

Audited Financial Statements of

School District No. 57 (Prince George)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 57 (Prince George)

June 30, 2026

Table of Contents

Management Report	1
Independent Auditors' Report	2-5
Statement of Financial Position - Statement 1	6
Statement of Operations - Statement 2	7
Statement of Changes in Net Debt - Statement 4	8
Statement of Cash Flows - Statement 5	9
Notes to the Financial Statements	10-30
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	31
Schedule of Operating Operations - Schedule 2 (Unaudited)	32
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	33
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	34
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	35
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	37
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	38
Schedule of Capital Operations - Schedule 4 (Unaudited)	42
Schedule 4A - Tangible Capital Assets (Unaudited)	43
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	44
Schedule 4C - Deferred Capital Revenue (Unaudited)	45
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	46

School District No. 57 (Prince George)

MANAGEMENT REPORT

Version: 5229-4483-2500

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 57 (Prince George) 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. 57 (Prince George) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 57 (Prince George) 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. 57 (Prince George)

Original signed by Craig Brennan

September 23, 2026

Signature of the Chairperson of the Board of Education

Date Signed

Original signed by Jameel Aziz

September 23, 2026

Signature of the Superintendent

Date Signed

Original signed by Lynda Minnabarriet

September 23, 2026

Signature of the Secretary Treasurer

Date Signed



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Telephone 250 563-7151
Fax 250 563-5693

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 57 (Prince George), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 57 (Prince George) (the Entity), which comprise:

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

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2026 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.

Other Information

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

- Information included in Unaudited Schedules 1-4 attached to the audited financial statements

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

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

We obtained the Information included in the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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

KPMG LLP

Chartered Professional Accountant

Prince George, Canada

September 23, 2026

School District No. 57 (Prince George)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	26,291,938	27,433,472
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	277,590	442,069
Due from First Nations		14,708
Other (Note 3)	592,357	1,267,251
Portfolio Investments (Note 4)	19,460,000	16,960,000
Total Financial Assets	46,621,885	46,117,500
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	1,294,797	2,490,436
Unearned Revenue	17,750	54,197
Deferred Revenue (Note 6)	4,345,286	4,234,465
Deferred Capital Revenue (Note 7)	106,188,353	108,180,916
Employee Future Benefits (Note 8)	2,289,409	2,266,018
Asset Retirement Obligation (Note 9)	8,205,427	8,130,000
Other Liabilities (Note 11)	17,199,073	16,084,660
Total Liabilities	139,540,095	141,440,692
Net Debt	(92,918,210)	(95,323,192)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	145,098,647	146,504,879
Prepaid Expenses	624,473	481,268
Total Non-Financial Assets	145,723,120	146,986,147
Accumulated Surplus (Deficit)	52,804,910	51,662,955
Contractual Obligations (Note 15)		
Contractual Rights (Note 16)		
Contingent Liabilities (Note 17)		
Approved by the Board		
	September 23, 2026	
Original signed by Craig Brennan		
Signature of the Chairperson of the Board of Education		Date Signed
	September 23, 2026	
Original signed by Jameel Aziz		
Signature of the Superintendent		Date Signed
	September 23, 2026	
Original signed by Lynda Minnabarriet		
Signature of the Secretary Treasurer		Date Signed

School District No. 57 (Prince George)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	202,821,851	206,210,501	201,181,162
Other	404,930	423,175	445,180
Tuition	70,650	78,500	88,107
Other Revenue	4,964,691	5,027,756	5,233,985
Rentals and Leases	1,015,000	1,027,994	1,014,244
Investment Income	825,000	1,032,775	1,047,952
Amortization of Deferred Capital Revenue	4,418,000	4,419,114	4,348,722
Total Revenue	<u>214,520,122</u>	<u>218,219,815</u>	<u>213,359,352</u>
Expenses			
Instruction	169,056,081	170,717,152	163,746,785
District Administration	8,526,055	8,273,378	7,518,767
Operations and Maintenance	32,452,790	33,124,081	31,562,047
Transportation and Housing	5,389,014	4,963,249	5,528,622
Total Expense	<u>215,423,940</u>	<u>217,077,860</u>	<u>208,356,221</u>
Surplus (Deficit) for the year	<u>(903,818)</u>	<u>1,141,955</u>	<u>5,003,131</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		51,662,955	46,659,824
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>52,804,910</u></u>	<u><u>51,662,955</u></u>

School District No. 57 (Prince George)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(903,818)</u>	<u>1,141,955</u>	<u>5,003,131</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(4,720,711)	(5,156,454)	(9,104,916)
Amortization of Tangible Capital Assets	6,580,000	6,562,686	6,580,942
Total Effect of change in Tangible Capital Assets	<u>1,859,289</u>	<u>1,406,232</u>	<u>(2,523,974)</u>
Acquisition of Prepaid Expenses		(624,473)	(481,268)
Use of Prepaid Expenses		481,268	252,445
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(143,205)</u>	<u>(228,823)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>955,471</u>	<u>2,404,982</u>	<u>2,250,334</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>2,404,982</u>	<u>2,250,334</u>
Net Debt, beginning of year		<u>(95,323,192)</u>	<u>(97,573,526)</u>
Net Debt, end of year		<u><u>(92,918,210)</u></u>	<u><u>(95,323,192)</u></u>

School District No. 57 (Prince George)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	1,141,955	5,003,131
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	854,081	1,042,712
Prepaid Expenses	(143,205)	(228,823)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,195,639)	812,115
Unearned Revenue	(36,447)	(1,438)
Deferred Revenue	110,821	161,247
Employee Future Benefits	23,391	29,534
Asset Retirement Obligations	(127,823)	(204,906)
Other Liabilities	1,114,413	686,738
Amortization of Tangible Capital Assets	6,562,686	6,580,942
Amortization of Deferred Capital Revenue	(4,419,114)	(4,348,722)
Recognition of Deferred Capital Revenue Spent on Sites	(27,654)	(871,453)
Recognition of Deferred Capital Revenue Spent on Asset Retirement Obligation	(127,823)	(204,906)
Deferred Contributions in Support of Maintenance	(3,953,334)	(2,905,608)
Total Operating Transactions	(223,692)	5,550,563
Capital Transactions		
Tangible Capital Assets Purchased	(3,230,508)	(4,489,749)
Tangible Capital Assets -WIP Purchased	(1,722,696)	(3,794,050)
Total Capital Transactions	(4,953,204)	(8,283,799)
Financing Transactions		
Capital Revenue Received	6,535,362	8,872,165
Total Financing Transactions	6,535,362	8,872,165
Investing Transactions		
Investments in Portfolio Investments	(2,500,000)	(3,154,668)
Total Investing Transactions	(2,500,000)	(3,154,668)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,141,534)	2,984,261
Cash and Cash Equivalents, beginning of year	27,433,472	24,449,211
Cash and Cash Equivalents, end of year	26,291,938	27,433,472
Cash and Cash Equivalents, end of year, is made up of:		
Cash	26,291,938	27,433,472
	26,291,938	27,433,472

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 1 AUTHORITY AND PURPOSE

School District No. 57 (Prince George) ("the School District"), established on April 15, 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. 57 (Prince George)", and operates as "School District No. 57 (Prince George)". 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. 57 (Prince George) 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(f) and 2(n).

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

As noted in notes 2(f) and 2(n), 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.

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

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

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net re-measurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the statement of re-measurement gains and losses. The loss is not reversed if there is a subsequent increase in value.

e) Unearned Revenue

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

f) 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 (n).

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

f) Deferred Revenue and Deferred Capital Revenue *(continued)*

period that the liability is extinguished. See note 2 (a) for the impact of this policy on these financial statements.

g) Employee Future Benefits

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

h) Asset Retirement Obligations

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

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefit will be given up; and
- 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 2j). The carrying value of the liability is reviewed annually with changes to the original estimate recorded as an adjustment to the liability and related tangible asset.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

i) Liability for Contaminated Sites

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

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

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

j) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

j) Tangible Capital Assets *(continued)*

- Estimated useful life is as follows:

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

k) 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.

l) Prepaid Expenses

Prepaid insurance and prepaid subscriptions, courses, seminars and travel are included as a prepaid expense and stated at acquisition cost and are charged to expenses over the periods expected to benefit from it.

m) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers 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)

n) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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:

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

n) Revenue Recognition *(continued)*

- 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:

- has the authority to claim or retain an inflow of economic resources; and,
- 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.

o) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

o) Expenditures *(continued)*

Allocation of Costs

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

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortization using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

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

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

p) Financial Instruments *(continued)*

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

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

q) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE - OTHER RECEIVABLES

Due from Federal Government	\$	104,419	\$	538,842
Due from Jordan's Principle - Indigenous Services Canada		-		44,639
Due from City of Prince George		-		3,332
Due from BC Teachers' Federation		22,034		42,202
Due from Prince George District Teachers' Association		61,505		44,054
Due from CUPE 3742		19,967		-
Due from CUPE 4991		5,280		-
Deposits		548		548
Accrued Interest		215,212		68,918
Trade and Other		163,392		524,716
	\$	592,357	\$	1,267,251

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 4 PORTFOLIO INVESTMENTS

Portfolio investments is comprised of term deposits and Guaranteed Investment Certificates (GICs) with maturity dates ranging from fiscal 2027 to fiscal 2031 and annual interest rates ranging from 1.1% to 5.13%.

NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2026	2025
Trade payables	\$ 1,222,197	\$ 2,192,703
Contract holdbacks	72,600	297,733
	<u>\$ 1,294,797</u>	<u>\$ 2,490,436</u>

NOTE 6 DEFERRED REVENUE

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

	2026	2025
Deferred revenue, beginning of year	\$ 4,234,465	\$ 4,073,218
Add:		
Provincial grants - Ministry of Education and Child Care	21,160,266	20,827,242
Provincial grants - Other	189,750	194,000
Other	3,499,315	3,665,384
Investment income	51,887	57,556
	<u>29,135,683</u>	<u>28,817,400</u>
Less:		
Allocated to revenue	(24,727,259)	(24,444,341)
Recovered	(63,138)	(138,594)
	<u>\$ 4,345,286</u>	<u>\$ 4,234,465</u>

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.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 7 DEFERRED CAPITAL REVENUE *(continued)*

	2026	2025
Unspent deferred capital revenue, beginning of year	\$ 4,668,640	\$ 5,360,542
Add:		
Provincial grants	6,095,095	8,710,155
Other income	330,000	-
Investment income	110,267	162,010
	<u>11,204,002</u>	<u>14,232,707</u>
Less:		
Transferred to deferred capital revenue - capital additions	(1,299,278)	(1,788,050)
Transferred to deferred capital revenue - work in progress	(1,722,696)	(3,794,050)
Transferred to revenue - site purchases	(27,654)	(871,453)
Transferred to revenue - settlement of asset retirement obligation	(127,823)	(204,906)
Deferred contribution in support of maintenance	(3,953,334)	(2,905,608)
Unspent deferred capital revenue, end of year	<u>\$ 4,073,217</u>	<u>\$ 4,668,640</u>
Deferred capital revenue, beginning of year	\$ 99,367,212	\$ 101,927,884
Transferred from deferred revenue - capital additions	1,299,278	1,788,050
Transferred from deferred revenue - work in progress	4,921,927	-
Amortization of deferred capital revenue	(4,419,114)	(4,348,722)
Deferred capital revenue, end of year	<u>\$ 101,169,303</u>	<u>\$ 99,367,212</u>
Work in progress, beginning of year	\$ 4,145,064	\$ 351,014
Transferred from deferred revenue - work in progress	1,722,696	3,794,050
Transferred to deferred capital revenue	(4,921,927)	
Work in progress, end of year	<u>\$ 945,833</u>	<u>\$ 4,145,064</u>
Total deferred capital revenue, end of year	<u>\$ 106,188,353</u>	<u>\$ 108,180,916</u>

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 8 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, vacation and overtime. 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	\$ 2,738,493	\$ 1,973,835
Service cost	208,422	149,119
Interest cost	111,879	85,894
Benefit payments	(302,082)	(183,423)
Decrease in obligation due to plan amendment	-	2,730
Actuarial loss (gain)	(91,353)	710,338
Accrued benefit obligation - March 31	<u>\$ 2,665,359</u>	<u>\$ 2,738,493</u>

	2026	2025
Reconciliation of funded status at end of fiscal year		
Accrued benefit obligation - March 31	\$ 2,665,359	\$ 2,738,493
Market value of plan assets - March 31	-	-
Funded status - deficit	(2,665,359)	(2,738,493)
Employer contributions after measurement date	7,674	11,452
Benefits expense after measurement date	(81,015)	(80,075)
Unamortized net actuarial loss (gain)	449,291	541,098
Accrued benefit liability - June 30	<u>\$ (2,289,409)</u>	<u>\$ (2,266,018)</u>

	2026	2025
Reconciliation of change in accrued benefit liability		
Accrued benefit liability - July 1	\$ 2,266,018	\$ 2,236,484
Net expense for fiscal period	321,695	196,591
Employer contributions	(298,304)	(167,057)
Accrued benefit liability - June 30	<u>\$ 2,289,409</u>	<u>\$ 2,266,018</u>

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	11.8	11.8

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 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. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2026	2025
Asset Retirement Obligation, beginning of year	\$ 8,130,000	\$ 7,513,788
Increase in cost estimate	203,250	821,118
Settlements during the year	(127,823)	(204,906)
Asset Retirement Obligation, end of year	<u>\$ 8,205,427</u>	<u>\$ 8,130,000</u>

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2025, the Teachers' Pension Plan has about 52,000 active members and approximately 43,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 273,000 active members, including approximately 32,000 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 \$14,207,112 for employer contributions to the plans for the year ended June 30, 2026 (2025: \$13,725,232).

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 10 EMPLOYEE PENSION PLANS *(continued)*

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

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

NOTE 11 OTHER LIABILITIES

	2026	2025
Payroll	\$ 8,264,747	\$ 7,512,386
Accrued vacation	2,425,426	2,427,076
Teacher summer savings plan	6,454,418	6,068,088
Other	54,482	77,110
	<u>\$ 17,199,073</u>	<u>\$ 16,084,660</u>

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:	2026	2025
Sites	\$ 28,007,270	\$ 27,979,616
Buildings	109,430,652	107,408,793
Buildings - WIP (work in progress)	945,833	4,145,064
Furniture & equipment	4,454,794	4,356,149
Vehicles	424,420	411,439
Computer hardware	1,835,678	2,203,818
Total	\$ 145,098,647	\$ 146,504,879

June 30, 2026

Cost:	Opening	Additions	Disposals	Transfers (WIP)	Total 2026
Sites	\$ 27,979,616	\$ 27,654		\$ -	\$ 28,007,270
Buildings	241,632,275	1,881,713		4,921,927	\$ 248,435,915
Buildings - WIP	4,145,064	1,722,696		(4,921,927)	\$ 945,833
Furniture & equipment	8,188,350	933,528	612,564	-	\$ 8,509,314
Vehicles	493,822	65,646			\$ 559,468
Computer hardware	4,765,584	525,217	1,122,828	-	\$ 4,167,973
Total	\$ 287,204,711	\$ 5,156,454	\$ 1,735,392	\$ -	\$ 290,625,773

Accumulated Amortization:	Opening	Amortization	Disposals		Total 2026
Sites	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	134,223,482	4,781,781		-	139,005,263
Furniture & equipment	3,832,201	834,883	612,564	-	4,054,520
Vehicles	82,383	52,665			135,048
Computer hardware	2,561,766	893,357	1,122,828	-	2,332,295
Total	\$ 140,699,832	\$ 6,562,686	\$ 1,735,392	\$ -	\$ 145,527,126

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 12 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2025

Cost:	Opening	Additions	Disposals	Total 2025
Sites	\$ 27,108,163	\$ 871,453	\$ -	\$ 27,979,616
Buildings	242,521,200	2,565,601	3,454,526	241,632,275
Buildings - WIP	351,014	3,794,050		4,145,064
Furniture & equipment	8,024,622	709,693	545,965	8,188,350
Vehicles	315,160	178,662	-	493,822
Computer hardware	5,397,673	985,457	1,617,546	4,765,584
Total	\$ 283,717,832	\$ 9,104,916	\$ 5,618,037	\$ 287,204,711

Accumulated Amortization:	Opening	Amortization	Disposals	Total 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	132,964,490	4,713,518	3,454,526	134,223,482
Furniture & equipment	3,567,517	810,649	545,965	3,832,201
Vehicles	41,934	40,449	-	82,383
Computer hardware	3,162,986	1,016,326	1,617,546	2,561,766
Total	\$ 139,736,927	\$ 6,580,942	\$ 5,618,037	\$ 140,699,832

Buildings – Work in Progress having a value of \$945,833 (2025: \$4,145,064) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Additions to Buildings include an increase in the estimated cost of asset retirement obligation of \$203,250 (2025 - \$821,118) capitalized as part of the assets' carrying value as disclosed in note 9.

NOTE 13 INTERFUND TRANSFERS

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

- A transfer in the amount of \$126,254 (2025 - \$47,474) was made from Special Purpose Funds to the Capital Fund for the purchase of capital assets.
- A transfer in the amount of \$866,831 (2025 - \$876,988) was made from the Operating Fund to the Capital Fund for the purchase of capital assets.
- A transfer in the amount of \$2,200,000 (2025 - \$4,500,000) was made from the Operating Fund to the Capital Fund for future capital asset acquisitions.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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.

	2027	2028	2029	2030	2031
Student transportation contracts	\$ 4,842,000	\$ 4,939,000	\$ 5,038,000	\$ 5,139,000	\$ -
Computer operating leases	1,218,405	1,218,405	1,122,285	546,771	-
Software service agreements	551,567	292,746	301,367	310,265	201,944
Vehicle operating leases	342,361	267,470	209,788	24,536	-
Technology service agreement	240,877	240,877	240,877	222,886	14,076
Copier lease	214,082	214,082	-	-	-
Shared use agreement	70,500	36,000	-	-	-
	<u>\$ 7,479,792</u>	<u>\$ 7,208,580</u>	<u>\$ 6,912,317</u>	<u>\$ 6,243,458</u>	<u>\$ 216,020</u>

NOTE 16 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise from contracts entered into for shared use agreements and property rentals and leases. The following table summarizes the contractual rights of the School District for future assets:

	2027	2028	2029	2030	2031
Shared use agreement	\$ 235,000	\$ 120,000	\$ -	\$ -	\$ -
Lease revenue	394,017	287,651	166,606	8,250	-
	<u>\$ 629,017</u>	<u>\$ 407,651</u>	<u>\$ 166,606</u>	<u>\$ 8,250</u>	<u>\$ -</u>

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 17 CONTINGENT LIABILITIES

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2026, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

NOTE 18 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on February 11, 2026. Reconciliation to the original approved budget is presented below:

	Original Budget	Amendments	Amended Budget
Revenue:			
Provincial Grants			
Ministry of Education and Child Care	\$ 201,205,010	1,616,841	\$ 202,821,851
Other	409,180	(4,250)	404,930
Tuition	94,000	(23,350)	70,650
Other revenue	3,221,084	1,743,607	4,964,691
Rentals and leases	960,000	55,000	1,015,000
Investment income	690,000	135,000	825,000
Amortization of deferred capital revenue	4,386,221	31,779	4,418,000
	210,965,495	3,554,627	214,520,122
Expenses:			
Instruction	166,673,691	2,382,390	169,056,081
District administration	7,225,244	1,300,811	8,526,055
Operations and maintenance	32,131,090	321,700	32,452,790
Transportation and housing	5,744,740	(355,726)	5,389,014
	211,774,765	3,649,175	215,423,940
Annual deficiency	(809,270)	(94,548)	(903,818)
Budgeted allocation of surplus	105,000	1,274,566	1,379,566
Budgeted annual surplus for the year	\$ (704,270)	\$ 1,180,018	\$ 475,748
Comprised of:			
Operating fund surplus	\$ -	\$ -	\$ -
Special purpose fund surplus	-	-	-
Capital fund surplus (deficit)	(704,270)	1,180,018	475,748
Budgeted annual surplus for the year	\$ (704,270)	\$ 1,180,018	\$ 475,748

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 18 BUDGET FIGURES *(continued)*

	Original Budget	Amendments	Amended Budget
Budgeted surplus (deficit) for the year	\$ (809,270)	\$ (94,548)	\$ (903,818)
Effect of change in tangible capital assets			
Acquisition of tangible capital assets	(9,000,815)	4,280,104	(4,720,711)
Amortization of tangible capital assets	6,197,000	383,000	6,580,000
	(2,803,815)	4,663,104	1,859,289
Increase (decrease) in net financial debt	\$ (3,613,085)	\$ 4,568,556	\$ 955,471

NOTE 19 EXPENSE BY OBJECT

	2026	2025
Salaries and benefits	\$ 179,292,652	\$ 171,852,660
Services and supplies	31,222,522	29,922,619
Amortization	6,562,686	6,580,942
	\$ 217,077,860	\$ 208,356,221

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 20 INTERNALLY RESTRICTED SURPLUS - OPERATING FUND

	2026	2025
Internally Restricted by the Board due to:		
<u>Nature of Constraints on the Funds</u>		
Ministry of Education and Child Care		
Indigenous Education targeted funding	\$ 538,965	\$ 792,490
Indigenous Education Council funding	72,804	86,514
Specific Purpose grants	630,039	526,017
Recreation trusts and other funds	164,552	160,097
<u>Anticipated Unusual Expenses Identified</u>		
Additional non-enrolling teacher requirement	385,000	-
Communications support	50,000	70,000
Department optimization reviews	-	40,000
Digital transformation initiatives	389,000	175,000
Instructional support for technology in the classroom	130,500	-
Outdoor education initiative	50,000	-
Policy review	25,000	50,000
Principal and Vice Principal professional development initiative	75,000	58,000
Recruitment and retention	100,000	100,000
Superintendent initiatives	50,000	50,000
Strategic plan refresh	75,000	100,000
Teacher mentorship initiative	75,000	-
Unexpected health emergency response equipment	-	60,000
YMCA program	75,000	75,000
<u>Operations Spanning the School Year</u>		
School surpluses	1,628,941	1,838,464
School capital projects	11,556	97,403
Department and program surpluses	638,443	758,509
Facility and technology reserves	810,232	960,754
Total Internally Restricted Operating Surplus	\$ 5,975,032	\$ 5,998,248
Unrestricted Operating Surplus - Contingency	\$ 3,497,965	\$ 3,720,495
Total Available for Future Operations	\$ 9,472,997	\$ 9,718,743

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 21 COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year operating fund surplus.

NOTE 22 ECONOMIC DEPENDENCE

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

NOTE 23 RISK MANAGEMENT

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 borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

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

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 guaranteed investment certificates, term deposits and bonds that have a maturity date of no more than 5 years.

SCHOOL DISTRICT NO. 57 (PRINCE GEORGE)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 23 RISK MANAGEMENT (*continued*)

c) Liquidity risk:

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

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

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

School District No. 57 (Prince George)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	9,718,743		41,944,212	51,662,955	46,659,824
Changes for the year					
Surplus (Deficit) for the year	2,821,085	126,254	(1,805,384)	1,141,955	5,003,131
Interfund Transfers					
Tangible Capital Assets Purchased	(866,831)	(126,254)	993,085	-	-
Local Capital	(2,200,000)		2,200,000	-	-
Net Changes for the year	(245,746)	-	1,387,701	1,141,955	5,003,131
Accumulated Surplus (Deficit), end of year - Statement 2	9,472,997	-	43,331,913	52,804,910	51,662,955

School District No. 57 (Prince George)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	177,211,103	180,983,445	176,434,902
Other	215,180	233,425	251,180
Tuition	70,650	78,500	88,107
Other Revenue	1,377,169	1,660,379	1,805,493
Rentals and Leases	1,015,000	1,027,994	1,014,244
Investment Income	770,000	798,177	859,763
Total Revenue	180,659,102	184,781,920	180,453,689
Expenses			
Instruction	145,065,172	146,991,432	140,243,680
District Administration	8,460,614	8,207,937	7,442,147
Operations and Maintenance	22,329,228	21,940,718	21,408,154
Transportation and Housing	5,197,576	4,820,748	5,378,823
Total Expense	181,052,590	181,960,835	174,472,804
Operating Surplus (Deficit) for the year	(393,488)	2,821,085	5,980,885
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,379,566		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(986,078)	(866,831)	(876,988)
Local Capital		(2,200,000)	(4,500,000)
Total Net Transfers	(986,078)	(3,066,831)	(5,376,988)
Total Operating Surplus (Deficit), for the year	-	(245,746)	603,897
Operating Surplus (Deficit), beginning of year		9,718,743	9,114,846
Operating Surplus (Deficit), end of year		9,472,997	9,718,743
Operating Surplus (Deficit), end of year			
Internally Restricted		5,975,032	5,998,248
Unrestricted		3,497,965	3,720,495
Total Operating Surplus (Deficit), end of year		9,472,997	9,718,743

School District No. 57 (Prince George)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	174,622,561	175,320,702	171,941,013
ISC/LEA Recovery	(500,000)	(567,383)	(500,072)
Other Ministry of Education and Child Care Grants			
Pay Equity	2,271,692	2,271,692	2,271,692
Funding for Graduated Adults	12,873	16,111	33,073
Student Transportation Fund	687,663	687,663	687,663
Support Staff Benefits Grant			201,937
Foundation Skills Assessment (FSA) Scorer Grant	15,693	15,693	15,693
Labour Settlement Funding		3,138,346	1,694,024
Indigenous Education Councils (IEC) Funding	100,621	100,621	89,879
Total Provincial Grants - Ministry of Education and Child Care	177,211,103	180,983,445	176,434,902
Provincial Grants - Other	215,180	233,425	251,180
Tuition			
Continuing Education			7,050
International and Out of Province Students	70,650	78,500	81,057
Total Tuition	70,650	78,500	88,107
Other Revenues			
Other School District/Education Authorities	377,000	395,996	435,557
Funding from First Nations	500,000	567,383	500,072
Miscellaneous			
Administrative Fees	65,441	65,441	76,620
Cafeteria Recoveries	160,000	165,758	268,462
Miscellaneous	224,728	407,767	474,084
Purchase Card Rebate	50,000	58,034	50,698
Total Other Revenue	1,377,169	1,660,379	1,805,493
Rentals and Leases	1,015,000	1,027,994	1,014,244
Investment Income	770,000	798,177	859,763
Total Operating Revenue	180,659,102	184,781,920	180,453,689

School District No. 57 (Prince George)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	66,091,904	67,320,619	65,505,985
Principals and Vice Principals	10,730,641	10,901,947	11,043,936
Educational Assistants	21,945,006	22,039,439	20,099,501
Support Staff	13,546,511	13,591,868	13,717,690
Other Professionals	9,286,255	9,013,601	8,507,455
Substitutes	5,064,471	5,899,193	5,035,612
Total Salaries	126,664,788	128,766,667	123,910,179
Employee Benefits	30,582,505	31,729,671	29,794,444
Total Salaries and Benefits	157,247,293	160,496,338	153,704,623
Services and Supplies			
Services	6,527,081	6,342,349	4,946,831
Student Transportation	5,083,468	4,683,753	5,269,136
Professional Development and Travel	1,502,461	1,263,705	1,193,350
Rentals and Leases	1,051,541	406,336	524,443
Dues and Fees	117,295	117,964	115,373
Insurance	439,956	452,270	428,597
Supplies	5,785,908	5,235,633	5,184,131
Utilities	3,297,587	2,962,487	3,106,320
Total Services and Supplies	23,805,297	21,464,497	20,768,181
Total Operating Expense	181,052,590	181,960,835	174,472,804

School District No. 57 (Prince George)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

Schedule 2C (Unaudited)

	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	53,594,351	987,520		209,464		4,428,969	59,220,304
1.03 Career Programs	447,278			10,085			457,363
1.07 Library Services	1,626,030			289,519		568	1,916,117
1.08 Counselling	2,164,908						2,164,908
1.10 Special Education	6,158,079	402,637	19,056,998	116,892	2,803,906	875,704	29,414,216
1.30 English Language Learning	1,759,079						1,759,079
1.31 Indigenous Education	1,014,252	312,433	2,982,441	140,646	924,118	14,497	5,388,387
1.41 School Administration		8,498,492		3,144,158	439,763	241,545	12,323,958
1.64 Other				52,065			52,065
Total Function 1	66,763,977	10,201,082	22,039,439	3,962,829	4,167,787	5,561,283	112,696,397
4 District Administration							
4.11 Educational Administration	556,642	361,047		50,389	1,209,279	59,825	2,237,182
4.40 School District Governance					244,906		244,906
4.41 Business Administration		339,818		861,579	1,563,389	34,468	2,799,254
Total Function 4	556,642	700,865	-	911,968	3,017,574	94,293	5,281,342
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				108,600	828,135		936,735
5.50 Maintenance Operations				7,885,347	909,930	194,962	8,990,239
5.52 Maintenance of Grounds				656,994		48,655	705,649
5.56 Utilities							-
Total Function 5	-	-	-	8,650,941	1,738,065	243,617	10,632,623
7 Transportation and Housing							
7.41 Transportation and Housing Administration				47,078	90,175		137,253
7.70 Student Transportation				19,052			19,052
7.73 Housing							-
Total Function 7	-	-	-	66,130	90,175	-	156,305
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	67,320,619	10,901,947	22,039,439	13,591,868	9,013,601	5,899,193	128,766,667

School District No. 57 (Prince George)

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 18)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	59,220,304	14,344,905	73,565,209	3,690,743	77,255,952	75,755,405	75,056,245
1.03 Career Programs	457,363	113,501	570,864	367,186	938,050	813,937	972,079
1.07 Library Services	1,916,117	488,817	2,404,934	270,764	2,675,698	2,582,260	2,757,975
1.08 Counselling	2,164,908	517,429	2,682,337	3,656	2,685,993	2,447,314	2,392,831
1.10 Special Education	29,414,216	7,754,261	37,168,477	593,001	37,761,478	37,089,231	33,841,361
1.30 English Language Learning	1,759,079	453,186	2,212,265	10,932	2,223,197	2,092,262	2,015,364
1.31 Indigenous Education	5,388,387	1,390,888	6,779,275	480,310	7,259,585	7,798,550	6,685,193
1.41 School Administration	12,323,958	2,878,009	15,201,967	303,544	15,505,511	15,662,288	15,733,982
1.64 Other	52,065	15,409	67,474	618,494	685,968	823,925	788,650
Total Function 1	112,696,397	27,956,405	140,652,802	6,338,630	146,991,432	145,065,172	140,243,680
4 District Administration							
4.11 Educational Administration	2,237,182	436,395	2,673,577	171,874	2,845,451	2,800,597	2,822,615
4.40 School District Governance	244,906	33,750	278,656	218,116	496,772	646,335	327,520
4.41 Business Administration	2,799,254	619,662	3,418,916	1,446,798	4,865,714	5,013,682	4,292,012
Total Function 4	5,281,342	1,089,807	6,371,149	1,836,788	8,207,937	8,460,614	7,442,147
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	936,735	205,289	1,142,024	508,078	1,650,102	1,779,154	1,682,395
5.50 Maintenance Operations	8,990,239	2,263,802	11,254,041	3,294,430	14,548,471	14,682,558	13,953,660
5.52 Maintenance of Grounds	705,649	178,383	884,032	1,373,222	2,257,254	2,030,129	2,156,882
5.56 Utilities	-	-	-	3,484,891	3,484,891	3,837,387	3,615,217
Total Function 5	10,632,623	2,647,474	13,280,097	8,660,621	21,940,718	22,329,228	21,408,154
7 Transportation and Housing							
7.41 Transportation and Housing Administration	137,253	30,958	168,211	-	168,211	168,433	165,463
7.70 Student Transportation	19,052	5,027	24,079	4,621,808	4,645,887	5,022,143	5,208,460
7.73 Housing	-	-	-	6,650	6,650	7,000	4,900
Total Function 7	156,305	35,985	192,290	4,628,458	4,820,748	5,197,576	5,378,823
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	128,766,667	31,729,671	160,496,338	21,464,497	181,960,835	181,052,590	174,472,804

School District No. 57 (Prince George)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	21,664,529	21,118,245	20,764,293
Other	189,750	189,750	194,000
Other Revenue	3,587,522	3,367,377	3,428,492
Investment Income	55,000	51,887	57,556
Total Revenue	<u>25,496,801</u>	<u>24,727,259</u>	<u>24,444,341</u>
Expenses			
Instruction	23,990,909	23,725,720	23,503,105
District Administration	65,441	65,441	76,620
Operations and Maintenance	667,343	667,343	667,343
Transportation and Housing	191,438	142,501	149,799
Total Expense	<u>24,915,131</u>	<u>24,601,005</u>	<u>24,396,867</u>
Special Purpose Surplus (Deficit) for the year	<u>581,670</u>	<u>126,254</u>	<u>47,474</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(581,670)	(126,254)	(47,474)
Total Net Transfers	<u>(581,670)</u>	<u>(126,254)</u>	<u>(47,474)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 57 (Prince George)

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

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other
Investment Income

Less: Allocated to Revenue

Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
\$	\$	\$	\$	\$	\$	\$	\$	\$
	36,326	1,017,329	1,501,490		72,597	68,787	70,176	
667,343	624,278			340,000	80,850	253,146	2,493,814	464,555
		164,098	3,301,326					
		51,887						
667,343	624,278	215,985	3,301,326	340,000	80,850	253,146	2,493,814	464,555
667,343	614,205	161,257	3,229,193	340,000	71,091	237,895	2,552,662	464,555
-	46,399	1,072,057	1,573,623	-	82,356	84,038	11,328	-
667,343	614,205			340,000	71,091	237,895	2,552,662	464,555
		109,370	3,229,193					
		51,887						
667,343	614,205	161,257	3,229,193	340,000	71,091	237,895	2,552,662	464,555
	483,244			253,928	23,123	56,423	254,918	133,436
223,710							1,179,883	
117,948				1,004	297	14,015		241,059
341,658	483,244	-	-	254,932	41,700	135,628	2,035,601	374,495
27,531	130,961			72,980	14,418	24,548	511,739	69,817
298,154		161,257	3,208,343	12,088	14,973	77,719	5,322	20,243
667,343	614,205	161,257	3,208,343	340,000	71,091	237,895	2,552,662	464,555
-	-	-	20,850	-	-	-	-	-
			(20,850)					
-	-	-	(20,850)	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 57 (Prince George)

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

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other
Investment Income

Less: Allocated to Revenue
Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Seamless Day Kindergarten	Student & Family Affordability (SFAF)	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)
\$	\$	\$	\$	\$	\$	\$	\$	\$
11,733,417		93,691	64,611	30,514	165,025	2,410	30,041	
		168,379	51,000					525,000
11,733,417	-	168,379	51,000	-	-	-	-	525,000
	-	142,501	104,888	265	-	2,410	9,867	175,000
-	-	119,569	10,723	30,249	165,025	-	20,174	350,000
11,733,417		142,501	104,888	265		2,410	9,867	175,000
11,733,417	-	142,501	104,888	265	-	2,410	9,867	175,000
9,422,562								144,041
	-	-	52,950	-	-	-	-	30,893
2,310,855			13,678					66
		142,501	38,260	265		2,410	9,867	
11,733,417	-	142,501	104,888	265	-	2,410	9,867	175,000
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 57 (Prince George)

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

Deferred Revenue, beginning of year

Add: Restricted Grants
Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other
Investment Income

Less: Allocated to Revenue
Recovered

Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education and Child Care
Provincial Grants - Other
Other Revenue
Investment Income

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Feeding Futures Fund	Dual Credit Program Expansion	Professional Learning Grant	National School Food Program	Project Penny	PRP UHNBC	PRP FASD Outreach	FASD Other	Feeding Futures Other
\$	\$	\$	\$	\$	\$	\$	\$	\$
210,082	28,646	221,496	317,136	200,000	15,108	82,978	6,022	-
1,680,154	202,500		475,700		469,788	930,342	11,500	22,391
1,890,236	151,362	34,720	518,506	-	442,032	965,290	6,423	22,391
					15,108	48,030		
-	79,784	186,776	274,330	200,000	27,756	-	11,099	-
1,890,236	151,362	34,720	518,506	-	442,032	965,290	6,423	22,391
24,302	80,907				269,398	455,701		
184,225			53,641		39,539	23,342		
222,873			10,295			169,472		
273,519								
140		17,066			1,907			
705,059	80,907	17,066	63,936	-	310,844	648,515	-	-
184,015	11,168	2,692	18,836		76,575	158,425		
1,001,162	59,287	14,962	330,330		54,613	158,350	6,423	22,391
1,890,236	151,362	34,720	413,102	-	442,032	965,290	6,423	22,391
-	-	-	105,404	-	-	-	-	-
			(105,404)					
-	-	-	(105,404)	-	-	-	-	-
-	-	-	-	-	-	-	-	-

School District No. 57 (Prince George)

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

	After School Sports and Arts Initiatives	TOTAL
	\$	\$
Deferred Revenue, beginning of year	-	4,234,465
Add: Restricted Grants		
Provincial Grants - Ministry of Education and Child Care	21,160,266	
Provincial Grants - Other	189,750	189,750
Other	3,499,315	3,499,315
Investment Income	51,887	51,887
	189,750	24,901,218
	189,750	24,727,259
Less: Allocated to Revenue		
Recovered	63,138	63,138
Deferred Revenue, end of year	-	4,345,286
Revenues		
Provincial Grants - Ministry of Education and Child Care	21,118,245	
Provincial Grants - Other	189,750	189,750
Other Revenue	3,367,377	3,367,377
Investment Income	51,887	51,887
	189,750	24,727,259
Expenses		
Salaries		
Teachers	10,933,680	
Principals and Vice Principals	331,726	
Educational Assistants	1,446,061	
Support Staff	664,302	
Other Professionals	1,467,303	
Substitutes	286,983	
	16,917	15,130,055
Employee Benefits	7,128	3,666,259
Services and Supplies	165,705	5,804,691
	189,750	24,601,005
Net Revenue (Expense) before Interfund Transfers	-	126,254
Interfund Transfers		
Tangible Capital Assets Purchased		(126,254)
	-	(126,254)
Net Revenue (Expense)	-	-

School District No. 57 (Prince George)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	3,946,219	4,108,811		4,108,811	3,981,967
Investment Income			182,711	182,711	130,633
Amortization of Deferred Capital Revenue	4,418,000	4,419,114		4,419,114	4,348,722
Total Revenue	<u>8,364,219</u>	<u>8,527,925</u>	<u>182,711</u>	<u>8,710,636</u>	<u>8,461,322</u>
Expenses					
Operations and Maintenance	2,876,219	3,953,334		3,953,334	2,905,608
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,580,000	6,562,686		6,562,686	6,580,942
Total Expense	<u>9,456,219</u>	<u>10,516,020</u>	<u>-</u>	<u>10,516,020</u>	<u>9,486,550</u>
Capital Surplus (Deficit) for the year	<u>(1,092,000)</u>	<u>(1,988,095)</u>	<u>182,711</u>	<u>(1,805,384)</u>	<u>(1,025,228)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	1,567,748	993,085		993,085	924,462
Local Capital			2,200,000	2,200,000	4,500,000
Total Net Transfers	<u>1,567,748</u>	<u>993,085</u>	<u>2,200,000</u>	<u>3,193,085</u>	<u>5,424,462</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		910,491	(910,491)	-	
Total Other Adjustments to Fund Balances		<u>910,491</u>	<u>(910,491)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>475,748</u>	<u>(84,519)</u>	<u>1,472,220</u>	<u>1,387,701</u>	<u>4,399,234</u>
Capital Surplus (Deficit), beginning of year		<u>34,869,856</u>	<u>7,074,356</u>	<u>41,944,212</u>	<u>37,544,978</u>
Capital Surplus (Deficit), end of year		<u>34,785,337</u>	<u>8,546,576</u>	<u>43,331,913</u>	<u>41,944,212</u>

School District No. 57 (Prince George)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	27,979,616	241,632,275	8,188,350	493,822	-	4,765,584	283,059,647
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	19,000	1,257,959	15,662				1,292,621
Deferred Capital Revenue - Other	8,654		25,657				34,311
Operating Fund		25,095	701,971			139,765	866,831
Special Purpose Funds		7,400	118,854				126,254
Local Capital		388,009	71,384	65,646		385,452	910,491
Asset Retirement Obligation		203,250					203,250
Transferred from Work in Progress		4,921,927					4,921,927
	27,654	6,803,640	933,528	65,646	-	525,217	8,355,685
Decrease:							
Deemed Disposals			612,564			1,122,828	1,735,392
	-	-	612,564	-	-	1,122,828	1,735,392
Cost, end of year	28,007,270	248,435,915	8,509,314	559,468	-	4,167,973	289,679,940
Work in Progress, end of year		945,833					945,833
Cost and Work in Progress, end of year	28,007,270	249,381,748	8,509,314	559,468	-	4,167,973	290,625,773
Accumulated Amortization, beginning of year							
Changes for the Year							
Amortization for the Year		134,223,482	3,832,201	82,383		2,561,766	140,699,832
		4,781,781	834,883	52,665		893,357	6,562,686
	4,781,781	834,883	834,883	52,665	-	893,357	6,562,686
			612,564			1,122,828	1,735,392
						-	-
						-	-
	-	-	612,564	-	-	1,122,828	1,735,392
	139,005,263	4,054,520	4,054,520	135,048	-	2,332,295	145,527,126
Accumulated Amortization, end of year							
Tangible Capital Assets - Net	28,007,270	110,376,485	4,454,794	424,420	-	1,835,678	145,098,647

School District No. 57 (Prince George)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	4,145,064				4,145,064
Changes for the Year					
Increase:					
Deferred Capital Revenue - Other	1,722,696				1,722,696
	1,722,696	-	-	-	1,722,696
Decrease:					
Transferred to Tangible Capital Assets	4,921,927				4,921,927
	4,921,927	-	-	-	4,921,927
Net Changes for the Year	(3,199,231)	-	-	-	(3,199,231)
Work in Progress, end of year	945,833	-	-	-	945,833

School District No. 57 (Prince George)

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	92,556,500	4,239,870	2,570,842	99,367,212
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,273,621	25,657		1,299,278
Transferred from Work in Progress		4,921,927		4,921,927
	1,273,621	4,947,584	-	6,221,205
Decrease:				
Amortization of Deferred Capital Revenue	4,089,547	225,063	104,504	4,419,114
	4,089,547	225,063	104,504	4,419,114
Net Changes for the Year	(2,815,926)	4,722,521	(104,504)	1,802,091
Deferred Capital Revenue, end of year	89,740,574	8,962,391	2,466,338	101,169,303
Work in Progress, beginning of year		4,145,064		4,145,064
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress		1,722,696		1,722,696
	-	1,722,696	-	1,722,696
Decrease				
Transferred to Deferred Capital Revenue		4,921,927		4,921,927
	-	4,921,927	-	4,921,927
Net Changes for the Year	-	(3,199,231)	-	(3,199,231)
Work in Progress, end of year	-	945,833	-	945,833
Total Deferred Capital Revenue, end of year	89,740,574	9,908,224	2,466,338	102,115,136

School District No. 57 (Prince George)

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	107,060		4,419,471		142,109	4,668,640
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	5,354,778		740,317			6,095,095
Other					330,000	330,000
Investment Income	876		105,453		3,938	110,267
	5,355,654	-	845,770	-	333,938	6,535,362
Decrease:						
Transferred to DCR - Capital Additions	1,273,621		25,657			1,299,278
Transferred to DCR - Work in Progress			1,722,696			1,722,696
Transferred to Revenue - Site Purchases	19,000		8,654			27,654
Transferred to Revenue - Settlement of Asset Retirement Obligation	127,823					127,823
Deferred Contribution in Support of Maintenance	3,953,334					3,953,334
	5,373,778	-	1,757,007	-	-	7,130,785
Net Changes for the Year	(18,124)	-	(911,237)	-	333,938	(595,423)
Balance, end of year	88,936	-	3,508,234	-	476,047	4,073,217