Audited Financial Statements of

School District No. 8 (Kootenay Lake)

And Independent Auditors' Report thereon

June 30, 2026

September 08, 2026 9:07

School District No. 8 (Kootenay Lake)

June 30, 2026

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School District No. 8 (Kootenay Lake)

MANAGEMENT REPORT

Version: 6318-5572-3590

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) 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. 8 (Kootenay Lake) (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 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. 8 (Kootenay Lake) 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. 8 (Kootenay Lake)

[redacted]	Sept 8/2026
Signature of the Chairperson of the Board of Education	Date Signed
[redacted]	September 8, 2026
Signature of the Superintendent	Date Signed
[redacted]	September 8, 2026
Signature of the Secretary Treasurer	Date Signed

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Kelowna BC V1W 5K9
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INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 8 (Kootenay Lake), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 8 (Kootenay Lake) (the School District), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations for the year then ended
- the statement of remeasurement gains and losses 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 policy information (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 School District 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

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

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2(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 auditors' report thereon, included in unaudited schedules 1-4 attached to the audited financial statements and the financial statement discussion and analysis document.

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, other than the financial statements and the auditors' report thereon, included in the unaudited schedules 1-4 attached to the audited financial statements and the financial statement discussion and analysis document, at the date of this auditors' 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 auditors' 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 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 School District 's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School District or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 School District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the School District 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 Accountants
Kelowna, Canada
September 8, 2026

School District No. 8 (Kootenay Lake)

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	$	$
Financial Assets		
Cash and Cash Equivalents (Note 3)	**23,162,505**	19,358,901
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	**416,367**	925,721
Other (Note 4)	**350,108**	712,444
Portfolio Investments (Note 5)	**483,149**	415,304
Total Financial Assets	**24,412,129**	21,412,370
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	**148,136**	-
Other (Note 6)	**7,587,895**	7,765,813
Unearned Revenue (Note 7)	**903,036**	553,453
Deferred Revenue (Note 8)	**4,121,886**	3,139,139
Deferred Capital Revenue (Note 9)	**55,704,522**	54,026,881
Employee Future Benefits (Note 10)	**1,958,203**	1,885,457
Asset Retirement Obligation	**2,240,535**	2,240,535
Total Liabilities	**72,664,213**	69,611,278
Net Debt	**(48,252,084)**	(48,198,908)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	**77,313,303**	75,949,213
Prepaid Expenses	**343,071**	333,460
Total Non-Financial Assets	**77,656,374**	76,282,673
Accumulated Surplus (Deficit) (Note 19)	**29,404,290**	28,083,765
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	**29,235,023**	27,960,760
Accumulated Remeasurement Gains (Losses)	**169,267**	123,005
	29,404,290	28,083,765

Contractual Obligations (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

[redacted]

Signature of the Chairperson of the Board of Education — September 8, 2026 — Date Signed

[redacted]

Signature of the Superintendent — September 8, 2026 — Date Signed

[redacted]

Signature of the Secretary Treasurer — September 8, 2026 — Date Signed

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

School District No. 8 (Kootenay Lake)

Statement of Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	78,133,867	**79,319,379**	77,092,214
Other	337,488	**378,142**	407,928
Federal Grants			188,365
Tuition	954,982	**1,070,413**	1,052,227
Other Revenue	2,696,597	**2,723,996**	2,812,672
Rentals and Leases	105,000	**179,720**	160,581
Investment Income	279,778	**393,824**	485,776
Gain (Loss) on Disposal of Tangible Capital Assets			9,086
Amortization of Deferred Capital Revenue	3,334,708	**3,343,772**	3,093,404
Total Revenue	85,842,420	**87,409,246**	85,302,253
Expenses (Note 18)			
Instruction	64,845,997	**64,191,043**	63,693,451
District Administration	4,824,116	**4,532,498**	4,792,147
Operations and Maintenance	13,858,091	**14,076,264**	13,414,545
Transportation and Housing	3,456,621	**3,335,178**	3,478,340
Total Expense	86,984,825	**86,134,983**	85,378,483
Surplus (Deficit) for the year	(1,142,405)	**1,274,263**	(76,230)
Accumulated Surplus (Deficit) from Operations, beginning of year		**27,960,760**	28,036,990
Accumulated Surplus (Deficit) from Operations, end of year		**29,235,023**	27,960,760

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

School District No. 8 (Kootenay Lake)

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Accumulated Remeasurement Gains (Losses) at beginning of year	**123,005**	91,871
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	**46,262**	31,134
Net Remeasurement Gains (Losses) for the year	**46,262**	31,134
Accumulated Remeasurement Gains (Losses) at end of year	**169,267**	123,005

School District No. 8 (Kootenay Lake)

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

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Surplus (Deficit) for the year	(1,142,405)	**1,274,263**	(76,230)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(3,933,172)	**(5,688,937)**	(6,988,066)
Amortization of Tangible Capital Assets	4,310,904	**4,324,847**	4,072,455
Total Effect of change in Tangible Capital Assets	377,732	**(1,364,090)**	(2,915,611)
Acquisition of Prepaid Expenses		**(642,321)**	(502,534)
Use of Prepaid Expenses		**632,710**	520,932
Total Effect of change in Other Non-Financial Assets	-	**(9,611)**	18,398
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(764,673)	**(99,438)**	(2,973,443)
Net Remeasurement Gains (Losses)		**46,262**	31,134
(Increase) Decrease in Net Debt		**(53,176)**	(2,942,309)
Net Debt, beginning of year		**(48,198,908)**	(45,256,599)
Net Debt, end of year		**(48,252,084)**	(48,198,908)

School District No. 8 (Kootenay Lake)

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	$	$
Operating Transactions		
Surplus (Deficit) for the year	**1,274,263**	(76,230)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	**871,690**	65,822
Prepaid Expenses	**(9,611)**	18,398
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	**(29,782)**	990,941
Unearned Revenue	**349,583**	10,982
Deferred Revenue	**982,747**	348,956
Employee Future Benefits	**72,746**	106,132
Loss (Gain) on Disposal of Tangible Capital Assets	**-**	(9,086)
Amortization of Tangible Capital Assets	**4,324,847**	4,072,455
Amortization of Deferred Capital Revenue	**(3,343,772)**	(3,093,404)
Total Operating Transactions	**4,492,711**	2,434,966
Capital Transactions		
Tangible Capital Assets Purchased	**(5,688,937)**	(6,988,066)
District Portion of Proceeds on Disposal	**-**	9,086
Total Capital Transactions	**(5,688,937)**	(6,978,980)
Financing Transactions		
Capital Revenue Received	**5,021,413**	5,964,066
Total Financing Transactions	**5,021,413**	5,964,066
Investing Transactions		
Investments in Portfolio Investments	**(21,583)**	(8,174)
Total Investing Transactions	**(21,583)**	(8,174)
Net Increase (Decrease) in Cash and Cash Equivalents	**3,803,604**	1,411,878
Cash and Cash Equivalents, beginning of year	**19,358,901**	17,947,023
Cash and Cash Equivalents, end of year	**23,162,505**	19,358,901
Cash and Cash Equivalents, end of year, is made up of:		
Cash	**23,162,505**	19,358,901
	23,162,505	19,358,901

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

NOTE 1 AUTHORITY AND PURPOSE

The School District No. 8 (Kootenay Lake) (the "**School District**"), established on December 2, 1996, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 8 (Kootenay Lake)", and operates as "School District No. 8 (Kootenay Lake)." 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.8 (Kootenay Lake) 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 certain government transfers as set out in notes 2(f) and 2(l).

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met; and

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified.

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash balances and term deposits 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 equity instruments and mutual funds with no maturity date and bonds with a maturity date of greater than 3 months at the time of acquisition. Bonds not quoted in an active market are measured at cost or amortized cost. Portfolio investments in equity instruments and mutual funds that are quoted in an active market are measured at fair value and the associated transaction costs are expensed upon recognition. The change in fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are disposed. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

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 is recognized in the 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 (l).

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

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished.

g) Employee Future Benefits

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

The most recent valuation of the obligation was performed at March 31, 2025 and projected to March 31, 2028. The next valuation will be performed at March 31, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

h) Asset Retirement Obligation

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

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

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

h) Asset Retirement Obligation *(Continued)*

A liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District was initially recognized using the modified retroactive method. The liability is measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs are capitalized into the carrying amount of tangible capital assets and are amortized on the same basis as the related tangible capital asset (see note 2(i)). The liability is reviewed annually and adjusted prospectively to reflect current market conditions in estimated costs.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of tangible 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. Estimated useful life is as follows:

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

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

j) Prepaid Expenses

Prepaid software licenses, membership fees, insurance and annual utilities costs are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

k) 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 19 – Accumulated Surplus).

l) Revenue Recognition

Revenue is recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenue, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

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

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

Donated tangible capital assets other than sites are recorded, in deferred capital revenue, at fair market value and amortized to revenue 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.

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

1) Revenue Recognition *(Continued)*

Revenue from transactions with performance obligations, such as rental, leases and other revenue, is recognized when the performance obligation is satisfied through the provision of agreed goods or services. Revenue from transactions with no performance obligations is recognized when the School 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.

m) Expenses

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

Categories of Salaries

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

Allocation of Costs

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

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

n) 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, and accounts payable and accrued liabilities.

Except for portfolio investments in equity instruments and mutual funds quoted in an active market that are measured at fair value, all financial assets and liabilities are measured at cost or amortized cost and the associated transactions 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 fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets 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.

o) Measurement Uncertainty

Preparation of financial statements requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites and asset retirement obligations, rates for tangible capital asset and deferred capital revenue amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are funds in the amount of $1,240,857 (2025 - $1,210,739), which are restricted and paid out to teachers who contribute to and take part in the District's self-funded summer saving plan.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER

	2026	2025
Goods and Services Tax recoverable	$ 59,244	$ 322,561
Other	290,864	389,883
Total Accounts Receivable – Other	**$ 350,108**	**$ 712,444**

NOTE 5 PORTFOLIO INVESTMENTS

Financial instruments which are recorded at fair value on the statement of financial position, are classified into one of three hierarchy levels. Each level is based upon the significance of the inputs used to measure the fair value. The hierarchy levels are as follows:

- Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments

	2026	2025
Cash	$ 49,202	$ 32,388
Canadian corporate bonds	35,779	48,580
Canadian equity instruments – Level 1	33,867	31,504
Canadian mutual funds – Level 1	364,301	302,832
Total Portfolio Investments	**$ 483,149**	**$ 415,304**

The fair value of portfolio investments exceeded its cost amount, as at June 30, 2026, by $169,267 (2025 - $123,005), which is presented in the statement of remeasurement gains and losses.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	2026	2025
Trade	$ 1,489,664	$ 2,729,512
Salaries and benefits	4,264,758	3,224,173
Accrued vacation pay	592,616	601,389
Other – summer teachers' savings plan	1,240,857	1,210,739
Total Accounts Payable and Accrued Liabilities - Other	**$ 7,587,895**	**$ 7,765,813**

NOTE 7 UNEARNED REVENUE

	2026	2025
Balance, beginning of year	$ 553,453	$ 542,471
Tuition fees collected	903,036	553,453
Tuition fees recognized in revenue	(553,453)	(542,471)
Total Unearned Revenue	**$ 903,036**	**$ 553,453**

NOTE 8 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
Balance, beginning of year	$ 3,139,139	$ 2,790,183
Provincial grants received	13,979,463	12,552,537
Other revenue received	2,739,793	2,215,989
Investment income	46,472	56,107
Revenue recognized	(15,782,981)	(14,418,416)
Revenue recovered	-	(57,261)
Total Deferred Revenue	**$ 4,121,886**	**$ 3,139,139**

NOTE 9 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	$ 53,262,265	$ 50,357,998
Transfers from deferred capital revenue – unspent portion	5,163,953	5,997,671
Amortization of deferred capital revenue	(3,343,772)	(3,093,404)
Balance, end of year	**$ 55,082,446**	**$ 53,262,265**
Deferred capital revenue – unspent portion		
Balance, beginning of year	$ 764,616	$ 798,221
Provincial grants – Ministry of Education and Child Care	5,001,659	5,910,473
Provincial grants - Other	19,754	26,334
MECC Restricted Portion of Proceeds on Disposal	-	27,259
Transfer to deferred capital revenue	(5,163,953)	(5,997,671)
Balance, end of year	**$ 622,076**	**$ 764,616**
Total Deferred Capital Revenue	**$ 55,704,522**	**$ 54,026,881**

NOTE 10 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 Benefit Obligation – April 1	$ 1,404,004	$ 1,390,832
Service Cost	104,583	125,237
Interest Cost	55,639	61,105
Benefit Payments	(48,887)	(43,014)
Actuarial (Gain) Loss	(228,192)	(130,156)
Accrued Benefit Obligation	$ 1,287,147	$ 1,404,004

NOTE 10 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2026	2025
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Liability – March 31	$ 1,287,147	$ 1,404,004
Benefits expense after measurement date	40,121	40,056
Unamortized net actuarial (gain) loss	630,935	441,397
Accrued Benefit Liability – June 30	**$ 1,958,203**	**$ 1,885,457**
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	$ 1,885,457	$ 1,779,325
Net expense for fiscal year	121,633	149,146
Employer contributions	(48,887)	(43,014)
Accrued Benefit Liability – June 30	$ 1,958,203	$ 1,885,457
Components of Net Benefit Expense		
Service cost	$ 103,592	$ 120,073
Interest cost	56,695	59,739
Amortization of net actuarial (gain) loss	(38,654)	(30,666)
Net benefit expense	$ 121,633	$ 149,146

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	11.0	11.0

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value:	2026	2025
Sites	$ 8,958,823	$ 8,958,823
Buildings	60,745,262	60,902,100
Vehicles	5,652,711	4,370,725
Furniture and Equipment	1,260,747	1,189,758
Computer Hardware	695,760	527,807
Total	**$ 77,313,303**	**$ 75,949,213**

NOTE 11 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2026

	Opening Cost	Additions	Disposals	Closing Cost
Sites	$ 8,958,823	$ -	$ -	**$ 8,958,823**
Buildings	154,070,917	2,987,362	-	**157,058,279**
Vehicles	6,650,348	2,035,060	(274,276)	**8,411,132**
Furniture and equipment	1,965,979	278,533	(59,618)	**2,184,894**
Computer hardware	1,166,537	387,982	(520,752)	**1,033,767**
Total	$ 172,812,604	$ 5,688,937	$ (854,646)	**$ 177,646,895**

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	$ -	$ -	$ -	**$ -**
Buildings	93,168,817	3,144,200	-	**96,313,017**
Vehicles	2,279,623	753,074	(274,276)	**2,758,421**
Furniture and equipment	776,221	207,544	(59,618)	**924,147**
Computer hardware	638,730	220,029	(520,752)	**338,007**
Total	$ 96,863,391	$ 4,324,847	$ (854,646)	**$ 100,333,592**

June 30, 2025

	Opening Cost	Additions	Disposals	Closing Cost
Sites	$ 8,958,823	$ -	$ -	**$ 8,958,823**
Buildings	150,140,120	3,930,797	-	**154,070,917**
Vehicles	4,741,922	2,528,009	(619,583)	**6,650,348**
Furniture and equipment	1,764,824	225,278	(24,123)	**1,965,979**
Computer hardware	1,252,503	303,982	(389,948)	**1,166,537**
Total	$ 166,858,192	$ 6,988,066	$ (1,033,654)	**$ 172,812,604**

	Opening Accumulated Amortization	Additions	Disposals	Closing Accumulated Amortization
Sites	$ -	$ -	$ -	**$ -**
Buildings	90,094,419	3,074,398	-	**93,168,817**
Vehicles	2,329,592	569,614	(619,583)	**2,279,623**
Furniture and equipment	613,804	186,540	(24,123)	**776,221**
Computer hardware	786,775	241,903	(389,948)	**638,730**
Total	$ 93,824,590	$ 4,072,455	$ (1,033,654)	**$ 96,863,391**

NOTE 12 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the 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, 2025, 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 $5.683 million for employer contributions to the plans for the year ended June 30, 2026 (2025: $5.633 million).

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

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

NOTE 13 INTERFUND TRANSFERS

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

- Tangible capital assets purchased from operating funds - $493,542 (2025 - $769,047)
- Tangible capital assets purchased from special purpose funds - $31,442 (2025 - $68,482)

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 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
Vehicle Leases	$ 17,054	$ 5,682

NOTE 16 CONTINGENT LIABILITIES

The School District is involved in certain legal actions. Some of these legal actions are managed and covered by the British Columbia Schools Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management's opinion that the settlement of such claims would not have a material effect on the financial position of the Schools District. The resulting loss on the School District, if any, will be recorded in the period in which it is determinable.

NOTE 17 BUDGET FIGURES

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 10, 2026, whereas the original budget was approved by the Board on May 13, 2025. Significant changes between the original and amended budget are as follows:

	Annual Budget	Change	Amended Annual Budget
Revenue			
Provincial Grants			
Ministry of Education and Child Care	$ 76,419,346	$ 1,714,521	$ 78,133,867
Other	380,850	(43,362)	337,488
Federal Grants	238,641	(238,641)	-
Tuition	628,450	326,532	954,982
Other Revenue	2,266,797	429,800	2,696,597
Rentals and Leases	105,000	-	105,000
Investment Income	458,000	(178,222)	279,778
Amortization of Deferred Capital Revenue	3,212,034	122,674	3,334,708
Total Revenue	83,709,118	2,133,302	85,842,420

	Annual Budget	Change	Amended Annual Budget
Expenses			
Instruction	62,132,231	2,713,766	64,845,997
District Administration	5,076,174	(252,058)	4,824,116
Operations and Maintenance	13,714,384	143,707	13,858,091
Transportation and Housing	3,614,040	(157,419)	3,456,621
Total Expenses	84,536,829	2,447,996	86,984,825
Budgeted Surplus (Deficit) for the year	(827,711)	(314,694)	(1,142,405)

NOTE 18 EXPENSE BY OBJECT

The following are total expenses from operating, special and capital funds:

	2026	2025
Salaries and benefits	$ 70,077,146	$ 69,301,967
Services and supplies	11,732,990	12,004,061
Amortization of tangible capital assets	4,324,847	4,072,455
Total Expenses by Object	**$ 86,134,983**	**$ 85,378,483**

NOTE 19 ACCUMULATED SURPLUS

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

	2026	2025
Operating Fund Accumulated Surplus		
Internally Restricted/Appropriated by the Board:		
Due to Nature of Constraints on the Fund	$ 409,355	$ 342,791
For Unanticipated Unusual Expenses	1,273,159	403,261
For Operations Spanning Multiple School Years	4,405,538	3,652,225
Total Internally Restricted Operating Surplus	**6,088,052**	**4,398,277**
Unrestricted Operating Surplus	3,143,944	3,106,985
Total Operating Fund Accumulated Surplus	**9,231,996**	**7,505,262**
Capital Fund Surplus		
Invested in tangible capital assets	19,990,321	20,446,412
Local capital	12,706	9,086
Total Capital Fund Accumulated Surplus	**20,003,027**	**20,455,498**
Total Accumulated Surplus from Operations	**29,235,023**	**27,960,760**
Accumulated Remeasurement Gains	**169,267**	**123,005**
Accumulated Surplus	**$ 29,404,290**	**$ 28,083,765**

NOTE 20 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 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, accounts receivable and portfolio investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most accounts 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 portfolio investments as they are placed in recognized British Columbia institutions and the School District invests solely in term deposits and mutual funds.

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 portfolio investments (note 5). It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years, and mutual funds.

NOTE 21 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 risks.

School District No. 8 (Kootenay Lake)

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	7,505,262		20,455,498	**27,960,760**	28,036,990
Changes for the year					
Surplus (Deficit) for the year	2,220,276	31,442	(977,455)	**1,274,263**	(76,230)
Interfund Transfers					
Tangible Capital Assets Purchased	(493,542)	(31,442)	524,984	-	
Net Changes for the year	**1,726,734**	**-**	**(452,471)**	**1,274,263**	**(76,230)**
Accumulated Surplus (Deficit), end of year - Statement 2	**9,231,996**	**-**	**20,003,027**	**29,235,023**	27,960,760
Accumulated Remeasurement Gains (Losses) - Statement 3		169,267		**169,267**	123,005
	9,231,996	**169,267**	**20,003,027**	**29,404,290**	28,083,765

School District No. 8 (Kootenay Lake)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	**2026 Actual**	2025 Actual
	$	**$**	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	63,875,377	**65,688,531**	64,955,316
Other	283,603	**294,434**	321,456
Federal Grants			188,365
Tuition	954,982	**1,070,413**	1,052,227
Other Revenue	641,597	**702,043**	673,733
Rentals and Leases	105,000	**179,720**	160,581
Investment Income	261,778	**343,732**	424,471
Total Revenue	66,122,337	**68,278,873**	67,776,149
Expenses			
Instruction	48,774,113	**48,718,555**	49,581,438
District Administration	4,824,116	**4,532,498**	4,792,147
Operations and Maintenance	9,417,547	**9,503,217**	9,130,932
Transportation and Housing	3,425,770	**3,304,327**	3,451,577
Total Expense	66,441,546	**66,058,597**	66,956,094
Operating Surplus (Deficit) for the year	(319,209)	**2,220,276**	820,055
Budgeted Appropriation (Retirement) of Surplus (Deficit)	774,209		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(455,000)	**(493,542)**	(769,047)
Total Net Transfers	(455,000)	**(493,542)**	(769,047)
Total Operating Surplus (Deficit), for the year	-	**1,726,734**	51,008
Operating Surplus (Deficit), beginning of year		**7,505,262**	7,454,254
Operating Surplus (Deficit), end of year		**9,231,996**	7,505,262
Operating Surplus (Deficit), end of year			
Internally Restricted		**6,088,052**	4,398,277
Unrestricted		**3,143,944**	3,106,985
Total Operating Surplus (Deficit), end of year		**9,231,996**	7,505,262

School District No. 8 (Kootenay Lake)

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

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	63,186,669	**63,745,539**	63,738,292
ISC/LEA Recovery	(135,431)	**(247,974)**	(231,963)
Other Ministry of Education and Child Care Grants			
Pay Equity	300,996	**300,996**	300,996
Funding for Graduated Adults	1,422	**29,482**	18,137
Student Transportation Fund	419,602	**419,602**	419,602
Foundation Skills Assessment (FSA) Scorer Grant	8,187	**8,187**	8,187
Child Care Funding	-	**5,321**	16,495
Labour Settlement Funding	-	**1,332,543**	577,387
NGN Self-Provisioned Site Grants	93,932	**94,835**	93,932
Literacy Support	-	-	14,251
Total Provincial Grants - Ministry of Education and Child Care	63,875,377	**65,688,531**	64,955,316
Provincial Grants - Other	283,603	**294,434**	321,456
Federal Grants	-	-	188,365
Tuition			
International and Out of Province Students	903,982	**939,663**	985,977
Distance Education/Correspondence Course Fees	51,000	**130,750**	66,250
Total Tuition	954,982	**1,070,413**	1,052,227
Other Revenues			
Other School District/Education Authorities	426,018	**384,294**	363,326
Funding from First Nations	135,431	**247,974**	231,963
Miscellaneous			
Private School Bussing	51,348	**18,369**	40,992
Cultural Grants		-	-
Miscellaneous	14,800	**32,219**	26,169
After School Program Fees	14,000	**19,187**	11,283
Total Other Revenue	641,597	**702,043**	673,733
Rentals and Leases	105,000	**179,720**	160,581
Investment Income	261,778	**343,732**	424,471
Total Operating Revenue	66,122,337	**68,278,873**	67,776,149

School District No. 8 (Kootenay Lake)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Salaries			
Teachers	22,909,014	**23,439,403**	24,193,704
Principals and Vice Principals	4,490,707	**4,534,620**	4,430,008
Educational Assistants	3,960,775	**3,904,177**	3,677,422
Support Staff	8,090,643	**8,102,058**	7,801,537
Other Professionals	2,542,039	**2,611,999**	2,670,464
Substitutes	3,457,716	**2,981,190**	3,421,071
Total Salaries	45,450,894	**45,573,447**	46,194,206
Employee Benefits	11,731,154	**12,229,274**	12,329,423
Total Salaries and Benefits	57,182,048	**57,802,721**	58,523,629
Services and Supplies			
Services	2,282,180	**2,098,631**	2,377,515
Student Transportation	331,660	**321,940**	341,740
Professional Development and Travel	730,634	**641,148**	595,774
Rentals and Leases	122,644	**120,877**	121,685
Dues and Fees	117,588	**108,938**	105,032
Insurance	212,800	**206,935**	189,593
Supplies	3,751,476	**3,039,739**	2,913,483
Utilities	1,710,516	**1,717,668**	1,787,643
Total Services and Supplies	9,259,498	**8,255,876**	8,432,465
Total Operating Expense	66,441,546	**66,058,597**	66,956,094

School District No. 8 (Kootenay Lake)

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	20,578,926					2,256,713	**22,835,639**
1.03 Career Programs							**-**
1.07 Library Services	39,348			101,030		203	**140,581**
1.08 Counselling	295,905						**295,905**
1.10 Special Education	1,679,277		3,751,469	48,695		192,744	**5,672,185**
1.30 English Language Learning	4,270						**4,270**
1.31 Indigenous Education	841,677		152,708		20,997	5,944	**1,021,326**
1.41 School Administration		4,028,317		1,393,653	250,186	92,149	**5,764,305**
1.62 International and Out of Province Students		65,061		93,367			**158,428**
Total Function 1	**23,439,403**	**4,093,378**	**3,904,177**	**1,636,745**	**271,183**	**2,547,753**	**35,892,639**
4 District Administration							
4.11 Educational Administration		283,770			786,648		**1,070,418**
4.40 School District Governance					200,083		**200,083**
4.41 Business Administration		157,472		322,964	863,701	225	**1,344,362**
Total Function 4	**-**	**441,242**	**-**	**322,964**	**1,850,432**	**225**	**2,614,863**
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				30,914	371,666	3,157	**405,737**
5.50 Maintenance Operations				4,025,002		291,821	**4,316,823**
5.52 Maintenance of Grounds				128,676		266	**128,942**
5.56 Utilities							**-**
Total Function 5	**-**	**-**	**-**	**4,184,592**	**371,666**	**295,244**	**4,851,502**
7 Transportation and Housing							
7.41 Transportation and Housing Administration				60,893	118,718		**179,611**
7.70 Student Transportation				1,896,864		137,968	**2,034,832**
Total Function 7	**-**	**-**	**-**	**1,957,757**	**118,718**	**137,968**	**2,214,443**
9 Debt Services							
Total Function 9	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Functions 1 - 9	**23,439,403**	**4,534,620**	**3,904,177**	**8,102,058**	**2,611,999**	**2,981,190**	**45,573,447**

School District No. 8 (Kootenay Lake)

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 17)	2025 Actual
	$	$	$	$	$	$	$
1 Instruction							
1.02 Regular Instruction	**22,835,639**	5,955,620	**28,791,259**	1,862,384	**30,653,643**	30,090,048	30,774,833
1.03 Career Programs	**-**	-	**-**	2,478	**2,478**	-	1,173
1.07 Library Services	**140,581**	29,361	**169,942**	41,535	**211,477**	196,650	234,767
1.08 Counselling	**295,905**	125,089	**420,994**	199	**421,193**	483,911	437,790
1.10 Special Education	**5,672,185**	1,838,388	**7,510,573**	294,354	**7,804,927**	8,011,875	8,166,800
1.30 English Language Learning	**4,270**	754	**5,024**	-	**5,024**	6,603	
1.31 Indigenous Education	**1,021,326**	281,921	**1,303,247**	162,552	**1,465,799**	1,721,219	1,440,005
1.41 School Administration	**5,764,305**	1,449,807	**7,214,112**	158,915	**7,373,027**	7,527,157	7,655,916
1.62 International and Out of Province Students	**158,428**	38,754	**197,182**	583,805	**780,987**	736,650	870,154
Total Function 1	**35,892,639**	**9,719,694**	**45,612,333**	**3,106,222**	**48,718,555**	48,774,113	49,581,438
4 District Administration							
4.11 Educational Administration	**1,070,418**	223,800	**1,294,218**	297,519	**1,591,737**	1,581,691	1,567,969
4.40 School District Governance	**200,083**	10,606	**210,689**	137,198	**347,887**	451,664	410,499
4.41 Business Administration	**1,344,362**	332,865	**1,677,227**	915,647	**2,592,874**	2,790,761	2,813,679
Total Function 4	**2,614,863**	**567,271**	**3,182,134**	**1,350,364**	**4,532,498**	4,824,116	4,792,147
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	**405,737**	95,925	**501,662**	364,199	**865,861**	878,460	821,038
5.50 Maintenance Operations	**4,316,823**	1,190,394	**5,507,217**	854,428	**6,361,645**	6,332,646	5,939,060
5.52 Maintenance of Grounds	**128,942**	50,723	**179,665**	113,225	**292,890**	395,925	309,313
5.56 Utilities	**-**	-	**-**	1,982,821	**1,982,821**	1,810,516	2,061,521
Total Function 5	**4,851,502**	**1,337,042**	**6,188,544**	**3,314,673**	**9,503,217**	9,417,547	9,130,932
7 Transportation and Housing							
7.41 Transportation and Housing Administration	**179,611**	50,392	**230,003**	21,516	**251,519**	235,407	236,255
7.70 Student Transportation	**2,034,832**	554,875	**2,589,707**	463,101	**3,052,808**	3,190,363	3,215,322
Total Function 7	**2,214,443**	**605,267**	**2,819,710**	**484,617**	**3,304,327**	3,425,770	3,451,577
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	45,573,447	12,229,274	57,802,721	8,255,876	66,058,597	66,441,546	66,956,094

School District No. 8 (Kootenay Lake)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual	2025 Actual
	$	$	$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	14,258,490	**13,630,848**	12,136,898
Other	53,885	**83,708**	86,472
Other Revenue	2,055,000	**2,021,953**	2,138,939
Investment Income	15,000	**46,472**	56,107
Total Revenue	16,382,375	**15,782,981**	14,418,416
Expenses			
Instruction	16,071,884	**15,472,488**	14,112,013
Operations and Maintenance	129,640	**248,200**	211,158
Transportation and Housing	30,851	**30,851**	26,763
Total Expense	16,232,375	**15,751,539**	14,349,934
Special Purpose Surplus (Deficit) for the year	150,000	**31,442**	68,482
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(150,000)	**(31,442)**	(68,482)
Total Net Transfers	(150,000)	**(31,442)**	(68,482)
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. 8 (Kootenay Lake)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	-	-	667,135	1,513,328	40,113	13,956	7,577	271,512	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,640	218,308			170,000	44,100	149,758	759,048	247,692
Provincial Grants - Other									
Other			634,973	2,104,820					
Investment Income			18,011	28,461					
	279,640	218,308	652,984	2,133,281	170,000	44,100	149,758	759,048	247,692
Less: Allocated to Revenue	279,640	218,308	57,660	2,010,765	186,187	40,315	147,129	430,119	247,692
Deferred Revenue, end of year	-	-	1,262,459	1,635,844	23,926	17,741	10,206	600,441	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	279,640	218,308			186,187	40,315	147,129	430,119	247,692
Provincial Grants - Other									
Other Revenue			39,649	1,982,304					
Investment Income			18,011	28,461					
	279,640	218,308	57,660	2,010,765	186,187	40,315	147,129	430,119	247,692
Expenses									
Salaries									
Teachers							24,983	52,204	
Principals and Vice Principals									
Educational Assistants		167,324					56,629	222,078	
Support Staff									150,862
Other Professionals									29,942
Substitutes						13,707			
	-	167,324	-	-	-	13,707	81,612	274,282	180,804
Employee Benefits		50,984					13,268	77,823	51,438
Services and Supplies	248,198		57,660	2,010,765	186,187	26,608	52,249	78,014	15,450
	248,198	218,308	57,660	2,010,765	186,187	40,315	147,129	430,119	247,692
Net Revenue (Expense) before Interfund Transfers	31,442	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(31,442)								
	(31,442)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Seamless Day Kindergarten	Student & Family Affordability (SFAF)	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund
	$	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	-	-	100	-	-	36,681	9,919	-	152,009
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,501,728	80,946	30,751	55,000	55,400		-	525,509	597,706
Provincial Grants - Other									
Other									
Investment Income									
	10,501,728	80,946	30,751	55,000	55,400	-	-	525,509	597,706
Less: Allocated to Revenue	10,501,728	80,946	30,851	55,000	55,400	3,197	5,367	175,000	695,974
Deferred Revenue, end of year	-	-	-	-	-	**33,484**	**4,552**	**350,509**	**53,741**
Revenues									
Provincial Grants - Ministry of Education and Child Care	10,501,728	80,946	30,851	55,000	55,400	3,197	5,367	175,000	695,974
Provincial Grants - Other									
Other Revenue									
Investment Income									
	10,501,728	80,946	30,851	55,000	55,400	3,197	5,367	175,000	695,974
Expenses									
Salaries									
Teachers	8,330,232	68,420		43,650					
Principals and Vice Principals									
Educational Assistants					42,457				80,578
Support Staff									
Other Professionals								143,467	87,377
Substitutes									
	8,330,232	68,420	-	43,650	42,457	-	-	143,467	167,955
Employee Benefits	2,171,496	12,526		11,350	12,652			31,533	49,743
Services and Supplies			30,851	-	291	3,197	5,367		478,276
	10,501,728	80,946	30,851	55,000	55,400	3,197	5,367	175,000	695,974
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Health Career Grants	Professional Learning Grant	National School Food Program	Work Experience Enhancement	After School Sports and Arts Grant	Health Promoting Schools	Donations	TOTAL
	$	$	$	$	$	$	$	$
Deferred Revenue, beginning of year	1,300	238,867	122,231	35,296	3,885	-	25,230	3,139,139
Add: Restricted Grants								
Provincial Grants - Ministry of Education and Child Care			183,350					13,898,936
Provincial Grants - Other					50,000	30,527		80,527
Other								2,739,793
Investment Income								46,472
	-	-	183,350	-	50,000	30,527	-	16,765,728
Less: Allocated to Revenue	-	238,867	221,120	18,008	53,181	30,527	-	15,782,981
Deferred Revenue, end of year	1,300	-	84,461	17,288	704	-	25,230	4,121,886
Revenues								
Provincial Grants - Ministry of Education and Child Care		238,867	221,120	18,008				13,630,848
Provincial Grants - Other					53,181	30,527		83,708
Other Revenue								2,021,953
Investment Income								46,472
	-	238,867	221,120	18,008	53,181	30,527	-	15,782,981
Expenses								
Salaries								
Teachers		120,750				24,142		8,664,381
Principals and Vice Principals				14,550				14,550
Educational Assistants								569,066
Support Staff								150,862
Other Professionals								260,786
Substitutes		64,225						77,932
	-	184,975	-	14,550	-	24,142	-	9,737,577
Employee Benefits		44,283		3,367		6,385		2,536,848
Services and Supplies		9,609	221,120	91	53,181			3,477,114
	-	238,867	221,120	18,008	53,181	30,527	-	15,751,539
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	31,442
Interfund Transfers								
Tangible Capital Assets Purchased								(31,442)
	-	-	-	-	-	-	-	(31,442)
Net Revenue (Expense)	-	-	-	-	-	-	-	-

School District No. 8 (Kootenay Lake)

Schedule of Capital Operations
Year Ended June 30, 2026

	2026 Budget (Note 17)	2026 Actual Invested in Tangible Capital Assets	2026 Actual Local Capital	2026 Actual Fund Balance	2025 Actual
	$	$	$	$	$
Revenues					
Investment Income	3,000		3,620	3,620	5,198
Gain (Loss) on Disposal of Tangible Capital Assets	-	-		-	9,086
Amortization of Deferred Capital Revenue	3,334,708	3,343,772		3,343,772	3,093,404
Total Revenue	3,337,708	3,343,772	3,620	3,347,392	3,107,688
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,310,904	4,324,847		4,324,847	4,072,455
Total Expense	4,310,904	4,324,847	-	4,324,847	4,072,455
Capital Surplus (Deficit) for the year	(973,196)	(981,075)	3,620	(977,455)	(964,767)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	605,000	524,984		524,984	837,529
Total Net Transfers	605,000	524,984	-	524,984	837,529
Total Capital Surplus (Deficit) for the year	(368,196)	(456,091)	3,620	(452,471)	(127,238)
Capital Surplus (Deficit), beginning of year		20,446,412	9,086	20,455,498	20,582,736
Capital Surplus (Deficit), end of year		19,990,321	12,706	20,003,027	20,455,498

School District No. 8 (Kootenay Lake)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	$	$	$	$	$	$	$
Cost, beginning of year	8,958,823	154,070,917	1,965,979	6,650,348	-	1,166,537	**172,812,604**
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	2,793,626	237,500	1,970,533	-	-	**5,001,659**
Deferred Capital Revenue - Other	-	162,294	-	-	-	-	**162,294**
Operating Fund	-	-	41,033	64,527	-	387,982	**493,542**
Special Purpose Funds	-	31,442	-	-	-	-	**31,442**
	-	2,987,362	278,533	2,035,060	-	387,982	**5,688,937**
Decrease:							
Deemed Disposals			59,618	274,276	-	520,752	**854,646**
	-	-	59,618	274,276	-	520,752	**854,646**
Cost, end of year	8,958,823	157,058,279	2,184,894	8,411,132	-	1,033,767	**177,646,895**
Work in Progress, end of year							**-**
Cost and Work in Progress, end of year	8,958,823	157,058,279	2,184,894	8,411,132	-	1,033,767	**177,646,895**
Accumulated Amortization, beginning of year		93,168,817	776,221	2,279,623	-	638,730	**96,863,391**
Changes for the Year							
Amortization for the Year		3,144,200	207,544	753,074	-	220,029	**4,324,847**
		3,144,200	207,544	753,074	-	220,029	**4,324,847**
Deemed Disposals			59,618	274,276	-	520,752	**854,646**
Written-off During Year							**-**
District Entered							**-**
		-	59,618	274,276	-	520,752	**854,646**
Accumulated Amortization, end of year		96,313,017	924,147	2,758,421	-	338,007	**100,333,592**
Tangible Capital Assets - Net	**8,958,823**	**60,745,262**	**1,260,747**	**5,652,711**	**-**	**695,760**	**77,313,303**

School District No. 8 (Kootenay Lake)

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	51,261,062	1,781,629	219,574	**53,262,265**
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,001,659	162,294	-	**5,163,953**
	5,001,659	162,294	-	**5,163,953**
Decrease:				
Amortization of Deferred Capital Revenue	3,233,132	101,296	9,344	**3,343,772**
	3,233,132	101,296	9,344	**3,343,772**
Net Changes for the Year	1,768,527	60,998	(9,344)	**1,820,181**
Deferred Capital Revenue, end of year	53,029,589	1,842,627	210,230	**55,082,446**
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	**53,029,589**	**1,842,627**	**210,230**	**55,082,446**

School District No. 8 (Kootenay Lake)

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	-	764,616	-	-	-	**764,616**
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	5,001,659		-			**5,001,659**
Investment Income	-	19,754	-	-	-	**19,754**
	5,001,659	19,754	-	-	-	**5,021,413**
Decrease:						
Transferred to DCR - Capital Additions	5,001,659	162,294	-		-	**5,163,953**
	5,001,659	162,294	-	-	-	**5,163,953**
Net Changes for the Year	-	(142,540)	-	-	-	**(142,540)**
Balance, end of year	-	622,076	-	-	-	**622,076**