

# Financial Statements Discussion and Analysis

*For the year ended June 30, 2025*



## Table of Contents

---

Introduction .....	1
Education Plan .....	2
Financial Statements Discussion and Analysis .....	4
Accounting Policies .....	4
Statement of Financial Position .....	6
Financial Assets .....	7
Current Liabilities .....	9
Deferred Capital Revenue .....	11
Other Liabilities .....	12
Tangible Capital Assets .....	13
Consolidated Statement of Operations .....	15
Revenue .....	15
Expense .....	15
Statement of Operations - Operating Fund .....	18
Revenues .....	19
Expenses .....	21
Accumulated Operating Surplus .....	23
Special Purpose Funds .....	26
Capital Fund .....	30
Local Capital .....	31
Deferred Capital Revenue .....	32
Tangible Capital Assets - Buildings .....	33
Risk Factors .....	38
Structural Deficit .....	38
Capital Projects .....	38
Contingent Assets .....	39
Contingent Liabilities .....	39
Enterprise Risk Management .....	40

## Introduction

---

The Vancouver School District (VSB or School District) is proud to provide exceptional learning experiences for students. As a large, urban school district, VSB is one of Canada's most diverse school systems.

With deep gratitude and respect, we are honoured to be learning and unlearning on the ancestral and unceded lands of the *xʷməθkʷəy̓əm* (Musqueam), *Sḵwxwú7mesh Úxwumixw* (Squamish Nation) & *səlilwətaʔ* (Tsleil-Waututh Nation).

We are privileged to work closely with the three Host Nations, *xʷməθkʷəy̓əm* (Musqueam), *Sḵwxwú7mesh Úxwumixw* (Squamish Nation) & *səlilwətaʔ* (Tsleil-Waututh Nation). We embrace Indigenous ways of knowing and learning and work to expand Indigenous perspectives across the curriculum and within our 110 schools and programs, where more than 50,000 students learn and grow.

Equity and inclusivity are at the forefront of our approach to education. More than 7,700 staff work to create learning environments where every student thrives by prioritizing students' needs, applying evidence-informed practices and building relationships.

VSB's culture reflects the diversity of our city. Students enrolled in VSB come from varied backgrounds and lived experiences and are encouraged to explore and share their unique selves and gifts. Our commitment to students goes beyond academics. Students' overall well-being and sense of belonging are equally important. We strive to build a school system where every student can be their authentic self and succeed throughout their learning journey. In doing this work, we champion equity and accountability by making evidence-based decisions. As a learning community, we seek to continually improve student outcomes in service to them, their families, and the broader community.

This report provides a discussion and analysis of the school district's financial results for the fiscal year ending June 30, 2025. It summarizes the school district's financial activities based on current facts, decisions, and conditions. The financial results for this year are compared with those from the fiscal year ending June 30, 2024, and the amended annual budget for the 2024-25 fiscal year. For a complete understanding, this report should be read alongside the School District's audited financial statements for the year ending June 30, 2025.

For more information about our school district, visit <https://www.vsb.bc.ca>.

## Education Plan

---

VSB's Education Plan, created through consultation with students, their families, staff and stakeholders, guides the school district's work. The Board approved the following statements, goals and objectives, which are included in [Policy 1 – Foundational Statements](#).



### *Values Statement*

The Vancouver School Board believes an effective public education system will prepare students to be active, productive, and socially responsible citizens. Students who complete their education with the Vancouver School Board should possess a strong educational foundation; be disposed to treat others with respect and work cooperatively with them; act upon the values and principles that make us human; care for themselves, for others, and for the planet; and exercise a critical intelligence adaptable to new situations.

VSB will foster school communities where students can learn, see themselves, feel supported and connected so that they develop a love of learning and become lifelong learners.

### *Equity Statement*

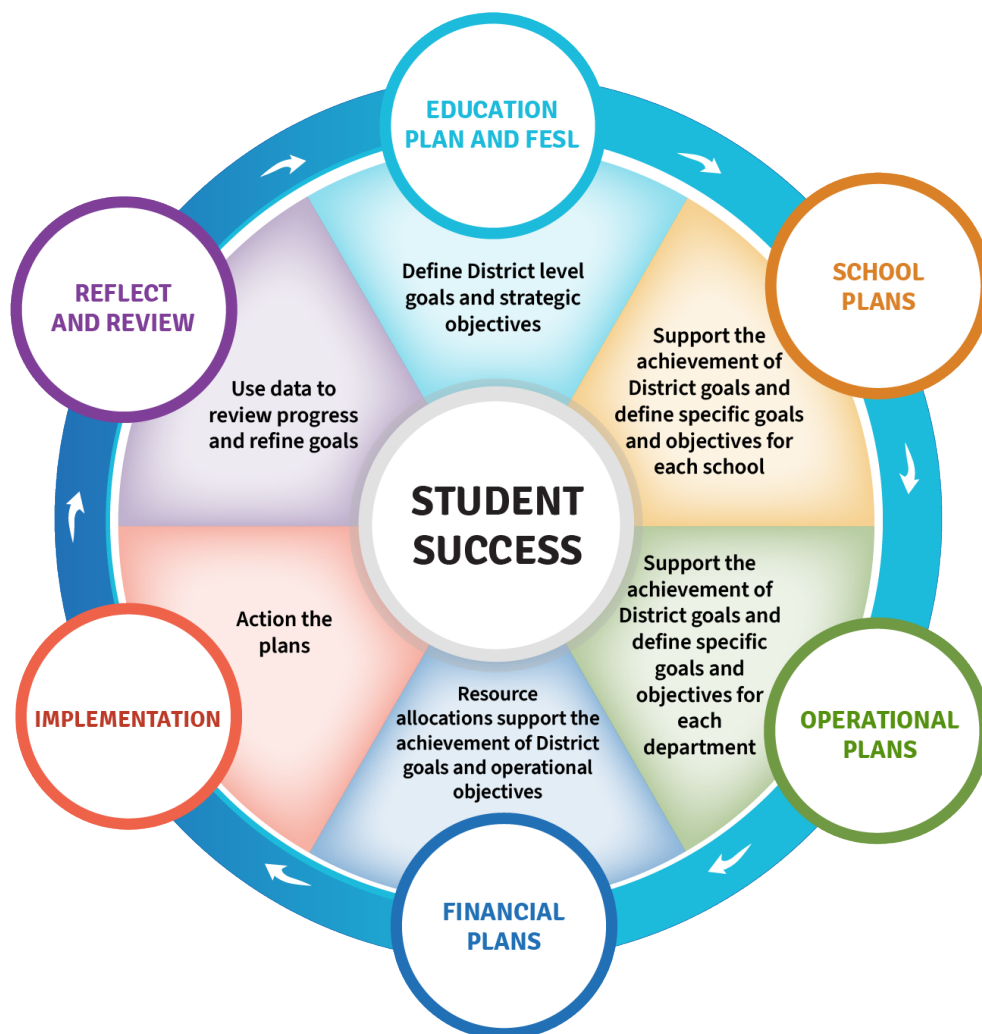
The Vancouver School Board – a large, urban school district located on the unceded, traditional lands of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) and səliłwətał (Tsleil-Waututh Nation) – respects and supports Indigenous ways of knowing and learning.

VSB will create an equitable learning environment where every child can experience a deep sense of belonging and is free to pursue pathways of learning in ways that are authentic to themselves. The VSB will achieve this by:

- having students see themselves and their communities in the curriculum and in the staff throughout the District;
- prioritizing student needs by making informed decisions and engaging in open communication with rights holders and stakeholders; and
- actively fighting systems of oppression through relationship building, ongoing communication and transparency.

### *Continuous Cycle of Improvement*

Continuous improvement of student outcomes is guided by the Framework for Enhancing Student Learning and our Education Plan. School learning plans and other operational plans are interconnected and aligned with multi-year financial plans. The development of financial plans is supported by engagement with rights holders and stakeholders.







## Financial Statements Discussion and Analysis

---

The Financial Statements Discussion and Analysis should be read in conjunction with the audited financial statements of School District No. 39 (Vancouver) for the year ended June 30, 2025.

The purpose of the Financial Statements Discussion and Analysis is to highlight information and provide explanations that enhance the reader's understanding of the school district's financial statements and the factors that influenced the financial results presented in these statements.

While the preparation and presentation of the Financial Statements Discussion and Analysis is not a legislative requirement, they are recommended by MECC.

The preparation of the Financial Statements Discussion and Analysis is the responsibility of school district management.

### Accounting Policies

The financial statements of School District No. 39 (Vancouver) 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.

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	SPECIAL PURPOSE FUNDS	CAPITAL FUND
The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.	Special purpose funds consist of targeted funding provided to the school district for a specific purpose. 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. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as “a contribution that is subject to a legislative or contractual stipulation or restriction as to its use.”	Capital funds include facilities (purchases and enhancements) and equipment (purchases) that are funded by Ministry capital grants, operating funds and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue, plus budgeted local capital revenue is permitted under the Accounting Practices Order of the Ministry of Education and Child Care.

## Statement of Financial Position

The following table provides a comparative analysis of the School District's net financial position for VSB's fiscal years ending June 30, 2021, through June 30, 2025.

Figure 1 – Statement of Financial Position

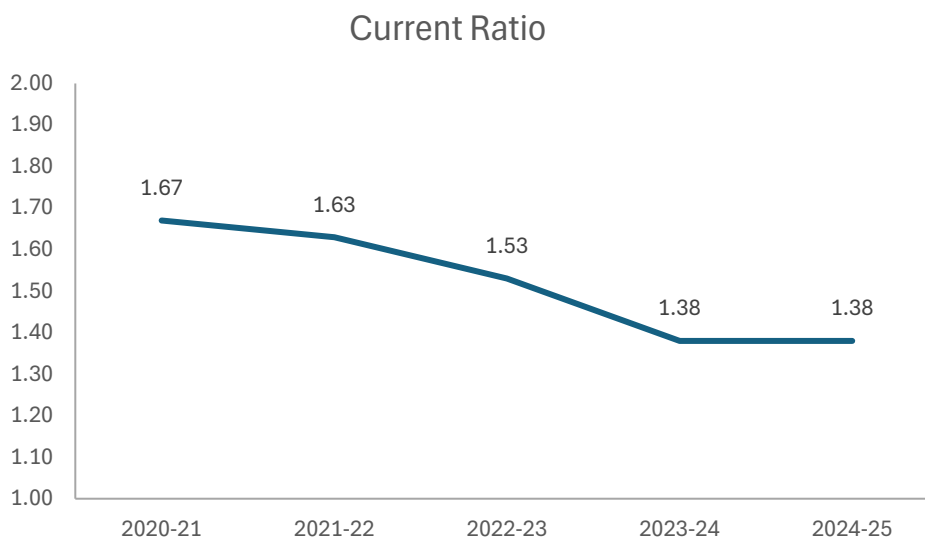
(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual
<b>Financial Assets</b>					
Cash and Cash Equivalents	\$ 263.95	\$ 246.30	\$ 260.85	\$ 207.57	\$ 204.88
Accounts Receivable					
Due from MECC	6.04	10.26	5.70	5.39	5.18
Due from Province– Other	-	-	0.09	0.14	-
Other	4.36	8.50	18.79	32.45	30.17
Portfolio Investments	0.43	0.42	0.44	50.40	30.21
<b>Total Financial Assets</b>	<b>274.78</b>	<b>265.48</b>	<b>285.87</b>	<b>295.95</b>	<b>270.44</b>
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities					
Due to Province– Other	3.74	0.61	0.64	0.23	0.23
Other	83.63	83.91	87.40	115.57	93.38
Unearned Revenue	52.12	52.61	56.32	57.06	63.08
Deferred Revenue	25.33	25.38	42.29	41.66	38.96
Deferred Capital Revenue	783.06	860.97	917.56	953.31	966.41
Employee Future Benefits	31.07	32.39	33.24	33.85	33.89
Asset Retirement Obligation	-	67.12	67.12	66.97	70.32
Capital Lease Obligation	3.92	5.52	3.68	2.57	2.61
Other	0.37	0.10	-	-	-
<b>Total Liabilities</b>	<b>983.24</b>	<b>1,128.61</b>	<b>1,208.25</b>	<b>1,271.22</b>	<b>1,268.88</b>
<b>Net Debt</b>	<b>(708.46)</b>	<b>(863.13)</b>	<b>(922.38)</b>	<b>(975.27)</b>	<b>(998.44)</b>
<b>Non-Financial Assets</b>					
Tangible Capital Assets	863.85	1,007.48	991.05	1,045.75	1,056.65
Prepaid Expenses	1.98	1.41	1.69	3.05	3.02
Supplies Inventory	0.95	0.99	1.11	1.29	1.41
<b>Total Non-Financial Assets</b>	<b>866.78</b>	<b>1,009.88</b>	<b>993.85</b>	<b>1,050.09</b>	<b>1,061.08</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$ 158.32</b>	<b>\$ 146.75</b>	<b>\$ 71.47</b>	<b>\$ 74.82</b>	<b>\$ 62.64</b>



### Current Ratio

VSB's current ratio, which is calculated as current assets divided by current liabilities, was 1.38 which is unchanged from the 2023-24 year end ratio.

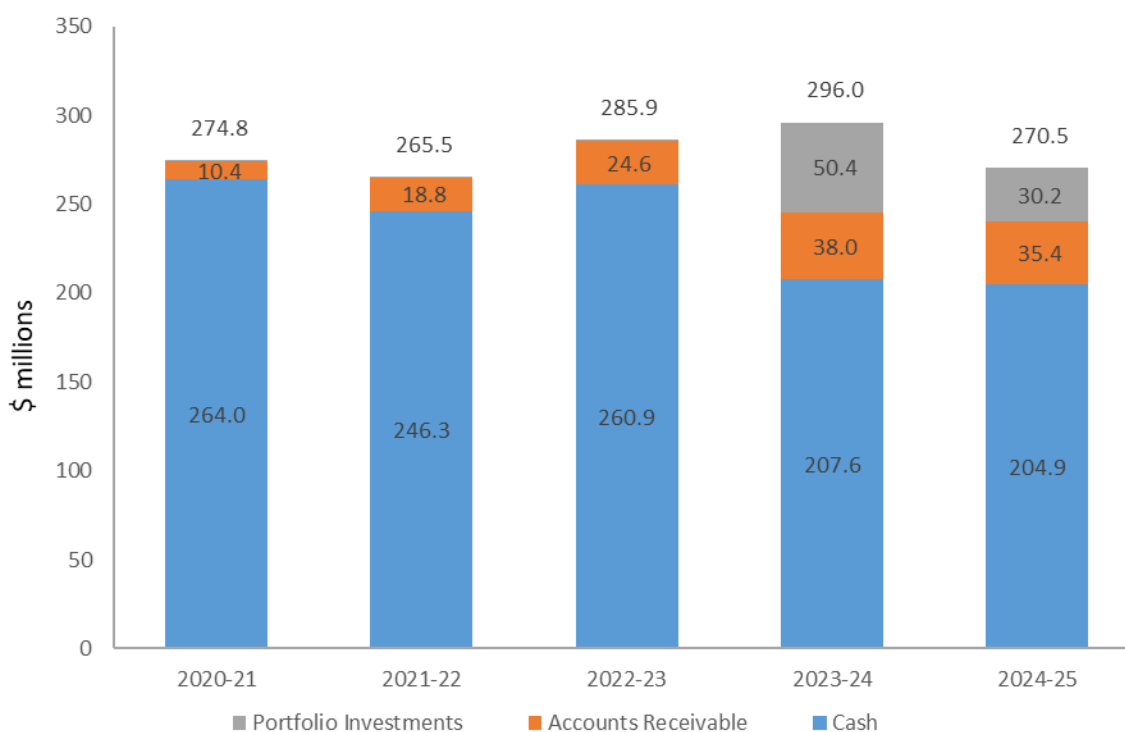
Figure 2 – Current Ratio



### Financial Assets

Financial assets include cash and cash equivalents, accounts receivable and portfolio investments.

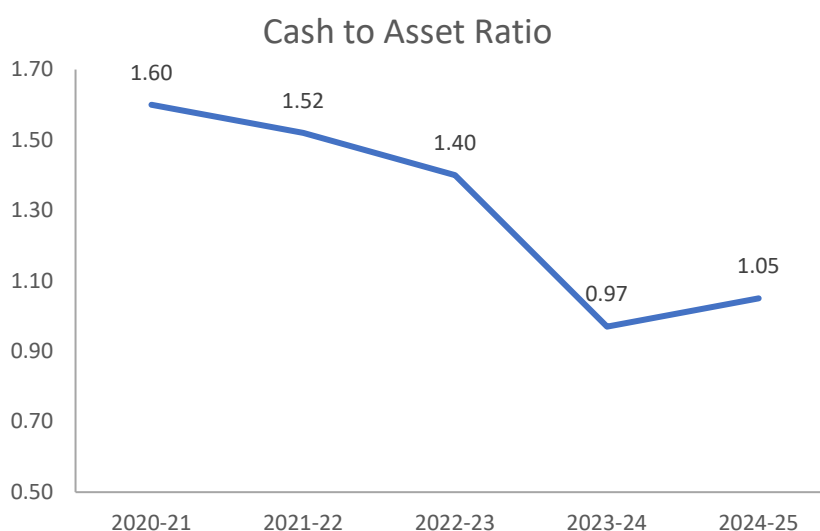
Figure 3 – Financial Assets



### Cash and Cash Equivalents

Cash and cash equivalents comprise \$204.88 million of the \$270.44 million of financial assets as at June 30, 2025, compared to \$207.57 million a year ago. VSB earns interest on cash balances held with Bank of Montreal and deposits with the provincial Central Deposit Program at rates based on Bank of Canada's target overnight interest rate.

Figure 4 – Cash to Asset Ratio



The cash to asset ratio is the ratio of cash and cash equivalents to current liabilities. This ratio declined in the 2023-24 year as the VSB held \$50 million in short-term investment certificates at year-end, which are not included in the cash and cash equivalents for purposes of calculating the cash to asset ratio. Those investments matured during the 2024-25 year, and the VSB invested \$30 million of the proceeds in a guaranteed investment certificate. The VSB's accounts payable balances declined by \$22.19 million during the 2024-25 year which also contributed to the increase in the cash to asset ratio from 0.97 to 1.05 during the year.

### Accounts Receivable

VSB's accounts receivable were \$35.35 million as at June 30, 2025, compared to \$37.98 million a year ago.

Figure 5 – Accounts Receivable

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual
Due from MECC	\$ 6.04	\$ 10.26	\$ 5.70	\$ 5.39	\$ 5.18
Due from Province - Other	-	-	0.09	0.14	-
Due from Federal Government	0.56	0.40	0.52	0.49	1.25
Due from Municipalities	2.37	3.63	10.65	18.05	19.69
Due from Other School Districts	-	-	0.20	0.30	0.19
Rentals and Leases	0.53	40.90	48.46	56.77	3.99
Other Receivables	0.90	3.96	7.36	13.20	5.05
	10.40	59.15	72.98	94.34	35.35
Allowance for Doubtful Accounts	-	(40.39)	(48.40)	(56.36)	-
	\$ 10.40	\$ 18.76	\$ 24.58	\$ 37.98	\$ 35.35

The receivable from MECC includes anticipated funding for work in progress expenditures related to capital projects expenditures incurred prior to the end of the fiscal year and amounts due from MECC for Classroom Enhancement Fund remedies.

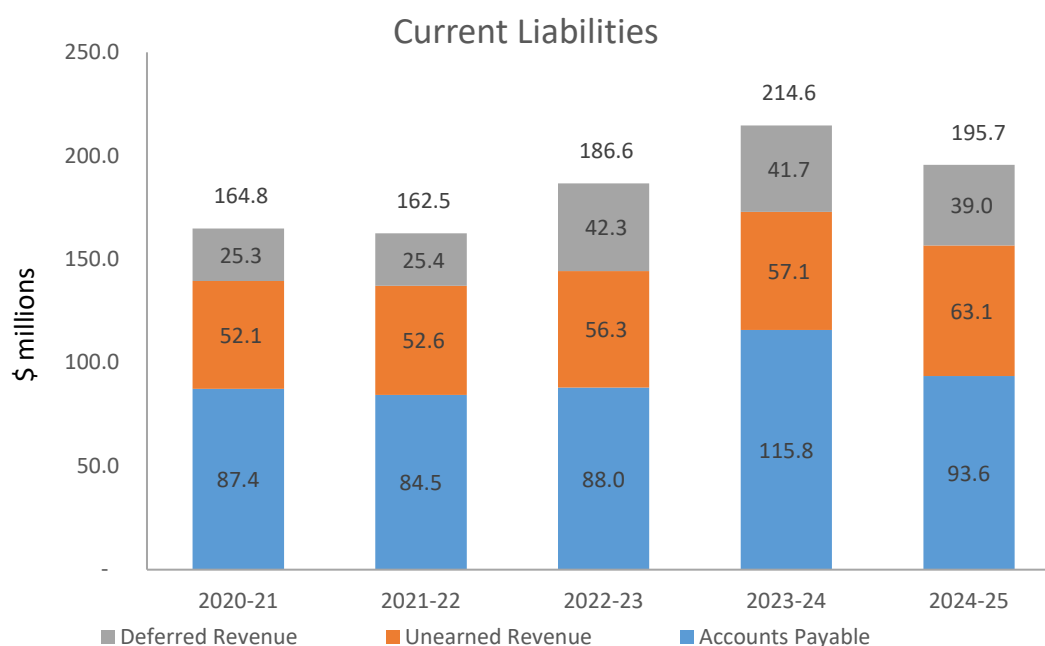
The amounts Due from Municipalities are for construction costs of child care spaces built in VSB schools. This is primarily for amounts due from the City of Vancouver for child care spaces built in VSB schools.

As noted in the Risk Factors section below, on December 22, 2024, the court set aside an arbitration award related to market value of Kingsgate Mall for setting rent on the property. As a result of this ruling, the District now invoices the tenant a lower amount and the balance due from the tenant based on the arbitration award has been reduced with a corresponding reduction in the allowance for doubtful accounts. Previously, the District had been invoicing the tenant based on an arbitration ruling and the tenant had been paying a lower rental amount which resulted in the difference being included in the allowance for doubtful accounts.

## Current Liabilities

Current liabilities include accounts payable, unearned revenue and deferred revenue.

Figure 6 – Current Liabilities



## Accounts Payable

Accounts payable totaled \$93.61 million as at June 30, 2025, compared to \$115.80 million a year ago. The City of Vancouver is building the Coal Harbour mixed use development which will include an elementary school that VSB will fund through a combination of MECC Restricted Capital and Local Capital as described in the Capital Fund section below. The VSB made its progress payment on the project during the year, which reduced the accrued liabilities for the City of Vancouver from \$25.00 million as at June 30, 2024, to \$6.39 million as at June 30, 2025.

Figure 7 – Accounts Payable

(\$ millions)	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Actual	Actual	Actual
Due to Province	\$ 3.73	\$ 0.61	\$ 0.64	\$ 0.23	\$ 0.23
Accrued vacation payable	11.58	11.20	11.27	11.43	12.01
Salaries and benefits payable	41.84	36.52	40.36	43.98	46.92
Trade payables	12.77	16.51	15.39	12.91	9.24
Other	17.45	19.68	20.38	47.25	25.21
	<u>\$ 87.37</u>	<u>\$ 84.52</u>	<u>\$ 88.04</u>	<u>\$ 115.80</u>	<u>\$ 93.61</u>

The year-over-year increase of \$2.94 million in Salaries and Benefits reflects increase in employee benefits contribution rates for extended health and dental benefits as well as general wage increases.

### *Unearned Revenue*

Unearned Revenue represents amounts that have been collected by the school district in advance of providing the related programming or service. These unearned revenues are comprised of international student tuition fees, prepaid program of choice fees, and facilities rentals and leases.

In November 2024, VSB, with Ministry approval, finalized a 99-year ground lease with Vittori Developments Ltd. for the southern portion of Sir Sandford Fleming (Fleming). In alignment with PSAB revenue recognition principles, the proceeds of \$8.52 million have been recorded as unearned revenue and the VSB will recognize these lease proceeds over the term of the ground lease. The annual lease income of approximately \$86 thousand will be recognized as lease revenue in Local Capital.

### *Deferred Revenue*

Deferred Revenue consists of non-capital amounts that are subject to a legislative or contractual stipulation or restriction as to their use. These amounts will be recognized as revenue in the special purpose fund when eligible expenses are incurred. Details on the deferred revenue balances are provided in the table below.

Figure 8 – Deferred Revenue

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual
Assistive Technology BC (AT-BC)	\$ 9.70	\$ 10.64	\$ 12.23	\$ 13.61	\$ 14.47
Communication Assistance for Youth and Adults (CAYA)	3.65	3.65	18.93	16.44	12.82
Classroom Enhancement Fund (CEF)	1.54	0.89	1.32	1.37	1.39
CommunityLINK	0.17	0.38	0.37	0.06	0.58
CommunityLINK - Other	0.88	0.78	0.47	0.44	0.41
Early Childhood Education Dual Credit Program	-	-	-	-	0.07
Early Care & Learning (ECL)	-	0.04	0.09	0.06	0.03
Learning Improvement Fund (LIF)	0.43	0.48	0.59	0.59	0.83
Mental Health in School	-	0.05	0.04	-	0.03
Miscellaneous	1.06	0.65	0.63	0.51	0.66
National School Food Program					0.12
Official Languages in Education French Program (OLEP)	0.09	0.19	0.18	0.25	0.18
Professional Learning Grant					0.20
Provincial Resource Centre for the Visually Impaired (PRCVI)	0.44	0.63	0.86	1.01	1.25
Provincial Resource Programs (PRP)	0.19	0.31	0.28	0.15	0.15
Ready, Set, Learn	-	-	-	-	0.04
Safe Return to School	-	1.08	-	-	-
Scholarships and Bursaries	0.53	0.53	0.57	0.56	0.58
School Generated Funds	4.38	4.02	3.85	4.36	4.48
Seamless Day Kindergarten Funding	-	-	0.05	-	-
Settlement Workers in School (SWIS)	0.41	0.39	0.30	-	-
Strengthening Early Years Transition to Kindergarten Transition (SEY2KT)	-	-	-	-	0.03
Special Education Technology (SET-BC)	1.86	0.67	0.49	0.21	0.19
Student & Family Affordability Fund	-	-	1.04	2.04	0.40
Work Experience Grant	-	-	-	-	0.05
	\$ 25.33	\$ 25.38	\$ 42.29	\$ 41.66	\$ 38.96

## Deferred Capital Revenue

Deferred Capital Revenue (DCR) is accounted for in accordance with Treasury Board Regulation 198/2011. These contributions are recorded in DCR and over time this liability is reduced and recognized as revenue over the expected life of the asset acquired. The DCR balance consists of amounts related to completed capital projects, work in progress and contributions received that have not been spent. Capital grants received and related interest income are initially accounted for as unspent DCR. The balance in DCR related to completed projects is amortized to revenue throughout the expected life of the completed assets. The balance in DCR is explained in the following table.

During the year, the Henry Hudson Elementary project was substantially completed which represents \$28.39 million of the \$62.76 million transferred from DCR, Work in Progress (WIP) to DCR during the year. Expenditures incurred to complete Seismic Mitigation Program projects declared substantially completed in prior years and minor capital projects completed during the year are also including in the \$62.76 million reported in the table.

Additional details are provided in the Capital Fund section.

Figure 9 – Deferred Capital Revenue (DCR)

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual
Deferred Capital Revenue, beginning of year	\$555.15	\$624.65	\$669.33	\$754.01	\$870.74
Transferred from DCR, Work in Progress	90.02	67.11	109.23	141.50	62.76
Other items, net	-	-	-	1.76	(0.29)
Transfers from DCR to DCR, Unspent	-	-	-	-	(1.42)
Amount Recognized in Revenue	(20.52)	(22.43)	(24.55)	(26.53)	(30.29)
Deferred Capital Revenue, end of year	624.65	669.33	754.01	870.74	901.50
DCR, Work in Progress, beginning of year	121.07	116.29	149.53	120.56	59.82
Transfers from Deferred Revenue, unspent	85.24	100.35	80.26	80.76	47.59
Transferred to DCR, completed projects	(90.02)	(67.11)	(109.23)	(141.50)	(62.76)
Write-off/down of Buildings and Sites	-	-	-	-	(0.56)
DCR, Work in Progress, end of year	116.29	149.53	120.56	59.82	44.09
DCR, Unspent, beginning of year	41.52	42.12	42.11	42.99	22.75
Provincial Grants	81.98	94.56	70.38	51.85	40.98
Other Grants	3.72	5.21	8.75	8.55	3.56
Investment Income	0.61	0.51	2.01	2.39	0.94
Transfers to DCR, WIP	(85.24)	(100.35)	(80.26)	(80.92)	(47.59)
Transfers from DCR to DCR, Unspent	-	-	-	-	1.42
Other items, net	(0.47)	0.06	-	(2.11)	(1.24)
DCR, Unspent, end of year	42.12	42.11	42.99	22.75	20.82
<b>TOTAL</b>	<b>\$783.06</b>	<b>\$860.97</b>	<b>\$917.56</b>	<b>\$953.31</b>	<b>\$966.41</b>

## Other Liabilities

Other liabilities include asset retirement obligations, employee future benefits and capital lease obligations.

### Employee Future Benefits

Employee Future Benefits is a liability that measures the estimated future cost to the school district to provide employee benefits such as retirement allowances, vacation, and sick pay, as well as other leave benefits. The annual increase is linear and predictable, suggesting that the cost of benefits increases over time as wages increase and the workforce ages. MECC provides this amount annually to the school district based on actuarial valuations and the school district's benefit plans. Although no plan assets are uniquely identified, the school district provided for the payment of these benefits.

### Asset Retirement Obligations

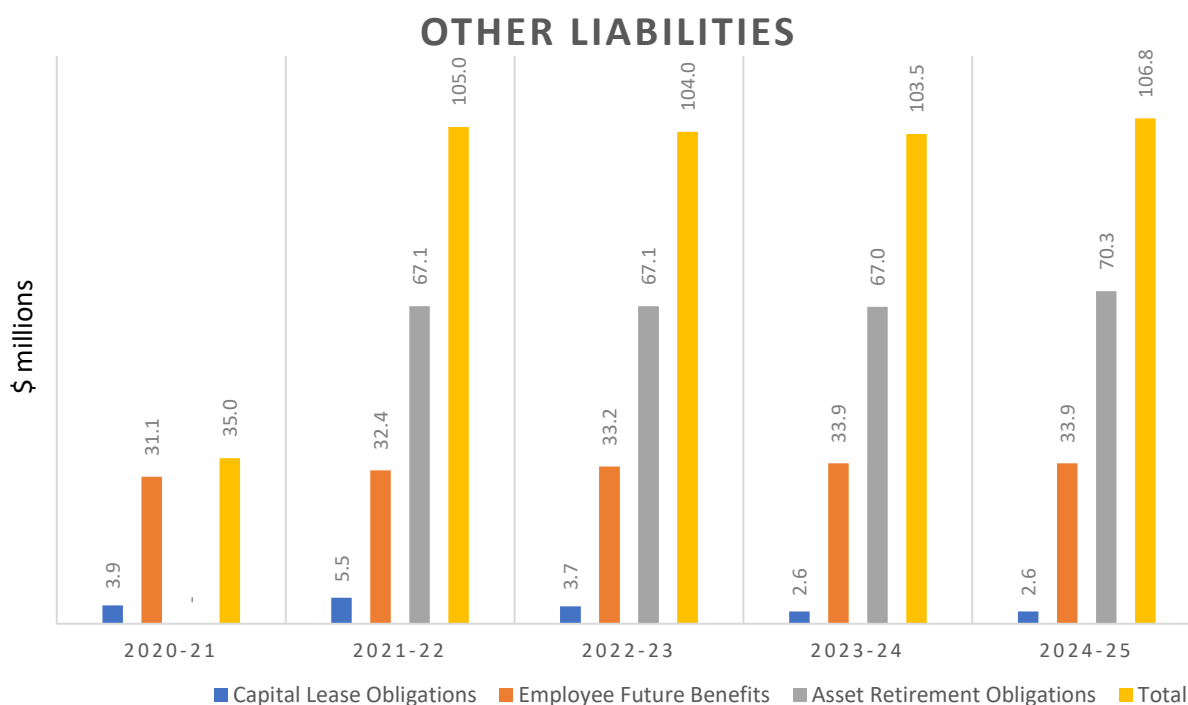
The school district adopted a new accounting standard in 2023 related to legal liabilities that exist for the removal and disposal of asbestos and other environmentally hazardous materials within some school district-owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recorded in the current year.



### Capital Lease Obligations

Capital Lease Obligations increased by \$0.04 million during the year, which is the net change from assets acquired under capital leases of \$1.84 million and principal payments of \$1.80 million paid during the year.

Figure 10 – Other Liabilities



### Tangible Capital Assets

The school district undertakes capital work each year by upgrading and extending the life of existing buildings. The funds expended on these capital projects, as well as those spent on furniture and equipment, vehicles and computer hardware and software are reported as tangible capital assets. The costs of these assets are amortized over their expected useful lives.

These assets are deemed to be disposed of at the end of their useful life and the asset value and corresponding accumulated amortization are removed from the asset register.

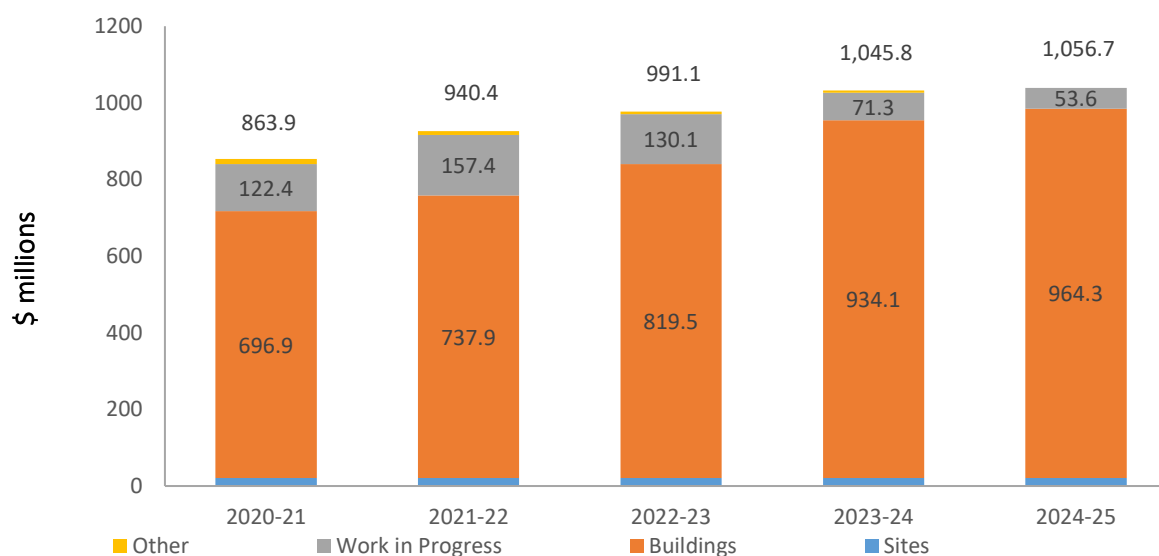
Tangible capital assets were \$1,056.65 million as at June 30, 2025, compared to \$1,045.75 million the previous year. During the year, the work-in-progress of \$4.28 million was written off as it represents costs incurred to complete Project Definition Reports for capital projects that have not been funded by the province. This adjustment is recognized in the capital fund.

A summary of the school district's tangible capital assets is provided below.

Figure 11 – Tangible Capital Assets

Tangible Capital Assets (\$ millions)	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2024-25	2023-24
Cost, beginning of year	\$ 20.78	\$ 1,486.47	\$ 21.02	\$ 1.73	\$ 0.10	\$ 16.01	\$ 1,546.11	\$ 1,405.34
Additions	-	63.62	1.67	-	-	2.17	67.46	148.83
Disposals	-	-	1.43	0.19	-	2.24	3.86	7.99
Other items, net	-	(0.07)	-	-	-	-	(0.07)	(0.07)
Cost, end of year	20.78	1,550.02	21.26	1.54	0.10	15.94	1,609.64	1,546.11
Add: WIP Balance	-	53.56	-	-	-	-	53.56	71.27
Cost and WIP, end of year	20.78	1,603.58	21.26	1.54	0.10	15.94	1,663.20	1,617.38
Accumulated Amortization - Opening	-	552.40	8.32	1.05	0.05	9.81	571.63	544.38
Amortization Expense	-	33.30	2.11	0.16	0.02	3.19	38.78	35.24
Deemed Disposal Recapture	-	-	1.43	0.19	-	2.24	3.86	7.99
Accumulated Amortization - Closing	-	585.70	9.00	1.02	0.07	10.76	606.55	571.63
Tangible Capital Assets - Net Book Value	\$ 20.78	\$ 1,017.88	\$ 12.26	\$ 0.52	\$ 0.03	\$ 5.18	\$ 1,056.65	\$ 1,045.75

Figure 12 – Tangible Capital Assets Net Book Value



## Consolidated Statement of Operations

Statement 2 includes the revenues and expenses for all three funds, with expenses shown by function. The following schedule shows the consolidated results of operations of the school district.

Figure 13 – Consolidated Statement of Operations

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Revenue</b>						
Provincial Grants - MECC	\$ 570.43	\$ 547.61	\$ 590.03	\$ 646.11	\$ 681.57	\$ 682.30
Provincial Grants - Other	6.36	7.31	7.91	9.21	8.87	10.06
Federal Grants	2.35	2.38	2.69	3.19	3.41	3.38
Tuition	22.28	22.27	23.47	26.79	24.84	26.40
Other Revenue	22.14	25.42	27.85	27.65	25.51	31.36
Rentals and Leases	4.10	9.44	7.73	7.98	7.73	8.92
Investment Income	2.44	2.02	7.24	9.24	6.25	7.53
Amortization of Deferred Capital Revenue	20.52	22.43	24.55	26.53	30.16	30.29
<b>Total Revenue</b>	<b>650.62</b>	<b>638.88</b>	<b>691.47</b>	<b>756.70</b>	<b>788.34</b>	<b>800.24</b>
<b>Expense</b>						
Salaries and Benefits	543.01	545.33	578.77	629.46	667.54	669.25
Services and Supplies	66.88	72.74	86.62	88.64	97.93	97.32
Amortization of Tangible Capital Assets	29.61	32.38	34.35	35.25	38.67	38.79
Write-off/down of Buildings and Sites	-	-	-	-	-	3.71
ARO Accretion	-	-	-	-	-	3.35
<b>Total Expense</b>	<b>639.50</b>	<b>650.45</b>	<b>699.74</b>	<b>753.35</b>	<b>804.14</b>	<b>812.42</b>
<b>Net Revenue (Expense)</b>	<b>11.12</b>	<b>(11.57)</b>	<b>(8.27)</b>	<b>3.35</b>	<b>(15.80)</b>	<b>(12.18)</b>
Capital Assets Purchased	(8.42)	(5.28)	(4.74)	(4.13)	(4.58)	(3.11)
Net Transfers (to) from other funds	8.42	5.28	4.74	4.13	4.58	3.11
<b>Surplus (Deficit) for the year</b>	<b>\$ 11.12</b>	<b>\$ (11.57)</b>	<b>\$ (8.27)</b>	<b>\$ 3.35</b>	<b>\$ (15.80)</b>	<b>\$ (12.18)</b>

### Revenue

Consolidated revenues were \$11.90 million higher than budget due to several factors. Other revenue was \$5.85 million higher than budget as school generated funds exceeded budget by \$1.92 million and other grants exceeded budget by \$1.00 million. Additionally, tuition revenues were \$1.56 million higher than budget and investment income was \$1.29 million higher than budget.

Consolidated revenues increased by \$43.54 million compared to the 2023-24 year, primarily due to a \$28.06 million increase in the operating grant for 2024-25. Additionally, MECC provincial grants revenue reported in the special purpose fund rose by \$11.70 million. Provincial grants recognized under the Classroom Enhancement Fund increased by \$12.63 million, while grant revenue recognized in the Annual Facilities grant declined by \$1.47 million. Additional details are included in the special purpose funds section below.

### Expense

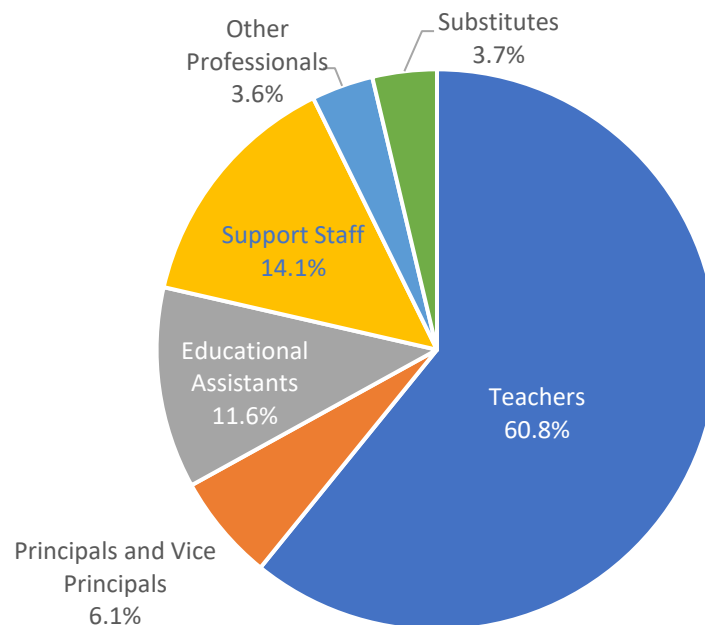
Consolidated expenses were \$8.28 million higher than budget, reflecting a one-time adjustment to write off work-in-progress of \$3.71 million and a \$3.35 million increase in the estimated costs of asset retirement obligations. This totalled \$7.06 million in unbudgeted expenses which are reported in the capital fund.

Actual consolidated expenses were \$59.07 million higher in 2024-25 compared to the prior year due to a combination of factors including the \$7.06 million noted above. Salaries and benefits were \$39.79 million higher than 2023-24 reflecting general wage increases for unionized staff and performance-based pay increases for exempt staff, increased staff complement related to increased enrolment and increases in monthly contribution rates for the provision of dental and extended health benefits.

### *Salaries and Benefits*

Teachers, educational assistants and support staff comprise the majority of VSB's personnel and together they accounted for 86.5 per cent of total salaries in the 2024-25 year as depicted in the chart below.

*Figure 14 – Salaries by Employee Group – All Funds*



Employee salaries and benefits are primarily reported in the operating fund, but VSB also administers a series of special purpose funds which include funding for salaries and benefits. The table below reports total salaries across all funds from 2020-21 to 2024-25.

*Figure 15 – Salaries and Benefits - All Funds*

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
Teachers	\$ 261.74	\$ 262.83	\$ 275.24	\$ 299.79	\$ 315.43	\$ 316.88
Principals and Vice Principals	28.55	27.27	28.40	32.10	32.11	31.96
Educational Assistants	47.96	50.82	52.33	56.33	62.93	60.48
Support Staff	64.06	62.45	66.53	72.07	74.64	73.64
Other Professionals	16.00	15.80	16.20	16.86	17.66	18.57
Substitutes	12.10	16.10	17.23	18.48	19.85	19.33
Total Salaries	430.41	435.27	455.93	495.63	522.62	520.86
Employee Benefits	112.60	110.07	122.84	133.83	144.92	148.39
Total Salaries and Benefits	\$ 543.01	\$ 545.34	\$ 578.77	\$ 629.46	\$ 667.54	\$ 669.25

The key drivers of the variances between budgeted salaries and actual salaries are summarized below.

**Teacher** salaries were \$17.09 million higher than 2023-24, and \$1.45 million higher than budgeted for the 2024-25 year. The year-over-year increase reflects additional teachers hired to accommodate enrolment growth and wage increases for existing staff. Average teacher salaries were higher than budgeted which resulted in actual salaries exceeding budget for the year. Current year and prior year remedy costs totalled \$1.40 million over budget, of which \$1.10 million was budgeted as substitutes - TTOC. Variances in average salaries, vacancies, and summer teaching costs resulted in the remaining \$0.05 million teacher salaries.

**Principal and Vice Principal** salaries were \$0.14 million lower than 2023-24, and \$0.15 million lower than budgeted for the 2024-25 year. Vacancy savings realized during the year that were partially offset by higher than anticipated vacation and leave entitlements.

**Educational Assistant** salaries were \$4.15 million higher than 2023-24, but \$2.45 million lower than budgeted for the 2024-25 year. The VSB hired additional educational assistants in 2024-25 to support students with disabilities or diverse abilities. The budget variance is a result of vacancies from both unpaid leaves and temporarily vacant positions that are actively being filled (\$2.62 million in operating, and \$0.21 million in special purpose funds), additional vacation payouts of \$0.20 million, and additional replacement costs of \$0.18 million.

**Support Staff** salaries were \$1.57 million higher than 2023-24, but \$1.00 million lower than budgeted for the 2024-25 year. The year-over-year increase reflects general wage increases for support staff, while the variance to budget is primarily attributable to lower overtime and replacement costs than anticipated (\$0.84 million), and vacancies (\$0.16 million).

**Other Professionals** salaries were \$1.71 million higher than 2023-24 and exceeded the 2024-25 budget by \$0.91 million. The variance is primarily due to unbudgeted salary costs for facilities staff (Vancouver Project Office staff working on projects for other school districts \$0.27 million, rental revenue and grant funded staffing \$0.18 million). Although these costs were offset by revenue, both the revenue and related expenses were unbudgeted, resulting in the overall increased cost compared to budget. Additional costs stemmed from performance-based increases, temporary staffing supporting ongoing litigation and vacation payouts on retirement.

**Substitute** salaries were \$0.85 million higher than 2023-24, but \$0.52 million lower than budgeted for the 2024-25 year. The year-over-year increase reflects general wage increases and increased staff complement to support enrolment growth. The budget variance reflects a positive variance of \$1.10 million in special purpose funds (remedy costs lower than budgeted) and a \$0.58 million negative variance in the operating fund reflecting higher than expected teacher replacement costs. Principal and vice principal substitute salaries were aligned with the budget (\$0.01 million over budget). Teachers teaching on call (TTOC) were \$1.11 million lower than budget. Remedy costs budgeted as substitute salaries (TTOC) were accrued as teacher costs as per the agreements for alternative use of outstanding remedy reached with Vancouver Secondary Teachers Association (VSTA) and Vancouver Elementary and Adult Educators' Society (VEAES). This was partially offset by school-based TTOC costs which were \$0.63 million higher than budgeted. An additional \$0.03 million was spent for TTOCs to support district programs.

**Employee Benefits** were \$14.56 million higher than in 2023-24, and \$3.47 million higher than budgeted for the 2024-25 year. The year-over-year increase reflects an increased staff complement as well as increased monthly premiums for dental and extended health benefits. The negative budget variance is primarily attributable to increased dental and extended health premiums (\$2.15 million).

Additional details on the revenues and expenses reported in the operating, special purpose and capital funds are provided in the sections that follow.

## Statement of Operations - Operating Fund

Activity in the school district's operating fund is comprised of normal operations and operations related to school generated funds (SGF) that do not meet the criteria to be reported as Special Purpose Funds as they do not have a restriction on their use. These SGF are maintained in schools and any surplus accumulated at the school level funds school operations.

The schedule below illustrates the operating fund results for the school district for the years ending June 30, 2024 and June 30, 2025. Revenues are shown as presented on Schedule 2 of the Financial Statements and the expenses are shown by object as presented on Schedule 2B of the Financial Statements.

Figure 16 – Operating Fund

Operating Fund (\$ millions)	2024-25 Budget	2024-25 Actual	Variance to Budget	2023-24 Actual	Variance to 2023-24
<b>Revenue</b>					
Provincial Grants - MECC	\$ 593.18	\$ 594.09	\$ 0.91	\$ 569.43	\$ 24.66
Provincial Grants - Other	0.08	0.06	(0.02)	0.06	-
Federal Grants	3.41	3.38	(0.03)	3.19	0.19
Tuition	24.84	26.40	1.56	26.79	(0.39)
Other Revenue	18.01	23.01	5.00	19.71	3.30
Rentals and Leases	5.63	6.70	1.07	5.67	1.03
Investment Income	5.58	6.28	0.70	7.61	(1.33)
<b>Total Revenue</b>	<b>650.73</b>	<b>659.92</b>	<b>9.19</b>	<b>632.46</b>	<b>27.46</b>
<b>Expense</b>					
<b>Salaries</b>					
Teachers	275.30	275.78	0.48	267.76	8.02
Principals and Vice Principals	31.31	31.07	(0.24)	31.18	(0.11)
Educational Assistants	55.33	53.24	(2.09)	48.46	4.78
Support Staff	67.56	66.54	(1.02)	63.63	2.91
Other Professionals	13.77	14.69	0.92	13.20	1.49
Substitutes	17.87	18.45	0.58	17.73	0.72
<b>Total Salaries</b>	<b>461.14</b>	<b>459.77</b>	<b>(1.37)</b>	<b>441.96</b>	<b>17.81</b>
<b>Employee Benefits</b>	<b>127.25</b>	<b>130.70</b>	<b>3.45</b>	<b>118.05</b>	<b>12.65</b>
<b>Total Salaries and Benefits</b>	<b>588.39</b>	<b>590.47</b>	<b>2.08</b>	<b>560.01</b>	<b>30.46</b>
<b>Services and Supplies</b>					
Services	23.95	21.06	(2.89)	16.73	4.33
Student Transportation	4.47	4.26	(0.21)	3.52	0.74
Professional Development and Travel	2.22	1.44	(0.78)	0.97	0.47
Rentals and Leases	0.95	0.76	(0.19)	0.83	(0.07)
Dues and Fees	1.04	1.06	0.02	0.74	0.32
Insurance	1.76	1.59	(0.17)	1.53	0.06
Supplies	26.37	27.02	0.65	27.85	(0.83)
Utilities	11.49	11.43	(0.06)	11.40	0.03
<b>Total Services and Supplies</b>	<b>72.25</b>	<b>68.62</b>	<b>(3.63)</b>	<b>63.57</b>	<b>5.05</b>
<b>Total Operating Expense</b>	<b>660.64</b>	<b>659.09</b>	<b>(1.55)</b>	<b>623.58</b>	<b>35.51</b>
<b>Net Revenue (Expense)</b>	<b>(9.91)</b>	<b>0.83</b>	<b>10.74</b>	<b>8.88</b>	<b>(8.05)</b>
<b>Capital Assets Purchased</b>	<b>(3.91)</b>	<b>(2.93)</b>	<b>0.98</b>	<b>(3.61)</b>	<b>0.68</b>
<b>Interfund Transfers</b>	<b>-</b>	<b>1.04</b>	<b>1.04</b>	<b>-</b>	<b>1.04</b>
<b>Surplus (Deficit) for the Year</b>	<b>\$ (13.82)</b>	<b>\$ (1.06)</b>	<b>\$ 12.76</b>	<b>\$ 5.27</b>	<b>\$ (6.33)</b>



The operating fund reported a deficit of \$1.06 million for the year, compared to a budgeted deficit of \$13.82 million and a surplus of \$5.27 million in the 2023-24 year.

When analyzing the variances in the operating fund in the following sections, it should be noted that the income from school generated funds is shown in Other Revenue and the expense side is shown in Supplies as illustrated below.

*Figure 17 – School Generated Funds*

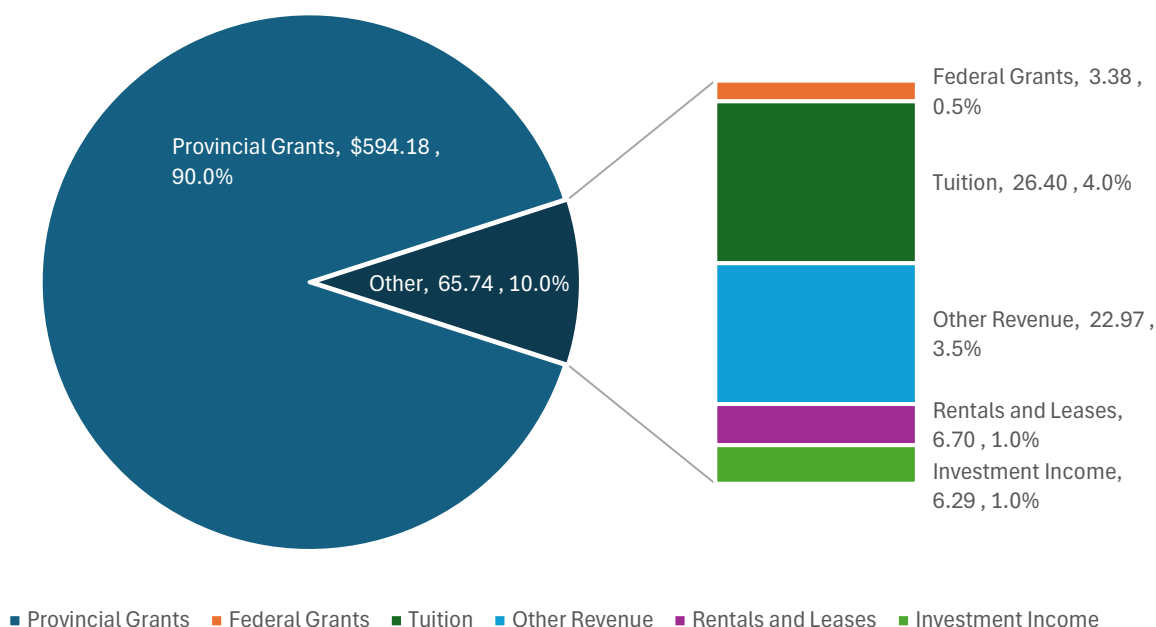
School Generated Funds (SGF) (\$ millions)	2024-25 Budget	2024-25 Actual	2023-24 Actual
SGF - Other Revenue	12.64	14.56	13.18
SGF - Supplies	14.05	14.48	12.67

The \$1.06 million deficit in the operating fund is impacted by the breakdown between normal operations and school generated funds. There is a net surplus balance of \$0.08 million of school generated funds transactions included in the operating fund (\$14.56 in Other Revenue and \$14.48 in Supplies) and the surplus is not available for school district operations. It will remain in schools and be used to support school-based initiatives.

## Revenues

Grants from MECC are VSB's largest source of revenue (approximately 90%). The chart below depicts the contributions to total operating fund revenue for the 2024-25 year.

*Figure 18 – Operating Fund - Revenue Sources*



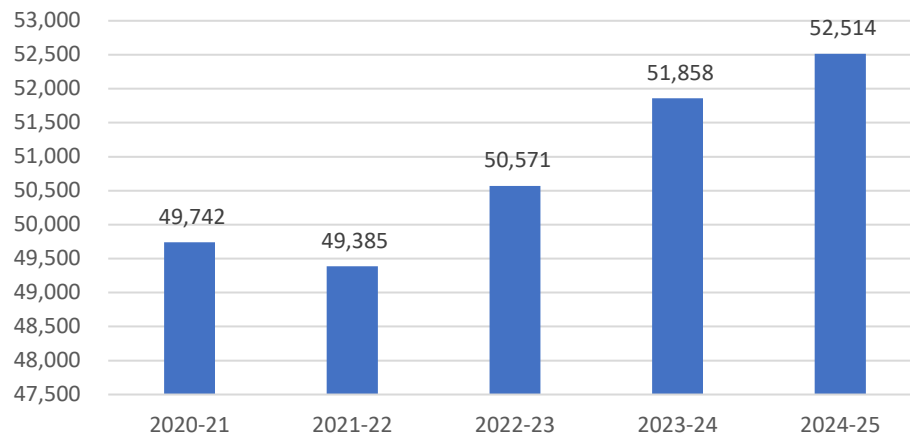
## MECC Grants

The annual operating grant is the primary source of funding for the operating fund which is determined based on student enrolments. In 2024-25, operating grant revenue was \$0.29 million higher than budgeted due to higher than estimated student enrolment in May.

The graph below reports actual enrolment for the 2020-21 school year through the 2024-25 year. After several years of declining enrolments, VSB has seen a year-over-year increases for the last 3 years. Enrolment increased by 1,186 students in 2022-23, by 1,287 students in 2023-24 and an additional 656 students in 2024-25.

The amounts reported in the figure below are the regular, alternate, online learning (school-age), continuing education (school-age), summer learning and non-graduated learners full time equivalent (FTE) student enrolment amounts.

*Figure 19 – MECC Funded Student Enrolment*



Enrolment data is collected by MECC from school districts in July, September, February, and May. The table below provides details of VSB's actual MECC funded student enrolment for 2020-21 to 2024-25 and budgeted for 2024-25.

*Figure 20 – MECC Funded Student Enrolment*

MECC Funded FTE Students	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Enrolment Categories</b>						
Standard (Regular) Schools	47,408	47,123	48,323	49,254	49,822	49,822
Continuing Education (School-Age)	77	64	68	84	77	77
Alternate Schools	364	308	307	343	339	339
Online Learning (School-Age)	1,243	893	707	845	849	880
Non-Graduated Adults	219	182	167	182	135	137
Summer Learning	419	813	970	1,111	1,243	1,243
Newcomer Refugees	1	1	27	34	16	16
Youth Train in Trades	11	1	2	5	2	-
<b>Total Funded Enrolment</b>	<b>49,742</b>	<b>49,385</b>	<b>50,571</b>	<b>51,858</b>	<b>52,483</b>	<b>52,514</b>
<b>Supplemental Funding</b>						
Level 1 - Inclusive Education	65	68	62	61	69	69
Level 2 - Inclusive Education	2,210	2,343	2,524	2,709	2,941	2,941
Level 3 - Inclusive Education	542	519	504	505	485	485
English Language Learners	8,405	7,927	8,712	9,274	9,536	9,536
Indigenous Education	2,091	2,154	2,161	2,109	2,065	2,065

The table below outlines grants received from MECC.

*Figure 21 – MECC Grants*

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
Operating Grant	\$ 462.72	\$ 476.99	\$ 492.19	\$ 551.13	\$ 578.90	\$ 579.19
Pay Equity	7.29	7.29	7.29	7.29	7.29	7.29
Funding for Graduated Adults	1.55	1.15	1.00	1.53	1.11	1.68
Early Career Mentorship Funding	1.06	-	-	-	-	-
Labour Settlement Funding	13.51	-	19.79	9.38	5.78	5.78
Other	0.14	0.10	0.10	0.10	0.10	0.15
	<u>\$ 486.27</u>	<u>\$ 485.53</u>	<u>\$ 520.37</u>	<u>\$ 569.43</u>	<u>\$ 593.18</u>	<u>\$ 594.09</u>

### *Other Revenue*

VSB's other sources of operating fund revenues are summarized in the table below.

*Figure 22 – Other Revenue*

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
Other Provincial Grants	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.08	\$ 0.06
Federal Grants	2.35	2.38	2.69	3.19	3.41	3.38
Tuition	22.28	22.27	23.47	26.79	24.84	26.40
Other Revenue	18.41	18.19	18.66	19.71	18.01	23.01
Rentals and Leases	2.75	3.85	5.11	5.67	5.63	6.70
Investment Income	1.85	1.62	5.80	7.61	5.58	6.28
	<u>\$ 47.70</u>	<u>\$ 48.37</u>	<u>\$ 55.79</u>	<u>\$ 63.03</u>	<u>\$ 57.55</u>	<u>\$ 65.83</u>

Other revenue was \$3.30 million higher than in 2023-24 and \$5.00 million above the budget. This includes School Generated Funds, which were \$1.92 million greater than budgeted, other grants of \$1.03 million, \$0.57 million from other school districts for services provided by the Vancouver Project Office, \$0.48 million for projects completed by the Facilities department for external clients, \$0.13 million from parking revenues, and \$0.26 million from other fees and miscellaneous sources to cover program costs. The variance from other school districts includes \$0.30 million from the Vancouver Project Office. The related school-based expenditures exceeded budget by \$0.43 million for a net variance to budget of \$1.49 million. Tuition revenue exceeded the budget by \$1.56 million due to higher-than-expected international student enrolment and application fees. Additionally, rental and lease income increased by \$1.07 million compared to 2023-24 mainly due to additional rental agreements entered into during the 2023-24 and 2024-25 fiscal years. Investment income exceeded budget by \$0.70 million as interest rates were higher than anticipated during the period.

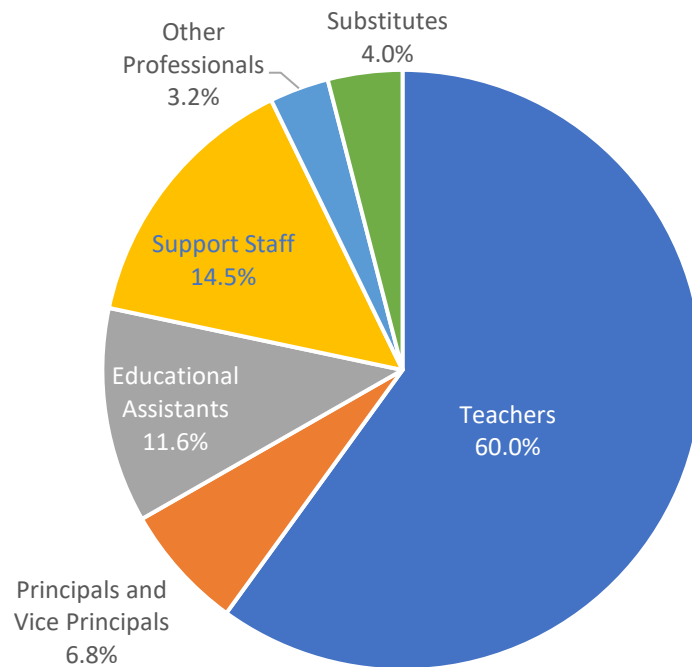
### **Expenses**

Salaries and Benefits typically account for approximately 90 per cent of annual expenses in the operating fund, with services and supplies making up the remainder.

### *Salaries and Benefits*

Total salaries and benefits amounted to \$590.47 million, which is \$2.08 million more than the budgeted amount of \$588.39 million. As illustrated in the chart below, 86.1% of the 2024-25 salaries were allocated to Teachers, Support Staff, and Educational Assistants.

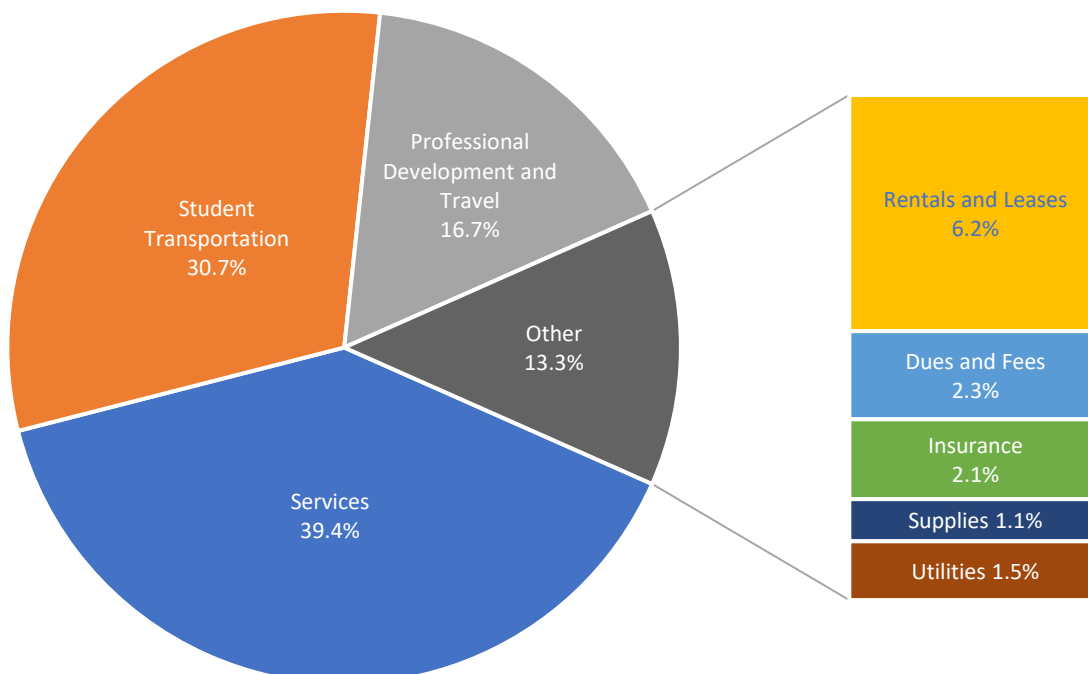
Figure 23 – Operating Fund Salaries by Employee Group



### Services and Supplies

Services and Supplies in the operating fund were \$68.62 million, compared to a budgeted amount of \$72.25 million and \$63.57 million in the 2023-24 year. The chart below highlights the components of services and supplies expense.

Figure 24 – Services and Supplies



**Services** were \$2.89 million lower than budget for the year, but up \$4.33 million compared to 2023-24. Services expense includes professional fees incurred related to legal proceedings described in the Risk Factors section of the document. Legal fees were \$1.23 million less than budgeted, but \$3.06 million higher than 2023-24. Use of appropriated surplus from prior years was \$0.73 million lower than anticipated due to lower use of school generated funds, and lower costs of purchase order commitments.

**Student Transportation** expenditures were \$0.21 million less than budget, but up \$0.74 million compared to 2023-24 reflecting increased use of the busing services for students with disabilities and diverse abilities.

**Professional Development and Travel** expenses were \$0.78 million less than budget, but \$0.47 million higher than 2023-24. During the year, some discretionary professional development allocations were not fully utilized. On the other hand, professional development amounts which the VSB provides to unions to administer on behalf of their members increased.

**Rentals and Leases** expenses were \$0.19 million less than budgeted, and \$0.07 million less than 2023-24. Overall lease costs for the VSB's vehicle fleet were lower than anticipated which results in both a positive variance compared to budget and a positive variance compared to 2023-24. Vehicle leases costs were \$0.09 million lower than budgeted due to a lease contract that was not renewed, and \$0.10 million lower from overhead recoveries.

**Dues and Fees** were \$0.02 million higher than budgeted and \$0.32 million higher than 2023-24. The 2023-24 expense included a one-time recovery which resulted in the expense in 2024-25 being higher than the prior year.

**Insurance** costs for the school district were \$0.17 million less than budget, but \$0.06 million higher than 2023-24. Insurance premiums for vehicles were \$0.16 million less than anticipated.

**Supplies** were \$0.65 million higher than budget, but \$0.83 million less than 2023-24. A portion of the increase compared to budget is an offset of \$0.43 million to the increase in school generated funds noted above. Maintenance and custodial supplies were \$0.89 million higher than budgeted, but \$1.00 million lower than in 2023-24. The variances were partially offset by changes in instructional supplies and computer software and hardware costs.

**Utilities** were \$0.06 million less than budget, but \$0.03 million higher than the amount reported in 2023-24. Internet service costs exceeded budget by \$0.15 million, while savings from natural gas and other utilities totalled \$0.18 million.

## **Accumulated Operating Surplus**

The Board of Education is responsible for ensuring the school district is protected financially from financial forecasting risk and unforeseen circumstances which could negatively impact school district operations and the education of students. A level of financial reserves, in the form of an accumulated operating surplus, is an indicator of financial health and can contribute to multi-year planning for future educational services and operational needs. To discharge this responsibility and to provide increased financial stability, effective planning, and support funding predictability, the Board established Board Policy 19 - Accumulated Operating Surplus.

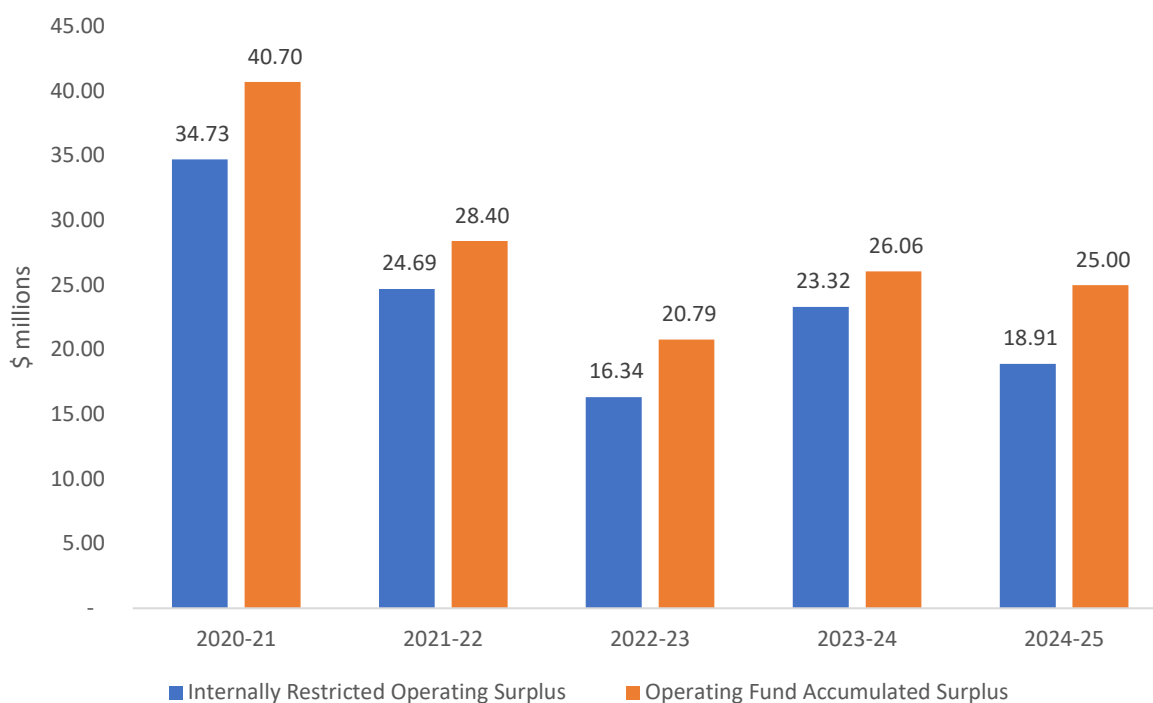
The Board's accumulated operating surplus consists of internally restricted operating funds and unrestricted operating funds, in the following categories:

- Internally Restricted
  - Planned operations spanning multiple years
  - Anticipated future requirements
  - Restricted due to constraints on funds
- Restricted for Future Capital Cost Share
- Unrestricted Operating Surplus (Contingency)

The policy establishes that the amount of Unrestricted Operating Surplus (Contingency) at the end of a fiscal year should be a minimum of 1.0 per cent and a maximum of 2.5 per cent of actual Operating Expenses of that fiscal year.

Schedule 2 of the financial statements shows an operating deficit of \$1.06 million for the year ending June 30, 2025, after transfers for capital projects. With an opening accumulated surplus balance of \$26.06 million, the School District's accumulated operating surplus balance is \$25.00 million on June 30, 2025.

*Figure 25 – Operating Fund Surplus*



Application of the policy results in the accumulated operating surplus balances as follows:

Under Policy 19, the minimum Contingency required is \$6.59 million as at June 30, 2025, whereas the Contingency reported below is \$6.09 million. For VSB to achieve its targeted Contingency level in future years, additional strategies to reduce the structural deficit will be required.



Figure 26 – Operating Fund Accumulated Surplus

Operating Fund Accumulated Surplus (\$ millions)	2023-24 Actual	2024-25 Actual
<b>Internally Restricted (Appropriated) by the Board for:</b>		
Planned Future Operations Spanning Multiple Years		
Cafeteria Upgrades	\$ 0.05	\$ -
Contractual Professional Development	0.20	-
Education Plan	0.06	0.06
Equity and Anti-Oppression	0.15	0.26
Indigenous Education	0.15	0.29
IT Capital Plan	0.29	0.16
Long Range Facilities Plan	0.12	0.12
Online Learning Funding for Courses in Progress	0.32	0.41
Purchase Order Commitments	1.01	0.79
Recruitment Strategy Review and Improvement	0.05	-
School Budget Balances	1.77	2.85
Total Planned Future Operations Spanning Multiple Years	4.17	4.94
Anticipated Future Requirements		
Financial Provisions	7.30	1.36
Risk Mitigation - Systems and Processes	0.70	0.67
Total Anticipated Future Requirements	8.00	2.03
Restricted Due to Constraints on Funds		
Early Career Mentorship	0.45	0.26
Grants and Donations	2.91	3.13
Scholarships	0.82	0.81
School Generated Funds	6.97	7.74
Total Restricted Due to Constraints on Funds	11.15	11.94
<b>Total Internally Restricted Operating Surplus</b>	23.32	18.91
Operating Fund Contingency	12.09	15.44
Unfunded Litigation Costs	(9.35)	(9.35)
<b>Unrestricted Operating Fund Surplus (Contingency)</b>	2.74	6.09
<b>Operating Fund Accumulated Surplus</b>	<b>\$ 26.06</b>	<b>\$ 25.00</b>

## Special Purpose Funds

Special Purpose Funds are restricted funds that are designated for specific use. The school district receives funds from MECC, the federal government and from third parties that have restrictions to how they may be spent. Special purpose funds consist of targeted funding allocated to school districts for a specific purpose. Operating and capital funds cannot be transferred to special purpose funds.

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. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as “a contribution that is subject to a legislative or contractual stipulation or restriction to its use other than a contribution or part of contribution that is of, or the purpose of acquiring, land”.

Figure 27 – Special Purpose Funds Summary

Special Purpose Funds (\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Revenue</b>						
Provincial Grants - MECC	\$ 84.17	\$ 62.08	\$ 69.66	\$ 76.60	\$ 88.39	\$ 88.21
Provincial Grants - Other	6.30	7.25	7.85	9.15	8.79	10.00
Other Revenue	3.33	6.79	7.55	7.48	7.06	7.90
Investment Income	0.37	0.22	0.82	0.95	0.12	0.89
Total Revenue	94.17	76.34	85.88	94.18	104.36	107.00
<b>Expense</b>						
Salaries and Benefits	68.85	56.83	60.01	69.45	79.15	78.78
Services and Supplies	22.50	18.57	25.21	24.21	24.54	28.04
Total Expense	91.35	75.40	85.22	93.66	103.69	106.82
Net Revenue (Expense)	2.82	0.94	0.66	0.52	0.67	0.18
Capital Assets Purchased	(2.82)	(0.94)	(0.66)	(0.52)	(0.67)	(0.18)
<b>Surplus (Deficit) for the year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The special purpose grants that meet the definition of restricted contribution per Treasury Board Regulation 198/2011 are reported in the table below.

Figure 28 – SPF Details

Fund	Intended Use
Annual Facility Grant (AFG)	Routine maintenance and upgrading of school facilities, especially new roofs, mechanical and electrical upgrades, flooring and safety improvements.
Assistive Technology BC (AT-BC)	Provides assistive technology resources to make learning environments usable for people with disabilities.
Communication Assistance for Youth and Adults (CAYA)	A province wide service program that supports adults aged 19 years and older who require an augmentative or alternative communication system due to a severe communication disability.
Changing Results for Young Children (CR4YC)/Early Learning Framework Implementation Funds	To support district capacity building in high quality early learning and care experiences for children.
Classroom Enhancement Fund (CEF)	Funding to implement the Memorandum of Agreement regarding Letter of Understanding No. 17.
CommunityLINK	Support programs, including food programs, and services to improve the educational performance of vulnerable students, including both academic achievement and social functioning.

Fund	Intended Use
CommunityLINK – Other	Support programs, including food programs, and services to improve the educational performance of vulnerable students, including both academic achievement and social functioning.
Early Care & Learning (ECL)	Support School Districts in creating a focused early learning and care portfolio to fulfill future directions and potential added responsibilities in early learning.
Feeding Futures Fund	Funding to make sure all students are fed and ready to learn by expanding existing school fund programs in districts and schools.
First Nation Student Transportation	Funding to provide busing to/from school for First Nations students living on reserve.
Learning Improvement Fund (LIF)	Supplementary funding to school districts for additional teacher assistants and other paraprofessionals and/or additional services to students.
Mental Health in Schools	To build capacity in mental health and well-being related to knowledge, skills and resources in school communities.
Miscellaneous	Most of these funds are for career education and school playground projects.
National School Food Program (NSFP)	Federal Funding to support the delivery of meals to students facing food insecurity.
Official Languages in Education French Program (OLEP)	Federal Funds received by school districts that must be spent entirely in support of French Immersion Programs, Core French Courses or French Immersion growth initiatives.
K12-Pandemic Recovery Team	Funding for the District to provide support to schools and school districts in the Vancouver Coastal Health region in responding to COVID-19 cases.
Provincial Resource Centre for the Visually Impaired (PRCVI)	Outreach program that supports school districts' goal of ensuring equitable access and enhanced educational opportunities for students with visual impairments.
Provincial Resource Program (PRP)	Provides outreach services to support educators, students, and families to meet the needs of students with disabilities and diverse abilities.
Ready, Set, Learn	Intended for families and their three to five-year old children, Ready, Set, Learn is all about providing good information about how to support a young child's early learning and development. It also develops positive connections between families, the school system and local community agencies.
Safe Return to School /Restart: Health & Safety Grant	Provincial funding provided to assist districts with implementing new health and safety measures during the COVID-19 pandemic.
Federal Safe Return to Class/Ventilation Fund	Funding provided to support districts with their return to school plans during the COVID-19 pandemic.
Scholarships and Bursaries	Distributed to students to recognize academic achievement.
School Generated Funds	Funds generated by schools for various purposes.
Seamless Day Kindergarten Funding	Kindergarten plot project to provide a full day for students, including before and after-school care.
Settlement Workers in Schools (SWIS)	School based settlement service for immigrants, refugees and other eligible clients to meet their immediate settlement or ongoing needs after their arrival in Canada.

Fund	Intended Use
Strengthening Early Years to Kindergarten Transitions (SEY2KT)	Provides opportunities for school districts and communities to work together to support young children and their families in the smooth transition from home to school.
Special Education Technology (SET-BC)	Provincial program established to assist school districts in utilizing technology to support the diverse needs of students.
Strong Start	A free early learning program located in schools, for preschool children accompanied by a parent, other adult family member or caregiver, created through an agreement between school districts and MECC.
Student & Family Affordability Fund	Funding to help make back to school more affordable for students and their families who are struggling with the rising cost of living due to inflation.

Total revenue for special purpose funds was \$107.00 million for the 2024-25 year, compared to a budgeted amount of \$104.36 million and \$94.18 million a year ago. Detailed revenue by special purpose fund is summarized in Figure 29.

On March 10, 2017, MECC, the BC Public School Employers Association (BCPSEA) and the BC Teachers' Federation (BCTF) ratified a Memorandum of Understanding (the Memorandum) pursuant to Letter of Understanding No. 17 to the 2013-19 BCPSEA-BCTF Provincial Collective Agreement. The Memorandum fully and finally resolves all matters related to the implementation of the Supreme Court of Canada decision in the fall of 2016.

The ratification of this agreement resulted in the establishment of the CEF to address the additional teacher and corresponding overhead costs throughout the province associated with this Memorandum. VSB recognized \$49.66 million in CEF grant funding in the 2024-25 year, compared to \$37.03 million in 2023-24. This funding is intended to offset the costs incurred by school districts to implement restored collective agreement language for class size and district non-enrolling teacher staffing requirements. VSB estimates that it incurred an additional \$1.40 million to meet these requirements which is reported as expenses in the operating fund.

Figure 29 – SPF Revenue by Fund

SPF Revenue by Fund (\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
AFG	\$ 2.24	\$ 2.20	\$ 2.26	\$ 3.15	\$ 1.35	\$ 1.68
AT-BC	3.50	4.17	5.07	5.87	5.21	6.48
CAYA	2.90	3.06	3.05	3.47	3.59	4.19
CR4YC	0.02	0.01	0.01	0.01	0.02	0.01
CEF	33.67	32.80	36.37	37.03	48.06	49.65
CommunityLINK	9.36	9.39	9.93	10.78	10.65	10.13
CommunityLINK - Other	0.45	0.28	0.37	0.29	0.23	0.23
COVID Rapid Response	0.18	-	-	-	-	-
Early Childhood Education Dual Credit Program	-	-	-	-	0.04	0.04
ECL	-	-	0.08	0.21	0.20	0.21
Feeding Futures Fund	-	-	-	5.57	5.65	5.65
First Nation Student Transportation Fund	0.05	0.13	0.13	0.15	0.15	0.15
LIF	1.52	1.63	1.56	2.03	2.06	1.82
Mental Health in Schools	0.07	0.08	0.06	0.08	0.05	0.02
Miscellaneous	0.70	0.43	0.27	0.44	0.41	0.13
National School Food Program	-	-	-	-	-	0.01
OLEP	0.79	0.60	0.75	0.78	0.80	0.82
Pandemic Recovery Team	-	0.31	-	-	-	-
PRCVI	2.24	2.20	2.53	2.91	3.29	2.88
PRP	2.29	2.20	2.41	2.86	3.18	3.03
Professional Learning Grant	-	-	-	-	0.20	0.01
Ready Set Learn	0.22	0.23	0.23	0.22	0.22	0.18
Safe Return to School	23.21	1.20	1.09	-	-	-
Scholarships and Bursaries	0.02	0.05	0.10	0.08	0.11	0.02
School Generated Funds	2.21	5.65	6.99	6.70	6.33	7.63
Seamless Day Kindergarten Funding	-	0.01	0.04	0.15	0.06	0.06
SWIS	0.01	0.03	0.10	0.32	-	-
SEY2KT	-	-	-	0.01	0.04	0.01
SET-BC	7.89	9.08	8.20	9.43	9.77	9.69
Strong Start	0.63	0.62	0.61	0.61	0.61	0.61
Student & Family Affordability Fund	-	-	3.67	1.03	2.03	1.66
Work Experience Enhancement	-	-	-	-	0.05	-
<b>TOTAL</b>	<b>\$94.17</b>	<b>\$76.36</b>	<b>\$85.88</b>	<b>\$94.18</b>	<b>\$104.36</b>	<b>\$ 107.00</b>

## Capital Fund

Capital funds enable the school district to move towards its long-term goals by building new schools, replacing, upgrading or expanding existing schools. Funding sources include MECC Bylaw Capital, MECC Restricted Capital, Other Provincially Restricted Capital, and Local Capital. These funding sources include capital expenditures related to equipment and facility purchases as well as equipment and facility enhancements.

The net value of capital assets (historical cost less accumulated amortization) was \$1,056.65 million as at June 30, 2025 (see Schedule 4A). Of this amount, \$20.78 million represents net investment in sites, \$1,017.88 million in buildings and \$17.99 million in furniture and equipment as well as vehicles, computer software and computer hardware.

These net costs represent the historical cost net of accumulated amortization of all VSB capital assets; they do not reflect current market value.

Details on the capital fund are provided in the table below.

*Figure 30 – Capital Fund Summary*

Capital Fund (\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Revenue</b>						
Provincial Grants - MECC	\$ -	\$ -	\$ -	\$ 0.08	\$ -	\$ -
Other Revenue	0.40	0.44	1.64	0.46	0.44	0.45
Rentals and Leases	1.35	5.59	2.62	2.31	2.10	2.22
Investment Income	0.22	0.18	0.62	0.68	0.55	0.36
Amortization of Deferred Capital Revenue	20.52	22.43	24.55	26.53	30.16	30.29
<b>Total Revenue</b>	<b>22.49</b>	<b>28.64</b>	<b>29.43</b>	<b>30.06</b>	<b>33.25</b>	<b>33.32</b>
<b>Expense</b>						
Services and Supplies	0.71	0.82	0.53	0.86	1.14	0.66
Amortization of Tangible Capital Assets	29.61	32.38	34.35	35.25	38.67	38.79
Write-off/down of Buildings and Sites	-	-	-	-	-	3.71
ARO Accretion	-	-	-	-	-	3.35
<b>Total Expense</b>	<b>30.32</b>	<b>33.20</b>	<b>34.88</b>	<b>36.11</b>	<b>39.81</b>	<b>46.51</b>
<b>Net Revenue (Expense)</b>	<b>(7.83)</b>	<b>(4.56)</b>	<b>(5.45)</b>	<b>(6.05)</b>	<b>(6.56)</b>	<b>(13.19)</b>
Net Transfers (to) from other funds	8.42	5.28	4.74	4.13	4.58	2.07
<b>Surplus (Deficit) for the year</b>	<b>\$ 0.59</b>	<b>\$ 0.72</b>	<b>\$ (0.71)</b>	<b>\$ (1.92)</b>	<b>\$ (1.98)</b>	<b>\$ (11.12)</b>

The balance in the capital fund at year end is the surplus from capital operations over time that is invested in tangible capital assets, and the local capital funds that the school district has generated.

Figure 31 – Invested in Tangible Capital Assets

Invested in Tangible Capital Assets (\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Revenue</b>						
Provincial Grants - MECC	\$ -	\$ -	\$ -	\$ 0.08	\$ -	\$ -
Other Revenue	0.19	0.17	0.17	0.17	0.17	0.17
Amortization of Deferred Capital Revenue	20.52	22.43	24.55	26.53	30.16	30.29
Total Revenue	20.71	22.60	24.72	26.78	30.33	30.46
<b>Expense</b>						
Amortization of Tangible Capital Assets	29.61	32.38	34.35	35.25	38.67	38.79
Write-off/down of Buildings and Sites	-	-	-	-	-	3.71
ARO Accretion	-	-	-	-	-	3.35
Total Expense	29.61	32.38	34.35	35.25	38.67	45.85
Net Revenue (Expense)	(8.90)	(9.78)	(9.63)	(8.47)	(8.34)	(15.39)
Net Transfers from other funds						
Interfund Transfers	-	-	-	-	-	(1.04)
Tangible Capital Assets Purchased	5.94	2.75	2.38	2.53	2.50	1.20
	5.94	2.75	2.38	2.53	2.50	0.16
<b>Other Adjustments to Fund Balances</b>						
Tangible Capital Assets Purchased From LCR	1.02	1.79	1.94	6.24	3.79	3.42
Capital Lease Principal Payments	2.30	2.42	2.19	1.47	1.89	1.80
Capital Assets Purchased	3.32	4.21	4.13	7.71	5.68	5.22
Surplus (Deficit) for the year	\$ 0.36	\$ (2.82)	\$ (3.12)	\$ 1.77	\$ (0.16)	\$ (10.01)

## Local Capital

The local capital fund balance of \$11.78 million captures the school district's capital surplus from activities that are under the control of the school district. The primary sources of revenue in Local Capital are rentals and leases of school district facilities, investment income, and childcare capital project management fees. Local Capital is spent on minor capital projects and the interest on capital leases. Local Capital is also decreased by transfers to Invested in Tangible Capital Assets for Work in Progress.

Figure 32 – Local Capital

Local Capital (LC) (\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Revenue</b>						
Other Revenue	\$ 0.21	\$ 0.27	\$ 1.47	\$ 0.29	\$ 0.27	\$ 0.28
Rentals and Leases	1.35	5.59	2.62	2.31	2.10	2.22
Investment Income	0.22	0.18	0.62	0.68	0.55	0.36
Total Revenue	1.78	6.04	4.71	3.28	2.92	2.86
<b>Expense</b>						
Operations and Maintenance	0.52	0.71	0.34	0.73	0.95	0.55
Capital Lease Interest	0.19	0.11	0.19	0.13	0.19	0.11
Total Expense	0.71	0.82	0.53	0.86	1.14	0.66
Net Revenue (Expense)	1.07	5.22	4.18	2.42	1.78	2.20
Net Transfers from other funds						
Capital Lease Payments	2.49	2.53	2.37	1.60	2.08	1.91
<b>Other Adjustments to Fund Balances</b>						
Tangible Capital Assets Purchased From LC	(1.01)	(1.79)	(1.94)	(6.24)	(3.79)	(3.42)
Capital Lease Principal Payments	(2.30)	(2.42)	(2.19)	(1.47)	(1.89)	(1.80)
Capital Assets Purchased	(3.31)	(4.21)	(4.13)	(7.71)	(5.68)	(5.22)
Surplus (Deficit) for the year	\$ 0.25	\$ 3.54	\$ 2.42	\$ (3.69)	\$ (1.82)	\$ (1.11)

The accumulated local capital surplus is planned to be spent as shown in the following table.

*Figure 33 – Local Capital Uses of Fund Balance*

(\$ millions)	2023-24 Actual	2024-25 Actual
Capital Projects Cost Share		
New Elementary School at Coal Harbour	\$ 4.21	\$ 2.00
Eric Hamber Secondary	0.28	-
Henry Hudson Elementary	0.32	-
Kitsilano Secondary	0.05	0.01
Automated External Defibrillators	-	0.25
Equipment Replacement	0.50	0.87
Financial Provisions	0.20	0.20
Parkade and Paid Parking Lots Renewal	0.62	0.65
Renewal of Leased Facilities	-	0.24
Replacement School at Lord Roberts Annex	3.42	3.23
Technology for Student Learning		0.01
Contingency Reserve for Local Capital	3.29	4.32
Total Local Capital	<u>\$ 12.89</u>	<u>\$ 11.78</u>

## 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 Treasury Board Regulation 198/2011 and is comprised of the amounts related to completed projects, work in progress, and the amount that is unspent. (Schedule 4C, 4D and Note 8)

### *MECC Restricted Capital*

These are funds held on behalf of MECC and represent MECC's portion of proceeds on disposal of land and buildings and any surpluses from completed projects that were funded by MECC, plus associated investment income. The balance decreased by \$5.39 million, consisting of spending associated with MECC approved uses for major capital projects (\$6.33 million) net of investment income (\$0.94 million). The majority of these costs are related to the new elementary school at Coal Harbour project. As of June 30, 2025, the balance remaining in MECC Restricted Capital was \$17.37 million.

### *MECC Bylaw Capital*

Bylaw Capital include MECC capital grants for specific capital projects funded by the Ministry through certificates of approval, 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.

The purchases under Bylaw Capital for the year were \$37.26 million as reported in Schedule 4D. This is the total spending related to new school construction and seismic mitigation, and other minor capital projects.

### *Other Capital Funding Sources*

Funds are provided by the Ministry of Children and Family Development for the construction of new child care spaces and VSB reported capital additions of \$1.64 million under this program in 2024-25. In addition, VSB reported \$2.36 million in addition to work in progress for projects funded by the City of Vancouver.



Figure 34 – Capital Projects

Project (\$ millions)	Bylaw Funding	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Budget	2024-25 Actual
<b>Bylaw Capital</b>							
<b>Bylaw Capital School Replacement</b>							
Nelson	\$ 17.89	\$ 1.34	\$ 0.45	\$ -	\$ -	\$ -	\$ -
Fleming	18.95	1.23	1.53	0.20	-	0.03	-
Kitsilano	59.80	-	0.04	-	-	-	-
Maple Grove	24.44	4.17	0.21	-	-	-	-
Tennyson	22.88	4.86	2.82	0.55	0.09	-	-
Bayview	24.46	8.63	9.03	3.03	0.20	-	0.27
wəkwəhəs təsyaqwəm	21.38	9.96	5.99	2.19	0.28	0.75	0.22
Lloyd George	20.27	2.67	5.50	8.23	1.88	3.60	0.71
Hamber	93.52	8.33	24.91	26.38	20.24	7.41	2.92
Hudson	29.67	0.81	0.86	7.15	13.35	6.37	5.60
Hudson Addition	10.64	-	-	-	0.40	6.50	6.27
Olympic Village	39.06	-	-	-	0.43	1.42	0.82
<b>Bylaw Capital Seismic Mitigation</b>							
Lord Byng	13.96	7.14	2.45	0.03	-	-	-
Maquinna	8.23	5.36	0.31	-	-	-	(0.06)
Selkirk	4.69	1.87	0.16	-	-	-	-
Wolfe	16.99	9.12	1.74	0.01	-	-	-
Cavell	17.97	3.17	9.23	4.33	0.11	-	0.01
Livingstone	14.82	0.88	7.46	4.72	0.09	-	0.02
Weir	16.71	3.30	10.49	1.64	(0.23)	0.12	0.28
Grenfell	12.67	0.11	-	-	1.05	3.22	4.32
<b>Annual Facilities Grant</b>	12.07	9.00	11.08	9.76	11.77	12.07	12.07
<b>MECC Minor Capital Programs</b>	7.76	-	-	-	2.11	0.12	3.81
<b>Total Bylaw Capital</b>	<b>\$508.83</b>	<b>\$ 81.95</b>	<b>\$ 94.26</b>	<b>\$ 68.22</b>	<b>\$ 51.77</b>	<b>\$ 41.61</b>	<b>\$ 37.26</b>
<b>Ministry of Education Restricted Capital</b>							
Coal Harbour	\$ 31.66	\$ -	\$ -	\$ -	\$ 19.22	\$ 6.41	6.28
Lord Roberts Annex	-	-	-	-	-	0.41	0.05
<b>Total Ministry of Education Restricted Capital</b>	<b>\$ 31.66</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19.22</b>	<b>\$ 6.82</b>	<b>\$ 6.33</b>

## Tangible Capital Assets - Buildings

### Seismic Mitigation Program (SMP)

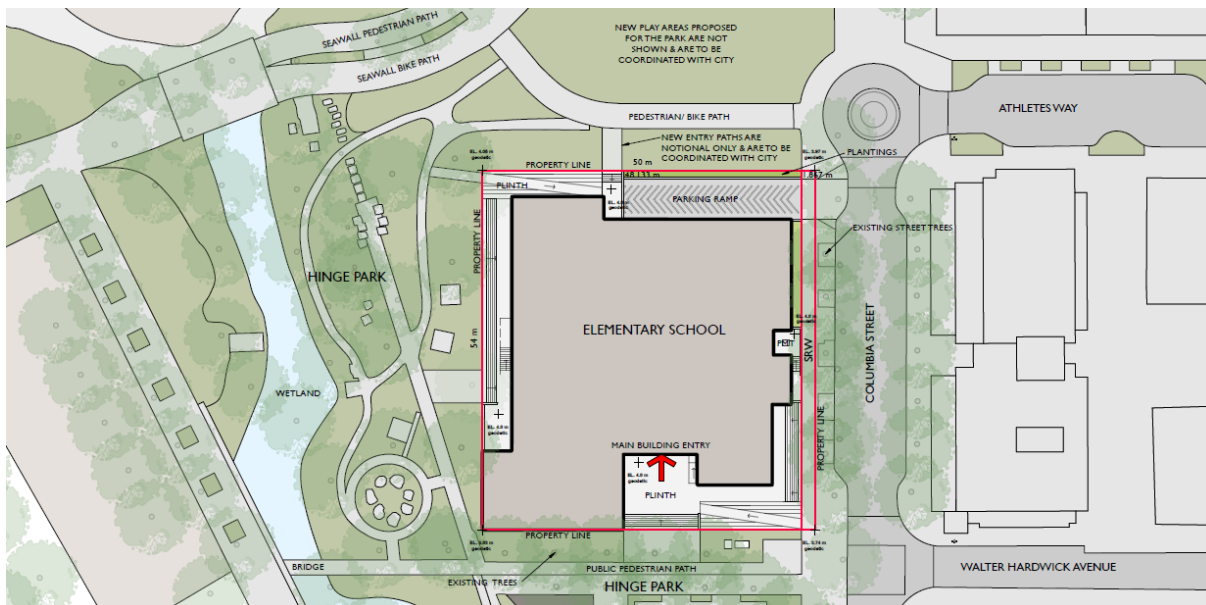
The following schools are currently under design or construction with expected occupancy:

- Henry Hudson Elementary – Completed during 2024-25
- Henry Hudson Addition – Fall 2025
- Sir Wilfred Grenfell Elementary – Fall 2026

## New School Construction



**Coal Harbour:** This project includes a new school on a site next to the Coal Harbour Community Centre, as part of a larger City of Vancouver mixed-use development that will include child care and non-market housing. The school's construction is funded from the proceeds of the subsurface air parcel at the Lord Roberts Annex site to BC Hydro in 2018. Construction of the mixed-use development began in February 2022. The project is scheduled to be completed for student occupancy during the 2025-26 school year.



**Olympic Village:** Funding for a new elementary school in Olympic Village (\$150 million) was approved by MECC, and a Project Agreement was signed in May 2024. The anticipated timeline for rezoning, design and permitting is about 2.5 years, followed by about 2.5 years of construction. The school is expected to open in Fall 2029.

### *School Enhancement Funded Projects (SEP)*

The School Enhancement Program provides funding to help school districts extend the life of their facilities through a wide range of improvement projects, including:

- Electrical upgrades (power supply, distribution systems)
- Energy upgrades (LED lighting, high-efficiency boilers)
- Health and Safety upgrades (fire systems, indoor air quality)
- Mechanical upgrades (heating, ventilation, plumbing)
- Building enclosure upgrades (roofing, exterior walls, windows)
- Washroom upgrades
- Flooring upgrades

The following table details the projects that were completed during the year and projects that are currently in progress.

Project type	Facility	Funding	Spending	Expected Completion
Exterior Wall Systems - Design	Vancouver Technical Secondary	140,000	84,786	Completed
Exterior Wall Systems - Construction	Vancouver Technical Secondary	900,000	880,620	Completed
Roofing Upgrade	Southlands Elementary	200,000	200,000	Completed
HVAC Upgrades	Crosstown Elementary	1,470,000	55,604	September 2026
		<u>2,710,000</u>	<u>1,221,010</u>	

### *Carbon Neutral Capital Funded Projects (CNCP)*

The school district has received the funding to complete the heating, ventilation, and air conditioning (HVAC) upgrade projects. See the following table for the ongoing projects.

Project Type	Facility	Funding	Spending	Expected Completion
HVAC Upgrades	Magee Secondary	667,880	710,064	Completed
HVAC Upgrades	Killarney Secondary	30,000	31,022	Completed
HVAC Upgrades	Britannia Community Elementary	500,000	252,774	Completed
HVAC Upgrades	University Hill Elementary	526,750	79,322	September 2025
HVAC Upgrades	Windermere Community Secondary	475,000	73,526	October 2025
		<u>2,199,630</u>	<u>1,146,708</u>	

### *Building Envelope Program (BEP)*

Funding is provided to help school districts with remediation of schools suffering damage from water ingress due to premature building envelope failure. Eligible school facilities under this program were built between 1980 and 2000 and have a risk assessment report facilitated by B.C. Housing. The school district received funding for the design and construction phase for the building envelope remediation of Sir Winston Churchill Secondary. See the following table detailing the funding and spending.

Project Type	Facility	Funding	Spending	Expected Completion
Design Phase	Sir Winston Churchill Secondary	34,500	45,879	Completed
Construction Phase	Sir Winston Churchill Secondary	2,195,500	2,008,469	December 2025
		<u>2,230,000</u>	<u>2,054,348</u>	

### *Playground Equipment Program (PEP)*

This annual funding program provides for the purchase and installation of new or replacement playground equipment. The program will provide capital funding grants for universally accessible playground equipment.

Project Type	Facility	Funding	Spending	Expected Completion
Accessible Playground Equipment	Pierre Elliott Trudeau Elementary	195,000	-	August 2025
Accessible Playground Equipment	Britannia Secondary	200,000	-	March 2025
		<u>395,000</u>	<u>-</u>	

### *Food Infrastructure Program (FIP)*

This annual funding program to assist school districts in creating, improving or expanding infrastructure to feed students in communities across the province. FIP projects include minor upgrades such as refrigerated vehicles to support the delivery of prepared meals, the purchase and installation of kitchen equipment, improvements to ensure kitchens meet local health authority requirements and food storage. FIP fund cannot be used to construct new kitchens or to expand existing kitchen facilities.

Project Type	Facility	Funding	Spending	Expected Completion
Kitchen Equipment	Templeton Secondary	100,000	100,000	Completed
Kitchen Equipment	Prince of Wales Secondary	20,000	20,000	Completed
Kitchen Equipment and Upgrade	Britannia Secondary	50,000	77	September 2025
Kitchen Equipment and Upgrade	Gladstone Secondary	28,000	-	September 2025
Kitchen Equipment	Magee Secondary	25,000	-	September 2025
		<u>223,000</u>	<u>120,077</u>	

### *Annual Facility Grant (AFG)*

The Annual Facility Grant is funding provided by MECC for designated school capital or maintenance upgrades.

Project Type	Number of Schools	2024-25 Spending
Accessibility Upgrades	12	1,023,167
Asbestos Abatement	12	672,000
Electrical	47	1,973,000
Exterior Wall Systems	32	966,199
HVAC	40	1,515,886
Interior Construction	62	3,087,890
Plumbing	30	1,252,500
Roofing	10	2,098,544
Site Upgrades	42	1,527,047
<b>Total</b>		<u><b>14,116,233</b></u>

## Child Care Centers



VSB remains committed to expanding access to high-quality child care in our facilities. The school district submitted multiple child care expansion proposals to MECC, of which three were approved and funded by MECC.

In addition, as part of seismic replacement projects, the school district entered into agreements with the City of Vancouver to build new child care facilities within various schools. Costs associated with constructing these child care facilities are to be funded by the City of Vancouver.

School	Funding	Status	Occupancy	Cost
Eric Hamber Secondary	City of Vancouver	Completed	August 2024	\$8.5 million
Henry Hudson Elementary	City of Vancouver	Completed	November 2024	\$12.4 million
Cunningham Elementary	Ministry of Children and Family Development	Completed	September 2025	\$0.4 million
Moberly Elementary	Ministry of Children and Family Development	Completed	December 2025	\$0.5 million
Queen Victoria Annex	Ministry of Children and Family Development	Completed	December 2025	\$0.4 million



## Risk Factors

---

There are several risk factors that may have a financial impact on the school district, ranging from enrolment changes, unexpected cost pressures and lost revenues. The two most significant areas of risk are the financial pressure associated with the budget's structural deficit and those identified in the Enterprise Risk Management review.

### Structural Deficit

A structural deficit occurs when an organization's ongoing expenditures are continually greater than its income, including government funding and other sources of revenue. If income does not cover expenses over time, the structural deficit will have a cumulative effect. Necessary infrastructure investments, maintenance and upgrades are not funded as part of the ongoing budget, which means VSB has a structural deficit which must be addressed.

Most of VSB's revenues come from provincial grants, which are tied to enrolment. In the past, fixed costs have not decreased in step with decline in revenues and necessary items remain unfunded.

To address the structural deficit, VSB must make structural changes. This will include long-term changes, rethinking and restructuring operations and related costs. Taking a multi-year approach is necessary to tackle the structural deficit and support the longer-term perspective on decision-making that can create lasting change.

Some factors contributing to the school district's structural deficit are:

- ongoing budgeted spending funded from one-time savings or revenue;
- higher costs associated with maintaining many old buildings and operating more sites and programs than are required to meet the current educational needs of students;
- continued impacts of past enrolment decline experienced over more than a decade;
- creation of programs that do not have a funding source or that rely on surplus funds;
- provision of services that do not have a funding source;
- collective agreement wage lifts and exempt staff wage lifts that are not fully funded over time;
- maintaining a higher than collective agreement required level of non-enrolling teacher staffing;
- provincial funding not covering the cost of inflation; and
- increasing need for support for students with disabilities or diverse abilities.

VSB has contractual and operating obligations that give rise to expenditures that cannot be offset by corresponding revenues. The expenditures required to satisfy these obligations can vary from year-to-year, and in some cases the amount and timing of these expenditures are impacted by factors that are outside the control of the district. This makes it difficult to quantify the impact of the structural deficit on each fiscal period. Addressing the structural deficit is critical to ensure the long-term financial stability of the VSB. Without sufficient funding and revenue to cover all expenses, the VSB risks ongoing financial challenges that could impact its ability to provide quality education and services.

### Capital Projects

Due to their magnitude, capital projects have the potential to significantly impact the financial position of the school district. There is no process to assess the risk of the entire capital program; individual project risk assessments must be done on a continuous basis. Project agreements with MECC contain contingencies to mitigate financial risk. Smaller projects consider contingency requirements when building the overall project budget and are managed internally.

## Contingent Assets

In January 2022, VSB received an arbitration award regarding the annual ground lease for the site that Kingsgate Mall occupies. The district has been invoicing the tenant annual rent based on the arbitration award ruling, and the tenant has been paying a lower rent amount. Beedie Development LP challenged the arbitration award determining the fair market value of Kingsgate Mall for setting rent for the next renewal period. On December 20, 2024, the court set aside the 2022 award and determined the market value based on the 1.0 FSR outright use, setting the rent for the third renewal period at \$1,650,000 per annum.

The VSB is appealing the decision. The collectability of the amounts invoiced depends on the appeal outcome. Contingent assets are not recognized in VSB's financial statements.

## Contingent Liabilities

In the ordinary course of business, VSB has legal proceedings brought against it. It is the opinion of management that final determination of these claims will not have a material impact on the financial positions or operations of VSB. The District is involved in ongoing legal proceedings initiated by the Conseil Scolaire Francophone de la Colombie-Britannique (the "Conseil") against His Majesty the King in Right of the Province of British Columbia, the MECC, and the District. The proceedings are related, in part, to the Conseil's claim that it is entitled to the fee simple transfer of specific school sites from the School District to the Conseil. The Conseil has also claimed that there should be court orders overriding the District's school closure and surplus disposal policies and compelling MECC to exercise powers under the *School Act* to require the fee simple transfer of such school sites.

The Conseil filed a Notice of Civil Claim on December 22, 2020, initiating the lawsuit and seeking the fee simple transfer of the Queen Elizabeth Annex (QEA) to the Conseil. The Conseil filed its Third Amended Notice of Civil Claim on August 26, 2022, expanding the relief sought to include additional sites in Vancouver and other communities. On July 28, 2023, the Conseil filed its Fourth Amended Notice of Civil Claim, seeking the fee simple transfer of the QEA site, the Laurier Annex site, and the Dr. A.R. Lord site. On May 23, 2025, after a 9-month long trial, the British Columbia Supreme Court issued reasons for judgment. Regarding the claims against the VSB, the Court dismissed the Conseil's claim that fee simple transfers were necessary to give effect to s. 23 rights under the Canadian Charter of Rights and Freedoms (minority French language education rights). Instead, the Court found that s. 23 rights could be fulfilled through the use of long-term leases as suggested by the VSB. The Court ordered that a transfer of tenure, either long term lease or fee simple, of QEA be made and the VSB is working diligently to fulfill that order. The Court ordered that the VSB must make Laurier Annex site available for a transfer of tenure, again either long term lease or fee simple transfer, subject to decisions being made by the MECC and the Conseil. The Court dismissed the Conseil's claim in relation to the Dr. A.R. Lord site because there was insufficient evidence of failed negotiations between the VSB and the Conseil at this point in the time to justify an order.

The Conseil filed an appeal of the Court's order and in particular the order dismissing their claim that a fee simple transfer is necessary to give effect to the s. 23 rights. The VSB filed a cross-appeal in relation to the order respecting the Laurier Annex site. This appeal will likely be heard in 2026.

An estimate of the remaining costs to defend the legal case are reported under Accumulated Operating Appropriated Surplus as Unfunded Litigation Expenses. The outcome of these legal proceedings is uncertain, and the financial impact on the School District cannot be determined at this time. The School District continues to defend against the Conseil's claims.

According to a directive from MECC, funding remedies through the CEF require an agreement with the school district's teachers' associations. As of September 10, 2025, VSB had not secured agreements with the teachers' associations for remedies earned during the 2024-25 fiscal year, making both the amount and likelihood of a payout indeterminable.

## **Enterprise Risk Management**

As part of the school district's Enterprise Risk Management initiative, a comprehensive enterprise-wide risk assessment was updated in 2021.

The risk assessment identified 20 key areas of risk. Some of the major areas of risk for the school district are outlined below.

**Organizational Capacity** - The most significant risk factor identified is organizational capacity. The risk that the VSB may not effectively allocate resources, develop the necessary skills and competencies, or maintain uninterrupted operations to meet its strategic objectives and adapt to changing education demands.

**Facility Maintenance** – The District operates 77 elementary schools, 18 secondary schools, 12 annexes, eight District Schools (leased or District program sites), six District Support Facilities and three properties on which businesses operate for a total of 124 active facilities. The Long-Range Facilities Plan identified that the District has many older buildings with significant seismic safety concerns and deferred maintenance requirements. The capital approval process takes time and resources to get new capital projects up and running, and MECC continues to request that school districts contribute more local funds toward capital projects.

**Supporting Students with Disabilities or Diverse Abilities and Mental Health Challenges** – The risk that the District, due to funding limitations and a sector-wide labour shortage, is challenged to fully support with resources and staffing, the learning experience of students with special academic, behavioural or physical needs (including accessibility).

**Key Employee Recruitment/Retention** – The risk that the school district is unable to recruit and retain enough qualified teachers and staff in key positions to meet its needs.

**Labour Disruption** – As all existing collective agreements expired on June 30, 2025, there is a potential risk of failing to reach new agreements with employee groups, which could result in labour disruptions.

**Tariff Risk** – Tariffs on imported goods can significantly impact budget and operations due to increased costs and financial uncertainty. Tariffs can raise prices of essential materials such as technology, furniture, and educational supplies. Increased costs of materials such as steel and lumber can affect construction and maintenance expenses for school facilities. Tariffs on vehicles and parts can lead to higher costs for the school board's fleet and maintenance. Fluctuation tariffs create challenges in budgeting and financial planning, making it difficult to forecast expense accurately. Managing these risks involves proactive budgeting, exploring alternative suppliers, and staying informed about changes in trade policies to anticipate and mitigate cost increases.

**Climate Risk** – Climate risk for the school board can have significant implications for both the physical infrastructure and the overall operations of schools.

Increased frequency of storms, floods and heatwaves can damage school buildings, disrupt classes and pose safety risks to students and staff. Severe weather can lead to costly repairs and maintenance for school facilities, including roofs, windows and HVAC systems. Higher temperatures can increase the need for air conditioning or fan use, leading to higher energy costs.



**Technology Requirements** – The rapid advancement of technology necessitates the integration of modern hardware, software, and systems into the school board’s education framework, requiring increased financial resources to ensure effective service provision and information security. Utilizing technology enhances student learning by enabling immediate reporting on progress, facilitating timely interventions and offering personalized learning experiences. The integration of artificial intelligence (AI) in education can automate administrative tasks, allowing educators to focus more on teaching and student engagement, through ongoing resources that support AI integration. Strong cybersecurity measures are critical to protect the District’s data and infrastructure from unauthorized access and breaches. As technology becomes more integral to education, promoting digital literacy among students and staff is essential for critical thinking and problem-solving skills.

**International Education** – The school district relies on enrolment in the International Education Program to supplement MECC funding. However, changing federal immigration policies, including tighter restrictions on internal student permits and visa eligibility, make it difficult to estimate if international students will want to come and study in Canada or if they can secure a visa. Many of the students who enroll in the program do not arrive in the province until just before the start of the school year, adding to the uncertainty. Managing these risks involves proactive budgeting, exploring alternative recruitment strategies, and staying informed about changes in immigration policies to anticipate and mitigate potential impacts.