

**POLICY, OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE  
AGENDA**

**TUESDAY, SEPTEMBER 9, 2025**

**3:30 PM – 4:30 PM**

In person: School Board Office, 811 Stanley Street, Nelson BC

Via video conference: [Zoom](#) - Webinar ID: 657 3277 9733 – Password: 495118

**1. Call to Order**

**2. Acknowledgement of Aboriginal Territory**

*We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.*

**3. Receiving Presentations/Delegations - Nil**

**4. Changes or Omissions to Minutes (p. 2)**

App. 4

**5. New or Ongoing Business**

A. 2025-2026 Terms of Reference (p. 4)

App. 5A

B. 2024-2025 Audited Financial Statements (p. 5)

App. 5B

*Guest: David Bond, KPMG*

**6. Comments or Questions from the Public Regarding Items in this Agenda**

**7. Meeting Schedule & Reminders**

The next meeting of the Committee is scheduled for February 10, 2026.

**8. Adjournment**

**POLICY, OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE  
MINUTES  
TUESDAY, MAY 13, 2025**

**Board:**

K. Etheridge, Committee Chair *(via video conference)*  
D. Lang, Chair  
J. Bremner, Vice Chair  
M. J. Blackmore *(via video conference)*  
A. Gribbin *(via video conference)*  
S. Nazaroff  
M. Shunter  
L. Trenaman

**Partners**

J. Francis, KLPVPA *(via video conference)*  
D. Kunzelman, KLTF *(via video conference)*  
N. Nazaroff, DPAC  
C. Martin, CUPE  
S. May, CUPE

**District Staff:**

T. Smillie, Superintendent  
C. MacArthur, Secretary-Treasurer  
L. Carriere, Director of Aboriginal Education *(via video conference)*  
B. Eaton, Director of Instruction – Innovative Learning  
D. Holitzki, Assistant Superintendent  
C. Kerr, Director of Operations  
C. Singh, Director of Human Resources  
S. Bruskowski, Executive Assistant

**Guests:**

Nil

**Regrets:**

S. Chew

**1. Call to Order**

The meeting was called to order at 3:30 PM.

**2. Acknowledgement of Aboriginal Territory**

**3. Receiving Presentations/Delegations – Nil**

**4. Changes or Omissions to Minutes – Nil**

**5. New or Ongoing Business**

**A. 2025-2026 Annual Budget**

Secretary-Treasurer MacArthur presented the final version of the 2025-2026 draft budget in consideration of feedback received from Trustees, partners, and the public. In the



development process, staffing and services and supplies are determined based on enrolment projections, student composition, and aligned to the strategic plan and reflects its strategic priorities. In compliance with the BC School Act, the Board and partners reviewed the balanced draft budget.

Superintendent Smillie and Secretary-Treasurer MacArthur answered questions related to staffing and special purpose funds.

**6. Comments or Questions from the Public Regarding Items in this Agenda – Nil**

**7. Meeting Schedule & Reminders**

The next meeting of the Committee is scheduled for September 9, 2025.

**8. Adjournment**

The meeting was adjourned at 4:40 PM.

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Board Chair

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Secretary-Treasurer



## **POLICY, OPERATIONS & FINANCE PARTNER ADVISORY COMMITTEE**

### **2025-2026 TERMS OF REFERENCE**

*Reviewed: September 9, 2025*

#### **Purpose**

The Policy, Operations & Finance Partner Advisory Committee will provide advice to the Board on specific topics that are relevant to the Board's governance responsibilities. The Policy, Operations & Finance Partner Advisory Committee will offer an opportunity for the Board to engage with partner groups around a specific topic.

Discussions will be held in a manner that builds trust and sustains strong functional relationships and strengthens communication and information sharing. The discussions will be purposeful and constructive.

#### **Scope**

Policy, Operations & Finance Partner Advisory Committee input will be considered in matters related to the district but will not replace the accountability of district management and the Board of Policy, Operations & Finance in decision-making. The Policy, Operations & Finance Partner Advisory Committee does not have the authority for decision-making and no motions will be brought forward.

#### **Committee Membership**

Chair: Trustee Elected by the Board

Members: Board of Policy, Operations & Finance, Senior Leadership Team, 2 Principal or Vice- Principal reps, 2 KLTF reps, 2 CUPE reps, 2 DPAC reps, and Indigenous Rights Holders Representatives

#### **Meetings**

An annual schedule of meetings will be developed and approved by the Board.

The Policy, Operations & Finance Partner Advisory Committee will meet up to four times per year during the period when schools are in session.

An agenda will be developed prior to each meeting to meet the Board's accountabilities. Partner representatives may bring forward topics of interest for consideration as it aligns to the purpose of the Committee. These items will be brought forward to the Policy, Operations & Finance Partner Advisory Committee Chair and Superintendent two weeks prior to the committee meeting or at the Policy, Operations & Finance Partner Committee for consideration at agenda setting to be considered for following relevant meetings. A rationale will be provided if an item is not placed on the agenda for the following meetings. Operational issues, labour relations or personnel matters will not be addressed.

To facilitate open discussion, summary minutes will be recorded, following the minute-taking standards in Policy 124.

#### **Order of Business**

The order of business will be as follows:

- Call to Order
- Acknowledgement of Aboriginal Territory
- Receiving Presentations/Delegations
- Changes or omissions to Minutes
- New or Ongoing Business
- Comments or Questions from the Public regarding items on this Agenda
- Meeting Schedule and Reminders
- Adjournment





**FROM:** Cathy MacArthur, Interim Secretary-Treasurer  
**DATE:** September 9, 2025  
**SUBJECT:** 2024-2025 Year-End Financial Reporting and Audited Financial Statements

**For Information**

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## Introduction

This memorandum provides information to the Board on the Audited Financial Statements for the 2024-2025 school year ending June 30, 2025 and the accompanying 2024-2025 Financial Statement, Discussion and Analysis.

## Information

The draft Audited Financial Statements for the 2024-2025 school year ending June 30, 2025 in the required format as per the Ministry of Education and Child Care and the accompanying 2024-2025 Financial Statement, Discussion and Analysis are attached. The audited financial statements and Discussion and Analysis contain information on the following funds:

- Operating Fund
- Special Purpose fund
- Capital Fund

The financial statements have been reviewed by the district's external auditors, KPMG LLP and are considered in final draft. When presented and approved by the Board of Education in the Public meeting later this evening, these statements will be filed with the Ministry of Education and Child Care who will consolidate our information with the other districts across the province to calculate the provincial totals.

This update is for the Board's information and requires no further action at this time.



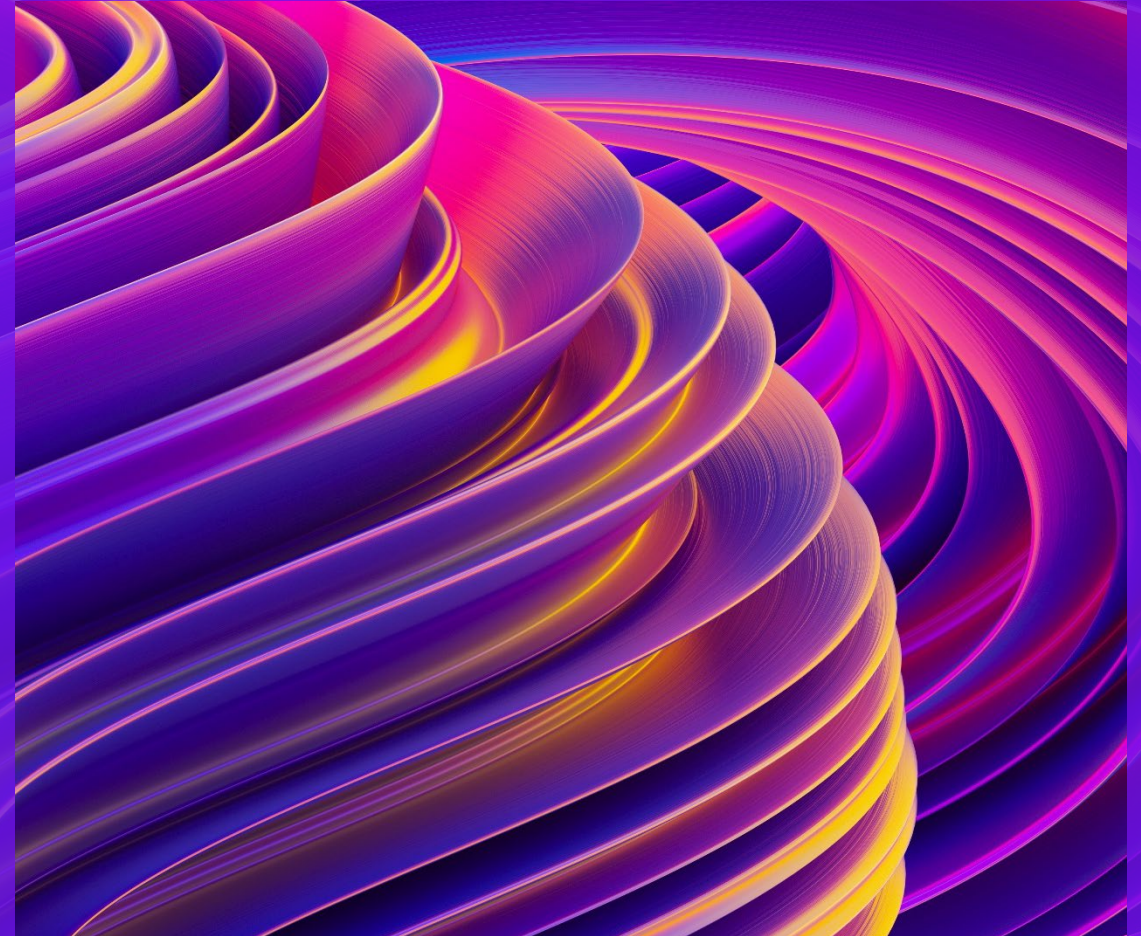
# School District No. 8 (Kootenay Lake)

**Audit Findings Report  
for the year ended June 30, 2025**

*KPMG LLP*

For presentation on September 9, 2025

[kpmg.ca/audit](https://kpmg.ca/audit)





## KPMG contacts

### Key contacts in connection with this engagement



**David Bond, CPA, CA, CBV**

Lead Audit Engagement Partner

250-979-7154

[dpbond@kpmg.ca](mailto:dpbond@kpmg.ca)



## Aisha Myers, ACCA

## Lead Audit Engagement Manager

250-503-5362

[aishamyers@kpmg.ca](mailto:aishamyers@kpmg.ca)



# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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The purpose of this report is to assist you, as a member of the Board of Education, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Operations and Finance Committee, and the Board of Education and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.





# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on the 'Status' slide of this report.



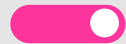
## Significant changes



Significant changes since our audit plan

- There were no significant changes to our audit plan which was originally communicated to you in our audit planning report on April 8, 2025.

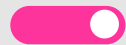
## Risks and results



Significant risks



- No other risks were identified beyond those required by professional standards - presumed risk of management override of controls



Other risks of material misstatement



- Tangible capital assets and deferred capital revenue
- Revenue and deferred revenue
- Salaries and benefits
- Accounts payable and expenses

## Uncorrected misstatements



Uncorrected misstatements



No significant uncorrected differences.

## Corrected misstatements



Corrected misstatements

No corrected misstatements were identified. Corrected items related to recommendations on financial statement presentation and disclosure.

## Control deficiencies



Significant deficiencies



We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

## Policies and practices & Specific topics



Significant unusual transactions



Accounting policies and practices



Other financial reporting matters





# Status

As of the date of this report, we have completed the audit of June 30, 2025 financial statements of School District No.8 (Kootenay Lake) ("the School District"), with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Operations and Finance Committee
- Obtaining evidence of the Board's approval of the financial statements
- Obtaining a signed management representation letter
- Completing subsequent event review procedures up to the date of the Board's approval of the financial statements
- Reporting to the Office of the Auditor General for the purposes of reliance on our audit opinion in the audit of the summary financial statements of the Province.

We will update the Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.





# Auditor's Report on Compliance Framework



## Auditor's Report on Compliance Framework

The financial statements are prepared under Canadian Public Sector Accounting standards ("PSAS"), supplemented by the requirements of Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

These regulations direct the School District to apply Public Sector Accounting Standards (PSAS), except in regard to accounting for restricted contributions. Under the regulations, capital contributions are deferred and amortized on the same basis as the amortization of the related tangible capital assets, not in accordance with the underlying stipulations on the funding, as required under PSAS.

As a result, the School District's revenue recognized in the statement of operations and certain related deferred capital revenue would have been recorded differently under Canadian Public Sector Accounting Standards.

### Our Response

- The Office of the Auditor General ("OAG") has requested additional reporting, under the Group Auditor requirements, in order to perform the consolidation of the Provincial Accounts under the PSA standards.
- We have reviewed the reporting prepared for the OAG, including the reconciliation of deferred capital contributions and will report to OAG accordingly.

### Results 6

- No issues were noted as a result of the procedures performed.
- The auditor's report has been modified from a standard report to include an Emphasis of Matter section related to the Special Purpose Financial Reporting Framework. Specifically, that the financial statements are required to be prepared under Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.





# Significant risks and results



## Fraud risk from management override of controls

This is a presumed fraud risk in accordance with Canadian Auditing Standards. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

### Our Response

Our procedures included:

- testing of journal entries and other adjustments
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

### Significant findings

- No issues were noted as a result of the procedures performed.







# Other risks of material misstatement and results



## Tangible capital assets and deferred capital revenue

### Our procedures and results

- We obtained an understanding of the process activities and controls over tangible capital assets and deferred capital revenue, including the approval and related review processes for capital expenditures to ensure they are consistent with approved budgets and board approvals.
- We selected a sample of additions, for testing and inspected the supporting invoices to determine if the amount recognized agreed, was capital in nature, and eligible per the funding sources.
- We performed a reasonability assessment of amortization expense based on estimated useful life of capital assets.
- We confirmed capital revenue received and recognized during the year to assess if amounts are appropriately restricted and accurately recorded.
- We performed a reasonability assessment of the amortized deferred capital contributions recorded during the year based on its correlation to amortization of tangible capital assets.
- We reviewed the information related to deferred capital revenue, which is used to support our additional reporting to the Office of the Auditor General (“OAG”).

We noted no issues as a result of the procedures performed.

We noted, consistent with other BC School Districts, that the School District records an annual estimated deemed disposal of certain fully-amortized assets (furniture and equipment and vehicles) after a prescribed period of time. While recording deemed disposals is a useful way of updating the School District’s accounting records, the best tool available to School District is a detailed capital asset register, that lists date acquired, active use and scheduled replacement date. Using a detailed capital asset register, a School District can track and record disposals in the year they occur and can use this tool for future capital budgeting.

The School District adopted the accounting standard for asset retirement obligations beginning with its year ended June 30, 2023. The School District, consistent with other BC School Districts, has recorded the balance using a current cost estimate but has not adjusted the balance from its initial estimate of \$2.2 million. In accordance with PSAS, the liability should be reconsidered each year and adjusted for changes in the estimate for timing or amount of costs or inflation. Considering inflation to June 30, 2025, the asset retirement obligation could be understated by up to \$100,000. We recommend that the School District review this balance for the June 30, 2026 financial statements..





# Other risks of material misstatement and results



## Revenue, deferred revenue and unearned revenue

### Our procedures and results

- We obtained an understanding of the process activities and controls over revenue, deferred revenue and unearned revenue.
- We obtained a confirmation from the Ministry for the funding provided in the 2025 fiscal year and agreed the operating grants to the amount of revenue recognized.
- We agreed the special purpose funding received and recorded in deferred revenue to the confirmation received from the Ministry.

We noted no issues as a result of the procedures performed.



## Accounts payable, accrued liabilities and expenses

### Our procedures and results

- We obtained an understanding of the process activities and controls over expenses, payables and accrued liabilities.
- We obtained an understanding of the variances in expenses relative to prior year and the approved budget. We corroborated significant variances by reviewing supporting documentation.
- We selected a sample of payments made, trade payables recorded, and invoices received subsequent to year-end to assess if they were recorded in the appropriate fiscal year.
- We utilized KPMG Clara AI Transaction Scoring to select a sample of operating expenses to assess if they are accurate, properly classified and were recorded in the appropriate fiscal year.

We noted no issues as a result of the procedures performed.





# Other risks of material misstatement and results



## Salaries and benefits, employee future benefits obligations

### Our procedures and results

- We obtained an understanding of the process activities and controls over employee salaries and benefits expense.
- We performed a test of details over the payroll expenses for the year and agreed them to timesheets and collective agreements.
- We obtained the valuation report for employee future benefits performed by Mercer as at March 31, 2025, and management's projection to June 30.
- We reviewed the assumptions used by management and agreed them to the Actuary's report.
- We reviewed financial statement presentation, including related note disclosure and confirm that it is in accordance with PSAB guidelines.

We noted no issues as a result of the procedures performed.





# KPMG Clara AI Transaction Scoring – OpEx

As previously communicated in our Audit Planning Report, we have utilized our new KPMG Clara AI Transaction Scoring tool to enhance the quality and effectiveness of the audit. AI Transaction Scoring simultaneously tested each operating expense transaction through a mix of rules-based, machine learning algorithms, and advanced statistical scenarios to assign a risk score and categorize the entire relevant population by risk. This allowed our team to focus primarily on transactions with the highest risk, while giving you positive assurance over the remaining population.

The visualization below is a snapshot of our AI Transaction Scoring tool displaying the results of the analysis performed over operating expenses (existence and accuracy).

Total # of entries	% of value - high risk	% of value - medium risk	% of value - low risk
32,873	0.1%	22.7%	77.3%

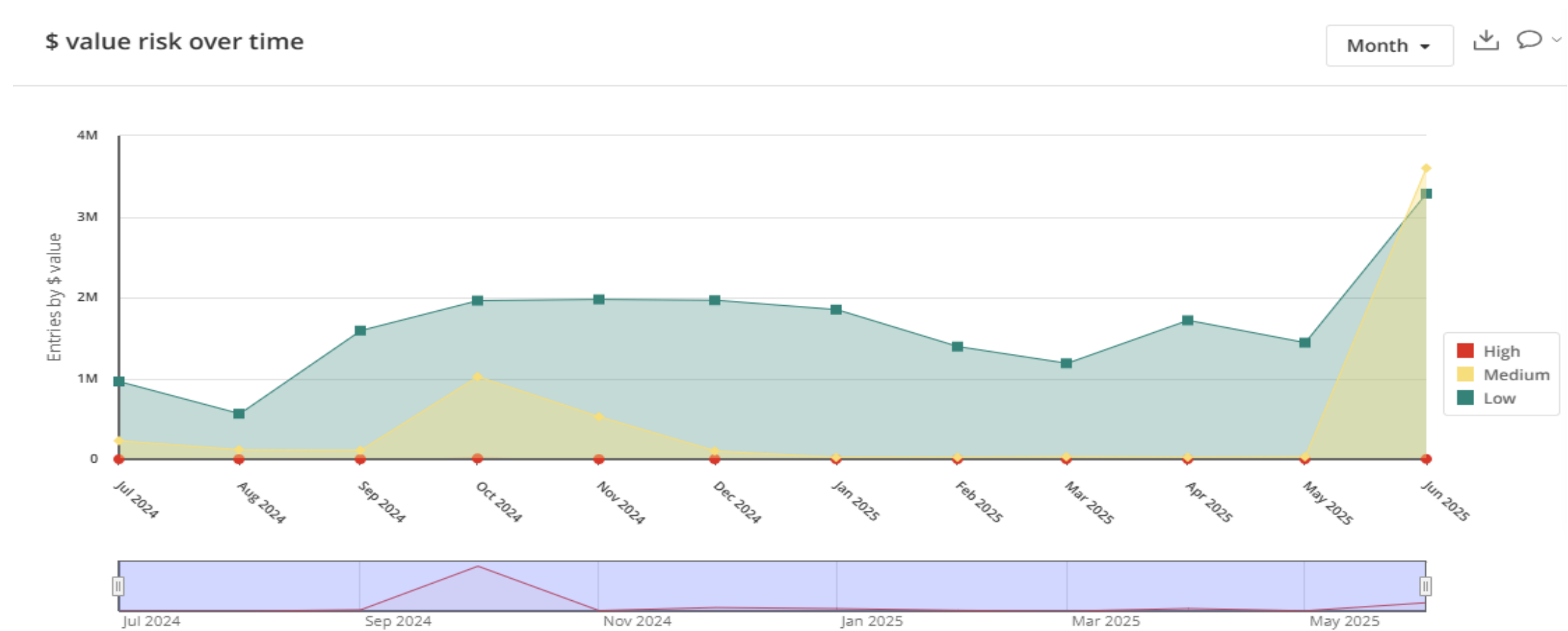
- The tool scored 77.3% of the operating expense population as low risk, 22.7% as medium risk and 0.1% as high risk. KPMG performed further testing over items identified as medium and high risk and did not identify any audit differences.
- We noted that the majority of the high and medium risk related to normal debit and credit items within operating expenses.





# KPMG Clara AI Transaction Scoring – OpEx Results

The visualization below is a snapshot of our AI Transaction Scoring tool displaying the results of the analysis performed.





# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

**We did not identify any significant deficiencies in internal control over financial reporting.**





# How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority.

We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'**Perform quality engagements**' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



**Doing the right thing. Always.**





# Appendices

**1**

Required  
communications

**2**

Management  
representation letter

**3**

Continuous evolution

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Thought leadership  
and insights







# Appendix 1: Other required communications



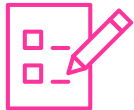
## Auditor's report

Refer to the draft report attached to the financial statements.



## Engagement letter

A copy of the engagement letter was included with our Audit Planning Report.



## Auditor's report

As required by professional standards, we have considered all relationships between KPMG and the District that may have a bearing on independence. We confirm that we are independent with respect to the School District within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from July 1, 2024 up until the date of this report.



## Management representation letter

A copy of the management representation letter is attached.





# Appendix 2: Management representation letter

See attached management representation letter



KPMG LLP  
200-3200 Richter Street  
Kelowna, BC V1W 5K9  
Canada

September 9, 2025

Ladies and Gentlemen:

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of School District No. 8 (Kootenay Lake) (“the Entity”) as at and for the period ended June 30, 2024.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated March 25, 2025, including for:
  - a) the preparation of the financial statements and believe that these financial statements have been prepared in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.



- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - others
 where such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.



*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

*Employee future benefits:*

- 8) The employee future benefits costs and obligations have been determined, accounted for and disclosed in accordance with the financial reporting framework.
- 9) All arrangements (contractual or otherwise) by which programs have been established to provide employee benefits have been disclosed to you and included in the determination of employee future benefits costs and obligations.
- 10) The assumptions included in the actuarial valuation are those that management instructed Mercer to use in computing amounts to be used by the Entity in determining non-pension post employment benefits costs and obligations and in making required disclosures in the above-named financial statements, in accordance with the relevant financial reporting framework.
- 11) The source data and plan provisions provided to the actuary for preparation of the actuarial valuation are accurate and complete.
- 12) The extrapolations are accurate and properly reflect the effects of changes and events that occurred subsequent to the most recent valuation and that had a material effect on the extrapolation.
- 13) All material events and changes to the plan subsequent to the most recent actuarial valuation have been properly reflected in the extrapolation.

*Environmental matters:*

- 14) The Entity has appropriately recognized, measured and disclosed liabilities for contaminated sites in the financial statements.

*Estimates:*

- 15) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.



- 16) The Entity's asset retirement obligations liability as at June 30, 2024 is a reasonable approximation of the Entity's asset retirement obligation and no accretion expense was required for the 2024 fiscal year.

*Going concern:*

- 17) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 18) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Accounting changes:*

- 19) We believe that the change in policy related to the application of the half-year rule for disposals is reliable and more relevant than the previous accounting policy because it results in a more precise estimate of amortization that aligns with the period of use of the tangible capital asset.

*Non-SEC registrants or non-reporting issuers:*

- 20) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 21) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

*Other:*

- 22) The amounts reported as differences between accounting for Non-Provincial restricted contributions in accordance with the Restricted Contributions Regulation as compared to Public Sector Accounting Standards for the purpose of reporting to the Office of the Auditor General are complete and accurate.

Yours very truly,

School District No. 8 (Kootenay Lake)

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By: Cathy MacArthur, Secretary-Treasurer



## ***Attachment I – Definitions***

### ***Materiality***

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### ***Fraud & error***

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.





# Appendix 3: Continuous evolution

## Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

## Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

## Result: A better experience

Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.

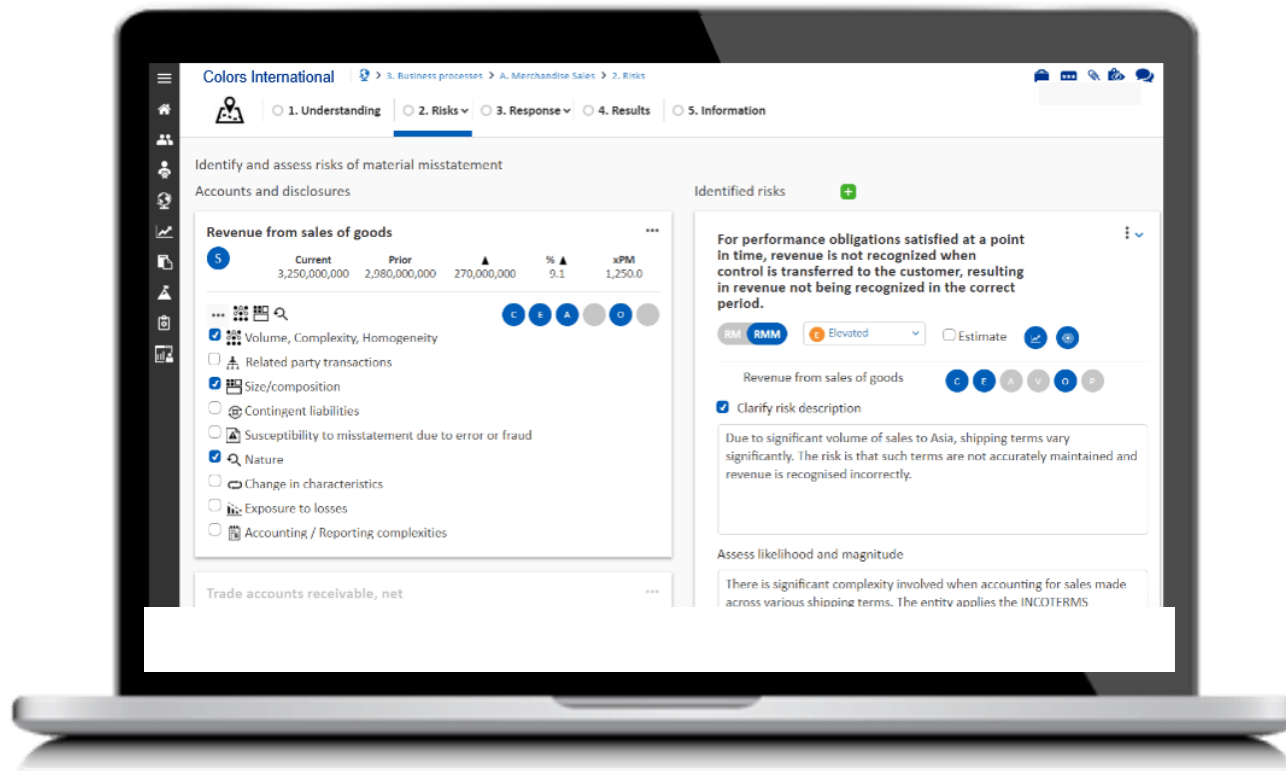






# Appendix 3: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



## AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



## Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



## Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



## Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.





# Appendix 4: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

## Sustainability Reporting

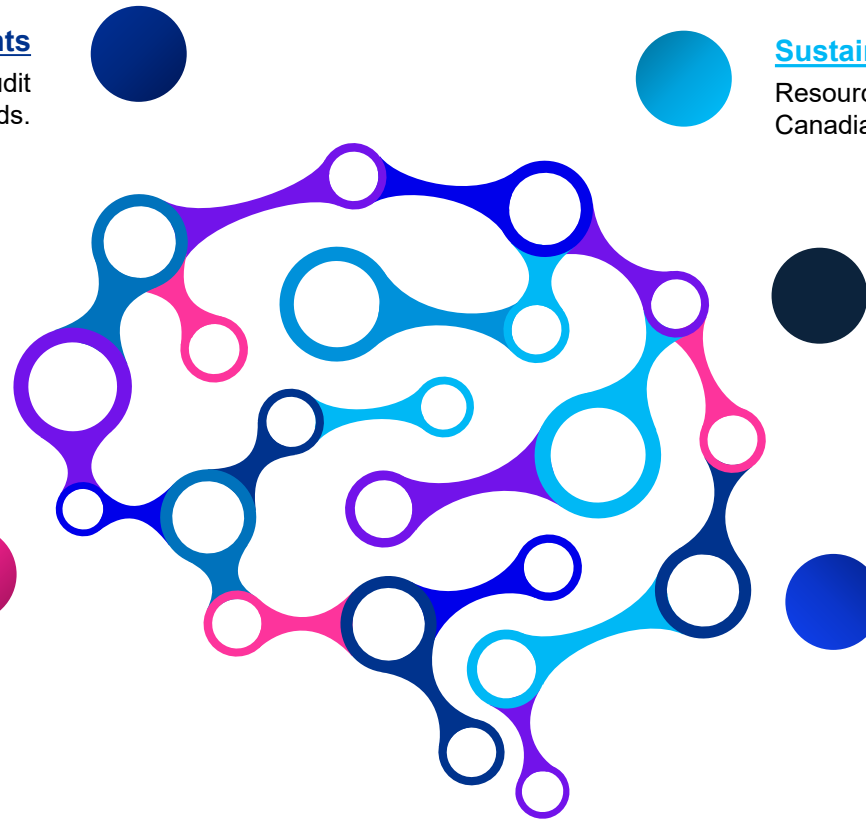
Resource centre on implementing the new Canadian reporting standards

## Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

## Audit Committee Guide – Canadian Edition

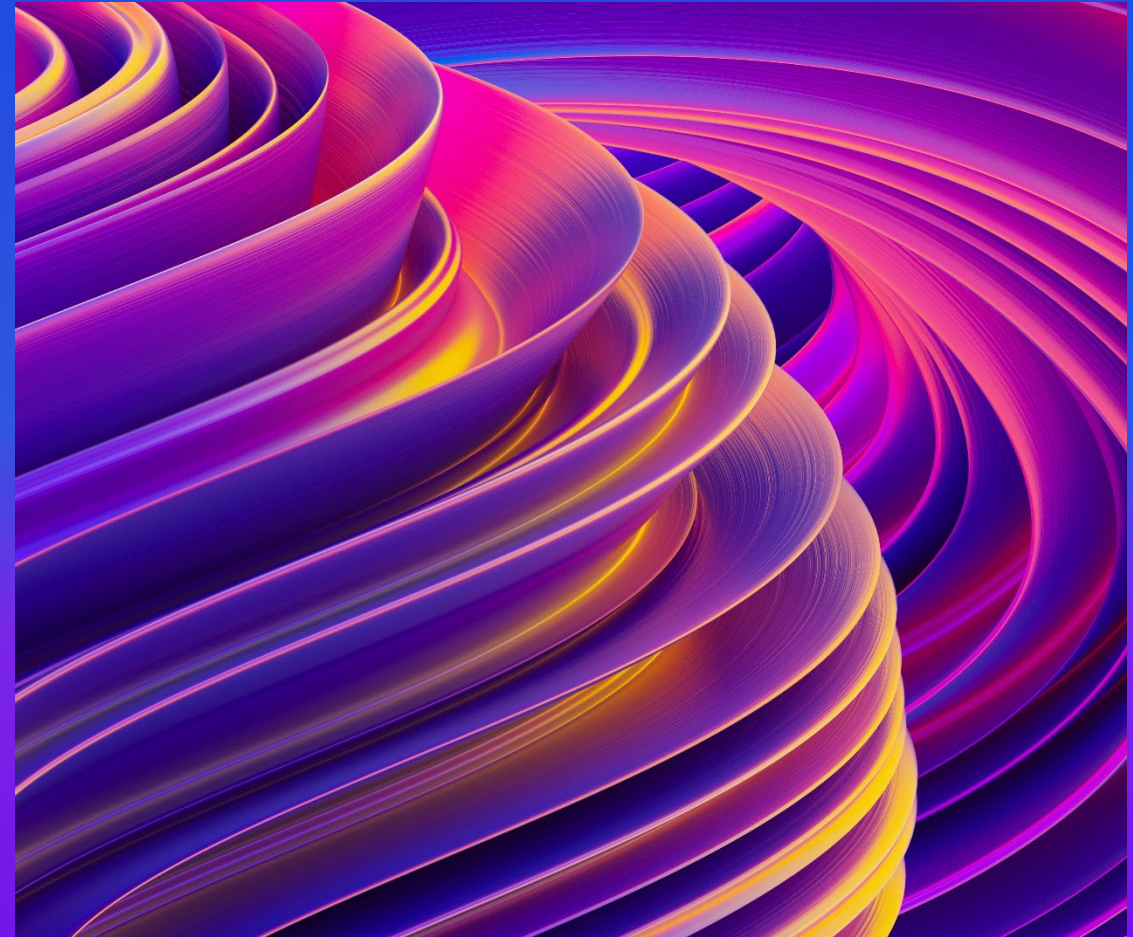
A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.





<https://kpmg.com/ca/en/home.html>

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Audited Financial Statements of

# **School District No. 8 (Kootenay Lake)**

And Independent Auditors' Report thereon

June 30, 2025



# School District No. 8 (Kootenay Lake)

June 30, 2025

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# School District No. 8 (Kootenay Lake)

## MANAGEMENT REPORT

**DRAFT**

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 8 (Kootenay Lake) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 8 (Kootenay Lake) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 8 (Kootenay Lake) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 8 (Kootenay Lake)

**DRAFT**

Signature of the Chairperson of the Board of Education \_\_\_\_\_ Date Signed \_\_\_\_\_

Signature of the Superintendent \_\_\_\_\_ Date Signed \_\_\_\_\_

Signature of the Secretary Treasurer

Date Signed







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200 – 3200 Richter Street  
Kelowna BC V1W 5K9  
Canada  
Telephone 250-979-7150  
Fax 250-763-0044

## INDEPENDENT AUDITORS' REPORT

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

### Opinion

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

- the statement of financial position as at June 30, 2025
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policy information (Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2025 of the School District are prepared, in all material respects in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

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

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

### Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



## **Other Information**

Management is responsible for the other information. Other information comprises information, other than the financial statements and the auditors' report thereon, included in unaudited schedules 1-4 attached to the audited financial statements and management's financial statement discussion and analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We obtained the Information, other than the financial statements and the auditors' report thereon, included in the unaudited schedules 1-4 attached to the audited financial statements and the financial statement discussion and analysis document, at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements.

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





We also:

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

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

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



Chartered Professional Accountants

Kelowna, Canada

September 9, 2025



# School District No. 8 (Kootenay Lake)

Statement 1

Statement of Financial Position

As at June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents (Note 3)	19,358,901	17,947,023
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	925,721	741,485
Other (Note 4)	712,444	962,502
Portfolio Investments (Note 5)	415,304	375,996
<b>Total Financial Assets</b>	<b>21,412,370</b>	<b>20,027,006</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	7,765,813	6,774,872
Unearned Revenue (Note 7)	553,453	542,471
Deferred Revenue (Note 8)	3,139,139	2,790,183
Deferred Capital Revenue (Note 9)	54,026,881	51,156,219
Employee Future Benefits (Note 10)	1,885,457	1,779,325
Asset Retirement Obligation	2,240,535	2,240,535
<b>Total Liabilities</b>	<b>69,611,278</b>	<b>65,283,605</b>
<b>Net Debt</b>	<b>(48,198,908)</b>	<b>(45,256,599)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 11)	75,949,213	73,033,602
Prepaid Expenses	333,460	351,858
<b>Total Non-Financial Assets</b>	<b>76,282,673</b>	<b>73,385,460</b>
<b>Accumulated Surplus (Deficit) (Note 19)</b>	<b>28,083,765</b>	<b>28,128,861</b>
<b>Accumulated Surplus (Deficit) is comprised of:</b>		
Accumulated Surplus (Deficit) from Operations	27,960,760	28,036,990
Accumulated Remeasurement Gains (Losses)	123,005	91,871
	<b>28,083,765</b>	<b>28,128,861</b>

Contractual Obligations (Note 15)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board September 9, 2025 Date Signed

Signature of the Superintendent August 29, 2025 Date Signed

Signature of the Secretary Treasurer Date Signed

DRAFT

# School District No. 8 (Kootenay Lake)

Statement 2

Statement of Operations  
Year Ended June 30, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	76,966,928	77,092,214	77,056,962
Other	390,198	407,928	391,338
Federal Grants	116,410	188,365	
Tuition	1,002,150	1,052,227	1,161,627
Other Revenue	2,276,797	2,812,672	2,760,753
Rentals and Leases	105,000	160,581	121,783
Investment Income	499,000	485,776	554,915
Gain (Loss) on Disposal of Tangible Capital Assets		9,086	
Amortization of Deferred Capital Revenue	3,091,410	3,093,404	2,955,837
<b>Total Revenue</b>	<b>84,447,893</b>	<b>85,302,253</b>	<b>85,003,215</b>
<b>Expenses (Note 18)</b>			
Instruction	63,412,036	63,693,451	61,638,549
District Administration	4,959,296	4,792,147	4,658,536
Operations and Maintenance	13,506,485	13,414,545	13,368,074
Transportation and Housing	3,455,553	3,478,340	3,225,580
<b>Total Expense</b>	<b>85,333,370</b>	<b>85,378,483</b>	<b>82,890,739</b>
<b>Surplus (Deficit) for the year</b>	<b>(885,477)</b>	<b>(76,230)</b>	<b>2,112,476</b>
<b>Accumulated Surplus (Deficit) from Operations, beginning of year</b>		<b>28,036,990</b>	<b>25,924,514</b>
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>		<b>27,960,760</b>	<b>28,036,990</b>

# School District No. 8 (Kootenay Lake)

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2025

Statement 3

	2025 Actual	2024 Actual
	\$	\$
Accumulated Remeasurement Gains (Losses) at beginning of year	91,871	62,108
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	31,134	29,763
Net Remeasurement Gains (Losses) for the year	31,134	29,763
Accumulated Remeasurement Gains (Losses) at end of year	123,005	91,871

# School District No. 8 (Kootenay Lake)

Statement of Changes in Net Debt

Year Ended June 30, 2025

Statement 4

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	(885,477)	(76,230)	2,112,476
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(6,614,379)	(6,988,066)	(4,270,763)
Amortization of Tangible Capital Assets	4,059,750	4,072,455	3,944,816
Net carrying value of Tangible Capital Assets disposed of		-	-
<b>Total Effect of change in Tangible Capital Assets</b>	(2,554,629)	(2,915,611)	(325,947)
Acquisition of Prepaid Expenses	-	(502,534)	(748,089)
Use of Prepaid Expenses	-	520,932	678,764
<b>Total Effect of change in Other Non-Financial Assets</b>	-	18,398	(69,325)
<b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	(3,440,106)	(2,973,443)	1,717,204
<b>Net Remeasurement Gains (Losses)</b>		31,134	29,763
<b>(Increase) Decrease in Net Debt</b>		(2,942,309)	1,746,967
<b>Net Debt, beginning of year</b>		(45,256,599)	(47,003,566)
<b>Net Debt, end of year</b>		(48,198,908)	(45,256,599)

# School District No. 8 (Kootenay Lake)

Statement 5

Statement of Cash Flows  
Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	(76,230)	2,112,476
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	65,822	(378,854)
Prepaid Expenses	18,398	(69,325)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	990,941	289,917
Unearned Revenue	10,982	(395,023)
Deferred Revenue	348,956	(8,762)
Employee Future Benefits	106,132	138,814
Loss (Gain) on Disposal of Tangible Capital Assets	(9,086)	
Amortization of Tangible Capital Assets	4,072,455	3,944,816
Amortization of Deferred Capital Revenue	(3,093,404)	(2,955,837)
<b>Total Operating Transactions</b>	<b>2,434,966</b>	<b>2,678,222</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(6,988,066)	(4,270,763)
District Portion of Proceeds on Disposal	9,086	
<b>Total Capital Transactions</b>	<b>(6,978,980)</b>	<b>(4,270,763)</b>
<b>Financing Transactions</b>		
Capital Revenue Received	5,964,066	3,506,195
<b>Total Financing Transactions</b>	<b>5,964,066</b>	<b>3,506,195</b>
<b>Investing Transactions</b>		
Proceeds on Disposal of Portfolio Investments		87,842
Investments in Portfolio Investments	(8,174)	
<b>Total Investing Transactions</b>	<b>(8,174)</b>	<b>87,842</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,411,878</b>	<b>2,001,496</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>17,947,023</b>	<b>15,945,527</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>19,358,901</b>	<b>17,947,023</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
Cash	19,358,901	17,947,023
	<b>19,358,901</b>	<b>17,947,023</b>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District No. 8 (Kootenay Lake) (the “**School District**”), established on December 2, 1996, operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 8 (Kootenay Lake)", and operates as "School District No. 8 (Kootenay Lake)." A board of education (“**Board**”) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No.8 (Kootenay Lake) is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Accounting

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

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

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

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

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



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

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

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (l).





**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

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

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

g) Employee Future Benefits

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

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

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

h) Asset Retirement Obligation

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

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

A liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District was initially recognized using the modified retroactive method. The liability is



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

h) Asset Retirement Obligation *(Continued)*

measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs are capitalized into the carrying amount of tangible capital assets and are amortized on the same basis as the related tangible capital asset (see note 2(i)). The liability is reviewed annually and adjusted prospectively to reflect current market conditions in estimated costs.

i) Tangible Capital Assets

The following criteria apply:

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

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



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

j) Prepaid Expenses

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

k) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 13 – Interfund Transfers and Note 19 – Internally Restricted Surplus).

l) Revenue Recognition

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

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

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

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

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

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



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

1) Revenue Recognition *(Continued)*

Revenue from transactions with performance obligations, such as rental, leases and other revenue, is recognized when the performance obligation is satisfied through the provision of agreed goods or services. Revenue from transactions with no performance obligations is recognized when the School District has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

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

m) Expenses

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

Categories of Salaries

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

Allocation of Costs

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



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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

n) Financial Instruments

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

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

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

Unrealized gains and losses from changes in fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

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

o) Measurement Uncertainty

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



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 3 CASH AND CASH EQUIVALENTS**

Included in cash and cash equivalents are funds in the amount of \$1,210,739 (2024 - \$1,066,512), which are restricted and paid out to teachers who contribute to and take part in the District's self-funded summer saving plan.

**NOTE 4 ACCOUNTS RECEIVABLE – OTHER**

	<b>2025</b>	<b>2024</b>
Goods and Services Tax recoverable	\$ 322,561	\$ 317,387
Due from Other School Districts	-	312,710
Other	389,883	332,405
<b>Total Accounts Receivable – Other</b>	<b>\$ 712,444</b>	<b>\$ 962,502</b>

**NOTE 5 PORTFOLIO INVESTMENTS**

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

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

	<b>2025</b>	<b>2024</b>
<b>Investments in fair value category – Level 1</b>		
Cash	\$ 32,388	\$ 30,846
Canadian corporate bonds	48,580	48,034
Canadian equity instruments	31,504	27,252
Canadian mutual funds	302,832	269,864
<b>Total Portfolio Investments</b>	<b>\$ 415,304</b>	<b>\$ 375,996</b>

The fair value of portfolio investments exceeded its cost amount, as at June 30, 2025, by \$123,005 (2024 - \$91,871), which is presented in the statement of remeasurement gains and losses.



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 6      ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER**

	<b>2025</b>	<b>2024</b>
Trade	\$ 2,731,014	\$ 2,059,847
Salaries and benefits	3,222,671	3,063,663
Accrued vacation pay	601,389	584,850
Other – summer teachers’ savings plan	1,210,739	1,066,512
<b>Total Accounts Payable and Accrued Liabilities - Other</b>	<b>\$ 7,765,813</b>	<b>\$ 6,774,872</b>

**NOTE 7      UNEARNED REVENUE**

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 542,471	\$ 937,494
Tuition fees collected	553,453	542,471
Tuition fees recognized in revenue	(542,471)	(937,494)
<b>Total Unearned Revenue</b>	<b>\$ 553,453</b>	<b>\$ 542,471</b>

**NOTE 8      DEFERRED REVENUE**

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

	<b>2025</b>	<b>2024</b>
Balance, beginning of year	\$ 2,790,183	\$ 2,798,945
Provincial grants received	12,552,537	13,440,938
Other revenue received	2,215,989	2,142,160
Investment income	56,107	3,987
Revenue recognized	(14,418,416)	(15,503,827)
Revenue recovered	(57,261)	(92,020)
<b>Total Deferred Revenue</b>	<b>\$ 3,139,139</b>	<b>\$ 2,790,183</b>





**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 9      DEFERRED CAPITAL REVENUE**

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

	<b>2025</b>	<b>2024</b>
<b><u>Deferred capital revenue subject to amortization</u></b>		
Balance, beginning of year	\$ 50,357,998	\$ 49,842,247
Transfers from deferred capital revenue – unspent portion	5,997,671	3,471,588
Amortization of deferred capital revenue	(3,093,404)	(2,955,837)
<b>Balance, end of year</b>	<b>\$ 53,262,265</b>	<b>\$ 50,357,998</b>
<b><u>Deferred capital revenue – unspent portion</u></b>		
Balance, beginning of year	\$ 798,221	\$ 763,614
Provincial grants – Ministry of Education and Child Care	5,910,473	3,464,020
Provincial grants - Other	26,334	42,175
MECC Restricted Portion of Proceeds on Disposal	27,259	-
Transfer to deferred capital revenue	(5,997,671)	(3,471,588)
<b>Balance, end of year</b>	<b>\$ 764,616</b>	<b>\$ 798,221</b>
<b>Total Deferred Capital Revenue</b>	<b>\$ 54,026,881</b>	<b>\$ 51,156,219</b>

**NOTE 10      EMPLOYEE FUTURE BENEFITS**

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

	<b>2025</b>	<b>2024</b>
<b><u>Reconciliation of Accrued Benefit Obligation</u></b>		
Accrued Benefit Obligation – April 1	\$ 1,390,832	\$ 1,407,217
Service Cost	125,237	126,832
Interest Cost	61,105	57,774
Benefit Payments	(43,014)	(53,890)
Actuarial (Gain) Loss	(130,156)	(147,101)
<b>Accrued Benefit Obligation</b>	<b>\$ 1,404,004</b>	<b>\$ 1,390,832</b>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 10**      **EMPLOYEE FUTURE BENEFITS** *(Continued)*

	<b>2025</b>	<b>2024</b>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Liability – March 31	\$ 1,404,004	\$ 1,390,832
Benefits expense after measurement date	40,056	46,586
Unamortized net actuarial (gain) loss	441,397	341,907
<b>Accrued Benefit Liability – June 30</b>	<b>\$ 1,885,457</b>	<b>\$ 1,779,325</b>
<b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability – July 1	\$ 1,779,325	\$ 1,640,511
Net expense for fiscal year	149,146	192,703
Employer contributions	(43,014)	(53,889)
<b>Accrued Benefit Liability – June 30</b>	<b>\$ 1,885,457</b>	<b>\$ 1,779,325</b>
<b>Components of Net Benefit Expense</b>		
Service cost	\$ 120,073	\$ 126,433
Interest cost	59,739	58,607
Amortization of net actuarial (gain) loss	(30,666)	7,663
<b>Net benefit expense</b>	<b>\$ 149,146</b>	<b>\$ 192,703</b>

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

	<b>2025</b>	<b>2024</b>
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
EARS L – March 31	11.0	9.2

**NOTE 11**      **TANGIBLE CAPITAL ASSETS**

<b>Net Book Value:</b>	<b>2025</b>	<b>2024</b>
Sites	\$ 8,958,823	\$ 8,958,823
Buildings	60,902,100	60,045,701
Vehicles	4,370,725	2,412,330
Furniture and Equipment	1,189,758	1,151,020
Computer Hardware	527,807	465,728
<b>Total</b>	<b>\$ 75,949,213</b>	<b>\$ 73,033,602</b>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)**

**June 30, 2025**

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

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

**June 30, 2024**

	<b>Opening Cost</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Cost</b>
Sites	\$ 8,958,823	\$ -	\$ -	\$ 8,958,823
Buildings	146,702,369	3,437,751	-	150,140,120
Vehicles	5,111,164	176,231	(545,473)	4,741,922
Furniture and equipment	1,393,569	479,249	(107,994)	1,764,824
Computer hardware	1,679,520	177,532	(604,549)	1,252,503
<b>Total</b>	<b>\$ 163,845,445</b>	<b>\$ 4,270,763</b>	<b>\$ (1,258,016)</b>	<b>\$ 166,858,192</b>

	<b>Opening Accumulated Amortization</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing Accumulated Amortization</b>
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	87,093,378	3,001,041	-	90,094,419
Vehicles	2,382,411	492,654	(545,473)	2,329,592
Furniture and equipment	563,878	157,920	(107,994)	613,804
Computer hardware	1,098,123	293,201	(604,549)	786,775
<b>Total</b>	<b>\$ 91,137,790</b>	<b>\$ 3,944,816</b>	<b>\$ (1,258,016)</b>	<b>\$ 93,824,590</b>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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**NOTE 12      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 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 \$5.633 million for employer contributions to the plans for the year ended June 30, 2025 (2024: \$5.473 million).

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

**NOTE 13      INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2025, were as follows:

- Tangible capital assets purchased from operating funds - \$769,047 (2024 - \$615,288)
- Tangible capital assets purchased from special purpose funds - \$68,482 (2024 - \$183,887)

**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.



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 15 CONTRACTUAL OBLIGATIONS**

The School District has multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	2026	2027	2028
Computer Hardware	\$ 5,923	\$ -	\$ -
Vehicle Leases	37,675	17,054	5,682
	<u>\$ 43,598</u>	<u>\$ 17,054</u>	<u>\$ 5,682</u>

**NOTE 16 CONTINGENT LIABILITIES**

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

**NOTE 17 BUDGET FIGURES**

Budget figures included in the financial statements are the School District's amended annual budget adopted by the Board of Education on February 11, 2025, whereas the original budget was approved by the Board on May 14, 2024. Significant changes between the original and amended budget are as follows:

	Annual Budget	Change	Amended Annual Budget
Revenue			
Provincial Grants			
Ministry of Education and Child Care	\$ 76,036,264	\$ 930,664	\$ 76,966,928
Other	413,984	(23,786)	390,198
Federal Grants	-	116,410	116,410
Tuition	1,196,250	(194,100)	1,002,150
Other Revenue	1,848,398	428,399	2,276,797
Rentals and Leases	90,000	15,000	105,000
Investment Income	402,000	97,000	499,000
Amortization of Deferred Capital Revenue	2,976,801	114,609	3,091,410
Total Revenue	<u>82,963,697</u>	<u>1,484,196</u>	<u>84,447,893</u>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

**NOTE 17 BUDGET FIGURES** *(Continued)*

Expenses			
Instruction	62,552,540	859,496	63,412,036
District Administration	4,838,570	120,726	4,959,296
Operations and Maintenance	13,087,974	418,511	13,506,485
Transportation and Housing	3,711,558	(256,005)	3,455,553
Total Expenses	84,190,642	1,142,728	85,333,370
Budgeted Surplus (Deficit) for the year	(1,226,945)	341,468	(885,477)

**NOTE 18 EXPENSE BY OBJECT**

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

	2025	2024
Salaries and benefits	\$ 69,301,967	\$ 66,886,297
Services and supplies	12,004,061	12,059,626
Amortization of tangible capital assets	4,072,455	3,944,816
<b>Total Expenses by Object</b>	<b>\$ 85,378,483</b>	<b>\$ 82,890,739</b>

**NOTE 19 ACCUMULATED SURPLUS**

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

	2025	2024
<b>Operating Fund Accumulated Surplus</b>		
Internally Restricted/Appropriated by the Board:		
Due to Nature of Constraints on the Fund	\$ 342,791	\$ 110,769
For Unanticipated Unusual Expenses	403,261	350,000
For Operations Spanning Multiple School Years	3,652,225	3,661,635
<b>Total Internally Restricted Operating Surplus</b>	<b>4,398,277</b>	<b>4,122,404</b>
Unrestricted Operating Surplus	3,106,985	3,331,850
<b>Total Operating Fund Accumulated Surplus</b>	<b>7,505,262</b>	<b>7,454,254</b>
<b>Capital Fund Accumulated Surplus</b>		
Internally Restricted/Appropriated by the Board for:		
Facilities equipment and vehicles	-	147,668
<b>Total Internally Restricted Capital Surplus</b>	<b>-</b>	<b>147,668</b>
Unrestricted Capital Surplus	20,455,498	20,435,068
<b>Total Capital Fund Accumulated Surplus</b>	<b>20,455,498</b>	<b>20,582,736</b>



**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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**NOTE 19**      **ACCUMULATED SURPLUS** (*Continued*)

<b>Total Accumulated Surplus from Operations</b>	<b>27,960,760</b>	<b>28,036,990</b>
<b>Accumulated Remeasurement Gains</b>	<b>123,005</b>	<b>91,781</b>
<b>Accumulated Surplus</b>	<b>\$ 28,083,765</b>	<b>\$ 28,128,861</b>

**NOTE 20**      **ECONOMIC DEPENDENCE**

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

**NOTE 21**      **RISK MANAGEMENT**

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

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

a) Credit risk:

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

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most accounts receivable are due from the Province and are collectible.

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

b) Market risk:

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

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





**SCHOOL DISTRICT NO. 8 (KOOTENAY LAKE)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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**NOTE 21      RISK MANAGEMENT** *(Continued)*

b) Market risk *(Continued)*:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its portfolio investments (note 5). It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in term deposits that have a maturity date of no more than 3 years, and mutual funds.

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. 8 (Kootenay Lake)

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
	\$	\$	\$	\$	\$
<b>Accumulated Surplus (Deficit), beginning of year</b>	7,454,254		20,582,736	<b>28,036,990</b>	25,924,514
<b>Changes for the year</b>					
Surplus (Deficit) for the year	820,055	68,482	(964,767)	<b>(76,230)</b>	2,112,476
Interfund Transfers					
Tangible Capital Assets Purchased	(769,047)	(68,482)	837,529	-	
<b>Net Changes for the year</b>	<b>51,008</b>	<b>-</b>	<b>(127,238)</b>	<b>(76,230)</b>	<b>2,112,476</b>
<b>Accumulated Surplus (Deficit), end of year - Statement 2</b>	<b>7,505,262</b>	<b>-</b>	<b>20,455,498</b>	<b>27,960,760</b>	28,036,990
<b>Accumulated Remeasurement Gains (Losses) - Statement 3</b>		123,005		<b>123,005</b>	91,871
	<b>7,505,262</b>	<b>123,005</b>	<b>20,455,498</b>	<b>28,083,765</b>	28,128,861



# School District No. 8 (Kootenay Lake)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	64,245,428	64,955,316	63,772,531
Other	303,850	321,456	307,036
Federal Grants	116,410	188,365	
Tuition	1,002,150	1,052,227	1,161,627
Other Revenue	636,797	673,733	643,903
Rentals and Leases	105,000	160,581	121,783
Investment Income	478,000	424,471	528,942
<b>Total Revenue</b>	<b>66,887,635</b>	<b>67,776,149</b>	<b>66,535,822</b>
<b>Expenses</b>			
Instruction	49,255,691	49,581,438	46,666,137
District Administration	4,959,296	4,792,147	4,609,060
Operations and Maintenance	9,317,095	9,130,932	9,149,903
Transportation and Housing	3,428,690	3,451,577	3,200,883
<b>Total Expense</b>	<b>66,960,772</b>	<b>66,956,094</b>	<b>63,625,983</b>
<b>Operating Surplus (Deficit) for the year</b>	<b>(73,137)</b>	<b>820,055</b>	<b>2,909,839</b>
<b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b>	<b>577,156</b>		
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(504,019)	(769,047)	(615,288)
<b>Total Net Transfers</b>	<b>(504,019)</b>	<b>(769,047)</b>	<b>(615,288)</b>
<b>Total Operating Surplus (Deficit), for the year</b>	<b>-</b>	<b>51,008</b>	<b>2,294,551</b>
<b>Operating Surplus (Deficit), beginning of year</b>		<b>7,454,254</b>	<b>5,159,703</b>
<b>Operating Surplus (Deficit), end of year</b>		<b>7,505,262</b>	<b>7,454,254</b>
<b>Operating Surplus (Deficit), end of year</b>			
Internally Restricted		<b>4,398,277</b>	<b>4,122,404</b>
Unrestricted		<b>3,106,985</b>	<b>3,331,850</b>
<b>Total Operating Surplus (Deficit), end of year</b>		<b>7,505,262</b>	<b>7,454,254</b>



# School District No. 8 (Kootenay Lake)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

Schedule 2A (Unaudited)

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Provincial Grants - Ministry of Education and Child Care</b>			
Operating Grant, Ministry of Education and Child Care	62,976,165	<b>63,738,292</b>	62,074,291
ISC/LEA Recovery	(135,431)	<b>(231,963)</b>	(135,431)
Other Ministry of Education and Child Care Grants			
Pay Equity	300,996	<b>300,996</b>	300,996
Funding for Graduated Adults	14,147	<b>18,137</b>	27,872
Student Transportation Fund	419,602	<b>419,602</b>	419,602
FSA Scorer Grant	8,187	<b>8,187</b>	8,187
Child Care Funding	-	<b>16,495</b>	-
Labour Settlement Funding	576,762	<b>577,387</b>	1,018,885
NGN Self-Provisioned Site Grant	85,000	<b>93,932</b>	53,129
Equity Scan Grant	-	-	5,000
Literacy Support	-	<b>14,251</b>	-
<b>Total Provincial Grants - Ministry of Education and Child Care</b>	<b>64,245,428</b>	<b>64,955,316</b>	<b>63,772,531</b>
<b>Provincial Grants - Other</b>	<b>303,850</b>	<b>321,456</b>	<b>307,036</b>
<b>Federal Grants</b>	<b>116,410</b>	<b>188,365</b>	<b>-</b>
<b>Tuition</b>			
International and Out of Province Students	962,150	<b>985,977</b>	1,103,127
Distance Education/Correspondence Course Fees	40,000	<b>66,250</b>	58,500
<b>Total Tuition</b>	<b>1,002,150</b>	<b>1,052,227</b>	<b>1,161,627</b>
<b>Other Revenues</b>			
Other School District/Education Authorities	426,018	<b>363,326</b>	392,425
Funding from First Nations	135,431	<b>231,963</b>	135,431
Miscellaneous			
Private School Bussing	51,348	<b>40,992</b>	50,391
Miscellaneous	14,000	<b>26,169</b>	47,378
After School Program Fees	-	<b>11,283</b>	18,278
Cultural Grants	10,000	-	-
<b>Total Other Revenue</b>	<b>636,797</b>	<b>673,733</b>	<b>643,903</b>
<b>Rentals and Leases</b>	<b>105,000</b>	<b>160,581</b>	<b>121,783</b>
<b>Investment Income</b>	<b>478,000</b>	<b>424,471</b>	<b>528,942</b>
<b>Total Operating Revenue</b>	<b>66,887,635</b>	<b>67,776,149</b>	<b>66,535,822</b>

# School District No. 8 (Kootenay Lake)

Schedule of Operating Expense by Object  
Year Ended June 30, 2025

Schedule 2B (Unaudited)

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Salaries</b>			
Teachers	23,697,916	<b>24,193,704</b>	22,490,810
Principals and Vice Principals	4,482,435	<b>4,430,008</b>	4,429,781
Educational Assistants	3,930,582	<b>3,677,422</b>	3,410,656
Support Staff	7,818,666	<b>7,801,537</b>	7,487,358
Other Professionals	2,688,608	<b>2,670,464</b>	2,599,474
Substitutes	3,684,013	<b>3,421,071</b>	3,066,477
<b>Total Salaries</b>	<b>46,302,220</b>	<b>46,194,206</b>	43,484,556
<b>Employee Benefits</b>	11,601,723	<b>12,329,423</b>	11,196,496
<b>Total Salaries and Benefits</b>	<b>57,903,943</b>	<b>58,523,629</b>	54,681,052
<b>Services and Supplies</b>			
Services	2,551,938	<b>2,377,515</b>	2,333,444
Student Transportation	340,421	<b>341,740</b>	339,750
Professional Development and Travel	658,484	<b>595,774</b>	773,344
Rentals and Leases	122,551	<b>121,685</b>	87,590
Dues and Fees	99,210	<b>105,032</b>	90,098
Insurance	215,000	<b>189,593</b>	158,069
Supplies	3,269,321	<b>2,913,483</b>	3,400,858
Utilities	1,799,904	<b>1,787,643</b>	1,761,778
<b>Total Services and Supplies</b>	<b>9,056,829</b>	<b>8,432,465</b>	8,944,931
<b>Total Operating Expense</b>	<b>66,960,772</b>	<b>66,956,094</b>	63,625,983

# School District No. 8 (Kootenay Lake)

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
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	20,915,641					2,056,421	22,972,062
1.03 Career Programs							-
1.07 Library Services	76,672			73,542		912	151,126
1.08 Counselling	335,659						335,659
1.10 Inclusive Education	1,972,056		3,539,174	56,970		401,491	5,969,691
1.30 English Language Learning							-
1.31 Indigenous Education	893,676		138,248	108		13,810	1,045,842
1.41 School Administration		3,942,768		1,410,458	286,732	384,964	6,024,922
1.62 International and Out of Province Students		171,078		100,954			272,032
<b>Total Function 1</b>	<b>24,193,704</b>	<b>4,113,846</b>	<b>3,677,422</b>	<b>1,642,032</b>	<b>286,732</b>	<b>2,857,598</b>	<b>36,771,334</b>
<b>4 District Administration</b>							
4.11 Educational Administration		316,162			758,338		1,074,500
4.40 School District Governance					194,820	484	195,304
4.41 Business Administration				377,916	973,454	21,912	1,373,282
<b>Total Function 4</b>	<b>-</b>	<b>316,162</b>	<b>-</b>	<b>377,916</b>	<b>1,926,612</b>	<b>22,396</b>	<b>2,643,086</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration				41,341	338,820	10,850	391,011
5.50 Maintenance Operations				3,586,294		351,323	3,937,617
5.52 Maintenance of Grounds				135,582		14,382	149,964
5.56 Utilities							-
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,763,217</b>	<b>338,820</b>	<b>376,555</b>	<b>4,478,592</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration				50,102	118,300	1,053	169,455
7.70 Student Transportation				1,968,270		163,469	2,131,739
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,018,372</b>	<b>118,300</b>	<b>164,522</b>	<b>2,301,194</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>24,193,704</b>	<b>4,430,008</b>	<b>3,677,422</b>	<b>7,801,537</b>	<b>2,670,464</b>	<b>3,421,071</b>	<b>46,194,206</b>



# School District No. 8 (Kootenay Lake)

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 17)	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
<b>1 Instruction</b>							
1.02 Regular Instruction	22,972,062	6,006,329	28,978,391	1,796,442	30,774,833	30,226,148	29,615,675
1.03 Career Programs	-		-	1,173	1,173	500	1,205
1.07 Library Services	151,126	41,901	193,027	41,740	234,767	252,307	305,097
1.08 Counselling	335,659	102,032	437,691	99	437,790	350,683	138,641
1.10 Inclusive Education	5,969,691	1,883,613	7,853,304	313,496	8,166,800	8,215,197	7,148,273
1.30 English Language Learning	-		-		-		115,977
1.31 Indigenous Education	1,045,842	294,004	1,339,846	100,159	1,440,005	1,642,043	1,453,673
1.41 School Administration	6,024,922	1,463,939	7,488,861	167,055	7,655,916	7,674,055	6,821,108
1.62 International and Out of Province Students	272,032	59,498	331,530	538,624	870,154	894,758	1,066,488
<b>Total Function 1</b>	<b>36,771,334</b>	<b>9,851,316</b>	<b>46,622,650</b>	<b>2,958,788</b>	<b>49,581,438</b>	<b>49,255,691</b>	<b>46,666,137</b>
<b>4 District Administration</b>							
4.11 Educational Administration	1,074,500	227,968	1,302,468	265,501	1,567,969	1,596,349	1,193,661
4.40 School District Governance	195,304	10,278	205,582	204,917	410,499	482,905	437,597
4.41 Business Administration	1,373,282	345,103	1,718,385	1,095,294	2,813,679	2,880,042	2,977,802
<b>Total Function 4</b>	<b>2,643,086</b>	<b>583,349</b>	<b>3,226,435</b>	<b>1,565,712</b>	<b>4,792,147</b>	<b>4,959,296</b>	<b>4,609,060</b>
<b>5 Operations and Maintenance</b>							
5.41 Operations and Maintenance Administration	391,011	86,615	477,626	343,412	821,038	795,256	830,223
5.50 Maintenance Operations	3,937,617	1,143,865	5,081,482	857,578	5,939,060	6,034,848	5,905,544
5.52 Maintenance of Grounds	149,964	40,326	190,290	119,023	309,313	410,087	448,207
5.56 Utilities	-		-	2,061,521	2,061,521	2,076,904	1,965,929
<b>Total Function 5</b>	<b>4,478,592</b>	<b>1,270,806</b>	<b>5,749,398</b>	<b>3,381,534</b>	<b>9,130,932</b>	<b>9,317,095</b>	<b>9,149,903</b>
<b>7 Transportation and Housing</b>							
7.41 Transportation and Housing Administration	169,455	43,450	212,905	23,350	236,255	235,333	192,239
7.70 Student Transportation	2,131,739	580,502	2,712,241	503,081	3,215,322	3,193,357	3,008,644
<b>Total Function 7</b>	<b>2,301,194</b>	<b>623,952</b>	<b>2,925,146</b>	<b>526,431</b>	<b>3,451,577</b>	<b>3,428,690</b>	<b>3,200,883</b>
<b>9 Debt Services</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Functions 1 - 9</b>	<b>46,194,206</b>	<b>12,329,423</b>	<b>58,523,629</b>	<b>8,432,465</b>	<b>66,956,094</b>	<b>66,960,772</b>	<b>63,625,983</b>





# School District No. 8 (Kootenay Lake)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget (Note 17)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	12,721,500	12,136,898	13,284,431
Other	86,348	86,472	84,302
Other Revenue	1,640,000	2,138,939	2,116,850
Investment Income	15,000	56,107	18,244
<b>Total Revenue</b>	<b>14,462,848</b>	<b>14,418,416</b>	<b>15,503,827</b>
<b>Expenses</b>			
Instruction	14,156,345	14,112,013	14,972,412
District Administration	-	-	49,476
Operations and Maintenance	129,640	211,158	273,355
Transportation and Housing	26,863	26,763	24,697
<b>Total Expense</b>	<b>14,312,848</b>	<b>14,349,934</b>	<b>15,319,940</b>
<b>Special Purpose Surplus (Deficit) for the year</b>	<b>150,000</b>	<b>68,482</b>	<b>183,887</b>
<b>Net Transfers (to) from other funds</b>			
Tangible Capital Assets Purchased	(150,000)	(68,482)	(183,887)
<b>Total Net Transfers</b>	<b>(150,000)</b>	<b>(68,482)</b>	<b>(183,887)</b>
<b>Total Special Purpose Surplus (Deficit) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Purpose Surplus (Deficit), beginning of year</b>			
<b>Special Purpose Surplus (Deficit), end of year</b>		<b>-</b>	<b>-</b>



# School District No. 8 (Kootenay Lake)

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

Schedule 3A (Unaudited)

	Annual Facility Grant \$	Learning Improvement Fund \$	Scholarships and Bursaries \$	School Generated Funds \$	Strong Start \$	Ready, Set, Learn \$	OLEP \$	CommunityLINK \$	Classroom Enhancement Fund - Overhead \$
<b>Deferred Revenue, beginning of year</b>	-	-	660,329	1,427,071	56,353	-	-	35,974	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	279,640	223,014			160,000	41,650	115,835	759,048	236,212
Provincial Grants - Other									
Other			23,731	2,146,324					
Investment Income			25,860	30,247					
	279,640	223,014	49,591	2,176,571	160,000	41,650	115,835	759,048	236,212
<b>Less:</b> Allocated to Revenue	279,640	223,014	42,785	2,090,314	176,240	27,694	108,258	523,510	236,212
Recovered									
<b>Deferred Revenue, end of year</b>	-	-	667,135	1,513,328	40,113	13,956	7,577	271,512	-
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	279,640	223,014			176,240	27,694	108,258	523,510	236,212
Provincial Grants - Other									
Other Revenue			16,925	2,060,067					
Investment Income			25,860	30,247					
	279,640	223,014	42,785	2,090,314	176,240	27,694	108,258	523,510	236,212
<b>Expenses</b>									
Salaries									
Teachers							24,476	28,702	
Educational Assistants		165,520				3,854	25,975	325,927	
Support Staff									139,436
Other Professionals									34,653
Substitutes						231	373		
	-	165,520	-	-	-	4,085	50,824	354,629	174,089
Employee Benefits		57,494				1,356	16,466	101,364	47,123
Services and Supplies	211,158		42,785	2,090,314	176,240	22,253	40,968	67,517	15,000
	211,158	223,014	42,785	2,090,314	176,240	27,694	108,258	523,510	236,212
<b>Net Revenue (Expense) before Interfund Transfers</b>	68,482	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased	(68,482)								
	(68,482)	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 8 (Kootenay Lake)

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

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>		18,261			8,303	15,934	84,975	203,904	8,429
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	9,304,972	64,206	26,863	55,000		55,400			19,000
Provincial Grants - Other									
Other									
Investment Income									
	9,304,972	64,206	26,863	55,000	-	55,400	-	-	19,000
<b>Less:</b> Allocated to Revenue	9,304,972	64,206	26,763	55,000	8,303	71,334	45,975	167,223	17,510
Recovered		18,261					39,000		
<b>Deferred Revenue, end of year</b>	-	-	100	-	-	-	-	36,681	9,919
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	9,304,972	64,206	26,763	55,000	8,303	71,334	45,975	167,223	17,510
Provincial Grants - Other									
Other Revenue									
Investment Income									
	9,304,972	64,206	26,763	55,000	8,303	71,334	45,975	167,223	17,510
<b>Expenses</b>									
Salaries									
Teachers	7,455,907			44,636					
Educational Assistants						54,107			
Support Staff									
Other Professionals									
Substitutes		56,099			7,427				
	7,455,907	56,099	-	44,636	7,427	54,107	-	-	-
Employee Benefits	1,849,065	8,107		10,364	876	16,815			
Services and Supplies			26,763			412	45,975	167,223	17,510
	9,304,972	64,206	26,763	55,000	8,303	71,334	45,975	167,223	17,510
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

# School District No. 8 (Kootenay Lake)

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

Schedule 3A (Unaudited)

	ECL (Early Care & Learning)	Feeding Futures Fund	Health Career Grants	After School Sports and Arts Grant	Health Promoting Schools	Donations	Work Experience Enhancement Initiative	National Schools Food Program	Literacy Supports & Learning Disability
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Deferred Revenue, beginning of year</b>	-	144,559	5,000	29,848	-	41,243	50,000	-	-
<b>Add:</b> Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	175,000	615,090						122,231	238,867
Provincial Grants - Other				29,500	31,009				
Other						45,934			
Investment Income									
	175,000	615,090	-	29,500	31,009	45,934	-	122,231	238,867
<b>Less:</b> Allocated to Revenue	175,000	607,640	3,700	55,463	31,009	61,947	14,704	-	-
Recovered									
<b>Deferred Revenue, end of year</b>	-	152,009	1,300	3,885	-	25,230	35,296	122,231	238,867
<b>Revenues</b>									
Provincial Grants - Ministry of Education and Child Care	175,000	607,640	3,700				14,704		
Provincial Grants - Other				55,463	31,009				
Other Revenue						61,947			
Investment Income									
	175,000	607,640	3,700	55,463	31,009	61,947	14,704	-	-
<b>Expenses</b>									
Salaries									
Teachers					25,221				
Educational Assistants									
Support Staff									
Other Professionals	142,857	76,422							
Substitutes									
	142,857	76,422	-	-	25,221	-	-	-	-
Employee Benefits	32,143	19,554			5,788				
Services and Supplies		511,664	3,700	55,463		61,947	14,704		
	175,000	607,640	3,700	55,463	31,009	61,947	14,704	-	-
<b>Net Revenue (Expense) before Interfund Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Interfund Transfers</b>									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
<b>Net Revenue (Expense)</b>	-	-	-	-	-	-	-	-	-

## School District No. 8 (Kootenay Lake)

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

Schedule 3A (Unaudited)

	<u>TOTAL</u>
	\$
<b>Deferred Revenue, beginning of year</b>	2,790,183
<b>Add:</b> Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	12,492,028
Provincial Grants - Other	60,509
Other	2,215,989
Investment Income	56,107
	<u>14,824,633</u>
<b>Less:</b> Allocated to Revenue	14,418,416
Recovered	57,261
<b>Deferred Revenue, end of year</b>	<u><b>3,139,139</b></u>
<b>Revenues</b>	
Provincial Grants - Ministry of Education and Child Care	12,136,898
Provincial Grants - Other	86,472
Other Revenue	2,138,939
Investment Income	56,107
	<u>14,418,416</u>
<b>Expenses</b>	
Salaries	
Teachers	7,578,942
Educational Assistants	575,383
Support Staff	139,436
Other Professionals	253,932
Substitutes	64,130
	<u>8,611,823</u>
Employee Benefits	2,166,515
Services and Supplies	3,571,596
	<u>14,349,934</u>
<b>Net Revenue (Expense) before Interfund Transfers</b>	<u>68,482</u>
<b>Interfund Transfers</b>	
Tangible Capital Assets Purchased	(68,482)
	<u>(68,482)</u>
<b>Net Revenue (Expense)</b>	<u><b>-</b></u>

# School District No. 8 (Kootenay Lake)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025 Budget (Note 17) \$	2025 Actual			2024 Actual \$
		Invested in Tangible Capital Assets \$	Local Capital \$	Fund Balance \$	
<b>Revenues</b>					
Investment Income	6,000		5,198	5,198	7,729
Gain (Loss) on Disposal of Tangible Capital Assets		9,086		9,086	
Amortization of Deferred Capital Revenue	3,091,410	3,093,404		3,093,404	2,955,837
<b>Total Revenue</b>	<b>3,097,410</b>	<b>3,102,490</b>	<b>5,198</b>	<b>3,107,688</b>	<b>2,963,566</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets					
Operations and Maintenance	4,059,750	4,072,455		4,072,455	3,944,816
<b>Total Expense</b>	<b>4,059,750</b>	<b>4,072,455</b>	<b>-</b>	<b>4,072,455</b>	<b>3,944,816</b>
<b>Capital Surplus (Deficit) for the year</b>	<b>(962,340)</b>	<b>(969,965)</b>	<b>5,198</b>	<b>(964,767)</b>	<b>(981,250)</b>
<b>Net Transfers (to) from other funds</b>					
Tangible Capital Assets Purchased	654,019	837,529		837,529	799,175
<b>Total Net Transfers</b>	<b>654,019</b>	<b>837,529</b>	<b>-</b>	<b>837,529</b>	<b>799,175</b>
<b>Other Adjustments to Fund Balances</b>					
District Portion of Proceeds on Disposal		(9,086)	9,086	-	
Tangible Capital Assets Purchased from Local Capital		152,866	(152,866)	-	
<b>Total Other Adjustments to Fund Balances</b>		<b>143,780</b>	<b>(143,780)</b>	<b>-</b>	
<b>Total Capital Surplus (Deficit) for the year</b>	<b>(308,321)</b>	<b>11,344</b>	<b>(138,582)</b>	<b>(127,238)</b>	<b>(182,075)</b>
<b>Capital Surplus (Deficit), beginning of year</b>		<b>20,435,068</b>	<b>147,668</b>	<b>20,582,736</b>	<b>20,764,811</b>
<b>Capital Surplus (Deficit), end of year</b>		<b>20,446,412</b>	<b>9,086</b>	<b>20,455,498</b>	<b>20,582,736</b>

# School District No. 8 (Kootenay Lake)

Tangible Capital Assets  
Year Ended June 30, 2025

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Cost, beginning of year</b>	8,958,823	150,140,120	1,764,824	4,741,922	-	1,252,503	166,858,192
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,775,117	5,459	2,129,897			5,910,473
Deferred Capital Revenue - Other		87,198					87,198
Operating Fund			219,819	245,246		303,982	769,047
Special Purpose Funds		68,482	-				68,482
Local Capital				152,866			152,866
	-	3,930,797	225,278	2,528,009	-	303,982	6,988,066
Decrease:							
Disposed of	-		24,123	619,583		389,948	-
Deemed Disposals	-	-	24,123	619,583	-	389,948	1,033,654
<b>Cost, end of year</b>	8,958,823	154,070,917	1,965,979	6,650,348	-	1,166,537	172,812,604
<b>Work in Progress, end of year</b>							-
<b>Cost and Work in Progress, end of year</b>	8,958,823	154,070,917	1,965,979	6,650,348	-	1,166,537	172,812,604
<b>Accumulated Amortization, beginning of year</b>		90,094,419	613,804	2,329,592	-	786,775	93,824,590
<b>Changes for the Year</b>							
Increase: Amortization for the Year		3,074,398	186,540	569,614		241,903	4,072,455
Decrease:							
Deemed Disposals			24,123	619,583		389,948	1,033,654
		-	24,123	619,583	-	389,948	1,033,654
<b>Accumulated Amortization, end of year</b>		93,168,817	776,221	2,279,623	-	638,730	96,863,391
<b>Tangible Capital Assets - Net</b>	<b>8,958,823</b>	<b>60,902,100</b>	<b>1,189,758</b>	<b>4,370,725</b>	<b>-</b>	<b>527,807</b>	<b>75,949,213</b>

# School District No. 8 (Kootenay Lake)

Deferred Capital Revenue

Year Ended June 30, 2025

Schedule 4C (Unaudited)

	Bylaw Capital \$	Other Provincial \$	Other Capital \$	Total Capital \$
Deferred Capital Revenue, beginning of year	48,336,471	1,792,609	228,918	50,357,998
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,910,473	87,198		5,997,671
	5,910,473	87,198	-	5,997,671
Decrease:				
Amortization of Deferred Capital Revenue	2,985,882	98,178	9,344	3,093,404
	2,985,882	98,178	9,344	3,093,404
Net Changes for the Year	2,924,591	(10,980)	(9,344)	2,904,267
Deferred Capital Revenue, end of year	51,261,062	1,781,629	219,574	53,262,265
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	51,261,062	1,781,629	219,574	53,262,265



# School District No. 8 (Kootenay Lake)

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

Schedule 4D (Unaudited)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
<b>Balance, beginning of year</b>	-	798,221	-	-	-	<b>798,221</b>
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education and Child Care	5,910,473					<b>5,910,473</b>
Investment Income		26,334				<b>26,334</b>
MECC Restricted Portion of Proceeds on Disposal		27,259				<b>27,259</b>
	<u>5,910,473</u>	<u>53,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>5,964,066</b></u>
Decrease:						
Transferred to DCR - Capital Additions	5,910,473	87,198				<b>5,997,671</b>
	<u>5,910,473</u>	<u>87,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>5,997,671</b></u>
<b>Net Changes for the Year</b>	<u>-</u>	<u>(33,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>(33,605)</b></u>
<b>Balance, end of year</b>	<u>-</u>	<u><b>764,616</b></u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>764,616</b></u>

# Financial Discussion & Analysis

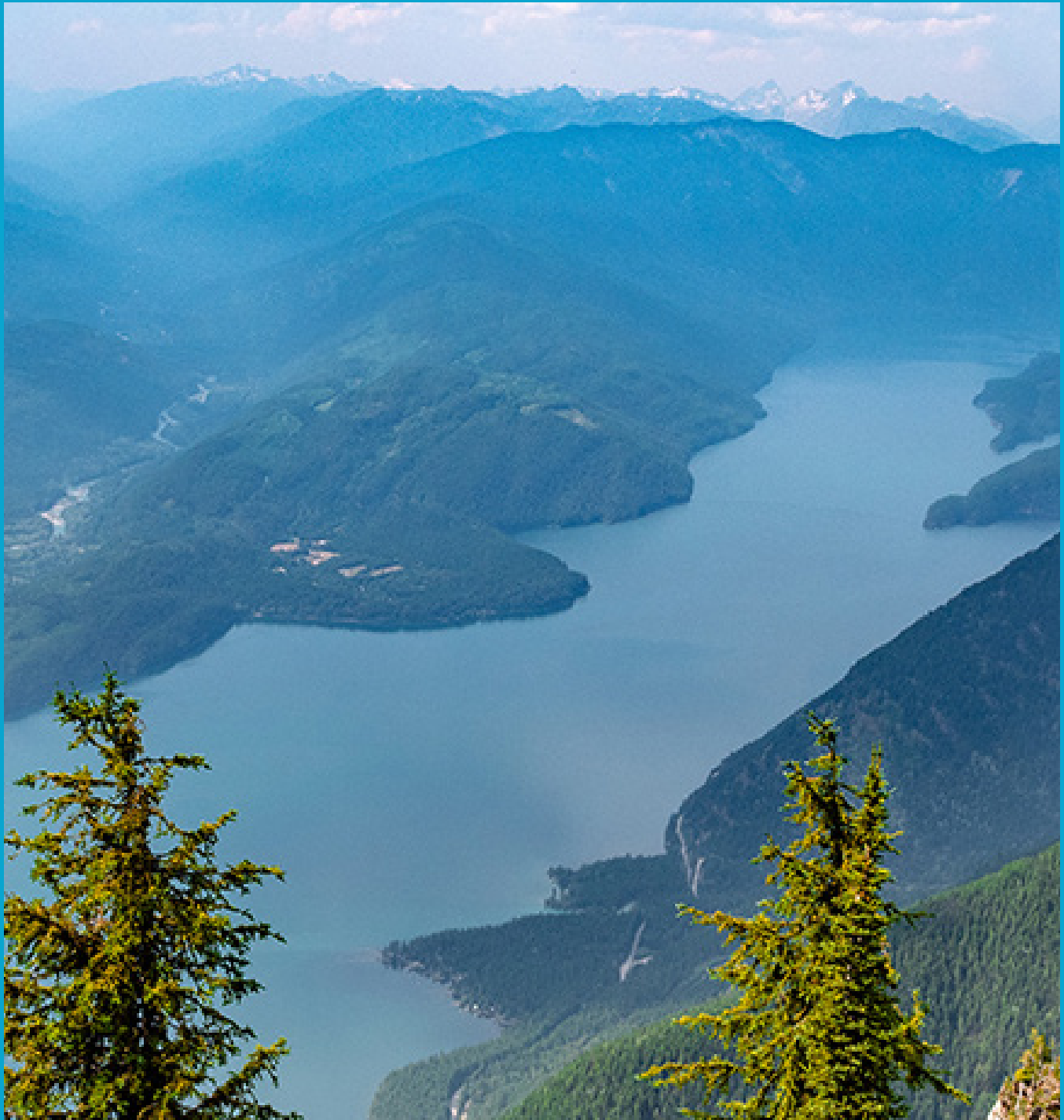
For the Year Ended June 30, 2025





# ACKNOWLEDGMENT

We acknowledge, respect and honour the First Nations in whose traditional territories the Kootenay Lake School District operates and all Aboriginal people residing within the boundaries of School District No. 8.



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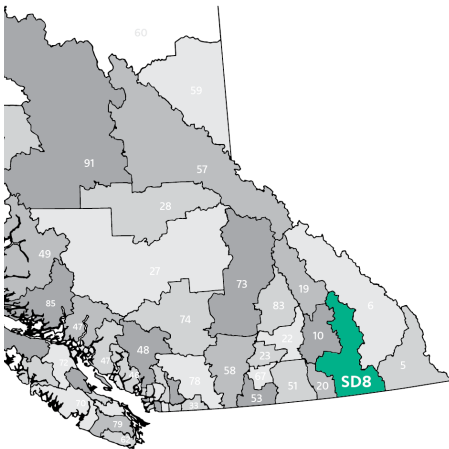
# ABOUT THE DISTRICT

Located in the Central Kootenays in BC, School District No. 8 (SD8) operates six families of schools in the communities of Nelson, Salmo, Creston, Crawford Bay, Kaslo and the Slocan Valley with the majority of the students living in Nelson and Creston. The school district serves approximately 4,700 students and their families in over 15 rural communities and employs about 900 full- and part-time staff. The district's overall operating budget for 2024-25 was \$85 million.

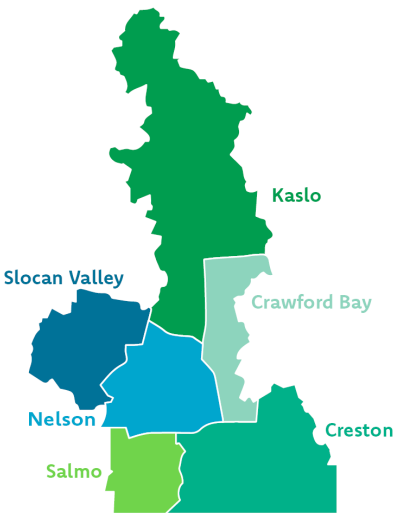
SD8 serves the Lower Kootenay Band located in Creston, B.C. According to the B.C. Adolescent Health Survey for SD8, of the Indigenous student population, which constitutes 15% of the student body, 56% identified as First Nations, 45% as Métis, and 8% as having another Indigenous background. Additionally, 9% of students identified with diverse abilities, and less than 1% of students are identified as children and youth in care.

Climate change is raising the risk of more frequent and severe wildfires that will result in smoke during the summer months and affect surrounding areas in shoulder seasons as well.

Residents in the Kootenay Lake area have the highest median age of all the economic regions in the province. Unemployment in this region has consistently been higher than the provincial average. Workforce recruitment is a significant challenge for the district.



British Columbia School Districts



School District 8 Kootenay Lake Families of Schools

4,700  
students

23  
schools

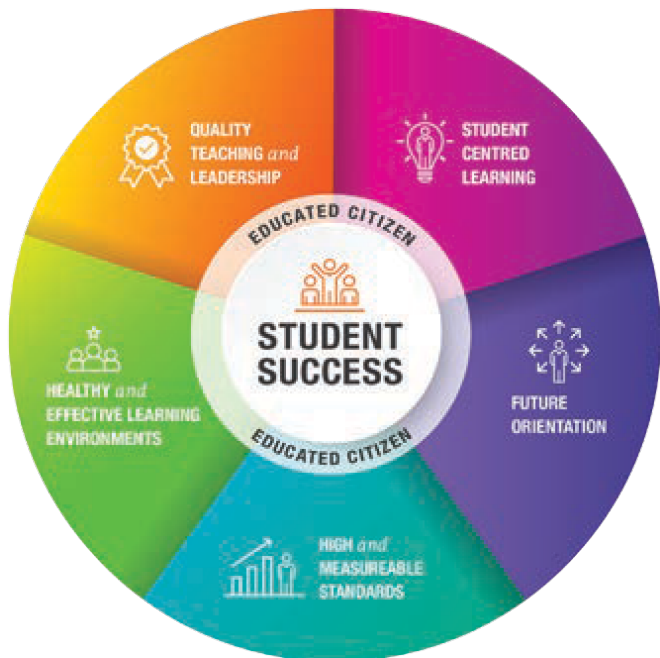
900  
staff

# STRATEGIC PLAN PRIORITIES

SD8's financial planning and results focus on meeting its strategic priorities outlined in the Strategic Plan. All SD8 financial decisions are guided by the district's mission, vision and values and are based on evidence and extensive consultation.

Strategies and structures support the learning success of individual Indigenous students, students with diverse abilities, and children and youth in care within each school. Together these district processes work to support the goals and vision of the Ministry of Education and Child Care Service Plan.

Aboriginal education (ABED) is core focus in the district, articulated through the Aboriginal Focus Area of belonging, success, truth before reconciliation, and history and culture. These plans are tied to SD8's strategic plan and the ministry service plan.



## Mission

We inspire and support each learner to thrive in a caring learning environment.

## Vision

Our learners grow as global citizens in an innovative and inclusive community.

## Values

Our values help shape the culture of our schools and workplaces. By upholding these beliefs and attitudes, we can build learning communities that will lead to the fulfilment of our mission.

# Strategic Priorities

## Lifelong Learners

We improve student learning through interest-based, competency-based, flexible and innovative approaches.



## Connected Learners

We inspire learners to become curious, critical, and creative stewards of the natural world and the local and global community.



## Caring and Inclusive Learning Culture

We promote physical and mental well-being through social-emotional learning to foster compassionate learners.



## Cultural and Identity Development

We promote a positive sense of identity in culturally safe and responsive communities of learning.



## Career Development

We prepare students to graduate with options for their future life and career goals.





# FINANCIAL DISCUSSION AND ANALYSIS

## Introduction

This document will discuss and analyze the financial performance of School District No. 8 (Kootenay Lake) for the fiscal year that ended on June 30, 2025 and will provide information in relation to the prior year and the amended annual budget. The district's financial statements represent the consolidation of three separate funds: operating, special purpose and capital. This is only an introduction and should be read in conjunction with the district's audited financial statements and accompanying notes.

## District Funding and Enrolment

SD8 is funded through the Operating Grant received from the B.C. Ministry of Education and Child Care. The Operating Grant is based on student enrolment confirmed by each school district through completion of [Form 1701 - Student Data Collection](#) in September, February, and May. The district receives a fixed amount per full-time equivalent enrolled student (FTE). For each student identified with unique needs, the district receives a supplementary grant on top of the basic per-pupil grant which provides additional financial resources required to ensure schools respond to the needs of diverse learners, unique geographical features that affect students and schools, and other demographic factors. In grades kindergarten through nine, one student equates to one FTE. At the secondary level, in grades ten through twelve, students are funded based on the percentage of full-time enrolment. As a result, there is variation in funding for secondary students, as students may enrol in more or less than a full course load or seek learning opportunities and experiences outside of school to meet their credit requirements. Online learners are funded based on the percentage of full-time enrolment and are funded at a lower rate per student FTE than non-online learners.

## Student Enrolment

The following table compares the student FTE enrolment compared to the previous year based on the September enrolment figures:

	September 2024 Enrolments	September 2023 Enrolments	Change	
	FTE	FTE	FTE	%
Standard, continuing education and alternate schools	4,414.1875	4,499.1250	(84.9375)	(1.9%)
Online Learning	261.6875	273.3125	(11.6250)	(4.3%)
Adult	3.2500	1.7500	1.5000	85.7%
<b>Total FTEs</b>	<b>4,679.1250</b>	<b>4,774.1875</b>	<b>(95.0625)</b>	<b>(2.0%)</b>

As can be seen in this table, September enrolment decreased by 95.0625 student FTE (2.0%) in 2024-2025 when compared to the prior year. In contrast, the February and May enrolment 2025 counts for online learning were 79.0625 student FTEs and 56.6875 student FTEs surpassing the actual 2023-2024 and projected 2024-2025 figures.





# Financial Planning Process

The annual budget cycle begins with the Board’s endorsement of a process and timeline for budget adoption in the Board’s Governance Framework and Learning Plan. By February 15th each year, the district must submit the expected student enrolment for the upcoming school year to the Ministry of Education and Child Care.

Provincial operating grant funding estimates are based on these initial student enrolment projections, which are released each March. The Board is required to approve an amended budget in February based on the preliminary Operating Grant and actual confirmed enrolment counts. Throughout the spring, SD8 carries out an internal and public consultation process to identify budget priorities that meet ministry guidelines and follow the Board of Education’s strategic plan. The district incorporates those priorities into the preliminary operating budget as directed by the Board. Each year by June 30, the Board must adopt a final budget for the upcoming school year.



## Financial Statements – Accounting Policies and Funds

The financial statements of School District No. 8 (Kootenay Lake) have been prepared in accordance with the 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 British Columbia Treasury Board.

Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- Operating expenses are recorded in the year the good or service is received.
- Operating grants are not restricted in use and are recorded as revenue when received or receivable.
- Restricted contributions are recorded as deferred contributions until the funds are expended.
- Contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets.
- Capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

To meet reporting requirements, the following funds are utilized:

Operating Fund	<ul style="list-style-type: none"> <li>• Transactions include operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.</li> <li>• Boards of Education are required by the School Act to prepare a balanced budget for the Operating Fund (i.e. no deficit).</li> </ul>
Special Purpose Funds	<ul style="list-style-type: none"> <li>• Special Purpose Funds consist of targeted funding and related funding provided to the school district for a specific purpose and related expenditures.</li> <li>• Pursuant to Sections 156(4) and (5) of the School Act, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund.</li> <li>• Unspent special purpose funds are carried forward to be used in future year(s) for their specified purpose.</li> </ul>
Capital Fund	<ul style="list-style-type: none"> <li>• Transactions include capital expenditures related to equipment and facility purchases as well as equipment and facility enhancements.</li> <li>• The funding source of these purchases and enhancements determines to which capital fund the expenditures will be charged.</li> <li>• Funding sources include Ministry of Education and Child Care Bylaw Capital, Ministry of Education and Child Care Restricted Capital, Other Provincially Restricted Capital, Land Capital as well as Local Capital.</li> <li>• The Capital Fund is not part of a Board's operating balanced budget and may be in deficit. As such a board may incur an annual deficit for the portion of amortization expense that exceeds amortization of deferred capital contributions.</li> </ul>

## Statement of Operations – By Fund

The following table breaks out district operations for the year ended June 30, 2025 by Operating, Special Purpose and Capital funds, as well showing fund surpluses and transfers between funds.

Year Ended June 30, 2025	Operating Fund	Special Purpose Funds	Capital Funds	All Funds Total
<b>Revenues</b>	\$	\$	\$	\$
Provincial Grants				
Ministry of Education & Child Care	64,955,316	12,136,898	-	77,092,214
Other	321,456	86,472	-	407,928
Federal Grants	188,365	-	-	188,365
Tuition	1,052,227	-	-	1,052,227
Other Revenue	673,733	2,138,939	-	2,812,672
Rentals & Leases	160,581	-	-	160,581
Investment Income	424,471	56,107	5,198	485,776
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	9,086	9,086
Amortization of Deferred Capital Revenue	-	-	3,093,404	3,093,404
<b>Total Revenue</b>	<b>67,776,149</b>	<b>14,418,416</b>	<b>3,107,688</b>	<b>85,302,253</b>
<b>Expenses</b>				
Instruction	49,581,438	14,112,013	-	63,693,451
District Administration	4,792,147	-	-	4,792,147
Operations & Maintenance	9,130,932	211,158	4,072,455	13,414,545
Transportation & Housing	3,451,577	26,763	-	3,478,340
<b>Total Expenses</b>	<b>66,956,094</b>	<b>14,349,934</b>	<b>4,072,455</b>	<b>85,378,483</b>
<b>Surplus (Deficit)</b>	<b>820,055</b>	<b>68,482</b>	<b>(964,767)</b>	<b>(76,230)</b>
Net Transfers from/(to) Other Funds				
Transfers for Tangible Capital Asset Purchases	(769,047)	(68,482)	837,529	-
<b>Total Net Transfers</b>	<b>(769,047)</b>	<b>(68,482)</b>	<b>837,529</b>	<b>-</b>
<b>Total Surplus (Deficit) for the year</b>	<b>51,008</b>	<b>-</b>	<b>(127,238)</b>	<b>(76,230)</b>
<b>Accumulated Surplus, beginning of year</b>	<b>7,454,254</b>	<b>-</b>	<b>20,582,736</b>	<b>28,036,990</b>
<b>Accumulated Surplus, end of year</b>	<b>7,505,262</b>	<b>-</b>	<b>20,455,498</b>	<b>27,960,760</b>



The district generated \$85.3 million in revenue (\$67.8 million in the Operating Fund, \$14.4 million in the Special Purpose Funds, and \$3.1 million in the Capital Fund). Expenses totalled \$85.4 million with \$63.7 million (75%) for Instruction, \$4.8 million (5%) for district administration, \$13.4 million (16%) for operations and maintenance, and \$3.5 million (4%) for transportation and housing. Operating Fund revenues of \$0.8 million and Special Purpose Fund revenues of \$68K were used to invest in tangible capital assets. These amounts are reflected as net transfers from these funds to the Capital Fund for tangible capital asset purchases. The resulting Accumulated Surplus for the Operating Fund and the Capital Fund on June 30, 2025 are \$7.5 million and \$20.5 million respectively.

## Statement of Operations – All Funds

The following table compares the year ended June 30, 2025 to the prior year and to the amended budget for the Operating, Fund, Special Purpose Fund and Capital Fund combined, summarizing key information in Statement 2 of the financial statements.

Year Ended June 30, 2025	2024–2025 Actual	2023–2024 Actual	Variance to 2023–2024 Actual	2024–2025 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	77,092,214	77,056,962	35,252	76,966,928	125,286
Other	407,928	391,338	16,590	390,198	17,730
Federal Grants	188,365	-	188,365	116,410	71,955
Tuition	1,052,227	1,161,627	(109,400)	1,002,150	50,077
Other Revenue	2,812,672	2,760,753	51,919	2,276,797	535,875
Rentals & Leases	160,581	121,783	38,798	105,000	55,581
Investment Income	485,776	554,915	(69,139)	499,000	(13,224)
Gain (Loss) on Disposal of Tangible Capital Assets	9,086	-	9,086	-	9,086
Amortization of Deferred Capital Revenue	3,093,404	2,955,837	137,567	3,091,410	1,994
<b>Total Revenue</b>	<b>85,302,253</b>	<b>85,003,215</b>	<b>299,038</b>	<b>84,447,893</b>	<b>854,360</b>
<b>Expenses</b>					
Salaries	54,806,029	53,274,051	1,531,978	54,978,587	172,558
Employee Benefits	14,495,938	13,612,246	883,692	13,768,009	(727,929)
Total Salaries and Benefits	69,301,967	66,886,297	2,415,670	68,746,596	(555,371)
Supplies and Services	12,004,061	12,059,626	(55,565)	12,527,024	522,963
Amortization of Tangible Capital Assets	4,072,455	3,944,816	127,639	4,059,750	(12,705)
<b>Total Expenses</b>	<b>85,378,483</b>	<b>82,890,739</b>	<b>2,487,744</b>	<b>85,333,370</b>	<b>(45,113)</b>
<b>Surplus for the Year</b>	<b>(76,230)</b>	<b>2,112,476</b>	<b>(2,188,706)</b>	<b>(885,477)</b>	<b>809,247</b>

## Revenues and Expenses Compared to Prior Year

Total revenues from all funds increased by \$0.3 million (4%) to \$85.3 million in 2024–2025. New federal grants of \$0.2 million were received. Lower enrolments in the International Education programs reduced tuition revenue by \$0.1 million and lower interest rates reduced investment income by \$0.1 million. Amortization of Deferred Capital Revenue increased by \$0.1 million due to recognizing additional revenue from tangible capital assets funded by the Province.

Total expenses for all funds increased by \$2.5 million (3%) to \$85.4 million in 2024–2025 with salaries and benefits accounting for 97% of the overall increase.

Salaries increased by \$1.5 million (3%) consistent with the overall negotiated wage increase (3%). Teachers, educational assistants, and support staff salaries increased by \$1.2 million due to contractual wage settlements and progression increases. Principals, vice-principals, and other professionals remained constant despite salary increases due to the retirement of a staff member during the year and some savings from unfilled positions. Substitutes/Relief costs increased by \$0.3 million due to additional support staff and principal/vice-principal costs.

Benefits increased by \$0.9 million (6%) and grew as a percentage of salaries from 25.6% in 2023–2024 to 26.4% in 2024–2025. The increase as a percentage of salaries is related to higher CPP rates and health benefits costs.

Although total services and supplies only decreased by \$55K, the services and supplies in the Operating Fund decreased by \$512K while the services and supplies in the Special Purpose Funds increased by \$457K. More detail on expenses compared to 2023–2024 is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report. Amortization of Tangible Capital Assets increased by \$0.1 million (3%) related to additional tangible capital assets purchased/constructed.

## Revenue and Expenses Compared to Budget

Total revenues from all funds were \$0.9 million (1%) above the amended budget due to additional revenue generated in the Operating Fund, specifically due to an unanticipated increase for online learning. Total expenses for 2024–2025 were aligned to the amended budget with additional amounts spent on salaries and benefits (\$0.6 million) mostly offset by savings on services and supplies (\$0.5 million). Approximately \$0.2 million of the savings on services and supplies relate to targeted operating funding. Upspent targeted funding will be carried forward for spending in future years. More detail on revenue and expenses compared to the amended budget is provided in the Operating Fund Results, Special Purpose Fund Results and Capital Fund Results sections of this report.



*Salmo Elementary School Fun Day in June 2025.*





## Operating Fund Results

The following table compares the year ended June 30, 2025 to the prior year and to the amended budget for the Operating Fund, summarizing key information from Schedules 2, 2A, 2B and 2C in the financial statements.

Year Ended June 30, 2025	2024-2025 Actual	2023-2024 Actual	Variance to 2023-2024 Actual	2024-2025 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education & Child Care	64,955,316	63,772,531	1,182,785	64,245,428	709,888
Other	321,456	307,036	14,420	303,850	17,606
Federal Grants	188,365	-	188,365	116,410	71,955
Tuition	1,052,227	1,161,627	(109,400)	1,002,150	50,077
Other Revenue	673,733	643,903	29,830	636,797	36,936
Rentals & Leases	160,581	121,783	38,798	105,000	55,581
Investment Income	424,471	528,942	(104,471)	478,000	(53,529)
<b>Total Revenue</b>	<b>67,776,149</b>	<b>66,535,822</b>	<b>1,240,327</b>	<b>66,887,635</b>	<b>888,514</b>
<b>Expenses</b>					
Salaries	46,194,206	43,484,556	2,709,650	46,302,220	108,014
Employee Benefits	12,329,423	11,196,496	1,132,927	11,601,723	(727,700)
<b>Total Salaries and Benefits</b>	<b>58,523,629</b>	<b>54,681,052</b>	<b>3,842,577</b>	<b>57,903,943</b>	<b>(619,686)</b>
Supplies and Services	8,432,465	8,944,931	(512,466)	9,056,829	624,364
<b>Total Expenses</b>	<b>66,956,094</b>	<b>63,625,983</b>	<b>3,330,111</b>	<b>66,960,772</b>	<b>4,678</b>
<b>Surplus (Deficit) for the Year</b>	<b>820,055</b>	<b>2,909,839</b>	<b>(2,089,784)</b>	<b>(73,137)</b>	<b>893,192</b>
Transfers for Tangible Capital Asset Purchases	(769,047)	(615,288)	(153,759)	(504,019)	(265,028)
<b>Net Surplus (Deficit) for the Year</b>	<b>51,008</b>	<b>2,294,551</b>	<b>(2,243,543)</b>	<b>(577,156)</b>	<b>628,164</b>

### Revenues and Expenses Compared to Prior Year

Total revenues in the Operating Fund increased by \$1.2 million (2%) to \$67.8 million in 2024-2025. Operating grant rates per student increased for the basic allocation and students with unique needs by 3% which was offset by lower enrolments and lower labour settlement funding. New federal grants of \$0.2 million were received. Lower enrolments in the International Education programs reduced tuition revenue by \$0.1 million and lower interest rates reduced investment income by \$0.1 million.

Total expenses in the Operating Fund for 2024-2025 increased by \$3.3 million (5%) to \$67.0 million in 2024-2025 with salaries and benefits increases of \$3.8 million (7%) being offset by a decrease of \$0.5 million (6%) on services and supplies.



Changes in salaries by employee group included:

- Teachers, educational assistants, and support staff salaries increased \$2.3 million due to contractual wage settlements, progression increases, and a shift in funding for salaries between the Operating Fund and Special Purpose Funds.
- Principal and vice-principal salaries remained constant despite salary increases due to the use of relief staffing.
- Other Professionals increased by \$0.1 million slightly less than the 3% wages increases due to staff retirements and vacancies.
- Substitutes/Relief costs increased by \$0.3 million due to higher relief due to additional support staff and principal and vice-principal costs.

Benefits increased by \$1.1 million (11%) and grew as a percentage of salaries from 25.7% in 2023-2024 to 26.7% in 2024-2025. The increase as a percentage of salaries is related to higher CPP rates and health benefit costs.

Services and supplies expenses include services, student transportation, professional development and travel, rental and leases, dues and fees, insurance, supplies and utilities. Lower professional development and travel (\$0.2 million) and supplies (\$0.5 million) offset increases in services, rentals, and insurance, totalling \$0.2 million.



## Revenue and Expenses Compared to Budget

Total revenues in the Operating Fund for 2024–2025 were \$0.9 million (1%) above the amended budget. Most of the additional revenue related to the operating grant (\$0.7 million) with higher enrolments for the February and May counts for online learners.

The salaries were aligned with the amended budget while unanticipated increased benefits costs generated a \$0.7 million (6%) unfavourable budget variance. This was offset by savings in services and supplies against the amended budget of \$0.6 million (7%).

Contracted services, internet storage costs, and snow removal costs contributed to the savings in services of \$0.2 million. Lower bus fuel costs in transportation contributed to savings in supplies. Additional savings in photocopy costs and supplies for various educational programs were realized and will result in carryforward amounts for the coming year's school budgets.

## Net Surplus

The resulting net surplus was \$0.8 million. Approximately \$265K of the net surplus relates to unspent targeted indigenous funding, unspent contracted professional development expenses, and school supplies expenses that will be carried forward for spending in future years. The transfers to the Capital Fund for tangible capital asset purchases totalled \$0.8 million compared to \$0.5 million budgeted due to additional purchases of classroom furniture and equipment and technology assets.

## Special Purpose Fund Results

The following table compares the year ended June 30, 2025 to the prior year and to the amended budget for the Special Purpose Fund, summarizing key information from Schedule 3 of the financial statements.

Year Ended June 30, 2025	2024–2025 Actual	2023–2024 Actual	Variance to 2023–2024 Actual	2024–2025 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Provincial Grants					
Ministry of Education and Child Care	12,136,898	13,284,431	(1,147,533)	12,721,500	(584,602)
Other	86,472	84,302	2,170	86,348	124
Other Revenue	2,138,939	2,116,850	22,089	1,640,000	498,939
Investment Income	56,107	18,244	37,863	15,000	41,107
<b>Total Revenue</b>	<b>14,418,416</b>	<b>15,503,827</b>	<b>(1,085,411)</b>	<b>14,462,848</b>	<b>(44,432)</b>
<b>Expenses</b>					
Salaries	8,611,823	9,789,495	(1,177,672)	8,676,367	64,544
Employee Benefits	2,166,515	2,415,750	(249,235)	2,166,286	(229)
Total Salaries and Benefits	10,778,338	12,205,245	(1,426,907)	10,842,653	64,315
Supplies and Services	3,571,596	3,114,695	456,901	3,470,195	(101,401)
<b>Total Expenses</b>	<b>14,349,934</b>	<b>15,319,940</b>	<b>(970,006)</b>	<b>14,312,848</b>	<b>(37,086)</b>
<b>Surplus (Deficit) for the Year</b>	<b>68,482</b>	<b>183,887</b>	<b>(115,405)</b>	<b>150,000</b>	<b>(81,518)</b>
Transfers for Tangible Capital Asset Purchases	(68,482)	(183,887)	115,405	(150,000)	81,518
<b>Net Surplus (Deficit) for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





## Revenues and Expenses Compared to Prior Year

Special Purpose Fund revenues for 2024-2025 were \$1.1 million (7%) lower than 2023-2024. Lower revenues from the Classroom Enhancement Fund (\$1.0 million) and CommunityLink (\$0.2 million) were offset by higher revenues in the Feeding Futures program (\$0.1 million).

The salaries and benefits decreased by \$1.4 million (12%) in the Special Purpose Funds due to the reduction in funding from the Classroom Enhancement Fund which was offset by increases in the Operating Fund. The supplies and services increased by \$0.5 million (15%) for additional amounts spent for the Annual Facility Grant, Community Link, Early Childhood Education Dual Credit Program, the Student and Family Affordability Fund, and the Feeding Futures program.

## Revenue and Expenses Compared to Budget

Although total revenue was aligned to the amended budget, carryforward balances of \$0.6 million in the ministry-funded programs resulted in lower provincial grant revenue recognized in 2024-2025 than was budgeted. Additional revenue for school generated funds and donations resulted in a \$0.5 million favourable variance for Other Revenue. The Ministry-funded programs are described in more detail in the Special Purpose Results by Program section.

Although total expenses were aligned to the amended budget, salaries and benefits were \$64K lower than the amended budget while supplies and services were \$0.1 million higher than the amended budget. Additional services and supplies for the school generated funds offset lower services and supplies in the ministry-funded programs.



*Two SD8 students try out welding during the Made for Trades program at Selkirk College in February 2025.*



## Special Purpose Results by Program

The following table shows variances to the prior year and to the amended budget for the special purpose programs, summarizing key information from Schedule 3A of the financial statements.

Year Ended June 30, 2025	2024-2025 Actual	2023-2024 Actual	Variance to 2023-2024 Actual	2024-2025 Amended Budget	Variance to Amended Budget
<b>Provincial Grants – Ministry of Education &amp; Child Care Funding</b>	\$	\$	\$	\$	\$
Annual Facility Grant	279,640	279,640	-	279,640	-
Learning Improvement Fund	223,014	233,351	(10,337)	223,014	-
Strong Start	176,240	174,196	2,044	216,353	(40,113)
Ready, Set, Learn	27,694	43,314	(15,620)	41,650	(13,956)
OLEP	108,258	115,909	(7,651)	115,835	(7,577)
CommunityLink	523,510	740,104	(216,594)	795,022	(271,512)
Classroom Enhancement Fund (CEF)	9,605,390	10,640,571	(1,035,181)	9,621,529	(16,139)
First Nation Student Transportation	26,763	24,697	2,066	26,863	(100)
Mental Health in Schools	55,000	55,000	-	55,000	-
Changing Results for Young Children	8,303	1,663	6,640	8,303	-
Seamless Day Kindergarten	71,334	47,938	23,396	71,334	-
Early Childhood Education Dual Credit Program	45,975	102,619	(56,644)	45,975	-
Student & Family Affordability	167,223	140,154	27,069	203,904	(36,681)
Early Years to Kindergarten (SEY2KT)	17,510	10,571	6,939	27,429	(9,919)
Early Care and Learning (ECL)	175,000	175,000	-	175,000	-
Feeding Futures Fund	607,640	499,704	107,936	759,649	(152,009)
After School Sports & Arts Grant	55,463	52,786	2,677	59,348	(3,885)
Health Promoting Schools	31,009	31,516	(507)	27,000	4,009
Health Career Grants	3,700	-	3,700	5,000	(1,300)
Work Experience Enhancement Initiative	14,704	-	14,704	50,000	(35,296)
<b>Other Internally Restricted Funding Revenue</b>					
Scholarships and Bursaries	42,785	32,162	10,623	30,000	12,785
School Generated Funds	2,090,314	2,088,976	1,338	1,615,000	475,314
Donations	61,947	13,956	47,991	10,000	51,947
<b>Total Revenue</b>	<b>14,418,416</b>	<b>15,503,827</b>	<b>(1,085,411)</b>	<b>14,462,848</b>	<b>(44,432)</b>



## Capital Fund Results

The following table compares the year ended June 30, 2025 to the prior year and to the amended budget for the Capital Fund, summarizing key information from Schedule 4 in the financial statements.

Year Ended June 30, 2025	2024-2025 Actual	2023-2024 Actual	Variance to 2023-2024 Actual	2024-2025 Amended Budget	Variance to Amended Budget
<b>Revenues</b>	\$	\$	\$	\$	\$
Investment Income	5,198	7,729	(2,531)	6,000	(802)
Gain (Loss) on Disposal of Tangible Capital Assets	9,086	-	9,086	-	9,086
Amortization of Deferred Capital Revenue	3,093,404	2,955,837	137,567	3,091,410	1,994
<b>Total Revenue</b>	<b>3,107,688</b>	<b>2,963,566</b>	<b>144,122</b>	<b>3,097,410</b>	<b>10,278</b>
<b>Expenses</b>					
Amortization of Tangible Capital Assets	4,072,455	3,944,816	127,639	4,059,750	12,705
<b>Total Expenses</b>	<b>4,072,455</b>	<b>3,944,816</b>	<b>127,639</b>	<b>4,059,750</b>	<b>12,705</b>
<b>Surplus (Deficit) for the Year</b>	<b>(964,767)</b>	<b>(981,250)</b>	<b>16,483</b>	<b>(962,340)</b>	<b>(2,427)</b>
Transfers for Tangible Capital Asset Purchases	837,529	799,175	38,354	654,019	183,510
<b>Net Surplus (Deficit) for the Year</b>	<b>(127,238)</b>	<b>(182,075)</b>	<b>54,837</b>	<b>(308,321)</b>	<b>181,083</b>

Unlike the Operating Fund which cannot have a deficit, the Capital Fund will generally have a deficit each year which relates to amortization expense exceeding amortization revenue. The net deficit before transfers is \$1.0 million, which is consistent with the prior year. Transfers from the Operating Fund and Special Purpose Funds of \$0.9 million were higher than budgeted and resulted in a net deficit of \$0.1 million in the Capital Fund after transfers from the Operating Fund and Special Purpose Funds.

### Unspent Deferred Capital Revenue

Unspent Deferred Capital Revenue and Local Capital balances in the Capital Fund are available for spending on tangible capital assets in the future, subject to approval for the restricted capital balances. The balances increase when grants are received, investment income is earned and decrease when amounts are spent on tangible capital assets.

	June 30, 2024 Balance	Increases	Decreases	June 30, 2025 Balance
	\$	\$	\$	\$
Bylaw Capital	-	5,910,473	(5,910,473)	-
Restricted Capital - Ministry of Education and Child Care	798,221	53,593	(87,198)	764,616
Local Capital	-	-	-	-
<b>Total</b>	<b>798,221</b>	<b>5,964,066</b>	<b>(5,997,671)</b>	<b>764,616</b>



## Bylaw Capital

Bylaw Capital represents Ministry of Education and Child Care capital grants drawn on Certificates of Approval (COA) for capital projects and includes amounts for specific capital projects funded by the Ministry of Education and Child Care, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding and other project funding paid through a Certificate of Approval (COA). During the year, the school district received \$5.9 million in bylaw capital funding which was used to upgrade buildings (\$3.8 million) and purchase buses (\$2.1 million).

## Restricted Capital

The Ministry of Education and Child Care restricted capital represents the ministry's portion (usually 75%) of the proceeds on disposal of land and buildings, and any bylaw project surpluses on completed projects. The ministry's permission must be received to spend these funds. Increases from investment income earned and proceeds on disposal of \$0.1 million offset amounts spent on tangible capital assets of \$0.1 million. The ending accumulated surplus balance for the Ministry of Education and Child Care restricted capital remains at \$0.8 million on June 30, 2025.

## Local Capital Reserve

The Board's Local Capital Reserve was generated in prior years from investment income and 25% of the proceeds received on excess real estate sold which are added to local capital. Local Capital Reserves were utilized in 2024-2025 to purchase operations equipment and vehicles.





## Statement of Financial Position

The following table shows the district's financial position as at June 30, 2024 compared to the prior year.

As at	June 30, 2025 Actual	June 30, 2024 Actual	Increase (Decrease)	Increase (Decrease)
<b>Financial Assets</b>	\$	\$	\$	%
Cash	19,358,901	17,947,023	1,411,878	8%
Accounts Receivable				
Due from Province - MoECC	925,721	741,485	184,236	25%
Other	712,444	962,502	(250,058)	(26%)
Portfolio Investments	415,304	375,996	39,308	10%
<b>Total Financial Assets</b>	<b>21,412,370</b>	<b>20,027,006</b>	<b>1,385,364</b>	<b>7%</b>
<b>Liabilities</b>				
Accounts Payable				
Other	7,765,813	6,774,872	990,941	15%
Unearned Revenue	553,453	542,471	10,982	2%
Deferred Revenue	3,139,139	2,790,183	348,956	13%
Deferred Capital Revenue	54,026,881	51,156,219	2,870,662	6%
Employee Future Benefits	1,885,457	1,779,325	106,132	6%
Asset Retirement Obligation	2,240,535	2,240,535	-	0%
<b>Total Liabilities</b>	<b>69,611,278</b>	<b>65,283,605</b>	<b>4,327,673</b>	<b>7%</b>
<b>Net Financial Assets (Debt)</b>	<b>(48,198,908)</b>	<b>(45,256,599)</b>	<b>(2,942,309)</b>	<b>7%</b>
<b>Non-Financial Assets</b>				
Tangible Capital Assets	75,949,213	73,033,602	2,915,611	4%
Prepaid Expenses	333,460	351,858	(18,398)	(5%)
<b>Total Non-Financial Assets</b>	<b>76,282,673</b>	<b>73,385,460</b>	<b>2,897,213</b>	<b>4%</b>
<b>Accumulated Surplus (Deficit) and Remeasurement Gains</b>	<b>28,083,765</b>	<b>28,128,861</b>	<b>(45,096)</b>	<b>(0%)</b>

The financial position of the school district remained strong with net financial debt increases of \$2.9 million being offset by a similar increase in non-financial assets. The district's current ratio, which is a measure of the district's ability to pay short-term obligations or those due within one year decreased slightly from 2.90 as at June 30, 2024 to 2.70 as at June 30, 2025. The district holds its excess cash in the B.C. provincial government's Central Depository Program, where the funds earn a safe return.



## Financial Assets

Total Financial Assets have increased by \$1.4 million compared to the prior year due to additional cash and cash equivalents. Accounts Receivable from the Ministry of Education and Child Care increased due to additional amounts owing for tangible capital asset funding. Other Receivables, which are amounts due from other school districts and third parties, decreased due to higher collections before year end.

## Liabilities

Total liabilities have increased by \$4.3 million compared to the prior year. Increases included Accounts Payable (\$1.0 million), Deferred Revenue (\$0.3 million), Deferred Capital Revenue (\$2.9 million), and Employee Future Benefits (\$0.1 million). Accounts Payable balances increased due to a higher level of capital spending at year end and greater number of invoices related to the current year being paid in July 2025.

Deferred Revenue resulted from higher carryforward amounts in the Special Purpose Funds. Deferred Capital Revenue increased due to the provincial funding for capital projects of \$6.0 million exceeding the amortization of \$3.1 million for the 2024-2025 school year. Employee Future Benefits increases relate to service and interest costs.

## Non-Financial Assets

Non-Financial Assets increased by \$2.9 million compared to the prior year due to additional tangible capital assets constructed or purchased of \$7.0 million including improvement to the district's facilities (\$4.0 million), vehicles (\$2.5 million), furniture and equipment (\$0.2 million) and computer hardware (\$0.3 million) offset by amortization of \$4.1 million.



*The 12th Annual SD8 Youth Pow Wow happened at the Creston and District Community Complex on May 16. Students, staff and families took part from across all six families of schools.*



## Accumulated Surplus Discussion

The changes to and balances in the accumulated surplus accounts for the year are shown in the following table:

	June 30, 2024 Balance	June 30, 2025 Balance	Change
	\$	\$	\$
Operating Fund	7,454,254	7,505,262	51,008
Special Purpose Funds	-	-	-
Capital Fund	20,582,736	20,455,498	(127,238)
<b>Accumulated Surplus Excluding Remeasurement Gains</b>	<b>28,036,990</b>	<b>27,960,760</b>	<b>(76,230)</b>

The school district has \$28.0 million in Accumulated Surplus excluding Remeasurement Gains as of June 30, 2025 of which \$7.4 million is related to the Operating Fund and \$20.6 million is related to the Capital Fund.

### Operating Fund Accumulated Surplus

An accumulated surplus balance in the Operating Fund indicates that a school district has net resources that can be used to provide future services or acquire assets.

The school district's Policy 621: Accumulated Operating Surplus states that:

- The accumulated operating surplus will service as a contingency reserve for the risks associated with unexpected increases in expenses and/or decreases in revenues; one-time costs not included in the annual operating budget; and intermittent projects and initiatives.
- Achieving targeted surplus levels of 3% to 5% is important for achieving educational goals and addressing financial health, stability, and risk.
- Allocating surplus funds (i.e. internally restricting funds) supports long-term planning by mitigating changes in revenue and making provisions for unexpected events.

The Ministry of Education and Child Care also has policy related to operating surplus. It implemented the K-12 Public Education Accumulated Operating Policy on July 2021 to ensure consistency, transparency, and accountability for the use of educational operating funding that is not used in the year in which it was provided. The Policy establishes three categories of Internally Restricted Operating Surplus:

1. Restricted Due to the Nature of Constraints on the Funds – includes categories such as contractual obligations; funding required to meet the education spending targets; and school generated funds (not externally restricted).
2. Restricted for Anticipated Unusual Expenses Identified by the Board – includes short-term, variable needs; new initiatives; emerging events; and self-insurance on assets.
3. Restricted for Operations Spanning Multiple School Years – future years' operations/budget; school and department surplus/carry-forwards; operating projects in progress; technology, utilities, equipment and capital projects; purchase order commitments; and educational pilots spanning multiple years.

The following table provides the details on the portion of the district's Accumulated Operating Surplus that is internally restricted and unrestricted (subject to a motion being passed by the Board to appropriate additional amounts). The information is also contained in Note 19 of the financial statements.



	June 30, 2024 Balances	June 30, 2025 Balances	Change
	\$	\$	\$
Due to Nature of Constraints on Funds	110,769	342,791	232,022
For Unanticipated Unusual Expenses	350,000	403,261	53,261
For Operations Spanning Multiple School Years	3,661,635	3,652,225	(9,410)
<b>Total Internally Restricted Operating Surplus</b>	<b>4,122,404</b>	<b>4,398,277</b>	<b>275,873</b>
Unrestricted Operating Surplus	3,331,850	3,106,985	(224,865)
<b>Total Operating Accumulated Surplus</b>	<b>7,454,254</b>	<b>7,505,262</b>	<b>51,008</b>

The total internally restricted operating surplus is \$4.4 million (subject to a motion being passed by the Board to appropriate an additional \$0.3 million). Most of the internally restricted balance is restricted for Operations Spanning Multiple School Years and will be used for classroom furniture and equipment, vehicle, technology upgrade, school surplus carryforwards, and operating projects in progress, allowing a continued focus on staffing resources within operating funds in the future.

The unrestricted surplus at \$3.1 million is 4.7% of the budgeted 2025–2026 operating expenses which is within the 3% to 5% range outlined in Policy 621: Accumulated Operating Surplus. This level of unrestricted operating surplus provides the district with financial stability over the long term.

### Capital Fund Accumulated Surplus

There are two categories of accumulated surplus in the Capital Fund – Invested in Tangible Capital Assets and Local Capital, totalling \$20.4 million. The accumulated surplus for Invested in Tangible Capital Assets is \$20,446,412 and the accumulated surplus for Local Capital is \$9,086. Only the portion pertaining to the Local Capital is available for internally restricting by the Board. The remainder of the accumulated surplus relating to Invested in Tangible Capital Assets must be left unrestricted.



*Caps flew at L.V. Rogers Secondary School as the Class of 2025 celebrated grade 12 graduation.*

