



**Pacific Rim School District 70  
Statement of Financial Information (SOFI)**

**Fiscal Year Ended June 30, 2025**

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  - Reconciliation or explanation of differences to Audited Financial Statements



Ministry  
of Education

## SCHOOL DISTRICT STATEMENT OF FINANCIAL INFORMATION (SOFI)

6049

SCHOOL DISTRICT NUMBER 70	NAME OF SCHOOL DISTRICT Pacific Rim School District	YEAR 2025
OFFICE LOCATION(S) Port Alberni, BC		TELEPHONE NUMBER 2507233565
MAILING ADDRESS 4690 Roger Street		
CITY Port Alberni	PROVINCE BC	POSTAL CODE V9Y 3K4
NAME OF SUPERINTENDENT Peter Klaver		TELEPHONE NUMBER 2507202770
NAME OF SECRETARY TREASURER Peter Klaver		TELEPHONE NUMBER 2507202770

### DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Statement of Financial Information for the year ended

June 30, 2025

for School District No. 70 as required under Section 2 of the Financial Information Act.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION

Original signed by Cynthia Orr

DATE SIGNED

Dec. 17/25

SIGNATURE OF SUPERINTENDENT

Original signed by Peter Klaver (Interim Secretary Treasurer)

DATE SIGNED

Dec. 17/25

SIGNATURE OF SECRETARY TREASURER

Original signed by Peter Klaver (Interim Secretary Treasurer)

DATE SIGNED

Dec. 17/25



## Pacific Rim School District 70

### Statement of Financial Information for Year Ended June 30, 2025

#### Financial Information Act-Submission Checklist

		<i>Due Date</i>
a) <input type="checkbox"/>	A statement of assets and liabilities (audited financial statements).	<i>September 30</i>
b) <input type="checkbox"/>	An operational statement including, i) a Statement of Income and ii) a Statement of Changes in Financial Position, or, if omitted, an explanation in the Notes to Financial Statements (audited financial statements)	<i>September 30</i>
c) <input type="checkbox"/>	A schedule of debts (audited financial statements).	<i>September 30</i>
d) <input type="checkbox"/>	A schedule of guarantee and indemnity agreements including the names of the entities involved and the amount of money involved. (Note: Nil schedules can be submitted December 31).	<i>September 30</i>
e)	A schedule of remuneration and expenses, including:	<i>December 31</i>
<input type="checkbox"/>	i) an alphabetical list of employees earning over \$75,000, the total amount of expenses paid to or on behalf of each employee for the year reported and a consolidated total for employees earning under \$75,000. If the total wages and expenses differs from the audited financial statements, an explanation is required.	
<input type="checkbox"/>	ii) a list by name and position of Board Members with the amount of any salary and expenses paid to or on behalf of the member	
<input type="checkbox"/>	iii) the number of severance agreements started during the fiscal year and the range of months' pay covered by the agreement, in respect of excluded employees. If there are no agreements to report, an explanation is required	
f) <input type="checkbox"/>	An alphabetical list of suppliers receiving over \$25,000 and a consolidated total for those suppliers receiving less than \$25,000. If the total differs from the Audited Financial Statements, an explanation is required.	<i>December 31</i>
g) <input type="checkbox"/>	Approval of Statement of Financial Information.	<i>December 31</i>
h) <input type="checkbox"/>	A management report approved by the Chief Financial Officer	<i>December 31</i>



**School District  
Statement of Financial Information (SOFI)**

**School District No. 70, Pacific Rim  
Fiscal Year Ended June 30, 2025**

**MANAGEMENT REPORT**

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Education is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements as required by the *School Act*. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the board's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of School District 70 Pacific Rim

Original signed by Peter Klaver (Interim Secretary Treasurer)

Name, Superintendent

Date: *Dec. 17/25*

Original signed by Peter Klaver (Interim Secretary Treasurer)

Name, Secretary Treasurer (Interim)

Date: *Dec. 17/25*

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

Audited Financial Statements of

**School District No. 70 (Pacific Rim)**

And Independent Auditors' Report thereon

June 30, 2025

# School District No. 70 (Pacific Rim)

June 30, 2025

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# School District No. 70 (Pacific Rim)

## MANAGEMENT REPORT

Version: 6430-5684-3702

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 70 (Pacific Rim) 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 257/20 I0 and 198/20 II 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. 70 (Pacific Rim) (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. 70 (Pacific Rim) 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. 70 (Pacific Rim)

Original signed by Pam Craig

*Sept. 30, 2025*

Signature of the Chairperson of the Board of Education

Date Signed

Original signed by Peter Klaver

*af. u 2=, z)*

Signature of the Superintendent

Date Signed

Original signed by Barbara Ross

*Sp 3>2-*

Signature of the Secretary/Treasurer

Date Signed



**KPMG LLP**  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7  
Canada  
Telephone (250) 480-3500  
Fax (250) 480-3539

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 70 (Pacific Rim), and  
To the Minister of Education and Child Care, Province of British Columbia

### *Opinion*

We have audited the financial statements of School District No. 70 (Pacific Rim) (the "Entity"), 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 cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

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

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

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

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

### *Emphasis of Matter – Financial Reporting Framework*

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

Our opinion is not modified in respect of this matter.



### ***Other Information***

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document
- Unaudited Schedules 1-4 attached to the audited financial statements

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Other Information other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report. We have nothing to report in this regard.

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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



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

We also:

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

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

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

*KPMG LLP*

Chartered Professional Accountants

Victoria, Canada  
September 29, 2025

# School District No. 70 (Pacific Rim)

Statement 1

## Statement of Financial Position

As at June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	6,906,963	4,739,841
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	1,749,012	
Due from First Nations	3,541,068	3,917,547
Other (Note 3)	1,004,619	1,079,891
<b>Total Financial Assets</b>	<b>13,201,662</b>	<b>9,737,279</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	104,038	
Other (Note 4)	7,482,321	4,791,522
Unearned Revenue (Note 5)	660,951	459,126
Deferred Revenue (Note 6)	3,009,713	2,765,907
Deferred Capital Revenue (Note 7)	119,177,171	112,356,319
Employee Future Benefits (Note 8)	448,895	463,745
Asset Retirement Obligation (Note 19)	3,498,244	3,795,590
Debt (Note 9)	135,022	187,554
Capital Lease Obligations (Note 9)	556,056	628,138
<b>Total Liabilities</b>	<b>134,968,373</b>	<b>125,551,939</b>
<b>Net Debt</b>	<b>(121,766,711)</b>	<b>(115,814,660)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 10)	130,671,879	124,375,655
Restricted Assets (Endowments)	30,000	30,000
Prepaid Expenses	839,557	312,242
<b>Total Non-Financial Assets</b>	<b>131,541,436</b>	<b>124,717,897</b>
<b>Accumulated Surplus (Deficit) (Note 13)</b>	<b>9,774,725</b>	<b>8,903,237</b>

Contractual Obligations (Note 15)

Approved by the Board

Original signed by Pam Craig

*Sept 30, 2025*

Date Signed

Signature of the Chairperson of the Board of Education

Original signed by Peter Klaver

*Sept. 30, 2025*

Date Signed

Signature of the Superintendent

Original signed by Barbara Ross

*Sept. 30/25*

Date Signed

Signature of the Secretary Treasurer

# School District No. 70 (Pacific Rim)

Statement 2

## Statement of Operations

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Revenues</b>			
Provincial Grants			
Ministry of Education and Child Care	54,969,388	54,939,125	51,895,015
Other	328,843	339,862	376,020
Federal Grants	20,004	33,551	4,250
Tuition	826,157	852,245	685,491
Other Revenue	5,550,993	6,043,702	6,338,309
Rentals and Leases	246,800	280,061	183,866
Investment Income	69,110	80,349	302,358
Gain (Loss) on Disposal of Tangible Capital Assets	1,897,999	1,934,976	
Amortization of Deferred Capital Revenue	3,977,911	4,020,335	3,796,186
<b>Total Revenue</b>	<b>67,887,205</b>	<b>68,524,206</b>	<b>63,581,495</b>
<b>Expenses (Note 17)</b>			
Instruction	49,904,240	50,632,055	48,799,224
District Administration	3,015,267	3,379,547	3,310,806
Operations and Maintenance	9,827,260	10,359,180	9,522,161
Transportation and Housing	3,273,111	3,230,427	3,151,616
Debt Services	52,303	51,509	31,378
<b>Total Expense</b>	<b>66,072,181</b>	<b>67,652,718</b>	<b>64,815,185</b>
<b>Surplus (Deficit) for the year</b>	<b>1,815,024</b>	<b>871,488</b>	<b>(1,233,690)</b>
Accumulated Surplus (Deficit) from Operations, beginning of year		8,903,237	10,136,927
<b>Accumulated Surplus (Deficit) from Operations, end of year</b>	<b>9,774,725</b>	<b>8,903,237</b>	

# School District No. 70 (Pacific Rim)

Statement 4

Statement of Changes in Net Debt  
Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
<b>Surplus (Deficit) for the year</b>	<b>1,815,024</b>	<b>871,488</b>	<b>(1,233,690)</b>
<b>Effect of change in Tangible Capital Assets</b>			
Acquisition of Tangible Capital Assets	(5,735,478)	(11,250,727)	(8,300,774)
Amortization of Tangible Capital Assets	4,890,659	4,952,502	4,647,612
Net carrying value of Tangible Capital Assets disposed of	2,001	2,001	
<b>Total Effect of change in Tangible Capital Assets</b>	<b>(842,818)</b>	<b>(6,296,224)</b>	<b>(3,653,162)</b>
 Acquisition of Prepaid Expenses		(839,557)	(312,242)
Use of Prepaid Expenses		312,242	422,236
<b>Total Effect of change in Other Non-Financial Assets</b>	<b>-</b>	<b>(527,315)</b>	<b>109,994</b>
 <b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b>	<b>972,206</b>	<b>(5,952,051)</b>	<b>(4,776,858)</b>
 <b>Net Remeasurement Gains (Losses)</b>			
 <b>(Increase) Decrease in Net Debt</b>		<b>(5,952,051)</b>	<b>(4,776,858)</b>
 <b>Net Debt, beginning of year</b>		<b>(115,814,660)</b>	<b>(111,037,802)</b>
 <b>Net Debt, end of year</b>		<b>(121,766,711)</b>	<b>(115,814,660)</b>

# School District No. 70 (Pacific Rim)

Statement 5

## Statement of Cash Flows

Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
<b>Operating Transactions</b>		
Surplus (Deficit) for the year	871,488	(1,233,690)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,297,261)	(163,461)
Prepaid Expenses	(527,315)	109,994
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,586,761	(111,816)
Unearned Revenue	201,825	(5,299)
Deferred Revenue	243,806	76,044
Employee Future Benefits	(14,850)	12,407
Asset Retirement Obligations	(297,346)	-
Loss (Gain) on Disposal of Tangible Capital Assets	(1,835,157)	-
Amortization of Tangible Capital Assets	4,952,502	4,647,612
Amortization of Deferred Capital Revenue	(4,020,335)	(3,796,186)
<b>Total Operating Transactions</b>	<b>864,118</b>	<b>(464,395)</b>
<b>Capital Transactions</b>		
Tangible Capital Assets Purchased	(5,668,075)	(7,390,691)
Tangible Capital Assets -WIP Purchased	(5,482,193)	(455,203)
District Portion of Proceeds on Disposal	1,837,158	-
Settlement of Asset Retirement Obligation	(297,346)	-
Non-Capital Expenditures	(271,736)	-
<b>Total Capital Transactions</b>	<b>(9,882,192)</b>	<b>(7,845,894)</b>
<b>Financing Transactions</b>		
Loan Payments	(225,073)	(155,256)
Capital Revenue Received	11,410,269	5,867,258
<b>Total Financing Transactions</b>	<b>11,185,196</b>	<b>5,712,002</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,167,122</b>	<b>(2,598,287)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>4,739,841</b>	<b>7,338,128</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>6,906,963</b>	<b>4,739,841</b>
<b>Cash and Cash Equivalents, end of year, is made up of:</b>		
<b>Cash</b>	<b>6,906,963</b>	<b>4,739,841</b>
	<b>6,906,963</b>	<b>4,739,841</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 1 AUTHORITY AND PURPOSE**

The School District, established in 1887, 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. 70 (Pacific Rim)", and operates as "School District No. 70 (Pacific Rim)." 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. The School District is exempt from federal and provincial corporate income taxes.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**a) Basis of Accounting**

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

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

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

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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

**a) Basis of Accounting *(Continued)***

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

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

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian public sector accounting standards.

**b) Basis of Consolidation**

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

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

The School District does not administer any trust activities on behalf of external parties.

**c) Cash and Cash Equivalents**

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

**d) Accounts Receivable**

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

**e) Unearned Revenue**

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

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
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**

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. 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 (EARSL) of active employees covered under the plan.

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

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

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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

**h) Liability for Contaminated Sites**

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

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The School District is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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

**i) Asset Retirement Obligations**

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.

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

**j) 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 from non-related parties are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value.
- Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion. Amortization is not recorded until assets are available for use.
- 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.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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

**j) Tangible Capital Assets (continued)**

- 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 and Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

**k) Prepaid Expenses**

Payments for services and supplies (including insurance, subscriptions, membership and maintenance contracts) for use within the School District in a future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

**l) Funds and Reserves**

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

**m) Revenue Recognition**

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

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

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

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

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

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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

**m) Revenue Recognition (continued)**

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

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied. Revenue from transactions with no performance obligations is recognized when the School District (a) has authority to claim or retain an inflow of economic resources; and (b) identifies a past transaction or event that gives rise to an asset.

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

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

**n) Expenditures**

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

**Allocation of Costs**

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

**o) Financial Instruments**

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt. Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition 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.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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

**o) Financial Instruments (continued)**

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

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

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

**p) Measurement Uncertainty**

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

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<b>2025</b>	<b>2024</b>
Due from Federal Government	\$ 487,951	\$ 82,695
Other	516,688	1,075,064
	<b><u>\$ 1,004,619</u></b>	<b><u>\$ 1,079,891</u></b>

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2025</b>	<b>2024</b>
Trade payables	\$ 3,372,466	\$ 981,198
Salaries and benefits payable	3,653,270	3,353,739
Accrued vacation pay	456,585	456,585
	<b><u>\$ 7,482,321</u></b>	<b><u>\$ 4,791,522</u></b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 5 UNEARNED REVENUE**

Unearned revenue consists of contributions received for services to be delivered in a future period. Changes in unearned revenue are as follows:

	<b>2025</b>	<b>2024</b>
Balance, beginning of year		
Tuition fees	\$ 459,126	\$ 457,585
Rental revenue	- 6,840	
	<hr/> 459,126	<hr/> 464,425
Changes for the year:		
Increase:		
Tuition fees collected	1,054,070	685,491
Rental revenue collected	280,061	183,866
	<hr/> 1,334,131	<hr/> 869,357
Decrease:		
Tuition fees recognized	852,245	491,119
Rental revenue recognized	280,061	107,320
	<hr/> 1,132,306	<hr/> 598,439
Net changes for the year		
Tuition fees	201,825	1,541
Rental revenue	- (6,840)	
	<hr/> 201,825	<hr/> (5,299)
Balance, end of year		
Tuition fees	660,951	459,126
Rental revenue	- -	
	<hr/> \$ 660,951	<hr/> \$ 459,126

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 6 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	\$ 2,765,907	\$ 2,689,863
Changes for the year:		
Increase:		
Provincial grants	9,387,353	8,257,684
Federal grants	-	4,250
Other revenue	<u>1,491,032</u>	<u>1,562,496</u>
	10,878,385	9,824,430
Decrease:		
Allocated to revenue	10,623,692	9,624,234
Recovered	<u>10,887</u>	<u>124,152</u>
	<u>10,634,579</u>	<u>9,748,386</u>
Net changes for the year	<u>243,806</u>	<u>76,044</u>
Balance, end of year	<u><u>\$ 3,009,713</u></u>	<u><u>\$ 2,765,907</u></u>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 7 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>Deferred capital revenue subject to amortization</b>		
Balance, beginning of year	\$ 111,346,932	\$ 108,255,575
Increases:		
Capital additions	5,228,764	6,640,588
Transfers from WIP	-	246,955
Decreases:		
Amortization	(4,020,335)	(3,796,186)
Revenue Recognition on Disposal of Buildings	(129,819)	-
Net change for the year	1,078,610	3,091,357
Balance, end of year	<u>112,425,542</u>	<u>111,346,932</u>
<b>Work in progress</b>		
Balance, beginning of year	467,548	259,300
Increases:		
Transfer from unspent deferred capital revenue	5,482,193	455,203
Decreases:		
Transfer to tangible capital assets	-	(246,955)
Net change for the year	5,482,193	208,248
Balance, end of year	<u>5,949,741</u>	<u>467,548</u>
<b>Unspent deferred capital revenue</b>		
Balance, beginning of year	541,839	1,770,372
Increases:		
Provincial Grants - Ministry of Education	11,385,269	5,867,258
Provincial Grants – Other	-	-
Other	25,000	-
Decreases:		
Transfer to deferred capital revenue subject to amortization:		
Capital additions	(5,228,764)	(6,640,588)
Transfer to work in progress	(5,482,193)	(455,203)
Transferred to Revenue – Settlement of Asset Retirement Obligation	(167,527)	-
Non-Capital Expenditures	(271,736)	-
Net change for the year	260,049	(1,228,533)
Balance, end of year	<u>801,888</u>	<u>541,839</u>
<b>Total deferred capital revenue balance, end of year</b>	<b><u>\$119,177,171</u></b>	<b><u>\$ 112,356,319</u></b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 8 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>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation - April 1	\$ 536,354	\$ 574,453
Service Cost	32,720	33,248
Interest Cost	22,690	22,606
Benefit Payments	(68,378)	(77,205)
Actuarial Loss	128,485	(16,748)
<b>Accrued Benefit Obligation - March 31</b>	<b>\$ 651,871</b>	<b>\$ 536,354</b>
 <b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation - March 31	\$ 651,871	\$ 536,354
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(651,871)	(536,354)
Employer Contributions After Measurement Date	22,511	-
Benefits Expense After Measurement Date	(17,008)	(13,853)
Unamortized Net Actuarial Gain (Loss)	197,473	86,462
<b>Accrued Benefit Liability - June 30</b>	<b>\$ (448,895)</b>	<b>\$ (463,745)</b>
 <b>Reconciliation of Change in Accrued Benefit Liability</b>		
Accrued Benefit Liability - July 1	\$ 463,743	\$ 451,337
Net Expense for Fiscal Year	76,038	76,934
Employer Contributions	(90,686)	(64,526)
<b>Accrued Benefit Liability - June 30</b>	<b>\$ 448,895</b>	<b>\$ 463,745</b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 8 EMPLOYEE FUTURE BENEFITS (Continued)**

	2025	2024
<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 34,919	\$ 33,116
Interest Cost	23,646	22,627
Amortization of Net Actuarial Loss	17,473	21,191
Net Benefit Expense	<b>\$ 76,038</b>	<b>\$ 76,934</b>
<b>Assumptions</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
EARSL - March 31	11.7	10

**NOTE 9 DEBT**

The following loans approved under Section 144 of the *School Act* are outstanding:

	Approval Date	Year Borrowed	Interest Rate	Maturity	Amount Borrowed	Amount Paid	2025 Balance	2024 Balance
Term	2010	2010	4.50%	2029	124,259	75,791	48,468	57,411
Term	2010	2010	4.50%	2029	124,259	75,791	48,468	57,411
Demand	2010	2021	4.95%	Demand	186,559	149,535	38,086	72,732
Capital lease	2022	2022	13.97%	2026	335,164	134,066	134,065	201,098
Capital lease	2024	2024	7.15%	2029	450,900	23,860	345,379	427,040
Capital lease	2025	2025	7.15%	2029	100,459	23,848	76,612	-
					<b>1,321,600</b>	<b>482,891</b>	<b>691,078</b>	<b>815,692</b>

Future principal payments on debt as currently scheduled are as follows:

2026	\$ 228,222
2027	130,322
2028	139,199
2029	104,751
Thereafter	88,584
	<b><u>\$ 691,078</u></b>

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 10 TANGIBLE CAPITAL ASSETS**

Cost:	Balance at July 1, 2024	Additions	Disposals / Transfers	Balance at June 30, 2025
Sites	\$ 2,558,638	\$ -	\$ 2,001	\$ 2,556,637
Buildings	178,928,511	3,225,833	251,335	182,032,828
Buildings—work in progress	467,548	5,482,193	-	5,949,741
Furniture and Equipment	4,150,648	40,158	49,057	4,141,749
Vehicles	987,523	2,090,851	53,072	3,025,302
Computer Hardware	1,255,000	411,692	148,425	1,518,267
<b>Total</b>	<b>\$ 188,347,868</b>	<b>\$ 11,250,727</b>	<b>\$ 503,890</b>	<b>\$ 199,094,705</b>

Accumulated Amortization:	Balance at July 1, 2024	Additions	Disposals	Balance at June 30, 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	62,251,793	4,059,914	251,335	66,190,191
Furniture and Equipment	886,381	414,620	49,057	1,251,944
Vehicles	338,636	200,641	53,072	486,205
Computer Hardware	495,403	277,327	148,425	624,305
<b>Total</b>	<b>\$ 63,972,213</b>	<b>\$ 4,952,502</b>	<b>\$ 501,889</b>	<b>\$ 68,422,826</b>

**Net Book Value:**

	<b>2025</b>	<b>2024</b>
Sites	\$ 2,556,637	\$ 2,558,638
Buildings	115,842,637	116,676,718
Buildings - work in progress	5,949,741	467,548
Furniture and Equipment	2,889,805	3,264,267
Vehicles	2,539,097	648,887
Computer Hardware	893,962	759,597
<b>Total</b>	<b>\$ 130,671,879</b>	<b>\$ 124,375,655</b>

Works of art and historic assets - the School District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

**SCHOOL DISTRICT NO. 70 (PACIFIC RIM)  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2025**

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**NOTE 11 RESTRICTED ASSETS (ENDOWMENTS)**

Restricted assets are comprised of the Garner endowment of \$30,000. There were no contributions, additions to or transfers from the endowment during the years presented.

**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 52,000 active members and approximately 43,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 273,000 active members, including approximately 32,000 from school districts.

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

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

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

The School District paid \$4,429,674 for employer contributions to the plans in the year ended June 30, 2025 (2024: \$4,257,831)

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan will be as at December 31, 2024 with results available later in 2025.

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