

Audited Financial Statements of

School District No. 85 (Vancouver Island North)

And Independent Auditors' Report thereon

June 30, 2025

School District No. 85 (Vancouver Island North)

June 30, 2025

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School District No. 85 (Vancouver Island North)

MANAGEMENT REPORT

Version: 2870-2124-9142

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 85 (Vancouver Island North) 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. 85 (Vancouver Island North) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, Chan Nowosad Boates Inc., 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. 85 (Vancouver Island North) 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. 85 (Vancouver Island North)

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed



INDEPENDENT AUDITORS' REPORT

To the Board of Education of School District No. 85 (Vancouver Island North) and the Minister of Education and Child Care of the Province of British Columbia:

Opinion

We have audited the financial statements of School District #85 (Vancouver Island North) (the "School District"), which comprise the statement of financial position as at June 30, 2025, and the statements of operations, changes in net financial assets (debt), and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2025, and the results of its operations and cash flows for the year then ended in accordance with 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 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.

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 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 the School District 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matters

We draw attention to the Supplementary Financial Information included in Schedules 1 to 4D which have not been subjected to the auditing procedures applied in the financial statements and, accordingly, we express no opinion on it.

Chan Nawrood Boates Inc

Chartered Professional Accountants
Campbell River, BC

September 15, 2025

School District No. 85 (Vancouver Island North)

Statement of Financial Position

As at June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 2b)	5,694,575	6,712,229
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	89,557	
Other (Note 3b)	54,072	60,081
Total Financial Assets	<u>5,838,204</u>	<u>6,772,310</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	2,203,786	2,462,615
Deferred Revenue (Note 5)	987,499	743,648
Deferred Capital Revenue (Note 6)	29,032,241	27,943,977
Employee Future Benefits (Note 7)	1,625,494	1,583,102
Asset Retirement Obligation (Note 14)	4,048,585	4,048,585
Total Liabilities	<u>37,897,605</u>	<u>36,781,927</u>
Net Debt	<u>(32,059,401)</u>	<u>(30,009,617)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 8)	39,114,971	38,174,855
Prepaid Expenses	110,275	126,506
Total Non-Financial Assets	<u>39,225,246</u>	<u>38,301,361</u>
Accumulated Surplus (Deficit)	<u>7,165,845</u>	<u>8,291,744</u>

Contractual Rights (Note 11)

Contingent Liabilities (Note 12)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 85 (Vancouver Island North)

Statement of Operations
Year Ended June 30, 2025

	2025 Budget (Note 13) \$	2025 Actual \$	2024 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	24,819,243	24,899,870	24,076,956
Other	125,000	132,902	50,665
Federal Grants		14,880	33,000
Other Revenue	323,000	530,362	526,126
Rentals and Leases	123,000	148,215	132,103
Investment Income	300,000	191,823	359,107
Amortization of Deferred Capital Revenue	1,424,675	1,426,419	1,360,036
Total Revenue	<u>27,114,918</u>	<u>27,344,471</u>	<u>26,537,993</u>
Expenses			
Instruction	21,022,009	20,738,689	20,717,351
District Administration	1,752,503	1,445,639	1,572,153
Operations and Maintenance	5,176,758	5,327,892	5,103,904
Transportation and Housing	1,034,772	958,150	983,548
Total Expense	<u>28,986,042</u>	<u>28,470,370</u>	<u>28,376,956</u>
Surplus (Deficit) for the year	<u>(1,871,124)</u>	<u>(1,125,899)</u>	<u>(1,838,963)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		8,291,744	10,130,707
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>7,165,845</u></u>	<u>8,291,744</u>

School District No. 85 (Vancouver Island North)

Statement of Changes in Net Debt

Year Ended June 30, 2025

	2025 Budget (Note 13) \$	2025 Actual \$	2024 Actual \$
Surplus (Deficit) for the year	(1,871,124)	(1,125,899)	(1,838,963)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(2,775,789)	(3,802,636)
Amortization of Tangible Capital Assets	1,838,512	1,835,673	1,763,000
Total Effect of change in Tangible Capital Assets	1,838,512	(940,116)	(2,039,636)
Acquisition of Prepaid Expenses		(110,275)	(126,506)
Use of Prepaid Expenses		126,506	144,548
Total Effect of change in Other Non-Financial Assets	-	16,231	18,042
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(32,612)</u>	(2,049,784)	(3,860,557)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(2,049,784)	(3,860,557)
Net Debt, beginning of year		(30,009,617)	(26,149,060)
Net Debt, end of year		(32,059,401)	(30,009,617)

School District No. 85 (Vancouver Island North)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,125,899)	(1,838,963)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(83,548)	3,709
Prepaid Expenses	16,231	18,042
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(258,829)	(25,172)
Deferred Revenue	243,851	144,987
Employee Future Benefits	42,392	31,921
Amortization of Tangible Capital Assets	1,835,673	1,763,000
Amortization of Deferred Capital Revenue	(1,426,419)	(1,360,036)
Total Operating Transactions	<u>(756,548)</u>	<u>(1,262,512)</u>
Capital Transactions		
Tangible Capital Assets Purchased	(2,775,789)	(3,802,636)
Total Capital Transactions	<u>(2,775,789)</u>	<u>(3,802,636)</u>
Financing Transactions		
Capital Revenue Received	2,514,683	3,568,716
Total Financing Transactions	<u>2,514,683</u>	<u>3,568,716</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,017,654)	(1,496,432)
Cash and Cash Equivalents, beginning of year	<u>6,712,229</u>	<u>8,208,661</u>
Cash and Cash Equivalents, end of year	<u><u>5,694,575</u></u>	<u><u>6,712,229</u></u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	1,100	1,100
Cash Equivalents	5,693,475	6,711,129
	<u><u>5,694,575</u></u>	<u><u>6,712,229</u></u>

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on July 1, 1965 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. 85 (Vancouver Island North)", and operates as "School District No. 85 (Vancouver Island North)." 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. 85 (Vancouver Island North) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Note 2 (j).

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

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

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

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2024 – increase annual surplus by \$2,208,197

June 30, 2024 – increase accumulated surplus and decrease deferred capital revenue by \$27,943,977

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

a) Basis of Accounting *(Continued)*

Year-ended June 30, 2025 – increase annual surplus by \$1,088,264

June 30, 2024 – increase accumulated surplus and decrease deferred capital revenue by \$29,032,241

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) 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 (j).

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. See Note 2 (a) for the impact of this policy on these financial statements.

e) 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

e) Employee Future Benefits *(Continued)*

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

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

f) Asset Retirement Obligations

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

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

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see note 2 g). Assumptions used in the calculations are reviewed annually.

g) 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.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

g) *Tangible Capital Assets (Continued)*

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

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

- In the year of acquisition amortization is recorded as half of the annual rate for the year.

h) *Prepaid Expenses*

Prepaid expenses for services that extend beyond the current period, such as insurance premiums and membership fees, are included as prepaid expenses and stated at acquisition cost and are charged to expense over the periods expected to benefit from them.

i) *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 Notes 10 – Interfund Transfers and Note 17 – Internally Restricted Surplus). Funds and reserves are disclosed on Schedules 2, 3 and 4.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

j) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See Note 2 (a) for the impact of this policy on these financial statements. Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

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

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

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

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

k) 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 and Vice-Principals employed under an individual employment contract are categorized as Principals and Vice-Principals.
- Trustees, Superintendents, Assistant Superintendents, Secretary-Treasurers 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.

l) Financial Instruments

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

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

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

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses.

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

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

l) Financial Instruments *(Continued)*

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

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.

m) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

a) LEA/Direct Funding Receivable	June 30, 2025	June 30, 2024
Due from Direct Funding (2002-2003)	\$79,245	\$79,245
Allowance for Doubtful Accounts	(\$79,245)	(\$79,245)
	\$ -	\$ -
b) Accounts Receivable Other	June 30, 2025	June 30, 2024
Due from Federal Government	\$24,181	\$19,725
Due from Other	\$29,891	\$40,355
	\$54,072	\$60,081

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2025	June 30, 2024
Trade payables	\$ 238,420	\$ 338,706
Salaries and benefits payable	\$ 1,509,018	\$ 1,720,239
Accrued vacation pay	\$ 395,628	\$ 363,759
Other payables	\$ 60,720	\$ 39,911
	\$ 2,203,786	\$ 2,462,615

NOTE 5 DEFERRED REVENUE

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

	June 30, 2025	June 30, 2024
Balance, beginning of year	\$ 743,648	\$ 598,661
Changes for the year:		
Increase – Grants:		
Provincial – Ministry of Education	\$ 3,343,033	\$ 3,071,468
Provincial – Other	\$ 91,900	\$ 91,667
School generated funds	\$ 592,402	\$ 423,925
Other	\$ 4,074	\$ 2,850
	\$ 4,031,409	\$ 3,589,910
Decrease – Allocated to Revenue:		
Provincial – Ministry of Education	\$ 3,130,908	\$ 2,940,749
Provincial – Other	\$ 132,902	\$ 50,665
School generated funds	\$ 520,197	\$ 449,409
Other	\$ 3,550	\$ 4,100
	\$ 3,787,558	\$ 3,444,923
Balance, end of year	\$ 987,499	\$ 743,648

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 6 DEFERRED CAPITAL REVENUE

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

	June 30, 2025	June 30, 2024
Deferred Capital Revenue		
Balance, beginning of year	\$27,929,564	\$25,721,367
Changes for the year:		
Increase:		
Capital Additions	\$ 2,514,683	\$ 3,568,233
Decrease:		
Amortization	\$ 1,426,419	\$ 1,360,036
	\$29,017,828	\$27,929,564
 Unspent Deferred Capital Revenue		
Balance, beginning of year	\$ 14,413	\$ 13,930
Changes for the year:		
Increase:		
Provincial grants – Ministry of Education	\$ 2,514,683	\$ 3,568,716
Decrease:		
Transfer to deferred capital revenue	\$ 2,514,683	\$ 3,568,233
	\$ 14,413	\$ 14,413
 Total Deferred Capital Revenue balance, end of year	\$29,032,241	\$27,943,977

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 7 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.

	June 30, 2025	June 30, 2024
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,210,715	\$1,194,564
Service Cost	105,920	107,500
Interest Cost	53,367	49,674
Benefit Payments	(53,367)	(74,225)
Actuarial (Gain) Loss	168,079	(66,798)
Accrued Benefit Obligation – March 31	\$1,484,126	\$1,210,715
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$1,484,126	\$1,210,715
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	\$(1,484,126)	\$(1,210,715)
Employer Contributions After Measurement Date	56,188	37,609
Benefits Expense After Measurement Date	(49,841)	(39,822)
Unamortized Net Actuarial (Gain) Loss	(147,715)	(370,175)
Accrued Benefit Liability – June 30	\$(1,625,494)	\$(1,583,102)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$1,583,102	\$1,551,181
Net expense for Fiscal Year	114,926	110,142
Employer Contributions	(72,534)	(78,221)
Accrued Benefit Liability – June 30	\$1,625,494	\$1,583,102
Components of Net Benefit Expense		
Service Cost	\$114,295	\$107,105
Interest Cost	55,011	50,598
Amortization of Net Actuarial Loss	(54,380)	(47,560)
Net Benefit Expense	\$114,926	\$110,142

The significant actuarial assumptions adopted for measuring the School District’s accrued benefit obligations are:

Assumptions

Discount Rate – April 1	4.25%	4.00%
Discount Rate – March 31	4.00%	4.25%
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	10.5	10.3

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 8 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2025	Net Book Value 2024
Sites	\$ 2,891,161	\$ 2,891,161
Buildings	34,491,016	33,670,572
Furniture & Equipment	846,020	696,553
Vehicles	743,939	806,668
Computer Software	82,234	61,928
Computer Hardware	60,601	47,973
Total	\$39,114,971	\$38,174,855

June 30, 2025

	Opening Cost	Additions	Disposals	Total 2025
Sites	\$ 2,891,161	\$ -	\$ -	\$ 2,891,161
Buildings	81,682,832	2,350,267	-	81,682,832
Furniture & Equipment	1,217,348	251,635	125,605	1,217,348
Vehicles	1,645,463	92,581	19,322	1,645,463
Computer Software	68,809	46,311	-	68,809
Computer Hardware	79,462	34,995	20,534	79,462
Total	\$87,585,075	\$2,775,789	\$165,461	\$90,195,403

	Opening Accumulated Amortization	Additions	Disposals	Total 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	48,012,260	1,529,823	-	49,542,083
Furniture & Equipment	520,795	102,168	125,605	497,357
Vehicles	838,795	155,310	19,322	974,783
Computer Software	6,881	26,005	-	32,886
Computer Hardware	31,489	22,367	20,534	33,322
Total	\$49,410,220	\$1,835,673	\$165,461	\$51,080,432

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 8 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2024

	Opening Cost	Additions	Disposals	Total 2024
Sites	\$ 2,891,161	\$ -	\$ -	\$ 2,891,161
Buildings	78,332,593	3,350,239	-	81,682,832
Furniture & Equipment	1,021,436	238,048	42,136	1,217,348
Vehicles	1,710,529	164,965	230,031	1,645,463
Computer Software	38,062	30,747	-	68,809
Computer Hardware	81,160	18,637	20,335	79,462
Total	\$84,074,941	\$3,802,636	\$292,502	\$87,585,075

	Opening Accumulated Amortization	Additions	Disposals	Total 2024
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	46,581,793	1,430,467	-	48,012,260
Furniture & Equipment	425,124	137,807	42,136	520,795
Vehicles	888,209	180,617	230,031	838,795
Computer Software	3,806	3,075	-	6,881
Computer Hardware	40,790	11,034	20,335	31,489
Total	\$47,939,722	\$1,763,000	\$292,502	\$49,410,220

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 9 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry- age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2023, indicated a \$4,572 million surplus for basic pension benefits on a going concern basis.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The School District paid \$1,602,311 for employer contributions to the plans for the year ended June 30, 2025 (2024: \$1,652,141).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan will be as at December 31, 2024.

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.

**SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025**

NOTE 10 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 11 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 leases of vacant buildings. The following table summarizes the contractual rights of the School District for future assets:

Contractual rights	2026	2027	2028	2029	2030	Thereafter
Future lease/rental revenue	\$109,955	\$52,955	\$34,355	\$27,917	\$15,002	\$15,002
	<u>\$109,955</u>	<u>\$52,955</u>	<u>\$34,355</u>	<u>\$27,917</u>	<u>\$15,002</u>	<u>\$15,002</u>

Future lease and rental revenue is calculated by management based on the current lease/rental agreements that exist between the School District and its tenants.

NOTE 12 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 appropriate. 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. The resulting loss on the School District, if any, will be recorded in the period in which it is determinable

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget bylaw on February 10, 2025. The amended budget is based on a more accurate estimation of revenue and expenditure than the budget approved before the commencement of the fiscal year.

NOTE 14 ASSET RETIREMENT OBLIGATION

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

Asset Retirement Obligation, July 1, 2024	\$4,048,585
Settlements during the year	-
Asset Retirement Obligation, closing balance, June 30, 2025	\$4,048,585

NOTE 15 EXPENSE BY OBJECT

Total expenses as per Statement 2, detailed by object.

	June 30, 2025	June 30, 2024
Salaries and benefits	\$22,129,261	\$21,871,051
Services and supplies	4,505,436	4,742,905
Amortization	1,835,673	1,763,000
	\$28,470,370	\$28,376,956

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 16 INTERNALLY RESTRICTED SURPLUS – OPERATING FUND

Internally Restricted (appropriated) by the Board for:

	June 30, 2025
Appropriation to 2025 – 2026 Annual Budget	\$ 466,817
District Budgets Carried Forward	230,035
School-Based Budgets Carried Forward	96,410
	<hr/>
Internally Restricted Surplus	\$ 793,262
	<hr/>
Unrestricted Operating Surplus	\$ 208,903
	<hr/>
Total Available for Future Operations	<u>\$1,002,165</u>

NOTE 17 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 18 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 not exposed to significant credit risk associated with its amounts receivable.

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

SCHOOL DISTRICT NO. 85
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025

NOTE 18 **RISK MANAGEMENT** *(continued)*

b) Market risk:

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

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

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in guaranteed investment certificates that have a maturity date of no more than 5 years.

c) Liquidity risk:

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

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

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 2024 related to credit, market or liquidity risks.

School District No. 85 (Vancouver Island North)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund

Year Ended June 30, 2025

	Operating Fund	Special Purpose Fund	Capital Fund	2025 Actual	2024 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	1,718,810		6,572,934	8,291,744	10,130,707
Changes for the year					
Surplus (Deficit) for the year	(716,645)		(409,254)	(1,125,899)	(1,838,963)
Net Changes for the year	(716,645)	-	(409,254)	(1,125,899)	(1,838,963)
Accumulated Surplus (Deficit), end of year - Statement 2	1,002,165	-	6,163,680	7,165,845	8,291,744

School District No. 85 (Vancouver Island North)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2025

	2025 Budget (Note 13) \$	2025 Actual \$	2024 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	21,567,305	21,761,512	21,136,207
Federal Grants		14,880	33,000
Other Revenue		6,615	72,617
Rentals and Leases	123,000	148,215	132,103
Investment Income	300,000	191,823	359,107
Total Revenue	<u>21,990,305</u>	<u>22,123,045</u>	<u>21,733,034</u>
Expenses			
Instruction	17,541,652	17,163,263	17,489,897
District Administration	1,752,503	1,445,639	1,572,153
Operations and Maintenance	3,370,888	3,499,124	3,508,891
Transportation and Housing	782,549	731,664	733,867
Total Expense	<u>23,447,592</u>	<u>22,839,690</u>	<u>23,304,808</u>
Operating Surplus (Deficit) for the year	<u>(1,457,287)</u>	<u>(716,645)</u>	<u>(1,571,774)</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,457,287</u>		
Net Transfers (to) from other funds			
Local Capital			(400,000)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(400,000)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(716,645)</u>	<u>(1,971,774)</u>
Operating Surplus (Deficit), beginning of year		1,718,810	3,690,584
Operating Surplus (Deficit), end of year		<u>1,002,165</u>	<u>1,718,810</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 18)		793,262	1,718,810
Unrestricted		208,903	
Total Operating Surplus (Deficit), end of year		<u>1,002,165</u>	<u>1,718,810</u>

School District No. 85 (Vancouver Island North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	21,130,194	21,130,194	20,514,220
Other Ministry of Education and Child Care Grants			
Pay Equity	115,216	115,216	115,216
Funding for Graduated Adults			1,032
Student Transportation Fund	118,179	118,179	118,179
Support Staff Benefits Grant	19,421	19,993	19,993
FSA Scorer Grant	7,506	7,506	7,506
Child Care Funding	1,126		
Labour Settlement Funding		183,991	333,913
FRSP Recruitment Grant		10,770	26,148
Indigenous Education Council	175,663	175,663	
Total Provincial Grants - Ministry of Education and Child Care	21,567,305	21,761,512	21,136,207
Federal Grants		14,880	33,000
Other Revenues			
Miscellaneous			
Sale of Assets		5,311	435
Miscellaneous		1,304	72,182
Total Other Revenue	-	6,615	72,617
Rentals and Leases	123,000	148,215	132,103
Investment Income	300,000	191,823	359,107
Total Operating Revenue	21,990,305	22,123,045	21,733,034

School District No. 85 (Vancouver Island North)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2025

	2025 Budget (Note 13) \$	2025 Actual \$	2024 Actual \$
Salaries			
Teachers	7,061,571	6,969,155	7,282,414
Principals and Vice Principals	2,040,422	2,146,974	2,072,270
Educational Assistants	2,394,258	2,235,447	2,457,543
Support Staff	2,856,479	2,840,071	2,888,851
Other Professionals	913,398	968,172	942,366
Substitutes	641,198	672,516	439,354
Total Salaries	15,907,326	15,832,335	16,082,798
Employee Benefits	3,814,574	3,634,475	3,482,924
Total Salaries and Benefits	19,721,900	19,466,810	19,565,722
Services and Supplies			
Services	1,232,054	1,025,916	1,129,150
Student Transportation	85,078	103,788	113,285
Professional Development and Travel	407,383	323,650	397,712
Rentals and Leases	10,300	8,692	5,353
Dues and Fees	19,535	21,489	17,739
Insurance	102,485	119,368	98,151
Supplies	899,050	885,639	1,049,341
Utilities	969,807	884,338	928,355
Total Services and Supplies	3,725,692	3,372,880	3,739,086
Total Operating Expense	23,447,592	22,839,690	23,304,808

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	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	5,116,264	984,834		106,262		277,501	6,484,861
1.03 Career Programs	58,767					4,045	62,812
1.07 Library Services	230,920			56,946		16,956	304,822
1.08 Counselling	284,156					19,557	303,713
1.10 Inclusive Education	948,570	89,824	1,945,972	17,868	57,065	184,345	3,243,644
1.30 English Language Learning	278,625					19,176	297,801
1.31 Indigenous Education	51,853	112,025	289,475	47,327		14,359	515,039
1.41 School Administration		922,950		582,329		64,656	1,569,935
1.64 Other							-
Total Function 1	6,969,155	2,109,633	2,235,447	810,732	57,065	600,595	12,782,627
4 District Administration							
4.11 Educational Administration		37,341		32,277	401,943		471,561
4.40 School District Governance					102,123		102,123
4.41 Business Administration				165,087	286,237		451,324
Total Function 4	-	37,341	-	197,364	790,303	-	1,025,008
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				84,086	60,402	722	145,210
5.50 Maintenance Operations				1,329,273		52,606	1,381,879
5.52 Maintenance of Grounds				44,951			44,951
5.56 Utilities							-
Total Function 5	-	-	-	1,458,310	60,402	53,328	1,572,040
7 Transportation and Housing							
7.41 Transportation and Housing Administration					60,402		60,402
7.70 Student Transportation				373,665		18,593	392,258
7.73 Housing							-
Total Function 7	-	-	-	373,665	60,402	18,593	452,660
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	6,969,155	2,146,974	2,235,447	2,840,071	968,172	672,516	15,832,335

School District No. 85 (Vancouver Island North)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Actual	2025 Budget (Note 13)	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	6,484,861	1,347,205	7,832,066	577,112	8,409,178	9,130,203	8,723,179
1.03 Career Programs	62,812	16,150	78,962	7,333	86,295	84,647	148,472
1.07 Library Services	304,822	86,465	391,287	16,338	407,625	384,624	399,755
1.08 Counselling	303,713	78,088	381,801	6,113	387,914	373,299	402,699
1.10 Inclusive Education	3,243,644	811,811	4,055,455	212,523	4,267,978	4,259,674	4,393,461
1.30 English Language Learning	297,801	76,568	374,369	16,444	390,813	382,151	316,857
1.31 Indigenous Education	515,039	139,916	654,955	484,847	1,139,802	1,171,499	1,096,997
1.41 School Administration	1,569,935	380,771	1,950,706	42,209	1,992,915	1,704,055	1,930,244
1.64 Other	-	-	-	80,743	80,743	51,500	78,233
Total Function 1	12,782,627	2,936,974	15,719,601	1,443,662	17,163,263	17,541,652	17,489,897
4 District Administration							
4.11 Educational Administration	471,561	99,244	570,805	58,841	629,646	641,227	618,518
4.40 School District Governance	102,123	3,239	105,362	78,286	183,648	421,476	174,021
4.41 Business Administration	451,324	62,174	513,498	118,847	632,345	689,800	779,614
Total Function 4	1,025,008	164,657	1,189,665	255,974	1,445,639	1,752,503	1,572,153
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	145,210	35,526	180,736	133,279	314,015	233,072	251,857
5.50 Maintenance Operations	1,381,879	376,829	1,758,708	437,965	2,196,673	2,148,976	2,197,515
5.52 Maintenance of Grounds	44,951	11,882	56,833	47,265	104,098	89,790	131,164
5.56 Utilities	-	-	-	884,338	884,338	899,050	928,355
Total Function 5	1,572,040	424,237	1,996,277	1,502,847	3,499,124	3,370,888	3,508,891
7 Transportation and Housing							
7.41 Transportation and Housing Administration	60,402	11,639	72,041	1,175	73,216	105,889	67,598
7.70 Student Transportation	392,258	96,968	489,226	164,422	653,648	666,660	665,269
7.73 Housing	-	-	-	4,800	4,800	10,000	1,000
Total Function 7	452,660	108,607	561,267	170,397	731,664	782,549	733,867
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	15,832,335	3,634,475	19,466,810	3,372,880	22,839,690	23,447,592	23,304,808

School District No. 85 (Vancouver Island North)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget (Note 13) \$	2025 Actual \$	2024 Actual \$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	3,251,938	3,138,358	2,940,749
Other	125,000	132,902	50,665
Other Revenue	323,000	523,747	453,509
Total Revenue	<u>3,699,938</u>	<u>3,795,007</u>	<u>3,444,923</u>
Expenses			
Instruction	3,480,357	3,575,426	3,227,454
Operations and Maintenance	148,405	148,405	12,630
Transportation and Housing	71,176	71,176	69,064
Total Expense	<u>3,699,938</u>	<u>3,795,007</u>	<u>3,309,148</u>
Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>135,775</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased			(135,775)
Total Net Transfers	<u>-</u>	<u>-</u>	<u>(135,775)</u>
Total Special Purpose Surplus (Deficit) for the year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u><u>-</u></u>	<u><u>-</u></u>

School District No. 85 (Vancouver Island North)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			5,976	309,245		17,139	2,180		
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	148,405	74,491			96,000	14,700	8,445	371,538	140,266
Provincial Grants - Other									
Other			4,074	592,402					
	148,405	74,491	4,074	592,402	96,000	14,700	8,445	371,538	140,266
Less: Allocated to Revenue	148,405	74,491	3,550	520,197	96,000	21,458	10,281	371,538	140,266
Deferred Revenue, end of year	-	-	6,500	381,450	-	10,381	344	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	148,405	74,491			96,000	21,458	10,281	371,538	140,266
Provincial Grants - Other									
Other Revenue			3,550	520,197					
	148,405	74,491	3,550	520,197	96,000	21,458	10,281	371,538	140,266
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants		57,379						274,926	
Support Staff	135,775								
Other Professionals									
Substitutes						536		14,747	87,279
	135,775	57,379	-	-	-	536	-	289,673	87,279
Employee Benefits		17,112				39		81,524	17,402
Services and Supplies	12,630		3,550	520,197	96,000	20,883	10,281	341	35,585
	148,405	74,491	3,550	520,197	96,000	21,458	10,281	371,538	140,266
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 85 (Vancouver Island North)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Student & Family Affordability	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year				43,822	15,340	96,471	50,000	34,255	75,128
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,435,621	49,523	71,176	57,000	11,250			19,000	175,000
Provincial Grants - Other									
Other									
	1,435,621	49,523	71,176	57,000	11,250	-	-	19,000	175,000
Less: Allocated to Revenue	1,435,621	49,523	71,176	95,396	8,155	94,473	-	8,055	185,108
Deferred Revenue, end of year	-	-	-	5,426	18,435	1,998	50,000	45,200	65,020
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,435,621	49,523	71,176	95,396	8,155	94,473		8,055	185,108
Provincial Grants - Other									
Other Revenue									
	1,435,621	49,523	71,176	95,396	8,155	94,473	-	8,055	185,108
Expenses									
Salaries									
Teachers	1,149,992			70,000					
Principals and Vice Principals									149,496
Educational Assistants									
Support Staff			27,192						2,886
Other Professionals									
Substitutes		43,063			3,017				
	1,149,992	43,063	27,192	70,000	3,017	-	-	-	152,382
Employee Benefits	285,629	6,460	8,158	19,187	462				32,726
Services and Supplies			35,826	6,209	4,676	94,473		8,055	
	1,435,621	49,523	71,176	95,396	8,155	94,473	-	8,055	185,108
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 85 (Vancouver Island North)

Changes in Special Purpose Funds and Expense by Object
 Year Ended June 30, 2025

	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	ERASE Strategy	National School Food Program	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	53,090			41,002		743,648
Add: Restricted Grants						
Provincial Grants - Ministry of Education and Child Care	350,000	44,350	247,553		36,164	3,350,482
Provincial Grants - Other				91,900		91,900
Other						596,476
	350,000	44,350	247,553	91,900	36,164	4,038,858
Less: Allocated to Revenue	286,321	42,091	-	132,902	-	3,795,007
Deferred Revenue, end of year	116,769	2,259	247,553	-	36,164	987,499
Revenues						
Provincial Grants - Ministry of Education and Child Care	286,321	42,091				3,138,358
Provincial Grants - Other				132,902		132,902
Other Revenue						523,747
	286,321	42,091	-	132,902	-	3,795,007
Expenses						
Salaries						
Teachers						1,219,992
Principals and Vice Principals						149,496
Educational Assistants						332,305
Support Staff						165,853
Other Professionals	37,517			118,266		155,783
Substitutes						148,642
	37,517	-	-	118,266	-	2,172,071
Employee Benefits	8,226			13,455		490,380
Services and Supplies	240,578	42,091		1,181		1,132,556
	286,321	42,091	-	132,902	-	3,795,007
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-

School District No. 85 (Vancouver Island North)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025	2025 Actual			2024
	Budget (Note 13)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	1,424,675	1,426,419		1,426,419	1,360,036
Total Revenue	1,424,675	1,426,419	-	1,426,419	1,360,036
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	1,657,465	1,680,363		1,680,363	1,582,383
Transportation and Housing	181,047	155,310		155,310	180,617
Total Expense	1,838,512	1,835,673	-	1,835,673	1,763,000
Capital Surplus (Deficit) for the year	(413,837)	(409,254)	-	(409,254)	(402,964)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased				-	135,775
Local Capital				-	400,000
Total Net Transfers				-	535,775
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		261,106	(261,106)	-	
Total Other Adjustments to Fund Balances		261,106	(261,106)	-	
Total Capital Surplus (Deficit) for the year	(413,837)	(148,148)	(261,106)	(409,254)	132,811
Capital Surplus (Deficit), beginning of year		6,196,706	376,228	6,572,934	6,440,123
Capital Surplus (Deficit), end of year		6,048,558	115,122	6,163,680	6,572,934

School District No. 85 (Vancouver Island North)

Tangible Capital Assets
Year Ended June 30, 2025

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	2,891,161	81,682,832	1,217,348	1,645,463	68,809	79,462	87,585,075
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		2,319,683	195,000				2,514,683
Local Capital		30,584	56,635	92,581	46,311	34,995	261,106
	-	2,350,267	251,635	92,581	46,311	34,995	2,775,789
Decrease:							
Deemed Disposals			125,605	19,322		20,534	165,461
	-	-	125,605	19,322	-	20,534	165,461
Cost, end of year	2,891,161	84,033,099	1,343,378	1,718,722	115,120	93,923	90,195,403
Work in Progress, end of year							-
Cost and Work in Progress, end of year	2,891,161	84,033,099	1,343,378	1,718,722	115,120	93,923	90,195,403
Accumulated Amortization, beginning of year		48,012,260	520,795	838,795	6,881	31,489	49,410,220
Changes for the Year							
Increase: Amortization for the Year		1,529,823	102,168	155,310	26,005	22,367	1,835,673
Decrease:							
Deemed Disposals			125,605	19,322		20,534	165,461
			125,605	19,322	-	20,534	165,461
Accumulated Amortization, end of year		49,542,083	497,358	974,783	32,886	33,322	51,080,432
Tangible Capital Assets - Net	2,891,161	34,491,016	846,020	743,939	82,234	60,601	39,114,971

School District No. 85 (Vancouver Island North)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
Deferred Capital Revenue, beginning of year	\$ 27,861,262	\$ 68,302	\$ -	\$ 27,929,564
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,514,683			2,514,683
	2,514,683	-	-	2,514,683
Decrease:				
Amortization of Deferred Capital Revenue	1,409,527	16,892		1,426,419
	1,409,527	16,892	-	1,426,419
Net Changes for the Year	1,105,156	(16,892)	-	1,088,264
Deferred Capital Revenue, end of year	28,966,418	51,410	-	29,017,828
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	28,966,418	51,410	-	29,017,828

School District No. 85 (Vancouver Island North)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2025

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
Balance, beginning of year	\$	\$ 12,756	\$ 1,657	\$	\$	\$ 14,413
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	2,514,683					2,514,683
	2,514,683	-	-	-	-	2,514,683
Decrease:						
Transferred to DCR - Capital Additions	2,514,683					2,514,683
	2,514,683	-	-	-	-	2,514,683
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	12,756	1,657	-	-	14,413