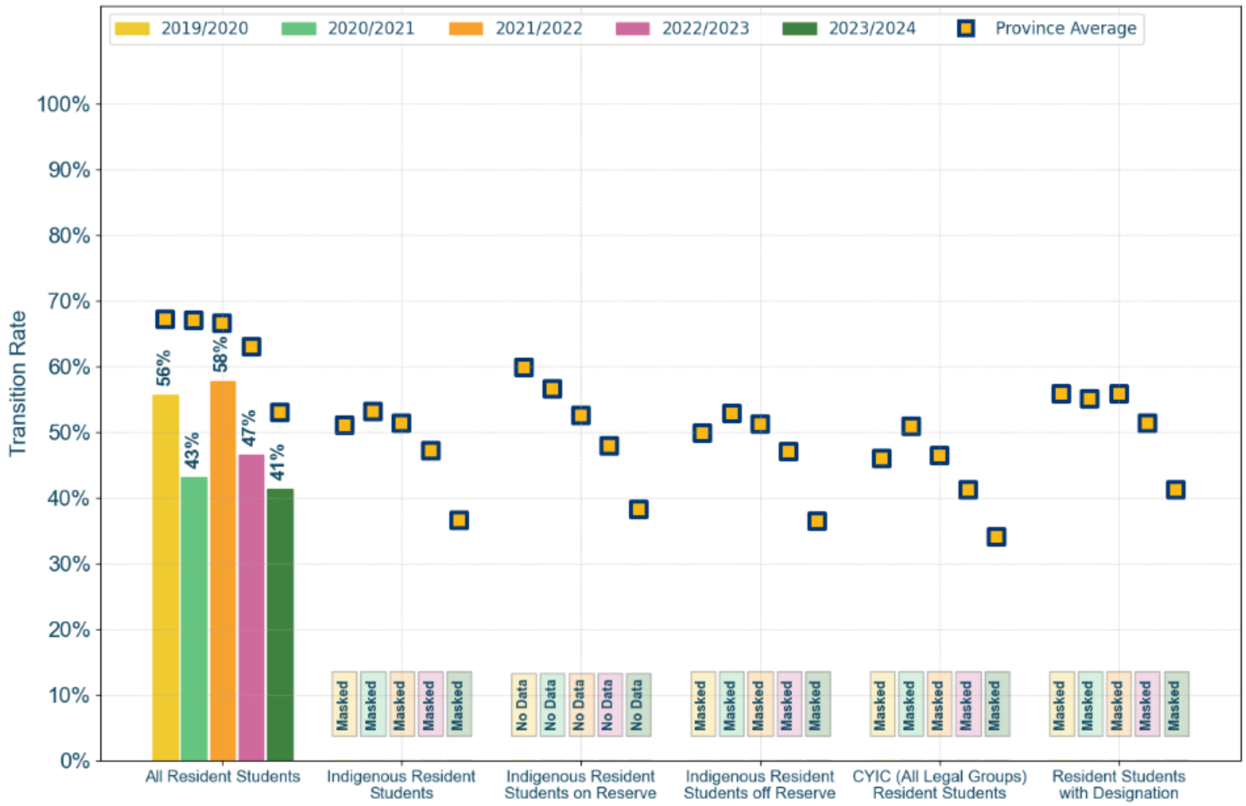
SD64 Transition to B.C. Post-Secondary Cohort Count

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
All Resident Students	106	95	97	101	121
Indigenous Resident Students	Masked	Masked	Masked	Masked	Masked
Indigenous Resident Students on Reserve	0	0	0	0	0
Indigenous Resident Students off Reserve	Masked	Masked	Masked	Masked	Masked
CYIC (All Legal Groups) Resident Students	Masked	Masked	Masked	Masked	Masked
Resident Students with Designation	Masked	Masked	Masked	Masked	Masked

SD64 Immediate Transition to B.C. Post-Secondary



SD64 Transition to B.C. Post-Secondary Within 3 Years



Career Development |Review Data and Evidence

What areas for growth are affirmed or identified by the data review? Did anything surprising emerge from the data review?

- Five-year completion rates for all students continue to be a strength, increasing from 86% in 2023/24 to 89% in 2024/25.
- Indigenous student completion data highlights an important area for continued focus. The results provide valuable information to support ongoing efforts to improve outcomes and ensure student success.
- Students with designations demonstrated encouraging progress in 5-year completion rates, increasing from 68% to 70%.
- The district continues to see a strong tradition of graduates pursuing post-secondary opportunities across Canada, including universities and colleges in eastern Canada. Because students must leave home to attend post-secondary institutions, whether in British Columbia or elsewhere, many appear to choose out-of-province options. As a result, immediate transition rates to BC post-secondary institutions do not fully reflect the number of graduates continuing their education after high school. There is currently no tracking system in place to identify students attending institutions outside British Columbia.
- Immediate transitions to BC post-secondary institutions increased from 37% to 41%, suggesting that more graduates are pursuing post-secondary opportunities in province directly after graduation.

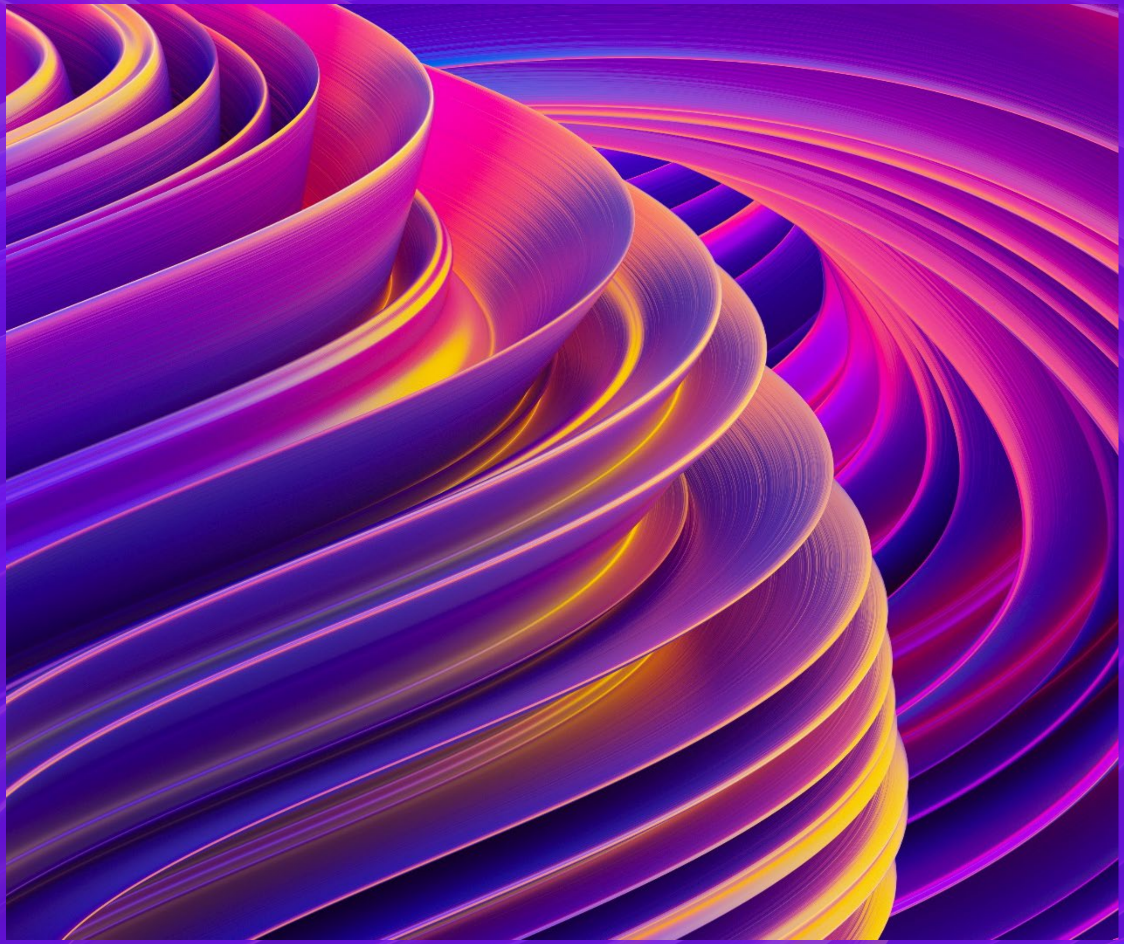
Career Development |Respond to Results

What key strategic adjustments will be made based on the above areas for growth to improve learning outcomes for all students and enhance equity outcomes for priority populations?

- Continue early identification and individualized tracking for students at risk of not completing within five years, with particular focus on Indigenous students and students with disabilities or diverse abilities.
- Strengthen transition planning from Grades 10–12 through regular reviews of course completion, graduation requirements, attendance, engagement, and post-secondary or career goals.

- Expand career learning across K–12, including place-based, community-connected, and experiential learning opportunities that help students connect strengths, identity, interests, and future pathways.
- Improve local tracking of graduates who pursue post-secondary education outside British Columbia to better understand actual transition patterns and identify supports that may increase successful pathways.
- Review the quality and coherence of the Dogwood experience by gathering student feedback on preparedness for life after graduation and using findings to refine secondary programming.

School District No. 64 (Gulf Islands)



Audit Findings Report
for the year ended June 30, 2026

KPMG LLP

Prepared for the meeting on September 16, 2026

kpmg.ca/audit

KPMG contacts

Key contacts in connection with this engagement

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Lead Audit Engagement Partner

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Executive Director

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Table of contents

The purpose of this report is to assist you, as a member of Audit Committee and Board of Trustees, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee and the Board of Trustees and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Digital use information

This Audit Findings Report is also available as a "hyper-linked" PDF document.

If you are reading in electronic form (e.g. In "Adobe Reader" or "Board Books"), clicking on the home symbol on the top right corner will bring you back to this slide.

Click on any item in the table of contents to navigate to that section.

Audit highlights

No matters to report

Matters to report – see link for details

Status

We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.

Significant changes

Significant changes since our audit plan

- There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

Risks and results

Significant risks

- No other risks were identified beyond those required by professional standards - presumed risk of management override of controls

Other risks of material misstatement

- Tangible capital assets
- Revenue
- Procurement
- Payroll expenses and liabilities

Going concern matters

Uncorrected misstatements

Uncorrected misstatements

We identified one misstatement that was communicated to management and remains uncorrected in the financial statements. Consistent with prior years and with many BC School Districts, the statement of operations presents the amended budget instead of annual budget.

Corrected misstatements

Corrected misstatements

There were no corrected misstatements.

Control deficiencies

Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

Policies and practices & Specific topics

Significant unusual transactions

Accounting policies and practices

Other financial reporting matters

Status

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Board of Directors;
- Obtaining evidence of the Board’s approval of the financial statements;
- Obtaining a signed management representation letter;
- Completing subsequent event review procedures up to the date of the Board’s approval of the financial statements; and
- Reporting to the Office of the Auditor General for the purposes of reliance on our audit opinion in the audit of the summary financial statements of the Province.

We will update the Board on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Auditor's Report on Compliance Framework

Auditor's Report on Compliance Framework

The financial statements are prepared under Canadian Public Sector Accounting standards ("PSAS"), supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

These regulations direct the School District to apply Public Sector Accounting Standards (PSAS), except in regard to accounting for restricted contributions. Under the regulations, capital contributions are deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS.

As a result, the School District's revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.

Our procedures and results

- The notes to the financial statements appropriately describe the basis of accounting applied in the preparation of the financial statements as PSAS supplemented by the requirements of BTAA.
- The auditor's report includes an Emphasis of Matter section related to the Special Purpose Financial Reporting Framework. Specifically, that the financial statements are required to be prepared under Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia (the "Province").

Significant risks and results

Fraud risk from management override of controls

This is a presumed fraud risk in accordance with Canadian Auditing Standards. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Our Response

Our procedures included:

- testing of journal entries and other adjustments
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Significant findings

- We noted no issues as a result of our testing.

Other risks of material misstatement and results

Revenue

Our procedures and results

- We updated our understanding of the process activities and controls over revenue, deferred revenue and unearned revenue.
- We obtained a confirmation from the Ministry for the funding provided in the 2026 fiscal year and agreed the operating grants to the amount of revenue recognized.
- We agreed the special purpose funding received and recorded in deferred revenue to the confirmation received from the Ministry.
- We confirmed the capital grants received to confirmation from the Ministry of Infrastructure and agreed the amounts to capital funds reported in the financial statements.
- We developed an expectation for other revenue based on prior year actual and compared our expectation to the actual amount recorded and obtained supporting documentation for any significant variances noted.

We noted no issues as a result of the procedures performed.

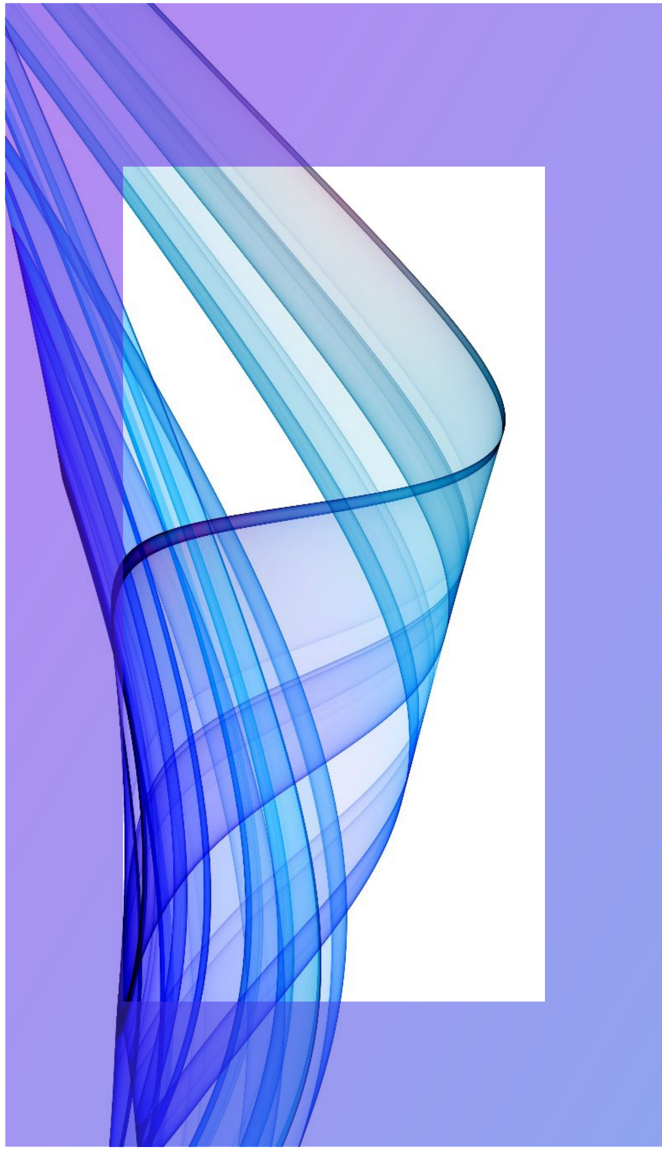
Procurement

Our procedures and results

- We updated our understanding of the process activities and controls over expenses, payables and accrued liabilities.
- We selected a requisition for the purchase of goods and services greater than $500,000 and evaluated the District's compliance with its procurement policies and procedures and the Province of BC's Core Policy and Procedures Manual.
- We performed substantive analytical procedures over expenses by object and by function relative to prior year, obtained an understanding of the variances noted and corroborated significant variances by reviewing supporting documentation.
- We selected a sample of payments made, trade payables recorded and invoices received subsequent to year-end to assess if they were recorded in the appropriate fiscal year.

We noted no issues as a result of the procedures performed.

Other risks of material misstatement and results



Tangible capital assets and deferred capital revenue

Our procedures and results

- During the year, capital additions were $2.27 million, across buildings, furniture and equipment, vehicles, computer and assets under construction that are not yet ready for use.
- Capital grants of $1.8 million were received from the Ministry of Infrastructure.
- The School District also recognized $0.5 million of work in progress capital additions for the hydrofield infrastructure being managed by Capital Regional District.

- We updated our understanding of the process activities and controls over tangible capital assets and deferred capital revenue, including the approval and related review processes for capital expenditures to ensure they are consistent with approved budgets and board approvals.
- We selected a sample of additions for testing and inspected the supporting invoices to determine if the amount recognized agreed to amounts paid, was capital in nature, and eligible per the funding sources.
- We evaluated management's assessment of asset retirement obligations based on actual remediation activity during the year and estimated cost escalation over time.
- We performed a reasonability assessment of amortization expense based on prior year actual amortization expense.

- We confirmed capital revenue received and recognized during the year with the Ministry of Infrastructure to assess if amounts are appropriately restricted and accurately recorded.
- We performed a reasonability assessment of the amortized deferred capital contributions recorded during the year based on its correlation to amortization of tangible capital assets.
- We recommend the School District continue to perform a regular evaluation of the cost to remediate asset retirement obligations and update the liability at least annually to consider both an estimate of cost escalation and actual remediation cost.

We noted no other issues as a result of the procedures performed.

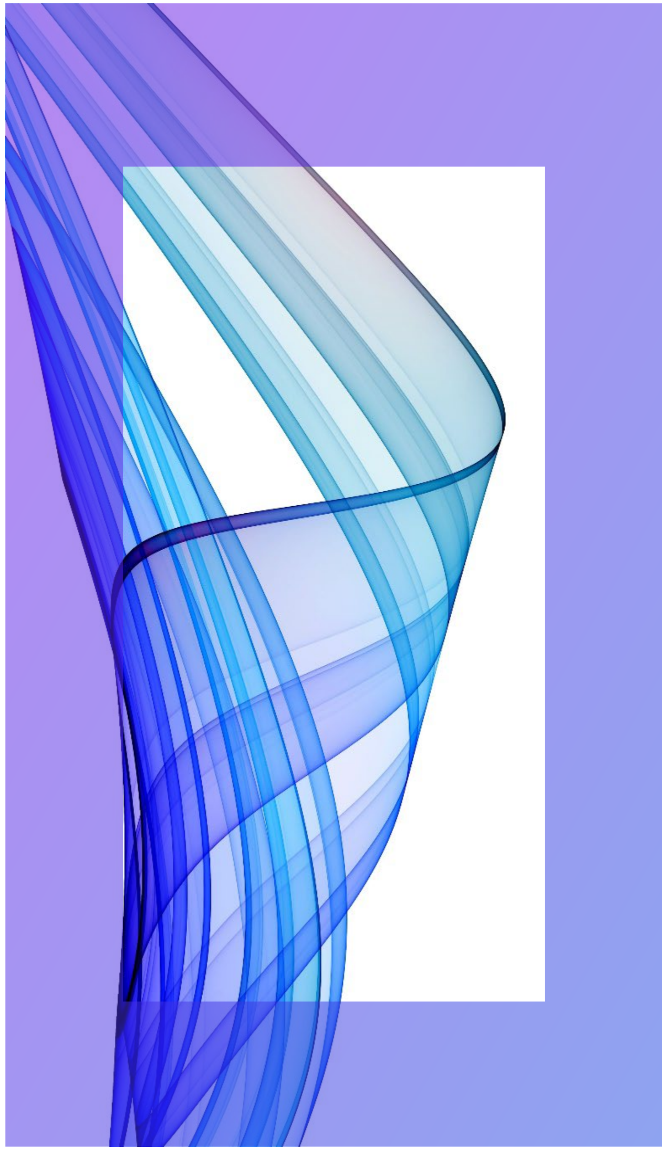
Other risks of material misstatement and results

Payroll expenses and liabilities

Our procedures and results

- We updated our understanding of the process activities and controls over employee salaries and benefits expense.
- We performed analytical procedures for salaries and benefits expense based on approved amended budget.
- We obtained the valuation report for employee future benefits performed by Mercer as at March 31, 2026, and management's projection to June 30, 2026.
- We reviewed the assumptions used by management and agreed them to the Actuary's report.
- We reviewed financial statement presentation, including related note disclosure and confirm that it is in accordance with PSAB guidelines.

We noted no other issues as a result of the procedures performed.



Control deficiencies

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.

Significant accounting policies and practices

Initial selection of significant accounting policies and practices

There have been no initial selections of accounting policies and practices.

Description of new or revised significant accounting policies and practices

There have been no new or revised significant accounting policies and practices.

Significant qualitative aspects

No matters to report.

Appendices

1. Required communications
2. Management representation letter
3. Audit Quality
4. Independence
5. Current developments
6. Changes to auditing standards
7. Thought leadership and insights

Appendix 1: Required communications

Auditor's report	Management representation letter
Refer to the draft report attached to the financial statements.	A copy of the management representation letter is attached.

Appendix 2: Management representation letter

Please see the following pages for a draft copy of the management representation letter

KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria, BC V8W 3Y7
Canada

September 16, 2026

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of School District No.64 (Gulf Islands) (“the Entity”) as at and for the period ended June 30, 2026.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in Attachment I to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated August 25, 2025, including for:
  - the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - providing you with unrestricted access to such relevant information.

    - providing you with complete responses to all enquiries made by you during the engagement.
    - providing you with additional information that you may request from us for the purpose of the engagement.
    - providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
    - such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
    - ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
    - ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the Entity, did not intervene in the work the internal auditors performed for you.

Internal control over financial reporting:

- We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- We have disclosed to you:
    - the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
    - all information in relation to fraud or suspected fraud that we are aware of that involves:
        - management;
        - employees who have significant roles in internal control over financial reporting; or
        - others where such fraud or suspected fraud could have a material effect on the financial statements.
    - all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
    - all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
    - all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

Related parties:

- We have disclosed to you the identity of the Entity's related parties.
- We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

Estimates:

- The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

Misstatements:

- The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Non-SEC registrants or non-reporting issuers:

- We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

____

Jesse Guy, Secretary Treasurer

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;

b) information regarding a material item, transaction or other event is scattered throughout the financial statements;

c) dissimilar items, transactions or other events are inappropriately aggregated;

d) similar items, transactions or other events are inappropriately disaggregated; and

e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II – Summary of Audit Misstatements Schedule(s)

Uncorrected audit misstatements

The Public Sector framework requires the statement of operations and statement of changes in net debt present a comparison of the results for the accounting period with those originally planned. Management presented the Amended Annual Budget as the basis for this comparison. The original annual budget has been included in the notes to the financial statements, which provides information related to the differences between the original and amended budget. It is expected that the budget figures may change significantly between the original and amended budget as enrollment figures and Ministry funding is confirmed. The presentation difference is not considered material to the financial statements given that the original annual budget information is provided in the notes to the financial statements.

Appendix 3: Audit quality - Our commitment to delivering audit quality

We define '**audit quality**' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics** and **integrity**.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:

KPMG Canada Transparency Report

Appendix 3: Audit quality: How do we deliver audit quality?

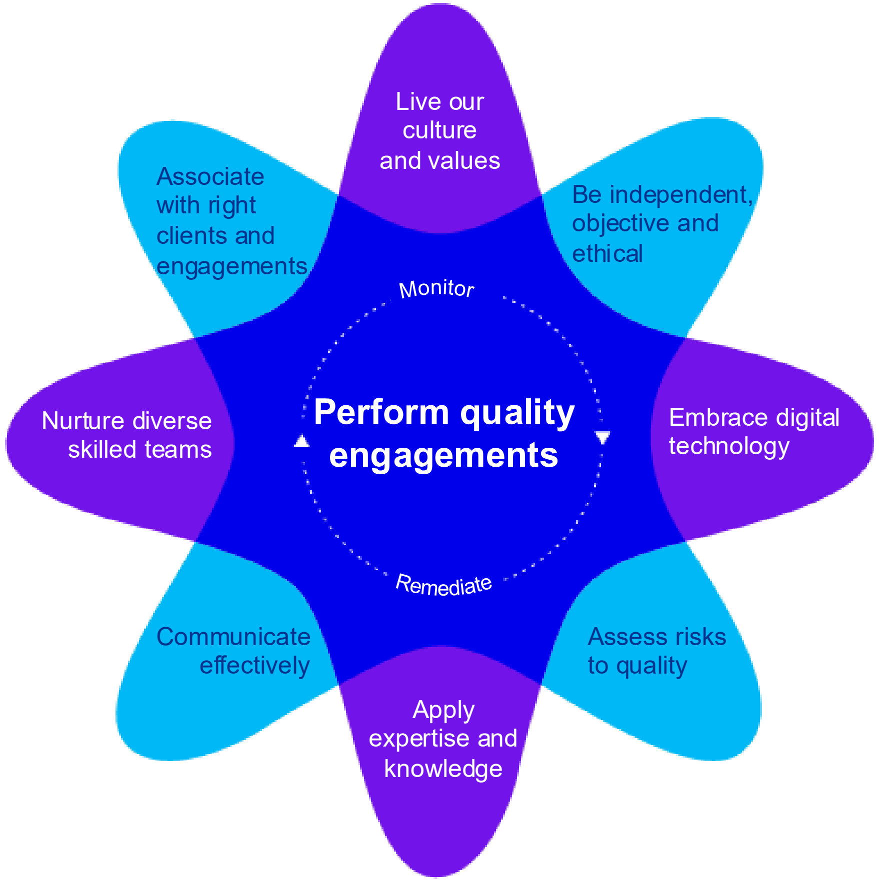
Quality essentially means doing the right thing and remains our highest priority.

We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.

- **'Perform quality engagements'** sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.
- Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

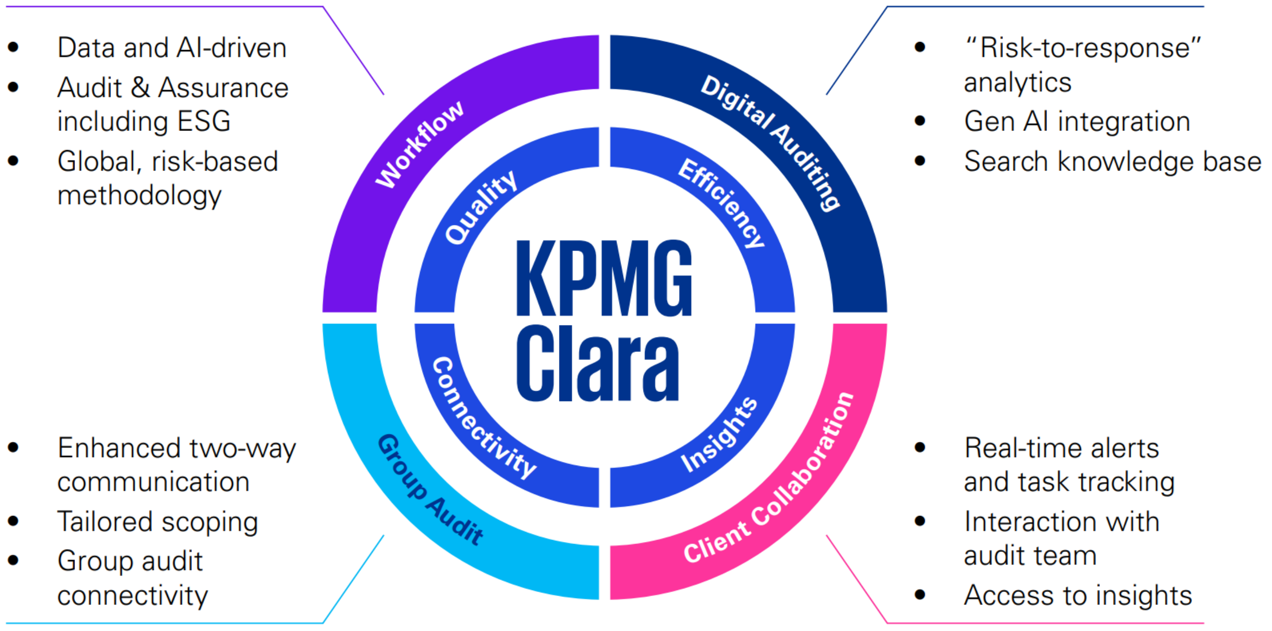


Doing the right thing. Always.

Appendix 3: Audit quality - The KPMG Audit

Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.



- Methodology aligned with professional standards, laws and regulations
- Standardised methodology and guidance
- Deep technical expertise and knowledge
- Quality and risk management policies

- Meeting the applicable standards, including International Standards on Auditing (ISA), standards issued by the Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA) – supplemented by KPMG firms to comply with additional local auditing standards and regulatory or statutory requirements.
- Identifying risks of material misstatements and the necessary audit response.

Appendix 4: Independence

As a firm, we are committed to being and being seen to be independent. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada("CPA code") that are relevant to audits of financial statements of non-listed entities; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA independence rules") that are relevant to audits of financial statements of non-public interest entities.

The following processes and procedures have been established by the firm to ensure independence is maintained:

- Dedicated ethics & independence partners
- Process for reporting breaches of professional standards and policy, and documented disciplinary policy
- Ethics, independence and integrity training for all staff
- International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest
- Operating polices, procedures and guidance contained in our quality & risk management manual
- Mandated procedures for evaluating independence of prospective audit clients
- Restricted investments and relationships
- Annual ethics and independence confirmation for staff

Statement of Compliance

We confirm that, as of the date of this communication, **we are in compliance** with relevant ethical requirements regarding independence in Canada.

Appendix 5: Current developments

Accounting standards

Conceptual Framework for Financial Reporting in the Public Sector

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.
- The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

Financial Statement Presentation

Effective for years commencing on or after April 1, 2026 with early adoption permitted.

- The proposed section PS 1202 *Financial statement presentation* will replace the current section PS 1201 *Financial statement presentation*. PS 1202 *Financial statement presentation*.
- The proposed section includes the following:
  - Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.
  - Separating liabilities into financial liabilities and non-financial liabilities.
  - Restructuring the statement of financial position to present total assets followed by total liabilities.
  - Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).
  - Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.
  - A new provision whereby an entity can use an amended budget in certain circumstances.
  - Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.

Example of a Typical Implementation Approach

Phase 1

- Understand the existing financial reporting processes.
- Examine chart of accounts and trial balance.
- Review accounting policy.
- Gap assessment and implementation plan.

Phase 2

- Data gathering and financial data analysis.
- Budget and performance reporting.
- System and software impacts.
- Implementation and compliance adjustments

Appendix 5: Current developments (continued)

Accounting standards (continued)

Employee Benefits

Effective for years commencing on or after April 1, 2029 with early adoption permitted.

- The Public Sector Accounting Board has issued a new standard PS 3251 *Employee benefits* which will replace the current sections PS 3250 *Retirement benefits* and PS 3255 *Post-employment benefits, compensated absences and termination benefits*.
- The standard uses principles from International Public Sector Accounting Standard 39 *Employee benefits* as a basis for the Canadian standard.
- The standard results in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position.
- The standard also requires that fully funded post-employment benefit plans use a discount rate based on the expected market-based return of plan assets and underfunded plans use a discount rate based on the market yield of government bonds, high-quality corporate bonds or another appropriate financial instrument. A simplified approach to determining a plan's funding status is provided.
- The standard also requires that:
  - Deferral provisions – Remeasurement gains and losses are presented as part of accumulated remeasurement gains and losses.
  - Valuation of plan assets – Upon adoption, public sector entities may continue to recognize non-transferable financial instruments balances that meet the definition of plan assets under existing PS 3250 guidance. This transitional provision does not permit the recognition of additional amount after adoption that do not meet the revised definition of plan assets.
  - Joint defined benefit plans – Defined benefit accounting is used for measurement of the proportionate share of the plan, instead of previously proposed multi-employer plan accounting which permitted accounting based on defined contribution concepts where insufficient information exists to use defined benefit accounting.
  - Disclosure of other long-term employee benefits and termination benefits – The standard does not include prescriptive disclosure requirements for other long-term employee benefits and termination benefits.
- The standard's guidance will be applied retroactively, with or without prior period restatement.

Appendix 5: Current developments (continued)

Accounting standards (continued)

Intangible Assets

Proposed to be effective for years commencing on or after April 1, 2030 with early adoption permitted.

- The Public Sector Accounting Standards Board has issued proposed new standard PS 3155 *Intangible Assets* which would replace Public Sector Guideline 8 *Purchased Intangibles*.
- The standard will include foundational guidance on acquired and internally generated intangibles. It excludes intangible assets addressed in other public sector accounting standards and other intangible items such as exploration and extraction costs for non-renewable resources or intangible assets related to insurance contracts.
- The definition of "intangible assets" requires an intangible resource to be separate and identifiable from goodwill. It also requires that the entity has control over the intangible resource, future economic benefits flow from the intangible resource, and the intangible resource is the result of a past transaction and/or other events.
- Internally generated goodwill is not permitted to be recognized as an asset.
- An intangible resource is recognized when it meets the definition of an intangible asset and the asset's cost can be measured in a faithfully representative way. The generation of the asset is classified into a research phase and a development phase. Expenditures from the research phase of an internally generated project are expensed. An intangible asset arising from the development phase can be recognized if it meets certain requirements.
- Intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired through a non-exchange transaction are measured at fair value as of the date it is acquired.

Cloud Computing Arrangements

- As part of its intangible assets project, the Public Sector Accounting Standards Board is also developing guidance on cloud computing arrangements. To ensure the development of this accounting guidance reflects current practices and needs, a survey was used to gather insights. The survey will inform the Public Sector Accounting Board about the types of cloud computing arrangements being encountered, magnitude of costs, key arrangement terms, current accounting policies and unique challenges in practice.

Appendix 6: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards - see Current Developments

Effective for periods beginning on or after December 15, 2024

ISA 260/CAS 260

Communications with those charged with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

ISA 700/CAS 700

Forming an opinion and reporting on the financial statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.

Appendix 7: Thought leadership and insights

Half of Public Servants Turn to AI Raising Risks

KPMG survey finds public sector unready for AI, low literacy, need for digital sovereignty.

While less than a quarter (**22 per cent**) of Canadian public sector organizations have adopted artificial intelligence (AI), half of the public servants who use AI in their jobs rely on publicly available AI tools, exposing governments to potential risks including data privacy and security breaches, intellectual property theft and exposure to biased or inaccurate information that can lead to legal and ethical issues, finds a new KPMG in Canada research.

Click here for more information

Intelligent Government

The emergence of generative AI, alongside advanced autonomous and agentic systems, is transforming how government and the public sector innovate and operate. Our findings reveal an actionable blueprint for governments and organizations aiming to leverage AI's potential to drive efficiency, reduce time-to-market and improve patient outcomes. This report provides insights into how they can take a value-based approach to AI that helps to accelerate innovation, unlock new growth opportunities, and maximize the impact of their AI investments.

Click here for more information

KPMG 2025 Canadian CEO Outlook

Our 2025 CEO Outlook survey reveals a compelling paradox: Canadian CEOs are increasingly confident in the growth of their companies and industries, yet their optimism about the Canadian and global economies is waning.

Despite the evolving pressures, CEOs alike are proactively focusing on making their organizations more resilient to external shocks. They are not just reacting to changes, but are actively seeking ways to mitigate external risks, improve productivity and optimize revenue.

Click here for more information

Responsible AI Adoption in Canada's Public Sector

Artificial intelligence is no longer a future concept in Canada's public sector – it is already being used daily by public servants. Recent KPMG in Canada research in 2025 fall reveals a widening gap between bottom-up AI usage and top-down readiness: while fewer than one-quarter of public sector organizations have formally adopted AI, nearly half of public servants are already using AI tools in their work, with half relying on publicly available platforms.

Click here for more information

Accelerate

The Canadian business landscape is experiencing profound interconnected geopolitical, technological and sustainability challenges which are causing compound impacts on the balance sheet. The audit Council's role in stewarding their organization towards increased productivity, resilience, and growth has never been more essential.

Our *Accelerate* series strives to provide audit Councils with actionable insights and clear guidance for navigating through these interconnected challenges.

Click here for more information

Appendix 7: Thought leadership and insights (continued)

Generative AI Boom Among Canadian Students Raises Dilemmas

More than seven in 10 Canadian students (73 per cent) now rely on generative artificial intelligence (AI) for their schoolwork, up sharply from 59 per cent in 2024 and 52 per cent two years ago, finds a new KPMG in Canada survey. The surge in popularity poses fresh dilemmas for educational institutions because the research also shows that generative AI is being used to avoid critical thinking, with nearly half (48 per cent) saying that their critical thinking skills have deteriorated since they started using it.

Click here for more information

On the 2025 Higher Education Audit Committee Agenda

Audit committees can expect their institution's reporting, compliance, risk, and internal control environment to be put to the test in 2025. We recommend they consider six objectives as they carry out their agendas.

Click here for more information

Generative AI and the Future of Education

As generative artificial intelligence (AI) tools and platforms proliferate, students are increasingly applying them to school tasks. KPMG's Generative AI and the future of education report indicates that six out of 10 higher education students (59 per cent) already use this technology – up from 53 per cent last year. As generative AI improves and continues to find its way into day-to-day and educational settings, adoption rates will only escalate.

Click here for more information

Appendix 7: Thought leadership and insights (continued)

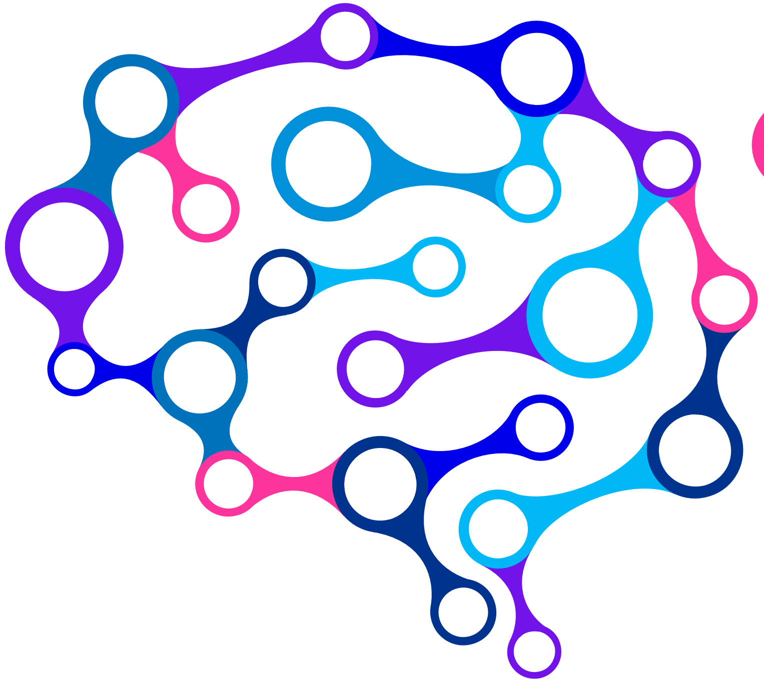
Our latest thinking on the issues that matter most to Boards, Councils and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit Councils and Boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities.



Sustainability Reporting

Resource centre on implementing the new Canadian reporting standards.

Audit Council Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit Council effectiveness in Canada.

Appendix 5: Thought leadership and insights (continued)

Where are Finance Teams adopting AI

Finance's role as a business partner has put them an ideal position to lead enterprise adoption

Generating commentary

Reduce the time and effort needed to create recurring materials required for financial reporting, business reviews, management reports, and board meetings.

Generating strategic insights

Partner with other functions to provide insights across the business. Use finance's position to inform strategic decisions and solve problems with pricing, performance, and benchmarking metrics.

Managing contracts

Generative AI tools can draft contracts with preferred term and prioritize contract reviews based on deviations from standard terms and conditions.

Forecasting & budgeting

Integrating predictive models, creating scenarios, and generating insights on potential financial outcomes.

Collecting marketing intelligence

Powerful research tool able to find and synthesize public data to generate insights on markets, competitors, and customers.

Detecting anomalies

Generative AI shows promise as a tool for detecting errors and potential fraud. It can compare new data with past patterns to identify anomalies.

AI naturally aligns to CFO's existing responsibilities related to business strategy, digital transformation, and risk management

Appendix 5: Thought leadership and insights (continued)

AI brings Risks as well as Opportunities

Internal Risks & Considerations

Breaking Confidentiality

Many Generative AI models are built to absorb user-inputted data to improve the model over time. This could lead to exposure of key confidential information

Employee Misuse and Inaccuracies

Models generate responses based on input, so there is a risk of providing false or malicious content. Employees need to be cautious and review AI-generated content with a critical

Talent Implications

Professionals need to be made aware of their role in training and evolving the solution as high- quality output can only be achieved through high- quality, expert queries

Policies and Regulations

As the world's understanding of AI evolves, more policies and regulations will be brought upon by regulators which in turn need to be complied with

External Risks & Considerations

Misinformation, Bias and Discrimination

The model could generate a response containing inappropriate information or language. In cases where the model does not have an accurate response, it may 'hallucinate' with a false response.

Financial, Brand & Reputational Risk

Copying AI-produced information or code into any deliverable or product could constitute copyright infringement leading to legal and reputational harm

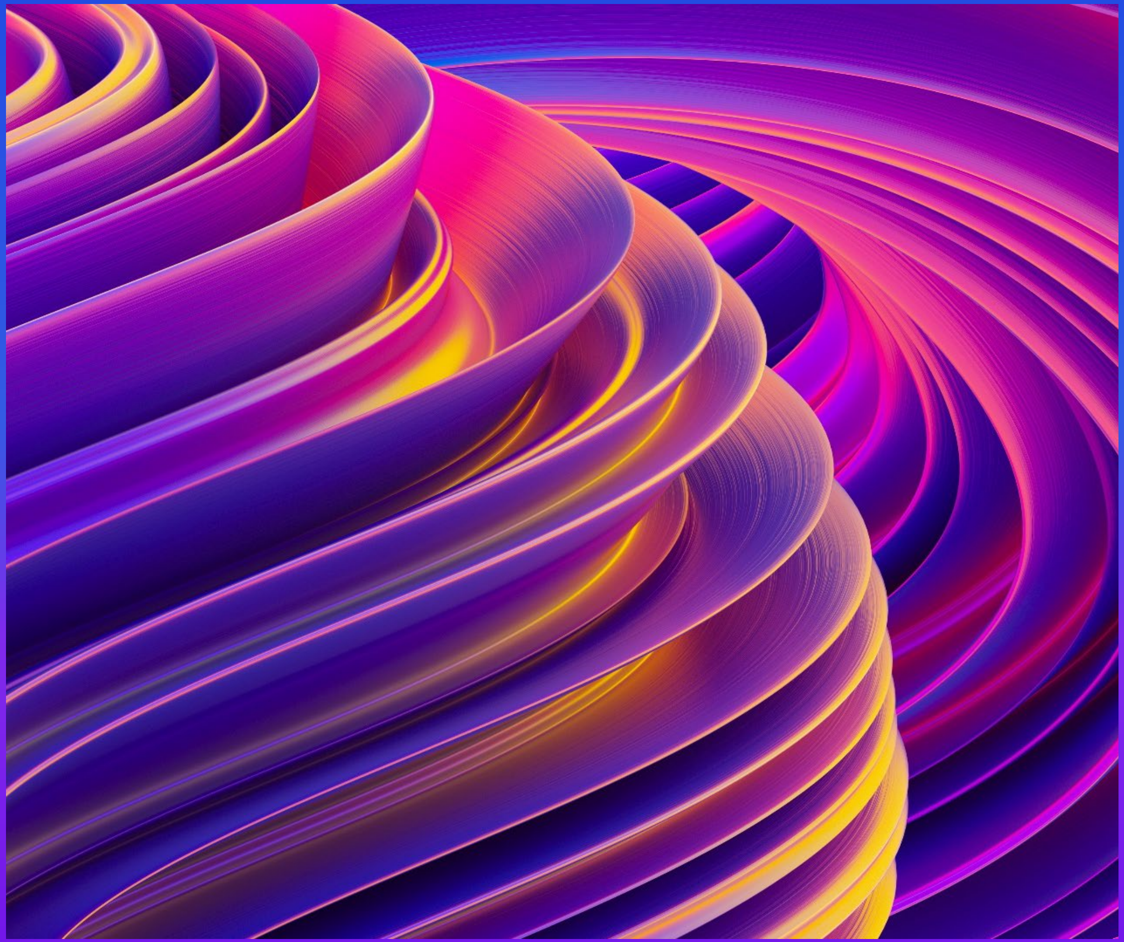
Intellectual Property and Copyright

Risks in copyright includes the potential creation of unauthorized plagiarized content, leading to infringement and violations of intellectual property rights

Cybersecurity

Generative AI models could be trained and employed for many cybersecurity attacks such as phishing scams, malware, data poisoning etc.

kpmg.ca



Financial Statement Discussion & Analysis

2025-2026

GULF ISLANDS
SCHOOL
DISTRICT 64

Financial Statement Discussion & Analysis
For the Year Ended June 30, 2026

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2026. It serves as 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 report is intended to be read alongside the School District's financial statements.

Contents

Overview of the District

Gulf Islands School District encompasses nine schools located across the islands of Galiano, Mayne, Pender, Salt Spring, and Saturna. Students often commute to school via water taxis and buses, with the majority residing on Salt Spring Island, the largest island in the district. During the 2025/26 school year, the district served 1,448 local students on a full-time equivalent (FTE) basis. Of these students, 159 identified as having Indigenous ancestry and were supported through the Indigenous Education Program. A further 116 students participated in the Early and Late French Immersion Program from Grades 6 to 11.

The district operates under the Board's Strategic Direction, which focuses on four priorities: Truths, Reparation, and Restoration; Integrity and Responsibility; Relationships and Belonging; and an Ethic of Learning. These priorities are integrated into every aspect of the district's operations, aiming to create a supportive and forward-thinking educational environment that prepares students to thrive in a rapidly changing world.

Academic success remains a strength for Gulf Islands School District. Completion rates for resident students have increased substantially over time, from 74% in 2017/18 to 100% in 2022/23 and 2023/24, and 98% in 2024/25. The 2024/25 completion rates for Indigenous students and students with disabilities or diverse abilities also changed slightly from the previous year, to 92% and 97%, respectively, compared with 100% and 95% in 2023/24. Both rates remain well above the provincial averages. The 2025/26 Foundation Skills Assessment results also show high participation, at 95% to 96%, in Grades 4 and 7 and provide an important early indicator of literacy and numeracy development. The 2024/25 results show significant improvement in Grade 4 literacy for all students, increasing from 71% to 80%, suggesting that early literacy supports are positively affecting student learning. Numeracy achievement presents an important area for growth across grade levels. Grade 7 and 10 results indicate a need for targeted efforts to strengthen student understanding, confidence, and achievement in mathematics.

The district is configured as follows:

- Elementary schools on Salt Spring, Mayne, and Galiano Islands serve students from kindergarten to Grade 7.
- Saturna Island Elementary accommodates Kindergarten to Grade 5.
- Gulf Island Secondary School (GISS) provides education for Grades 8 to 12.
- Pender Island Elementary Secondary School (PIESS) serves students from kindergarten to Grade 12. It offers a junior secondary program for Grades 8 and 9, serving students from Pender, Mayne, Galiano, and Saturna. Saturna students from Grades 6 to 7 attend Pender. PIESS offers a choice of educational programming for students in Grades 10 to 12 from any district catchment area.
- French Immersion begins at Grade 6 at Salt Spring Elementary, with senior French Immersion offered at GISS.
- Saturna Ecological Education Centre serves a maximum of 12 students in Grades 9 to 12 at a combined residential and classroom site and focuses on outdoor, place-based education.

A key element of the district's configuration is prioritizing local catchment areas to ensure that elementary schools remain robust and serve the needs of their communities.

Since 2022, five electric buses have been added to the fleet, replacing older diesel vehicles.

Financial Highlights

The district's financial position improved after 2019, supported by bus route optimization, school closures, grade reconfiguration, and stable operating revenue that was sustained in part through Funding Protection. This position enabled investments in sustainability initiatives and educational quality. Financial strength peaked in the early 2020s and has since declined as inflation and wage and benefit costs have exceeded the related funding increases. The district is monitoring this trend carefully.

Looking ahead, stable future enrolment will result in the district exiting Funding Protection, which will further impact the operating grant and financial planning.

Key financial highlights include:

- The annual operating deficit before the purchase of tangible capital assets was $192K. A further $251K of assets was purchased using Accumulated Operating Surplus, resulting in an operating deficit of $444K for the year.
- The ending Operating Accumulated Surplus for 2025/26 was $2.3M.
- Cash and cash equivalents remained stable, increasing from $6.2M to $6.4M.
- Full-time equivalent (FTE) enrolment decreased from 1,470 to 1,448.

Funding Protection ensures that the operating grant decreases gradually by 1.5% annually until it aligns with actual student enrolment. However, recent increases in Labour Settlement Funding have accelerated the reduction in Funding Protection. The district has used this temporary funding for one-time initiatives such as student learning recovery, professional development, electric buses, technology upgrades, and facility improvements. The use of these funds is reported transparently to the Board during the budget process.

Actual Operating Fund revenue was $23.95M, compared with the Amended Budget of $23.36M. Actual Operating Fund expenses were $24.14M, compared with the Amended Budget of $23.58M. This resulted in an operating deficit of $192K before interfund transfers. The district then transferred $251K from the Operating Fund to the Capital Fund for tangible capital asset purchases, increasing the reduction in Accumulated Operating Surplus to $444K.

The Accumulated Operating Surplus now stands at $2.26M, representing 9% of the year's operating expenses. The district aims to reduce this surplus to approximately 5% (or $1.2M) of annual operating revenue/expenses over time, with a focus on sustainability and prudent resource management while making strategic investments that support the learning environment.

Detailed Financial Analysis

GULF ISLANDS SCHOOL DISTRICT 64

Financial Analysis of the School District as a Whole

Financial Items	2025-26 actual	2024-25 actual	Change in $ CY/PY	Change in % CY/PY	Discussion
Schedule of Operations SCH 2					
Enrolment, BC Residents (February 1701), FTE	1,448	1,470	-22	-1%	Student FTE decreased by 1% from the prior year. The trend of a larger graduating class than the incoming kindergarten class is continuing into the 2026-27 school year.
Operating Revenue	23,948,732	24,861,561	-912,829	-4%	Most of the decrease relates to $472K in international tuition, $443K in homestay fees and other International Program fees, $100K in investment revenue, and a $174K reduction in the Operating Grant. This decrease was partially offset by $503K in Labour Settlement Funding, compared with $180K in the prior year. The revenue and expenses associated with the 3% increases for teachers and support staff and the 2.5% increase for excluded staff were not included in the Amended Budget but are included in the year-end financial statements.
Operating Expense	24,141,075	24,791,149	-650,074	-3%	Current-year Operating Expenses were budgeted at $23.6M, while actual expenses were $559K, or 2%, over budget. A $990K decrease was expected and reflected in the budget following the elimination of International Program expenses. This was offset by a similar expected decrease in revenue. The actual decrease of $650K resulted from an increase in the salary and benefits portion of the budget arising from changes to collective agreement language.

Special Purpose Revenue and Expense	6,071,451	5,337,582	733,869	14%	The two main factors in the increase in Special Purpose Fund revenue and expenses were $235K in additional CEF funding and a $507K increase in Education Trust revenue recognized. The latter relates to additional bursaries and scholarships paid and the payment of the $300K donation to CRD for completed work on the Hydro Field project. The donation for the Hydro Field and the additional value of work completed by CRD on the site up to the year end date have been included in TCA WIP and the corresponding DCC WIP liability balance.
Capital Revenue	1,696,303	1,447,158	249,145	17%	Deferred Capital Revenue and Amortization Expense are calculated as a percentage of the total Capital Asset and DCC Liability values. Capital investment has remained strong over the past five years; therefore, the total value of the assets and liabilities has increased, as have the expenses and revenue recognized each year.
Annual Surplus (Deficit)	-671,117	-368,162	-302,955	82%	The 2025/26 fiscal year saw the completion of the final phase of the SDS accounting modernization project, and other strategic capital investments totalling $251K. The budget for local capital investments was $180K. Items other than the accounting modernization project were within that budget and totalled $114K. The computer software amount was $138K. It had been allocated in earlier years but could be capitalized only once the project was completed. The operating deficit before investment in local capital was $192K. The remaining change relates to the Capital Fund and the annual excess of Amortization Expense over Deferred Capital Revenue.

Statement of Financial Position					
Cash and Cash Equivalents	6,414,325	6,091,187	323,138	5%	The slight increase in cash at year end relates to the timing of revenue receipts and payments. In the prior year, payables at year end were $433K lower.
Accounts Receivable	727,893	631,758	96,135	15%	The increase in current year accounts receivable reflects a higher MoECC receivable related to the accrued 3% salary and benefit increase for CUPE employees. The MOU between BCPSEA and CUPE provides for a 3% increase effective July 1, 2025; however, it will be paid only after local bargaining concludes. Local bargaining is expected to conclude in fall 2026.
Portfolio Investments	158,736	145,966	12,770	9%	The change in the balance relates to a change in the categorization of the underlying investments. Most of the portfolio's value is categorized as investments rather than cash accounts. The overall value of the portfolio is relatively consistent with the prior year.
Accounts Payable and Accrued Liabilities	772,940	330,519	442,421	134%	The increase in accounts payable at year end has two main components. Trade payables increased by $220K from the prior year because of the timing of year end processing. The second component is $170K in accrued salary and benefits related to the 3% increase for all CUPE support staff for the 2025-26 fiscal year.
Deferred Revenue (SPF)	2,486,041	2,117,610	368,431	17%	The largest increase relates to a $395K year end payment from MoECC for Early Care and Learning. This amount is a prepayment for the next two fiscal cycles and is deferred in the Special Purpose Funds.

Deferred Capital Revenue (liability)	23,873,840	23,275,161	598,679	3%	Deferred Capital Revenue represents external funding received for capital assets that has not yet been recognized as revenue. During the year, the liability increased by $2.3M for new capital funding from the Province, the federal government, and donations. This increase was partly offset by $1.3M recognized as revenue as the related assets were amortized and by $354K of Annual Facilities Grant funding recognized when it was used for eligible repair and maintenance work.
Employee Future Benefits	1,140,470	1,073,658	66,812	6%	The change reflects retirement benefits accrued for current work performed by CUPE members, less current year retirements and the payment of contractually required retirement allowances.
Asset Retirement Obligations	1,490,000	1,490,000	-	0%	The original ARO value was established at $1.26M in 2022-23. Based on increased costs for remedial work during the ensuing period, a new external estimate was requested in 2024-25, and $230K was added to the liability and asset. No significant remediation work was performed in the current fiscal cycle, and remediation rates have remained stable compared with the sharp construction cost increases between 2022 and 2025. Therefore, no change to the estimate is recommended.
Tangible Capital Assets	31,372,623	30,923,419	449,204	1%	The change in capital assets represents additions less current-year amortization and deemed disposals. In the current year, there were $1M in COA Bylaw additions, $0.251M in Operating capital additions, and $0.246M transferred from WIP. There were also $0.989M in new current-year WIP additions. Of the $500K in new additions to WIP for the Hydro Field, $300K relates to the donation and $200K relates to work completed by year end

					and funded by CRD. Current-year amortization was $1.8M.
Accumulated Surplus	8,993,129	9,664,246	-671,117	-7%	Accumulated Surplus reflects all prior and current year impacts on the Operating and Capital Funds. In the current year, the Operating Fund had an annual deficit of $192K before interfund transfers of $251K to the Capital Fund. The Capital Fund had an annual deficit of $479K before the transfer from the Operating Fund. The Capital Fund deficit results from Amortization Expense exceeding Deferred Capital Revenue recognized. This deficit is expected because total assets exceed the assets fully funded through Bylaw funding, other government sources, or donations. Assets funded through operations do not have a corresponding DCC liability that is amortized as DCC revenue over time.

Analysis of Major Revenue and Expenditure Items by Source and Function

Financial Items	2025-26 Actual	2024-25 Actual	Change in $ CY/PY	Change in % CY/PY	Discussion
Key Revenue Sources					
Provincial Grant - Operating Grant	22,638,797	22,813,165	-174,368	-1%	The Operating Grant decreased from the prior year as Funding Protection continued to decline; however, per student funding for Unique Students increased slightly.

Operating - Other Ministry of Education and Child Care	1,009,324	647,310	362,014	56%	Labour Settlement Funding was $503K in the current year, compared with $180K in the prior year. The current year amount consists of $333K received and $170K accrued. The amount received relates to the conclusion of local and provincial bargaining for teachers and the 2.5% increase allocated to excluded staff. The $170K accrual relates to the MOU providing CUPE support staff with a 3% wage increase for 2025-26; however, retroactive pay for this fiscal period will not be paid until local bargaining concludes. This is expected to occur in 2026-27. All other grants remained relatively consistent.
International Tuition	28,585	472,050	-443,465	-94%	The 94% decrease in international tuition is a direct result of the International Program ceasing operations on June 30, 2025. Students who do not qualify as BC residents are required to pay tuition. The current-year amount relates to non-BC-resident students who chose to attend the school district.
Other Revenue	37,929	612,027	-574,098	-94%	Other Revenue decreased significantly from the prior year and is expected to remain at the lower level. In the prior year, $444K related to homestay fees and other International Program fees. An additional $24K related to GISPA. The GISPA program is now operated directly through GISS, and the academy fee revenue and related expenses are included in the GISS School Generated Funds.
Rental and Leases	111,972	98,999	12,973	13%	Lease revenue from the former SIMS site includes an annual increase.
Investment Income	122,125	218,010	-95,885	-44%	The decrease in Investment Income reflects a lower amount of Cash and Cash Equivalents invested with the Ministry of Finance. This reduction

					was anticipated because cash balances have declined from the levels of the previous few years.
Total Revenue	23,948,732	24,861,561	-912,829	-4%	Total Operating Revenue decreased by 4%. The changes are discussed above by individual revenue component.
Operating Expense by Function					
Instruction	16,994,003	17,612,001	-617,998	-4%	Instruction spending decreased by 4% from the prior year. This reflects budgeting decisions made in response to the expected reduction in revenue as Funding Protection nears completion, with additional funding limited to collective agreement increases rather than inflation. Actual Instruction spending was 3% over budget, reflecting the 3% increases for teachers and CUPE employees determined through the provincial bargaining process in 2025-26.
District Administration	1,628,372	1,656,982	-28,610	-2%	This reflects efforts to reduce spending commensurate with the reduction in Funding Protection.
Operations and Maintenance	3,566,871	3,561,351	5,520	0%	Operations and Maintenance was consistent with the prior year.
Transportation and Housing	1,951,829	1,960,815	-8,986	0%	Transportation and Housing was consistent with the prior year.
Total Operating Expense	24,141,075	24,791,149	-650,074	-3%	Total Operating Expenses decreased by 3%. The changes are discussed above by individual expense function. Overall Salaries and Benefits expense decreased by less than 1%, Benefits expense was unchanged, and Services and Supplies expense decreased by 10%, resulting in an overall 3% decrease in Operating Expenses from the prior year.
Operating Annual Surplus (Deficit) before Fund Transfers to Capital	-192,343	70,412	-262,755	-373%	Operating Revenue decreased by more than $913K, while Operating Expenses decreased by $650K. This resulted in a slight deficit, compared with the prior year's

					slight surplus, before the purchase of capital assets with Operating funds. The deficit was less than 1% of Operating Revenue.

Budgetary Highlights / Analysis of Operating Results to Budget

Operating Revenue and Expenses	Amended Annual Budget 2025-26	Annual Budget 2025-26	Change in $ Amended / Annual	Change in % Amended / Annual	Discussion
FTE	1,448	1,410	38	3%	The Annual Budget is based on May enrolment estimates for the next fiscal period, while the Amended Budget is based on actual September 1701 enrolment. Part of the change arises because the estimate is based on headcount, whereas the actual is based on full-time equivalent enrolment. FTE was higher than the September 1701 headcount, and additional students joined the district between the estimate and budget dates.

Revenues					
Provincial Grant -Operating MoECC	22,585,305	22,550,924	34,381	0%	The expected Operating Grant was consistent between the two budgets.
Provincial Grant -Other MoECC	438,162	464,162	-26,000	-6%	The decrease resulted from the expiry of the Support Staff Benefits Grant.
International Tuition	18,500	-	18,500	n/a	One non-BC resident student chose to attend the district.
Other Revenue	62,500	193,500	-131,000	-68%	The change resulted from two items: GISPA is now included in

					GISS's School Generated Funds, and grants or donations related to a specific school are included in that school's School Generated Funds and reported through the Special Purpose Funds.
Rentals & Leases	150,000	90,000	60,000	67%	The change was based on recalculated lease amounts and the timing of payments.
Investment Income	110,000	125,000	-15,000	-12%	Interest rates decreased between the two budget dates, and the resulting reduction in revenue was anticipated.
Total Revenue	23,364,467	23,423,586	-59,119	0%	Total Revenue was relatively consistent with the initial budget.
Expenses					
Instruction	16,402,107	16,451,229	-49,122	0%	The Amended Budget was prepared before teacher bargaining concluded, and no additional revenue or expenses related to this item were included.
District Administration	1,632,792	1,655,186	-22,394	-1%	District Administration was consistent with the Annual Budget.
Operations & Maintenance	3,567,388	3,585,037	-17,649	0%	Operations and Maintenance was consistent with the Annual Budget.
Transportation & Housing	1,980,142	1,948,750	31,392	2%	Transportation and Housing was relatively consistent with the Annual Budget.
Total Expenses	23,582,429	23,640,202	-57,773	0%	Total Expenses were relatively consistent with the Annual Budget.
Total Net Transfer					
Tangible Capital Assets Purchased	180,000	180,000	-	0%	There was no change in approach between the two budget cycles.
Budgeted Prior Year Surplus Appropriation	397,962	396,616	1,346	0%	This was consistent with the 0% changes in revenue and expenses between the Annual and Amended Budgets and the reduction in local capital projects.

Operating Revenue and Expenses	Amended Budget 2025-26	Actual 2025-26	Change in $	Change in %	Discussion
Revenues					
Provincial Grant -MOECC	22,585,305	22,638,797	53,492	0%	The Operating Grant was relatively consistent with the budget, with a slight increase related to additional FTE.
Provincial Grant -Other MoECC	438,162	1,009,324	571,162	57%	The additional funding relates to Labour Settlement Funding. It has two components: the amount received and paid retroactively to teachers and excluded staff, and the amount accrued for CUPE support staff.
International Tuition	18,500	28,585	10,085	35%	An additional 0.5 FTE was enrolled between the Amended Budget and year end.
Other Revenue	62,500	37,929	-24,571	-65%	Community grant funding received was lower than anticipated.
Rentals & Leases	150,000	111,972	-38,028	-34%	Rentals and Leases revenue was slightly lower than anticipated.
Investment Income	110,000	122,125	12,125	10%	Investment Income was slightly higher than anticipated.
Total Revenue	23,364,467	23,948,732	584,265	2%	The slight increase resulted from additional Labour Settlement Funding, offset by lower than anticipated community grant funding and Rentals and Leases revenue.
Expenses					
Instruction	16,402,107	16,994,003	591,896	3%	The increase reflects the 3% salary and benefit increases for teachers and support staff and the 2.5% increase for excluded employees.

District Administration	1,632,792	1,628,372	-4,420	0%	District Administration was consistent with the Amended Budget.
Operations & Maintenance	3,567,388	3,566,871	-517	0%	Operations and Maintenance was consistent with the Amended Budget.
Transportation & Housing	1,980,142	1,951,829	-28,313	-1%	Transportation and Housing was consistent with the Amended Budget.
Total Expense	23,582,429	24,141,075	558,646	2%	The 2% increase reflects higher Salaries and Benefits expense, offset by no increase in Services and Supplies spending.

Total Net Transfer					
Tangible Capital Assets Purchased	180,000	251,394	71,394	28%	In the current year, $251K was spent on local capital projects using Accumulated Operating Surplus. This included $19K for a floor-cleaning machine, $51K for a white fleet vehicle replacement, $44K for computer hardware, and $138K spent or recognized from a prepaid deposit for completion of the multi-year accounting modernization project.
Budgeted Prior Year Surplus Appropriation	397,962	443,737	45,775	10%	The $46K increase in the budget appropriation relates to full recognition of the SDS modernization software, which had carried forward from the two prior budget cycles in which it was initially approved.

Reserves – Operating, Special Purpose and Capital Balances

SD64 does not currently have any reserves. In June 2022, the Board adopted an updated Accumulated Operating Surplus Policy, available at Bylaws, Policies and Procedures (sd64.bc.ca). This policy outlines expectations for the use of surplus, the process for consultation on its use, and the categories under which surplus may be restricted and used. Policy 5.10, Financial Planning and Reporting, is relevant to this section. When Operating Accumulated Surplus is used for tangible capital asset purposes, it is included in the Annual or Amended Budget, treated as Local Capital, and shown as a transfer between funds.

Capital Assets

In the current year, the district had eight capital COAs approved for multiple sites for fiscal 2025/26. One electric bus was included in vehicle asset additions and replaced an older diesel unit. Salt Spring Elementary received project approvals for bathroom and interior upgrades. A playground was approved and installed at Salt Spring Elementary. Donations and community grants raised through PAC fundraising allowed the scope of the playground project to exceed the COA amount. Additional kitchen upgrades and equipment were approved for GISS and Pender School. Electric bus chargers were also approved and installed.

GULF ISLANDS SCHOOL DISTRICT 64

Financial Items	2025-26	2024-25	Change in $ CY/PY	Change in % CY/PY	Discussion
Tangible – Capital Asset – Book Value					
Sites	4,107,653	4,107,653	-	0%	There were no site acquisitions or disposals during the year.
Buildings	22,713,779	22,905,512	-191,733	-1%	The following projects were added to Buildings in the current year: the $589K SSE washroom upgrade and the $90K renovation of kitchen equipment at GISS and Pender. The change also reflects annual amortization of the assets. In addition, $264K of prior year WIP was completed and transferred to Buildings.
Buildings WIP	729,202	486,972	242,230	33%	Preliminary work began on several 2026-27 COA Bylaw projects in anticipation of work scheduled for summer and fall 2026.
Furniture & Equip	1,213,881	1,163,030	50,851	4%	The increase relates to $200K of COA Bylaw work for the SSE playground and an electric school bus charger at Galiano. This increase was partially offset by amortization and deemed disposals.
Furniture & Equip WIP	500,000	-	500,000	100%	At year end, $500K of the Hydro Field renewal work being completed by CRD had been performed. The project is funded by CRD and a $300K donation. This represents approximately 65% of the total project, which will continue through summer 2026 and is expected to be completed by fall 2026. The work relates to the baseball field.
Vehicles	1,587,025	1,749,306	-162,281	-10%	The $36K relates to the remaining COA funding for the GISS kitchen renovation and will be used for a vehicle to deliver Feeding Futures funded food, produced in the GISS teaching cafeteria, to the three Salt Spring elementary schools. An additional vehicle was purchased as a white fleet replacement using Operating

GULF ISLANDS SCHOOL DISTRICT 64

					Surplus. The change also reflects annual amortization of the assets.
Computer Software	215,292	123,699	91,593	43%	The increase reflects the completion of the final components of the accounting software modernization project, less amortization.
Computer Hardware	305,791	387,247	-81,456	-27%	Operating funding was used to upgrade student computers and district network hardware. These additions were offset by amortization and deemed disposals.
Total Net Book	31,372,623	30,923,419	449,204	1%	The change is consistent with additions, amortization, and deemed disposals.

The district manages 14 buildings—11 school buildings and three support facilities—with three additional sites leased to other organizations. These buildings, located across five islands, range from 15 to 90 years old, with an average age of 60 years, and are well maintained. The district's Facility Condition Index averages 0.27, better than the provincial average of 0.47, reflecting strong upkeep. Both Capital funds (through the Minor and Major project system and the Annual Facilities Grant) and Operating funds (through Operations and Maintenance expense Function 5) have been effectively used for short- and long-term facility maintenance.

The district is in the early stages of implementing its 2024–2034 Long-Range Facilities Plan, which was prepared by an external expert following facility inspections and a review of Rocky Point engineering assessments and Ministry of Education and Child Care building assessment reports.

GULF ISLANDS SCHOOL DISTRICT 64

Factors Bearing on the School District's Future

Senior management continues to work with the Board to present stable budgets and to ensure that the district's regular operating expenses do not exceed operating revenue.

Management is aware that, for the past three years and in the Annual Budget for 2026/27, Funding Protection and all other revenue have been fully allocated to regular programming. The Accumulated Operating Surplus amassed from Funding Protection following the initial reconfiguration is no longer increasing. It is being used strategically to make long-term investments in the district.

The district has tracked the decline in geographically based enrolment over the past few decades. This trend was considered in the recent reconfiguration model. The district can contract or expand by a few hundred students while retaining its current building configuration.

Contacting the School District's Financial Management

This financial report is designed to provide stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the funds it receives. If you have questions about this report or require additional financial information, contact the Secretary Treasurer.

GULF ISLANDS SCHOOL DISTRICT 64

Date: September 16, 2026

Minor Capital Projects 2027/28 Funding Year - Overview

Saturna Island Elementary – Saturna School Replacement Project

- **Capital Funding Stream – Exterior Wall System Upgrade (SEP)**
- **Project Overview:** This project aims to replace the existing school building on Saturna Island with a new modular building. The existing school building was originally constructed in 1951 and deterioration of the foundation and structure was identified during the design phase of the new childcare project. SD64 began planning and design work on replacing this building in 2025, as a project to run in conjunction with the modular build of the new childcare facility project that is currently underway.
- **Planned budget:** $5,000,000
- **Design Consultant:** Gail Jaeger Architect.
- **Project Timeline:** Initial design and a Project Definition Report were completed from mid-2025 to early 2026. The report was submitted to the Ministry of Infrastructure in early 2026. Should the funding be approved, the project will move to tender for a construction manager in spring 2027.
- **Planned project completion date**: TBD

GISS Roof Replacement – Roofing Replacement Phase 4

- **Capital Funding Stream – School Enhancement Program (SEP)**
- **Project Overview:** Phase four of the replacement of the flat membrane roofs at GISS will see the replacement of the remaining aging roof areas at GISS. This has been highlighted by our roofing consultant as top priority across the district for replacement, with 0-3 years of serviceable life left in the remaining areas to be completed. Phase 3 was funded in the 2026/27 funding year, and work will be complete by early September 2026.
- **Planned budget:** $640,000
- **Design Consultant:** J Watson Roofing Consulting Inc.
- **Project Timeline:** Design work underway and to be completed by January 2027. Tender to be issued mid-March as soon as ministry funding is confirmed to allow for long equipment ordering lead times. Construction to occur in summer break 2027.
- **Planned project completion date**: Late August 2027

Mayne Island School – Accessibility Upgrades, Interior Renovation

- **Capital Funding Stream – School Enhancement Program (SEP)**
- **Project Overview:** This project aims to remove flooring that has reached end of life throughout the school, remove carpet from walls, as well as replace interior fixtures to comply with current accessibility standards.
- **Estimated Budget:** $350,000
- **Design Consultants:** N/A, General Contractor to be engaged.

- **Project Timeline:** Planning and estimates to be developed through fall and winter 2025/26. Contractors and work to be engaged for summer 2027.
- **Planned project completion date**: Late August 2027

Fulford Community Elementary - Building Envelope Refresh

- **Capital Funding Stream – School Enhancement Program (SEP)**
- **Project Overview:** This project aims to replace worn and rotting siding and wood around Fulford school. Exterior of school to be painted. Windows to be replaced.
- **Estimated Budget:** $400,000
- **Design Consultant:** SD64 Internal
- **Project Timeline:** Planning and estimates to be developed through fall and winter 2025/26. Contractors and work to be engaged for summer 2027.
- **Planned project completion date**: Late August 2027

Pender Islands Elementary Secondary School – Air Handler, Heat Pump Upgrades

- **Capital Funding Stream – Carbon Neutral Capital Program (CNCP)**
- **Project Overview:** This project is to replace aging HVAC infrastructure at PIESS. Existing heat pumps are aging and are using outdated refrigerants.
- **Estimated Budget:** $400,000
- **Design Consultant:** TBD
- **Project Timeline:** Designs to be developed in fall 2026, with the objective of completion by January 2027. Tender to be issued in mid-March as soon as ministry funding is confirmed to allow for long equipment-ordering lead times. Construction to occur during summer break 2027.
- **Planned project completion date**: Late August 2027

Fernwood Elementary – Interior Renovations

- **Capital Funding Stream – School Enhancement Program (SEP)**
- **Project Overview:** This project will provide needed upgrades to the interior of the school by removing carpet from the walls and replacing aging flooring.
- **Estimated Budget:** $300,000
- **Design Consultant:** SD64 Internal Staff
- **Planned project completion date**: Late August 2027

Enhancements to Food Program

- **Capital Funding Stream – Food Infrastructure Program (FIP)**
- **Project Overview:** This project is to provide funding for further improvements to the district's feeding futures food program.
- **Estimated Budget:** $50,000
- **Design Consultant:** Internal
- **Project Timeline:** Pre-planning will happen throughout fall 2026, with consultation with schools on requirements.
- **Planned project completion date**: Late August 2027

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Mayne Island School – Playground Replacement

- **Capital Funding Stream – Playground Enhancement Program (PEP)**
- **Project Overview:** This project is to replace aging playground equipment at Mayne Island School.
- **Estimated Budget:** TBD – Project budget will be set amount determined by Ministry of Infrastructure.
- **Design Consultant:** TBD through RFP process with playground installers and consultation with Mayne Island School.
- **Planned project completion date**: Late August 2027

MINOR CAPITAL			
Priority	**School**	**School Name**	
	Facility #	**Name**	**Program**
1	64004	Saturna Island Elementary	Exterior wall system upgrade (SEP)
2	64010	Gulf Islands Secondary	School Enhancement Program (SEP)
3	64003	Mayne Island	School Enhancement Program (SEP)
4	64009	Fulford Communty Elementary	School Enhancement Program (SEP)
5	64008	Pender Islands (PIESS)	Carbon Neutral Capital Program (CNCP)
6	64007	Fernwood Elementary	School Enhancement Program (SEP)
7	64010	Gulf Islands Secondary	Food Infrastructure Program
8	64003	Mayne Island	Playground Enhancement Program (PEP)
	64005	Galiano Community School	School Enhancement Program (SEP)
	64007	Fernwood Elementary	School Enhancement Program (SEP)
	64005	Galiano Community School	School Enhancement Program (SEP)
	64002	Salt Spring Elementary	Carbon Neutral Capital Program (CNCP)
		Transportation Dept.	Bus Acquisition Program (BUS)
		Transportation Dept.	Bus Acquisition Program (BUS)
	64002	Salt Spring Elementary	School Enhancement Program (SEP)
	64010	Gulf Islands Secondary	Carbon Neutral Capital Program (CNCP)
	64010	Gulf Islands Secondary	School Enhancement Program (SEP)
	64009	Fulford Community Elementary	School Enhancement Program (SEP)
		Transportation Dept.	Bus Acquisition Program (BUS)
	64010	Gulf Islands Secondary	School Enhancement Program (SEP)
	64007	Fernwood Elementary	School Enhancement Program (SEP)
	64010	Gulf Islands Secondary	Carbon Neutral Capital Program (CNCP)
	64005	Galiano Community School	School Enhancement Program (SEP)
		Transportation Dept.	Bus Acquisition Program (BUS)
		Transportation Dept.	Bus Acquisition Program (BUS)
	64005	Galiano Community School	School Enhancement Program (SEP)
	64003	Mayne Island School	Carbon Neutral Capital Program (CNCP)
	64008	Pender Islands (PIESS)	School Enhancement Program (SEP)

	Year One	Year Two	Year Three	Year Four	Year Five
Project Type	**2027**	**2028**	**2029**	**2030**	**2031**
Saturna Project	$5,000,000				
Roof Replacement - Phase 4	$650,000				
Accessibility Upgrade, Interior Renovations	$350,000				
Building Envelope Refresh	$400,000				
Air Handler, Heat Pump Upgrades	$400,000				
Interior Renovations	$300,000				
Various food program upgrades	$50,000				
Playground Replacement	TBD				
Membrane Roof Replacement		$650,000			
Washroom Renovations		$500,000			
Gym Air Handler replacement		$400,000			
Building Envelope Upgrades		$500,000			
Retire bus A3640 - Replace with EV		TBD			
Retire bus A3641 - Replace with EV		TBD			
Roof Replacement			$550,000		
Lighting Upgrade T5/T8 to LED - Phase 1			$500,000		
Universal Change Rooms			$700,000		
Plumbing Upgrade			$500,000		
Retire bus A4640 - Replace with EV			TBD		
Cafeteria HVAC Upgrade				$450,000	
Roof Replacement				$700,000	
Lighting Upgrade T5/T8 to LED - Phase 2				$700,000	
Washroom Renovation				$300,000	
Retire bus 16640 - Replace with EV				TBD	
Retire bus 16641 - Replace with EV				TBD	
Interior Renovations					$300,000
Lighting Upgrade T8 to LED					$300,000
Building Envelope Refresh					$250,000
Annual Total	**$7,150,000**	**$2,050,000**	**$2,250,000**	**$2,150,000**	**$850,000**

Date: September 16, 2026

2026/27 Operations Update

Minor Capital

GISS Roof Phase 3

- Project Overview: The construction work at GISS involved replacement of many remaining flat bitumen membrane roof sections across the structure. These included a large section over the south wing, several smaller sections over the south and north wings, and sections over the Gymnasium. Additionally, engineered roof access ladders were installed to improve safety for our staff needing to access the roof.
- Current Status: All roofing, flashing and scuppers are installed, and contractors have moved all equipment and materials off site.
- Remaining Work:
  - Access hatch to be installed to allow facilities staff to access the roof from inside the building. The hatch is a custom size and is expected to arrive in September 2026. This is expected to be completed before the end of September.
  - Additional covers to lock off the base of the ladders are on order and are expected to be installed later in September. This is to minimize access to the higher roof sections from trespassers on the roof.

Fulford HVAC Upgrade

- Project Overview: This project is to replace the heating and cooling coils and heat pumps for Air Handler 1, which serves the classrooms at Fulford. Additionally, the project will add new heating and cooling coils in air handler 3, which serves the office. At the conclusion of the install, we are conducting continuous optimization (C-Opt) study of the entire HVAC system at Fulford to ensure any aging or failing components are identified and the system programming is optimized for energy efficiency.
- Current Status: The install of the three heat pump units that serve Air Handler 1 are currently nearing completion. The air system is active and the remaining work to be completed will not affect school start up.
- Remaining work is expected to be complete:
  - Two of three heat pumps remain to be connected to air handler 1. ETA – Before end of September 2026
  - New coils for air handler 3 to be commissioned. ETA – Before end of September 2026
  - C-opt study expected to be completed by November 2026.

SSE Playground Accessible Pathway

- Design work for an accessible pathway to allow people in mobility aids to access the new playground at SSE was completed in August 2026. A contractor has been engaged, and the pathway will be installed before the end of September 2026.

GISS Cafeteria/Food Infrastructure:

- This summer break, a new walk-in cooler was installed.
- New flooring was installed throughout the dining room. Repair tile floor grout in the kitchen.

- New appliances and equipment will be purchased during the 2026/27 to assist with the increasing needs of the feeding futures program.

Additional Work Through the End of Summer 2026 using AFG funding and Function 5 Operations:

- Line painting in parking lots and around facilities grounds. This is to improve safety for pedestrians and vehicular traffic.
- Interior painting completed around the district including Fulford, SSE.
- Painting in the gym at Fulford was completed.
- Landscaping improvements at Fulford.
- Duct cleaning and refurbishment at the Hub.
- Fernwood Gym floor was refinished.
- Cleaning of carpet at School Board Office.
- Cleaning of upholstery at the GISS library.
- Refurbishment work to divider wall in GISS gym.
- Improvements to HVAC duct work in GISS library.
- New gutters and roof repairs at Operations building.
- Front door at SBO replaced.
- C-opt study underway for GISS

Summary
Finance, Audit, and Facilities Committee – SD 64 (Gulf Islands)

Pre-Audit Meeting 2025/2026

In attendance:

Committee: *Tisha Boulter (Committee Chair), Deborah Luporini, Chaya Katrensky (ex-officio, Board Chair*
Staff: *Jesse Guy (Secretary Treasurer), Shauna Klem (Executive Assistant)*
KPMG Auditor: *Lenora Lee (Audit Partner)*
Absent: *Nancy Macdonald*

The meeting was called to order at 9:00 a.m. by Committee Chair Boulter.

1. **2025/2026 Audit Plan Report**
   The FAF Committee received the Audit Planning Report for the year ending June 30, 2026. Lenora Lee presented the audit plan for the current year, outlining the scope of the audit, key focus areas, and the projected timeline. It was noted that there are no new accounting standards being introduced this year, making this a status quo audit. KPMG invited questions from the Trustees following the presentation.

   9:18 a.m. Jesse Guy excused herself from the meeting to provide trustees an opportunity to ask questions without senior staff present.

   Trustees requested that data on legal and FOIPPA costs for the past year be provided and compared with costs from previous years.

   9:27 a.m. Jesse Guy returned to the meeting.

2. **Next Meeting:** January 27, 2027

3. **Adjournment:** 9:31 a.m.

2.10 Inclusive and Respectful Environments

The Board of Education is committed to creating inclusive learning and working environments where safety, security and mutual respect is paramount.

The Board recognizes and celebrates the diversity of the community it serves and believes that each individual contributes to the richness of the District culture. The Board seeks to ensure that everyone has equitable access to opportunities and resources to make meaningful contributions to the district.

The Board believes everyone has a role to play in promoting a district free of violence and harassment.

Healthy schools require that the relationships between the adults involved in the education of children (employees, parents, and members of the public having contact with schools) are governed by courtesy, respect, and consideration. The Board expects that interactions between its students, employees, parents, and the public at large are marked on all sides by respect and consideration.

The Board expects the relations between employees and all those they come in contact with to be free from any behaviour that can be identified as being violent, discriminating, harassing, or intimidating in nature. Such behaviour is unacceptable and will not be tolerated.

Definitions

Constructive practice emphasizes proactive strategies to build positive relationships and a supportive learning environment.

Restorative practice addresses conflicts by involving all parties to repair harm and restore community.

Both approaches aim to create an inclusive and respectful school atmosphere

Guidelines

1. Principals will establish codes of conduct in accordance with provincial guidelines that will describe the kinds of behaviour generally expected of students, staff, parents and

community members working together in school learning and working environments, and in situations where they are representing the District and school communities.

2. Violence in any of its forms, including gender-based and sexualized violence, is neither acceptable nor tolerated in the learning and working environments of the District.

3. Reasonable actions taken by a person in a supervisory role (for example, a school principal, teacher, or workplace supervisor) are not, when consistent with the expectations placed on a person in that role, acts of harassment in any of its forms.

4. Expressing differences of opinion, offering constructive feedback, guidance, or advice about behaviour and performance, and making a legitimate complaint about someone's conduct through established procedures does not, when done respectfully and within the role expectations placed upon a person doing so, constitute bullying/cyberbullying, or harassment.

5. The District endorses the use of constructive, restorative means to resolve conflicts by encouraging and supporting positive role modeling and leadership among students and employees.

Policy 2.20 Sexual Identity, Gender Diversity and Gender Expression

The Board of Education acknowledges that Canadian Laws protect the most basic human rights of 2 spirit, Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex people (2SLGBTQI+); however, inclusive and affirming attitudes and behaviours towards the sexual and gender diverse (SGD) population have not kept pace (are lagging, in some instances). Therefore, this policy outlines the Board's commitment to ensuring and protecting the human rights of 2SLGBTQI+ people.

In keeping with the BC Human Rights Code, the Board accepts its responsibility to work with parents and community to help promote and sustain a discrimination-free society in which sexual Identity, gender diversity and gender expression is respected and supported. Accordingly, the Board commits to working with everyone in the school district to promote and sustain learning and working environments that:

- promote acceptance and understanding;
- give voice to all members of the school community;
- welcome individuals and groups, include them, help them to feel safe and free from violence, bullying harassment and discrimination, and treat them with respect and dignity; and
- ensure equitable access to and equitable participation in quality education for all students.

Definition

Intersectionality: a framework that recognizes how various aspects of a person's identity, such as gender, race, sexuality, age, and ability, intersect to create unique experiences of discrimination and privilege.

The Board recognizes the challenges and multiple layers of discrimination and marginalization that 2SLGBTQI+ individuals face and understands the importance of intersectionality in its efforts to create more inclusive and supportive learning environments for all.

Guiding Principles

- CULTURE
  The Board is committed to and encourages a culture of inclusivity, safety and acceptance of sexual and gender diverse individuals.

- CONFIDENTIALITY
  Students will have the right to the confidentiality of their sex, gender, and name.

- INCLUSIVE LEARNING
  Classroom materials and activities will contain positive images and accurate information about sexual and/or gender diversity.

- STAFF TRAINING
  All staff will be provided with knowledge and tools to develop a broad understanding of SOGI and the impact on students.

- FACILITIES
  Individuals may choose to use washrooms and change rooms that match their gender identity, including non-gendered single-stall washrooms and change rooms.

- SELF-IDENTIFICATION
  Students will have the right to self-identification, which includes the name by which they wish to be addressed and the pronouns that correspond to their gender identity.

- INCLUSIVE ACTIVITIES
  Students will be included and accommodated for in activities regardless of their sexual orientation or gender identity, including support to set up a Gender-Sexuality Alliance/Gay-Straight Alliance or similar club.

Guidelines

1. The Board shall consider any violence, threat of violence, or act of aggression, including harassment, discrimination, intimidation and bullying on school premises to

be a serious threat to the school environment and to the safety of both students and staff and shall be dealt with in accordance with the school's code of conduct.

~~1.~~2. School staffs are expected to work with their school communities and, by way of their codes of conduct, develop prevention and intervention strategies that address any language or behaviour that degrades, denigrates, labels, stereotypes, or incites violence, hatred, prejudice, discrimination towards, or harassment of others.

~~2.~~3. The Board will work closely with the 2SLGBTQI+ community (acting in an advisory capacity) to:

~~2.1.~~3.1. review, implementation and further develop strategies to promote awareness and respect, and safe, caring and inclusive school environments;

~~2.2.~~3.2. provide opportunities for school communities to increase awareness of the scope and impact of discrimination against the 2SLGBTQI+ community and to create an inclusive environment;

~~2.3.~~3.3. support educational programs through the provision of age-appropriate resources and activities;

~~2.4.~~3.4. in the regular course of reviewing policy, procedure, and other District documents, ensure that the language and imagery used is representative of the diversity in our community; and

~~2.5.~~3.5. ensure that when schools are reporting on their effort to promote a violence-free District and support for diversity, they speak to matters of multi-culturalism, gender identity, gender expression, and sexual orientation.

~~3.~~4. The Board will continue to support and take advice from advisory bodies, as a way of further promoting diversity and equity.

Legislative References: *School Act* Sections 6(1), 76, 85; *BC Human Right Code*, *Statement of Education Policy Order* 1280/89, Provincial Standards for Codes of Conduct Order (M276/07); Canadian Charter of Rights and Freedoms, and *Canadian Multiculturalism Act*
Collective Agreement References: Nil
Date of Adoption: January 29, 2025
Amended: DRAFT Circulated: June 12, 2026

Policy 2.70 Use of Board Property for Child Care

The Board of Education recognises the benefit and need for safe and quality community child care programs. In order to effectively promote and facilitate the use of Board property by licensees for the purpose of providing child care programs, clear guidelines are necessary.

This policy is to provide guidance with respect to how the Board will promote the use of Board property for the provision of child care programs, in accordance with the School Act.

The Board will, on an ongoing basis, assess community need for child care programs on Board property, through a process of engagement with employee groups, the Indigenous Education Council, child care providers, parents and guardians,~~-~~ and first nations, including treaty first nations, and Indigenous communities, families, and service providers~~Indigenous community representatives, rightsholders Indigenous rightsholders, Indigenous service providers, and existing child care operators~~. The Board will also engage with these identified partners when considering changes to existing child care on school grounds. The process for engagement will be reviewed on an ongoing basis.

The use of Board property by licensed child care providers must not disrupt or otherwise interfere with the provision of educational activities including early learning programs and extracurricular school activities.

Guiding Principles

1. The Board will promote the use of Board property for the provision of child care programs, at a minimum, between the hours of 7 a.m. and 6 p.m. on business days by either the Board or third party licensees.

2. If child care programs are to be provided on Board property, the Board will consider, on an ongoing basis, whether those programs are best provided by licensees other than the Board, the Board, or a combination of both.

3. Child care programs, if operated by the Board, will be operated for a fee no greater than the direct costs the Board incurs in providing the child care program.

4. Fees for the use of Board property by licensees other than the Board will not exceed the direct and indirect costs the Board incurs in making Board property available for the child care program. Direct and indirect costs include:
   4.1. utilities;

   4.2. maintenance and repair;

   4.3. a reasonable allowance for the cost of providing custodial services; and

   4.4. a reasonable allowance for time District administrators and other staff spend on matters relating to the use of Board property by licensed child care providers.

5. If child care programs are operated by a licensee other than the Board, the Board will require the licensee to comply with this Policy.

6. In selecting licensees other than the Board to operate a child care program, the Board will give special consideration to the candidates' proposals to: (a) provide inclusive child care; and, (b) foster Indigenous reconciliation in child care.

7. If the Board decides to operate a child care program, the Board will ensure that it is operated in a manner that:

   7.1. fosters Indigenous reconciliation in child care. In particular, the child care program will be operated consistently with the following principles of the British Columbia *Declaration on the Rights of Indigenous Peoples Act*: Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including in the area of education; and "Indigenous peoples have the right to the dignity and diversity of their cultures, traditions, histories and aspirations which shall be appropriately reflected in education"; and

   7.2. is inclusive and consistent with the principles of non-discrimination set out in the British Columbia *Human Rights Code*.

8. Any contract with a licensee other than the Board, to provide a child care program on Board property must be in writing and subject to review no less than every five years. The contract must contain:

   8.1. description of the direct and indirect costs for which the licensee is responsible;

8.2. an agreement by the licensee to comply with this policy and all other applicable policies;

8.3. a provision describing how the agreement can be terminated by the Board or the licensee;

8.4. an allocation of responsibility to ensure adequate insurance is in place to protect the interests of the Board;

8.5. a statement that the agreement can only be amended in writing, signed by the Board and the licensee;

8.6. a requirement for the licensee to maintain appropriate standards of performance;

8.7. a description of processes for ongoing engagement with the licensee in the provision of child care; and a requirement that the licensee must at all times maintain the required license to operate a child care facility.

9. Prior to entering into or renewing a contract with a licensee other than the Board to provide a child care program on Board property, the Board will consider:

9.1. whether it is preferable for the Board to become a licensee and operate a child care program directly;

9.2. the availability of District staff to provide before and after school care;

9.3. whether, with respect to a licensee seeking renewal or extension of a contract, the licensee has performed its obligations under this Policy and its contract with the Board, with specific regard to performance in respect of providing an inclusive child care program and one that promotes indigenous reconciliation in child care.

10. Annual Review of Available Spaces

10.1 As part of the annual projected enrolment process each February, elementary school principals will identify, in their report to the Board Office, any expected surplus classrooms or other spaces that may be suitable for new or expanded child care programs.

10.1. 1. For the purposes of this Policy, "surplus classrooms or other spaces" are spaces where it is reasonable to anticipate the school will not require the space for K–12 purposes for a minimum of five (5) years.

10.1.2. Long-term projected enrolment forecasts will be used to support and confirm the availability of space.