Audited Financial Statements of

School District No. 72 (Campbell River)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 72 (Campbell River)
June 30, 2026

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School District No. 72 (Campbell River)

MANAGEMENT REPORT

Version: 8142-7396-5414

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 72 (Campbell River) 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. 72 (Campbell River) (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, MNP 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. 72 (Campbell River) 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. 72 (Campbell River)

Originally signed by the Board Chair	September 15, 2026
Signature of the Chairperson of the Board of Education	Date Signed
Originally signed by the Superintendent	Sept. 15, 2026
Signature of the Superintendent	Date Signed
Originally signed by the Secretary-Treasurer	Sept 16, 2026
Signature of the Secretary Treasurer	Date Signed

Independent Auditor's Report

To the Board of Education of School District No. 72 (Campbell River) and the Minister of Education and Child Care:

Opinion

We have audited the financial statements of School District No. 72 (Campbell River) (the "School District"), which comprise the statement of financial position as at June 30, 2026, and the statements of operations, net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 2 which describes the financial reporting framework being followed by School District No. 72 (Campbell River).

Other Information

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

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

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

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

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

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

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

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

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 School District’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves compliance with the requirements of financial reporting framework based on section 23.1 of the Budget Transparency and Accountability Act and the Province of British Columbia's Treasury Board Regulations 257/2010 and 198/2011.

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

Nanaimo, British Columbia

September 15, 2026

MNP LLP

Chartered Professional Accountants

School District No. 72 (Campbell River)

Statement 1

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	17,805,469	15,952,702
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	5,744,471	2,186,630
Due from Province - Other		2,350,295
Due from First Nations	442,535	520,800
Other (Note 3)	666,467	198,978
Total Financial Assets	24,658,942	21,209,405
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	10,886,288	10,392,874
Unearned Revenue (Note 5)	995,504	946,273
Deferred Revenue (Note 6)	1,787,517	1,803,989
Deferred Capital Revenue (Note 7)	77,033,568	71,286,747
Employee Future Benefits (Note 8)	1,442,844	1,442,940
Asset Retirement Obligation (Note 16)	13,871,171	13,871,171
Total Liabilities	106,016,892	99,743,994
Net Debt	(81,357,950)	(78,534,589)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	88,478,780	84,480,204
Prepaid Expenses	367,514	609,703
Total Non-Financial Assets	88,846,294	85,089,907
Accumulated Surplus (Deficit)	7,488,344	6,555,318

Contingent Liabilities (Note 14)

Approved by the Board

Originally signed by the Board Chair — September 15, 2026

Signature of the Chairperson of the Board of Education — Date Signed

Originally signed by the Superintendent — Sept. 15, 2026

Signature of the Superintendent — Date Signed

Originally signed by the Secretary-Treasurer — Sept 16, 2026

Signature of the Secretary Treasurer — Date Signed

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

School District No. 72 (Campbell River)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	85,629,464	84,940,039	83,448,197
Other		38,557	41,394
Tuition	1,131,000	1,111,876	1,027,148
Other Revenue	3,350,287	5,793,640	5,859,808
Rentals and Leases	163,000	118,324	236,097
Investment Income	251,500	291,527	428,767
Amortization of Deferred Capital Revenue	3,639,501	3,701,993	3,481,742
Total Revenue	94,164,752	95,995,956	94,523,153
Expenses			
Instruction	73,298,622	73,373,961	72,899,799
District Administration	3,975,530	3,867,257	3,819,020
Operations and Maintenance	15,202,960	15,683,459	17,450,087
Transportation and Housing	2,158,175	2,138,253	2,250,478
Total Expense	94,635,287	95,062,930	96,419,384
Surplus (Deficit) for the year	(470,535)	933,026	(1,896,231)
Accumulated Surplus (Deficit) from Operations, beginning of year		6,555,318	8,451,549
Accumulated Surplus (Deficit) from Operations, end of year		7,488,344	6,555,318

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

School District No. 72 (Campbell River)

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Surplus (Deficit) for the year	(470,535)	933,026	(1,896,231)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,159,966)	(8,832,001)	(5,585,826)
Amortization of Tangible Capital Assets	4,777,671	4,833,425	4,625,722
Write-down carrying value of Tangible Capital Assets			684,904
ARO Change in Estimate			286,136
Total Effect of change in Tangible Capital Assets	1,617,705	(3,998,576)	10,936
Acquisition of Prepaid Expenses		(163,623)	(360,111)
Use of Prepaid Expenses		405,812	165,019
Total Effect of change in Other Non-Financial Assets	-	242,189	(195,092)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	1,147,170	(2,823,361)	(2,080,387)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(2,823,361)	(2,080,387)
Net Debt, beginning of year		(78,534,589)	(76,454,202)
Net Debt, end of year		(81,357,950)	(78,534,589)

School District No. 72 (Campbell River)

Statement of Cash Flows
Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	933,026	(1,896,231)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,596,770)	(2,256,562)
Prepaid Expenses	242,189	(195,092)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	493,414	(163,498)
Unearned Revenue	49,231	145,812
Deferred Revenue	(16,472)	(106,767)
Employee Future Benefits	(96)	(42,692)
Amortization of Tangible Capital Assets	4,833,425	4,625,722
Amortization of Deferred Capital Revenue	(3,701,993)	(3,481,742)
Deferred Capital Transferred to Operations and Maintenance	(1,959,013)	(4,025,087)
Total Operating Transactions	(723,059)	(7,396,137)
Capital Transactions		
Tangible Capital Assets Purchased	(5,565,836)	(4,950,812)
Tangible Capital Assets -WIP Purchased	(3,266,165)	(635,014)
Total Capital Transactions	(8,832,001)	(5,585,826)
Financing Transactions		
Capital Revenue Received	11,407,827	11,194,598
Total Financing Transactions	11,407,827	11,194,598
Net Increase (Decrease) in Cash and Cash Equivalents	1,852,767	(1,787,365)
Cash and Cash Equivalents, beginning of year	15,952,702	17,740,067
Cash and Cash Equivalents, end of year	17,805,469	15,952,702
Cash and Cash Equivalents, end of year, is made up of:		
Cash	17,805,469	15,952,702
	17,805,469	15,952,702

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

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 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. 72 (Campbell River)", and operates as " School District No. 72 (Campbell River)". 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. 72 (Campbell River) 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(m).

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(m), 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 tangible capital assets into revenue on the same basis as the related amortization expense.

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

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

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

a) Basis of Accounting *(continued)*

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 $5,112,015.
- June 30, 2025 – increase in accumulated surplus (deficit) and decrease in deferred contributions by $65,985,806.
- Year-ended June 30, 2026 – increase in annual surplus by $7,750,144.
- June 30, 2026 – increase in accumulated surplus (deficit) and decrease in deferred contributions by $70,033,957.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased 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.

d) Unearned Revenue

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

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(m).

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 (i)). Assumptions used in the calculations are reviewed annually.

h) 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 of 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.

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

i) 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 and commences the year of acquisition. 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

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

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident 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.

k) Prepaid Expenses

Software licensing and support, memberships, dues and tuition are included as a prepaid expense, stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 12 – Interfund Transfers and Note 9 – Accumulated Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

m) 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.

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

m) Revenue Recognition *(continued)*

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

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

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

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

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

Revenue from transactions with no performance obligations is recognized when the district:
a) has the authority to claim or retain an inflow of economic resources; and
b) identifies a past transaction or event that gives rise to an asset.

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

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

n) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

o) 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, and accounts payable and accrued liabilities.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition.

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

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

o) Financial Instruments *(continued)*

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.

p) 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 for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, asset retirement obligations, rates for amortization, allowance for doubtful accounts, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2026

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2026	2025
Due from Federal Government	$138,158	$13,522
Due from North Island College	12,000	11,000
Due from Royal Bank	29,077	14,024
Due from other	487,232	160,432
	$666,467	$198,978

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade Payables	$1,084,345	$ 947,447
Salaries and Benefits Payable	7,063,769	7,077,578
Accrued Vacation Pay	943,432	1,044,456
Capital Trade Payables	747,159	518,476
Other Payables	1,047,583	804,917
	$10,886,288	$10,392,874

NOTE 5 UNEARNED REVENUE

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	2026	2025
Balance, beginning of year	$946,273	$800,461
Changes for the year:		
Increase:		
Tuition fees	946,019	887,473
Summer Programs	49,485	
Decrease:		
Tuition fees	(946,273)	(741,661)
Net changes for the year	49,231	145,812
Balance, end of year	$995,504	$946,273

NOTE 6 DEFERRED REVENUE

a) Deferred Revenue – Ministry of Education and Child Care

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e. the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is included in Schedule 3A.

The special purpose fund represents government grants for aboriginal improvement and early learning, repairs and minor capital improvements to facilities, social equity programs; recorded on the capital funds represents government grants for seismic, building envelope and asset disposal proceeds in use by the Ministry of Education and Child Care.

	2026	2025
Balance, beginning of year	$777,055	$791,778
Increases:		
Provincial grants – MECC	9,471,487	7,956,438
Investment income	6,987	13,859
	9,478,474	7,970,297
Decreases:		
Transfers to Revenue	(9,367,735)	(7,971,161)
Recovery	(17,649)	(13,859)
	(9,385,384)	(7,985,020)
Net Changes for the year	93,090	(14,723)
Balance, end of the year	$870,145	$777,055

NOTE 6 DEFERRED REVENUE *(continued)*

b) Deferred Revenue – Other

Deferred Revenue – Other recorded in the operating fund represents an aboriginal early learning grant; recorded in the special purpose fund represents school generated funds, community supported social programs and scholarship trust funds; recorded in the capital fund represents community grants to support capital projects.

	2026	2025
Balance, beginning of year	$1,026,934	$1,118,978
Increases:		
School Generated Funds	2,093,576	2,240,833
Investment income	3,937	5,695
Other	438,679	141,905
	2,536,192	2,388,433
Decreases:		
Transfers to Revenue	(2,645,754)	(2,480,477)
Net Changes for the year	(109,562)	(92,044)
Balance, end of the year	$917,372	$1,026,934
Total Deferred Revenue	$1,787,517	$1,803,989

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2026

NOTE 7 DEFERRED CAPITAL REVENUE

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

	Deferred Cap Revenue	Unspent Def. Cap Revenue	2026 Total	2025 Total
Balance, beginning of year	$65,985,806	$5,300,941	$71,286,747	$68,283,883
Increases:				
Transfers from DC - capital additions	4,483,979	-	4,483,979	4,477,001
Transfers from DC – work in progress	3,266,165	-	3,266,165	635,014
Provincial Grants – MECC		7,453,893	7,453,893	7,485,776
Provincial Grants – Other		3,953,934	3,953,934	3,708,822
	7,750,144	11,407,827	19,157,971	16,306,613
Decreases:				
Amortization	3,701,993	-	3,701,993	3,481,742
Transfers to revenue - capital additions	-	4,483,979	4,483,979	4,477,001
Transfers to revenue – Work in progress	-	3,266,165	3,266,165	635,014
Transfers to capital expense	-	592,231	592,231	471,732
Transfers to capital - approved project expense	-	1,366,782	1,366,782	3,553,356
Revenue recognized on write-down of buildings	-	-	-	684,904
	3,701,993	9,709,157	13,411,150	13,303,749
Balance, end of the year	$70,033,957	$6,999,611	$77,033,568	$71,286,747

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, 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.

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2026	2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	1,480,219	$1,236,558
Service Cost	119,110	107,341
Interest Cost	59,161	54,031
Benefit Payments	(156,401)	(128,445)
Actuarial Gain	(129,216)	210,734
Accrued Benefit Obligation – March 31	$1,372,873	$1,480,219
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	$1,372,873	$1,480,219
Funded Status - Deficit	(1,372,873)	(1,480,219)
Employer Contributions After Measurement Date	54,668	38,611
Benefit Expense After Measurement Date	(44,656)	(44,568)
Unamortized Net Actuarial Gain	(79,983)	43,236
Accrued Benefit Liability – June 30	$(1,442,844)	$(1,442,940)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	$1,442,940	$1,485,634
Net Expense for Fiscal Year	172,364	119,504
Employer Contributions	(172,460)	(162,198)
Accrued Benefit Liability – June 30	$1,442,844	$1,442,940
Components of Net Benefit Expense		
Service Cost	$117,936	$110,283
Interest Cost	60,425	55,312
Amortization of Net Actuarial Loss	(5,997)	(46,091)
Net Benefit Expense	$172,364	$119,504

NOTE 8 EMPLOYEE FUTURE BENEFITS – *(continued)*

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

	2026	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	11.6	11.6

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2026

NOTE 9 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

	2026		2025	
Internally Restricted (Appropriated) By Board For:				
Constraints On Funds				
Indigenous Education Program		$178,660		$34,732
Indigenous Education Council		96,302		
Operations Spanning Multiple Years				
School Based Supply Accounts	$121,281		$97,998	
International Program – to Balance Next Year Budget	-		90,000	
Strategic Priorities	89,000		57,458	
Enterprise Resource Planning System Replacement	500,000		50,000	
IT Equipment Replacement	-		100,000	
Childcare Operations	180,000		-	
Careers Program	25,000		-	
Subtotal Operations Spanning Multiple Years		915,281		395,456
Subtotal Internally Restricted		1,190,243		430,188
Unrestricted Operating Surplus (Deficit)				
Operational Needs and Emergency Contingency	1,032,863		832,878	
Unrestricted	-		-	
Subtotal Unrestricted		1,032,863		832,878
Total Available for Future Operations		$2,223,106		$1,263,066

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO THE FINANCIAL STATEMENTS – JUNE 30, 2026

NOTE 10 TANGIBLE CAPITAL ASSETS

June 30, 2026

Cost:	Opening Cost July 1, 2025	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2026
Sites	$8,448,233	$ -	$ -	$ -	$8,448,233
Buildings	180,006,483	3,628,467	-	36,567	183,671,517
Buildings – work in progress	635,016	3,266,165	-	(36,567)	3,864,614
Furniture & Equipment	3,343,703	814,933	(91,226)	-	4,067,410
Vehicles	4,413,222	307,686	(111,227)	-	4,609,681
Computer Hardware	2,165,356	814,750	(551,174)	-	2,428,932
Total	$199,012,013	$8,832,001	$(753,627)	$ -	$207,090,387

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2025	Additions	Disposals	Balance at June 30, 2026
Buildings	$110,227,275	$3,552,295	$ -	$113,779,570
Furniture & Equipment	1,511,861	370,556	(91,226)	1,791,191
Vehicles	1,564,856	451,145	(111,227)	1,904,774
Computer Hardware	1,227,817	459,429	(551,174)	1,136,072
Total	$114,531,809	$4,833,425	$(753,627)	$118,611,607

NOTE 10 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2025

Cost:	Opening Cost July 1, 2024	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2025
Sites	$8,448,233	$ -	$ -	$ -	$8,448,233
Buildings	173,401,688	2,966,055	(971,040)	4,609,781	180,006,483
Buildings – work in progress	4,609,783	635,014	-	(4,609,781)	635,016
Furniture & Equipment	2,969,793	473,756	(99,846)	-	3,343,703
Vehicles	3,495,413	1,140,180	(222,371)	-	4,413,222
Computer Hardware	2,533,161	370,821	(738,627)	-	2,165,356
Total	$195,458,071	$5,585,826	$(2,031,884)	$ -	$199,012,013

Accumulated Amortization:	Opening Accumulated Amortization July 1, 2024	Additions	Disposals	Balance at June 30, 2025
Buildings	$106,782,512	$3,444,763	$ -	$110,227,275
Furniture & Equipment	1,296,032	315,675	(99,846)	1,511,861
Vehicles	1,391,795	395,432	(222,371)	1,564,856
Computer Hardware	1,496,592	469,852	(738,627)	1,227,817
Total	$110,966,931	$4,625,722	$(1,060,844)	$114,531,809

Net Book Value:

	Net Book Value June 30, 2026	Net Book Value June 30, 2025
Sites	$8,448,233	$8,448,233
Buildings	69,891,947	69,779,208
Buildings – work in progress	3,864,614	635,016
Furniture & Equipment	2,276,219	1,831,842
Vehicles	2,704,907	2,848,366
Computer Hardware	1,292,860	937,539
Total	$88,478,780	$84,480,204

Buildings – work in progress having a value of $3,864,614 (2025: $635,016) have not been amortized. Amortization of these assets will commence the year the asset is put into service.

NOTE 11 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 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 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 $5,944,378 for employer contributions to these plans for the year ended June 30, 2026, and $5,958,154 for the year ended June 30, 2025.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan was 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 12 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Schedule 1 (Statement of Changes in Accumulated Surplus (Deficit) by Fund). For the year ended June 30, 2026 transfers were as follows:

- A transfer in the amount of $184,557 was made from the operating fund to the capital fund for the purchase of local capital assets.
- A transfer in the amount of $792,905 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of $106,247 was made from the special purpose fund to the capital fund for the purchase of capital assets.

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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 14 CONTINGENT LIABILITIES

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

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 24, 2026. The Board adopted a preliminary annual budget on June 17, 2025. The amended budget is used for comparison purposes, as these are based on actual student enrollments. The difference between the two budgets is as follows:

	2026 Amended	2026 Preliminary	Difference
Revenues			
Provincial Grants	$85,629,464	$80,080,605	$5,548,859
Tuition	1,131,000	1,031,350	99,650
Other Revenue	3,350,287	5,694,610	(2,344,323)
Rentals and Leases	163,000	163,000	-
Investment Income	251,500	419,000	(167,500)
Amortization of Deferred Capital Revenue	3,639,501	3,681,322	(41,821)
Total Revenue	$94,164,752	$91,069,887	$3,094,865
Expenses			
Instruction	73,298,622	70,279,274	3,019,348
District Administration	3,975,530	3,825,683	149,847
Operations and Maintenance	10,425,289	10,282,201	143,088
Transportation and Housing	2,158,175	2,050,961	107,214
Debt Services	-	-	-
Amortization	4,777,671	4,859,373	(81,702)
Total Expenses	94,635,287	91,297,492	3,337,795
Deficit for the year	(470,535)	(227,605)	(242,930)
Effects of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,159,966)	(9,148,518)	5,988,552
Amortization of Tangible Capital Assets	4,777,671	4,859,373	(81,702)
Total Effect of change, Tangible Capital Assets	1,617,705	(4,289,145)	5,906,850
(Increase) Decrease in Net Financial Assets (Debt)	1,147,170	(4,516,750)	5,663,920

NOTE 16 ASSET RETIREMENT OBLIGATION

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

NOTE 17 EXPENSE BY OBJECT

	Budget 2026	Actual 2026	Actual 2025
Salaries	$61,914,880	$63,058,262	$62,603,601
Benefits	15,010,935	15,270,609	15,049,536
Service and supplies	12,931,801	11,900,639	14,140,525
Amortization	4,777,671	4,833,425	4,625,722
	$94,635,287	$95,062,935	$96,419,384

NOTE 18 TRUST FUNDS

Funds in the amount of $2,564,111 (2025 - $2,396,104) are held in trust for teachers who participate in the payroll savings plan. These funds are included in Cash and Cash Equivalents in Statement 1 for the year ended June 30, 2026, and are to be paid to teachers who participate in the plan through August 31, 2026. The amount payable is included in Salaries and Benefits Payable as stated in Note 4.

NOTE 19 ECONOMIC DEPENDENCE

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 and cash equivalents and accounts receivable.

   The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as a significant portion of accounts receivable is due from federal, provincial and other public sector organizations and is considered 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 funds are invested through the Ministry of Finance Central Deposit Program.

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.

c) Currency 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.

   The School District maintains a United States dollar bank account and enters into transactions with vendors for supplies denominated in U.S. currency. As at June 30, 2026, the balance maintained in the U.S. dollar account was insignificant. Management believes that the School District is not exposed to significant currency risk.

NOTE 20 RISK MANAGEMENT – (*continued)*

d) Interest rate risk:
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 cash and investment balances held in a Royal Bank of Canada high-interest savings account and through funds invested in the Ministry of Finance Central Deposit Program. Management considers the School District's exposure to interest rate risk to be low.

e) 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.

School District No. 72 (Campbell River)

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	1,263,066		5,292,252	6,555,318	8,451,549
Changes for the year					
Surplus (Deficit) for the year	1,937,502	106,247	(1,110,723)	933,026	(1,896,231)
Interfund Transfers					
Tangible Capital Assets Purchased	(792,905)	(106,247)	899,152	-	
Local Capital	(184,557)		184,557	-	
Net Changes for the year	960,040	-	(27,014)	933,026	(1,896,231)
Accumulated Surplus (Deficit), end of year - Statement 2	2,223,106	-	5,265,238	7,488,344	6,555,318

School District No. 72 (Campbell River)

Schedule of Operating Operations
Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	72,544,031	73,554,640	71,467,876
Other		38,557	25,467
Tuition	1,131,000	1,111,876	1,027,148
Other Revenue	2,922,894	3,216,315	3,385,026
Rentals and Leases	163,000	118,324	236,097
Investment Income	245,000	261,040	388,874
Total Revenue	77,005,925	78,300,752	76,530,488
Expenses			
Instruction	61,433,284	61,841,928	62,870,458
District Administration	3,975,530	3,867,257	3,819,020
Operations and Maintenance	9,335,271	9,078,989	8,931,533
Transportation and Housing	1,600,705	1,575,076	1,735,341
Total Expense	76,344,790	76,363,250	77,356,352
Operating Surplus (Deficit) for the year	661,135	1,937,502	(825,864)
Budgeted Appropriation (Retirement) of Surplus (Deficit)	363,555		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(824,690)	(792,905)	(329,079)
Local Capital	(200,000)	(184,557)	(204,422)
Total Net Transfers	(1,024,690)	(977,462)	(533,501)
Total Operating Surplus (Deficit), for the year	-	960,040	(1,359,365)
Operating Surplus (Deficit), beginning of year		1,263,066	2,622,431
Operating Surplus (Deficit), end of year		2,223,106	1,263,066
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 9)		1,190,243	430,188
Unrestricted		1,032,863	832,878
Total Operating Surplus (Deficit), end of year		2,223,106	1,263,066

School District No. 72 (Campbell River)

Schedule of Operating Revenue by Source
Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	73,780,824	73,505,289	72,151,335
ISC/LEA Recovery	(2,108,922)	(2,144,570)	(2,269,380)
Other Ministry of Education and Child Care Grants			
Pay Equity	75,322	75,322	75,322
Student Transportation Fund	316,860	316,860	316,860
Support Staff Benefits Grant			63,499
Foundation Skills Assessment (FSA) Scorer Grant	8,187	8,187	8,187
Child Care Funding	471,760	379,933	433,334
Labour Settlement Funding		1,291,371	688,719
Indigenous Education Councils (IEC) Funding		122,248	
Total Provincial Grants - Ministry of Education and Child Care	72,544,031	73,554,640	71,467,876
Provincial Grants - Other		38,557	25,467
Tuition			
International and Out of Province Students	1,131,000	1,111,876	1,027,148
Total Tuition	1,131,000	1,111,876	1,027,148
Other Revenues			
Other School District/Education Authorities	377,791	365,530	480,573
Funding from First Nations	2,108,922	2,144,570	2,269,380
Miscellaneous			
Contract Services - Inclusive Education	104,208	104,208	82,486
Miscellaneous Revenue/Transcripts	6,500	20,046	171,345
Child Care Fees	325,473	581,961	381,242
Total Other Revenue	2,922,894	3,216,315	3,385,026
Rentals and Leases	163,000	118,324	236,097
Investment Income	245,000	261,040	388,874
Total Operating Revenue	77,005,925	78,300,752	76,530,488

School District No. 72 (Campbell River)

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

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Salaries			
Teachers	31,620,436	32,368,681	32,758,870
Principals and Vice Principals	4,784,496	4,947,759	4,639,665
Educational Assistants	7,243,719	7,143,221	7,360,868
Support Staff	7,594,141	7,443,066	7,694,352
Other Professionals	2,304,881	2,372,310	2,664,814
Substitutes	1,690,738	1,865,483	1,899,430
Total Salaries	55,238,411	56,140,520	57,017,999
Employee Benefits	13,313,844	13,539,725	13,640,028
Total Salaries and Benefits	68,552,255	69,680,245	70,658,027
Services and Supplies			
Services	2,280,665	1,979,256	1,664,380
Student Transportation	46,860	50,072	53,412
Professional Development and Travel	860,524	840,745	849,539
Rentals and Leases	70,000	64,159	80,626
Dues and Fees	92,300	93,141	87,454
Insurance	203,024	198,484	187,362
Supplies	2,667,162	2,007,352	2,204,263
Utilities	1,572,000	1,449,796	1,571,289
Total Services and Supplies	7,792,535	6,683,005	6,698,325
Total Operating Expense	76,344,790	76,363,250	77,356,352

School District No. 72 (Campbell River)

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	23,276,954	872,229	186	680,033	26,073	1,488,820	26,344,295
1.03 Career Programs	67,706			3,356		2,326	73,388
1.07 Library Services	921,550	4,213		154,813		49,856	1,130,432
1.08 Counselling	1,441,873			25,402		842	1,468,117
1.10 Special Education	4,989,886	406,257	5,768,023	89,540		183,474	11,437,180
1.20 Early Learning and Child Care			529,470				529,470
1.30 English Language Learning	554,127	473				22,910	577,510
1.31 Indigenous Education	655,388	183,879	820,728	45,286		24,572	1,729,853
1.41 School Administration		3,232,477		587,801		30,792	3,851,070
1.60 Summer School	129,352	20,349	24,814	7,475			181,990
1.62 International and Out of Province Students	331,845	1,153		62,343	198,445	14,508	608,294
Total Function 1	32,368,681	4,721,030	7,143,221	1,656,049	224,518	1,818,100	47,931,599
4 District Administration							
4.11 Educational Administration		192,849		78,775	621,598	8,132	901,354
4.20 Early Learning and Child Care		15,694					15,694
4.40 School District Governance		18,186		5,042	122,796		146,024
4.41 Business Administration				435,162	982,469	39,251	1,456,882
Total Function 4	-	226,729	-	518,979	1,726,863	47,383	2,519,954
5 Operations and Maintenance							
5.20 Early Learning and Child Care				59,715			59,715
5.41 Operations and Maintenance Administration				106,194	109,950		216,144
5.50 Maintenance Operations				3,974,966	267,330		4,242,296
5.52 Maintenance of Grounds				346,848			346,848
5.56 Utilities							-
Total Function 5	-	-	-	4,487,723	377,280	-	4,865,003
7 Transportation and Housing							
7.70 Student Transportation				780,315	43,649		823,964
7.73 Housing							-
Total Function 7	-	-	-	780,315	43,649	-	823,964
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	32,368,681	4,947,759	7,143,221	7,443,066	2,372,310	1,865,483	56,140,520

School District No. 72 (Campbell River)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 15)	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	26,344,295	6,245,710	32,590,005	1,370,901	33,960,906	33,200,360	35,046,905
1.03 Career Programs	73,388	16,214	89,602	104,334	193,936	199,315	197,033
1.07 Library Services	1,130,432	271,937	1,402,369	185,430	1,587,799	1,650,168	1,581,126
1.08 Counselling	1,468,117	336,673	1,804,790		1,804,790	1,774,646	1,874,639
1.10 Special Education	11,437,180	2,922,144	14,359,324	141,309	14,500,633	14,324,403	14,315,828
1.20 Early Learning and Child Care	529,470	98,918	628,388	46,529	674,917	661,573	699,836
1.30 English Language Learning	577,510	136,531	714,041	645	714,686	718,740	741,931
1.31 Indigenous Education	1,729,853	444,661	2,174,514	134,607	2,309,121	2,535,002	2,319,926
1.41 School Administration	3,851,070	875,562	4,726,632	156,158	4,882,790	5,126,044	4,864,282
1.60 Summer School	181,990	37,879	219,869	12,177	232,046	231,936	266,343
1.62 International and Out of Province Students	608,294	156,433	764,727	215,577	980,304	1,011,097	962,609
Total Function 1	47,931,599	11,542,662	59,474,261	2,367,667	61,841,928	61,433,284	62,870,458
4 District Administration							
4.11 Educational Administration	901,354	215,177	1,116,531	123,552	1,240,083	1,139,860	1,306,143
4.20 Early Learning and Child Care	15,694	3,767	19,461	7,345	26,806	39,841	31,023
4.40 School District Governance	146,024	11,454	157,478	165,084	322,562	433,944	239,721
4.41 Business Administration	1,456,882	378,462	1,835,344	442,462	2,277,806	2,361,885	2,242,133
Total Function 4	2,519,954	608,860	3,128,814	738,443	3,867,257	3,975,530	3,819,020
5 Operations and Maintenance							
5.20 Early Learning and Child Care	59,715	18,857	78,572	15,050	93,622	95,819	76,661
5.41 Operations and Maintenance Administration	216,144	53,043	269,187	174,726	443,913	424,166	291,985
5.50 Maintenance Operations	4,242,296	993,159	5,235,455	1,327,606	6,563,061	6,580,713	6,462,646
5.52 Maintenance of Grounds	346,848	87,724	434,572	71,476	506,048	613,573	488,140
5.56 Utilities	-		-	1,472,345	1,472,345	1,621,000	1,612,101
Total Function 5	4,865,003	1,152,783	6,017,786	3,061,203	9,078,989	9,335,271	8,931,533
7 Transportation and Housing							
7.70 Student Transportation	823,964	235,420	1,059,384	499,417	1,558,801	1,550,705	1,699,641
7.73 Housing	-		-	16,275	16,275	50,000	35,700
Total Function 7	823,964	235,420	1,059,384	515,692	1,575,076	1,600,705	1,735,341
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	56,140,520	13,539,725	69,680,245	6,683,005	76,363,250	76,344,790	77,356,352

School District No. 72 (Campbell River)

Schedule of Special Purpose Operations
Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	11,819,604	9,426,386	7,971,161
Other Revenue	427,393	2,569,071	2,474,782
Investment Income		18,032	19,554
Total Revenue	12,246,997	12,013,489	10,465,497
Expenses			
Instruction	11,865,338	11,532,033	10,029,341
Operations and Maintenance	263,177	263,177	263,177
Transportation and Housing	118,482	112,032	119,705
Total Expense	12,246,997	11,907,242	10,412,223
Special Purpose Surplus (Deficit) for the year	-	106,247	53,274
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(106,247)	(53,274)
Total Net Transfers	-	(106,247)	(53,274)
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. 72 (Campbell River)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			150,564	796,653		29,405			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	263,177	260,040			136,000	34,300	191,479	615,451	342,661
Other			21,050	2,093,576					
Investment Income			3,937			822		622	
	263,177	260,040	24,987	2,093,576	136,000	35,122	191,479	616,073	342,661
Less: Allocated to Revenue	263,177	227,581	32,713	2,163,505	136,000	10,370	191,479	575,057	342,661
Recovered									
Deferred Revenue, end of year	-	32,459	142,838	726,724	-	54,157	-	41,016	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	263,177	227,581			136,000	9,548	191,479	574,435	342,661
Other Revenue			28,776	2,163,505					
Investment Income			3,937			822		622	
	263,177	227,581	32,713	2,163,505	136,000	10,370	191,479	575,057	342,661
Expenses									
Salaries									
Teachers									
Principals and Vice Principals					14,954		56,615		
Educational Assistants		179,060			85,716			399,275	
Support Staff									41,216
Other Professionals									193,989
Substitutes						5,098	12,914		43,562
	-	179,060	-	-	100,670	5,098	69,529	399,275	278,767
Employee Benefits		48,521			31,731	986	15,445	108,930	63,894
Services and Supplies	263,177		32,713	2,163,505	3,599	4,286	106,505	66,852	
	263,177	227,581	32,713	2,163,505	136,000	10,370	191,479	575,057	342,661
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Early Childhood Education (ECE) Dual Credit Program	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund	Professional Learning Grant
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year		5,649	75,654	58,564		3,844		315,649	152,791
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	5,698,940	113,447	42,827	52,000			525,000	694,235	
Other									
Investment Income				272				3,861	1,199
	5,698,940	113,447	42,827	52,272	-	-	525,000	698,096	1,199
Less: Allocated to Revenue	5,698,940	93,445	111,113	92,907	(12,000)	3,844	175,000	759,376	75,000
Recovered		5,649			12,000				
Deferred Revenue, end of year	-	20,002	7,368	17,929	-	-	350,000	254,369	78,990
Revenues									
Provincial Grants - Ministry of Education and Child Care	5,698,940	93,445	111,113	92,635	(12,000)	3,844	175,000	755,515	73,801
Other Revenue									
Investment Income				272				3,861	1,199
	5,698,940	93,445	111,113	92,907	(12,000)	3,844	175,000	759,376	75,000
Expenses									
Salaries									
Teachers	4,560,223								57,000
Principals and Vice Principals				70,086			139,342	54,476	
Educational Assistants								122,326	
Support Staff			87,485					314,155	
Other Professionals								75,266	
Substitutes		76,467						182	
	4,560,223	76,467	87,485	70,086	-	-	139,342	566,405	57,000
Employee Benefits	1,138,717	16,978	20,996	15,574			35,658	127,632	18,000
Services and Supplies			2,632	7,247	(12,000)	3,844		61,769	
	5,698,940	93,445	111,113	92,907	(12,000)	3,844	175,000	755,806	75,000
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	3,570	-
Interfund Transfers									
Tangible Capital Assets Purchased								(3,570)	
	-	-	-	-	-	-	-	(3,570)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 72 (Campbell River)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	National School Food Program	School Foods Coordinated Procurement	Van Foundation KELP Grant	Compass PRP	District Trusts	TOTAL
	$	$	$	$	$	$
Deferred Revenue, beginning of year	135,492		72,754		6,970	1,803,989
Add: Restricted Grants						
Provincial Grants - Ministry of Education and Child Care	201,930	80,000		220,000		9,471,487
Other					417,630	2,532,256
Investment Income		210				10,923
	201,930	80,210	-	220,000	417,630	12,014,666
Less: Allocated to Revenue	337,422	66,355	72,754	220,000	376,790	12,013,489
Recovered						17,649
Deferred Revenue, end of year	-	13,855	-	-	47,810	1,787,517
Revenues						
Provincial Grants - Ministry of Education and Child Care	337,422	66,145	65,645	220,000		9,426,386
Other Revenue					376,790	2,569,071
Investment Income		210	7,109			18,032
	337,422	66,355	72,754	220,000	376,790	12,013,489
Expenses						
Salaries						
Teachers				148,212		4,765,435
Principals and Vice Principals			56,998	16,441		408,912
Educational Assistants						786,377
Support Staff				62	36,954	479,872
Other Professionals						269,255
Substitutes				4,591	2,512	145,326
	-	-	56,998	169,306	39,466	6,855,177
Employee Benefits			15,756	39,090	11,278	1,709,186
Services and Supplies	337,422			11,604	289,724	3,342,879
	337,422	-	72,754	220,000	340,468	11,907,242
Net Revenue (Expense) before Interfund Transfers	-	66,355	-	-	36,322	106,247
Interfund Transfers						
Tangible Capital Assets Purchased		(66,355)			(36,322)	(106,247)
	-	(66,355)	-	-	(36,322)	(106,247)
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 72 (Campbell River)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 15)	2026 Actual Invested in Tangible Capital Assets	2026 Actual Local Capital	2026 Actual Fund Balance	2025 Actual
	$	$	$	$	$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,265,829	1,959,013		1,959,013	4,009,160
Other				-	15,927
Other Revenue			8,254	8,254	
Investment Income	6,500		12,455	12,455	20,339
Amortization of Deferred Capital Revenue	3,639,501	3,701,993		3,701,993	3,481,742
Total Revenue	4,911,830	5,661,006	20,709	5,681,715	7,527,168
Expenses					
Operations and Maintenance	1,265,829	1,959,013		1,959,013	4,025,087
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,338,683	4,382,280		4,382,280	4,230,290
Transportation and Housing	438,988	451,145		451,145	395,432
Total Expense	6,043,500	6,792,438	-	6,792,438	8,650,809
Capital Surplus (Deficit) for the year	(1,131,670)	(1,131,432)	20,709	(1,110,723)	(1,123,641)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	824,690	899,152		899,152	382,353
Local Capital	200,000		184,557	184,557	204,422
Total Net Transfers	1,024,690	899,152	184,557	1,083,709	586,775
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		182,705	(182,705)	-	
Total Other Adjustments to Fund Balances		182,705	(182,705)	-	
Total Capital Surplus (Deficit) for the year	(106,980)	(49,575)	22,561	(27,014)	(536,866)
Capital Surplus (Deficit), beginning of year		4,486,069	806,183	5,292,252	5,829,118
Capital Surplus (Deficit), end of year		4,436,494	828,744	5,265,238	5,292,252

School District No. 72 (Campbell River)

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	8,448,233	180,006,483	3,343,703	4,413,222		2,165,356	198,376,997
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,471,538	669,157	307,686		35,598	4,483,979
Operating Fund			13,753			779,152	792,905
Special Purpose Funds			106,247				106,247
Local Capital		156,929	25,776				182,705
Transferred from Work in Progress		36,567					36,567
	-	3,665,034	814,933	307,686	-	814,750	5,602,403
Decrease:							
Deemed Disposals			91,226	111,227		551,174	753,627
	-	-	91,226	111,227	-	551,174	753,627
Cost, end of year	8,448,233	183,671,517	4,067,410	4,609,681	-	2,428,932	203,225,773
Work in Progress, end of year		3,864,614					3,864,614
Cost and Work in Progress, end of year	8,448,233	187,536,131	4,067,410	4,609,681	-	2,428,932	207,090,387
Accumulated Amortization, beginning of year		110,227,275	1,511,861	1,564,856		1,227,817	114,531,809
Changes for the Year							
Amortization for the Year		3,552,295	370,556	451,145		459,429	4,833,425
		3,552,295	370,556	451,145	-	459,429	4,833,425
Deemed Disposals			91,226	111,227		551,174	753,627
Written-off During Year							-
District Entered							-
		-	91,226	111,227	-	551,174	753,627
Accumulated Amortization, end of year		113,779,570	1,791,191	1,904,774	-	1,136,072	118,611,607
Tangible Capital Assets - Net	8,448,233	73,756,561	2,276,219	2,704,907	-	1,292,860	88,478,780

School District No. 72 (Campbell River)

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	635,016				635,016
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	1,567,959				1,567,959
Deferred Capital Revenue - Other	1,698,206				1,698,206
	3,266,165	-	-	-	3,266,165
Decrease:					
Transferred to Tangible Capital Assets	36,567				36,567
	36,567	-	-	-	36,567
Net Changes for the Year	3,229,598	-	-	-	3,229,598
Work in Progress, end of year	3,864,614	-	-	-	3,864,614

School District No. 72 (Campbell River)

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	50,919,075	13,820,721	610,994	65,350,790
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,483,979			4,483,979
Transferred from Work in Progress	36,567			36,567
	4,520,546	-	-	4,520,546
Decrease:				
Amortization of Deferred Capital Revenue	3,189,518	479,576	32,899	3,701,993
	3,189,518	479,576	32,899	3,701,993
Net Changes for the Year	1,331,028	(479,576)	(32,899)	818,553
Deferred Capital Revenue, end of year	52,250,103	13,341,145	578,095	66,169,343
Work in Progress, beginning of year	508,498	126,518		635,016
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	1,567,959	1,698,206		3,266,165
	1,567,959	1,698,206	-	3,266,165
Decrease				
Transferred to Deferred Capital Revenue	36,567			36,567
	36,567	-	-	36,567
Net Changes for the Year	1,531,392	1,698,206	-	3,229,598
Work in Progress, end of year	2,039,890	1,824,724	-	3,864,614
Total Deferred Capital Revenue, end of year	54,289,993	15,165,869	578,095	70,033,957

School District No. 72 (Campbell River)

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	557,963	2,373,824	2,369,154			5,300,941
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	7,453,893					7,453,893
Provincial Grants - Other			3,953,934			3,953,934
	7,453,893	-	3,953,934	-	-	11,407,827
Decrease:						
Transferred to DCR - Capital Additions	4,483,979					4,483,979
Transferred to DCR - Work in Progress	1,567,959		1,698,206			3,266,165
AFG Spent on Non-Capital	592,231					592,231
Capital Approved Project Expense	1,366,782					1,366,782
	8,010,951	-	1,698,206	-	-	9,709,157
Net Changes for the Year	(557,058)	-	2,255,728	-	-	1,698,670
Balance, end of year	905	2,373,824	4,624,882	-	-	6,999,611