

Audited Financial Statements of

School District No. 43 (Coquitlam)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 43 (Coquitlam)

June 30, 2026

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School District No. 43 (Coquitlam)

MANAGEMENT REPORT

Version: 4733-3988-2005

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 43 (Coquitlam) 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. 43 (Coquitlam) (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. 43 (Coquitlam) 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. 43 (Coquitlam)

Michael Thomas	2026-09-22
Signature of the Chairperson of the Board of Education	Date Signed
Nadine Tambellini	2026-09-22
Signature of the Superintendent	Date Signed
Nita Miki	2026-09-22
Signature of the Secretary Treasurer	Date Signed



KPMG LLP
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 604 691 3000
Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 43 (Coquitlam),
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 43 (Coquitlam) (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 to the financial statements which describes the applicable financial reporting framework and the significant differences between that 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:

- Unaudited Schedules 1-4 attached to the audited financial statements; and
- Information, other than the financial statements and the auditor's report thereon, included in 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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedule 1 to 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 and fair presentation of the financial statements in accordance with 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 Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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



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

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

September 23, 2026

School District No. 43 (Coquitlam)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	167,593,588	169,266,635
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	13,598,122	12,264,690
Other (Note 3)	10,400,081	11,746,872
Portfolio Investments (Note 4)	71,500,000	70,000,000
Total Financial Assets	263,091,791	263,278,197
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 5)	59,440,179	62,089,450
Unearned Revenue (Note 6)	17,829,610	18,828,409
Deferred Revenue (Note 7)	11,267,524	9,287,233
Deferred Capital Revenue (Note 8)	656,241,063	605,222,825
Employee Future Benefits (Note 9)	45,956,771	46,197,976
Asset Retirement Obligation (Note 24)	9,877,860	9,967,934
Capital Lease Obligations (Note 11)	131,065	166,729
Other Liabilities (Note 5)	9,338,190	8,965,784
Total Liabilities	810,082,262	760,726,340
Net Debt	(546,990,471)	(497,448,143)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	851,952,220	777,020,270
Prepaid Expenses	314,661	562,422
Other Assets (Note 15)	7,500,000	-
Total Non-Financial Assets	859,766,881	777,582,692
Accumulated Surplus (Deficit)	312,776,410	280,134,549
Contractual Obligations (Note 16)		
Contractual Rights (Note 17)		
Contingent Liabilities (Note 18)		
Approved by the Board		
Michael Thomas	2026-09-22	
Signature of the Chairperson of the Board of Education	Date Signed	
Nadine Tambellini	2026-09-22	
Signature of the Superintendent	Date Signed	
Nita Mikl	2026-09-22	
Signature of the Secretary Treasurer	Date Signed	

School District No. 43 (Coquitlam)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	444,063,006	456,199,917	444,821,183
Other		701,297	30,858
Federal Grants	3,555,178	3,996,477	4,186,678
Tuition	23,595,876	23,728,700	24,600,151
Other Revenue	15,457,590	17,630,728	17,590,160
Rentals and Leases	3,068,022	3,542,658	3,204,097
Investment Income	5,216,000	5,045,065	8,422,434
Amortization of Deferred Capital Revenue	20,000,000	19,794,657	17,791,887
Contributed Land (Note 12)		23,290,374	
Total Revenue	<u>514,955,672</u>	<u>553,929,873</u>	<u>520,647,448</u>
Expenses			
Instruction	425,379,828	429,943,188	416,554,312
District Administration	20,121,313	18,941,156	18,247,142
Operations and Maintenance	74,466,438	71,436,846	69,583,762
Transportation and Housing	858,556	954,019	671,670
Debt Services	12,800	12,803	15,700
Total Expense	<u>520,838,935</u>	<u>521,288,012</u>	<u>505,072,586</u>
Surplus (Deficit) for the year	<u>(5,883,263)</u>	<u>32,641,861</u>	<u>15,574,862</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		280,134,549	264,559,687
Accumulated Surplus (Deficit) from Operations, end of year		<u>312,776,410</u>	<u>280,134,549</u>

School District No. 43 (Coquitlam)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(5,883,263)	32,641,861	15,574,862
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(68,992,000)	(101,813,986)	(91,316,638)
Amortization of Tangible Capital Assets	27,000,000	26,882,036	25,848,783
Total Effect of change in Tangible Capital Assets	(41,992,000)	(74,931,950)	(65,467,855)
Acquisition of Prepaid Expenses	-	(314,661)	(562,422)
Use of Prepaid Expenses	-	562,422	590,154
Acquisition of Other Assets (Note 15)		(7,500,000)	-
Total Effect of change in Other Non-Financial Assets	-	(7,252,239)	27,732
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(47,875,263)	(49,542,328)	(49,865,261)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(49,542,328)	(49,865,261)
Net Debt, beginning of year		(497,448,143)	(447,582,882)
Net Debt, end of year		(546,990,471)	(497,448,143)

School District No. 43 (Coquitlam)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	32,641,861	15,574,862
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	13,359	2,761,080
Prepaid Expenses	(7,252,239)	27,732
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(2,649,271)	6,114,889
Unearned Revenue	(998,799)	(3,029,197)
Deferred Revenue	1,980,291	(2,323,495)
Employee Future Benefits	(241,205)	(1,370,909)
Asset Retirement Obligations	(90,074)	(155,941)
Other Liabilities	372,407	841,105
Amortization of Tangible Capital Assets	26,882,036	25,848,783
Amortization of Deferred Capital Revenue	(19,794,657)	(17,791,887)
Recognition of Deferred Revenue - Other	(792,159)	(316,423)
Contributed Land	(23,290,374)	-
Total Operating Transactions	6,781,176	26,180,599
Capital Transactions		
Tangible Capital Assets Purchased	(11,027,071)	(12,016,825)
Tangible Capital Assets -WIP Purchased	(67,690,263)	(79,299,813)
Total Capital Transactions	(78,717,334)	(91,316,638)
Financing Transactions		
Capital Revenue Received	71,798,775	80,357,142
Capital Lease Additions (Repayments)	(35,664)	(32,767)
Total Financing Transactions	71,763,111	80,324,375
Investing Transactions		
Investments in Portfolio Investments	(1,500,000)	15,000,000
Total Investing Transactions	(1,500,000)	15,000,000
Net Increase (Decrease) in Cash and Cash Equivalents	(1,673,047)	30,188,336
Cash and Cash Equivalents, beginning of year	169,266,635	139,078,299
Cash and Cash Equivalents, end of year	167,593,588	169,266,635
Cash and Cash Equivalents, end of year, is made up of:		
Cash	167,593,588	169,266,635
	167,593,588	169,266,635

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1946, operates under the authority of the *School Act of British Columbia* as a corporation under the name of "The Board of Education of School District No. 43 (Coquitlam)", and operates as "School District No. 43 (Coquitlam)". A board of education ("Board") which is 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. 43 (Coquitlam) 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* 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
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

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

d) Accounts Receivable

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

e) Portfolio Investments

The School District has investments in GIC's and Principal Protected Market-Linked Notes that have a maturity of greater than 3 months at the time of acquisition. Investments not quoted in an active market are reported at amortized cost less impairment, if applicable.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations.

f) Unearned Revenue

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

g) 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(o).

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.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

h) Employee Future Benefits

i. Post-employment benefits

The School District provides certain post-employment benefits including accumulated sick leave, accumulated vacation pay, overtime, death benefits, early retirement, and severance/retirement allowances 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. The future 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 and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent actuarial valuation of the obligation was performed at March 31, 2025 and projected to March 31, 2028. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District provides employees retired under the legacy Non-Teaching Pension Plan, health and dental benefits under a cost sharing arrangement. The plan was closed to new enrollees effective December 31, 2017. An actuarial valuation is conducted every three years. The most recent valuation of the obligation was performed at March 31, 2024 and projected for use at June 30, 2026.

ii. Pension Plans

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.

i) Asset Retirement Obligations

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

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

The School District's asset retirement obligations include 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 include costs directly attributable to the asset retirement activities. The estimated costs have been recorded as a liability and capitalized into the carrying amount of tangible capital assets, which is being amortized in accordance with the amortization accounting policy outlined in Note 2(k). The obligation was measured at current cost as the timing of future cash flows cannot be reasonably determined. 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.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

j) Liability for Contaminated Sites

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

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

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

k) Tangible Capital Assets

The following criteria apply:

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

k) Tangible Capital Assets (continued)

Estimated useful life is as follows:

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

l) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

m) Prepaid Expenses

Materials, supplies and services held for use by the School District in the following fiscal year are included as a prepaid expense and stated at acquisition cost. Such items are charged to expense over the periods expected to benefit from it.

n) 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 21 – Internally Restricted Funds).

o) Revenue Recognition

Revenues are recognized on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

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

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

o) Revenue Recognition (continued)

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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

Revenue from transactions with no performance obligations is recognized when the district:

- (a) has the authority to claim or retain an inflow of economic resources; and
- (b) identifies a past transaction or event that gives rise to an asset.

Revenue related to fees or services received in advance of the fee being earned or the service is 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.

p) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

p) Expenditures (continued)

Allocation of Costs

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

q) 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 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 transactions costs are added to the carrying value of these investments upon initial recognition. Transactions costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

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

q) Financial Instruments (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recorded at fair value and 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. There are no unrealized gains or losses as at June 30, 2026. As a result, the School District does not have a statement of remeasurement gains and losses. 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.

r) 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, liability for asset retirement obligations, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	2026	2025
Benefit deposit allowances	\$4,147,814	\$2,626,827
Federal grants	1,054,837	1,296,391
Due from municipality	646,387	700,000
GST Input Tax Credit	516,100	955,810
Interest Income	724,659	2,574,488
Other Receivables	3,375,284	3,658,356
Allowance for doubtful accounts	(65,000)	(65,000)
Total Other Receivables	<u>\$10,400,081</u>	<u>\$11,746,872</u>

NOTE 4 PORTFOLIO INVESTMENTS

	2026	2025
Guaranteed investment certificates (GIC's)	\$5,000,000	\$30,000,000
Principal Protected Market-Linked Notes	66,500,000	40,000,000
Total Portfolio Investments	<u>\$71,500,000</u>	<u>\$70,000,000</u>

\$5,000,000 in GIC matures in F2027 with an annual yield of 5.75%. \$66,500,000 in principal protected notes have returns linked to the performance of specified indices and are subject to early redemption (call) provisions prior to maturity. These notes have maturity dates ranging from F2033 and F2036 with annual yields between 5.75% and 7.80% if called prior to maturity.

NOTE 5 ACCOUNTS PAYABLE, ACCRUED AND OTHER LIABILITIES

	2026	2025
Trade Payables	\$20,417,883	\$26,121,703
Salary & Benefits Payable	39,022,296	35,967,747
Balance - Accounts Payable & Accrued Liabilities	<u>\$59,440,179</u>	<u>\$62,089,450</u>
Accrued Vacation Pay	8,555,619	8,269,139
Other	782,571	696,645
Balance - Total Other Liabilities	<u>\$ 9,338,190</u>	<u>\$ 8,965,784</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 6 UNEARNED REVENUE

	2026	2025
Balance, beginning of year	\$18,828,409	\$21,857,606
Tuition fees received	21,327,148	20,327,731
Tuition fees recognized	<u>(22,325,947)</u>	<u>(23,356,928)</u>
Balance, end of year	<u>\$17,829,610</u>	<u>\$18,828,409</u>

Unearned revenue includes tuition collected from international students for school terms beginning after June 30, 2026.

NOTE 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.

	2026	2025
Balance, beginning of year	\$9,287,233	\$11,610,728
Increases:		
Provincial grants	67,445,697	63,919,912
Other	19,554,837	18,512,315
Investment income	<u>6,366</u>	<u>10,878</u>
	<u>87,006,900</u>	<u>82,443,105</u>
Decreases:		
Revenue recognized	<u>85,026,609</u>	<u>84,766,600</u>
Balance, end of year	<u>\$11,267,524</u>	<u>\$9,287,233</u>

NOTE 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	<u>\$474,011,195</u>	<u>\$460,316,418</u>
Increases:		
Capital additions	6,968,268	6,465,794
Transfer from work in progress	<u>39,326,139</u>	<u>25,020,870</u>
	46,294,407	31,486,664
Decreases:		
Amortization	<u>19,794,657</u>	<u>17,791,887</u>
Net change for the year	<u>26,499,750</u>	<u>13,694,777</u>
Balance, end of year	<u>\$500,510,945</u>	<u>\$474,011,195</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 8 DEFERRED CAPITAL REVENUE *(continued)*

Deferred capital revenue - Work in Progress

Balance, beginning of year	\$101,376,124	\$53,493,809
Increases: Transfers from deferred revenue	61,967,977	72,903,185
Decreases: Transfers to deferred capital revenue	39,326,139	25,020,870
Transfers to Operating	193,722	-
Net change for the year	<u>22,448,116</u>	<u>47,882,315</u>
Balance, end of year	<u>\$123,824,240</u>	<u>\$101,376,124</u>
Unspent deferred capital revenue	<u>\$31,905,878</u>	<u>\$29,835,506</u>
Total deferred capital revenue balance, end of year	<u>\$656,241,063</u>	<u>\$605,222,825</u>

NOTE 9 EMPLOYEE FUTURE BENEFITS

Employee future benefit plan obligations consist of two plans as summarized.

	<u>2026</u>	<u>2025</u>
Employee future benefit plans (a)	\$39,262,771	\$38,903,976
Non-Teaching retirement benefit plan (b)	<u>\$6,694,000</u>	<u>\$7,294,000</u>
Total Employee Future Benefits	<u>\$45,956,771</u>	<u>\$46,197,976</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

a) Employee Future Benefit Plans

Benefits include vested sick leave, early retirement incentive, 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	\$34,330,153	\$32,488,868
Service cost	2,528,068	2,213,526
Interest cost	1,406,345	1,419,298
Benefits payments	(2,899,752)	(3,323,404)
Actuarial (gain) / loss	(1,781,741)	1,531,865
Accrued benefit obligation – March 31	<u>\$33,583,073</u>	<u>\$34,330,153</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	<u>\$33,583,073</u>	<u>\$34,330,153</u>
Funded status – surplus / (deficit)	<u>\$(33,583,073)</u>	<u>\$(34,330,153)</u>
Employer contributions after measurement date	1,725,420	1,836,479
Benefit expense after measurement date	(994,396)	(983,603)
Unamortized net actuarial (gain) / loss	<u>(6,410,722)</u>	<u>(5,426,699)</u>
Accrued benefit asset / (liability) – June 30	<u>\$(39,262,771)</u>	<u>\$(38,903,976)</u>
Reconciliation of change in accrued benefit liability:		
Accrued benefit liability – July 1	\$38,903,976	\$39,841,885
Net expense for the year	3,147,488	2,826,755
Employer contributions	<u>(2,788,693)</u>	<u>(3,764,664)</u>
Accrued benefit liability – June 30	<u>\$39,262,771</u>	<u>\$38,903,976</u>
Components of net benefit expense:		
Service Cost	\$2,499,870	\$2,292,161
Interest Cost	1,445,336	1,416,060
Amortization of net actuarial loss	<u>(797,718)</u>	<u>(881,466)</u>
Net benefit expense	<u>\$3,147,488</u>	<u>\$2,826,755</u>

The impact of changes in assumptions between the March 31, 2026 measurement date and the June 30, 2026 reporting date have been considered and are not considered to be material. The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations other than in respect of certain post-retirement benefits for non-teaching employees 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	11.4 years	11.4 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 EMPLOYEE FUTURE BENEFITS *(continued)*

b) Post-Retirement Health and Dental Benefits (Non-Pension Benefits)

The Post Retirement Group Benefit Plan represents the benefit obligation related to the Board's share of premiums payable in respect of retirees of the Non-Teaching Pension Plan for extended health benefits and dental benefits. Effective December 31, 2017, the Post Retirement Group Benefit plan was closed to new enrollees. The Board has also announced its intention to end the dental subsidy at December 31, 2032, the end of the agreement period. As at June 30, 2026 no funds have been internally designated to fund this liability.

	2026	2025
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation – April 1	\$3,454,000	\$3,621,000
Interest Cost	131,000	146,000
Benefit payments	(369,000)	(376,000)
Actuarial (gains)/losses	(114,000)	63,000
Accrued benefit obligation – March 31	<u>\$3,102,000</u>	<u>\$3,454,000</u>
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation – March 31	<u>\$(3,102,000)</u>	<u>\$(3,454,000)</u>
Funded status – surplus / (deficit)	<u>\$ (3,102,000)</u>	<u>\$ (3,454,000)</u>
Funded status – surplus / (deficit)	\$ (3,102,000)	\$ (3,454,000)
Net change in 2 nd quarter expenses	59,000	56,000
Unamortized net actuarial (gain) / loss	(3,651,000)	(3,896,000)
Accrued benefit asset / (liability) – June 30	<u>\$(6,694,000)</u>	<u>\$(7,294,000)</u>
Current service cost – net of employee's contributions	\$(4,000)	\$(3,000)
Interest cost	131,000	146,000
Amortize actuarial (gains) / losses	(359,000)	(198,000)
Defined benefit costs recognized	<u>\$(232,000)</u>	<u>\$(55,000)</u>
	<u>2026</u>	<u>2025</u>
Discount Rate	Beginning of the year: 4.00% End of the year: 4.50%	Beginning of the year: 4.25% End of the year: 4.00%
Dental	Based on CIA McMaster Model	Based on CIA McMaster Model
Extended Health	Based on CIA McMaster Model	Based on CIA McMaster Model
Estimated annual claim cost		
Extended Health – couple	\$1,684	\$1,684
Extended Health - single	\$842	\$842
Dental – couple	\$1,416	\$1,416
Dental – single	\$708	\$708
EARSL	14.1 years	14.1 years

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 10 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The board of trustees for this plan representing plan members and employers are responsible for administering the pension plan including investing assets and administering benefits. These 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 at 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 the 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 funding 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 \$35,764,666 for employer contributions to these two plans in the year ended June 30, 2026. (2025 - \$34,765,655).

The Teachers' Pension Plan is determined on a formula based on a contribution rate of 11.30% of salary for 2026 (2025: 11.3%). The Municipal Pension Plan is determined on a formula based on a contribution rate of 9.31% of salary for 2026 (2025: 9.31%).

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

Employers participating in the plan 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 the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District leases assets under a capital lease. The current lease will expire August 31, 2029. The capital lease provides for a transfer of ownership of the assets to the School District through a bargain purchase option. The interest rate implicit in the lease is 8.50%. The School District has certain other leasing agreements with third parties; assets under these other agreements and respective liabilities are not material.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 11 CAPITAL LEASE OBLIGATIONS *(continued)*

Total future minimum lease payments are as follows:

2027	\$48,467
2028	48,467
Thereafter	52,518
Total minimum lease payments	<u>\$149,452</u>
Less interest at the average implicit interest rate of 8.5%	<u>\$18,387</u>
Net present value of lease obligations	<u>\$131,065</u>

Total interest on leases for 2026 was \$12,803 (2025 – \$15,700).

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:	Net Book Value 2026	Net Book Value 2025
Sites	\$135,786,559	\$112,496,185
Buildings	695,093,891	642,158,244
Furniture & Equipment	8,767,389	9,101,753
Vehicles	2,091,425	2,071,363
Computer Hardware	10,212,956	11,192,725
	<u>\$851,952,220</u>	<u>\$777,020,270</u>

June 30, 2026

Costs:	Balance at June 30, 2025	Additions	Disposals and Adjustments	Transfers (WIP)	Balance at June 30, 2026
Sites	\$112,496,185	\$ 23,290,374	\$ -	\$ -	\$135,786,559
Buildings	885,678,307	6,673,181	-	41,811,666	934,163,154
Furniture & Equipment	14,211,851	863,073	277,416	266,348	15,063,856
Vehicles	2,947,254	323,491	149,420	-	3,121,325
Computer Hardware	21,027,875	3,167,326	3,752,150	-	20,443,051
	<u>\$1,036,361,472</u>	<u>\$34,317,445</u>	<u>\$4,178,986</u>	<u>\$42,078,014</u>	<u>\$1,108,577,945</u>
Work in progress	120,127,054	67,690,263	(193,722)	(42,078,014)	145,545,581
	<u>\$1,156,488,526</u>	<u>\$102,007,708</u>	<u>\$4,372,708</u>	<u>\$-</u>	<u>\$1,254,123,526</u>

Accumulated Amortization:	Balance at June 30, 2025	Additions	Disposals	Balance at June 30, 2026
Buildings	\$363,647,117	\$20,967,727	\$ -	\$384,614,844
Furniture & Equipment	5,110,098	1,463,785	277,416	6,296,467
Vehicles	875,891	303,429	149,420	1,029,900
Computer Hardware	9,835,150	4,147,095	3,752,150	10,230,095
	<u>\$379,468,256</u>	<u>\$26,882,036</u>	<u>\$4,178,986</u>	<u>\$402,171,306</u>

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 12 TANGIBLE CAPITAL ASSETS *(continued)*

June 30, 2025

Costs:	Balance at June 30, 2024	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2025
Sites	\$112,496,185	\$ -	\$ -	\$ -	\$112,496,185
Buildings	855,330,899	6,119,615	-	24,227,793	885,678,307
Furniture & Equipment	13,542,740	1,110,382	948,378	507,107	14,211,851
Vehicles	2,820,094	356,070	228,910	-	2,947,254
Computer Hardware	20,470,687	4,430,758	3,873,570	-	21,027,875
	<u>\$1,004,660,605</u>	<u>\$12,016,825</u>	<u>\$5,050,858</u>	<u>\$24,734,900</u>	<u>\$1,036,361,472</u>
Work in progress	65,562,141	79,299,813	-	(24,734,900)	120,127,054
	<u>\$1,070,222,746</u>	<u>\$91,316,638</u>	<u>\$5,050,858</u>	<u>\$-</u>	<u>\$1,156,488,526</u>

Accumulated Amortization:	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Buildings	\$343,624,287	\$20,022,830	\$ -	\$363,647,117
Furniture & Equipment	4,670,746	1,387,730	948,378	5,110,098
Vehicles	816,434	288,367	228,910	875,891
Computer Hardware	9,558,864	4,149,856	3,873,570	9,835,150
	<u>\$358,670,331</u>	<u>\$25,848,783</u>	<u>\$5,050,858</u>	<u>\$379,468,256</u>

During the year, the School District recognized a transfer of land with a fair value of \$23,290,374. The land has been recorded as a tangible capital asset, with a corresponding amount recognized as capital revenue in the Statement of Operations. The fair value was determined through an independent valuation.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating and capital funds for the year ended June 30, 2026 were \$4,887,076 (2025 - \$8,521,658). Of this transfer, \$3,067,609 pertains to capital assets purchased (2025 - \$5,021,691), and \$1,771,000 pertains to restricted funds set aside for future local capital projects (2025 - \$3,451,500).

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.

In fiscal year 2020 the School District sponsored the establishment of the SD43 Education Foundation, a separate and independent legally established entity under the British Columbia Societies Act. The Foundation has a Board separate from the School District. There were no significant transactions between the two entities.

NOTE 15 OTHER ASSETS

During the year, the District entered into an Option to Purchase agreement relating to a future elementary school site within the Fraser Mills development. Pursuant to the agreement, the District advanced a deposit of \$7.5 million, which will be applied against the future purchase price when the option to purchase is exercised. The

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 15 OTHER ASSETS *(continued)*

advance is secured by guarantees, a promissory note, and a mortgage over third-party property. The deposit has been recorded as a land acquisition deposit.

NOTE 16 CONTRACTUAL OBLIGATIONS

- a) The School District has committed to capital expenditures to construct new facilities and upgrade current facilities. The outstanding capital commitments as at June 30, 2026 are \$120,139,582 (2025 - \$166,724,293). 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.

Funding approval for these committed projects is as follows:

Contractual Obligations	2027	2028	2029	2030	Total
Ministry Funded:					
Burke Mountain	\$28,000,000	\$10,000,000	\$1,646,716	-	\$39,646,716
Coast Salish	1,750,000	-	-	-	1,750,000
Dr. Charles Best	1,284,119	-	-	-	1,284,119
Hazel Trembath	12,000,000	7,000,000	440,326	-	19,440,326
Ioco – Day Care	9,000,000	4,232,760	-	-	13,232,760
Montgomery Middle	20,000,000	20,000,000	2,651,276	-	42,651,276
Moody Elementary	634,385	-	-	-	634,385
School District Funded:					
Education Learning Centre	-	1,500,000	-	-	1,500,000
Total:	\$72,668,504	\$42,732,760	\$4,738,318	-	\$120,139,582

- b) The School District has no significant operating leases.
- c) The collective agreement between the School District and the Coquitlam Teachers' Association allows teachers to elect to be paid over 12 months. As at June 30, 2026 the amount held by the School District and included in cash and accounts payable was \$11,045,132 (2025 - \$10,911,393).

NOTE 17 CONTRACTUAL RIGHTS

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

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 17 CONTRACTUAL RIGHTS *(continued)*

	2027	2028	2029	Thereafter	Total
Cedarbrook	\$141,546	148,623	156,054	335,907	\$782,130
Burquitlam	271,850	271,850	-	-	543,700
Future Lease Revenue	\$413,396	420,473	156,054	335,907	\$1,325,830

NOTE 18 CONTINGENT LIABILITIES

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

NOTE 19 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 10, 2026 and reflect more current estimates on student enrolment, revenues and expenditures.

	Original Budget	Amended Budget	Change
Revenue			
Provincial Grants			
Ministry of Education	\$ 436,294,649	\$ 444,063,006	\$7,768,357
Federal Grants	3,680,178	3,555,178	(125,000)
Tuition	23,595,876	23,595,876	-
Other Revenue	13,944,002	15,457,590	1,513,588
Rentals and Leases	3,030,022	3,068,022	38,000
Investment Income	5,316,000	5,216,000	(100,000)
Amortization of Deferred Capital Revenue	20,000,000	20,000,000	-
Total Revenue	\$ 505,860,727	\$ 514,955,672	\$9,094,945
Expenses			
Instruction	416,757,740	425,379,828	8,622,088
District Administration	20,290,725	20,121,313	(169,412)
Operation and Maintenance	74,591,945	74,466,438	(125,507)
Transportation and Housing	820,317	858,556	38,239
Debt Service	12,800	12,800	-
Total Expense	\$ 512,473,527	\$ 520,838,935	\$8,365,408
Surplus (Deficit) for the year	(\$6,612,800)	(\$5,883,263)	\$729,537
Prior Year Surplus Appropriation	\$3,750,000	\$3,750,000	\$ -
Budgeted Surplus (Deficit) for the year	(\$2,862,800)	(\$2,133,263)	\$729,537
Capital Fund Surplus (Deficit)	(\$2,862,800)	(\$2,133,263)	\$729,537
Budgeted Surplus (Deficit) for the year	(\$2,862,800)	(\$2,133,263)	\$729,537

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 20 EXPENSE BY OBJECT

	2026	2025
Salaries and benefits	\$440,743,241	\$425,066,365
Services and supplies	53,662,735	54,157,438
Amortization	26,882,036	25,848,783
Total	\$521,288,012	\$505,072,586

NOTE 21 INTERNALLY RESTRICTED FUNDS

a) Operating Fund

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts a portion of the balance. The detail of the restricted operating surplus is as follows:

	2026	2025
Internally restricted due to nature of constraints on the funds:		
School carryforward surpluses	\$3,531,394	\$3,208,158
ESA contingency reserve	991,306	1,000,000
Facility & maintenance initiatives	2,037,420	2,055,625
Technology initiatives	1,225,000	1,225,000
Education stabilization reserve	4,000,014	4,000,014
Teacher mentorship funds	606,224	620,600
Business system initiative	11,632,774	4,165,007
Staffing stabilization reserve	6,000,000	6,000,000
Contingency for benefits	5,000,000	5,000,000
Contingency for risk management	2,000,000	-
School-based capital initiatives	11,653,997	11,683,309
Joint Use Agreements	3,776,582	3,497,260
Internally restricted for operations spanning multiple years		
2025/2026 – Operating budget	-	3,750,000
2026/2027 – Operating budget	3,750,000	3,750,000
2027/2028 – Operating budget	3,750,000	2,500,000
2028/2029 – Operating budget	2,500,000	1,250,000
2029/2030 – Operating budget	1,250,000	-
Total internally restricted operating fund surplus	\$63,704,711	\$53,704,973
Unrestricted operating surplus (deficit)	-	-
Total operating fund surplus (deficit)	\$63,704,711	\$53,704,973

b) Capital Fund

The School District internally restricts a portion of its capital surplus in the local capital reserve account for future capital requirements including facility additions, capital improvements, and other capital infrastructure requirements. As at June 30, 2026 \$29,856,902 has been restricted (2025 - \$33,324,600).

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 22 ECONOMIC DEPENDENCE

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

NOTE 23 RISK MANAGEMENT

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

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

(a) Credit risk:

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

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and therefore, 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. The School District is currently invested in guaranteed investment certificates and principal protected market linked notes. Cash and cash equivalents currently consist of deposits held with a chartered bank and the Provincial Central Deposit Program.

(b) Market risk:

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held, and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. The School District is exposed to fair value risk related to its investments in GIC's which bear a fixed rate of interest and in the principal protected notes where the interest is linked to performance of specified market indices reaching certain targets prior to maturity.

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, The School District is actively working to monitor and mitigate the risks.

SCHOOL DISTRICT NO. 43 (COQUITLAM)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 23 RISK MANAGEMENT *(continued)*

The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.

(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.

NOTE 24 ASSET RETIREMENT OBLIGATION

Legal obligations exist for the removal and disposal of asbestos and other hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future.

	2026	2025
Asset Retirement Obligation, opening balance	\$9,967,933	\$10,123,875
Settlements during the year	90,073	155,942
Asset Retirement Obligation, closing balance	\$9,877,860	\$9,967,933

School District No. 43 (Coquitlam)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	53,704,973		226,429,576	280,134,549	264,559,687
Changes for the year					
Surplus (Deficit) for the year	14,886,814		17,755,047	32,641,861	15,574,862
Interfund Transfers					
Tangible Capital Assets Purchased	(3,067,609)		3,067,609	-	
Local Capital	(1,771,000)		1,771,000	-	
Other	(48,467)		48,467	-	
Net Changes for the year	9,999,738	-	22,642,123	32,641,861	15,574,862
Accumulated Surplus (Deficit), end of year - Statement 2	63,704,711	-	249,071,699	312,776,410	280,134,549

School District No. 43 (Coquitlam)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	378,027,746	390,019,551	379,893,075
Other		692,158	2,128
Tuition	23,595,876	23,728,700	24,600,151
Other Revenue	1,673,539	2,008,821	889,170
Rentals and Leases	2,668,022	3,147,235	2,803,860
Investment Income	4,516,000	4,235,849	7,223,396
Total Revenue	410,481,183	423,832,314	415,411,780
Expenses			
Instruction	344,167,563	346,604,053	333,867,985
District Administration	19,908,813	18,503,406	17,375,476
Operations and Maintenance	46,126,601	42,993,909	42,000,695
Transportation and Housing	748,669	844,132	602,900
Total Expense	410,951,646	408,945,500	393,847,056
Operating Surplus (Deficit) for the year	(470,463)	14,886,814	21,564,724
Budgeted Appropriation (Retirement) of Surplus (Deficit)	3,750,000		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,451,500)	(3,067,609)	(5,021,691)
Local Capital	(779,537)	(1,771,000)	(3,451,500)
Other	(48,500)	(48,467)	(48,467)
Total Net Transfers	(3,279,537)	(4,887,076)	(8,521,658)
Total Operating Surplus (Deficit), for the year	-	9,999,738	13,043,066
Operating Surplus (Deficit), beginning of year		53,704,973	40,661,907
Operating Surplus (Deficit), end of year		63,704,711	53,704,973
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 21)		63,704,711	53,704,973
Total Operating Surplus (Deficit), end of year		63,704,711	53,704,973

School District No. 43 (Coquitlam)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	375,502,423	376,772,719	372,624,682
Other Ministry of Education and Child Care Grants			
Pay Equity	706,353	706,353	706,353
Funding for Graduated Adults	1,618,542	3,169,521	2,149,545
Student Transportation Fund	81,641	81,641	81,641
Foundation Skills Assessment (FSA) Scorer Grant	28,656	28,656	30,156
Labour Settlement Funding	-	9,108,379	4,147,766
NGN Self-Provisioned Site Grants	90,131	152,282	152,932
Total Provincial Grants - Ministry of Education and Child Care	378,027,746	390,019,551	379,893,075
Provincial Grants - Other	-	692,158	2,128
Tuition			
Continuing Education	303,376	442,695	473,807
International and Out of Province Students	23,292,500	22,325,947	23,356,928
Miscellaneous International Education Revenue	-	960,058	769,416
Total Tuition	23,595,876	23,728,700	24,600,151
Other Revenues			
Miscellaneous			
Miscellaneous	1,673,539	2,008,821	889,170
Total Other Revenue	1,673,539	2,008,821	889,170
Rentals and Leases	2,668,022	3,147,235	2,803,860
Investment Income	4,516,000	4,235,849	7,223,396
Total Operating Revenue	410,481,183	423,832,314	415,411,780

School District No. 43 (Coquitlam)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	178,129,489	182,124,309	178,033,921
Principals and Vice Principals	20,659,932	20,345,875	20,172,187
Educational Assistants	31,819,241	32,075,995	28,755,243
Support Staff	33,216,031	32,113,800	30,611,425
Other Professionals	9,119,167	9,074,183	8,994,348
Substitutes	17,527,550	18,506,068	16,884,550
Total Salaries	290,471,410	294,240,230	283,451,674
Employee Benefits	84,378,782	81,906,159	78,958,233
Total Salaries and Benefits	374,850,192	376,146,389	362,409,907
Services and Supplies			
Services	9,685,256	9,467,262	9,193,746
Student Transportation	694,200	788,595	544,172
Professional Development and Travel	2,392,182	2,149,052	2,231,731
Rentals and Leases	533,573	548,305	435,435
Dues and Fees	1,892,088	2,031,145	1,888,467
Insurance	2,000,149	1,789,974	1,819,558
Supplies	12,091,422	10,702,399	9,834,701
Utilities	6,812,584	5,322,379	5,489,339
Total Services and Supplies	36,101,454	32,799,111	31,437,149
Total Operating Expense	410,951,646	408,945,500	393,847,056

School District No. 43 (Coquitlam)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	136,139,866	1,284,905	46,656	1,046,974	-	9,179,343	147,697,744
1.03 Career Programs	-	-	493,012	-	-	-	493,012
1.07 Library Services	-	-	443,879	-	-	40,521	484,400
1.08 Counselling	5,766,267	-	-	-	-	355,755	6,122,022
1.10 Inclusive Education	22,825,385	158,012	29,639,296	129,329	102,835	5,336,792	58,191,649
1.30 English Language Learning	5,693,769	-	-	-	-	351,282	6,045,051
1.31 Indigenous Education	300,253	175,903	1,021,336	48,606	-	(474)	1,545,624
1.41 School Administration	-	17,033,462	-	7,159,672	-	839,860	25,032,994
1.60 Summer School	1,166,475	236,713	242,169	88,484	-	14,124	1,747,965
1.61 Continuing Education	2,656,554	158,953	-	841,868	102,835	105,532	3,865,742
1.62 International and Out of Province Students	7,575,740	322,356	189,647	331,306	396,271	445,583	9,260,903
1.64 Other	-	-	-	-	-	-	-
Total Function 1	182,124,309	19,370,304	32,075,995	9,646,239	601,941	16,668,318	260,487,106
4 District Administration							
4.11 Educational Administration	-	813,084	-	117,199	1,522,359	-	2,452,642
4.40 School District Governance	-	-	-	-	575,544	-	575,544
4.41 Business Administration	-	-	-	2,235,134	4,437,952	9,222	6,682,308
Total Function 4	-	813,084	-	2,352,333	6,535,855	9,222	9,710,494
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	162,487	-	193,127	1,354,969	15,104	1,725,687
5.50 Maintenance Operations	-	-	-	18,446,542	350,498	1,813,046	20,610,086
5.52 Maintenance of Grounds	-	-	-	1,461,821	-	378	1,462,199
5.56 Utilities	-	-	-	-	197,415	-	197,415
Total Function 5	-	162,487	-	20,101,490	1,902,882	1,828,528	23,995,387
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	13,738	33,505	-	47,243
7.70 Student Transportation	-	-	-	-	-	-	-
Total Function 7	-	-	-	13,738	33,505	-	47,243
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	182,124,309	20,345,875	32,075,995	32,113,800	9,074,183	18,506,068	294,240,230

School District No. 43 (Coquitlam)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 19)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	147,697,744	41,817,227	189,514,971	5,924,906	195,439,877	194,135,182	189,845,221
1.03 Career Programs	493,012	159,814	652,826	314,647	967,473	843,678	862,379
1.07 Library Services	484,400	143,920	628,320	357,038	985,358	1,057,316	998,657
1.08 Counselling	6,122,022	1,708,745	7,830,767	869	7,831,636	7,870,473	7,633,761
1.10 Inclusive Education	58,191,649	16,070,931	74,262,580	772,533	75,035,113	73,353,161	67,399,154
1.30 English Language Learning	6,045,051	1,687,262	7,732,313	48,835	7,781,148	8,670,390	9,112,791
1.31 Indigenous Education	1,545,624	447,055	1,992,679	149,076	2,141,755	2,216,020	2,348,819
1.41 School Administration	25,032,994	6,404,049	31,437,043	351,179	31,788,222	32,462,922	31,690,450
1.60 Summer School	1,747,965	298,890	2,046,855	12,365	2,059,220	1,958,540	1,925,967
1.61 Continuing Education	3,865,742	875,808	4,741,550	939,242	5,680,792	4,694,789	5,181,253
1.62 International and Out of Province Students	9,260,903	2,607,058	11,867,961	4,761,705	16,629,666	16,483,392	16,590,790
1.64 Other	-	-	-	263,793	263,793	421,700	278,743
Total Function 1	260,487,106	72,220,759	332,707,865	13,896,188	346,604,053	344,167,563	333,867,985
4 District Administration							
4.11 Educational Administration	2,452,642	569,886	3,022,528	1,690,179	4,712,707	4,880,286	5,042,662
4.40 School District Governance	575,544	139,211	714,755	206,182	920,937	1,070,355	811,178
4.41 Business Administration	6,682,308	1,860,948	8,543,256	4,326,506	12,869,762	13,958,172	11,521,636
Total Function 4	9,710,494	2,570,045	12,280,539	6,222,867	18,503,406	19,908,813	17,375,476
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,725,687	396,843	2,122,530	939,735	3,062,265	2,928,956	3,049,706
5.50 Maintenance Operations	20,610,086	6,184,778	26,794,864	5,281,389	32,076,253	33,722,035	30,724,003
5.52 Maintenance of Grounds	1,462,199	473,380	1,935,579	464,709	2,400,288	2,618,065	2,655,320
5.56 Utilities	197,415	47,750	245,165	5,209,938	5,455,103	6,857,545	5,571,666
Total Function 5	23,995,387	7,102,751	31,098,138	11,895,771	42,993,909	46,126,601	42,000,695
7 Transportation and Housing							
7.41 Transportation and Housing Administration	47,243	12,604	59,847	-	59,847	61,969	59,565
7.70 Student Transportation	-	-	-	784,285	784,285	686,700	543,335
Total Function 7	47,243	12,604	59,847	784,285	844,132	748,669	602,900
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	294,240,230	81,906,159	376,146,389	32,799,111	408,945,500	410,951,646	393,847,056

School District No. 43 (Coquitlam)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	66,035,260	66,180,366	64,928,108
Other	-	9,139	28,730
Federal Grants	3,555,178	3,996,477	4,186,678
Other Revenue	13,084,051	14,840,627	15,623,084
Total Revenue	<u>82,674,489</u>	<u>85,026,609</u>	<u>84,766,600</u>
Expenses			
Instruction	81,212,265	83,339,135	82,686,327
District Administration	212,500	437,750	871,666
Operations and Maintenance	1,139,837	1,139,837	1,139,837
Transportation and Housing	109,887	109,887	68,770
Total Expense	<u>82,674,489</u>	<u>85,026,609</u>	<u>84,766,600</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 43 (Coquitlam)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

Schedule 3A (Unaudited)

	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	-	-	7,745,033	-	11,493	-	182,387	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,139,837	1,333,437	-	340,000	117,600	514,127	1,780,466	2,578,142	49,532,107
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	15,221,465	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
	1,139,837	1,333,437	15,221,465	340,000	117,600	514,127	1,780,466	2,578,142	49,532,107
Less: Allocated to Revenue	1,139,837	1,333,437	14,443,727	340,000	104,611	514,127	1,799,283	2,578,142	49,532,107
Recovered									
Deferred Revenue, end of year	-	-	8,522,771	-	24,482	-	163,570	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,139,837	1,333,437	-	340,000	104,611	514,127	1,799,283	2,578,142	49,532,107
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	14,443,727	-	-	-	-	-	-
	1,139,837	1,333,437	14,443,727	340,000	104,611	514,127	1,799,283	2,578,142	49,532,107
Expenses									
Salaries									
Teachers	-	-	-	-	65,264	171,593	-	-	35,949,190
Principals and Vice Principals	-	-	-	-	-	-	-	350,200	-
Educational Assistants	-	1,035,679	-	-	-	-	934,343	1,486,729	-
Support Staff	-	-	-	222,040	-	-	203,960	-	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	-	-	21,901	-	1,576	-	103,000	1,641,022
	-	1,035,679	-	243,941	65,264	173,169	1,138,303	1,939,929	37,590,212
Employee Benefits	-	297,758	-	87,027	16,944	44,130	369,451	627,913	11,941,895
Services and Supplies	1,139,837	-	14,443,727	9,032	22,403	296,828	291,529	10,300	-
	1,139,837	1,333,437	14,443,727	340,000	104,611	514,127	1,799,283	2,578,142	49,532,107
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 3A (Unaudited)

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

	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund	Professional Learning Grant	National School Food Program	Sundry Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	128,248	1,208	16,396	37,924	34,353	56,784	204,125	18,226	38,167
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	5,300,330	108,679	47,000	-	530,000	3,533,144	-	531,050	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
	5,300,330	108,679	47,000	-	530,000	3,533,144	-	531,050	-
Less: Allocated to Revenue	4,594,309	109,887	25,638	1,368	156,889	3,317,590	50,244	394,871	7,234
Recovered	128,248								
Deferred Revenue, end of year	706,021	-	37,758	36,556	407,464	272,338	153,881	154,405	30,933
Revenues									
Provincial Grants - Ministry of Education and Child Care	4,594,309	109,887	25,638	1,368	156,889	3,317,590	50,244	394,871	-
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	7,234
	4,594,309	109,887	25,638	1,368	156,889	3,317,590	50,244	394,871	7,234
Expenses									
Salaries									
Teachers	4,188,772	-	-	-	29,668	314,520	49,968	-	-
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-	-
Support Staff	-	-	-	-	-	480,622	-	16,347	-
Other Professionals	-	-	-	-	88,000	-	-	-	-
Substitutes	17,245	-	-	-	-	8,222	-	-	-
	4,206,017	-	-	-	117,668	803,364	49,968	16,347	-
Employee Benefits	388,292	-	-	-	37,332	226,556	-	2,573	-
Services and Supplies	-	109,887	25,638	1,368	1,889	2,287,670	276	375,951	7,234
	4,594,309	109,887	25,638	1,368	156,889	3,317,590	50,244	394,871	7,234
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

	Staff Development	Sick Leave Benefit Plan	Apprenticeship Programs	Settlement Workers (Prov)	ELSA/LINC	Settlement Workers (Fed)	Community Connections	Day Treatment	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	50,830	278,572	413,891	9,139	-	-	60,457	-	9,287,233
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	-	-	-	188,026	67,573,945
Federal Grants	-	-	-	-	3,175,277	821,200	-	-	3,996,477
Other	27,830	-	219,185	-	-	-	89,880	-	15,558,360
Investment Income	-	6,366	-	-	-	-	-	-	6,366
	27,830	6,366	219,185	-	3,175,277	821,200	89,880	188,026	87,135,148
Less: Allocated to Revenue	33,602	3,363	301,908	9,139	3,175,277	821,200	50,793	188,026	85,026,609
Recovered									128,248
Deferred Revenue, end of year	45,058	281,575	331,168	-	-	-	99,544	-	11,267,524
Revenues									
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	-	-	-	188,026	66,180,366
Provincial Grants - Other	-	-	-	9,139	-	-	-	-	9,139
Federal Grants	-	-	-	-	3,175,277	821,200	-	-	3,996,477
Other Revenue	33,602	3,363	301,908	-	-	-	50,793	-	14,840,627
	33,602	3,363	301,908	9,139	3,175,277	821,200	50,793	188,026	85,026,609
Expenses									
Salaries									
Teachers	-	-	154,068	-	1,145,795	-	-	106,106	42,174,944
Principals and Vice Principals	-	-	23,760	-	114,858	53,924	-	-	542,742
Educational Assistants	-	-	-	-	-	-	-	21,870	3,478,621
Support Staff	-	-	-	-	293,124	506,806	-	-	1,722,899
Other Professionals	-	-	-	-	-	-	-	-	88,000
Substitutes	-	-	-	-	-	-	-	-	1,792,966
	-	-	177,828	-	1,553,777	560,730	-	127,976	49,800,172
Employee Benefits	-	3,363	63,225	-	455,198	186,686	-	43,547	14,791,890
Services and Supplies	33,602		60,855	9,139	1,166,302	73,784	50,793	16,503	20,434,547
	33,602	3,363	301,908	9,139	3,175,277	821,200	50,793	188,026	85,026,609
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 43 (Coquitlam)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 19)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Other Revenue	700,000	100,000	681,280	781,280	1,077,906
Rentals and Leases	400,000		395,423	395,423	400,237
Investment Income	700,000		809,216	809,216	1,199,038
Amortization of Deferred Capital Revenue	20,000,000	19,794,657		19,794,657	17,791,887
Contributed Land	-	23,290,374	-	23,290,374	-
Total Revenue	21,800,000	43,185,031	1,885,919	45,070,950	20,469,068
Expenses					
Operations and Maintenance	200,000	100,000	321,064	421,064	594,447
Amortization of Tangible Capital Assets					
Operations and Maintenance	27,000,000	26,882,036		26,882,036	25,848,783
Debt Services					
Capital Lease Interest	12,800		12,803	12,803	15,700
Total Expense	27,212,800	26,982,036	333,867	27,315,903	26,458,930
Capital Surplus (Deficit) for the year	(5,412,800)	16,202,995	1,552,052	17,755,047	(5,989,862)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,451,500	3,067,609		3,067,609	5,021,691
Local Capital	779,537		1,771,000	1,771,000	3,451,500
Capital Lease Payment	48,500		48,467	48,467	48,467
Total Net Transfers	3,279,537	3,067,609	1,819,467	4,887,076	8,521,658
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		991,194	(991,194)	-	
Tangible Capital Assets WIP Purchased from Local Capital		5,722,286	(5,722,286)	-	
Principal Payment					
Capital Lease		35,664	(35,664)	-	
Settlement of Asset Retirement Obligation from Local Capital		90,073	(90,073)	-	
Total Other Adjustments to Fund Balances		6,839,217	(6,839,217)	-	
Total Capital Surplus (Deficit) for the year	(2,133,263)	26,109,821	(3,467,698)	22,642,123	2,531,796
Capital Surplus (Deficit), beginning of year		193,104,976	33,324,600	226,429,576	223,897,780
Capital Surplus (Deficit), end of year		219,214,797	29,856,902	249,071,699	226,429,576

School District No. 43 (Coquitlam)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	112,496,185	885,678,307	14,211,851	2,947,254	-	21,027,875	1,036,361,472
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	6,673,181	-	-	-	-	6,673,181
Deferred Capital Revenue - Other	-	-	295,087	-	-	-	295,087
Operating Fund	-	-	562,628	171,200	-	2,333,781	3,067,609
Local Capital	-	-	5,358	152,291	-	833,545	991,194
Contributed Land	23,290,374	-	-	-	-	-	23,290,374
Transferred from Work in Progress		41,811,666	266,348				42,078,014
	23,290,374	48,484,847	1,129,421	323,491	-	3,167,326	76,395,459
Decrease:							
Deemed Disposals			277,416	149,420	-	3,752,150	4,178,986
	-	-	277,416	149,420	-	3,752,150	4,178,986
Cost, end of year	135,786,559	934,163,154	15,063,856	3,121,325	-	20,443,051	1,108,577,945
Work in Progress, end of year		145,545,581					145,545,581
Cost and Work in Progress, end of year	135,786,559	1,079,708,735	15,063,856	3,121,325	-	20,443,051	1,254,123,526
Accumulated Amortization, beginning of year		363,647,117	5,110,098	875,891	-	9,835,150	379,468,256
Changes for the Year							
Amortization for the Year		20,967,727	1,463,785	303,429	-	4,147,095	26,882,036
		20,967,727	1,463,785	303,429	-	4,147,095	26,882,036
Deemed Disposals			277,416	149,420	-	3,752,150	4,178,986
Written-off During Year							-
District Entered							-
		-	277,416	149,420	-	3,752,150	4,178,986
Accumulated Amortization, end of year		384,614,844	6,296,467	1,029,900	-	10,230,095	402,171,306
Tangible Capital Assets - Net	135,786,559	695,093,891	8,767,389	2,091,425	-	10,212,956	851,952,220

School District No. 43 (Coquitlam)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	120,127,054	-	-	-	120,127,054
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	61,143,659	168,146	-	-	61,311,805
Deferred Capital Revenue - Other	557,970	98,202	-	-	656,172
Local Capital	5,722,286	-	-	-	5,722,286
	67,423,915	266,348	-	-	67,690,263
Decrease:					
Transferred to Tangible Capital Assets	41,811,666	266,348	-	-	42,078,014
Transfer to Operating	193,722	-			193,722
	42,005,388	266,348	-	-	42,271,736
Net Changes for the Year	25,418,527	-	-	-	25,418,527
Work in Progress, end of year	145,545,581	-	-	-	145,545,581

School District No. 43 (Coquitlam)

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	445,392,207	13,032,734	15,586,254	474,011,195
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	6,673,181	-	295,087	6,968,268
Transferred from Work in Progress	34,005,164	5,222,773	98,202	39,326,139
	<u>40,678,345</u>	<u>5,222,773</u>	<u>393,289</u>	<u>46,294,407</u>
Decrease:				
Amortization of Deferred Capital Revenue	18,557,482	443,432	793,743	19,794,657
	<u>18,557,482</u>	<u>443,432</u>	<u>793,743</u>	<u>19,794,657</u>
Net Changes for the Year	<u>22,120,863</u>	<u>4,779,341</u>	<u>(400,454)</u>	<u>26,499,750</u>
Deferred Capital Revenue, end of year	<u>467,513,070</u>	<u>17,812,075</u>	<u>15,185,800</u>	<u>500,510,945</u>
 Work in Progress, beginning of year	 94,471,017	 6,711,385	 193,722	 101,376,124
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	61,311,805	557,970	98,202	61,967,977
	<u>61,311,805</u>	<u>557,970</u>	<u>98,202</u>	<u>61,967,977</u>
Decrease				
Transferred to Deferred Capital Revenue	34,005,164	5,222,773	98,202	39,326,139
Transfer to Operating	-	-	193,722	193,722
	<u>34,005,164</u>	<u>5,222,773</u>	<u>291,924</u>	<u>39,519,861</u>
Net Changes for the Year	<u>27,306,641</u>	<u>(4,664,803)</u>	<u>(193,722)</u>	<u>22,448,116</u>
Work in Progress, end of year	<u>121,777,658</u>	<u>2,046,582</u>	<u>-</u>	<u>123,824,240</u>
Total Deferred Capital Revenue, end of year	<u>589,290,728</u>	<u>19,858,657</u>	<u>15,185,800</u>	<u>624,335,185</u>

School District No. 43 (Coquitlam)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	3,855,183	6,285,146	18,939,205	755,972	29,835,506
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	68,677,144		-			68,677,144
Other				2,211,053	385,133	2,596,186
Investment Income	-	99,734	-	425,711	-	525,445
	<u>68,677,144</u>	<u>99,734</u>	<u>-</u>	<u>2,636,764</u>	<u>385,133</u>	<u>71,798,775</u>
Decrease:						
Transferred to DCR - Capital Additions	6,673,181	-	-		295,087	6,968,268
Transferred to DCR - Work in Progress	61,311,805	-	557,970		98,202	61,967,977
Transfer to Revenue - Capital Repairs	-	-	-	-	100,000	100,000
Transfer to Revenue - Operating	692,158	-	-	-	-	692,158
	<u>68,677,144</u>	<u>-</u>	<u>557,970</u>	<u>-</u>	<u>493,289</u>	<u>69,728,403</u>
Net Changes for the Year	<u>-</u>	<u>99,734</u>	<u>(557,970)</u>	<u>2,636,764</u>	<u>(108,156)</u>	<u>2,070,372</u>
Balance, end of year	<u>-</u>	<u>3,954,917</u>	<u>5,727,176</u>	<u>21,575,969</u>	<u>647,816</u>	<u>31,905,878</u>