Audited Financial Statements of

School District No. 53 (Okanagan Similkameen)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 53 (Okanagan Similkameen)

June 30, 2026

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School District No. 53 (Okanagan Similkameen)

MANAGEMENT REPORT

Version: 4410-3664-1682

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 53 (Okanagan Similkameen) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The Board of Education of School District No. 53 (Okanagan Similkameen) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, Doane Grant Thornton 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. 53 (Okanagan Similkameen) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 53 (Okanagan Similkameen)

[redacted] SEPT 29/26

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

[redacted] Sept 29/26

Signature of the Superintendent — Date Signed

[redacted] 09/29/2026

Signature of the Secretary Treasurer — Date Signed

Doane Grant Thornton

Independent auditor's report

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To the Board of Education of School District No. 53 (Okanagan Similkameen)
and the Ministry of Education and Child Care

Opinion

We have audited the consolidated financial statements of School District No. 53 (Okanagan Similkameen) ("the District"), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statement of operations, consolidated statement of changes in net financial debt and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of School District No. 53 (Okanagan Similkameen) as at June 30, 2026 and for the year then ended, 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 ("Section 23.1").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 – Basis of Accounting

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared to assist the District to comply with the financial reporting provisions of Section 23.1. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules 1 through 4 is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

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

Management is responsible for the preparation of these consolidated financial statements in accordance with the financial reporting provisions of Section 23.1, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Doane Grant Thornton LLP

Kelowna, Canada
September 29, 2026

Chartered Professional Accountants

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School District No. 53 (Okanagan Similkameen)

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	**8,074,336**	8,523,941
Accounts Receivable		
Due from First Nations	**431,680**	408,482
Other (Note 3)	**318,056**	238,413
Portfolio Investments (Note 4)	**6,133**	4,132
Total Financial Assets	**8,830,205**	9,174,968
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	**1,216,628**	1,974,024
Deferred Revenue (Note 6)	**1,915,297**	1,506,033
Deferred Capital Revenue (Note 7)	**64,536,015**	64,675,459
Employee Future Benefits (Note 8)	**1,609,449**	1,585,343
Asset Retirement Obligation (Note 18)	**1,819,566**	1,819,566
Capital Lease Obligations (Note 9)	**-**	151,313
Other Liabilities	**420,308**	509,650
Total Liabilities	**71,517,263**	72,221,388
Net Debt	**(62,687,058)**	(63,046,420)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	**67,186,627**	67,908,752
Restricted Assets (Endowments) (Note 12)	**269,018**	269,018
Prepaid Expenses	**139,413**	205,090
Total Non-Financial Assets	**67,595,058**	68,382,860
Accumulated Surplus (Deficit)	**4,908,000**	5,336,440

Contractual Obligations (Note 15)
Contingent Liabilities (Note 16)

Approved by the Board

[redacted] SEPT 29/26
Signature of the Chairperson of the Board of Education — Date Signed

[redacted] Sept 29/26
Signature of the Superintendent — Date Signed

[redacted] 09/29/2026
Signature of the Secretary Treasurer — Date Signed

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

School District No. 53 (Okanagan Similkameen)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	39,973,916	**40,207,704**	39,877,921
Other	105,213	**216,512**	121,682
Tuition			5,000
Other Revenue	3,388,720	**3,582,549**	3,641,362
Rentals and Leases	50,140	**67,559**	58,335
Investment Income	155,946	**139,597**	146,707
Amortization of Deferred Capital Revenue	2,517,750	**2,622,604**	2,525,522
Total Revenue	46,191,685	**46,836,525**	46,376,529
Expenses (Note 19)			
Instruction	35,825,987	**36,204,431**	36,050,780
District Administration	2,339,923	**2,344,813**	2,303,059
Operations and Maintenance	6,855,348	**7,101,687**	6,966,157
Transportation and Housing	1,391,849	**1,614,034**	1,526,313
Debt Services	1,209		
Total Expense	46,414,316	**47,264,965**	46,846,309
Surplus (Deficit) for the year	(222,631)	**(428,440)**	(469,780)
Accumulated Surplus (Deficit) from Operations, beginning of year		**5,336,440**	5,806,220
Accumulated Surplus (Deficit) from Operations, end of year		**4,908,000**	5,336,440

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

School District No. 53 (Okanagan Similkameen)

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

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Surplus (Deficit) for the year	(222,631)	**(428,440)**	(469,780)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets (Note 10)	(5,397,519)	**(2,477,148)**	(4,215,372)
Amortization of Tangible Capital Assets (Note 10)	3,043,954	**3,199,273**	3,087,822
Total Effect of change in Tangible Capital Assets	(2,353,565)	**722,125**	(1,127,550)
Acquisition of Prepaid Expenses		**(139,413)**	(205,090)
Use of Prepaid Expenses		**205,090**	99,609
Total Effect of change in Other Non-Financial Assets	-	**65,677**	(105,481)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(2,576,196)	**359,362**	(1,702,811)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**359,362**	(1,702,811)
Net Debt, beginning of year		**(63,046,420)**	(61,343,609)
Net Debt, end of year		**(62,687,058)**	(63,046,420)

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

School District No. 53 (Okanagan Similkameen)

Statement of Cash Flows
Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**(428,440)**	(469,780)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable (Note 3)	**(102,841)**	45,374
Prepaid Expenses	**65,677**	(105,481)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities (Note 5)	**(757,395)**	(480,706)
Deferred Revenue (Note 6)	**409,264**	193,183
Employee Future Benefits (Note 8)	**24,105**	(40,851)
Other Liabilities	**(89,342)**	131,176
Amortization of Tangible Capital Assets (Note 10)	**3,199,273**	3,087,822
Amortization of Deferred Capital Revenue (Note 7)	**(2,622,604)**	(2,525,522)
Total Operating Transactions	**(302,303)**	(164,785)
Capital Transactions		
Tangible Capital Assets Purchased (Note 10)	**(2,477,148)**	(4,215,372)
Total Capital Transactions	**(2,477,148)**	(4,215,372)
Financing Transactions		
Capital Revenue Received (Note 7)	**2,483,160**	4,472,070
Capital Lease Payments	**(151,313)**	(151,308)
Total Financing Transactions	**2,331,847**	4,320,762
Investing Transactions		
Investments in Portfolio Investments (Note 4)	**(2,001)**	
Total Investing Transactions	**(2,001)**	-
Net Increase (Decrease) in Cash and Cash Equivalents	**(449,605)**	(59,395)
Cash and Cash Equivalents, beginning of year	**8,523,941**	8,583,336
Cash and Cash Equivalents, end of year	**8,074,336**	8,523,941
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**6,023,368**	6,525,293
Cash Equivalents	**2,050,968**	1,998,648
	8,074,336	8,523,941

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

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on December 1, 1996, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 53 (Okanagan Similkameen)"and operates as "School District No. 53 (Okanagan Similkameen)". A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 53 (Okanagan Similkameen) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These consolidated 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(h) and 2(p).

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

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

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

The impact of these differences on the financial statements of the School District are as follows:

- June 30, 2025 – Increase in annual surplus by $1,053,055
- June 30, 2025 – Increase in accumulated operating surplus and decrease in deferred contributions by $63,217,890
- June 30, 2026 – Decrease in annual surplus by $301,175
- June 30, 2026 – Increase in accumulated operating surplus and decrease in deferred contributions by $62,916,715

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. The following entities are consolidated into the financial statements:

- South Okanagan Secondary School Transportation Society
- Osoyoos Secondary School Transportation Society
- Similkameen Elementary Secondary School Extra-Curricular Support Group

The transactions of these entities are accounted for using the line-by-line consolidation method. Inter-entity transactions have been eliminated.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in GIC's and term deposits that have a maturity of greater than 3 months at the time of acquisition. GIC's and term deposits are not quoted in an active market and are reported at cost or amortized cost.

f) 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.

g) 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(p).

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

h) 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.

i) 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.

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)*

j) 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(k)). Assumptions used in the calculations are reviewed annually.

k) 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.

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

l) 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 Consolidated 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 consolidated 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

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

m) 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.

n) Prepaid Expenses

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

o) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see note 13 – *Interfund Transfers* and note 20 – *Internally Restricted Surplus*).

p) 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

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

p) Revenue Recognition (cont'd)

- 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 School 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.

q) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, 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.

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

q) Expenditures (cont'd)

- 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.

r) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

s) 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, portfolio investments, accounts payable and accrued liabilities, and other liabilities.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. 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 consolidated Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated Statement of Remeasurement Gains and Losses and recognized in the consolidated Statement of Operations. Interest and dividends attributable to financial instruments are reported in the consolidated 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.

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

s) Financial Instruments (cont'd)

All financial assets 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.

t) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2026	2025
GST Rebate Receivable	$ 102,899	$ 91,570
Due from BC Association of School Business Officials	75,879	-
Other Receivables	139,278	146,843
	$ 318,056	$ 238,413

NOTE 4 PORTFOLIO INVESTMENTS

	2026	2025
Investments in the cost and amortized cost category:		
GIC's	$ 6,133	$ 4,132

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade payables	$ 590,632	$ 1,497,337
Salaries and benefits payable	625,997	476,687
	$ 1,216,629	$ 1,974,024

NOTE 6 DEFERRED REVENUE

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

	2026	2025
Balance, beginning of year	$ 1,506,033	$ 1,321,850
Changes for the year:		
Increase:		
Provincial Grants - MECC	5,640,477	5,069,521
Provincial Grants - Other	172,959	84,730
Other	1,064,950	1,880,396
	6,878,386	7,034,647
Decrease:		
Allocated to Revenue	(6,440,849)	(6,832,670)
Recovered	(28,273)	(8,794)
Net changes for the year	409,264	193,183
Balance, end of year	$ 1,915,297	$ 1,506,033

NOTE 7 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included in Schedules 4C and 4D.

NOTE 7 DEFERRED CAPITAL REVENUE *(continued)*

Deferred Capital Revenue

	2026	2025
Balance, beginning of year	$ 63,217,890	$ 62,164,835
Changes for the year:		
Increase:		
Transferred from Unspent DCR – Capital Additions	2,321,429	3,578,577
Decrease:		
Amortization of Deferred Capital Revenue	(2,622,604)	(2,525,522)
Net changes for the year	(301,175)	1,053,055
Balance, end of year	$ 62,916,715	$ 63,217,890

Unspent Deferred Capital Revenue

	2026	2025
Balance, beginning of year	$ 1,457,569	$ 564,076
Changes for the year:		
Increase:		
Provincial Grants - MECC	2,444,060	4,382,042
Investment Income	39,100	98,028
	2,483,160	4,472,070
Decrease:		
Transferred to DCR – Capital Additions	(2,321,429)	(3,578,577)
Net changes for the year	161,731	893,493
Balance, end of year	$ 1,619,300	$ 1,457,569

Total Deferred Capital Revenue, end of year	**$ 64,536,015**	**$ 64,675,459**

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include accumulating non-vested sick leave, 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.

	2026	2025
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	$ 1,629,776	$ 994,979
Service Cost	142,496	88,746
Interest Cost	65,036	43,349
Benefit Payments	(149,960)	(108,721)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(196,897)	611,423
Accrued Benefit Obligation – March 31	$ 1,490,451	$ 1,629,776
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	$ 1,490,451	$ 1,629,776
Market Value of Plan Assets – March 31	-	-
Funded Status – Surplus (Deficit)	1,490,451	1,629,776
Employer Contributions After Measurement Date	12,684	-
Benefits Expense After Measurement Date	(51,577)	(51,883)
Unamortized Net Actuarial (Gain) Loss	(80,105)	96,316
Accrued Benefit Asset (Liability) – June 30	$ (1,609,449)	$ (1,585,343)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	$ 1,585,343	$ 1,626,194
Net expense for Fiscal Year	186,750	67,870
Employer Contributions	(162,644)	(108,721)
Accrued Benefit Liability – June 30	$ 1,609,449	$ 1,585,343
Components of Net Benefit Expense		
Service Cost	$ 140,934	$ 102,184
Interest Cost	66,292	48,771
Immediate Recognition of Plan Amendment	-	-
(Amortization of Net Actuarial (Gain)/Loss	(20,476)	(83,085)
Net Benefit Expense (Income)	$ 186,750	$ 67,870

NOTE 8 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2026	2025
The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:		
Discount Rate – April 1	4.00%	4.25%
Discount Rate – March 31	4.50%	4.00%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.6	11.6

NOTE 9 CAPITAL LEASE OBLIGATIONS

The School District entered into a 48-month capital lease obligation for computer hardware on August 1, 2022, with an option to buy the computer hardware at the end of the lease. The lease is held with CCA Financial Company (previously Macquarie Equipment Finance Ltd.), at an effective interest rate of 0.68%. The annual lease payment is $151,309 over the four-year term.

NOTE 10 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2026	Net Book Value 2025
Sites	$ 1,093,054	$ 1,093,054
Buildings	63,752,359	64,005,073
Furniture & Equipment	581,281	601,231
Vehicles	1,398,223	1,622,783
Computer Hardware	361,710	410,084
Computer Hardware under capital lease	-	176,527
Total	$ 67,186,627	$ 67,908,752

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2026

	Opening Cost	Additions	Disposals	Total 2025
Sites	$ 1,093,054	$ -	$ -	$ 1,093,054
Buildings	106,995,935	2,259,470	-	109,255,405
Furniture & Equipment	1,295,710	127,900	(91,937)	1,331,673
Vehicles	2,312,373	-	-	2,312,373
Computer Hardware	661,441	89,778	(31,150)	720,069
Computer Hardware under capital lease	605,236	-	-	605,236
Total	$112,963,749	$ 2,477,148	$ (123,087)	$115,317,810

	Opening Accumulated Amortization	Annual Amortization	Disposals	Total 2025
Sites	$ -	$ -	$ -	$ -
Buildings	42,990,862	2,512,184	-	45,503,046
Furniture & Equipment	694,479	147,850	(91,937)	750,392
Vehicles	689,590	224,560	-	914,150
Computer Hardware	251,357	138,152	(31,150)	358,359
Computer Hardware under capital lease	428,709	176,527	-	605,236
Total	$ 45,054,997	$ 3,199,273	$ (123,087)	$ 48,131,183

June 30, 2025

	Opening Cost	Additions	Disposals	Total 2025
Sites	$ 1,093,054	$ -	$ -	$ 1,093,054
Buildings	103,759,992	3,235,943	-	106,995,935
Furniture & Equipment	1,254,327	41,383		1,295,710
Vehicles	1,757,355	629,560	(74,542)	2,312,373
Computer Hardware	539,099	308,486	(186,144)	661,441
Computer Hardware under capital lease	605,236	-	-	605,236
Total	$109,009,063	$ 4,215,372	$ (260,686)	$112,963,749

	Opening Accumulated Amortization	Annual Amortization	Disposals	Total 2025
Sites	$ -	$ -	$ -	$ -
Buildings	40,540,415	2,450,447	-	42,990,862
Furniture & Equipment	566,977	127,502	-	694,479
Vehicles	550,842	213,290	(74,542)	689,590
Computer Hardware	317,445	120,056	(186,144)	251,357
Computer Hardware under capital lease	252,182	176,527	-	428,709
Total	$ 42,227,861	$ 3,087,822	$ (260,686)	$ 45,054,997

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 $2,896,472 for employer contributions to the plans for the year ended June 30, 2026 (2025: $2,888,150).

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 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have placed restrictions on their contributions to the endowment funds of the School in which the original contribution should not be spent. Income earned on endowment funds is used for student scholarships.

NOTE 13 INTERFUND TRANSFERS

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

- Transfer from operating fund to capital fund of $238,238 for the purchase of capital assets and capital lease payments.
- Transfer from special purchase fund to capital fund of $48,414 for the purchase of tangible capital assets.
- Transfer from local capital fund to operating fund of $1,065,000 for amounts that are internally restricted in the Accumulated Operating Surplus.

NOTE 14 RELATED PARTY TRANSACTIONS

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

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts. Total contractual obligations to be satisfied in future years are $1,774,177.

NOTE 16 CONTINGENT LIABILITIES

The School District, in conducting it usual business activities, is involved in various collective agreement grievances, 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.

NOTE 17 BUDGET FIGURES

Budget figures included in the consolidated financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on May 20, 2025.

	Amended Annual Budget	Annual Budget
Revenues		
Provincial Grants		
Ministry of Education and Child Care	$ 40,096,197	$ 39,973,916
Other	106,155	105,213
Tuition		
Other Revenue	3,349,167	3,388,720
Rentals and Leases	55,140	50,140
Investment Income	154,721	155,946
Amortization of Deferred Capital Revenue	2,621,693	2,517,750
Total Revenue	**46,383,073**	**46,191,685**
Expenses		
Instruction	36,460,393	35,825,987
District Administration	2,050,240	2,339,923
Operations and Maintenance	6,903,548	6,855,348
Transportation and Housing	1,483,065	1,391,849
Debt Services	1,209	1,209
Total Expenses	**46,898,455**	**46,414,316**
Net Revenue (Expense)	**$ (515,382)**	**$ (222,631)**

NOTE 18 ASSET RETIREMENT OBLIGATION

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

Asset Retirement Obligation, July 1, 2025	$ 1,819,566
Settlements during the year	-
Asset Retirement Obligation, closing balance	$ 1,819,566

NOTE 19 EXPENSE BY OBJECT

	2026	2025
Salaries and benefits	$ 37,226,513	$ 37,031,886
Services and supplies	6,839,179	6,726,601
Amortization	3,199,273	3,087,822
	$ 47,264,965	$ 46,846,309

NOTE 20 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (Appropriated) due to:	
Constraints on funds:	
Indigenous Education – Targeted Funding	$ 50,969
Indigenous Education – Unspent IEC Funding	158,427
CUPE – Professional Development Fund	70,853
Literacy Van	3,556
	283,805
Operations spanning multiple school years:	
School Generated Funds – Unrestricted reserves	**602,557**
School budget carryforwards	-
Anticipated unusual expenses	
SkillsCanada National Competition	**2,500**
Total Internally Restricted	**888,862**
Unrestricted Operating Surplus (Contingency)	734,833
Total Available for Future Operations	**$ 1,623,695**

NOTE 21 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 consolidated financial statements have been prepared on a going concern basis.

NOTE 22 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 recognized British Columbia institutions and the School District invests solely in GIC's.

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 GIC's that have a maturity date of no more than 3 years.

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.

NOTE 22 RISK MANAGEMENT *(continued)*

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 23 COMPARATIVE FIGURES

Comparative figures have been adjusted to conform with changes in the current year presentation.

School District No. 53 (Okanagan Similkameen)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	$	$	$	$	$
Accumulated Surplus (Deficit), beginning of year	720,170	269,018	4,347,252	**5,336,440**	5,806,220
Changes for the year					
Surplus (Deficit) for the year	76,763	48,414	(553,617)	**(428,440)**	(469,780)
Interfund Transfers					
Tangible Capital Assets Purchased	(86,925)	(48,414)	135,339	-	
Local Capital	1,065,000		(1,065,000)	-	
Other	(151,313)		151,313	-	
Net Changes for the year	**903,525**	-	**(1,331,965)**	**(428,440)**	**(469,780)**
Accumulated Surplus (Deficit), end of year - Statement 2	**1,623,695**	**269,018**	**3,015,287**	**4,908,000**	5,336,440

School District No. 53 (Okanagan Similkameen)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	35,225,792	**34,730,809**	34,887,424
Other	75,628	**75,628**	36,952
Tuition			5,000
Other Revenue	1,703,742	**2,742,844**	1,721,157
Rentals and Leases	50,140	**67,559**	58,335
Investment Income	145,718	**133,180**	136,026
Total Revenue	37,201,020	**37,750,020**	36,844,894
Expenses			
Instruction	29,501,522	**30,151,183**	29,597,076
District Administration	2,339,923	**2,167,260**	2,111,469
Operations and Maintenance	3,908,333	**4,025,441**	3,965,755
Transportation and Housing	1,152,749	**1,329,373**	1,251,517
Total Expense	36,902,527	**37,673,257**	36,925,817
Operating Surplus (Deficit) for the year	298,493	**76,763**	(80,923)
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(147,189)	**(86,925)**	(96,617)
Local Capital	-	**1,065,000**	800,000
Other	(151,304)	**(151,313)**	(151,308)
Total Net Transfers	(298,493)	**826,762**	552,075
Total Operating Surplus (Deficit), for the year	-	**903,525**	471,152
Operating Surplus (Deficit), beginning of year		**720,170**	249,018
Operating Surplus (Deficit), end of year		**1,623,695**	720,170
Operating Surplus (Deficit), end of year			
Internally Restricted		**888,862**	328,848
Unrestricted		**734,833**	391,322
Total Operating Surplus (Deficit), end of year		**1,623,695**	720,170

School District No. 53 (Okanagan Similkameen)

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

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	$	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	36,140,526	**35,186,649**	35,517,198
ISC/LEA Recovery	(1,439,908)	**(1,421,977)**	(1,416,417)
Other Ministry of Education and Child Care Grants			
Pay Equity	233,703	**233,703**	233,703
Funding for Graduated Adults	2,488	**6,838**	8,180
Student Transportation Fund	209,099	**209,099**	209,099
Foundation Skills Assessment (FSA) Scorer Grant	7,506	**7,506**	7,506
Child Care Funding	72,378		
Labour Settlement Funding		**588,949**	328,155
Indigenous Education Councils (IEC) Funding		**89,407**	
2024/25 Compliance Audit Funding Recovery		**(169,365)**	
Total Provincial Grants - Ministry of Education and Child Care	35,225,792	**34,730,809**	34,887,424
Provincial Grants - Other	75,628	**75,628**	36,952
Tuition			
International and Out of Province Students	-	-	5,000
Total Tuition	-	-	5,000
Other Revenues			
Funding from First Nations	1,439,908	**1,421,977**	1,416,417
Miscellaneous			
Youth in Trades	66,500	**56,000**	63,847
Other Revenues	30,364	**43,194**	106,708
School Generated Funds	56,300	**977,638**	362
Transportation Societies	110,670	**109,035**	133,823
Dual Credit Expansion	-	**135,000**	-
Total Other Revenue	1,703,742	**2,742,844**	1,721,157
Rentals and Leases	50,140	**67,559**	58,335
Investment Income	145,718	**133,180**	136,026
Total Operating Revenue	37,201,020	**37,750,020**	36,844,894

School District No. 53 (Okanagan Similkameen)

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

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	$	$
Salaries			
Teachers	14,358,974	**13,936,366**	14,173,380
Principals and Vice Principals	2,143,826	**2,148,436**	2,190,230
Educational Assistants	3,907,574	**3,243,957**	3,737,685
Support Staff	3,145,167	**3,643,149**	3,291,789
Other Professionals	1,812,405	**1,771,758**	1,775,745
Substitutes	1,115,793	**1,172,157**	1,011,986
Total Salaries	26,483,739	**25,915,823**	26,180,815
Employee Benefits	6,148,040	**6,452,194**	6,337,770
Total Salaries and Benefits	32,631,779	**32,368,017**	32,518,585
Services and Supplies			
Services	1,560,273	**1,671,716**	1,697,336
Student Transportation	205,605	**205,327**	218,505
Professional Development and Travel	175,540	**170,376**	189,019
Dues and Fees	95,126	**129,992**	102,850
Insurance	117,950	**128,276**	77,319
Supplies	1,292,005	**2,041,877**	1,216,691
Utilities	824,249	**957,676**	905,512
Total Services and Supplies	4,270,748	**5,305,240**	4,407,232
Total Operating Expense	36,902,527	**37,673,257**	36,925,817

School District No. 53 (Okanagan Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	10,977,130	309,592	126,160	417,564	84,482	888,343	**12,803,271**
1.03 Career Programs	164,180			21,591		2,615	**188,386**
1.07 Library Services	448,476	107,023		133,397		2,030	**690,926**
1.08 Counselling	501,129						**501,129**
1.10 Special Education	1,359,996	90,480	3,094,429	49,213	395,681	147,775	**5,137,574**
1.30 English Language Learning	332,720						**332,720**
1.31 Indigenous Education	152,735	62,352		348,364		8,777	**572,228**
1.41 School Administration		1,578,989		219,608		5,158	**1,803,755**
1.61 Continuing Education							-
1.64 Other						18,014	**18,014**
Total Function 1	**13,936,366**	**2,148,436**	**3,220,589**	**1,189,737**	**480,163**	**1,072,712**	**22,048,003**
4 District Administration							
4.11 Educational Administration				11,619	572,496		**584,115**
4.40 School District Governance					97,449		**97,449**
4.41 Business Administration				155,102	411,864	4,210	**571,176**
Total Function 4	-	-	-	**166,721**	**1,081,809**	**4,210**	**1,252,740**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				2,356	160,827	5,012	**168,195**
5.50 Maintenance Operations				1,446,763		81,296	**1,528,059**
5.52 Maintenance of Grounds				171,550		8,927	**180,477**
5.56 Utilities							-
Total Function 5	-	-	-	**1,620,669**	**160,827**	**95,235**	**1,876,731**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				2,356	48,959		**51,315**
7.70 Student Transportation			23,368	663,666			**687,034**
Total Function 7	-	-	**23,368**	**666,022**	**48,959**	-	**738,349**
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	**13,936,366**	**2,148,436**	**3,243,957**	**3,643,149**	**1,771,758**	**1,172,157**	**25,915,823**

School District No. 53 (Okanagan Similkameen)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 17)	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**12,803,271**	2,969,777	**15,773,048**	1,943,245	**17,716,293**	16,565,116	16,562,420
1.03 Career Programs	**188,386**	40,724	**229,110**	186,399	**415,509**	481,248	385,805
1.07 Library Services	**690,926**	169,498	**860,424**	18,411	**878,835**	883,308	878,835
1.08 Counselling	**501,129**	123,844	**624,973**	5,938	**630,911**	620,629	575,525
1.10 Special Education	**5,137,574**	1,592,938	**6,730,512**	291,274	**7,021,786**	6,943,561	7,268,322
1.30 English Language Learning	**332,720**	82,651	**415,371**	408	**415,779**	365,277	620,799
1.31 Indigenous Education	**572,228**	143,387	**715,615**	87,088	**802,703**	945,267	871,852
1.41 School Administration	**1,803,755**	403,395	**2,207,150**	44,203	**2,251,353**	2,266,672	2,212,860
1.61 Continuing Education	-		-		-	430,444	220,658
1.64 Other	**18,014**		**18,014**		**18,014**		
Total Function 1	**22,048,003**	**5,526,214**	**27,574,217**	**2,576,966**	**30,151,183**	29,501,522	29,597,076
4 District Administration							
4.11 Educational Administration	**584,115**	140,505	**724,620**	27,153	**751,773**	797,810	680,378
4.40 School District Governance	**97,449**	5,697	**103,146**	67,275	**170,421**	214,903	188,730
4.41 Business Administration	**571,176**	114,235	**685,411**	559,655	**1,245,066**	1,327,210	1,242,361
Total Function 4	**1,252,740**	**260,437**	**1,513,177**	**654,083**	**2,167,260**	2,339,923	2,111,469
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**168,195**	37,092	**205,287**	70,737	**276,024**	267,094	300,222
5.50 Maintenance Operations	**1,528,059**	364,123	**1,892,182**	553,086	**2,445,268**	2,450,135	2,406,585
5.52 Maintenance of Grounds	**180,477**	46,085	**226,562**	119,911	**346,473**	366,855	353,436
5.56 Utilities	-		-	957,676	**957,676**	824,249	905,512
Total Function 5	**1,876,731**	**447,300**	**2,324,031**	**1,701,410**	**4,025,441**	3,908,333	3,965,755
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**51,315**	11,231	**62,546**	3,022	**65,568**	67,425	67,373
7.70 Student Transportation	**687,034**	207,012	**894,046**	369,759	**1,263,805**	1,085,324	1,184,144
Total Function 7	**738,349**	**218,243**	**956,592**	**372,781**	**1,329,373**	1,152,749	1,251,517
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	**25,915,823**	**6,452,194**	**32,368,017**	**5,305,240**	**37,673,257**	36,902,527	36,925,817

School District No. 53 (Okanagan Similkameen)

Schedule of Special Purpose Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	4,748,124	**5,476,895**	4,990,497
Other	29,585	**140,884**	84,730
Other Revenue	1,684,978	**819,325**	1,753,263
Investment Income	3,939	**3,745**	4,180
Total Revenue	6,466,626	**6,440,849**	6,832,670
Expenses			
Instruction	6,324,465	**6,053,248**	6,453,704
District Administration		**177,553**	191,590
Operations and Maintenance	125,870	**118,014**	125,870
Transportation and Housing	16,291	**43,620**	61,506
Total Expense	6,466,626	**6,392,435**	6,832,670
Special Purpose Surplus (Deficit) for the year	-	**48,414**	-
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		**(48,414)**	
Total Net Transfers	-	**(48,414)**	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		**269,018**	269,018
Special Purpose Surplus (Deficit), end of year		**269,018**	269,018
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		**269,018**	269,018
Total Special Purpose Surplus (Deficit), end of year		**269,018**	269,018

School District No. 53 (Okanagan Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	-	5,391	31,818	738,015	-	13,425	5,740	41,905	12,686
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	125,870	124,931			136,000	14,700	16,365	254,752	77,672
Provincial Grants - Other									
Other			8,185	943,988					
Investment Income			13,001						
	125,870	124,931	21,186	943,988	136,000	14,700	16,365	254,752	77,672
Less: Allocated to Revenue	117,405	128,728	3,745	812,266	120,928	11,181	13,763	271,322	77,672
Recovered							8,342		12,686
Deferred Revenue, end of year	**8,465**	**1,594**	**49,259**	**869,737**	**15,072**	**16,944**	-	**25,335**	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	117,405	128,728			120,928	11,181	13,763	271,322	77,672
Provincial Grants - Other									
Other Revenue				812,266					
Investment Income			3,745						
	117,405	128,728	3,745	812,266	120,928	11,181	13,763	271,322	77,672
Expenses									
Salaries									
Teachers								72,335	
Principals and Vice Principals									
Educational Assistants		69,431						68,743	
Support Staff		20,985			85,815			2,043	27,538
Other Professionals									
Substitutes		1,542			2,071	745		587	25,681
	-	91,958	-	-	87,886	745	-	143,708	53,219
Employee Benefits		36,770			22,373	109		39,453	16,703
Services and Supplies	117,405		3,745	812,266	10,669	10,327	13,763	88,161	7,750
	117,405	128,728	3,745	812,266	120,928	11,181	13,763	271,322	77,672
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 53 (Okanagan Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Seamless Day Kindergarten	Early Childhood Education (ECE) Dual Credit Program	JUST B4	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	-	7,245	38,624	-	-	70,209	8,431	12,793	21,622
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	3,229,298	103,824	41,617	55,000	185,674	25,000	25,000	-	525,000
Provincial Grants - Other					140,884		1,548		
Other					99,776				
Investment Income									
	3,229,298	103,824	41,617	55,000	426,334	25,000	26,548	-	525,000
Less: Allocated to Revenue	3,229,298	91,550	43,619	44,049	258,743	48,971	22,224	5,383	177,553
Recovered		7,245							
Deferred Revenue, end of year	-	**12,274**	**36,622**	**10,951**	**167,591**	**46,238**	**12,755**	**7,410**	**369,069**
Revenues									
Provincial Grants - Ministry of Education and Child Care	3,229,298	91,550	43,619	44,049	110,800	48,971	22,224	5,383	177,553
Provincial Grants - Other					140,884				
Other Revenue					7,059				
Investment Income									
	3,229,298	91,550	43,619	44,049	258,743	48,971	22,224	5,383	177,553
Expenses									
Salaries									
Teachers	2,566,603			19,932		35,101			
Principals and Vice Principals				2,237					132,158
Educational Assistants					55,234				
Support Staff			32,772		139,850		18,109		
Other Professionals									
Substitutes		35,706			3,180				
	2,566,603	35,706	32,772	22,169	198,264	35,101	18,109	-	132,158
Employee Benefits	662,695	11,902	10,163	5,411	55,365	9,455	4,016		30,625
Services and Supplies		43,942	684	16,469	5,114	4,415	99	5,383	14,770
	3,229,298	91,550	43,619	44,049	258,743	48,971	22,224	5,383	177,553
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 53 (Okanagan Similkameen)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	National School Food Program	Integrated Child & Youth Coordinator (ICY	Health Promoting Schools	Venables Auditorium	BC Early Literacy Screener	TOTAL
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	107,027	9,980	217,203	65,538	29,064	-	69,317	-	1,506,033
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	350,000	-	-	98,310	239,464			12,000	5,640,477
Provincial Grants - Other						30,527			172,959
Other									1,051,949
Investment Income									13,001
	350,000	-	-	98,310	239,464	30,527	-	12,000	6,878,386
Less: Allocated to Revenue	430,881	9,980	105,282	108,068	244,535	30,527	33,176	-	6,440,849
Recovered									28,273
Deferred Revenue, end of year	**26,146**	**-**	**111,921**	**55,780**	**23,993**	**-**	**36,141**	**12,000**	**1,915,297**
Revenues									
Provincial Grants - Ministry of Education and Child Care	430,881	9,980	105,282	108,068	244,535	30,527	33,176	-	5,476,895
Provincial Grants - Other									140,884
Other Revenue									819,325
Investment Income									3,745
	430,881	9,980	105,282	108,068	244,535	30,527	33,176	-	6,440,849
Expenses									
Salaries									
Teachers	46,139	7,705	52,260			16,722			2,816,797
Principals and Vice Principals									134,395
Educational Assistants	15,876								209,284
Support Staff	82,052			1,898	46,762				457,824
Other Professionals	18,139				123,136				141,275
Substitutes	329		17,326						87,167
	162,535	7,705	69,586	1,898	169,898	16,722	-	-	3,846,742
Employee Benefits	42,516	1,898	13,219	553	44,366	4,162			1,011,754
Services and Supplies	225,830	377	22,477	90,379	30,271	9,643			1,533,939
	430,881	9,980	105,282	92,830	244,535	30,527	-	-	6,392,435
Net Revenue (Expense) before Interfund Transfers	-	-	-	15,238	-	-	33,176	-	48,414
Interfund Transfers									
Tangible Capital Assets Purchased				(15,238)			(33,176)		(48,414)
	-	-	-	(15,238)	-	-	(33,176)	-	(48,414)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 53 (Okanagan Similkameen)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	$	$	$	$	$
Revenues					
Other Revenue			**20,380**	**20,380**	166,942
Investment Income	6,289		**2,672**	**2,672**	6,501
Amortization of Deferred Capital Revenue	2,517,750	**2,622,604**		**2,622,604**	2,525,522
Total Revenue	2,524,039	**2,622,604**	**23,052**	**2,645,656**	2,698,965
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,821,145	**2,958,232**		**2,958,232**	2,874,532
Transportation and Housing	222,809	**241,041**		**241,041**	213,290
Debt Services					
Capital Lease Interest	1,209			-	
Total Expense	3,045,163	**3,199,273**	-	**3,199,273**	3,087,822
Capital Surplus (Deficit) for the year	(521,124)	**(576,669)**	**23,052**	**(553,617)**	(388,857)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	147,189	**135,339**		**135,339**	96,617
Local Capital			**(1,065,000)**	**(1,065,000)**	(800,000)
Capital Lease Payment	151,304		**151,313**	**151,313**	151,308
Total Net Transfers	298,493	**135,339**	**(913,687)**	**(778,348)**	(552,075)
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		**20,380**	**(20,380)**	-	
Principal Payment					
Capital Lease		**151,313**	**(151,313)**	-	
Total Other Adjustments to Fund Balances		**171,693**	**(171,693)**	-	
Total Capital Surplus (Deficit) for the year	(222,631)	**(269,637)**	**(1,062,328)**	**(1,331,965)**	(940,932)
Capital Surplus (Deficit), beginning of year		**2,587,164**	**1,760,088**	**4,347,252**	5,288,184
Capital Surplus (Deficit), end of year		**2,317,527**	**697,760**	**3,015,287**	4,347,252

School District No. 53 (Okanagan Similkameen)

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	1,093,054	106,995,935	1,295,710	2,312,373	-	1,266,677	**112,963,749**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,239,090	53,924			28,415	**2,321,429**
Operating Fund			25,562			61,363	**86,925**
Special Purpose Funds			48,414				**48,414**
Local Capital		20,380					**20,380**
	-	2,259,470	127,900	-	-	89,778	**2,477,148**
Decrease:							
Deemed Disposals			91,937			31,150	**123,087**
	-	-	91,937	-	-	31,150	**123,087**
Cost, end of year	1,093,054	109,255,405	1,331,673	2,312,373	-	1,325,305	**115,317,810**
Work in Progress, end of year							**-**
Cost and Work in Progress, end of year	1,093,054	109,255,405	1,331,673	2,312,373	-	1,325,305	**115,317,810**
Accumulated Amortization, beginning of year		42,990,862	694,479	689,590	-	680,066	**45,054,997**
Changes for the Year							
Amortization for the Year		2,512,184	147,850	224,560	-	314,679	**3,199,273**
		2,512,184	147,850	224,560	-	314,679	**3,199,273**
Deemed Disposals			91,937			31,150	**123,087**
Written-off During Year							**-**
District Entered							**-**
		-	91,937	-	-	31,150	**123,087**
Accumulated Amortization, end of year		45,503,046	750,392	914,150	-	963,595	**48,131,183**
Tangible Capital Assets - Net	**1,093,054**	**63,752,359**	**581,281**	**1,398,223**	-	**361,710**	**67,186,627**

School District No. 53 (Okanagan Similkameen)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	59,162,150	1,320,199	2,735,541	**63,217,890**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,321,429			**2,321,429**
	2,321,429	-	-	**2,321,429**
Decrease:				
Amortization of Deferred Capital Revenue	2,471,210	55,052	96,342	**2,622,604**
	2,471,210	55,052	96,342	**2,622,604**
Net Changes for the Year	(149,781)	(55,052)	(96,342)	**(301,175)**
Deferred Capital Revenue, end of year	59,012,369	1,265,147	2,639,199	**62,916,715**
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	**59,012,369**	**1,265,147**	**2,639,199**	**62,916,715**

School District No. 53 (Okanagan Similkameen)

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	1,448,998	-	8,571	-	-	**1,457,569**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,444,060					**2,444,060**
Investment Income	39,100					**39,100**
	2,483,160	-	-	-	-	**2,483,160**
Decrease:						
Transferred to DCR - Capital Additions	2,321,429					**2,321,429**
	2,321,429	-	-	-	-	**2,321,429**
Net Changes for the Year	161,731	-	-	-	-	**161,731**
Balance, end of year	**1,610,729**	-	**8,571**	-	-	**1,619,300**