

Audited Financial Statements of

School District No. 71 (Comox Valley)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 71 (Comox Valley)

June 30, 2026

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School District No. 71 (Comox Valley)

MANAGEMENT REPORT

Version: 8518-7772-5790

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 71 (Comox Valley) 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.

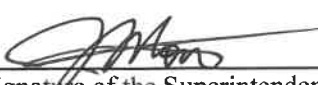
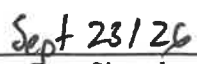
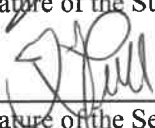
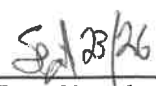
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 71 (Comox Valley) (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 quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG 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. 71 (Comox Valley) 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. 71 (Comox Valley)

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



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 71 (Comox Valley), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 71 (Comox Valley) (the Entity), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2026 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions 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 auditor's report.

We are independent of the Entity 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 – Financial Reporting Framework

We draw attention to note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document.
- Unaudited Schedules 1-4 attached to the audited financial statements.

Our opinion on the financial statements does not cover the other information and we do not and 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the Other Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. 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 of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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 the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- 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.

Chartered Professional Accountants

Victoria, Canada
September 22, 2026

School District No. 71 (Comox Valley)

Statement of Financial Position

As at June 30, 2026

Statement 1

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	37,743,177	34,733,832
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 4)	3,650,586	2,395,675
Due from First Nations	26,014	-
Other (Note 4)	805,196	798,499
Total Financial Assets	42,224,973	37,928,006
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	18,203,368	16,224,126
Unearned Revenue (Note 6)	2,346,818	2,837,804
Deferred Revenue (Note 7)	3,676,541	3,304,750
Deferred Capital Revenue (Note 8)	166,496,042	146,000,716
Employee Future Benefits (Note 9)	4,268,081	4,095,611
Asset Retirement Obligation (Note 21)	13,267,643	13,280,073
Total Liabilities	208,258,493	185,743,080
Net Debt	(166,033,520)	(147,815,074)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	213,887,491	193,383,104
Prepaid Expenses	897,959	1,066,918
Total Non-Financial Assets	214,785,450	194,450,022
Accumulated Surplus (Deficit) (Note 18)	48,751,930	46,634,948

Contractual Obligations (Note 14)

Contingent Liabilities (Note 15)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 71 (Comox Valley)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 16) \$	2026 Actual \$	2025 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	151,420,695	156,792,144	146,046,470
Other	299,000	192,419	189,600
Tuition	3,229,000	3,135,291	3,301,416
Other Revenue	3,942,855	4,417,848	4,594,913
Rentals and Leases	170,000	241,453	221,233
Investment Income	661,752	692,566	902,459
Amortization of Deferred Capital Revenue	6,650,647	6,649,859	6,188,469
Total Revenue	166,373,949	172,121,580	161,444,560
Expenses (Note 17)			
Instruction	135,808,258	135,453,836	125,715,188
District Administration	7,064,881	6,092,991	5,767,907
Operations and Maintenance	25,598,592	25,078,297	23,811,961
Transportation and Housing	3,283,757	3,379,474	2,945,647
Total Expense	171,755,488	170,004,598	158,240,703
Surplus (Deficit) for the year	(5,381,539)	2,116,982	3,203,857
Accumulated Surplus (Deficit) from Operations, beginning of year		46,634,948	43,431,091
Accumulated Surplus (Deficit) from Operations, end of year		48,751,930	46,634,948

School District No. 71 (Comox Valley)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 16) \$	2026 Actual \$	2025 Actual \$
Surplus (Deficit) for the year	<u>(5,381,539)</u>	<u>2,116,982</u>	<u>3,203,857</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(28,677,394)	(30,259,125)	(16,045,365)
Amortization of Tangible Capital Assets	9,761,519	9,754,738	9,165,850
Total Effect of change in Tangible Capital Assets	<u>(18,915,875)</u>	<u>(20,504,387)</u>	<u>(6,879,515)</u>
Acquisition of Prepaid Expenses		(897,959)	(1,066,918)
Use of Prepaid Expenses		1,066,918	901,596
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>168,959</u>	<u>(165,322)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(24,297,414)</u>	<u>(18,218,446)</u>	<u>(3,840,980)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(18,218,446)</u>	<u>(3,840,980)</u>
Net Debt, beginning of year		<u>(147,815,074)</u>	<u>(143,974,094)</u>
Net Debt, end of year		<u>(166,033,520)</u>	<u>(147,815,074)</u>

School District No. 71 (Comox Valley)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,116,982	3,203,857
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,287,622)	(2,172,231)
Prepaid Expenses	168,959	(165,322)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	1,979,242	2,273,055
Unearned Revenue	(490,986)	61,942
Deferred Revenue	371,791	408,903
Employee Future Benefits	172,470	(28,518)
Asset Retirement Obligations	(12,430)	(127,646)
Amortization of Tangible Capital Assets	9,754,738	9,165,850
Amortization of Deferred Capital Revenue	(6,649,859)	(6,188,469)
Recognition of Deferred Capital Revenue - Settlement of Asset Retirement Obligation	(12,430)	(127,646)
Total Operating Transactions	6,110,855	6,303,775
Capital Transactions		
Tangible Capital Assets Purchased	(20,570,279)	(6,102,893)
Tangible Capital Assets -WIP Purchased	(9,688,846)	(9,942,472)
Adjustment to Deferred Capital Contribution	-	(6,970)
Total Capital Transactions	(30,259,125)	(16,052,335)
Financing Transactions		
Capital Revenue Received	27,157,615	11,754,559
Total Financing Transactions	27,157,615	11,754,559
Net Increase (Decrease) in Cash and Cash Equivalents	3,009,345	2,005,999
Cash and Cash Equivalents, beginning of year	34,733,832	32,727,833
Cash and Cash Equivalents, end of year	37,743,177	34,733,832
Cash and Cash Equivalents, end of year, is made up of:		
Cash	37,743,177	34,733,832
	37,743,177	34,733,832
Supplementary Cash Flow Information (Note 22)		

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 1 **AUTHORITY AND PURPOSE**

The School District, established in 1946, 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. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." 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. 71 (Comox Valley) is exempt from federal and provincial corporate income taxes.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

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 with regards to the accounting for government transfers as set out in Notes 2(e), 2(f) and 2(n).

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(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize non-capital restricted contributions into revenue in the fiscal period in which the restriction that the contribution is subject to is met and 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. Canadian public sector accounting standards would require these contributions, if they are government transfers, to be recognized into revenue immediately when received unless they contain a stipulation that meets the definition of a liability.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash in the bank, deposits in the Provincial Ministry of Finance Central Deposit Program, 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 receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

d) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods. Revenue will be recognized in that future period when the courses are provided.

e) Deferred 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 (n).

f) Deferred Capital Revenue

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.

g) 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, 2028. 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

g) Employee Future Benefits *(Continued)*

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.

h) Asset Retirement Obligations

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

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

The liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. 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 j). Assumptions used in the calculations are reviewed annually.

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.

At this time, the School District has determined there are no liabilities for contaminated sites.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

j) 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 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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

k) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incidental to ownership of the property to the School District are considered capital leases.

These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

l) Prepaid Expenses

Payments for insurance, subscriptions, software, utilities, membership and maintenance contracts for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers between various funds and reserves are adjusted in the respective fund and recorded. (see Note 18 – Accumulated Surplus).

n) 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 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

n) Revenue Recognition (*Continued*)

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.

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.

o) 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/Vice-Principals.
- Superintendent, Associate Superintendents, Secretary-Treasurer, Assistant Secretary-Treasurer, Directors, Managers, 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 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

p) 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.

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. 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.

q) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 2 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. 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 3 CASH AND CASH EQUIVALENTS

	2026	2025
School Generated Funds	\$ 1,059,117	\$ 996,301
District Funds	36,300,377	33,446,175
Restricted Funds - Teacher Salary Deferral Program	225,260	136,974
BC Ministry of Finance Central Deposit Program	158,423	154,382
	<u>\$ 37,743,177</u>	<u>\$ 34,733,832</u>

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2026	2025
Due from Ministry of Education & Child Care	\$ 3,650,586	\$ 2,395,675
Due from Federal Government	430,725	357,520
Due from First Nations	26,014	-
Other	348,457	440,979
	<u>\$ 4,455,782</u>	<u>\$ 3,194,174</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade payables	\$ 4,129,611	\$ 2,828,001
Salaries and benefits payable	4,292,225	3,841,621
Accrued vacation payable	650,897	690,749
Other	9,130,635	8,863,755
	<u>\$ 18,203,368</u>	<u>\$ 16,224,126</u>

NOTE 6 UNEARNED REVENUE

	2026	2025
Balance, beginning of year	\$ 2,837,804	\$ 2,775,862
Tuition fees received	2,646,806	3,363,358
Tuition fees recognized	(3,137,792)	(3,301,416)
Balance, end of year	<u>\$ 2,346,818</u>	<u>\$ 2,837,804</u>

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 7 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.

	<u>2026</u>	<u>2025</u>
Balance, beginning of year	\$ 3,304,750	\$ 2,895,847
Grants received:		
Provincial Grants - Ministry of Education	18,715,606	17,747,651
School Generated Funds	3,329,926	3,748,749
Other	580,625	33,137
Subtotal	<u>22,626,157</u>	<u>21,529,537</u>
Revenue recognized	<u>(22,254,366)</u>	<u>(21,120,634)</u>
Subtotal	<u>(22,254,366)</u>	<u>(21,120,634)</u>
Balance, end of year	<u><u>\$ 3,676,541</u></u>	<u><u>\$ 3,304,750</u></u>

NOTE 8 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 8 **DEFERRED CAPITAL REVENUE (Continued)**

	2026	2025
<u>Deferred capital revenue - subject to amortization</u>		
Balance, beginning of year	\$ 134,666,496	\$ 136,923,294
Provincial Grants - Ministry of Education	18,576,307	3,732,442
Transfer in from deferred revenue - WIP	8,018,102	199,229
Amortization of deferred capital revenue	(6,649,859)	(6,188,469)
Balance, end of year	<u>\$ 154,611,046</u>	<u>\$ 134,666,496</u>
	2026	2025
<u>Deferred capital revenue - work in progress</u>		
Work in progress, beginning of year	\$ 9,942,472	\$ 199,229
Transfer in from deferred capital revenue - Unspent	9,688,846	9,942,472
Transfer to deferred capital revenue	(8,018,102)	(199,229)
Balance, end of year	<u>\$ 11,613,216</u>	<u>\$ 9,942,472</u>
	2026	2025
<u>Deferred capital revenue - unspent</u>		
Unspent deferred capital revenue, beginning of year	\$ 1,391,748	\$ 3,446,719
Provincial Grants - Ministry of Education & Child Care	27,157,615	11,754,559
Provincial Grants - Other	-	-
Transfer to deferred capital revenue	(18,576,307)	(3,732,442)
Transferred to Revenue - Settlement of ARO	(12,430)	(127,646)
Adjustment to deferred capital contribution	-	(6,970)
Transfer to deferred capital revenue - work in progress	(9,688,846)	(9,942,472)
Balance, end of year	<u>\$ 271,780</u>	<u>\$ 1,391,748</u>
Total deferred capital revenue balance, end of year	<u>\$ 166,496,042</u>	<u>\$ 146,000,716</u>

NOTE 9 **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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 **EMPLOYEE FUTURE BENEFITS (Continued)**

	2026	2025
<i>Reconciliation of Accrued Benefit Obligation</i>		
Accrued Benefit Obligation - April 1	\$ 4,016,370	\$ 3,233,443
Service Cost	354,846	297,786
Interest Cost	161,515	140,356
Benefit Payments	(322,973)	(282,807)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(454,838)	627,592
Accrued Benefit Obligation - March 31	<u>\$ 3,754,920</u>	<u>\$ 4,016,370</u>

	2026	2025
<i>Reconciliation of Funded Status at End of Fiscal Year</i>		
Accrued Benefit Obligation - March 31	\$ 3,754,920	\$ 4,016,370
Funded Status - Surplus (Deficit)	(3,754,920)	(4,016,370)
Employer Contributions after Measurement Date	-	60,625
Benefits Expense After Measurement Date	(129,448)	(129,090)
Unamortized Net Actuarial (Gain) Loss	(383,713)	(10,776)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (4,268,081)</u>	<u>\$ (4,095,611)</u>

<i>Reconciliation of Change in Accrued Benefit Liability</i>		
Accrued Benefit Liability (Asset) - July 1	\$ 4,095,612	\$ 4,124,129
Net Expense for Fiscal Year	434,817	292,921
Employer Contributions	(262,348)	(321,439)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 4,268,081</u>	<u>\$ 4,095,611</u>

<i>Components of Net Benefit Expense</i>		
Service Cost	\$ 351,725	\$ 312,051
Interest Cost	164,994	145,646
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(81,902)	(164,776)
Net Benefit Expense (Income)	<u>\$ 434,817</u>	<u>\$ 292,921</u>

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 **EMPLOYEE FUTURE BENEFITS** *(Continued)*

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

	June 30, 2026	June 30, 2025
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 years	11 Years

NOTE 10 **TANGIBLE CAPITAL ASSETS**

Net Book Value:	June 30, 2026	June 30, 2025
Sites	\$ 14,800,889	\$ 14,800,889
Buildings	185,475,576	165,111,430
Furniture & Equipment	9,216,050	9,131,859
Vehicles	1,137,740	1,160,850
Computer Hardware	3,257,236	3,178,076
Total	<u>\$213,887,491</u>	<u>\$193,383,104</u>

June 30, 2026

Cost:	Balance at July 1, 2025	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2026
Sites	\$ 14,800,889	\$ -	\$ -	\$ -	\$ 14,800,889
Buildings	296,306,361	25,346,684	-	1,680,469	\$323,333,514
Furniture & Equipment	14,116,353	1,583,767	-	(9,725)	\$ 15,690,395
Vehicles	2,314,289	213,725	105,613	-	\$ 2,422,401
Computer Hardware	6,971,291	1,444,205	1,736,335	-	\$ 6,679,161
Total	<u>\$ 334,509,183</u>	<u>\$ 28,588,381</u>	<u>\$ 1,841,948</u>	<u>1,670,744</u>	<u>\$362,926,360</u>

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 10 **TANGIBLE CAPITAL ASSETS (Continued)**

June 30, 2026

Accumulated Amortization:	Balance at July 1, 2025	Additions	Disposals	Balance at June 30, 2026
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	131,194,931	6,663,007	-	\$ 137,857,938
Furniture & Equipment	4,984,494	1,489,851	-	\$ 6,474,345
Vehicles	1,153,439	236,835	105,613	\$ 1,284,661
Computer Hardware	3,793,215	1,365,045	1,736,335	\$ 3,421,925
Total	\$ 141,126,079	\$ 9,754,738	\$ 1,841,948	\$ 149,038,869

June 30, 2025

Cost:	Balance at July 1, 2024	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2025
Sites	\$ 14,800,889	\$ -	\$ -	\$ -	\$ 14,800,889
Buildings	283,343,428	10,561,722	-	2,401,211	\$ 296,306,361
Furniture & Equipment	12,321,174	1,785,454	-	9,725	\$ 14,116,353
Vehicles	2,342,890	97,116	125,717	-	\$ 2,314,289
Computer Hardware	6,847,925	1,190,137	1,066,771	-	\$ 6,971,291
Total	\$ 319,656,306	\$ 13,634,429	\$ 1,192,488	2,410,936	\$ 334,509,183

June 30, 2025

Accumulated Amortization:	Balance at July 1, 2024	Additions	Disposals	Balance at June 30, 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	124,965,252	6,229,679	-	\$ 131,194,931
Furniture & Equipment	3,663,104	1,321,390	-	\$ 4,984,494
Vehicles	1,046,297	232,859	125,717	\$ 1,153,439
Computer Hardware	3,478,064	1,381,922	1,066,771	\$ 3,793,215
Total	\$ 133,152,717	\$ 9,165,850	\$ 1,192,488	\$ 141,126,079

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 11 DISPOSAL OF SITES AND BUILDINGS

In the 2016-17 school year, the District entered into a tri-party agreement with the Corporation of the City of Courtenay and the Comox Valley Regional District involving a land swap and the sale of the existing School Board Office. Proceeds were recorded as \$600,000 cash and \$265,000 prepaid rent, resulting in a then gain on disposal. The sale of the School Board Office to the Comox Valley Regional District completed on June 18, 2021. In 2021, the District received proceeds of \$700,000, of which \$600,000 was recorded as cash, and \$100,000 as prepaid rent. The disposed office was funded by both Board and Ministry of Education funds. Thus, a portion of the cash proceeds were recorded in 2021 as Ministry of Education Restricted Capital in the amount of \$301,000. The Prepaid Rent began amortization in 2021/22 and will be recorded as such for the life of the 99-year lease agreement.

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 investment of assets and administration of 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 funding 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 \$11,216,159 for employer contributions to the plans for the year ended June 30, 2026 (2025: \$10,465,543).

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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 13 **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 14 **CONTRACTUAL OBLIGATIONS**

The School District has entered into multiple-year contracts for the construction of tangible capital assets, specifically an 11 classroom prefabricated addition at Aspen Park Elementary and a 16 classroom addition at Cumberland Community School, both funded by the Ministry of Education and Child Care. Ministry news releases were issued in June 2024 regarding both projects.

The Aspen Park Elementary expansion project funding agreement finalized with project funding valued at \$11,000,000 with an additional risk reserve of \$5,500,000. The project was substantially completed during the 2025-26 school year and is in use by students and staff. The parking lot will be completed early in the 2026-27 school year due to weather constraints and will wrap up the project within budget.

The Cumberland Community School expansion project funding agreement finalized with project funding valued at \$29,261,821 with an additional risk reserve of \$2,188,686. A \$200,000 contribution from the District's local capital reserve is required and the project is expected to be completed in the 2027-28 school year.

The GP Vanier Secondary School Child Care facility replacement project funded through the "Child Care BC New Spaces Fund" valued at \$7,964,871 was substantially complete during the 2025-26 school year.

On August 28th, 2025 the School District entered into a multiple-year contract for transportation services. This contract commenced September 1, 2025 for a minimum duration of five years and the District has the option to extend the contract for 3 additional 1-year periods. Assuming that factors relating directly to pricing remain consistent with the 2025-2026 school year, contractual costs can be estimated and incrementally increased by at least 5.0% annually based on the contract terms.

	2027	2028	2029	2030
Transportation Contract	\$ 3,415,415	\$ 3,586,186	\$ 3,765,495	\$ 3,953,770

NOTE 15 **CONTINGENT LIABILITIES**

The School District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material or adverse effect on the School District's financial position.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 16 BUDGET FIGURES

Budget figures were approved by the Board through the adoption of an amended annual budget on January 27, 2026. Differences between the amended and original budget adopted June 24, 2025 are presented below:

	AMENDED Annual Budget	Preliminary (Annual) Budget	Change
Revenues			
Provincial Grants			
Ministry of Education	\$ 151,420,695	\$ 146,250,342	\$ (5,170,353)
Other	299,000	197,600	(101,400)
Tuition	3,229,000	3,326,500	97,500
Other Revenue	3,942,855	3,658,464	(284,391)
Rentals and Leases	170,000	170,000	-
Investment Income	661,752	662,255	503
Amortization of Deferred Capital Revenue	6,650,647	6,775,337	124,690
Total Revenue	\$ 166,373,949	\$ 161,040,498	\$ (5,333,451)
Expenses			
Instruction	\$ 135,808,258	\$ 127,620,856	\$ (8,187,402)
District Administration	7,064,881	6,319,974	(744,907)
Operations and Maintenance	25,598,592	25,198,503	(400,089)
Transportation and Housing	3,283,757	3,195,146	(88,611)
Total Expense	\$ 171,755,488	\$ 162,334,479	\$ (9,421,009)
Net Revenue (Expense)	\$ (5,381,539)	\$ (1,293,981)	\$ 4,087,558
Budgeted Allocation of Surplus	4,860,269	207,813	(4,652,456)
Budgeted Surplus (Deficit) for the year	\$ (521,270)	\$ (1,086,168)	\$ (564,898)

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 17 **EXPENSE BY OBJECT**

	<u>2026</u>	<u>2025</u>
Salaries and benefits	\$ 137,805,446	\$ 128,070,644
Services and supplies	22,444,414	21,004,209
Amortization	9,754,738	9,165,850
	<u>\$ 170,004,598</u>	<u>\$ 158,240,703</u>

NOTE 18 **ACCUMULATED SURPLUS**

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District's intentions to undertake certain future activities.

The Operating Fund accounts for the School District's operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.

The Capital Fund accounts for the School District's investment in its existing capital infrastructure, including the existing buildings, furniture, vehicles, computers and equipment. It also reflects intentions to make future capital asset purchases.

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities.

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

- \$145,703 was transferred from the operating fund to the capital fund for the purchase of capital assets;
- \$38,577 was transferred from the national school food program special purpose fund to the capital fund for the purchase of capital assets;
- \$2,175,000 was transferred from the operating fund to local capital.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 18 **ACCUMULATED SURPLUS (Continued)**

ACCUMULATED SURPLUS

	2026	2025
Operating Fund		
Restricted due to nature of constraints on funds		
Integrated Child & Youth Teams (ICY Funding)	128,052	227,098
Indigenous Education Council	21,575	25,057
Indigenous Focused Grad Requirement	5,992	12,700
Indigenous Education	898,297	476,875
Affordability Initiatives	63,230	-
	\$ 1,117,146	\$ 741,730
Restricted for anticipated unusual expenses		
Board Office Reserve	\$ -	\$ 35,182
	\$ -	\$ 35,182
Restricted for operations spanning multiple school years		
Net School Surpluses & Grants Carry Forward	\$ 157,347	\$ 132,756
District/Program Initiatives	3,739,076	3,625,614
2026-2027 Annual Budget Operating Deficit - Bylaw	2,591,630	-
Purchase Order Commitments	57,481	79,628
Local Capital - Capital Asset Renewal/Remediation	140,000	705,000
	\$ 6,685,534	\$ 4,542,998
Subtotal - Internally Restricted	\$ 7,802,680	\$ 5,319,910
Unrestricted Contingency Reserve	\$ 4,141,022	\$ 3,843,180
Total available for future operations	\$ 11,943,702	\$ 9,163,090
Capital Fund		
Invested in tangible capital assets	\$ 34,395,589	\$ 35,494,066
Local Capital	2,412,639	1,977,792
	\$ 36,808,228	\$ 37,471,858
Total Accumulated Surplus	\$ 48,751,930	\$ 46,634,948

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 18 **ACCUMULATED SURPLUS (Continued)**

The local capital surplus has been internally restricted by the Board for:

Board Office Project	\$ 29,691
Modulars	1,018,256
IT Reserves	15,662
Vehicle/Fleet Replacement	1,990
ST Contingency Reserve	217,111
Accessibility Initiatives	25,000
Major Capital Project Commitment	200,000
Local and Other Government Commitments	875,000
Facility and Trades Reserves	29,929
	<u>\$ 2,412,639</u>

NOTE 19 **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 20 **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.

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 the Central Deposit Program with the Province and in recognized British Columbia institutions.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 20 **RISK MANAGEMENT (*Continued*)**

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Central Deposit Program with the Province and in recognized British Columbia institutions.

The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due. 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, that it will 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.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2025 related to credit, market or liquidity risks.

NOTE 21 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. The obligation is 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 21 ASSET RETIREMENT OBLIGATION (Continued)

	<u>2026</u>	<u>2025</u>
Asset Retirement Obligation, beginning balance	\$ 13,280,073	\$ 13,407,719
Settlements during the year	12,430	127,646
Asset Retirement Obligation, closing balance	<u>\$ 13,267,643</u>	<u>\$ 13,280,073</u>

NOTE 22 SUPPLEMENTARY CASH FLOW INFORMATION

Interest collected and paid during the year was as follows:

	<u>2026</u>	<u>2025</u>
Interest collected	\$ 692,566	\$ 902,459
Interest paid	-	-

School District No. 71 (Comox Valley)

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	9,163,090		37,471,858	46,634,948	43,431,091
Changes for the year					
Surplus (Deficit) for the year	5,101,315	38,577	(3,022,910)	2,116,982	3,203,857
Interfund Transfers					
Tangible Capital Assets Purchased	(145,703)	(38,577)	184,280	-	
Local Capital	(2,175,000)		2,175,000	-	
Net Changes for the year	2,780,612	-	(663,630)	2,116,982	3,203,857
Accumulated Surplus (Deficit), end of year - Statement 2	11,943,702	-	36,808,228	48,751,930	46,634,948

School District No. 71 (Comox Valley)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 16)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	132,277,381	137,986,101	128,352,158
Other	189,000	187,250	189,600
Tuition	3,229,000	3,135,291	3,301,416
Other Revenue	761,705	986,675	1,074,082
Rentals and Leases	170,000	241,453	221,233
Investment Income	600,000	598,616	793,015
Total Revenue	137,227,086	143,135,386	133,931,504
Expenses			
Instruction	113,769,758	113,656,161	105,045,557
District Administration	7,064,881	6,092,991	5,767,907
Operations and Maintenance	15,486,579	14,973,065	14,295,617
Transportation and Housing	3,216,137	3,311,854	2,881,247
Total Expense	139,537,355	138,034,071	127,990,328
Operating Surplus (Deficit) for the year	(2,310,269)	5,101,315	5,941,176
Budgeted Appropriation (Retirement) of Surplus (Deficit)	4,860,269		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(375,000)	(145,703)	(175,169)
Local Capital	(2,175,000)	(2,175,000)	(1,885,000)
Total Net Transfers	(2,550,000)	(2,320,703)	(2,060,169)
Total Operating Surplus (Deficit), for the year	-	2,780,612	3,881,007
Operating Surplus (Deficit), beginning of year		9,163,090	5,282,083
Operating Surplus (Deficit), end of year		11,943,702	9,163,090
Operating Surplus (Deficit), end of year			
Internally Restricted		7,802,680	5,319,910
Unrestricted		4,141,022	3,843,180
Total Operating Surplus (Deficit), end of year		11,943,702	9,163,090

School District No. 71 (Comox Valley)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 16)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	131,032,388	133,126,798	125,817,626
ISC/LEA Recovery	(211,705)	(237,896)	(211,705)
Other Ministry of Education and Child Care Grants			
Pay Equity	451,831	451,831	451,831
Funding for Graduated Adults	115,223	512,802	296,947
Student Transportation Fund	421,375	421,375	421,375
Support Staff Benefits Grant			114,269
Foundation Skills Assessment (FSA) Scorer Grant	15,214	12,964	15,214
Labour Settlement Funding		3,245,172	1,175,938
ICY Clinical Counsellor Funding	453,055	453,055	270,663
Total Provincial Grants - Ministry of Education and Child Care	132,277,381	137,986,101	128,352,158
Provincial Grants - Other	189,000	187,250	189,600
Tuition			
International and Out of Province Students	3,229,000	3,135,291	3,301,416
Total Tuition	3,229,000	3,135,291	3,301,416
Other Revenues			
Funding from First Nations	211,705	237,896	211,705
Miscellaneous			
Instructional Cafeteria	160,000	161,958	166,721
Miscellaneous	390,000	586,821	695,656
Total Other Revenue	761,705	986,675	1,074,082
Rentals and Leases	170,000	241,453	221,233
Investment Income	600,000	598,616	793,015
Total Operating Revenue	137,227,086	143,135,386	133,931,504

School District No. 71 (Comox Valley)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 16)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	55,593,754	57,042,993	52,674,585
Principals and Vice Principals	7,208,209	7,050,949	7,078,718
Educational Assistants	9,524,821	9,290,121	8,318,059
Support Staff	12,356,551	11,910,267	11,458,242
Other Professionals	5,292,233	5,072,043	4,924,235
Substitutes	5,434,850	5,385,208	4,732,527
Total Salaries	95,410,418	95,751,581	89,186,366
Employee Benefits	24,631,537	25,067,045	22,885,602
Total Salaries and Benefits	120,041,955	120,818,626	112,071,968
Services and Supplies			
Services	5,348,860	4,252,356	4,049,001
Student Transportation	3,190,158	3,284,616	2,853,636
Professional Development and Travel	1,140,634	884,423	1,020,700
Rentals and Leases	276,000	269,617	246,450
Dues and Fees	110,000	108,330	89,874
Insurance	270,300	262,784	253,574
Supplies	6,760,448	5,746,090	5,231,640
Utilities	2,399,000	2,407,229	2,173,485
Total Services and Supplies	19,495,400	17,215,445	15,918,360
Total Operating Expense	139,537,355	138,034,071	127,990,328

School District No. 71 (Comox Valley)

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	46,896,502	700,015		85,283		3,720,745	51,402,545
1.03 Career Programs	657,913	128,303	44,104	191,195		16,040	1,037,555
1.07 Library Services	232,357			894,405		108,284	1,235,046
1.08 Counselling	2,159,631			110,885	313,599	10,447	2,594,562
1.10 Inclusive Education	5,433,323	314,659	8,133,333	268,387	396,045	538,088	15,083,835
1.20 Early Learning and Child Care				48,136		626	48,762
1.30 English Language Learning	365,103			42,151		2,514	409,768
1.31 Indigenous Education	331,301	216,833	1,112,684	200,601	157,077	16,451	2,034,947
1.41 School Administration		5,464,469		2,428,762		620,300	8,513,531
1.62 International and Out of Province Students	966,863	170,134		184,229	267,704	66,733	1,655,663
1.64 Other				202,977		1,182	204,159
Total Function 1	57,042,993	6,994,413	9,290,121	4,657,011	1,134,425	5,101,410	84,220,373
4 District Administration							
4.11 Educational Administration		31,916		15,773	1,270,414	7,891	1,325,994
4.20 Early Learning and Child Care		24,620					24,620
4.40 School District Governance					298,653		298,653
4.41 Business Administration				540,141	1,493,438		2,033,579
Total Function 4	-	56,536	-	555,914	3,062,505	7,891	3,682,846
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				25,071	859,100		884,171
5.50 Maintenance Operations				5,969,020		275,312	6,244,332
5.52 Maintenance of Grounds				703,251		595	703,846
5.56 Utilities							-
Total Function 5	-	-	-	6,697,342	859,100	275,907	7,832,349
7 Transportation and Housing							
7.41 Transportation and Housing Administration					16,013		16,013
7.70 Student Transportation							-
Total Function 7	-	-	-	-	16,013	-	16,013
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	57,042,993	7,050,949	9,290,121	11,910,267	5,072,043	5,385,208	95,751,581

School District No. 71 (Comox Valley)

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 16)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	51,402,545	13,676,742	65,079,287	3,458,064	68,537,351	68,022,293	62,525,161
1.03 Career Programs	1,037,555	272,593	1,310,148	268,587	1,578,735	1,661,675	1,451,972
1.07 Library Services	1,235,046	358,939	1,593,985	382,498	1,976,483	2,100,483	1,892,150
1.08 Counselling	2,594,562	673,055	3,267,617	24,359	3,291,976	3,225,763	2,990,440
1.10 Inclusive Education	15,083,835	4,048,024	19,131,859	750,878	19,882,737	19,696,239	18,084,990
1.20 Early Learning and Child Care	48,762	15,260	64,022	12,952	76,974	81,530	111,609
1.30 English Language Learning	409,768	114,486	524,254	2,108	526,362	501,415	494,896
1.31 Indigenous Education	2,034,947	545,186	2,580,133	258,035	2,838,168	3,736,465	2,883,559
1.41 School Administration	8,513,531	2,123,576	10,637,107	1,133,168	11,770,275	11,361,903	11,224,255
1.62 International and Out of Province Students	1,655,663	440,065	2,095,728	597,867	2,693,595	2,937,880	2,876,751
1.64 Other	204,159	59,022	263,181	220,324	483,505	444,112	509,774
Total Function 1	84,220,373	22,326,948	106,547,321	7,108,840	113,656,161	113,769,758	105,045,557
4 District Administration							
4.11 Educational Administration	1,325,994	286,915	1,612,909	350,286	1,963,195	2,165,151	1,803,698
4.20 Early Learning and Child Care	24,620	5,587	30,207	9,232	39,439	46,810	31,718
4.40 School District Governance	298,653	39,959	338,612	167,771	506,383	619,905	463,357
4.41 Business Administration	2,033,579	475,829	2,509,408	1,074,566	3,583,974	4,233,015	3,469,134
Total Function 4	3,682,846	808,290	4,491,136	1,601,855	6,092,991	7,064,881	5,767,907
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	884,171	201,176	1,085,347	439,581	1,524,928	1,639,143	1,517,792
5.50 Maintenance Operations	6,244,332	1,567,986	7,812,318	2,013,076	9,825,394	10,435,829	9,613,230
5.52 Maintenance of Grounds	703,846	159,806	863,652	351,862	1,215,514	1,012,607	991,110
5.56 Utilities	-	-	-	2,407,229	2,407,229	2,399,000	2,173,485
Total Function 5	7,832,349	1,928,968	9,761,317	5,211,748	14,973,065	15,486,579	14,295,617
7 Transportation and Housing							
7.41 Transportation and Housing Administration	16,013	2,839	18,852	8,386	27,238	25,979	27,611
7.70 Student Transportation	-	-	-	3,284,616	3,284,616	3,190,158	2,853,636
Total Function 7	16,013	2,839	18,852	3,293,002	3,311,854	3,216,137	2,881,247
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	95,751,581	25,067,045	120,818,626	17,215,445	138,034,071	139,537,355	127,990,328

School District No. 71 (Comox Valley)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 16)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	19,143,314	18,793,613	17,566,666
Other	110,000	5,169	
Other Revenue	3,181,150	3,431,173	3,520,831
Investment Income	22,150	24,411	33,137
Total Revenue	22,456,614	22,254,366	21,120,634
Expenses			
Instruction	22,038,500	21,797,675	20,669,631
Operations and Maintenance	350,494	350,494	350,494
Transportation and Housing	67,620	67,620	64,400
Total Expense	22,456,614	22,215,789	21,084,525
Special Purpose Surplus (Deficit) for the year	-	38,577	36,109
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(38,577)	(36,109)
Total Net Transfers	-	(38,577)	(36,109)
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. 71 (Comox Valley)

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

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		14,766	819,527	996,301			3,000	69,525		
Add: Restricted Grants										
Provincial Grants - Ministry of Education and Child Care	350,494	439,866			170,000	39,200	330,086	627,949	1,729,063	12,798,892
Provincial Grants - Other										
Other			90,129	3,329,926						
Investment Income			23,661							
	350,494	439,866	113,790	3,329,926	170,000	39,200	330,086	627,949	1,729,063	12,798,892
Less: Allocated to Revenue	350,494	355,337	71,750	3,267,110	170,000	39,200	333,086	599,121	1,729,063	12,798,892
Deferred Revenue, end of year	-	99,295	861,567	1,059,117	-	-	-	98,353	-	-
Revenues										
Provincial Grants - Ministry of Education and Child Care	350,494	355,337			170,000	39,200	333,086	599,121	1,729,063	12,798,892
Provincial Grants - Other										
Other Revenue			48,089	3,267,110						
Investment Income			23,661							
	350,494	355,337	71,750	3,267,110	170,000	39,200	333,086	599,121	1,729,063	12,798,892
Expenses										
Salaries										
Teachers							49,471			9,885,315
Principals and Vice Principals							27,457		307,652	
Educational Assistants		151,827					91,545	348,139	635,654	
Support Staff	252,492	118,675			126,079	29,858			187,938	
Other Professionals										
Substitutes		5,400			3,290		8,615		231,434	363,607
	252,492	275,902	-	-	129,369	29,858	177,088	348,139	1,362,678	10,248,922
Employee Benefits	68,173	79,435			40,631	9,342	29,492	108,904	366,385	2,549,970
Services and Supplies	29,829		71,750	3,267,110			126,506	142,078		
	350,494	355,337	71,750	3,267,110	170,000	39,200	333,086	599,121	1,729,063	12,798,892
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Interfund Transfers										
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund					44,455					

School District No. 71 (Comox Valley)

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	Early Childhood Education (ECE) Dual Credit Program	Student & Family Affordability (SFAF)	Early Care & Learning (ECL)	Feeding Futures Fund	Professional Learning Grant	National School Food Program	Work Experience Enhancement
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	163,160	9,275	71,527	35,025	125,971		340,871	225,589	181,353	23,692
Add: Restricted Grants										
Provincial Grants - Ministry of Education and Child Care	90,070	58,345	51,000	6,000		525,000	1,159,491		340,150	
Provincial Grants - Other										
Other										
Investment Income										
	90,070	58,345	51,000	6,000	-	525,000	1,159,491	-	340,150	-
Less: Allocated to Revenue	253,230	67,620	15,643	23,686	125,971	175,000	1,244,917	216,382	272,279	23,692
Deferred Revenue, end of year	-	-	106,884	17,339	-	350,000	255,445	9,207	249,224	-
Revenues										
Provincial Grants - Ministry of Education and Child Care	253,230	67,620	15,643	23,686	125,971	175,000	1,244,917	216,382	272,279	23,692
Provincial Grants - Other										
Other Revenue										
Investment Income										
	253,230	67,620	15,643	23,686	125,971	175,000	1,244,917	216,382	272,279	23,692
Expenses										
Salaries										
Teachers	226,639			5,545			42,012	109,485		
Principals and Vice Principals						142,538				
Educational Assistants										
Support Staff							107,801			10,811
Other Professionals							82,320			
Substitutes							3,101	46,012		
	226,639	-	-	5,545	-	142,538	235,234	155,497	-	10,811
Employee Benefits	26,591			1,414		32,462	35,511	33,412		2,923
Services and Supplies		67,620	15,643	16,727	125,971		974,172	27,473	233,702	9,958
	253,230	67,620	15,643	23,686	125,971	175,000	1,244,917	216,382	233,702	23,692
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	38,577	-
Interfund Transfers										
Tangible Capital Assets Purchased									(38,577)	
	-	-	-	-	-	-	-	-	(38,577)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund		20,580				30,207				

School District No. 71 (Comox Valley)

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

	Professional Development	CVCF Student Travel	BC Parks	TOTAL
	\$	\$	\$	\$
Deferred Revenue, beginning of year	218,729	6,439		3,304,750
Add: Restricted Grants				
Provincial Grants - Ministry of Education and Child Care				18,715,606
Provincial Grants - Other			330,000	330,000
Other	100,085	36,000		3,556,140
Investment Income		750		24,411
	100,085	36,750	330,000	22,626,157
Less: Allocated to Revenue	73,535	43,189	5,169	22,254,366
Deferred Revenue, end of year	245,279	-	324,831	3,676,541
Revenues				
Provincial Grants - Ministry of Education and Child Care				18,793,613
Provincial Grants - Other			5,169	5,169
Other Revenue	73,535	42,439		3,431,173
Investment Income		750		24,411
	73,535	43,189	5,169	22,254,366
Expenses				
Salaries				
Teachers				10,318,467
Principals and Vice Principals				477,647
Educational Assistants				1,227,165
Support Staff				833,654
Other Professionals				82,320
Substitutes			1,240	662,699
	-	-	1,240	13,601,952
Employee Benefits			223	3,384,868
Services and Supplies	73,535	43,189	3,706	5,228,969
	73,535	43,189	5,169	22,215,789
Net Revenue (Expense) before Interfund Transfers	-	-	-	38,577
Interfund Transfers				
Tangible Capital Assets Purchased				(38,577)
	-	-	-	(38,577)
Net Revenue (Expense)	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund				95,242

School District No. 71 (Comox Valley)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 16)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care		12,430		12,430	127,646
Investment Income	39,602		69,539	69,539	76,307
Amortization of Deferred Capital Revenue	6,650,647	6,649,859		6,649,859	6,188,469
Total Revenue	<u>6,690,249</u>	<u>6,662,289</u>	<u>69,539</u>	<u>6,731,828</u>	<u>6,392,422</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	9,761,519	9,754,738		9,754,738	9,165,850
Total Expense	<u>9,761,519</u>	<u>9,754,738</u>	<u>-</u>	<u>9,754,738</u>	<u>9,165,850</u>
Capital Surplus (Deficit) for the year	<u>(3,071,270)</u>	<u>(3,092,449)</u>	<u>69,539</u>	<u>(3,022,910)</u>	<u>(2,773,428)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	375,000	184,280		184,280	211,278
Local Capital	2,175,000		2,175,000	2,175,000	1,885,000
Total Net Transfers	<u>2,550,000</u>	<u>184,280</u>	<u>2,175,000</u>	<u>2,359,280</u>	<u>2,096,278</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,809,692	(1,809,692)	-	
Total Other Adjustments to Fund Balances		<u>1,809,692</u>	<u>(1,809,692)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(521,270)</u>	<u>(1,098,477)</u>	<u>434,847</u>	<u>(663,630)</u>	<u>(677,150)</u>
Capital Surplus (Deficit), beginning of year		35,494,066	1,977,792	37,471,858	38,149,008
Capital Surplus (Deficit), end of year		<u>34,395,589</u>	<u>2,412,639</u>	<u>36,808,228</u>	<u>37,471,858</u>

School District No. 71 (Comox Valley)

Schedule 4A (Unaudited)

Tangible Capital Assets

Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	14,800,889	286,373,614	14,106,628	2,314,289		6,971,291	324,566,711
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		11,455,708	1,174,993				12,630,701
Deferred Capital Revenue - Other		5,861,355	84,251				5,945,606
Operating Fund			37,832			107,871	145,703
Special Purpose Funds			38,577				38,577
Local Capital		21,244	238,389	213,725		1,336,334	1,809,692
Transferred from Work in Progress		8,008,377	9,725				8,018,102
	-	25,346,684	1,583,767	213,725	-	1,444,205	28,588,381
Decrease:							
Deemed Disposals				105,613		1,736,335	1,841,948
	-	-	-	105,613	-	1,736,335	1,841,948
Cost, end of year	14,800,889	311,720,298	15,690,395	2,422,401	-	6,679,161	351,313,144
Work in Progress, end of year		11,613,216					11,613,216
Cost and Work in Progress, end of year	14,800,889	323,333,514	15,690,395	2,422,401	-	6,679,161	362,926,360
Accumulated Amortization, beginning of year		131,194,931	4,984,494	1,153,439		3,793,215	141,126,079
Changes for the Year							
Amortization for the Year		6,663,007	1,489,851	236,835		1,365,045	9,754,738
		6,663,007	1,489,851	236,835	-	1,365,045	9,754,738
Deemed Disposals				105,613		1,736,335	1,841,948
Written-off During Year							-
District Entered							-
	-	-	-	105,613	-	1,736,335	1,841,948
Accumulated Amortization, end of year		137,857,938	6,474,345	1,284,661	-	3,421,925	149,038,869
Tangible Capital Assets - Net	14,800,889	185,475,576	9,216,050	1,137,740	-	3,257,236	213,887,491

School District No. 71 (Comox Valley)

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	9,932,747	9,725			9,942,472
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	9,688,846				9,688,846
	9,688,846	-	-	-	9,688,846
Decrease:					
Transferred to Tangible Capital Assets	8,008,377	9,725			8,018,102
	8,008,377	9,725	-	-	8,018,102
Net Changes for the Year	1,680,469	(9,725)	-	-	1,670,744
Work in Progress, end of year	11,613,216	-	-	-	11,613,216

School District No. 71 (Comox Valley)

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	118,343,379	16,215,302	107,815	134,666,496
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	12,630,701	5,945,606	-	18,576,307
Transferred from Work in Progress	6,005,758	2,012,344		8,018,102
	18,636,459	7,957,950	-	26,594,409
Decrease:				
Amortization of Deferred Capital Revenue	5,991,372	654,559	3,928	6,649,859
	5,991,372	654,559	3,928	6,649,859
Net Changes for the Year	12,645,087	7,303,391	(3,928)	19,944,550
Deferred Capital Revenue, end of year	130,988,466	23,518,693	103,887	154,611,046
Work in Progress, beginning of year	7,930,128	2,012,344	-	9,942,472
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	9,688,846	-	-	9,688,846
	9,688,846	-	-	9,688,846
Decrease				
Transferred to Deferred Capital Revenue	6,005,758	2,012,344	-	8,018,102
	6,005,758	2,012,344	-	8,018,102
Net Changes for the Year	3,683,088	(2,012,344)	-	1,670,744
Work in Progress, end of year	11,613,216	-	-	11,613,216
Total Deferred Capital Revenue, end of year	142,601,682	23,518,693	103,887	166,224,262

School District No. 71 (Comox Valley)

Schedule 4D (Unaudited)

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	225,065		1,166,683			1,391,748
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	22,378,692		4,778,923			27,157,615
	22,378,692	-	4,778,923	-	-	27,157,615
Decrease:						
Transferred to DCR - Capital Additions	12,630,701		5,945,606			18,576,307
Transferred to DCR - Work in Progress	9,688,846					9,688,846
Transferred to Revenue - Settlement of Asset Retirement Obligation	12,430					12,430
	22,331,977	-	5,945,606	-	-	28,277,583
Net Changes for the Year	46,715	-	(1,166,683)	-	-	(1,119,968)
Balance, end of year	271,780	-	-	-	-	271,780