

Audited Financial Statements of

School District No. 47 (qathet)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 47 (qathet)

June 30, 2026

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School District No. 47 (qathet)

MANAGEMENT REPORT

Version: 6212-5466-3484

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 47 (qathet) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

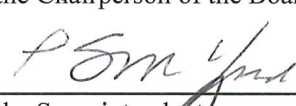
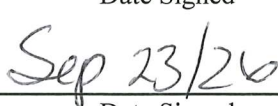
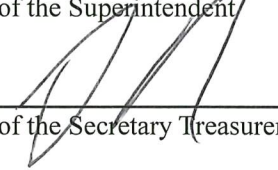
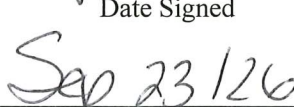
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Board of Education of School District No. 47 (qathet) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, MNP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 47 (qathet) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 47 (qathet)

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

Independent Auditor's Report

To the Board of Education of School District No. 47 (qathet) and the Minister of Education and Child Care:

Opinion

We have audited the financial statements of School District No. 47 (qathet) (the "School District"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present the financial position of the School District as at June 30, 2026 and the results of its operations, changes in net debt and its cash flows for the year then ended in compliance with, in all material respects to the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 which describes the financial reporting framework being followed by School District No. 47 (qathet).

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises of Unaudited Schedules 1-4D attached to the audited financial statements and Financial Statement Discussion and Analysis but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and presentation of these financial statements in accordance with the financial reporting framework based on Section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves compliance with the requirements of financial reporting framework based on section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

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

Nanaimo, BC

September 23, 2026

MNP LLP

Chartered Professional Accountants

School District No. 47 (qathet)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	8,639,351	5,793,639
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	148,000	657,024
Other (Note 3)	697,520	466,073
Total Financial Assets	9,484,871	6,916,736
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	4,019,759	3,738,257
Unearned Revenue (Note 9)	612,427	424,739
Deferred Revenue (Note 6)	1,225,411	1,007,883
Deferred Capital Revenue (Note 7)	53,184,789	44,043,907
Employee Future Benefits (Note 8)	987,937	906,006
Asset Retirement Obligation (Note 16)	1,221,410	1,267,726
Total Liabilities	61,251,733	51,388,518
Net Debt	(51,766,862)	(44,471,782)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	62,151,951	53,343,722
Prepaid Expenses	85,326	259,612
Total Non-Financial Assets	62,237,277	53,603,334
Accumulated Surplus (Deficit) (Note 18)	10,470,415	9,131,552

Contingent Liabilities (Note 11)

Approved by the Board

Signature of the Chairperson of the Board of Education

J. M. Lee

Sep 23/26

Date Signed

Signature of the Superintendent

P. Bon / J. J. J.

Sep 23/26

Date Signed

Signature of the Secretary Treasurer

[Signature]

Sep 23/26

Date Signed

School District No. 47 (qathet)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	48,933,784	49,851,270	48,052,013
Other	50,000	79,000	74,720
Tuition	720,000	814,299	981,927
Other Revenue	3,761,479	3,508,556	4,038,281
Rentals and Leases	97,000	115,440	97,072
Investment Income	55,000	48,019	88,520
Amortization of Deferred Capital Revenue	1,900,000	1,965,564	1,876,982
Total Revenue	<u>55,517,263</u>	<u>56,382,148</u>	<u>55,209,515</u>
Expenses (Note 5)			
Instruction	45,531,333	44,809,751	45,686,327
District Administration	2,506,874	2,498,196	2,729,360
Operations and Maintenance	6,675,601	6,407,593	6,127,306
Transportation and Housing	1,305,416	1,327,745	1,365,523
Total Expense	<u>56,019,224</u>	<u>55,043,285</u>	<u>55,908,516</u>
Surplus (Deficit) for the year	<u>(501,961)</u>	<u>1,338,863</u>	<u>(699,001)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		9,131,552	9,830,553
Accumulated Surplus (Deficit) from Operations, end of year		<u>10,470,415</u>	<u>9,131,552</u>

School District No. 47 (qathet)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(501,961)</u>	<u>1,338,863</u>	<u>(699,001)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(11,106,446)	(5,644,121)
Amortization of Tangible Capital Assets	2,300,000	2,298,217	2,216,627
Total Effect of change in Tangible Capital Assets	<u>2,300,000</u>	<u>(8,808,229)</u>	<u>(3,427,494)</u>
Acquisition of Prepaid Expenses		174,286	(158,366)
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>174,286</u>	<u>(158,366)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>1,798,039</u>	<u>(7,295,080)</u>	<u>(4,284,861)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(7,295,080)</u>	<u>(4,284,861)</u>
Net Debt, beginning of year		<u>(44,471,782)</u>	<u>(40,186,921)</u>
Net Debt, end of year		<u><u>(51,766,862)</u></u>	<u><u>(44,471,782)</u></u>

School District No. 47 (qathet)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,338,863	(699,001)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	277,577	(259,560)
Prepaid Expenses	174,286	(158,366)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	281,502	360,520
Unearned Revenue	187,688	(158,387)
Deferred Revenue	217,528	73,354
Employee Future Benefits	81,931	79,482
Asset Retirement Obligations	(46,316)	(55,952)
Amortization of Tangible Capital Assets	2,298,217	2,216,627
Amortization of Deferred Capital Revenue	(1,965,564)	(1,876,982)
Total Operating Transactions	2,845,712	(478,265)
Capital Transactions		
Tangible Capital Assets Purchased	(2,616,336)	(3,432,392)
Tangible Capital Assets -WIP Purchased	(8,490,110)	(2,211,729)
Total Capital Transactions	(11,106,446)	(5,644,121)
Financing Transactions		
Capital Revenue Received	11,106,446	5,565,769
Total Financing Transactions	11,106,446	5,565,769
Net Increase (Decrease) in Cash and Cash Equivalents	2,845,712	(556,617)
Cash and Cash Equivalents, beginning of year	5,793,639	6,350,256
Cash and Cash Equivalents, end of year	8,639,351	5,793,639
Cash and Cash Equivalents, end of year, is made up of:		
Cash	8,639,351	5,793,639
	8,639,351	5,793,639



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 1 AUTHORITY AND PURPOSE

The School District, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 47 (qathet)", and operates as "qathet School District." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 47 (qathet) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (cont'd)

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

Year-ended June 30, 2025 – increase in annual surplus by \$3,688,787

June 30, 2025 – increase in accumulated surplus and decrease in deferred contributions by \$44,043,907

Year-ended June 30, 2026 – increase in annual surplus by \$9,140,882

June 30, 2026 – increase in accumulated surplus and decrease in deferred contributions by \$53,184,789

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

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

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

e) Deferred Revenue and Deferred Capital Revenue (cont'd)

public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

f) Prepaid Expenses

Some software licensing and supports, are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

g) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 18 – Accumulated Surplus).

h) Employee Future Benefits

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

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



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

h) Employee Future Benefits (cont'd)

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

i) Liability for Contaminated Sites

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

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

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

j) Measurement Uncertainty

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

k) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) Tangible Capital Assets (cont'd)

attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

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

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

l) Revenue Recognition

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

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

1) Revenue Recognition (cont'd)

criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

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

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

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

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

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

Revenue from transactions with no performance obligations is recognized when the district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

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



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

m) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

n) Financial Instruments

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

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

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

n) Financial Instruments (cont'd)

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

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

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

o) Statement of Remeasurement Gains and Losses

A statement of re-measurement gains and losses has not been presented as the District does not hold any financial assets or liabilities that would give rise to remeasurement gains or losses.

p) Asset Retirement Obligations

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

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

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



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

q) Future Changes in Accounting Policies

The School District is proposing to change its accounting policy for financial statement presentation in accordance with Section PS 1202, Financial Statement Presentation, as issued by the Public Sector Accounting Board (PSAB). The proposed change would involve adopting new presentation requirements, introducing new statements, or modifying classification of assets/liabilities. The rationale for the proposed change is to improve the relevance and reliability of financial information, align with updated PSAB guidance, enhance comparability.

If adopted, the change would be effective for fiscal years beginning July 1, 2026, with prior period amounts restated to conform to the new presentation requirements, as required by PSAS 1202. The anticipated impact of the proposed change includes changes to line items, new disclosures, revised statement formats. The School District will assess materiality and provide further details upon adoption.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2026	2025
Due from Federal Government	\$163,242	\$107,579
Due from Others	534,278	358,494
	<u>\$697,520</u>	<u>\$466,073</u>

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade and other payables	\$1,365,150	\$1,002,246
Salaries and benefits payable	259,952	420,248
Deductions Payable	2,394,657	2,315,763
	<u>\$4,019,759</u>	<u>\$3,738,257</u>



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 5 EXPENSE BY OBJECT

	<u>2026</u>	<u>2025</u>
Salaries	\$33,309,696	\$33,817,832
Benefits	8,376,876	8,210,779
Services and supplies	11,058,496	11,663,278
Amortization	2,298,217	2,216,627
	<u>\$55,043,285</u>	<u>\$55,908,516</u>

NOTE 6 DEFERRED REVENUE

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

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 1,007,883	\$ 934,529
Increases:		
Provincial Grant – MOE	\$6,656,802	\$6,245,677
Other	1,330,220	2,065,875
	<u>7,987,022</u>	<u>8,311,552</u>
Decreases:		
Transfers to Revenue	7,769,494	8,238,198
Net Changes for the year	<u>217,528</u>	<u>73,354</u>
Balance, end of the year	<u>\$1,225,411</u>	<u>\$1,007,883</u>



**BOARD OF EDUCATION OF SCHOOL DISTRICT
NO. 47 (QATHET)**

***FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2026***

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Cap Revenue	Unspent Def. Cap Revenue	Total 2026	2025
Balance, beginning of year	\$44,043,907	\$ 0	\$ 44,043,907	\$ 40,355,120
Increases:				
Transfers from DC - Capital Additions	2,616,336		2,616,336	3,354,040
Transfers from DC – WIP	8,490,110		8,490,110	2,211,729
Provincial Grants – MECC		0	0	222,000
Provincial Grants - Other				
	11,106,446	0	11,106,446	5,787,769
Decreases:				
Amortization	1,965,564		1,965,564	1,876,982
Transfers to DCR - Capital Additions		0		222,000
Net Changes	9,140,882	0	9,140,882	3,688,787
Balance, end of the year	\$53,184,789	\$ 0	\$ 53,184,789	\$ 44,043,907



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES YEAR ENDED JUNE 30, 2026

NOTE 8 EMPLOYEE FUTURE BENEFITS

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

	2026	2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,140,857	\$831,828
Service Cost	114,956	70,535
Interest Cost	46,756	36,763
Benefit Payments	(80,727)	(42,965)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(134,141)	244,696
Accrued Benefit Obligation – March 31	<u>\$1,087,701</u>	<u>\$1,140,857</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,087,701	\$1,140,857
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(1,087,701)	(1,140,857)
Employer Contributions After Measurement Date	42,893	18,208
Benefits Expense After Measurement Date	(40,485)	(40,428)
Unamortized Net Actuarial Loss	97,356	257,071
Accrued Benefit Liability – June 30	<u>\$(987,937)</u>	<u>\$(906,006)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$906,006	\$826,524
Net expense for Fiscal Year	187,344	128,740
Employer Contributions	(105,413)	(49,258)
Accrued Benefit Liability – June 30	<u>\$987,937</u>	<u>\$906,006</u>



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES YEAR ENDED JUNE 30, 2026

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2026	2025
Components of Net Benefit Expense		
Service Cost	\$113,680	\$81,640
Interest Cost	48,089	39,261
Amortization of Net Actuarial Loss	25,575	7,839
Net Benefit Expense	<u>\$187,344</u>	<u>\$128,740</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

Discount Rate – April 1	4.00%	4.25%
Discount Rate – March 31	4.50%	4.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.7	11.7

NOTE 9 UNEARNED REVENUE

	2026	2025
Balance, beginning of year	\$424,739	\$583,126
Changes for the year:		
Increase:		
Tuition fees	581,263	401,375
Rental/Lease of facilities	7,800	23,364
	<u>589,063</u>	<u>424,739</u>
Decrease:		
Tuition fees	401,375	581,858
Rental/Lease of facilities	-	1,268
	<u>401,375</u>	<u>583,126</u>
Net changes for the year	<u>187,688</u>	<u>(158,387)</u>
Balance, end of year	<u>\$612,427</u>	<u>\$424,739</u>



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES YEAR ENDED JUNE 30, 2026

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2026	Net Book Value 2025
Sites	\$4,151,237	\$4,151,237
Buildings	55,691,661	46,827,843
Furniture & Equipment	1,278,420	1,444,484
Vehicles	1,015,917	876,002
Computer Software	-	-
Computer Hardware	14,716	44,156
Total	\$62,151,951	\$53,343,722

June 30, 2026

Cost	Opening Cost	Additions	Disposals	Total 2026
Sites	\$4,151,237	\$	\$	\$4,151,237
Buildings	82,178,182	2,240,779	-	84,418,961
Buildings – WIP	2,211,729	8,490,110	-	10,701,839
Furniture & Equipment	2,695,671	102,709	118,584	2,679,796
Vehicles	1,192,903	272,848	-	1,465,751
Computer Software	-	-	-	-
Computer Hardware	147,197	-	-	147,197
Total Cost	\$92,576,919	\$11,106,446	\$118,584	\$103,564,781

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total 2026
Sites	\$	\$	\$	\$
Buildings	37,562,068	1,867,071	-	39,429,139
Furniture & Equipment	1,251,187	268,773	118,584	1,401,376
Vehicles	316,901	132,933	-	449,834
Computer Software	-	-	-	-
Computer Hardware	103,041	29,440	-	132,481
Total Amortization	\$39,233,197	\$2,298,217	\$118,584	\$41,412,830



**BOARD OF EDUCATION OF SCHOOL DISTRICT
NO. 47 (QATHET)**

**FINANCIAL STATEMENT NOTES
YEAR ENDED JUNE 30, 2026**

NOTE 10 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2025

Cost	Opening Cost	Additions	Disposals	Total 2025
Sites	\$4,151,237	\$	\$	\$4,151,237
Buildings	79,362,610	2,815,572	-	82,178,182
Buildings – WIP	-	2,211,729	-	2,211,729
Furniture & Equipment	2,728,169	18,648	51,146	2,695,671
Vehicles	916,759	598,172	322,028	1,192,903
Computer Software	-	-	-	-
Computer Hardware	147,197	-	-	147,197
Total Cost	\$87,305,972	\$5,644,121	\$373,174	\$92,576,919

Accumulated Amortization	Opening Accumulated Amortization	Additions	Disposals	Total 2025
Sites	\$	\$	\$	\$
Buildings	35,751,556	1,810,512	-	37,562,068
Furniture & Equipment	1,031,141	271,192	51,146	1,251,187
Vehicles	533,446	105,483	322,028	316,901
Computer Software	-	-	-	-
Computer Hardware	73,601	29,440	-	103,041
Total Amortization	\$37,389,744	\$2,216,627	\$373,174	\$39,233,197

NOTE 11 CONTINGENT LIABILITIES

Ongoing Legal Proceedings

In the ordinary course of operations, the School District has legal proceedings brought against it and provision has been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 12 EMPLOYEE PENSION PLANS

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

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

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

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

The School District paid \$3,358,872 for employer contributions to the plans for the year ended June 30, 2026 (2025: \$3,362,500)

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

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



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 13 INTERFUND TRANSFERS

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

- Operating to Capital - \$46,316

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 ECONOMIC DEPENDENCE

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

NOTE 16 ASSET RETIREMENT OBLIGATION

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

Asset Retirement Obligation, July 1, 2025	\$1,267,726
Settlements during the year	(46,316)
Asset Retirement Obligation, closing balance	<u>\$1,221,410</u>



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 25, 2026. The Board adopted a preliminary annual budget on June 25, 2025. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2026 Amended	2026 Annual	Difference
Revenues			
Provincial Grants			
Ministry of Education	48,933,784	47,398,501	1,535,283
Other	50,000	75,000	(25,000)
Tuition	720,000	720,000	-
Other Revenue	3,761,479	3,389,133	372,346
Rentals and Leases	97,000	75,400	21,600
Investment Income	55,000	80,000	(25,000)
Amortization of Deferred Capital Revenue	1,900,000	1,900,000	-
Total Revenue	55,517,263	53,638,034	1,879,229
Expenses			
Instruction	45,531,333	43,599,724	1,913,609
District Administration	2,506,874	2,496,947	9,927
Operations and Maintenance	6,675,601	6,656,637	18,964
Transportation and Housing	1,305,416	1,334,726	(29,310)
Total Expenses	56,019,224	54,088,034	1,931,190
Surplus (Deficit) for the year	(501,961)	(450,000)	(51,961)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	2,300,000	2,300,000	-
Capital Assets	2,300,000	2,300,000	-
(Increase) Decrease in Net Financial Assets			
(Debt)	1,798,039	1,850,000	(51,961)



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 18 ACCUMULATED SURPLUS

	2026	2025
Internally Restricted (appropriated) by Board for:		
School & Program Based Resources:		
Career Planning	\$82,084	\$-
Indigenous Education Council (IEC)	122,841	58,600
Future Capital Cost Share (Edgehill Addition)	250,000	250,000
Teacher Mentorship	22,075	23,208
School Resources Carried Forward	157,530	22,082
Subtotal Internally Restricted Operating Surplus	634,530	353,890
Unrestricted Operating Surplus (Contingency)	<u>1,965,133</u>	<u>620,573</u>
	2,599,663	974,463
Local Capital:		
Replacement Fund for Artificial Playfield	50,000	50,000
Equipment Replacement Fund	<u>75,000</u>	<u>75,000</u>
	125,000	125,000
Investment In Capital Assets	7,745,752	8,032,089
Total Available for Future Operations	<u>\$10,470,415</u>	<u>\$9,131,552</u>

NOTE 19 RISK MANAGEMENT

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$697,520 (2025 - \$466,073).



BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 47 (QATHET)

FINANCIAL STATEMENT NOTES *YEAR ENDED JUNE 30, 2026*

NOTE 19 RISK MANAGEMENT *(Continued)*

The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities.

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

- **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2026. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

School District No. 47 (qathet)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	974,463		8,157,089	9,131,552	9,830,553
Changes for the year					
Surplus (Deficit) for the year	1,671,516		(332,653)	1,338,863	(699,001)
Interfund Transfers					
Other	(46,316)		46,316	-	
Net Changes for the year	1,625,200	-	(286,337)	1,338,863	(699,001)
Accumulated Surplus (Deficit), end of year - Statement 2	2,599,663	-	7,870,752	10,470,415	9,131,552

School District No. 47 (qathet)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	42,473,487	43,452,824	41,868,394
Other	50,000	79,000	74,720
Tuition	720,000	814,299	981,927
Other Revenue	1,811,479	2,137,508	1,983,702
Rentals and Leases	97,000	115,440	97,072
Investment Income	50,000	48,019	88,520
Total Revenue	45,201,966	46,647,090	45,094,335
Expenses			
Instruction	37,343,275	37,267,496	37,673,216
District Administration	2,437,588	2,428,910	2,661,362
Operations and Maintenance	4,322,648	4,084,356	3,859,073
Transportation and Housing	1,205,416	1,194,812	1,260,040
Total Expense	45,308,927	44,975,574	45,453,691
Operating Surplus (Deficit) for the year	(106,961)	1,671,516	(359,356)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	106,961		
Net Transfers (to) from other funds			
Local Capital			103,043
Other		(46,316)	
Total Net Transfers	-	(46,316)	103,043
Total Operating Surplus (Deficit), for the year	-	1,625,200	(256,313)
Operating Surplus (Deficit), beginning of year		974,463	1,230,776
Operating Surplus (Deficit), end of year		2,599,663	974,463
Operating Surplus (Deficit), end of year			
Internally Restricted		634,530	353,890
Unrestricted		1,965,133	620,573
Total Operating Surplus (Deficit), end of year		2,599,663	974,463

School District No. 47 (qathet)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	43,210,137	43,445,508	42,318,464
ISC/LEA Recovery	(1,411,479)	(1,587,125)	(1,411,479)
Other Ministry of Education and Child Care Grants			
Pay Equity	243,304	243,304	243,304
Funding for Graduated Adults	2,000	8,634	6,136
Student Transportation Fund	91,754	91,754	91,754
Foundation Skills Assessment (FSA) Scorer Grant	7,500	7,506	7,506
Child Care Funding	100,000	195,650	127,004
Labour Settlement Funding		750,018	421,422
ICY Clinical Counsellor Funding	230,271	230,270	64,283
Indigenous Education Councils (IEC) Funding		67,305	
Total Provincial Grants - Ministry of Education and Child Care	42,473,487	43,452,824	41,868,394
Provincial Grants - Other	50,000	79,000	74,720
Tuition			
Summer School Fees			6,540
International and Out of Province Students	720,000	814,299	975,387
Total Tuition	720,000	814,299	981,927
Other Revenues			
Other School District/Education Authorities	110,000	81,951	136,293
Funding from First Nations	1,411,479	1,587,125	1,411,479
Miscellaneous			
Misc. Billings & Recoveries	75,000	129,349	119,950
Before & After Care Fees	100,000	119,585	134,801
Cafeteria Revenue	75,000	158,083	149,672
Fortis BC Rebate	40,000	40,681	
Purchase Card Rebate		20,734	22,265
Art Starts Grant			9,242
Total Other Revenue	1,811,479	2,137,508	1,983,702
Rentals and Leases	97,000	115,440	97,072
Investment Income	50,000	48,019	88,520
Total Operating Revenue	45,201,966	46,647,090	45,094,335

School District No. 47 (qathet)**Schedule 2B (Unaudited)**

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	14,697,255	14,842,306	14,963,846
Principals and Vice Principals	2,788,416	2,955,911	3,095,177
Educational Assistants	4,400,491	4,206,726	4,390,581
Support Staff	3,876,165	3,884,318	3,591,369
Other Professionals	2,135,574	2,125,661	2,282,425
Substitutes	1,354,892	1,310,595	1,694,944
Total Salaries	29,252,793	29,325,517	30,018,342
Employee Benefits	7,189,972	7,517,997	7,448,859
Total Salaries and Benefits	36,442,765	36,843,514	37,467,201
Services and Supplies			
Services	3,927,661	3,702,224	3,444,600
Student Transportation	8,000	5,415	9,586
Professional Development and Travel	418,997	430,631	430,920
Rentals and Leases	263,000	205,416	288,041
Dues and Fees	347,740	365,915	375,516
Insurance	117,000	112,037	113,236
Supplies	3,187,764	2,620,147	2,618,704
Utilities	596,000	690,275	705,887
Total Services and Supplies	8,866,162	8,132,060	7,986,490
Total Operating Expense	45,308,927	44,975,574	45,453,691

School District No. 47 (qathet)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	11,840,930	54,521		175,628	146,484	834,486	13,052,049
1.03 Career Programs	81,940				27,413		109,353
1.07 Library Services	203,544	8,726					212,270
1.08 Counselling	504,828	44,834			110,259		659,921
1.10 Special Education	1,748,949	380,367	4,206,726		572,165	283,264	7,191,471
1.20 Early Learning and Child Care				195,258			195,258
1.30 English Language Learning	48,739						48,739
1.31 Indigenous Education	321,448	152,648		183,850	10,276	2,257	670,479
1.41 School Administration		1,872,483		1,033,810		20,935	2,927,228
1.60 Summer School						68,782	68,782
1.61 Continuing Education							-
1.62 International and Out of Province Students	91,928	72,115			77,348	1,401	242,792
Total Function 1	14,842,306	2,585,694	4,206,726	1,588,546	943,945	1,211,125	25,378,342
4 District Administration							
4.11 Educational Administration		370,217			228,102		598,319
4.40 School District Governance				450	124,780	399	125,629
4.41 Business Administration				228,517	567,967		796,484
Total Function 4	-	370,217	-	228,967	920,849	399	1,520,432
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				47,951	98,626		146,577
5.50 Maintenance Operations				1,361,317	124,630	53,304	1,539,251
5.52 Maintenance of Grounds				94,051			94,051
5.56 Utilities							-
Total Function 5	-	-	-	1,503,319	223,256	53,304	1,779,879
7 Transportation and Housing							
7.41 Transportation and Housing Administration				25,526	37,611		63,137
7.70 Student Transportation				537,960		45,767	583,727
Total Function 7	-	-	-	563,486	37,611	45,767	646,864
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	14,842,306	2,955,911	4,206,726	3,884,318	2,125,661	1,310,595	29,325,517

School District No. 47 (qathet)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 17)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	13,052,049	3,390,897	16,442,946	2,690,075	19,133,021	19,566,989	19,787,736
1.03 Career Programs	109,353	20,022	129,375	15,940	145,315	177,692	196,488
1.07 Library Services	212,270	54,800	267,070	18,706	285,776	339,624	309,154
1.08 Counselling	659,921	170,068	829,989	8,012	838,001	782,565	788,365
1.10 Special Education	7,191,471	1,948,160	9,139,631	2,006,276	11,145,907	10,925,129	10,826,755
1.20 Early Learning and Child Care	195,258	53,535	248,793	10,485	259,278	369,782	229,945
1.30 English Language Learning	48,739	14,879	63,618	2,082	65,700	64,945	65,245
1.31 Indigenous Education	670,479	177,575	848,054	49,570	897,624	837,475	959,046
1.41 School Administration	2,927,228	685,612	3,612,840	76,675	3,689,515	3,500,204	3,573,310
1.60 Summer School	68,782	12,334	81,116	1,523	82,639	77,500	158,906
1.61 Continuing Education	-	-	-	-	-	-	96,514
1.62 International and Out of Province Students	242,792	59,961	302,753	421,967	724,720	701,370	681,752
Total Function 1	25,378,342	6,587,843	31,966,185	5,301,311	37,267,496	37,343,275	37,673,216
4 District Administration							
4.11 Educational Administration	598,319	144,904	743,223	109,938	853,161	766,725	1,222,233
4.40 School District Governance	125,629	13,643	139,272	68,323	207,595	313,135	209,266
4.41 Business Administration	796,484	189,859	986,343	381,811	1,368,154	1,357,728	1,229,863
Total Function 4	1,520,432	348,406	1,868,838	560,072	2,428,910	2,437,588	2,661,362
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	146,577	54,300	200,877	125,746	326,623	328,308	319,580
5.50 Maintenance Operations	1,539,251	347,991	1,887,242	957,745	2,844,987	3,186,501	2,628,994
5.52 Maintenance of Grounds	94,051	23,058	117,109	105,362	222,471	211,839	204,612
5.56 Utilities	-	-	-	690,275	690,275	596,000	705,887
Total Function 5	1,779,879	425,349	2,205,228	1,879,128	4,084,356	4,322,648	3,859,073
7 Transportation and Housing							
7.41 Transportation and Housing Administration	63,137	15,883	79,020	2,812	81,832	101,992	95,752
7.70 Student Transportation	583,727	140,516	724,243	388,737	1,112,980	1,103,424	1,164,288
Total Function 7	646,864	156,399	803,263	391,549	1,194,812	1,205,416	1,260,040
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	29,325,517	7,517,997	36,843,514	8,132,060	44,975,574	45,308,927	45,453,691

School District No. 47 (qathet)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	6,460,297	6,398,446	6,183,619
Other Revenue	1,950,000	1,371,048	2,054,579
Total Revenue	<u>8,410,297</u>	<u>7,769,494</u>	<u>8,238,198</u>
Expenses			
Instruction	8,188,058	7,542,255	8,013,111
District Administration	69,286	69,286	67,998
Operations and Maintenance	152,953	157,953	157,089
Total Expense	<u>8,410,297</u>	<u>7,769,494</u>	<u>8,238,198</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 47 (qathet)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			229,066	268,151					
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	122,953	145,707			136,000	17,150	79,724	230,412	141,494
Other			31,146	1,299,074					
	122,953	145,707	31,146	1,299,074	136,000	17,150	79,724	230,412	141,494
Less: Allocated to Revenue	122,953	145,707	57,200	1,313,848	136,000	17,150	79,724	230,412	141,494
Deferred Revenue, end of year	-	-	203,012	253,377	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	122,953	145,707			136,000	17,150	79,724	230,412	141,494
Other Revenue			57,200	1,313,848					
	122,953	145,707	57,200	1,313,848	136,000	17,150	79,724	230,412	141,494
Expenses									
Salaries									
Teachers							27,729	107,897	7,500
Principals and Vice Principals									
Educational Assistants		126,702						42,579	
Support Staff					108,800				35,000
Other Professionals								29,925	
Substitutes						6,500	9,555		79,121
	-	126,702	-	-	108,800	6,500	37,284	180,401	121,621
Employee Benefits		19,005			25,436	780	4,159	42,592	8,500
Services and Supplies	122,953		57,200	1,313,848	1,764	9,870	38,281	7,419	11,373
	122,953	145,707	57,200	1,313,848	136,000	17,150	79,724	230,412	141,494
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 47 (qathet)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Seamless Day Kindergarten	JUST B4	Early Care & Learning (ECL)	Feeding Futures Fund	Professional Learning Grant	National School Food Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year							78,679	238,867	74,379
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,460,808	556,135	55,000	55,400	25,000	578,300	397,844		111,570
Other									
	2,460,808	556,135	55,000	55,400	25,000	578,300	397,844	-	111,570
Less: Allocated to Revenue	2,460,808	556,135	55,000	55,400	25,000	175,000	432,857	68,867	104,757
Deferred Revenue, end of year	-	-	-	-	-	403,300	43,666	170,000	81,192
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,460,808	556,135	55,000	55,400	25,000	175,000	432,857	68,867	104,757
Other Revenue									
	2,460,808	556,135	55,000	55,400	25,000	175,000	432,857	68,867	104,757
Expenses									
Salaries									
Teachers	1,982,981	235,425					3,909	23,877	
Principals and Vice Principals						30,500	4,353		
Educational Assistants		15,498					43,785		
Support Staff				44,320	20,835	28,875	18,463		
Other Professionals						80,779	67,832		
Substitutes		201,060	7,500					29,982	
	1,982,981	451,983	7,500	44,320	20,835	140,154	138,342	53,859	-
Employee Benefits	477,827	67,191		11,080	4,165	27,116	23,795	5,208	
Services and Supplies		36,961	47,500			7,730	270,720	9,800	104,757
	2,460,808	556,135	55,000	55,400	25,000	175,000	432,857	68,867	104,757
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 47 (qathet)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

Schedule 3A (Unaudited)

	Auditory Outreach Program	TOTAL
	\$	\$
Deferred Revenue, beginning of year	118,741	1,007,883
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care	1,543,305	6,656,802
Other		1,330,220
	1,543,305	7,987,022
Less: Allocated to Revenue	1,591,182	7,769,494
Deferred Revenue, end of year	70,864	1,225,411
Revenues		
Provincial Grants - Ministry of Education and Child Care	1,591,182	6,398,446
Other Revenue		1,371,048
	1,591,182	7,769,494
Expenses		
Salaries		
Teachers	48,865	2,438,183
Principals and Vice Principals	152,648	187,501
Educational Assistants		228,564
Support Staff	84,218	340,511
Other Professionals	277,166	455,702
Substitutes		333,718
	562,897	3,984,179
Employee Benefits	142,025	858,879
Services and Supplies	886,260	2,926,436
	1,591,182	7,769,494
Net Revenue (Expense) before Interfund Transfers	-	-
Interfund Transfers	-	-
Net Revenue (Expense)	-	-

School District No. 47 (qathet)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Investment Income	5,000			-	
Amortization of Deferred Capital Revenue	1,900,000	1,965,564		1,965,564	1,876,982
Total Revenue	1,905,000	1,965,564	-	1,965,564	1,876,982
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,200,000	2,165,284		2,165,284	2,111,144
Transportation and Housing	100,000	132,933		132,933	105,483
Total Expense	2,300,000	2,298,217	-	2,298,217	2,216,627
Capital Surplus (Deficit) for the year	(395,000)	(332,653)	-	(332,653)	(339,645)
Net Transfers (to) from other funds					
Local Capital				-	(103,043)
Settlement of Asset Retirement Obligation		46,316		46,316	
Total Net Transfers	-	46,316	-	46,316	(103,043)
Total Capital Surplus (Deficit) for the year	(395,000)	(286,337)	-	(286,337)	(442,688)
Capital Surplus (Deficit), beginning of year		8,032,089	125,000	8,157,089	8,599,777
Capital Surplus (Deficit), end of year		7,745,752	125,000	7,870,752	8,157,089

School District No. 47 (qathet)

Tangible Capital Assets
Year Ended June 30, 2026

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,151,237	82,178,182	2,695,671	1,192,903		147,197	90,365,190
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,240,779	102,709	272,848			2,616,336
	-	2,240,779	102,709	272,848	-	-	2,616,336
Decrease:							
Deemed Disposals			118,584				118,584
	-	-	118,584	-	-	-	118,584
Cost, end of year	4,151,237	84,418,961	2,679,796	1,465,751	-	147,197	92,862,942
Work in Progress, end of year		10,701,839					10,701,839
Cost and Work in Progress, end of year	4,151,237	95,120,800	2,679,796	1,465,751	-	147,197	103,564,781
Accumulated Amortization, beginning of year		37,562,068	1,251,187	316,901		103,041	39,233,197
Changes for the Year							
Amortization for the Year		1,867,071	268,773	132,933		29,440	2,298,217
		1,867,071	268,773	132,933	-	29,440	2,298,217
Deemed Disposals			118,584				118,584
Written-off During Year							-
District Entered							-
	-		118,584	-	-	-	118,584
Accumulated Amortization, end of year		39,429,139	1,401,376	449,834	-	132,481	41,412,830
Tangible Capital Assets - Net	4,151,237	55,691,661	1,278,420	1,015,917	-	14,716	62,151,951

School District No. 47 (qathet)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	2,211,729				2,211,729
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	8,490,110				8,490,110
	8,490,110	-	-	-	8,490,110
Net Changes for the Year	8,490,110	-	-	-	8,490,110
Work in Progress, end of year	10,701,839	-	-	-	10,701,839

School District No. 47 (qathet)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	39,090,780	4,053,343	899,784	44,043,907
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,616,336			2,616,336
	2,616,336	-	-	2,616,336
Decrease:				
Amortization of Deferred Capital Revenue	1,760,232	144,019	61,313	1,965,564
	1,760,232	144,019	61,313	1,965,564
Net Changes for the Year	856,104	(144,019)	(61,313)	650,772
Deferred Capital Revenue, end of year	39,946,884	3,909,324	838,471	44,694,679
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,490,110			8,490,110
	8,490,110	-	-	8,490,110
Net Changes for the Year	8,490,110	-	-	8,490,110
Work in Progress, end of year	8,490,110	-	-	8,490,110
Total Deferred Capital Revenue, end of year	48,436,994	3,909,324	838,471	53,184,789

School District No. 47 (qathet)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

Schedule 4D (Unaudited)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year						-
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	11,106,446					11,106,446
	11,106,446	-	-	-	-	11,106,446
Decrease:						
Transferred to DCR - Capital Additions	2,616,336					2,616,336
Transferred to DCR - Work in Progress	8,490,110					8,490,110
	11,106,446	-	-	-	-	11,106,446
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	-	-	-	-	-