Audited Financial Statements of

School District No. 58 (Nicola-Similkameen)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 58 (Nicola-Similkameen)

June 30, 2026

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School District No. 58 (Nicola-Similkameen)

MANAGEMENT REPORT

Version: 6725-5979-3997

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 58 (Nicola-Similkameen) 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. 58 (Nicola-Similkameen) (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, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 58 (Nicola-Similkameen) 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. 58 (Nicola-Similkameen)

Signature of the Chairperson of the Board of Education — Date Signed: Sept 16, 2026

Signature of the Superintendent — Date Signed: Sept. 16, 2026

Signature of the Secretary Treasurer — Date Signed: Sept 16, 2026

Tel: 250 372 9505
Fax: 250 374 6323
www.bdo.ca

BDO Canada LLP
300 – 275 Lansdowne Street
Kamloops BC V2C 6J3

Independent Auditor's Report

To the Board of Education of School District No. 58 (Nicola-Similkameen)

Opinion

We have audited the financial statements of School District No. 58 (Nicola-Similkameen) (the "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 accompanying financial statements of the District as at and for the year ended June 30, 2026, are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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 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 our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the exhibits on pages 23 through 37 of School District No. 58 (Nicola-Similkameen)'s financial statements.

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

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

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

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

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Districts'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 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 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 fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants

Kamloops, British Columbia
September 17, 2026

School District No. 58 (Nicola-Similkameen)

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	**11,921,028**	10,035,890
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**39,699**	112,162
Due from First Nations	**163,981**	1,266,083
Other	**255,839**	260,033
Total Financial Assets	**12,380,547**	11,674,168
Liabilities		
Accounts Payable and Accrued Liabilities		
Other	**3,605,675**	4,188,156
Deferred Revenue	**2,312,698**	1,988,148
Deferred Capital Revenue	**37,332,238**	36,356,403
Employee Future Benefits	**1,307,509**	1,324,916
Asset Retirement Obligation	**4,709,720**	4,714,328
Total Liabilities	**49,267,840**	48,571,951
Net Debt	**(36,887,293)**	(36,897,783)
Non-Financial Assets		
Tangible Capital Assets	**47,069,847**	45,560,964
Prepaid Expenses	**153,173**	205,080
Total Non-Financial Assets	**47,223,020**	45,766,044
Accumulated Surplus (Deficit)	**10,335,727**	8,868,261

Approved by the Board

Signature of the Chairperson of the Board of Education — Date Signed: Sept 16, 2026

Signature of the Superintendent — Date Signed: Sept. 16, 2026

Signature of the Secretary Treasurer — Date Signed: Sept 16, 2026

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

School District No. 58 (Nicola-Similkameen)

Statement of Operations

Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	34,875,230	**36,241,004**	34,439,634
Other	92,191	**81,993**	133,381
Other Revenue	4,496,558	**4,201,487**	4,702,820
Rentals and Leases	258,355	**257,770**	224,646
Investment Income	178,331	**204,881**	427,311
Amortization of Deferred Capital Revenue	1,544,959	**1,534,375**	1,317,994
Total Revenue	41,445,624	**42,521,510**	41,245,786
Expenses			
Instruction	31,227,308	**30,785,640**	30,826,512
District Administration	2,526,347	**2,349,990**	1,997,604
Operations and Maintenance	6,780,990	**6,604,119**	10,180,593
Transportation and Housing	1,425,767	**1,314,295**	1,315,898
Total Expense	41,960,412	**41,054,044**	44,320,607
Surplus (Deficit) for the year	(514,788)	**1,467,466**	(3,074,821)
Accumulated Surplus (Deficit) from Operations, beginning of year		**8,868,261**	11,943,082
Accumulated Surplus (Deficit) from Operations, end of year		**10,335,727**	8,868,261

School District No. 58 (Nicola-Similkameen)

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

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Surplus (Deficit) for the year	(514,788)	**1,467,466**	(3,074,821)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,625,897)	**(4,033,143)**	(14,474,178)
Amortization of Tangible Capital Assets	2,530,443	**2,519,652**	5,468,283
Net carrying value of Tangible Capital Assets disposed of		**4,608**	
Total Effect of change in Tangible Capital Assets	(1,095,454)	**(1,508,883)**	(9,005,895)
Acquisition of Prepaid Expenses		**(153,173)**	(205,080)
Use of Prepaid Expenses		**205,080**	262,346
Use of Supplies Inventory			73,429
Total Effect of change in Other Non-Financial Assets	-	**51,907**	130,695
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(1,610,242)	**10,490**	(11,950,021)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**10,490**	(11,950,021)
Net Debt, beginning of year		**(36,897,783)**	(24,947,762)
Net Debt, end of year		**(36,887,293)**	(36,897,783)

School District No. 58 (Nicola-Similkameen)

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**1,467,466**	(3,074,821)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**1,178,759**	(532,203)
Supplies Inventories		73,429
Prepaid Expenses	**51,907**	57,266
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**(582,481)**	413,043
Deferred Revenue	**324,550**	249,291
Employee Future Benefits	**(17,407)**	1,546
Amortization of Tangible Capital Assets	**2,519,652**	5,468,283
Amortization of Deferred Capital Revenue	**(1,534,375)**	(1,317,994)
Recognition of Deferred Capital Revenue Spent on Sites	**(3,835)**	(29,524)
Deferred Capital Revenue Spent on Flood Restoration Projects		(310,845)
Total Operating Transactions	**3,404,236**	997,471
Capital Transactions		
Tangible Capital Assets Purchased	**(1,538,737)**	(1,291,235)
Tangible Capital Assets -WIP Purchased	**(2,494,406)**	(9,977,507)
Total Capital Transactions	**(4,033,143)**	(11,268,742)
Financing Transactions		
Capital Revenue Received	**2,514,045**	8,301,787
Total Financing Transactions	**2,514,045**	8,301,787
Net Increase (Decrease) in Cash and Cash Equivalents	**1,885,138**	(1,969,484)
Cash and Cash Equivalents, beginning of year	**10,035,890**	12,005,374
Cash and Cash Equivalents, end of year	**11,921,028**	10,035,890
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**11,921,028**	10,035,890
	11,921,028	10,035,890

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 2, 1996 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. 58 (Nicola-Similkameen)", and operates as "School District No. 58 (Nicola-Similkameen)." 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. 58 (Nicola-Similkameen) 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

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

a) Basis of Accounting *(cont'd)*

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

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

- Year-ended June 30, 2025
  - increase in annual surplus by $6,643,424
  - increase in accumulated surplus and decrease in deferred contributions by $36,356,403

- Year-ended June 30, 2026
  - increase in annual surplus by $975,835
  - increase in accumulated surplus and decrease in deferred contributions by $37,332,238

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit with two chartered banks, and the Province of British Columbia under the Central Deposit Program 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 receivable is measured at amortized cost and shown net of allowance for doubtful accounts.

d) Unearned Revenue

Unearned revenue includes 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.

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

e) Deferred Revenue and Deferred Capital Revenue

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

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

f) Employee Future Benefits

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

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

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

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

g) Asset Retirement Obligations

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

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

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

h) Tangible Capital Assets

The following criteria apply:

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

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

h) Tangible Capital Assets *(cont'd)*

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

i) Prepaid Expenses

Prepaid expenses consist of software licenses, professional learning, and membership fees. They are included as a prepaid expense, stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

j) Supplies Inventory

Supplies inventory held for consumption or use include computers to be deployed into classrooms for use in future school years. Supplies are recorded at the lower of historical cost and replacement cost.

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 10 – Interfund Transfers and Note 15 – Internally Restricted Surplus).

l) Revenue Recognition

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

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

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

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

l) Revenue Recognition *(cont'd)*

- 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 a description of the impact of accounting for deferred capital contributions has on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

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

m) Expenditures

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

Categories of Salaries

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

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and Indigenous education, are allocated

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

m) Expenditures *(cont'd)*

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.

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. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

o) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2026	2025
Due from Federal Government	$ 78,527	$ 121,763
Other	177,312	138,270
Sub-Total Other	**255,839**	**260,033**

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trades payable	$ 2,135,293	$ 2,568,790
Salaries and benefits payables	1,144,269	1,223,742
Accrued vacation pay	326,113	395,624
Total	**$ 3,605,675**	**$ 4,188,156**

NOTE 5 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.

	2026	2025
Balance, beginning of year	$ 1,988,148	$ 1,738,857
Contributions received during the year	8,734,233	8,489,799
Revenue recognized from deferred contributions	(8,364,883)	(8,238,861)
Recoveries by the Ministry of Education	(35,000)	(1,647)
Recoveries by Other Ministries	(9,800)	
Total	**$ 2,312,698**	**$ 1,988,148**

NOTE 6 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.

	2026	2025
Balance, beginning of year	$ 36,356,403	$ 29,712,979
Contributions received during the year	2,509,776	8,297,397
Investment Income	4,269	4,390
Insurance Proceeds Expended		(310,845)
Revenue recognized from deferred contributions	(1,538,210)	(1,347,518)
Total	**$ 37,332,238**	**$ 36,356,403**

NOTE 7 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.

	June 30, 2026	June 30, 2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	$1,124,113	$891,067
Service Cost	105,763	82,153
Interest Cost	45,923	39,804
Benefit Payments	(63,060)	(90,064)
Actuarial (Gain) Loss	(143,049)	201,153
Accrued Benefit Obligation – March 31	$1,069,690	$1,124,113
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	$1,069,690	$1,124,113
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus (Deficit)	($1,069,690)	($1,124,113)
Employer Contributions After Measurement Date	75,920	15,955
Benefits Expense After Measurement Date	(37,910)	(37,922)
Unamortized Net Actuarial (Gain) Loss	(275,829)	(178,837)
Accrued Benefit Asset (Liability) - June 30	($1,307,509)	($1,324,916)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	$1,324,916	$1,323,370
Net Expense for Fiscal Year	105,618	66,845
Employer Contributions July 1 to March 31	(47,105)	(49,343)
Employer Contributions April 1 to June 30	(75,920)	(15,955)
Accrued Benefit Liability (Asset) - June 30	$1,307,509	$1,324,916
Components of Net Benefit Expense		
Service Cost	$104,513	$88,056
Interest Cost	47,161	41,334
Amortization of Net Actuarial (Gain)/Loss	(46,056)	(62,545)
Net Benefit Expense (Income)	$105,618	$66,845
Assumptions		
Discount Rate - April 1	4.00%	4.25%
Discount Rate - March 31	4.50%	4.00%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	12.2	12.2

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value

	2026	2025
Sites	$ 2,756,808	$ 2,752,973
Buildings	38,903,909	37,594,503
Buildings - work in progress	731,057	881,241
Furniture & Equipment	2,497,740	2,370,999
Vehicles	1,173,151	826,470
Computer Software	272,613	307,563
Computer Hardware	734,569	827,215
Total	**$ 47,069,847**	**$ 45,560,964**

June 30, 2026

Cost	Opening Cost	Additions	ARO Change in Estimate	Disposals	Transfers (WIP)	Total 2026
Sites	$ 2,752,973	3,835				$ 2,756,808
Buildings	74,597,126	$ 172,536		(4,608)	2,604,884	77,369,938
Buildings - work in progress	881,241	2,454,700			(2,604,884)	731,057
Furniture & Equipment	3,501,067	500,414		(29,082)		3,972,399
Vehicles	1,931,142	566,461		(33,145)		2,464,458
Computer Software	684,610	100,260		(117,377)		667,493
Computer Hardware	1,695,687	234,937		(350,481)		1,580,143
Total	**$ 86,043,846**	**$ 4,033,143**	**-**	**(534,693)**	**-**	**$ 89,542,296**

Accumulated Amortization	Opening Cost	Additions	Disposals	Total 2026
Buildings	$ 37,002,623	$ 1,463,406		$ 38,466,029
Furniture & Equipment	1,130,068	373,673	(29,082)	1,474,659
Vehicles	1,104,672	219,780	(33,145)	1,291,307
Computer Software	377,047	135,210	(117,377)	394,880
Computer Hardware	868,472	327,583	(350,481)	845,574
Total	**$ 40,482,882**	**$ 2,519,652**	**(530,085)**	**$ 42,472,449**

June 30, 2025

Cost	Opening Cost	Additions	ARO Change in Estimate	Disposals	Transfers (WIP)	Total 2025
Sites	$ 2,723,449	29,524				$ 2,752,973
Buildings	61,628,915	$ 45,763	3,205,436		9,717,012	74,597,126
Buildings - work in progress	1,331,943	9,266,310			(9,717,012)	881,241
Furniture & Equipment	2,509,070	1,266,123		(274,126)		3,501,067
Vehicles	1,940,422	205,807		(215,087)		1,931,142
Computer Software	577,392	107,218				684,610
Computer Hardware	1,662,246	347,997		(314,556)		1,695,687
Total	**$ 72,373,437**	**$ 11,268,742**	**3,205,436**	**(803,769)**	**-**	**$ 86,043,846**

Accumulated Amortization	Opening Cost	Additions	Disposals	Total 2025
Buildings	$ 32,490,418	$ 4,512,205		$ 37,002,623
Furniture & Equipment	1,103,687	300,507	(274,126)	1,130,068
Vehicles	1,126,181	193,578	(215,087)	1,104,672
Computer Software	250,847	126,200	-	377,047
Computer Hardware	847,235	335,793	(314,556)	868,472
Total	**$ 35,818,368**	**$ 5,468,283**	**(803,769)**	**$ 40,482,882**

NOTE 8 TANGIBLE CAPITAL ASSETS *(Continued)*

- Buildings – work in progress having a value of $731,057(2025 - $881,241) have not been amortized. Amortization of these assets will commence when the asset is put into service.

NOTE 9 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the 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 $2,508,434 for employer contributions to the plans for the year ended June 30, 2026 (2025: $2,465,488).

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 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.

NOTE 10 INTERFUND TRANSFERS

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

	2026	2025
Transfer of Funds to Local Capital from Operating	$ 1,024,561	$ 55,939
Purchase of Assets from the Operating Fund for the Capital Fund	174,623	468,559
Purchase of Assets from the Special Purpose Fund for the Capital Fund	42,409	75,763
Total	**$ 1,241,593**	**$ 600,261**

NOTE 11 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 12 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 11, 2026. The Board adopted a preliminary annual budget on June 11, 2025. The amended budget is used for comparison purposes, as these are based on actual student enrolments. Reconciliation to the original approved budget is presented below:

	Original Approved Budget	Amendments	Amended Approved Budget
Revenue:			
Ministry of Education Provincial Grants	$ 34,856,938	$ 18,292	$ 34,875,230
Other Provincial Ministry Grants	91,444	747	92,191
Rentals & Leases	224,600	33,755	258,355
Investment Income	379,370	(201,039)	178,331
Other Income	4,247,321	249,237	4,496,558
Amortization of Deferred Capital Revenue	1,537,856	7,103	1,544,959
	$ 41,337,529	**$ 108,095**	**$ 41,445,624**
Expenses:			
Instruction	$ 31,859,729	$ (632,421)	$ 31,227,308
District Administration	2,182,370	343,977	2,526,347
Operations & Maintenance	6,523,198	257,792	6,780,990
Transportation & Housing	1,508,377	(82,610)	1,425,767
	$ 42,073,674	**$ (113,262)**	**$ 41,960,412**
Net Expense	**$ (736,145)**	**$ 221,357**	**$ (514,788)**
Budgeted Allocation of Surplus		297,427	297,427
Budgeted Annual Deficit for the Year	**$ (736,145)**	**$ 518,784**	**$ (217,361)**
Comprised of:			
Operating Fund Surplus	$ -	$ 99,661	$ 99,661
Special Purpose Fund Surplus	-	-	-
Capital Fund Deficiency	(736,145)	419,123	(317,022)
Budgeted Annual Deficit for the Year	**$ (736,145)**	**$ 518,784**	**$ (217,361)**

NOTE 13 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. 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.

	2026	2025
Asset Retirement Obligation, beginning of year	$ 4,714,328	$ 1,508,892
Settlements during the year	(4,608)	-
Change in Estimate	-	3,205,436
Asset Retirement Obligation, closing balance	**$ 4,709,720**	**$ 4,714,328**

NOTE 14 EXPENSE BY OBJECT

	2026	2025
Salaries and Benefits	$ 31,700,371	$ 31,800,232
Services and Supplies	6,834,021	$ 7,052,092
Amortization	2,519,652	$ 5,468,283
Total	**$ 41,054,044**	**$ 44,320,607**

NOTE 15 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2026	2025
Internally Restricted		
- Indigenous Education Surplus	$ 134,430	$ 36,476
- IEC Council Funds	199,908	94,805
- School Surpluses	153,554	-
- Labour Relations Reserve	383,857	500,000
- SCIDES Summer School Costs	150,000	150,000
- Information Technology Infrastructure	450,000	450,000
- CUPE Service Improvement Fund - Article 26G	180,156	62,098
- 2025/26 Numeracy Supplies	-	50,000
- 2026/27 Literacy Supplies	250,000	-
- ICY Teams Grant Funds	257,793	150,408
Subtotal Internally Restricted	**$ 2,159,698**	**$ 1,493,787**
Unrestricted Accumulated Operating Surplus	877,244	361,359
Total Available for Future Operations	**$ 3,036,942**	**$ 1,855,146**

NOTE 16 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 17 RISK MANAGEMENT

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

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

a) Credit risk:

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

NOTE 17 RISK MANAGEMENT *(Continued)*

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

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

b) Interest Rate risk:

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

School District No. 58 (Nicola-Similkameen)

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	1,855,146		7,013,115	**8,868,261**	11,943,082
Changes for the year					
Surplus (Deficit) for the year	2,380,980	42,409	(955,923)	**1,467,466**	(3,074,821)
Interfund Transfers					
Tangible Capital Assets Purchased	(171,769)	(42,409)	214,178	-	
Local Capital	(1,024,561)		1,024,561	-	
Other	(2,854)		2,854	-	
Net Changes for the year	**1,181,796**	**-**	**285,670**	**1,467,466**	**(3,074,821)**
Accumulated Surplus (Deficit), end of year - Statement 2	**3,036,942**	**-**	**7,298,785**	**10,335,727**	8,868,261

School District No. 58 (Nicola-Similkameen)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	27,171,606	**29,115,649**	27,240,586
Other	67,259	**63,027**	67,259
Other Revenue	3,407,160	**2,981,882**	3,390,443
Rentals and Leases	258,355	**257,770**	224,646
Investment Income	149,205	**171,716**	388,852
Total Revenue	31,053,585	**32,590,044**	31,311,786
Expenses			
Instruction	22,649,144	**22,635,751**	22,789,584
District Administration	2,526,347	**2,349,990**	1,997,604
Operations and Maintenance	4,329,703	**4,177,948**	4,504,952
Transportation and Housing	1,146,821	**1,045,375**	1,086,241
Total Expense	30,652,015	**30,209,064**	30,378,381
Operating Surplus (Deficit) for the year	401,570	**2,380,980**	933,405
Budgeted Appropriation (Retirement) of Surplus (Deficit)	297,427		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		**(171,769)**	(468,559)
Local Capital	(599,336)	**(1,024,561)**	(55,939)
Other		**(2,854)**	
Total Net Transfers	(599,336)	**(1,199,184)**	(524,498)
Total Operating Surplus (Deficit), for the year	99,661	**1,181,796**	408,907
Operating Surplus (Deficit), beginning of year		**1,855,146**	1,446,239
Operating Surplus (Deficit), end of year		**3,036,942**	1,855,146
Operating Surplus (Deficit), end of year			
Internally Restricted		**2,159,698**	1,493,787
Unrestricted		**877,244**	361,359
Total Operating Surplus (Deficit), end of year		**3,036,942**	1,855,146

School District No. 58 (Nicola-Similkameen)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	29,917,120	**30,863,319**	29,693,008
ISC/LEA Recovery	(3,257,160)	**(2,935,538)**	(3,257,160)
Other Ministry of Education and Child Care Grants			
Pay Equity	120,216	**120,216**	120,216
Funding for Graduated Adults	133,093	**269,668**	151,141
Student Transportation Fund	170,292	**170,292**	170,292
Support Staff Benefits Grant			30,025
Foundation Skills Assessment (FSA) Scorer Grant	7,506	**7,506**	7,506
Labour Settlement Funding		**512,801**	261,110
ICY Clinical Counsellor Funding	80,539	**107,385**	64,448
Total Provincial Grants - Ministry of Education and Child Care	27,171,606	**29,115,649**	27,240,586
Provincial Grants - Other	67,259	**63,027**	67,259
Other Revenues			
Funding from First Nations	3,257,160	**2,935,538**	3,257,160
Miscellaneous			
Miscellaneous Revenue	150,000	**46,344**	133,283
Total Other Revenue	3,407,160	**2,981,882**	3,390,443
Rentals and Leases	258,355	**257,770**	224,646
Investment Income	149,205	**171,716**	388,852
Total Operating Revenue	31,053,585	**32,590,044**	31,311,786

School District No. 58 (Nicola-Similkameen)

Schedule of Operating Expense by Object
Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Salaries			
Teachers	9,456,861	**9,508,077**	9,376,604
Principals and Vice Principals	2,049,514	**2,087,827**	2,337,571
Educational Assistants	3,104,648	**3,045,343**	3,134,604
Support Staff	3,403,634	**3,214,348**	3,489,399
Other Professionals	1,553,224	**1,505,268**	1,383,387
Substitutes	1,244,800	**1,213,118**	1,207,306
Total Salaries	20,812,681	**20,573,981**	20,928,871
Employee Benefits	4,767,561	**4,904,118**	4,768,907
Total Salaries and Benefits	25,580,242	**25,478,099**	25,697,778
Services and Supplies			
Services	1,703,317	**1,661,937**	1,629,273
Student Transportation	318,056	**271,196**	269,238
Professional Development and Travel	341,532	**278,536**	361,896
Rentals and Leases	43,091	**33,868**	43,073
Dues and Fees	118,302	**129,155**	110,144
Insurance	93,387	**86,475**	105,973
Supplies	1,569,585	**1,410,211**	1,242,689
Utilities	884,503	**859,587**	918,317
Total Services and Supplies	5,071,773	**4,730,965**	4,680,603
Total Operating Expense	30,652,015	**30,209,064**	30,378,381

School District No. 58 (Nicola-Similkameen)

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	8,872,230	197,641	47,912	355,342	8,218	725,197	**10,206,540**
1.03 Career Programs				472		240	**712**
1.07 Library Services	56,048			27,274		12,710	**96,032**
1.08 Counselling	191,511			13,159			**204,670**
1.10 Inclusive Education	340,251	1,712	2,336,261			214,022	**2,892,246**
1.30 English Language Learning	48,037						**48,037**
1.31 Indigenous Education			651,032		81,489	2,866	**735,387**
1.41 School Administration		1,888,474	10,138	502,914		54,363	**2,455,889**
Total Function 1	**9,508,077**	**2,087,827**	**3,045,343**	**899,161**	**89,707**	**1,009,398**	**16,639,513**
4 District Administration							
4.11 Educational Administration					500,640		**500,640**
4.40 School District Governance					156,958	572	**157,530**
4.41 Business Administration				190,543	515,442	214	**706,199**
Total Function 4	**-**	**-**	**-**	**190,543**	**1,173,040**	**786**	**1,364,369**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				29,520	201,287	4,705	**235,512**
5.50 Maintenance Operations				1,513,807		111,914	**1,625,721**
5.52 Maintenance of Grounds				99,159			**99,159**
5.56 Utilities							**-**
Total Function 5	**-**	**-**	**-**	**1,642,486**	**201,287**	**116,619**	**1,960,392**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				29,518	41,234		**70,752**
7.70 Student Transportation				452,640		86,315	**538,955**
Total Function 7	**-**	**-**	**-**	**482,158**	**41,234**	**86,315**	**609,707**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**9,508,077**	**2,087,827**	**3,045,343**	**3,214,348**	**1,505,268**	**1,213,118**	**20,573,981**

School District No. 58 (Nicola-Similkameen)

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	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**10,206,540**	2,404,050	**12,610,590**	1,146,723	**13,757,313**	13,284,000	12,981,449
1.03 Career Programs	**712**	214	**926**	54,878	**55,804**	81,200	81,665
1.07 Library Services	**96,032**	21,826	**117,858**	72,986	**190,844**	84,375	207,008
1.08 Counselling	**204,670**	50,734	**255,404**	4,191	**259,595**	535,085	164,192
1.10 Inclusive Education	**2,892,246**	769,431	**3,661,677**	278,791	**3,940,468**	4,062,248	5,069,601
1.30 English Language Learning	**48,037**	14,192	**62,229**	4,900	**67,129**	211,508	120,316
1.31 Indigenous Education	**735,387**	171,006	**906,393**	384,597	**1,290,990**	1,427,306	1,400,753
1.41 School Administration	**2,455,889**	578,165	**3,034,054**	39,554	**3,073,608**	2,963,422	2,764,600
Total Function 1	**16,639,513**	**4,009,618**	**20,649,131**	**1,986,620**	**22,635,751**	22,649,144	22,789,584
4 District Administration							
4.11 Educational Administration	**500,640**	94,603	**595,243**	48,930	**644,173**	717,326	589,656
4.40 School District Governance	**157,530**	11,019	**168,549**	128,590	**297,139**	495,677	282,858
4.41 Business Administration	**706,199**	214,973	**921,172**	487,506	**1,408,678**	1,313,344	1,125,090
Total Function 4	**1,364,369**	**320,595**	**1,684,964**	**665,026**	**2,349,990**	2,526,347	1,997,604
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**235,512**	51,557	**287,069**	80,439	**367,508**	337,407	495,952
5.50 Maintenance Operations	**1,625,721**	364,252	**1,989,973**	713,518	**2,703,491**	2,856,978	2,866,026
5.52 Maintenance of Grounds	**99,159**	24,512	**123,671**	123,691	**247,362**	250,815	224,657
5.56 Utilities	**-**		**-**	859,587	**859,587**	884,503	918,317
Total Function 5	**1,960,392**	**440,321**	**2,400,713**	**1,777,235**	**4,177,948**	4,329,703	4,504,952
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**70,752**	16,618	**87,370**	280	**87,650**	122,315	125,183
7.70 Student Transportation	**538,955**	116,966	**655,921**	301,804	**957,725**	1,024,506	961,058
Total Function 7	**609,707**	**133,584**	**743,291**	**302,084**	**1,045,375**	1,146,821	1,086,241
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	-	-
Total Functions 1 - 9	**20,573,981**	**4,904,118**	**25,478,099**	**4,730,965**	**30,209,064**	30,652,015	30,378,381

School District No. 58 (Nicola-Similkameen)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	7,703,624	**7,125,355**	6,888,203
Other	24,932	**15,132**	36,598
Other Revenue	1,089,398	**1,219,605**	1,312,377
Investment Income		**4,791**	1,683
Total Revenue	8,817,954	**8,364,883**	8,238,861
Expenses			
Instruction	8,578,164	**8,149,889**	8,036,928
Operations and Maintenance	125,854	**123,445**	90,091
Transportation and Housing	73,936	**49,140**	36,079
Total Expense	8,777,954	**8,322,474**	8,163,098
Special Purpose Surplus (Deficit) for the year	40,000	**42,409**	75,763
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(40,000)	**(42,409)**	(75,763)
Total Net Transfers	(40,000)	**(42,409)**	(75,763)
Total Special Purpose Surplus (Deficit) for the year	-	**-**	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		**-**	-

School District No. 58 (Nicola-Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	$	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			4,135	764,131	16,845	34,669	190,058	21,961		
Add: Restricted Grants										
Provincial Grants - Ministry of Education and Child Care	125,854	98,463			136,000	14,700	80,946	322,729	354,677	5,150,428
Provincial Grants - Other										
Other				1,204,808						
Investment Income										
	125,854	98,463	-	1,204,808	136,000	14,700	80,946	322,729	354,677	5,150,428
Less: Allocated to Revenue	125,854	98,463	2,019	1,147,987	116,476	713	104,403	172,797	354,677	5,150,428
Recovered										
Deferred Revenue, end of year	**-**	**-**	**2,116**	**820,952**	**36,369**	**48,656**	**166,601**	**171,893**	**-**	**-**
Revenues										
Provincial Grants - Ministry of Education and Child Care	125,854	98,463	2,019		116,476	713	104,403	172,797	354,677	5,150,428
Provincial Grants - Other										
Other Revenue				1,147,987						
Investment Income										
	125,854	98,463	2,019	1,147,987	116,476	713	104,403	172,797	354,677	5,150,428
Expenses										
Salaries										
Teachers							25,153			4,187,340
Principals and Vice Principals									82,105	
Educational Assistants		78,723			84,003			35,314	26,053	
Support Staff							9,140	55	53,149	
Other Professionals									74,528	
Substitutes							439			
	-	78,723	-	-	84,003	-	34,732	35,369	235,835	4,187,340
Employee Benefits		19,740			24,317		8,898	6,136	50,342	963,088
Services and Supplies	123,445		2,019	1,147,987	8,156	713	60,773	131,292	28,500	
	123,445	98,463	2,019	1,147,987	116,476	713	104,403	172,797	314,677	5,150,428
Net Revenue (Expense) before Interfund Transfers	2,409	-	-	-	-	-	-	-	40,000	-
Interfund Transfers										
Tangible Capital Assets Purchased	(2,409)								(40,000)	
	(2,409)	-	-	-	-	-	-	-	(40,000)	-
Net Revenue (Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

School District No. 58 (Nicola-Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Seamless Day Kindergarten	JUST B4	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund	Health Career Grants
	$	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			12,114	20,805	5,172	50,000	30,671	31,695	76,444	43,176
Add: Restricted Grants										
Provincial Grants - Ministry of Education and Child Care	35,050	73,936	55,000					525,000	350,000	
Provincial Grants - Other										
Other										
Investment Income										
	35,050	73,936	55,000	-	-	-	-	525,000	350,000	-
Less: Allocated to Revenue	35,050	49,140	51,351	2,947	5,172	-	925	206,695	384,841	8,176
Recovered										35,000
Deferred Revenue, end of year	**-**	**24,796**	**15,763**	**17,858**	**-**	**50,000**	**29,746**	**350,000**	**41,603**	**-**
Revenues										
Provincial Grants - Ministry of Education and Child Care	35,050	49,140	51,351	2,947	5,172		925	206,695	384,841	8,176
Provincial Grants - Other										
Other Revenue										
Investment Income										
	35,050	49,140	51,351	2,947	5,172	-	925	206,695	384,841	8,176
Expenses										
Salaries										
Teachers									42,012	
Principals and Vice Principals								169,383		
Educational Assistants					3,469					
Support Staff									61,298	492
Other Professionals										
Substitutes	1,038									
	1,038	-	-	-	3,469	-	-	169,383	103,310	492
Employee Benefits	135				1,359			37,264	16,657	170
Services and Supplies	33,877	49,140	51,351	2,947	344		925	48	264,874	7,514
	35,050	49,140	51,351	2,947	5,172	-	925	206,695	384,841	8,176
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Interfund Transfers										
Tangible Capital Assets Purchased										
	-	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

School District No. 58 (Nicola-Similkameen)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Professional Learning Grant	National School Food Program	Dual Credit - FN Tchr Education	ASSAI	United Way	Charitable Society	TOTAL
	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	247,553	65,242	-	9,932	29,398	334,147	1,988,148
Add: Restricted Grants							
Provincial Grants - Ministry of Education and Child Care		97,860	50,000				7,470,643
Provincial Grants - Other				15,000			15,000
Other						38,991	1,243,799
Investment Income						4,791	4,791
	-	97,860	50,000	15,000	-	43,782	8,734,233
Less: Allocated to Revenue	144,875	110,353	-	15,132	9,549	66,860	8,364,883
Recovered				9,800			44,800
Deferred Revenue, end of year	**102,678**	**52,749**	**50,000**	**-**	**19,849**	**311,069**	**2,312,698**
Revenues							
Provincial Grants - Ministry of Education and Child Care	144,875	110,353					7,125,355
Provincial Grants - Other				15,132			15,132
Other Revenue					9,549	62,069	1,219,605
Investment Income						4,791	4,791
	144,875	110,353	-	15,132	9,549	66,860	8,364,883
Expenses							
Salaries							
Teachers	115,062						4,369,567
Principals and Vice Principals							251,488
Educational Assistants							227,562
Support Staff				6,389	8,681		139,204
Other Professionals							74,528
Substitutes	1,250						2,727
	116,312	-	-	6,389	8,681	-	5,065,076
Employee Benefits	27,545			677	868		1,157,196
Services and Supplies	1,018	110,353		8,066		66,860	2,100,202
	144,875	110,353	-	15,132	9,549	66,860	8,322,474
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	42,409
Interfund Transfers							
Tangible Capital Assets Purchased							(42,409)
	-	-	-	-	-	-	(42,409)
Net Revenue (Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

School District No. 58 (Nicola-Similkameen)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	**Local Capital**	**Fund Balance**	
	$	**$**	**$**	**$**	$
Revenues					
Provincial Grants					
Ministry of Education and Child Care				**-**	310,845
Other		**3,834**		**3,834**	29,524
Investment Income	29,126		**28,374**	**28,374**	36,776
Amortization of Deferred Capital Revenue	1,544,959	**1,534,375**		**1,534,375**	1,317,994
Total Revenue	1,574,085	**1,538,209**	**28,374**	**1,566,583**	1,695,139
Expenses					
Operations and Maintenance		**2,854**		**2,854**	310,845
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,325,433	**2,299,872**		**2,299,872**	5,274,705
Transportation and Housing	205,010	**219,780**		**219,780**	193,578
Total Expense	2,530,443	**2,522,506**	**-**	**2,522,506**	5,779,128
Capital Surplus (Deficit) for the year	(956,358)	**(984,297)**	**28,374**	**(955,923)**	(4,083,989)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	40,000	**214,178**		**214,178**	544,322
Local Capital	599,336		**1,024,561**	**1,024,561**	55,939
Settlement of Asset Retirement Obligation		**2,854**		**2,854**	
Total Net Transfers	639,336	**217,032**	**1,024,561**	**1,241,593**	600,261
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		**752,935**	**(752,935)**	**-**	
Total Other Adjustments to Fund Balances		**752,935**	**(752,935)**	**-**	
Total Capital Surplus (Deficit) for the year	(317,022)	**(14,330)**	**300,000**	**285,670**	(3,483,728)
Capital Surplus (Deficit), beginning of year		**5,960,886**	**1,052,229**	**7,013,115**	10,496,843
Capital Surplus (Deficit), end of year		**5,946,556**	**1,352,229**	**7,298,785**	7,013,115

School District No. 58 (Nicola-Similkameen)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	2,752,973	74,597,126	3,501,067	1,931,142	684,610	1,695,687	**85,162,605**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw			316,704	41,698			**358,402**
Deferred Capital Revenue - Other	3,835	170,127	39,260				**213,222**
Operating Fund			68,777	79,454		23,538	**171,769**
Special Purpose Funds		2,409	20,000			20,000	**42,409**
Local Capital			15,967	445,309	100,260	191,399	**752,935**
Transferred from Work in Progress		2,604,884	39,706				**2,644,590**
	3,835	2,777,420	500,414	566,461	100,260	234,937	**4,183,327**
Decrease:							
Disposed of		4,608					**4,608**
Deemed Disposals			29,082	33,145	117,377	350,481	**530,085**
	-	4,608	29,082	33,145	117,377	350,481	**534,693**
Cost, end of year	2,756,808	77,369,938	3,972,399	2,464,458	667,493	1,580,143	**88,811,239**
Work in Progress, end of year		731,057					**731,057**
Cost and Work in Progress, end of year	2,756,808	78,100,995	3,972,399	2,464,458	667,493	1,580,143	**89,542,296**
Accumulated Amortization, beginning of year		37,002,623	1,130,068	1,104,672	377,047	868,472	**40,482,882**
Changes for the Year							
Amortization for the Year		1,463,406	373,673	219,780	135,210	327,583	**2,519,652**
		1,463,406	373,673	219,780	135,210	327,583	**2,519,652**
Deemed Disposals			29,082	33,145	117,377	350,481	**530,085**
Written-off During Year							**-**
District Entered							**-**
		-	29,082	33,145	117,377	350,481	**530,085**
Accumulated Amortization, end of year		38,466,029	1,474,659	1,291,307	394,880	845,574	**42,472,449**
Tangible Capital Assets - Net	**2,756,808**	**39,634,966**	**2,497,740**	**1,173,151**	**272,613**	**734,569**	**47,069,847**

School District No. 58 (Nicola-Similkameen)

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	881,241				**881,241**
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	2,454,700	39,706			**2,494,406**
	2,454,700	39,706	-	-	**2,494,406**
Decrease:					
Transferred to Tangible Capital Assets	2,604,884	39,706			**2,644,590**
	2,604,884	39,706	-	-	**2,644,590**
Net Changes for the Year	(150,184)	-	-	-	**(150,184)**
Work in Progress, end of year	**731,057**	**-**	**-**	**-**	**731,057**

School District No. 58 (Nicola-Similkameen)

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	22,994,606	10,957,166	52,737	**34,004,509**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	358,402	174,387	35,000	**567,789**
Transferred from Work in Progress	2,642,863	1,727		**2,644,590**
	3,001,265	176,114	35,000	**3,212,379**
Decrease:				
Amortization of Deferred Capital Revenue	1,168,689	360,732	4,954	**1,534,375**
	1,168,689	360,732	4,954	**1,534,375**
Net Changes for the Year	1,832,576	(184,618)	30,046	**1,678,004**
Deferred Capital Revenue, end of year	24,827,182	10,772,548	82,783	**35,682,513**
Work in Progress, beginning of year	879,514	1,727		**881,241**
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	2,494,406			**2,494,406**
	2,494,406	-	-	**2,494,406**
Decrease				
Transferred to Deferred Capital Revenue	2,642,863	1,727		**2,644,590**
	2,642,863	1,727	-	**2,644,590**
Net Changes for the Year	(148,457)	(1,727)	-	**(150,184)**
Work in Progress, end of year	731,057	-	-	**731,057**
Total Deferred Capital Revenue, end of year	**25,558,239**	**10,772,548**	**82,783**	**36,413,570**

School District No. 58 (Nicola-Similkameen)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	$	$	$	$	$	$
Balance, beginning of year	351,940	552,065	546,648		20,000	**1,470,653**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,850,702					**2,850,702**
Other					27,500	**27,500**
Investment Income		4,269				**4,269**
Recovery - NewSpaces BC Funding			(368,426)			**(368,426)**
	2,850,702	4,269	(368,426)	-	27,500	**2,514,045**
Decrease:						
Transferred to DCR - Capital Additions	358,402		174,387		35,000	**567,789**
Transferred to DCR - Work in Progress	2,494,406					**2,494,406**
Transferred to Revenue - Site Purchases			3,835			**3,835**
	2,852,808	-	178,222	-	35,000	**3,066,030**
Net Changes for the Year	(2,106)	4,269	(546,648)	-	(7,500)	**(551,985)**
Balance, end of year	**349,834**	**556,334**	**-**	**-**	**12,500**	**918,668**