Audited Financial Statements of

School District No. 64 (Gulf Islands)

And Independent Auditors' Report thereon

June 30, 2026

DRAFT **- Not Finalized**
September 08, 2026 9:07

School District No. 64 (Gulf Islands)
June 30, 2026

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School District No. 64 (Gulf Islands)

MANAGEMENT REPORT

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Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 64 (Gulf Islands) 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. 64 (Gulf Islands) (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, KPMG Canada, 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. 64 (Gulf Islands) 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. 64 (Gulf Islands)

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

Signature of the Superintendent — Date Signed

Signature of the Secretary Treasurer — Date Signed

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 64 (Gulf Islands), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 64 (Gulf Islands) (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, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document.
- 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 and remain alert for indications that the other information appears to be materially misstated.

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

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

Chartered Professional Accountants

Victoria, Canada
DATE

School District No. 64 (Gulf Islands)

Statement of Financial Position
As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents	**6,414,325**	6,091,187
Accounts Receivable		
Due from Province - Ministry of Education and Child Care (Note 3)	**581,042**	497,269
Other (Note 3)	**146,851**	134,489
Portfolio Investments (Note 4)	**158,736**	145,966
Total Financial Assets	**7,300,954**	6,868,911
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other (Note 5)	**772,940**	330,519
Deferred Revenue (Note 7)	**2,486,041**	2,117,610
Deferred Capital Revenue (Note 8)	**23,873,840**	23,275,161
Employee Future Benefits (Note 9)	**1,140,470**	1,073,658
Asset Retirement Obligation (Note 16)	**1,490,000**	1,490,000
Total Liabilities	**29,763,291**	28,286,948
Net Debt	**(22,462,337)**	(21,418,037)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	**31,372,623**	30,923,419
Prepaid Expenses	**82,843**	158,864
Total Non-Financial Assets	**31,455,466**	31,082,283
Accumulated Surplus (Deficit) (Note 12)	**8,993,129**	9,664,246

Contractual Obligations (Note 13)
Contractual Rights (Note 13)
Contingent Liabilities (Note 15)

Approved by the Board

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

Signature of the Superintendent — Date Signed

Signature of the Secretary Treasurer — Date Signed

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

School District No. 64 (Gulf Islands)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	27,783,315	**28,523,271**	28,028,730
Other		**56,560**	59,143
Tuition	18,500	**28,585**	472,050
Other Revenue	1,019,100	**1,504,045**	1,485,636
Rentals and Leases	150,000	**111,972**	98,999
Investment Income	110,000	**149,658**	242,032
Amortization of Deferred Capital Revenue	1,300,000	**1,342,395**	1,259,711
Total Revenue	30,380,915	**31,716,486**	31,646,301
Expenses			
Instruction	21,814,906	**22,958,218**	22,845,076
District Administration	1,632,792	**1,628,372**	1,656,982
Operations and Maintenance	5,371,037	**5,610,027**	5,350,400
Transportation and Housing	2,205,142	**2,190,986**	2,162,005
Total Expense	31,023,877	**32,387,603**	32,014,463
Surplus (Deficit) for the year	(642,962)	**(671,117)**	(368,162)
Accumulated Surplus (Deficit) from Operations, beginning of year		**9,664,246**	10,032,408
Accumulated Surplus (Deficit) from Operations, end of year		**8,993,129**	9,664,246

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

School District No. 64 (Gulf Islands)

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

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Surplus (Deficit) for the year	(642,962)	**(671,117)**	(368,162)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(180,000)	**(2,270,373)**	(3,523,826)
Amortization of Tangible Capital Assets	1,725,000	**1,821,169**	1,698,285
Total Effect of change in Tangible Capital Assets	1,545,000	**(449,204)**	(1,825,541)
Use of Prepaid Expenses		**76,021**	70,905
Total Effect of change in Other Non-Financial Assets	-	**76,021**	70,905
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	902,038	**(1,044,300)**	(2,122,798)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		**(1,044,300)**	(2,122,798)
Net Debt, beginning of year		**(21,418,037)**	(19,295,239)
Net Debt, end of year		**(22,462,337)**	(21,418,037)

School District No. 64 (Gulf Islands)

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**(671,117)**	(368,162)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**(96,135)**	84,737
Prepaid Expenses	**76,021**	70,905
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**442,421**	(335,887)
Unearned Revenue		(722,130)
Deferred Revenue	**368,431**	351,606
Employee Future Benefits	**66,812**	40,313
Amortization of Tangible Capital Assets	**1,821,169**	1,698,285
Amortization of Deferred Capital Revenue	**(1,342,395)**	(1,259,711)
Expensed Portion of Bylaw Capital	**(353,908)**	(187,447)
Donated Tangiable Capital Assets	**(500,000)**	(71,200)
Total Operating Transactions	**(188,701)**	(698,691)
Capital Transactions		
Tangible Capital Assets Purchased	**(1,281,851)**	(2,956,454)
Tangible Capital Assets -WIP Purchased	**(988,522)**	(337,372)
Donated Tangiable Capital Asset	**500,000**	71,200
Total Capital Transactions	**(1,770,373)**	(3,222,626)
Financing Transactions		
Capital Revenue Received	**2,294,982**	2,963,282
Total Financing Transactions	**2,294,982**	2,963,282
Investing Transactions		
Investments in Portfolio Investments	**(12,770)**	(7,070)
Total Investing Transactions	**(12,770)**	(7,070)
Net Increase (Decrease) in Cash and Cash Equivalents	**323,138**	(965,105)
Cash and Cash Equivalents, beginning of year	**6,091,187**	7,056,292
Cash and Cash Equivalents, end of year	**6,414,325**	6,091,187
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**6,414,325**	6,091,187
	6,414,325	6,091,187

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

1. Authority and purpose:

School District No. 64 (Gulf Islands) (the ‘school district’), established on April 12, 1946, operates under authority of the *School Act* of British Columbia as a corporation under the name of “The Board of Education of School District No. 64 (Gulf Islands)”, and operates as “School District No. 64 (Gulf Islands)”. 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. 64 is exempt from federal and provincial corporate income taxes.

2. Significant accounting policies:

These financial statements are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the school district are as follows:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer-supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires 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

2. Significant accounting policies (continued):

(a) Basis of accounting (continued)

- externally restricted contributions are 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.

(b) Basis of consolidation:

These financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The school district does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The school district does not administer any trust activities on behalf of external parties.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash held in bank accounts and short term highly liquid investments 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) 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.

(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(m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations.

2. Significant accounting policies (continued):

(g) Employee future benefits:

The school district provides 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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2025 and projected to June 30, 2026. The next valuation will be performed at March 31, 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.

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

(h) 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.
- 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.
- 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.

2. Significant accounting policies (continued):

(h) Tangible capital assets (continued):

- 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. Work in progress is not amortized until available for productive use. 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:

Asset	Rate
Buildings	40 years
Furniture and equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

(i) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

(*i*) an environmental standard exists;

(*ii*) contamination exceeds the environmental standard;

(*iii*) the School District is directly responsible or accepts responsibility;

(*iv*) it is expected that future economic benefits will be given up; and

(*v*) 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) Asset retirement obligations:

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

(*i*) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;

(*ii*) the past transaction or event giving rise to the liability has occurred;

(*iii*) it is expected that future economic benefits will be given up; and

(*iv*) a reasonable estimate of the amount can be made.

2. Significant accounting policies (continued):

(j) Asset retirement obligations (continued):

The liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligations includes costs directly attributable to the asset retirement activities. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 (h)). The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

(k) Prepaid expense:

Amounts for insurance and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

(l) Funds and reserves:

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved.

(m) 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 must meet in order to receive the contributions including authorization by the transferring government.

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

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

2. Significant accounting policies (continued):

(m) Revenue recognition (continued):

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

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

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

(n) Expenditures:

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

(*i*) 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.

2. Significant accounting policies (continued):

(o) Financial instruments:

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

Financial instruments consist of cash and cash equivalents, accounts receivable, investments, and accounts payable and accrued liabilities.

Except for 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 amortized 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 recorded at fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. During the periods presented, there are no remeasurement gains or losses, and as a result, no statement of remeasurement gains and losses has been presented.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

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

(p) Measurement uncertainty:

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

3. Accounts receivable:

	2026	2025
Due from Provincial Government	$ 581,042	$ 497,269
Due from Federal Government	97,116	84,726
Other	49,735	49,763
	146,851	134,489
	$ 727,893	$ 631,758

4. Investments:

	2026	2025
Mutual funds	$ 158,736	$ 145,966
	$ 158,736	$ 145,966

5. Accounts payable and accrued liabilities:

	2026	2025
Trade payables	$ 288,637	$ 85,810
Salaries and benefits payable	395,739	169,982
Accrued vacation pay	88,564	74,727
	$ 772,940	$ 330,519

6. Unearned revenue:

All unearned revenue is related to the international program. The international program ceased operations as of June 30, 2025.

		2026		2025
Balance, beginning of year	$	-	$	722,130
Changes for the year:				
Increase:				
Tuition fees and other international fees collected		28,585		193,284
Decrease:				
Tuition fees and other international fees recognized		(28,585)		(915,414)
Net change for the year		-		(722,130)
Balance, end of year	$	-	$	–

7. Deferred revenue:

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

	Ministry of Education and Child Care	Other	2026 Total	2025 Total
Balance, beginning of year	$ 443,958	$ 1,673,652	$ 2,117,610	$ 1,766,004
Changes for the year:				
Increases:				
Grants	4,981,789	-	4,981,789	4,506,885
Other	-	1,458,093	1,458,093	1,182,303
Decreases:				
Transfers to revenue	(4,521,242)	(1,550,209)	(6,071,451)	(5,337,582)
Net change for the year	460,547	(92,116)	368,431	351,606
Balance, end of year	$ 904,505	$ 1,581,536	$ 2,486,041	$ 2,117,610

8. Deferred capital revenue:

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

	2026	2025
Deferred capital revenue subject to amortization		
Balance, beginning of year	$ 21,983,282	$ 20,172,980
Changes for the year:		
Increases:		
Capital additions	1,030,457	2,608,668
Transferred from work in progress	246,292	461,345
Decreases:		
Amortization	(1,342,395)	(1,259,711)
Net change for the year	(65,646)	1,810,302
Balance, end of year	$ 21,917,636	$ 21,983,282
Deferred capital revenue, work in progress		
Balance, beginning of year	$ 486,972	$ 610,945
Changes for the year:		
Increases:		
Transfer from unspent deferred capital revenue	988,522	337,372
Decreases:		
Transfer to deferred capital revenue	(246,292)	(461,345)
Net change for the year	742,230	(123,973)
Balance, end of year	$ 1,229,202	$ 486,972

8. Deferred capital revenue (continued):

		2026		2025
Deferred capital revenue not subject to amortization				
Balance, beginning of year	$	804,907	$	975,112
Changes for the year:				
Increases:				
Provincial Grants - Ministry of Education and Child Care		1,794,982		2,785,941
Other Capital		500,000		177,341
Decreases:				
Transfer to deferred capital revenue subject to amortization		(1,030,457)		(2,608,668)
Transferred to deferred capital revenue work in progress		(988,522)		(337,372)
Transferred to revenue		(353,908)		(187,447)
Net change for the year		(77,905)		(170,205)
Balance, end of year	$	727,002	$	804,907
Total deferred capital revenue balance, end of year	$	23,873,840	$	23,275,161

9. Employee future benefits:

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the school district has provided for the payment of these benefits.

	2026	2025
Reconciliation of accrued benefit obligation:		
Accrued obligation - April 1	$ 918,210	$ 856,717
Service cost	110,218	90,306
Interest cost	37,106	38,663
Benefit payments	(72,942)	(54,146)
Actuarial (gain) loss	(160,097)	(13,330)
Accrued benefit obligation - March 31	832,495	918,210
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation - March 31	832,495	918,210
Funded status - surplus (deficit)	(832,495)	(918,210)
Employer contributions after measurement date	-	19,168
Benefits expense after measurement date	(36,553)	(36,831)
Unamortized net actuarial (gain) loss	(271,422)	(137,785)
Accrued benefit asset (liability) - June 30	$ (1,140,470)	$ (1,073,658)
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability (asset) - July 1	$ 1,073,658	$ 1,033,345
Net expenses for fiscal year	120,576	113,627
Employer contributions	(53,764)	(73,314)
Accrued benefit liability (asset) - June 30	1,140,470	1,073,658
Components of net benefit expense:		
Service cost	109,014	95,284
Interest cost	38,032	38,274
Amortization of net actuarial (gain) loss	(26,470)	(19,931)
Net benefit expense (income)	120,576	113,627
Assumptions:		
Discount rate - April 1	4.00%	4.25%
Discount rate - March 31	4.50%	4.00%
Long term salary growth - April 1	2.50%+seniority	2.50%+seniority
Long term salary growth - March 31	2.50%+seniority	2.50%+seniority
EARSL - March 31	11.0	11.0

10. Tangible capital assets:

June 30, 2026	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2026
Sites	$ 4,107,653	$ -	$ -	$ -	$ 4,107,653
Buildings	56,362,667	774,508	-	246,292	57,383,467
Buildings WIP	486,972	488,522	-	(246,292)	729,202
Furniture and equipment	1,866,710	248,860	(22,255)	-	2,093,315
Furniture & Equi. WIP	-	500,000	-	-	500,000
Vehicles	2,353,130	76,876	-	-	2,430,006
Computer software	161,993	137,769	-	-	299,762
Computer hardware	648,928	43,838	(88,690)	-	604,076
Total	$ 65,988,053	$ 2,270,373	$ (110,945)	$ -	$ 68,147,481

	Opening accumulated amortization	Additions	Disposals	Total 2026
Sites	$ -	$ -	$ -	$ -
Buildings	33,457,155	1,212,533	-	34,669,688
Furniture and equipment	703,680	198,009	(22,255)	879,434
Vehicles	603,824	239,157	-	842,981
Computer software	38,294	46,176	-	84,470
Computer hardware	261,681	125,294	(88,690)	298,285
Total	$ 35,064,634	$ 1,821,169	$ (110,945)	$ 36,774,858

June 30, 2025	Opening cost	Additions	Disposals	Transfers (WIP)	Total 2025
Sites	$ 4,107,653	$ -	$ -	$ -	$ 4,107,653
Buildings	53,673,126	2,228,196	-	461,345	56,362,667
Buildings WIP	610,945	337,372	-	(461,345)	486,972
Furniture and equipment	1,861,551	30,000	(24,841)	-	1,866,710
Vehicles	1,670,677	682,453	-	-	2,353,130
Computer software	63,578	98,415	-	-	161,993
Computer hardware	525,757	147,390	(24,219)	-	648,928
Total	$ 62,513,287	$ 3,523,826	$ (49,060)	$ -	$ 65,988,053

	Opening accumulated amortization	Additions	Disposals	Total 2025
Sites	$ -	$ -	$ -	$ -
Buildings	32,286,500	1,170,655	-	33,457,155
Furniture and equipment	542,100	186,421	(24,841)	703,680
Vehicles	402,634	201,190	-	603,824
Computer software	15,737	22,557	-	38,294
Computer hardware	168,438	117,462	(24,219)	261,681
Total	$ 33,415,409	$ 1,698,285	$ (49,060)	$ 35,064,634

10. Tangible capital assets (continued):

		Net book value 2026		Net book value 2025
Sites	$	4,107,653	$	4,107,653
Buildings		23,442,981		23,392,484
Furniture and equipment		1,713,881		1,163,030
Vehicles		1,587,025		1,749,306
Computer software		215,292		123,699
Computer hardware		305,791		387,247
	$	31,372,623	$	30,923,419

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $500,000 (2025 - $71,200).

11. Employee pension plan:

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2023, 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 $1,864,444 for employer contributions to the plans for the year ended June 30, 2026 (2025 - $1,858,320).

11. Employee pension plan (continued):

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026 with results available later in 2027. The next valuation for the Municipal Pension Plan will be as at December 31, 2027, with results available in 2028.

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.

12. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2026	2025
Invested in tangible capital assets	$ 6,735,785	$ 6,963,165
Operating surplus (note 18)	2,257,344	2,701,081
	$ 8,993,129	$ 9,664,246

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

$251,394 (2025 - $347,786) from the Operating Fund to the Capital Fund for capital purchases.

13. Contractual obligations and rights:

On June 21, 2012, the school district signed a 50-year lease agreement with the Capital Regional District (CRD) for land use at the Galiano School Site. There is no transfer of title in the lease agreement, and the land is intended for use as a community library.

On December 31, 2014, the school district signed a 60-year lease agreement with the Salt Spring Arts Council for the use of a building commonly known as Mahon Hall. There is no transfer of title in the lease agreement, and the asset remains with the school district.

On June 10, 2022, the school district signed a 5-year lease agreement with the CRD for the operation of the former Salt Spring Island Middle School Building as a community recreation facility. There is no transfer of title in the lease agreement, and the asset remains with the school district.

13. Contractual obligations and rights (continued):

On December 18, 2023 the school district signed a 5-year lease with the Capital Regional District (CRD). The CRD will upgrade the facilities at the field commonly known as the Hydro field on Salt Spring Island and the CRD will have responsibility for the fields outside of instructional hours. There is not a transfer of title contained in the lease agreement and the asset is not disposed of.

On November 25, 2024, the school district signed a 5-year lease agreement with the CRD for the operation of the former Phoenix Elementary School Site on Salt Spring Island. There is no transfer of title in the lease agreement, and the asset remains with the school district.

The school district has the following annual contractual obligations:

– provision of student water taxi services, for which the amount of the obligation is negotiated, and multi-year contracts are entered into.

14. Budget figures:

The budget figures data presented in these financial statements is based upon the 2025/2026 amended annual budget adopted by the Board on February 11, 2026. The chart following reconciles the originally approved annual budget bylaw approved June 11, 2025, to the amended annual budget bylaw reported in these financial statements.

	2026 amended annual budget	2026 annual budget
Revenues:		
Provincial grants:		
Ministry of Education and Child Care	$ 27,783,315	$ 27,563,254
Tuition	18,500	-
Other revenue	1,019,100	1,096,500
Rentals and leases	150,000	90,000
Investment income	110,000	125,000
Amortization of deferred capital revenue	1,300,000	1,250,000
	30,380,915	30,124,754
Expenses:		
Instruction	21,814,906	21,448,748
District administration	1,736,441	1,655,186
Operations and maintenance	5,267,388	5,538,686
Transportation and housing	2,205,142	2,148,750
	31,023,877	30,791,370
Net expense (revenue)	(642,962)	(666,616)
Budgeted allocation of surplus	397,962	396,616
Budgeted surplus (deficit) for the year	$ (245,000)	$ (270,000)

15. 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 any claims are successful, management believes that such claims are not expected to have a material effect on the school district's financial position.

16. Asset retirement obligation:

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future. The timing of future settlement is unknown.

	2026	2025
Balance, beginning of year	$ 1,490,000	$ 1,260,000
Estimate increase	-	230,000
Balance, end of year	$ 1,490,000	$ 1,490,000

17. Expense by object:

	2026	2025
Salaries and benefits	$ 24,308,557	$ 24,248,832
Services and supplies	6,257,877	6,067,346
Amortization	1,821,169	1,698,285
	$ 32,387,603	$ 31,014,463

18. Internally restricted surplus - operating fund:

	2026	2025
Internally restricted surplus:		
Unspent school flex budgets	$ -	$ –
Unspent Indigenous Education Council Funds	86,478	38,826
Unspent professional development and growth funds	50,886	76,917
Internally restricted surplus	137,364	115,743
Unrestricted operating surplus	2,119,980	2,585,338
Total available for future operations	$ 2,257,344	$ 2,701,081

19. Economic dependence:

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

20. Related party transactions:

The school district is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The school district has entered into a lease with Haggis Farm (the lessor), a related party through the Secretary Treasurer, for use of premises to deliver school programs. The lessor receives rental income equal to the value of a contractual donation given to the school district each year. Both transactions are recognized in the financial statements at the amount paid and received.

21. Risk management:

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

The Board ensures that the school district has identified its risks and ensures that management monitors and controls them.

(a) Credit risk:

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

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.

21. Risk management (continued):

(b) Market risk:

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

(i) Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The imposition of U.S. tariffs on cross-border trade will result in increased costs for goods and services procured from U.S. suppliers, impacting operations and infrastructure projects. While the long-term impact remains uncertain, Management is actively working to monitor and mitigate the risks and impacts of the tariffs.

(ii) 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 it invests primarily in Mutual Funds and Provincial Bonds and Cash Deposit Account.

(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 exposures from 2025 related to credit, market or liquidity risks.

School District No. 64 (Gulf Islands)

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	2,701,081		6,963,165	**9,664,246**	10,032,408
Changes for the year					
Surplus (Deficit) for the year	(192,343)		(478,774)	**(671,117)**	(368,162)
Interfund Transfers					
Tangible Capital Assets Purchased	(251,394)		251,394	-	
Net Changes for the year	**(443,737)**	**-**	**(227,380)**	**(671,117)**	**(368,162)**
Accumulated Surplus (Deficit), end of year - Statement 2	**2,257,344**	**-**	**6,735,785**	**8,993,129**	9,664,246

School District No. 64 (Gulf Islands)

Schedule of Operating Operations
Year Ended June 30, 2026

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	23,023,467	**23,648,121**	23,460,475
Tuition	18,500	**28,585**	472,050
Other Revenue	62,500	**37,929**	612,027
Rentals and Leases	150,000	**111,972**	98,999
Investment Income	110,000	**122,125**	218,010
Total Revenue	23,364,467	**23,948,732**	24,861,561
Expenses			
Instruction	16,402,107	**16,994,003**	17,612,001
District Administration	1,632,792	**1,628,372**	1,656,982
Operations and Maintenance	3,567,388	**3,566,871**	3,561,351
Transportation and Housing	1,980,142	**1,951,829**	1,960,815
Total Expense	23,582,429	**24,141,075**	24,791,149
Operating Surplus (Deficit) for the year	(217,962)	**(192,343)**	70,412
Budgeted Appropriation (Retirement) of Surplus (Deficit)	397,962		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(180,000)	**(251,394)**	(347,786)
Total Net Transfers	(180,000)	**(251,394)**	(347,786)
Total Operating Surplus (Deficit), for the year	-	**(443,737)**	(277,374)
Operating Surplus (Deficit), beginning of year		**2,701,081**	2,978,455
Operating Surplus (Deficit), end of year		**2,257,344**	2,701,081
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 18)		**137,364**	115,743
Unrestricted		**2,119,980**	2,585,338
Total Operating Surplus (Deficit), end of year		**2,257,344**	2,701,081

School District No. 64 (Gulf Islands)

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

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	22,585,305	**22,638,797**	22,813,165
Other Ministry of Education and Child Care Grants			
Pay Equity	102,398	**102,398**	102,398
Funding for Graduated Adults		**360**	2,135
Student Transportation Fund	328,264	**328,264**	328,264
Support Staff Benefits Grant			26,384
Foundation Skills Assessment (FSA) Scorer Grant	7,500	**7,506**	7,506
Labour Settlement Funding		**503,373**	180,623
Indigenous Education Councils (IEC) Funding		**67,423**	
Total Provincial Grants - Ministry of Education and Child Care	23,023,467	**23,648,121**	23,460,475
Tuition			
International and Out of Province Students	18,500	**28,585**	472,050
Total Tuition	18,500	**28,585**	472,050
Other Revenues			
Miscellaneous			
Miscellaneous	62,500	**37,929**	144,827
GISPA Registration			23,836
Homestay Fees			354,018
Other International Program Fees			89,346
Total Other Revenue	62,500	**37,929**	612,027
Rentals and Leases	150,000	**111,972**	98,999
Investment Income	110,000	**122,125**	218,010
Total Operating Revenue	23,364,467	**23,948,732**	24,861,561

School District No. 64 (Gulf Islands)

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

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Salaries			
Teachers	6,725,800	**7,123,573**	7,039,769
Principals and Vice Principals	2,357,182	**2,460,619**	2,393,155
Educational Assistants	1,505,683	**1,515,606**	1,486,334
Support Staff	2,633,588	**2,576,878**	2,619,256
Other Professionals	1,686,769	**1,813,871**	1,957,223
Substitutes	858,300	**787,203**	963,221
Total Salaries	15,767,322	**16,277,750**	16,458,958
Employee Benefits	3,828,257	**3,945,030**	3,955,720
Total Salaries and Benefits	19,595,579	**20,222,780**	20,414,678
Services and Supplies			
Services	976,632	**1,025,879**	1,534,476
Student Transportation	1,173,845	**1,166,057**	1,110,544
Professional Development and Travel	556,197	**465,617**	518,321
Rentals and Leases			3,000
Dues and Fees	33,200	**33,681**	44,409
Insurance	88,000	**86,098**	83,121
Supplies	633,976	**635,547**	559,761
Utilities	525,000	**505,416**	522,839
Total Services and Supplies	3,986,850	**3,918,295**	4,376,471
Total Operating Expense	23,582,429	**24,141,075**	24,791,149

School District No. 64 (Gulf Islands)

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	6,554,409	795,030	176,266	130,984	82,954	656,053	**8,395,696**
1.03 Career Programs	107,739	81,618	124,299		17,039	1,477	**332,172**
1.07 Library Services	66,277			38,285		444	**105,006**
1.08 Counselling	155,357	47,762					**203,119**
1.10 Special Education	220,247	143,709	1,112,470	40,387	188,074	87,718	**1,792,605**
1.30 English Language Learning	19,344						**19,344**
1.31 Indigenous Education		94,939	78,054			1,873	**174,866**
1.41 School Administration		1,295,546		439,719		16,473	**1,751,738**
1.62 International and Out of Province Students	200	2,015			86,687		**88,902**
1.64 Other							**-**
Total Function 1	**7,123,573**	**2,460,619**	**1,491,089**	**649,375**	**374,754**	**764,038**	**12,863,448**
4 District Administration							
4.11 Educational Administration					413,090		**413,090**
4.40 School District Governance					133,230		**133,230**
4.41 Business Administration				52,674	347,657	2,799	**403,130**
Total Function 4	**-**	**-**	**-**	**52,674**	**893,977**	**2,799**	**949,450**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				68,869	406,549	7,427	**482,845**
5.50 Maintenance Operations				1,290,087	74,108		**1,364,195**
5.52 Maintenance of Grounds				167,331			**167,331**
5.56 Utilities							**-**
Total Function 5	**-**	**-**	**-**	**1,526,287**	**480,657**	**7,427**	**2,014,371**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				8,329	64,483		**72,812**
7.70 Student Transportation			24,517	340,213		12,939	**377,669**
7.73 Housing							**-**
Total Function 7	**-**	**-**	**24,517**	**348,542**	**64,483**	**12,939**	**450,481**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**7,123,573**	**2,460,619**	**1,515,606**	**2,576,878**	**1,813,871**	**787,203**	**16,277,750**

School District No. 64 (Gulf Islands)

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 14)	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**8,395,696**	2,198,759	**10,594,455**	529,676	**11,124,131**	10,444,034	9,965,597
1.03 Career Programs	**332,172**	77,952	**410,124**	70,310	**480,434**	472,959	514,394
1.07 Library Services	**105,006**	21,529	**126,535**	16,982	**143,517**	85,143	260,238
1.08 Counselling	**203,119**	52,003	**255,122**		**255,122**	234,111	199,108
1.10 Special Education	**1,792,605**	383,784	**2,176,389**	65,864	**2,242,253**	2,382,820	3,018,481
1.30 English Language Learning	**19,344**	4,490	**23,834**		**23,834**	14,743	25,135
1.31 Indigenous Education	**174,866**	35,301	**210,167**	94,009	**304,176**	281,410	379,061
1.41 School Administration	**1,751,738**	415,892	**2,167,630**	151,110	**2,318,740**	2,419,693	2,312,032
1.62 International and Out of Province Students	**88,902**	9,784	**98,686**	3,110	**101,796**	67,194	933,333
1.64 Other	**-**		**-**		**-**		4,622
Total Function 1	**12,863,448**	**3,199,494**	**16,062,942**	**931,061**	**16,994,003**	16,402,107	17,612,001
4 District Administration							
4.11 Educational Administration	**413,090**	95,545	**508,635**	42,764	**551,399**	544,210	561,156
4.40 School District Governance	**133,230**	7,827	**141,057**	101,840	**242,897**	312,731	215,787
4.41 Business Administration	**403,130**	88,601	**491,731**	342,345	**834,076**	775,851	880,039
Total Function 4	**949,450**	**191,973**	**1,141,423**	**486,949**	**1,628,372**	1,632,792	1,656,982
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**482,845**	130,605	**613,450**	157,465	**770,915**	771,135	668,450
5.50 Maintenance Operations	**1,364,195**	290,021	**1,654,216**	392,721	**2,046,937**	2,002,637	2,099,389
5.52 Maintenance of Grounds	**167,331**	38,472	**205,803**	37,799	**243,602**	268,616	270,673
5.56 Utilities	**-**		**-**	505,417	**505,417**	525,000	522,839
Total Function 5	**2,014,371**	**459,098**	**2,473,469**	**1,093,402**	**3,566,871**	3,567,388	3,561,351
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**72,812**	19,123	**91,935**		**91,935**	112,366	105,073
7.70 Student Transportation	**377,669**	75,342	**453,011**	1,406,008	**1,859,019**	1,847,776	1,842,617
7.73 Housing	**-**		**-**	875	**875**	20,000	13,125
Total Function 7	**450,481**	**94,465**	**544,946**	**1,406,883**	**1,951,829**	1,980,142	1,960,815
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	-	-
Total Functions 1 - 9	**16,277,750**	**3,945,030**	**20,222,780**	**3,918,295**	**24,141,075**	23,582,429	24,791,149

School District No. 64 (Gulf Islands)

Schedule of Special Purpose Operations
Year Ended June 30, 2026

	2026 Budget (Note 14)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	4,559,848	**4,521,242**	4,380,808
Other		**56,560**	59,143
Other Revenue	956,600	**1,466,116**	873,609
Investment Income		**27,533**	24,022
Total Revenue	5,516,448	**6,071,451**	5,337,582
Expenses			
Instruction	5,412,799	**5,964,215**	5,233,075
Operations and Maintenance	103,649	**107,236**	104,507
Total Expense	5,516,448	**6,071,451**	5,337,582
Special Purpose Surplus (Deficit) for the year	-	**-**	-
Total Special Purpose Surplus (Deficit) for the year	-	**-**	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		**-**	-

School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			207,690			72,508			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	103,649	77,955		136,000	14,700	73,252	164,268	381,222	2,502,597
Provincial Grants - Other									
Other			804,446						
Investment Income									
	103,649	77,955	804,446	136,000	14,700	73,252	164,268	381,222	2,502,597
Less: Allocated to Revenue	103,649	77,955	664,694	136,000	14,700	78,147	164,268	381,222	2,502,597
Deferred Revenue, end of year	**-**	**-**	**347,442**	**-**	**-**	**67,613**	**-**	**-**	**-**
Revenues									
Provincial Grants - Ministry of Education and Child Care	103,649	77,955		136,000	14,700	78,147	164,268	381,222	2,502,597
Provincial Grants - Other									
Other Revenue			664,694						
Investment Income									
	103,649	77,955	664,694	136,000	14,700	78,147	164,268	381,222	2,502,597
Expenses									
Salaries									
Teachers						7,064			2,012,953
Principals and Vice Principals						26,243			
Educational Assistants		62,992		105,160	7,197		128,303		
Support Staff								70,000	
Other Professionals								132,754	
Substitutes				1,576	2,732			40,152	
	-	62,992	-	106,736	9,929	33,307	128,303	242,906	2,012,953
Employee Benefits		14,963		28,757	1,091	7,205	34,143	63,316	489,644
Services and Supplies	103,649		664,694	507	3,680	37,635	1,822	75,000	
	103,649	77,955	664,694	136,000	14,700	78,147	164,268	381,222	2,502,597
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Seamless Day Kindergarten	Early Care & Learning (ECL)	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	National School Food Program	School Foods Coordinated Procurement
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year			14,962		105,146	13,981	234,504		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	340,347	57,000	55,400	570,429	350,000			53,410	40,000
Provincial Grants - Other									
Other						5,000			
Investment Income									
	340,347	57,000	55,400	570,429	350,000	5,000	-	53,410	40,000
Less: Allocated to Revenue	340,347	57,000	56,318	128,750	277,338	4,243	147,043	51,665	-
Deferred Revenue, end of year	**-**	**-**	**14,044**	**441,679**	**177,808**	**14,738**	**87,461**	**1,745**	**40,000**
Revenues									
Provincial Grants - Ministry of Education and Child Care	340,347	57,000	56,318	128,750	277,338	4,243	147,043	51,665	
Provincial Grants - Other									
Other Revenue									
Investment Income									
	340,347	57,000	56,318	128,750	277,338	4,243	147,043	51,665	-
Expenses									
Salaries									
Teachers	132,587								
Principals and Vice Principals				62,287	85,302		53,633		
Educational Assistants			47,227	35,762	30,284				
Support Staff					20,169				
Other Professionals									
Substitutes	138,017	1,697					55,872		
	270,604	1,697	47,227	98,049	135,755	-	109,505	-	-
Employee Benefits	69,743	392	9,091	25,701	27,654		22,787		
Services and Supplies		54,911		5,000	113,929	4,243	14,751	51,665	
	340,347	57,000	56,318	128,750	277,338	4,243	147,043	51,665	-
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

School District No. 64 (Gulf Islands)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	ACE-IT	CES Apprenticeships	Education Trust	Mayne Teacherage	TOTAL
	$	$	$	$	$
Deferred Revenue, beginning of year	16,336	52,206	1,379,635	20,642	2,117,610
Add: Restricted Grants					
Provincial Grants - Ministry of Education and Child Care					4,920,229
Provincial Grants - Other		56,560			56,560
Other	16,279	28,000	577,535	4,300	1,435,560
Investment Income			27,533		27,533
	16,279	84,560	605,068	4,300	6,439,882
Less: Allocated to Revenue	16,070	62,978	802,880	3,587	6,071,451
Deferred Revenue, end of year	**16,545**	**73,788**	**1,181,823**	**21,355**	**2,486,041**
Revenues					
Provincial Grants - Ministry of Education and Child Care					4,521,242
Provincial Grants - Other		56,560			56,560
Other Revenue	16,070	6,418	775,347	3,587	1,466,116
Investment Income			27,533		27,533
	16,070	62,978	802,880	3,587	6,071,451
Expenses					
Salaries					
Teachers					2,152,604
Principals and Vice Principals					227,465
Educational Assistants					416,925
Support Staff		21,802			111,971
Other Professionals					132,754
Substitutes		708			240,754
	-	22,510	-	-	3,282,473
Employee Benefits		8,817			803,304
Services and Supplies	16,070	31,651	802,880	3,587	1,985,674
	16,070	62,978	802,880	3,587	6,071,451
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-
Interfund Transfers					
	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-

School District No. 64 (Gulf Islands)

Schedule of Capital Operations
Year Ended June 30, 2026

	2026 Budget (Note 14)	2026 Actual Invested in Tangible Capital Assets	2026 Actual Local Capital	2026 Actual Fund Balance	2025 Actual
	$	$	$	$	$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	200,000	**353,908**		**353,908**	187,447
Amortization of Deferred Capital Revenue	1,300,000	**1,342,395**		**1,342,395**	1,259,711
Total Revenue	1,500,000	**1,696,303**	**-**	**1,696,303**	1,447,158
Expenses					
Operations and Maintenance	200,000	**353,908**		**353,908**	187,447
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,500,000	**1,582,012**		**1,582,012**	1,497,095
Transportation and Housing	225,000	**239,157**		**239,157**	201,190
Total Expense	1,925,000	**2,175,077**	**-**	**2,175,077**	1,885,732
Capital Surplus (Deficit) for the year	(425,000)	**(478,774)**	**-**	**(478,774)**	(438,574)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	180,000	**251,394**		**251,394**	347,786
Total Net Transfers	180,000	**251,394**	**-**	**251,394**	347,786
Total Capital Surplus (Deficit) for the year	(245,000)	**(227,380)**	**-**	**(227,380)**	(90,788)
Capital Surplus (Deficit), beginning of year		**6,963,165**		**6,963,165**	7,053,953
Capital Surplus (Deficit), end of year		**6,735,785**	**-**	**6,735,785**	6,963,165

School District No. 64 (Gulf Islands)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	4,107,653	56,362,667	1,866,710	2,353,130	161,993	648,928	**65,501,081**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		774,508	230,000	25,949			**1,030,457**
Operating Fund			18,860	50,927	137,769	43,838	**251,394**
Transferred from Work in Progress		246,292					**246,292**
	-	1,020,800	248,860	76,876	137,769	43,838	**1,528,143**
Decrease:							
Deemed Disposals			22,255			88,690	**110,945**
	-	-	22,255	-	-	88,690	**110,945**
Cost, end of year	4,107,653	57,383,467	2,093,315	2,430,006	299,762	604,076	**66,918,279**
Work in Progress, end of year		729,202	500,000				**1,229,202**
Cost and Work in Progress, end of year	4,107,653	58,112,669	2,593,315	2,430,006	299,762	604,076	**68,147,481**
Accumulated Amortization, beginning of year		33,457,155	703,680	603,824	38,294	261,681	**35,064,634**
Changes for the Year							
Amortization for the Year		1,212,533	198,009	239,157	46,176	125,294	**1,821,169**
		1,212,533	198,009	239,157	46,176	125,294	**1,821,169**
Deemed Disposals			22,255			88,690	**110,945**
Written-off During Year							**-**
District Entered							**-**
		-	22,255	-	-	88,690	**110,945**
Accumulated Amortization, end of year		34,669,688	879,434	842,981	84,470	298,285	**36,774,858**
Tangible Capital Assets - Net	**4,107,653**	**23,442,981**	**1,713,881**	**1,587,025**	**215,292**	**305,791**	**31,372,623**

School District No. 64 (Gulf Islands)

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	486,972				**486,972**
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	410,617				**410,617**
Deferred Capital Revenue - Other	77,905	500,000			**577,905**
	488,522	500,000	-	-	**988,522**
Decrease:					
Transferred to Tangible Capital Assets	246,292				**246,292**
	246,292	-	-	-	**246,292**
Net Changes for the Year	242,230	500,000	-	-	**742,230**
Work in Progress, end of year	**729,202**	**500,000**	**-**	**-**	**1,229,202**

School District No. 64 (Gulf Islands)

Deferred Capital Revenue
Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	$	$	$	$
Deferred Capital Revenue, beginning of year	20,545,323	1,107,963	329,996	**21,983,282**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	1,030,457			**1,030,457**
Transferred from Work in Progress	246,292			**246,292**
	1,276,749	-	-	**1,276,749**
Decrease:				
Amortization of Deferred Capital Revenue	1,248,270	53,506	40,619	**1,342,395**
	1,248,270	53,506	40,619	**1,342,395**
Net Changes for the Year	28,479	(53,506)	(40,619)	**(65,646)**
Deferred Capital Revenue, end of year	20,573,802	1,054,457	289,377	**21,917,636**
Work in Progress, beginning of year	246,292	240,680		**486,972**
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	410,617	77,905	500,000	**988,522**
	410,617	77,905	500,000	**988,522**
Decrease				
Transferred to Deferred Capital Revenue	246,292			**246,292**
	246,292	-	-	**246,292**
Net Changes for the Year	164,325	77,905	500,000	**742,230**
Work in Progress, end of year	410,617	318,585	500,000	**1,229,202**
Total Deferred Capital Revenue, end of year	**20,984,419**	**1,373,042**	**789,377**	**23,146,838**

School District No. 64 (Gulf Islands)

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			804,907			**804,907**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	1,794,982					**1,794,982**
Donated					500,000	**500,000**
	1,794,982	-	-	-	500,000	**2,294,982**
Decrease:						
Transferred to DCR - Capital Additions	1,030,457					**1,030,457**
Transferred to DCR - Work in Progress	410,617		77,905		500,000	**988,522**
Expensed Portion of Bylaw Capital	353,908					**353,908**
	1,794,982	-	77,905	-	500,000	**2,372,887**
Net Changes for the Year	-	-	(77,905)	-	-	**(77,905)**
Balance, end of year	**-**	**-**	**727,002**	**-**	**-**	**727,002**