

NOTICE OF MEETING

FINANCE AND PERSONNEL COMMITTEE

Secretary Treasurer's Office
Wednesday, September 17, 2025
Public viewing via live broadcast

Janet Fraser (Chair)
Alfred Chien (Vice-Chair)
Preeti Faridkot
Joshua Zhang

Helen McGregor, Superintendent of Schools
Flavia Coughlan, Secretary Treasurer

Notice of Meeting

A Meeting of the **Finance and Personnel Committee** will be held in room 180 of the VSB Education Centre (1580 West Broadway, Vancouver BC) **for participating trustees, staff, inherent rights holder representatives and stakeholder representatives on Wednesday, September 17, 2025 at 5:00 pm.** The meeting will be live broadcast for the public.

Trustees:	Lois Chan-Pedley (Alternate) Victoria Jung Suzie Mah	Jennifer Reddy (Alternate) Christopher Richardson
Student Trustee:	Freddie Zhang	
Other Senior Team Staff:	Daniel Blue Pedro da Silva Michael Gray Jessie Gresley-Jones	Maureen McRae-Stanger Janis Myers Alison Ogden
Inherent Rights Holder Representatives:	Faye Mitchell, xʷməθkʷəy̓əm (Musqueam) Kirsten Baker-Williams, Skwxwú7mesh Úxwumixw (Squamish Nation) Kirsten Touring, səliłwətał (Tsleil-Waututh Nation)	
Representatives:	Justin Chapman, BCVSBCMTU Warren Williams, CUPE 15 Henry Munns, CUPE 407 David Schaub, DPAC Tim De Vivo, IUOE Tyson Shmyr, PASA Benita Kwon, VASSA Representative, VDSC Jody Polukoshko, VEAES Dana Aweida, VEPVPA Carl Janze, VSTA	Alternates: Mike Logan, BCVSBCMTU Suzette Magri, CUPE 15 (Alt 1) Vanessa Mani, CUPE 15 (Alt 2) Adam Crawford, CUPE 407 Celena Benndorf, DPAC Tim Chester, IUOE Kerry Chuah, PASA Stephen Leung, VEPVPA Carmen Schaedeli, VSTA
Other Staff:	Paul Rosberg Hans Loeffelholz	Cherry Mak

FINANCE AND PERSONNEL COMMITTEE MEETING AGENDA

Wednesday, September 17, 2025, 5:00 to 6:30 pm
Room 180, VSB Education Centre

With deep gratitude and respect, we are honoured to be learning and unlearning on the ancestral and unceded lands of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) & səliłwətał (Tsleil-Waututh Nation).

The meeting is currently being broadcasted live, and both the audio and video recordings will be accessible to the public for viewing even after the meeting ends. Footage from this meeting may be viewed from Canada or anywhere else in the world.

Meeting Decorum:

The Board has a strong commitment to ethical conduct. This includes the responsibility of committee members to conduct themselves with appropriate decorum and professionalism. As Chair of the Committee, it is my responsibility to see that decorum is maintained. To do that I ask that:

- i. All committee participants request to speak through the chair.
- ii. Civility towards others is maintained as committee participants share perspectives and participate in discussion.
- iii. Staff are able to submit objective reports without influence or pressure as their work is acknowledged and appreciated.
- iv. Committee participants refrain from personal inflammatory or accusatory language or action.
- v. Committee participants present themselves in a professional and courteous manner.

Please see reverse for the Purpose/Function and Power and Duties of this Committee.

1. Items for Approval

None

2. Discussion Items

None

3. Information Items

3.1 Audited Financial Statements June 30, 2025	Flavia Coughlan, Secretary Treasurer CFO Daniel Blue, Executive Director, Finance
3.2 Recruitment Update	Michael Gray, Executive Director, Employee Services
3.3 Wellness and Occupational Health and Safety Update	Hans Loeffelholz, Director Enterprise Safety Mgmt.

Presenters

Finance and Personnel Committee

D. Responsibilities:

- D.1 Assist the Board in being fiscally responsible by managing its financial resources effectively and efficiently.
- D.2 Annually make recommendations to the Board regarding its submission to the Select Standing Committee on Finance and Government Services.
- D.3 Provide input regarding the budget development process, review budget assumptions and budget priorities that provide a framework for the preparation of the annual budget.
- D.4 Review quarterly financial statements and make recommendations for increasing value for money including reducing costs, increasing revenue, eliminating or reducing resource allocations where commensurate results are not being achieved, disposal of assets, and increasing benefits without increasing costs.
- D.5 Make recommendations to the Board regarding the approval of school fees and fees related to programs that charge fees.
- D.6 Review and provide input regarding ongoing, appropriate staff recognition, and acknowledgement.
- D.7 Review and monitor the school district's human resources management strategy to ensure that human resources plans and initiatives will enable the school district to achieve its strategic objectives.
- D.8 Review matters referred to the Committee by the Board and make recommendations as requested.

September 17, 2025

TO: Finance and Personnel Committee

FROM: Flavia Coughlan, Secretary Treasurer | CFO
Dan Blue, Executive Director, Finance | AST

RE: Audited Financial Statements June 30, 2025

*Reference to
Education Plan*

**GOALS AND
OBJECTIVES:**

The Vancouver School Board will improve student achievement, physical and mental well-being, and belonging by:

- Ensuring the alignment among school, district, and provincial education plans.

The Vancouver School Board will increase equity by:

- Improving stewardship of the district's resources by focusing on effectiveness, efficiency, and sustainability.

INTRODUCTION

On September 10, 2025, the Audit Committee met to review the audited financial statements and recommended that the Board approve the audited financial statements for the year ended June 30, 2025 at the October 1, 2025 Public Board meeting.

BACKGROUND

An overview of the Draft Financial Statement Discussion and Analysis (Attachment A) and the Draft Financial Statements (Attachment B) for the Board of Education of School District No. 39 (Vancouver) for the fiscal year ended June 30, 2025, will be presented at the Finance and Personnel Committee meeting.

The 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.

In accordance with Section 157(5) of the *School Act* and the [2024/25 Financial Statement Instructions](#) from the Ministry of Education and Child Care, Boards of Education must prepare and approve financial statements with respect to the preceding fiscal year and forward a copy to the Ministry of Education and Child Care by October 1st, together with the auditor's report.

In the financial statements expenses are reported by function. The allocation of expense by function is done based on the [Ministry's Operating Fund Account Descriptions](#). This document was last updated by the Ministry in 2006. The Ministry recently added Programs 1.20, 4.20 & 5.20, "Early Learning and Child Care" and instructed school districts to allocate costs related to child care programs and facilities to these new programs on unaudited Schedule 2C.

The chart of accounts used by VSB does not capture the allocation of expenditures by function and program. In the last two years we have been working to update VSB's chart of accounts to better reflect the current operating model and better align with Ministry reporting requirements. As part of the preparation of the draft 2025-2026 Financial Plan we reviewed all historical formulas applied to determine allocations by

function program and, where needed, updated the allocation formulas to better align with Ministry instructions.

For comparison purposes we are providing the attached actual results for all funds compared to restated 2024-2025 Amended Annual Budget (Statement 2). It should be noted that Schedule 2 and Schedule 2C are supplemental schedules to the annual financial statements and they are unaudited.

While the preparation and presentation of the Financial Statements Discussion and Analysis is not a legislative requirement, it is recommended by the Ministry of Education and Child Care to highlight information and provide explanations to enhance the reader's understanding of the VSB's financial statements and the factors that influenced the financial results presented in the financial statements.

The Audited Financial Statements of School District No. 39 (Vancouver) for the year ended June 30, 2025 have been audited by KPMG LLP and will be presented to the Board for approval at the October 1, 2025 public board meeting.

RECOMMENDATION

This report is presented for information.

Attachments:

- A. Financial Statement Discussion and Analysis June 30, 2025
- B. Audited Financial Statements June 30, 2025
- C. Actual Results Compared to Restated Amended Annual Budget 2025-2026



Financial Statements Discussion and Analysis

For the year ended June 30, 2025



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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

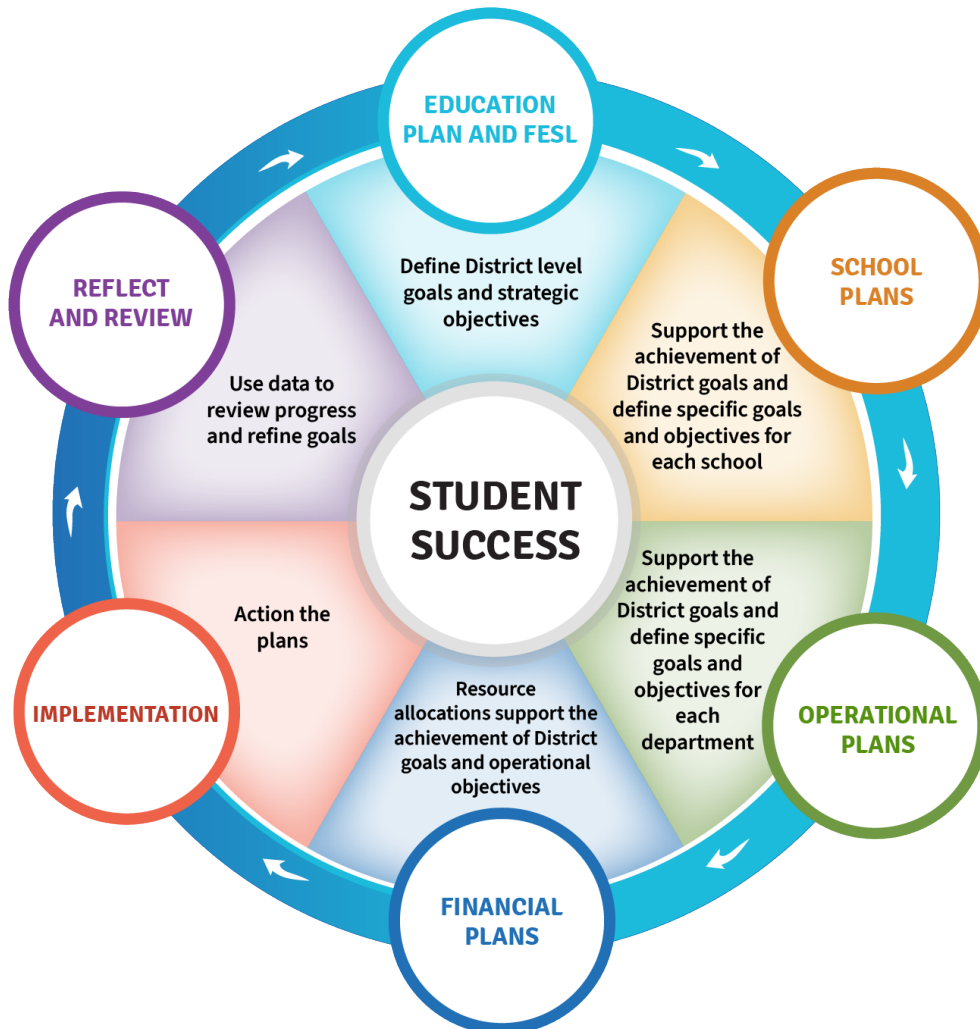
The Vancouver School Board – a large, urban school district located on the unceded, traditional lands of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish Nation) and səliłwətał (Tsleil-Waututh Nation) – respects and supports Indigenous ways of knowing and learning.

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
<p>The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.</p>	<p>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.”</p>	<p>Capital funds include to 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.</p>

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.

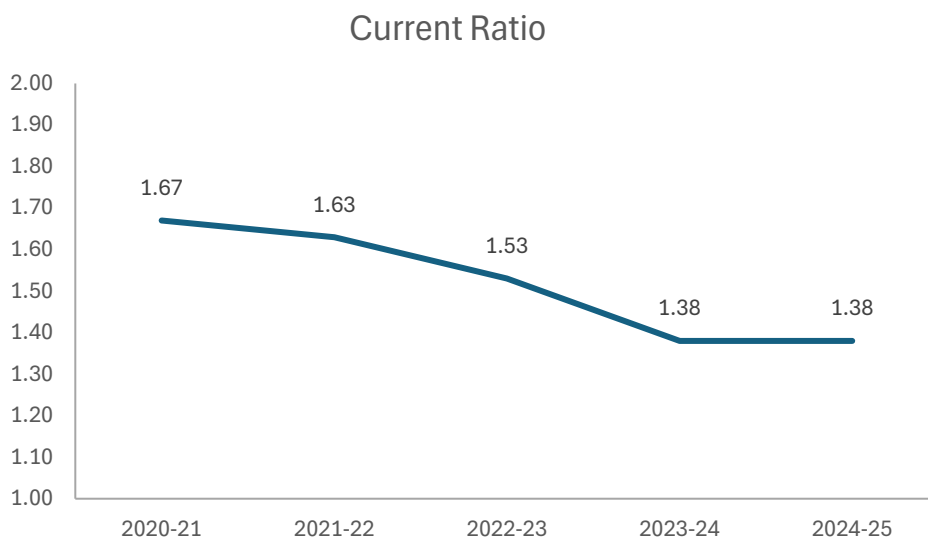
Figure 1 – Statement of Financial Position

(\$ millions)	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual
Financial Assets					
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
Total Financial Assets	274.78	265.48	285.87	295.95	270.44
Liabilities					
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	-	-	-
Total Liabilities	983.24	1,128.61	1,208.25	1,271.22	1,268.88
Net Debt	(708.46)	(863.13)	(922.38)	(975.27)	(998.44)
Non-Financial Assets					
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
Total Non-Financial Assets	866.78	1,009.88	993.85	1,050.09	1,061.08
Accumulated Surplus (Deficit)	\$ 158.32	\$ 146.75	\$ 71.47	\$ 74.82	\$ 62.64

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.

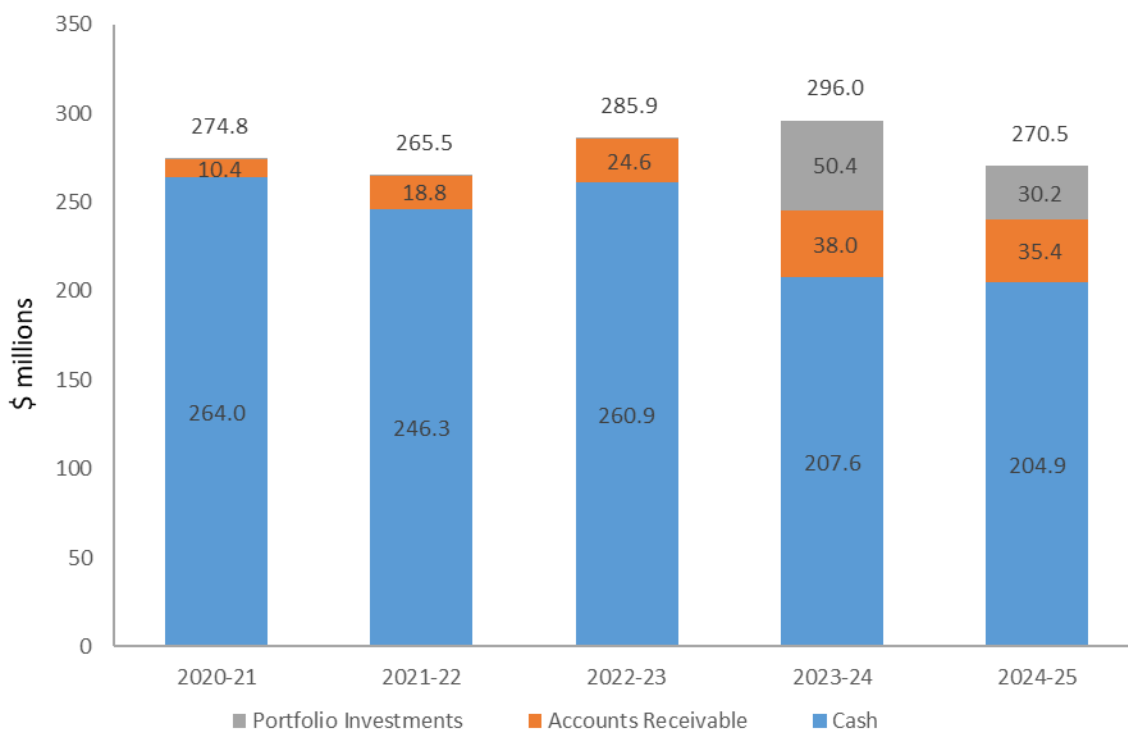
Figure 2 – Current Ratio



Financial Assets

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

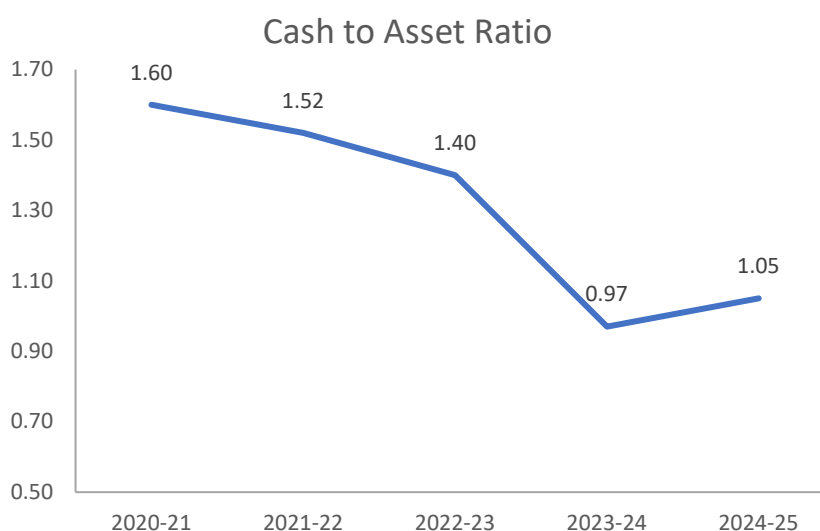
Figure 3 – Financial Assets



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	2022-23 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.

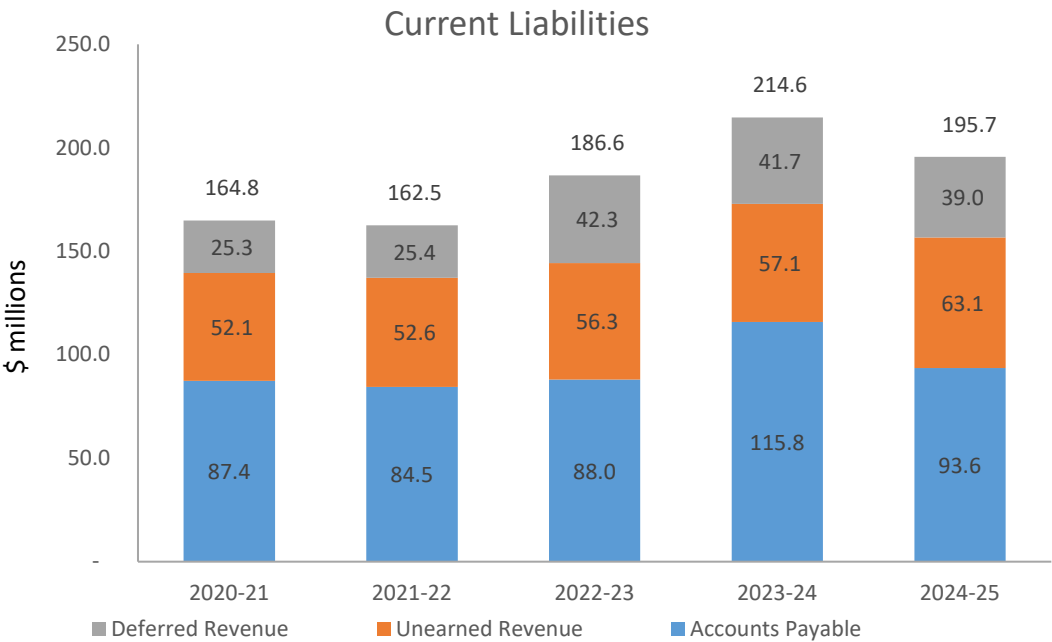
The amounts Due from Municipalities are for construction costs of child care spaces built in VSB schools. The is primarily for amounts due from the City of Vancouver for child care spaces built in VSB schools.

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	2022-23	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 increased 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 recognizes 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
	<u>\$ 25.33</u>	<u>\$ 25.38</u>	<u>\$ 42.29</u>	<u>\$ 41.66</u>	<u>\$ 38.96</u>

Deferred Capital Revenue

Deferred Capital Revenue (DCR) is accounted for in accordance with Treasury Board Regulation 198/2011. These contributions are recorded 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
TOTAL	\$783.06	\$860.97	\$917.56	\$953.31	\$966.41

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.

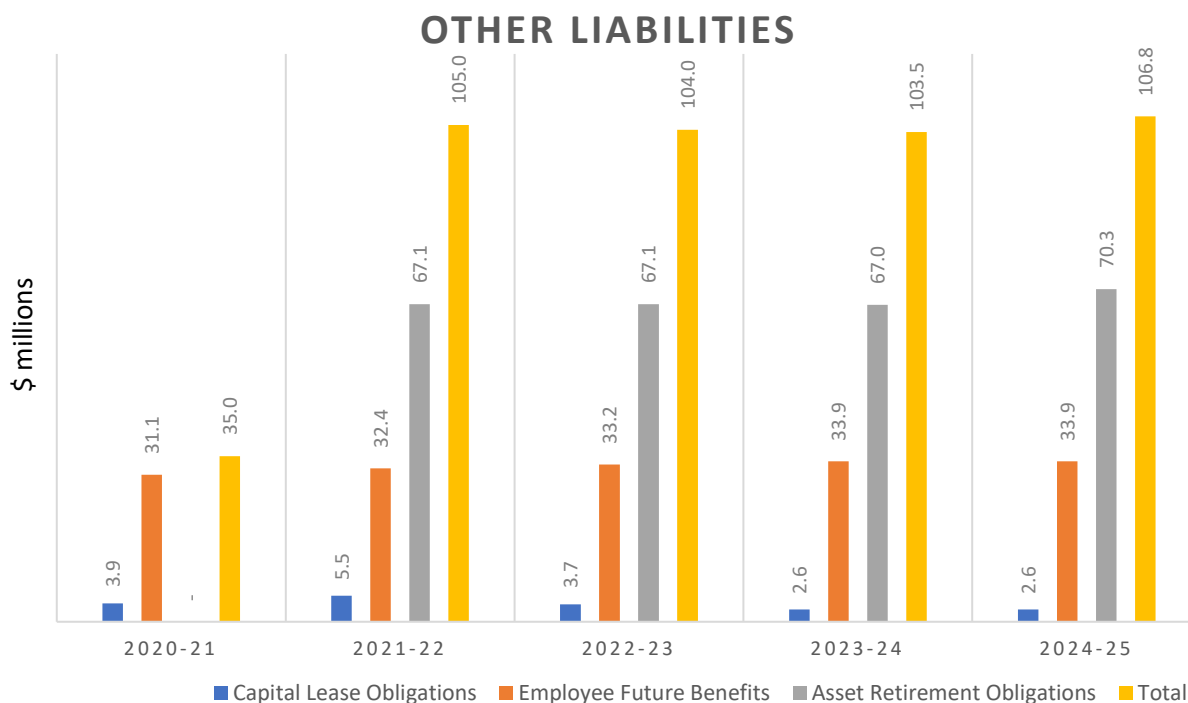
Asset Retirement Obligations

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.

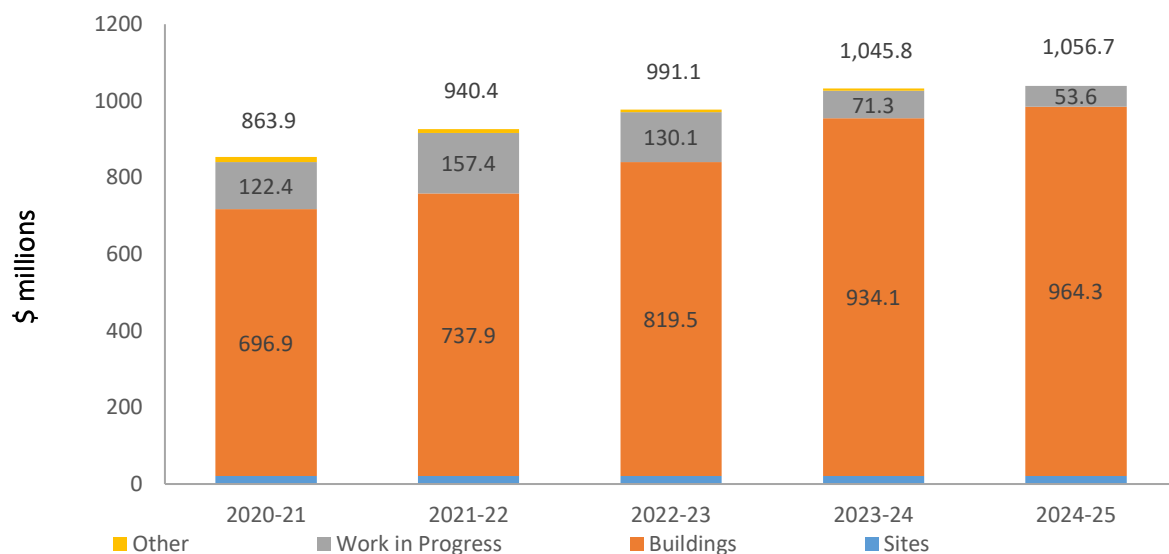
Tangible capital assets were \$1,056.65 million as at June 30, 2025, compared to \$1,045.75 million the previous year. During the year, the work-in-progress of \$4.83 million was written off as it represents costs incurred to complete Project Definition Reports for capital projects that have not been 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	203-24 Actual	2024-25 Budget	2024-25 Actual
Revenue						
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
Total Revenue	650.62	638.88	691.47	756.70	788.34	800.24
Expense						
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
Total Expense	639.50	650.45	699.74	753.35	804.14	812.42
Net Revenue (Expense)	11.12	(11.57)	(8.27)	3.35	(15.80)	(12.18)
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
Surplus (Deficit) for the year	\$ 11.12	\$ (11.57)	\$ (8.27)	\$ 3.35	\$ (15.80)	\$ (12.18)

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

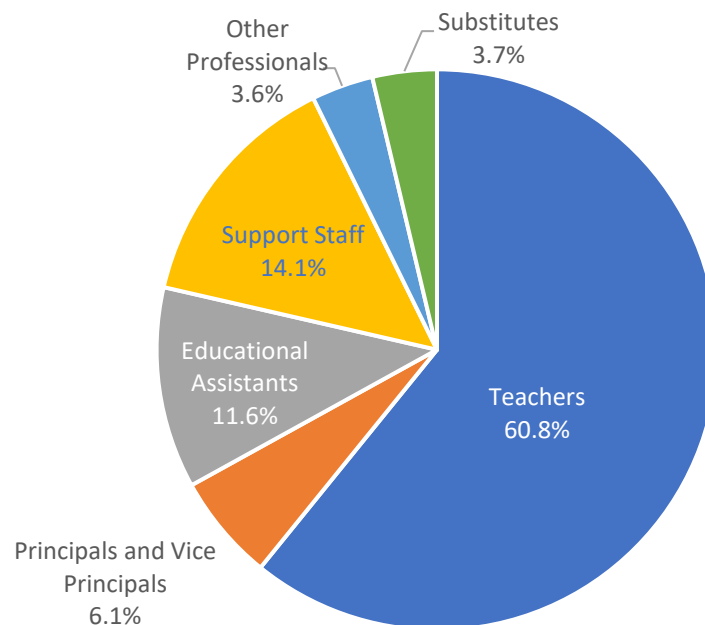
Consolidated expenses were \$8.28 million higher than budget, reflecting a one-time adjustment to write off work-in-progress of \$3.71 million and a \$3.35 million increase in the estimated costs of asset retirement obligations. This totalled \$7.06 million in unbudgeted expenses which are reported in 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 a 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 as remedy costs budgeted as TTOC costs were accrued as teacher costs based on the agreements for alternative remedies for 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 TTOC's 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
Revenue					
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)
Total Revenue	650.73	659.92	9.19	632.46	27.46
Expense					
Salaries					
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
Total Salaries	461.14	459.77	(1.37)	441.96	17.81
Employee Benefits	127.25	130.70	3.45	118.05	12.65
Total Salaries and Benefits	588.39	590.47	2.08	560.01	30.46
Services and Supplies					
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
Total Services and Supplies	72.25	68.62	(3.63)	63.57	5.05
Total Operating Expense	660.64	659.09	(1.55)	623.58	35.51
Net Revenue (Expense)	(9.91)	0.83	10.74	8.88	(8.05)
Capital Assets Purchased	(3.91)	(2.93)	0.98	(3.61)	0.68
Interfund Transfers	-	1.04	1.04	-	1.04
Surplus (Deficit) for the Year	\$ (13.82)	\$ (1.06)	\$ 12.76	\$ 5.27	\$ (6.33)

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

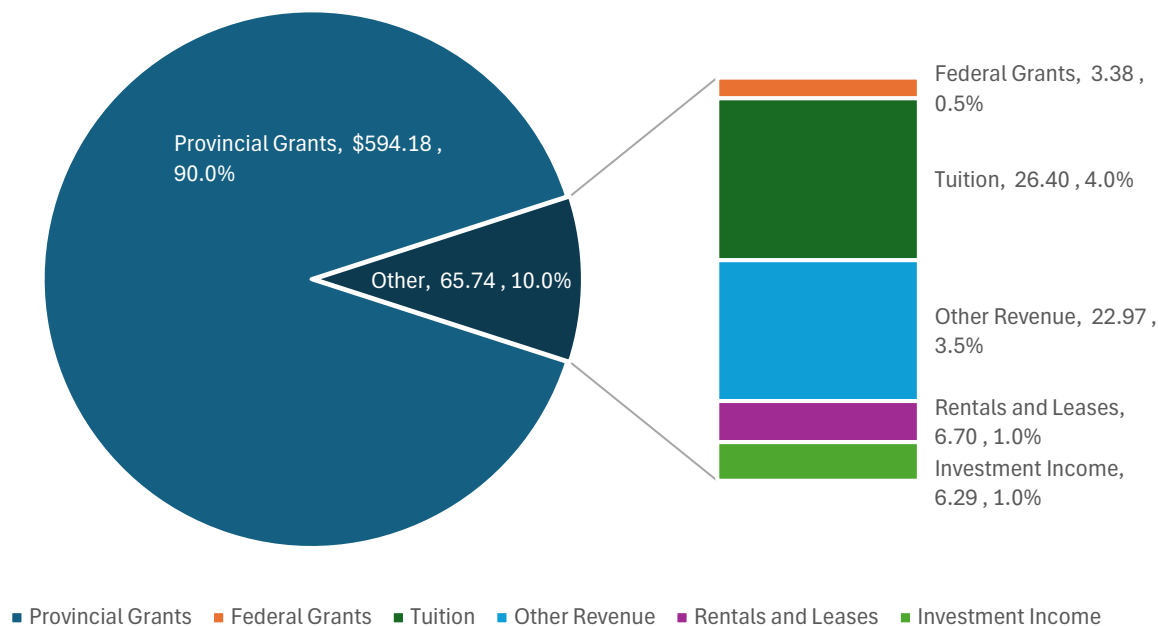
School Generated Funds (SGF) (\$ millions)	2024-25 Budget	2024-25 Actual	2023-24 Actual
SGF - Other Revenue	12.64	14.56	13.18
SGF - Supplies	14.05	14.48	12.67

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



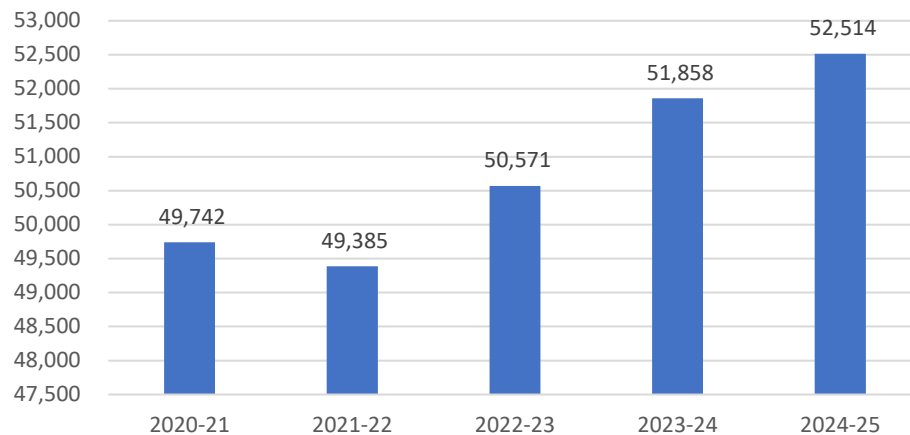
MECC Grants

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 table 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 656 students in enrolment of 1,287 students (2.54%) in the 2023-24 year and an additional 656 students (1.26%) in the 2024-25 year.

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
Enrolment Categories						
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	-
Total Funded Enrolment	49,742	49,385	50,571	51,858	52,483	52,514
Supplemental Funding						
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)	2021-21 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.

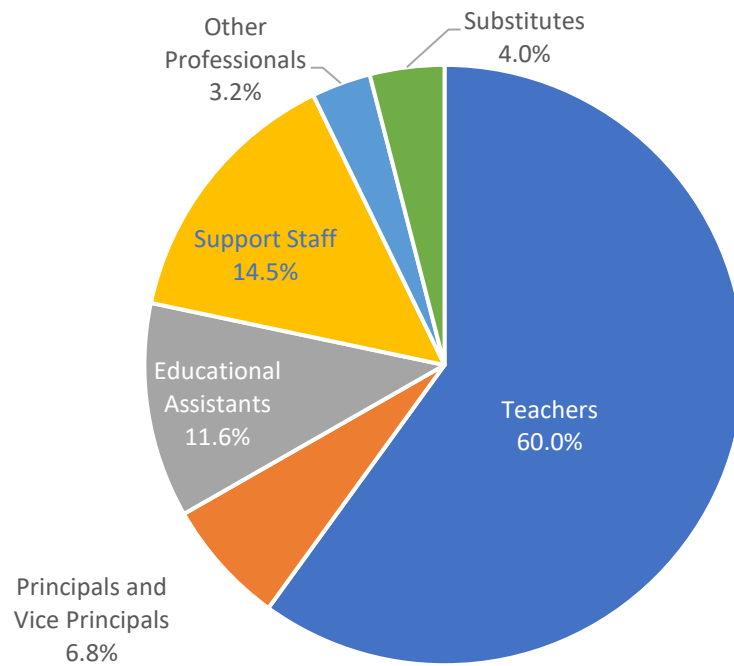
Expenses

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.

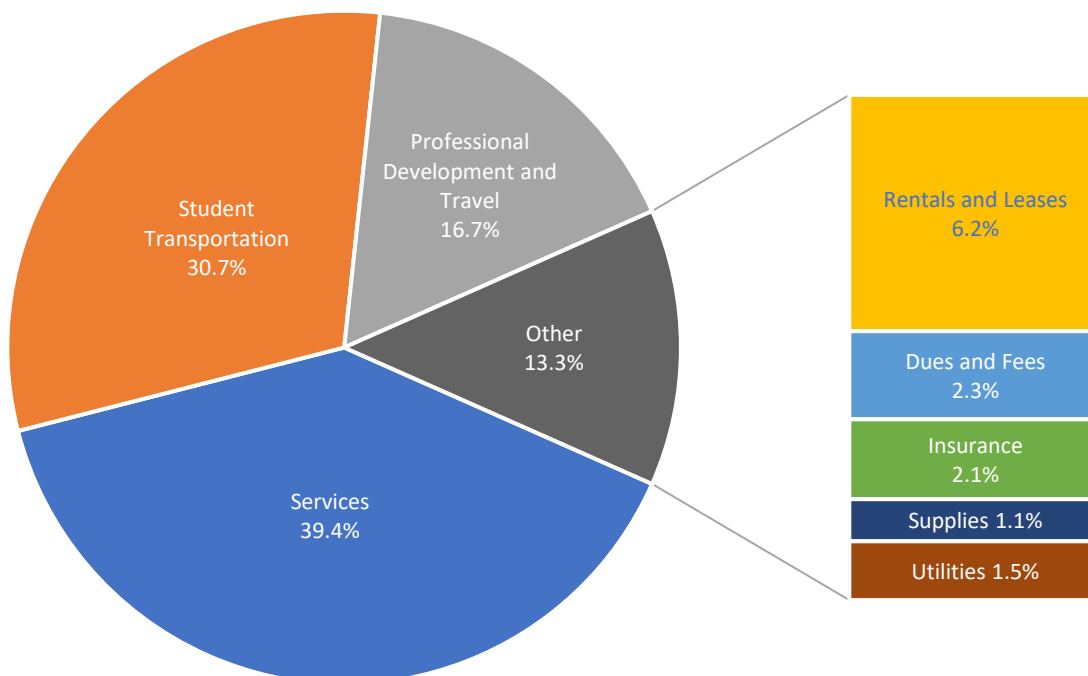
Figure 23 – Operating Fund Salaries by Employee Group



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 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 last year 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.

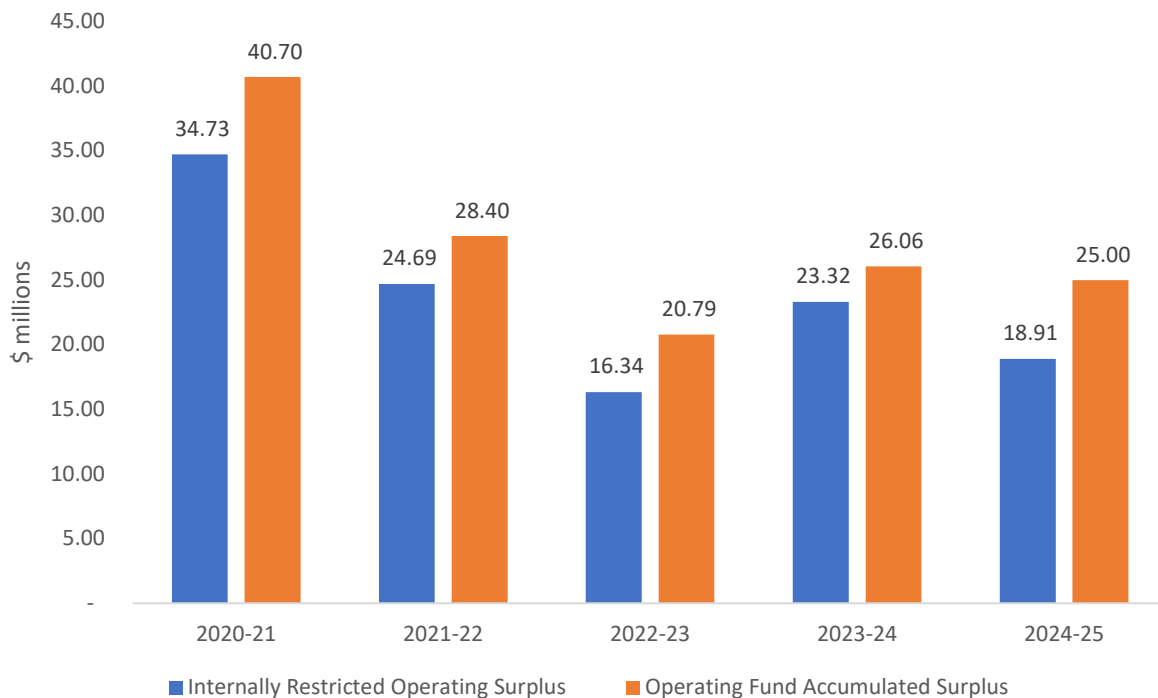
The Board's accumulated operating surplus consists of internally restricted operating funds and unrestricted operating funds, in the following categories:

- 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 established 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
Internally Restricted (Appropriated) by the Board for:		
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
Total Internally Restricted Operating Surplus	23.32	18.91
Operating Fund Contingency	12.09	15.44
Unfunded Litigation Costs	(9.35)	(9.35)
Unrestricted Operating Fund Surplus (Contingency)	2.74	6.09
Operating Fund Accumulated Surplus	\$ 26.06	\$ 25.00

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
Revenue						
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
Expense						
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)
Surplus (Deficit) for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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	To 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 implement 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	-
TOTAL	\$94.17	\$76.36	\$85.88	\$94.18	\$104.36	\$ 107.00

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
Revenue						
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
Total Revenue	22.49	28.64	29.43	30.06	33.25	33.32
Expense						
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
Total Expense	30.32	33.20	34.88	36.11	39.81	46.51
Net Revenue (Expense)	(7.83)	(4.56)	(5.45)	(6.05)	(6.56)	(13.19)
Net Transfers (to) from other funds	8.42	5.28	4.74	4.13	4.58	2.07
Surplus (Deficit) for the year	\$ 0.59	\$ 0.72	\$ (0.71)	\$ (1.92)	\$ (1.98)	\$ (11.12)

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
Revenue						
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
Expense						
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
Other Adjustments to Fund Balances						
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
Revenue						
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
Expense						
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
Other Adjustments to Fund Balances						
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
Bylaw Capital							
Bylaw Capital School Replacement							
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
Bylaw Capital Seismic Mitigation							
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
Annual Facilities Grant	12.07	9.00	11.08	9.76	11.77	12.07	12.07
MECC Minor Capital Programs	7.76	-	-	-	2.11	0.12	3.81
Total Bylaw Capital	\$508.83	\$ 81.95	\$ 94.26	\$ 68.22	\$ 51.77	\$ 41.61	\$ 37.26
Ministry of Education Restricted Capital							
Coal Harbour	\$ 31.66	\$ -	\$ -	\$ -	\$ 19.22	\$ 6.41	6.28
Lord Roberts Annex	-	-	-	-	-	0.41	0.05
Total Ministry of Education Restricted Capital	\$ 31.66	\$ -	\$ -	\$ -	\$ 19.22	\$ 6.82	\$ 6.33

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

An aerial architectural rendering of the proposed development at the former site of the World Trade Center. The image shows a large, curved, multi-story building with a green roof and a large circular green space in the foreground. A marina with many sailboats is visible to the left, and a large white building is to the right. The rendering illustrates the integration of green space and public amenities into the urban development.

Financial Statements Discussion and Analysis

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
Universally 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 Whales 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
Total		<u><u>14,116,233</u></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 to 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 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 the 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.

Audited Financial Statements of

School District No. 39 (Vancouver)

And Independent Auditors' Report thereon

June 30, 2025

School District No. 39 (Vancouver)

June 30, 2025

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 4682-3937-1954

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 39 (Vancouver) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

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

The Board of Education of School District No. 39 (Vancouver) (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. 39 (Vancouver) 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. 39 (Vancouver)

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
--------------------------------------	-------------

**KPMG LLP**

PO Box 10426, 777 Dunsmuir Street
Vancouver, BC V7Y 1K3
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 39 (Vancouver)
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 39 (Vancouver) (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 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:

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

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

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

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

Chartered Professional Accountants

Vancouver, Canada
[DATE]

School District No. 39 (Vancouver)

Statement 1

Statement of Financial Position

As at June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	204,874,430	207,569,433
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	5,187,360	5,392,460
Due from Province - Other		140,408
Other (Note 3)	30,175,838	32,445,386
Portfolio Investments (Note 4)	30,208,956	50,410,724
Total Financial Assets	270,446,584	295,958,411
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	233,539	234,839
Other (Note 5)	93,376,357	115,565,109
Unearned Revenue (Note 6)	63,079,517	57,056,260
Deferred Revenue (Note 7)	38,960,835	41,662,438
Deferred Capital Revenue (Note 8)	966,409,034	953,310,706
Employee Future Benefits (Note 9)	33,892,379	33,850,560
Asset Retirement Obligation (Note 10)	70,320,233	66,971,650
Capital Lease Obligations (Note 11)	2,607,996	2,572,960
Total Liabilities	1,268,879,890	1,271,224,522
Net Debt	(998,433,306)	(975,266,111)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	1,056,645,885	1,045,745,806
Prepaid Expenses	3,008,153	3,051,811
Supplies Inventory	1,411,838	1,285,659
Other Assets	-	-
Total Non-Financial Assets	1,061,065,876	1,050,083,276
Accumulated Surplus (Deficit) (Note 14)	62,632,570	74,817,165
Contractual Obligations (Note 15)		
Contingent Assets (Note 16)		
Contingent Liabilities (Note 17)		

Approved by the Board

Signature of the Chairperson of the Board of Education	Date Signed
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Signature of the Superintendent	Date Signed
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Signature of the Secretary Treasurer	Date Signed
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School District No. 39 (Vancouver)

Statement 2

Statement of Operations

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	681,578,366	682,302,605	646,100,708
Other	8,872,382	10,062,363	9,211,318
Federal Grants	3,407,449	3,375,678	3,192,037
Tuition	24,842,423	26,400,962	26,789,970
Other Revenue	25,507,536	31,365,552	27,649,234
Rentals and Leases	7,730,139	8,925,174	7,988,402
Investment Income	6,247,968	7,521,963	9,235,795
Amortization of Deferred Capital Revenue	30,157,151	30,286,834	26,533,602
Total Revenue	<u>788,343,414</u>	<u>800,241,131</u>	<u>756,701,066</u>
Expenses (Note 19)			
Instruction	638,753,229	640,907,933	601,753,079
District Administration	34,134,395	32,601,794	28,750,251
Operations and Maintenance	126,424,971	127,294,158	119,009,276
Transportation and Housing	4,651,884	4,450,335	3,720,473
Debt Services	186,498	108,274	129,538
Write-off/down of Buildings and Sites		3,714,650	
ARO Accretion		3,348,582	
Total Expense	<u>804,150,977</u>	<u>812,425,726</u>	<u>753,362,617</u>
Surplus (Deficit) for the year	<u>(15,807,563)</u>	<u>(12,184,595)</u>	<u>3,338,449</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		74,817,165	71,478,716
Accumulated Surplus (Deficit) from Operations, end of year		<u>62,632,570</u>	<u>74,817,165</u>

School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(15,807,563)	(12,184,595)	3,338,449
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(61,389,591)	(49,769,179)	(90,168,921)
Amortization of Tangible Capital Assets	38,673,698	38,792,405	35,252,334
ARO Change in Estimate			215,950
ARO Retirement		76,695	
Total Effect of change in Tangible Capital Assets	(22,715,893)	(10,900,079)	(54,700,637)
Acquisition of Prepaid Expenses		(5,731,916)	(7,285,114)
Use of Prepaid Expenses		5,775,574	5,919,330
Acquisition of Supplies Inventory		(1,469,009)	(1,702,603)
Use of Supplies Inventory		1,342,830	1,529,062
Total Effect of change in Other Non-Financial Assets	-	(82,521)	(1,539,325)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(38,523,456)	(23,167,195)	(52,901,513)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(23,167,195)	(52,901,513)
Net Debt, beginning of year		(975,266,111)	(922,364,598)
Net Debt, end of year		(998,433,306)	(975,266,111)

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(12,184,595)	3,338,449
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	2,615,056	(13,375,770)
Supplies Inventories	(126,179)	(173,541)
Prepaid Expenses	43,658	(1,365,784)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(22,190,052)	27,765,982
Unearned Revenue	6,023,257	738,199
Deferred Revenue	(2,701,603)	(632,100)
Employee Future Benefits	41,819	614,446
Asset Retirement Obligations	3,348,583	(146,061)
Amortization of Tangible Capital Assets	38,792,405	35,252,334
Amortization of Deferred Capital Revenue	(30,286,834)	(26,533,602)
Write-Off Work in Progress	3,714,650	
Total Operating Transactions	(12,909,835)	25,482,552
Capital Transactions		
Tangible Capital Assets Purchased	(1,696,872)	(2,542,379)
Tangible Capital Assets -WIP Purchased	(50,516,302)	(87,119,917)
Tangible Capital Assets - WIP Purchased Prior Period		1,599,972
Total Capital Transactions	(52,213,174)	(88,062,324)
Financing Transactions		
Capital Revenue Received	45,858,650	60,757,905
Capital Lease Payments	(1,804,084)	(1,466,624)
DCR Transfers and other items	(1,828,328)	
Total Financing Transactions	42,226,238	59,291,281
Investing Transactions		
Investments in Portfolio Investments	20,201,768	(49,991,208)
Total Investing Transactions	20,201,768	(49,991,208)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,695,003)	(53,279,699)
Cash and Cash Equivalents, beginning of year	207,569,433	260,849,132
Cash and Cash Equivalents, end of year	204,874,430	207,569,433
Cash and Cash Equivalents, end of year, is made up of:		
Cash	204,874,430	207,569,433
	204,874,430	207,569,433

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

1 Authority and Purpose

The School District, established on April 12, 1946, 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. 39 (Vancouver)", and operates as "School District No. 39 (Vancouver)." A Board of Education (Board) elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care ("MECC"). School District No. 39 (Vancouver) is exempt from federal and provincial income taxes.

2 Summary of Significant Accounting Policies

a) Basis of Accounting

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

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

As noted in Notes 2(f) and 2(n), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue.

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (GIC's), Short-term Investment Certificate and bonds that have a period to maturity of greater than three months at the time of acquisition. These investments are not quoted in an active market and are reported at amortized cost, and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issuance of a financial asset.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods, receipt of proceeds for services or products to be delivered in a future period and the remaining balance of a 99-year ground lease. For tuition fees and the receipt of proceeds for services or products to be delivered, revenue will be recognized in that future period when the courses, services, or products are provided. For the ground lease, revenue will be recognized on a straight-line basis over the remaining term of the lease.

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(n).

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

i) Post-employment benefits

The School District provides certain post-employment benefits, including vested and non-vested benefits, for certain employees pursuant to certain contracts and union agreements. The School District accrues its obligations and related costs, including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits.

The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality.

The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

i) Pension Plans

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

h) Tangible Capital Assets

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction, as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined in which case the assets are 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 of tangible capital assets commences when the asset is available for productive 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.
- 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 indicate the need to revise.

Estimated useful life is as follows:

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

i) Asset Retirement Obligations

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

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

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

j) Capital Leases

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

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid annual maintenance contracts, prepaid rent and membership dues 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) Supplies Inventory

Supplies inventory held for consumption or use are recorded at the lower of historical cost and replacement cost.

m) 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.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

n) Revenue Recognition

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

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

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

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

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

The accounting treatment for restricted contributions that are government transfers is not consistent with the requirements of Canadian public sector accounting standards which require that governments 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 over the period that the liability is extinguished.

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

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

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

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

o) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

p) 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, portfolio investments, accounts receivable, accounts payable and other current liabilities.

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

The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Interest and dividends attributable to financial instruments are reported in the statement of operations.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

2 Summary of Significant Accounting Policies (continued)

p) Financial Instruments (continued)

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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.

q) Liability for Contaminated Sites

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

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

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

r) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

3 Other Receivables

Other Receivables include an amount for unpaid ground lease revenue. On December 22, 2024, the Supreme Court Of British Columbia 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 the initial 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.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Due from Federal Government	\$ 1,253,366	\$ 488,059
Due from Municipalities	19,695,743	18,046,322
Due from Other School Districts	192,325	305,000
Rentals and Leases	3,995,814	56,766,410
Other Receivables	5,038,590	13,199,305
Total Receivables	30,175,838	88,805,096
Allowance for Doubtful Accounts	-	(56,359,710)
Net Balance	<u>\$ 30,175,838</u>	<u>\$ 32,445,386</u>

4 Portfolio Investments

Investments included in portfolio investments are Guaranteed Investment Certificates (GIC's) held with local banking institutions and earn average interest at 3.77%. Senior government bonds held earn average interest at 2.71% (2024 – 2.56%).

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Short-term Investment Certificate	\$ -	\$ 50,000,000
Senior Government Bonds	107,910	309,139
GIC's	30,101,046	101,585
Net Balance	<u>\$ 30,208,956</u>	<u>\$ 50,410,724</u>

5 Accounts Payable and Accrued Liabilities – Other

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Trade Payables	\$ 9,239,004	\$ 12,906,605
Salaries and Benefits Payable	46,918,812	43,978,045
Accrued Vacation Pay	12,007,994	11,430,503
Other	25,210,547	47,249,956
	<u>\$ 93,376,357</u>	<u>\$ 115,565,109</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

6 Unearned Revenue

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Balance, beginning of year		
Tuition fees	\$ 23,904,730	\$ 24,072,040
Rental and lease of facilities	13,369,523	13,398,856
Other	19,782,007	18,847,165
	<u>57,056,260</u>	<u>56,318,061</u>
 Amounts received		
Tuition fees	22,328,544	25,557,293
Rental and lease of facilities	24,046,924	7,889,069
Other	742,712	934,842
	<u>47,118,180</u>	<u>34,381,204</u>
 Amounts recognized in revenue		
Tuition fees	24,840,975	25,724,603
Rental and lease of facilities	16,253,948	7,918,402
Other	-	-
	<u>41,094,923</u>	<u>33,643,005</u>
 Balance, end of year		
Tuition fees	21,392,299	23,904,730
Rentals and lease of facilities	21,162,499	13,369,523
Other	20,524,719	19,782,007
	<u>\$ 63,079,517</u>	<u>\$ 57,056,260</u>

7 Deferred Revenue

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

7 Deferred Revenue (continued)

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Balance, beginning of year		
Provincial Grants - Ministry of Education and Child Care	\$ 5,529,722	\$ 5,001,078
Provincial Grants - Other	28,574,738	30,831,936
Other Grants	6,034,264	5,971,894
Investment Income	1,523,714	489,630
	<u>41,662,438</u>	<u>42,294,538</u>
Increases during the year		
Provincial Grants - Ministry of Education and Child Care	89,785,748	78,189,881
Provincial Grants - Other	7,086,507	6,891,871
Other	8,157,842	7,544,821
Interest Income	1,241,225	1,982,248
	<u>106,271,322</u>	<u>94,608,821</u>
Allocated to Revenue		
Provincial Grants - Ministry of Education and Child Care	88,213,490	76,601,848
Provincial Grants - Other	10,000,114	9,149,069
Other Grants	7,903,665	7,482,451
Interest Income	888,037	948,164
	<u>107,005,306</u>	<u>94,181,532</u>
Recoveries		
Provincial Grants - Ministry of Education and Child Care	<u>1,967,619</u>	<u>1,059,389</u>
Balance, end of year		
Provincial Grants - Ministry of Education and Child Care	5,134,361	5,529,722
Provincial Grants - Other	25,661,131	28,574,738
Other Grants	6,288,441	6,034,264
Investment Income	1,876,902	1,523,714
	<u>\$ 38,960,835</u>	<u>\$ 41,662,438</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

8 Deferred Capital Revenue

Deferred Capital Revenue (DCR) 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 Regulation 198/2011 issued by the Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Deferred Capital Revenue, Completed Projects		
Balance, beginning of year	\$ 870,737,396	\$ 754,002,130
Increases		
Transfers from Work in Progress	62,761,884	141,496,348
Transferred to Deferred Revenue Other from Bylaw	-	1,853,508
	<u>62,761,884</u>	<u>143,349,856</u>
Decreases		
Amortization - ByLaw Capital	28,676,459	25,378,458
Amortization - Other Provincial Capital	443,404	424,933
Amortization - Other Capital	1,166,971	730,211
ARO Settlement	-	76,695
Transfer from Completed DCR to Unspent DCR	1,634,413	-
Other items, net	76,695	4,293
	<u>31,997,942</u>	<u>26,614,590</u>
Balance, end of year	<u>901,501,338</u>	<u>870,737,396</u>
Deferred Capital Revenue, Work in Progress		
Balance, beginning of year	59,820,334	120,562,774
Increases		
Transfers from Deferred Revenue – Unspent funds	47,595,064	80,918,603
Decreases		
Transfers to Deferred Revenue Other from Bylaw	-	164,695
Transfers to Deferred Capital Revenue – Completed projects	62,761,884	141,496,348
Funding for Project Definition Reports for capital projects not funded	568,465	-
Balance, end of year	<u>44,085,049</u>	<u>59,820,334</u>
Balance DCR - Completed Projects and WIP, end of year	<u>945,586,387</u>	<u>930,557,730</u>
Deferred Capital Revenue, Unspent		
Balance, beginning of year	22,752,976	42,990,369
Increases		
Provincial Grants – Ministry of Education and Child Care	39,636,921	51,851,883
Other Grants	3,570,873	8,552,315
Investment Income	939,748	2,392,327
Transfer from Completed DCR to Unspent DCR	1,634,413	-
Others	76,695	-
	<u>45,858,650</u>	<u>62,796,525</u>
Decreases		
Transferred to Deferred Capital Revenue, WIP	47,595,064	80,918,603
Reversal of investment income	193,915	-
Settlement of Asset Retirement Obligations	-	76,695
Transfers to Deferred Revenue Other from Bylaw	-	2,038,620
	<u>47,788,979</u>	<u>83,033,918</u>
Balance, DCR - Unspent, end of year	<u>20,822,647</u>	<u>22,752,976</u>
Total Deferred Capital Revenue	<u>\$ 966,409,034</u>	<u>\$ 953,310,706</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

9 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.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 25,988,416	\$ 26,388,850
Service Cost	1,702,176	1,730,689
Interest Cost	1,123,534	1,070,063
Benefit Payments	(2,020,968)	(1,909,561)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	1,730,962	(1,291,625)
Accrued Benefit Obligation – March 31	<u>\$ 28,524,120</u>	<u>\$ 25,988,416</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 28,524,120	\$ 25,988,416
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(28,524,120)	(25,988,416)
Employer Contributions After Measurement Date	1,419,325	1,357,261
Benefits Expense After Measurement Date	(735,425)	(706,428)
Unamortized Net Actuarial (Gain) Loss	(6,052,159)	(8,512,977)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (33,892,379)</u>	<u>\$ (33,850,560)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 33,850,559	\$ 33,236,114
Net Expense for Fiscal Year	2,124,851	2,720,471
Employer Contributions	(2,083,031)	(2,106,025)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 33,892,379</u>	<u>\$ 33,850,560</u>
Components of Net Benefit Expense		
Service Cost	1,726,420	1,723,561
Interest Cost	1,128,287	1,083,431
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(729,856)	(86,521)
Net Benefit Expense (Income)	<u>\$ 2,124,851</u>	<u>\$ 2,720,471</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

9 Employee Future Benefits (continued)

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Assumptions		
Discount Rate - April 1	4.25%	4.00%
Discount Rate - March 31	4.00%	4.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.1	11.0

The impact of changes in assumptions between the March 31, 2025 measurement date and June 30, 2025 reporting date have been considered and are not considered to be material.

10 Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials (lead in paint, fuel tanks) within some School District owned buildings that will undergo major renovations or demolition in the future. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Asset Retirement Obligation, beginning of year	\$ 66,971,650	\$ 67,117,711
Change of accounting estimate	-	146,585
Settlements during the year	-	(292,646)
Accretion Expense	3,348,583	
Asset Retirement Obligation, end of year	<u>\$ 70,320,233</u>	<u>\$ 66,971,650</u>

11 Capital Lease Obligations

Repayments are due as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Fiscal year ended		
2025	\$ -	1,587,477
2026	1,587,178	1,057,384
2027	632,838	101,024
2028	499,192	-
	<u>2,719,208</u>	<u>2,745,885</u>
Interest portion	(111,212)	(172,925)
Total	<u>\$ 2,607,996</u>	<u>\$ 2,572,960</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

12 Tangible Capital Assets

2025

Cost	July 1, 2024	Additions & ARO	Disposals & ARO	Transfers	June 30, 2025
Sites	\$ 20,781,543	\$ -	\$ -	\$ -	\$ 20,781,543
Buildings	1,486,467,041	-	(76,695)	63,622,455	1,550,012,801
Buildings – WIP	71,270,110	50,201,141	(4,283,115)	(63,622,455)	53,565,681
Furniture & Equipment	21,014,530	1,363,882	(1,432,938)	315,161	21,260,635
Furniture & Equipment - WIP	-	315,161	-	(315,161)	-
Vehicles	1,727,699	-	(191,448)	-	1,536,251
Computer Software	100,244	-	-	-	100,244
Computer Hardware	16,014,429	2,172,110	(2,244,045)	-	15,942,494
Total	\$ 1,617,375,596	\$ 54,052,294	\$ (8,228,241)	\$ -	\$ 1,663,199,649

Accumulated Amortization	July 1, 2024	Amortization & ARO	Disposals & ARO	June 30, 2025
Buildings	\$ 552,397,841	\$ 33,299,707	\$ -	\$ 585,697,548
Furniture & Equipment	8,319,273	2,113,758	1,432,938	9,000,093
Vehicles	1,051,429	163,197	191,448	1,023,178
Computer Software	51,612	20,049	-	71,661
Computer Hardware	9,809,635	3,195,694	2,244,045	10,761,284
Total	\$ 571,629,790	\$ 38,792,405	\$ 3,868,431	\$ 606,553,764

2024

Cost	July 1, 2023	Additions & ARO	Disposals & ARO	Transfers	June 30, 2024
Sites	\$ 20,781,543	\$ -	\$ -	\$ -	\$ 20,781,543
Buildings	1,342,488,647	-	(68,842)	144,047,236	1,486,467,041
Buildings – WIP	130,060,761	85,256,585	-	(144,047,236)	71,270,110
Furniture & Equipment	19,275,665	2,185,791	(2,324,151)	1,877,225	21,014,530
Furniture & Equipment - WIP	13,893	1,863,332	-	(1,877,225)	-
Vehicles	1,930,326	-	(202,627)	-	1,727,699
Computer Software	339,791	10,113	(249,660)	-	100,244
Computer Hardware	20,528,739	705,992	(5,220,302)	-	16,014,429
Total	\$ 1,535,419,365	\$ 90,021,813	\$ (8,065,582)	\$ -	\$ 1,617,375,596

Accumulated Amortization	July 1, 2023	Amortization & ARO	Disposals & ARO	June 30, 2024
Buildings	\$ 523,041,238	\$ 29,356,603	\$ -	\$ 552,397,841
Furniture & Equipment	8,628,915	2,014,509	2,324,151	8,319,273
Vehicles	1,071,155	182,901	202,627	1,051,429
Computer Software	257,269	44,003	249,660	51,612
Computer Hardware	11,375,619	3,654,318	5,220,302	9,809,635
Total	\$ 544,374,196	\$ 35,252,334	\$ 7,996,740	\$ 571,629,790

Net Book Value	June 30, 2025	June 30, 2024
Sites	\$ 20,781,543	\$ 20,781,543
Buildings	964,315,253	934,069,200
Buildings - WIP	53,565,681	71,270,110
Furniture & Equipment	12,260,542	12,695,257
Furniture & Equipment - WIP	-	-
Vehicles	513,073	676,270
Computer Software	28,583	48,632
Computer Hardware	5,181,210	6,204,794
Total	\$ 1,056,645,885	\$ 1,045,745,806

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

12 Tangible Capital Assets (continued)

As at June 30, 2025, there was work in progress of \$53,565,681 (2024 – \$71,270,110) included in Buildings and Furniture & Equipment and not being amortized. Included in disposals is a write down of WIP of \$3,714,650 (2024 - \$nil).

Included within tangible capital assets purchases is \$1,839,120 (2024 – \$359,517) of assets acquired through capital lease.

13 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 \$54,146,757 (2024 – \$51,103,565) for employer contributions to these plans in the year ended June 30, 2025.

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026 with results available in late 2027. The next valuation for the Municipal Pension Plan will be as at December 31, 2024, with results available in late 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.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

14 Accumulated Surplus

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Local Capital Surplus		
Internally Restricted (Appropriated) by the Board for:		
Restricted for Future Capital Cost Share		
New Elementary School at Coal Harbour	\$ 1,996,488	\$ 4,208,190
Eric Hamber Secondary	-	280,000
Henry Hudson Elementary	-	322,500
Kitsilano Secondary	14,364	50,798
Equipment Replacement	867,971	500,000
Financial Provisions	200,000	200,000
Parkade and Paid Parking Lots Renewal	653,761	622,257
Renewal of Leased Facilities	240,000	-
Replacement School at Lord Roberts Annex	3,235,396	3,418,029
Technology for Student Learning	5,245	-
Automated External Defibrillators	247,931	-
Contingency Reserve for Local Capital	4,316,312	3,284,142
Total Internally Restricted Local Capital Surplus	<u>11,777,468</u>	<u>12,885,916</u>
Invested in Capital Assets	<u>25,856,261</u>	<u>35,870,972</u>
Total Local Capital Surplus	<u>37,633,729</u>	<u>48,756,888</u>
 Accumulated Operating Surplus		
Internally Restricted (Appropriated) by the Board for:		
Planned Future Operations Spanning Multiple Years		
Cafeteria Upgrades	-	50,000
Contractual Professional Development	-	200,000
Education Plan	62,714	62,714
Equity and Anti-Oppression	260,069	150,954
Indigenous Education	295,461	150,315
IT Capital Plan	155,924	294,759
Long Range Facilities Plan	120,000	120,000
Online Learning Funding for Courses in Progress	411,064	313,467
Purchase Order Commitments	786,527	1,007,020
Recruitment Strategy Review and Improvement	-	50,000
School Budget Balances	2,850,281	1,769,617
Total Planned Future Operations Spanning Multiple Years	<u>4,942,040</u>	<u>4,168,846</u>
Anticipated Future Requirements		
Financial Provisions	1,352,974	7,300,000
Risk Mitigation - Systems and Processes	673,151	700,000
Total Anticipated Future Requirements	<u>2,026,125</u>	<u>8,000,000</u>
Restricted Due to Constraints on Funds		
Early Career Mentorship	257,976	449,443
Grants and Donations	3,131,454	2,904,611
Scholarships	813,527	822,965
School Generated Funds	7,735,493	6,973,706
Total Restricted Due to Constraints on Funds	<u>11,938,450</u>	<u>11,150,725</u>
Total Internally Restricted Operating Surplus	<u>18,906,615</u>	<u>23,319,571</u>
Operating Fund Contingency	15,443,012	12,091,492
Unfunded Litigation Costs	(9,350,786)	(9,350,786)
Unrestricted Operating Fund Surplus (Contingency)	<u>6,092,226</u>	<u>2,740,706</u>
Total Accumulated Operating Accumulated Surplus	<u>24,998,841</u>	<u>26,060,277</u>
Accumulated Surplus	<u>\$ 62,632,570</u>	<u>\$ 74,817,165</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

15 Contractual Obligations

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met.

	2026	2027	2028	2029
Approved Capital Projects	\$ 22,118,804	\$ 1,654,250	\$ 803,159	\$ 267,614
Future operating lease payments	407,918	190,917	160,658	-
	<u>\$ 22,526,722</u>	<u>\$ 1,845,167</u>	<u>\$ 963,817</u>	<u>\$ 267,614</u>

16 Contingent Assets

In fiscal year ended June 30, 2019, the School District entered into an agreement with BC Hydro for the sale of an underground air parcel at Lord Roberts Annex for the construction of an electrical substation. As a result of that sale, a contingent contractual right exists in the form of a construction lease. The issuance of the construction lease is dependent on BC Hydro receiving a Certificate of Public Convenience and Necessity from the British Columbia Utilities Commission for the construction of the substation.

In January 2022, the School District received an arbitration award regarding the annual ground lease rent for the site on which Kingsgate Mall occupies. The School District has invoiced the tenant annual rent based on the arbitration ruling, and the tenant has been paying a lower rent amount. Beedie Development LP challenged the arbitration award determining the market value of Kingsgate Mall for setting rent for the next lease 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 School District is appealing this decision. The collectability of the amount invoiced is dependent on the outcome of the appeal.

Contingent assets are not recorded in the financial statements.

17 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.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

17 Contingent Liabilities (continued)

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.

18 Budget Figures

Budget figures reflect the amended annual budget approved by the Board on March 11, 2025. The School District has elected to present the amended annual budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated annual projections. As the 2024/25 Amended Annual Budget is used for comparative purposes, a reconciliation between the 2024/25 Annual and the 2024/25

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

Amended Annual Budgets is provided:

	<u>Annual Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Revenues			
Provincial Grants			
Ministry of Education and Child Care	\$ 676,802,286	\$ 4,776,080	\$ 681,578,366
Other	8,872,382	-	8,872,382
Federal Grants	3,408,597	(1,148)	3,407,449
Tuition	24,494,729	347,694	24,842,423
Other Revenue	22,801,867	2,705,669	25,507,536
Rentals and Leases	7,518,248	211,891	7,730,139
Investment Income	6,810,010	(562,042)	6,247,968
Amortization of Deferred Capital Revenue	29,137,830	1,019,321	30,157,151
Total Revenue	<u>779,845,949</u>	<u>8,497,465</u>	<u>788,343,414</u>
Expenses			
Instruction	627,533,618	11,219,611	638,753,229
District Administration	27,694,373	6,440,022	34,134,395
Operations and Maintenance	122,714,197	3,710,774	126,424,971
Transportation and Housing	3,478,818	1,173,066	4,651,884
Debt Services	187,521	(1,023)	186,498
Total Expense	<u>781,608,527</u>	<u>22,542,450</u>	<u>804,150,977</u>
Surplus (Deficit) for the year	<u>(1,762,578)</u>	<u>(14,044,985)</u>	<u>(15,807,563)</u>
Budgeted Allocation of Surplus	929,104	12,894,469	13,823,573
Budgeted Surplus (Deficit), for the year	<u>\$ (833,474)</u>	<u>\$ (1,150,516)</u>	<u>\$ (1,983,990)</u>
 Budgeted Surplus (Deficit), for the year	 <u>\$ (1,762,578)</u>	 <u>\$ (14,044,985)</u>	 <u>\$ (15,807,563)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(54,479,293)	(6,910,298)	(61,389,591)
Amortization of Tangible Capital Assets	37,358,698	1,315,000	38,673,698
Total Effect of Change in Tangible Capital Assets	<u>(17,120,595)</u>	<u>(5,595,298)</u>	<u>(22,715,893)</u>
Increase (Decrease) in Net Financial Debt	<u>\$ (18,883,173)</u>	<u>\$ (19,640,283)</u>	<u>\$ (38,523,456)</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

19 Expense by Object

	2025	2024
	Actual	Actual
Salaries		
Teachers	\$ 316,876,687	\$ 299,794,225
Principals and Vice Principals	31,959,569	32,239,192
Educational Assistants	60,481,519	56,329,934
Support Staff	73,638,981	72,286,652
Other Professionals	18,569,341	17,877,806
Substitutes	19,336,312	18,483,764
	<u>520,862,409</u>	<u>497,011,573</u>
Employee Benefits	148,383,898	134,187,878
Services and supplies	100,930,157	86,781,293
Amortization	42,140,987	35,252,335
Interest	108,275	129,538
	<u>\$ 812,425,726</u>	<u>\$ 753,362,617</u>

20 Interfund Transfers

Interfund Transfers between the operating, special purpose and capital funds for the year were as follows:

- \$1,029,238 from operating to capital for capital assets purchased
- \$1,901,262 from operating to capital for capital lease payments
- 1,039,780 from capital to operating for capital financing costs in prior periods
- \$170,285 from special purpose to capital for capital assets purchased
- \$11,098 from special purpose to capital for capital lease payments

21 Economic Dependence

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

22 Related Party Transactions

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. The School District is also related to key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the School District. The key management personnel are the Board of Education, Superintendent of Schools and the Secretary Treasurer. All transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

23 Risk Management

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

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2025

23 Risk Management (continued)

a) Credit risk

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are held by recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates, term deposits, Senior Government Bonds and the Central Deposit Program of BC.

b) Market risk

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates.

It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk because it invests solely in guaranteed investment certificates, term deposits, and Senior Government Bonds.

c) Liquidity risk

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

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

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2024 related to credit, market or liquidity risks, with the exception of additional exposure to market risks from tariffs. The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.

School District No. 39 (Vancouver)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2025

	Operating Fund	Special Purpose Fund	Capital Fund	2025 Actual	2024 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	26,060,277		48,756,888	74,817,165	71,478,716
Changes for the year					
Surplus (Deficit) for the year	829,284	181,383	(13,195,262)	(12,184,595)	3,338,449
Interfund Transfers					
Tangible Capital Assets Purchased	(1,029,238)	(170,285)	1,199,523	-	
Other	(861,482)	(11,098)	872,580	-	
Net Changes for the year	(1,061,436)	-	(11,123,159)	(12,184,595)	3,338,449
Accumulated Surplus (Deficit), end of year - Statement 2	24,998,841	-	37,633,729	62,632,570	74,817,165

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	593,184,509	594,089,115	569,422,165
Other	78,135	62,249	62,249
Federal Grants	3,407,449	3,375,678	3,192,037
Tuition	24,842,423	26,400,962	26,789,970
Other Revenue	18,010,710	23,010,327	19,709,498
Rentals and Leases	5,631,738	6,697,240	5,674,966
Investment Income	5,583,506	6,282,119	7,611,518
Total Revenue	650,738,470	659,917,690	632,462,403
Expenses			
Instruction	537,188,344	536,552,340	512,138,877
District Administration	33,506,773	31,960,231	27,986,277
Operations and Maintenance	85,448,522	86,272,194	79,887,539
Transportation and Housing	4,505,190	4,303,641	3,573,966
Total Expense	660,648,829	659,088,406	623,586,659
Operating Surplus (Deficit) for the year	(9,910,359)	829,284	8,875,744
Budgeted Appropriation (Retirement) of Surplus (Deficit)	13,823,573		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,841,066)	(1,029,238)	(2,024,567)
Local Capital	-	-	-
Other	(2,072,148)	(861,482)	(1,584,110)
Total Net Transfers	(3,913,214)	(1,890,720)	(3,608,677)
Total Operating Surplus (Deficit), for the year	-	(1,061,436)	5,267,067
Operating Surplus (Deficit), beginning of year		26,060,277	20,793,210
Operating Surplus (Deficit), end of year		24,998,841	26,060,277
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 14)		18,906,615	23,319,571
Unrestricted		6,092,226	2,740,706
Total Operating Surplus (Deficit), end of year		24,998,841	26,060,277

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	577,658,415	579,188,435	551,127,508
Other Ministry of Education and Child Care Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	1,109,550	1,683,352	1,525,321
Student Transportation Fund	53,423	53,423	53,423
FSA Scorer Grant	43,871	43,871	41,621
Child Care Funding	-	44,495	-
Labour Settlement Funding	5,781,415	5,781,415	9,375,668
Forecasted Enrolment Increase	1,243,711	-	-
Premier's Award for Excellence in Education - bursary funds	-	-	3,000
Equity Scan	-	-	1,500
Total Provincial Grants - Ministry of Education and Child Care	593,184,509	594,089,115	569,422,165
Provincial Grants - Other	78,135	62,249	62,249
Federal Grants	3,407,449	3,375,678	3,192,037
Tuition			
Summer School Fees	886,453	897,373	679,539
Continuing Education	422,300	471,518	385,828
International and Out of Province Students	23,533,670	25,032,071	25,724,603
Total Tuition	24,842,423	26,400,962	26,789,970
Other Revenues			
Other School District/Education Authorities	1,804,825	2,374,831	1,675,000
Miscellaneous			
Instructional Cafeteria Revenue	1,096,108	945,774	874,837
Miscellaneous Fees and Revenue	2,668,618	3,884,042	4,177,535
School Generated Funds	12,159,539	14,558,775	12,418,243
Other Grants	257,300	1,246,905	563,883
Other Grants - Child Care	24,320		
Total Other Revenue	18,010,710	23,010,327	19,709,498
Rentals and Leases	5,631,738	6,697,240	5,674,966
Investment Income	5,583,506	6,282,119	7,611,518
Total Operating Revenue	650,738,470	659,917,690	632,462,403

School District No. 39 (Vancouver)**Schedule 2B (Unaudited)**

Schedule of Operating Expense by Object

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Salaries			
Teachers	275,299,958	275,775,846	267,750,776
Principals and Vice Principals	31,313,342	31,073,774	31,184,491
Educational Assistants	55,328,397	53,240,124	48,461,067
Support Staff	67,560,217	66,540,040	63,630,878
Other Professionals	13,771,044	14,691,110	13,202,853
Substitutes	17,874,622	18,452,188	17,733,813
Total Salaries	461,147,580	459,773,082	441,963,878
Employee Benefits	127,250,081	130,694,721	118,048,543
Total Salaries and Benefits	588,397,661	590,467,803	560,012,421
Services and Supplies			
Services	23,940,842	21,055,363	16,732,549
Student Transportation	4,469,353	4,257,455	3,521,351
Professional Development and Travel	2,220,359	1,439,884	969,717
Rentals and Leases	954,016	759,439	828,267
Dues and Fees	1,040,840	1,060,360	744,045
Insurance	1,762,295	1,588,197	1,525,976
Supplies	26,374,309	27,024,501	27,848,954
Utilities	11,489,154	11,435,404	11,403,379
Total Services and Supplies	72,251,168	68,620,603	63,574,238
Total Operating Expense	660,648,829	659,088,406	623,586,659

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	205,919,713	4,206,572	266,797	4,154,879	4,715	13,322,406	227,875,082
1.03 Career Programs	98,313	183,732	146	89,808	-	20,203	392,202
1.07 Library Services	6,714,021	-	1,316	144,539	-	444,571	7,304,447
1.08 Counselling	8,527,270	-	177	505	273,033	564,993	9,365,978
1.10 Inclusive Education	33,083,217	1,419,173	48,033,077	913,788	347,628	2,017,935	85,814,818
1.20 Early Learning and Child Care	-	-	167,884	3,917	-	-	171,801
1.30 English Language Learning	11,496,988	171,223	2,855,799	486,538	221,970	797,849	16,030,367
1.31 Indigenous Education	1,006,273	393,165	1,195,165	190,328	-	9,911	2,794,842
1.41 School Administration	-	21,414,943	570	11,901,742	3,072	949,953	34,270,280
1.60 Summer School	2,032,937	311,703	516,863	235,917	-	-	3,097,420
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	6,897,114	175,878	183,790	536,489	355,219	280,427	8,428,917
1.64 Other	-	-	-	902,226	177,000	372	1,079,598
Total Function 1	275,775,846	28,276,389	53,221,584	19,560,676	1,382,637	18,408,620	396,625,752
4 District Administration							
4.11 Educational Administration	-	2,579,920	-	495,151	1,678,665	2,092	4,755,828
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	-	-	-	79,689	886,969	7,456	974,114
4.41 Business Administration	-	217,465	17,714	3,260,384	6,029,900	34,020	9,559,483
Total Function 4	-	2,797,385	17,714	3,835,224	8,595,534	43,568	15,289,425
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	-	89,269	-	89,269
5.41 Operations and Maintenance Administration	-	-	-	1,718,500	4,604,204	-	6,322,704
5.50 Maintenance Operations	-	-	826	37,508,776	-	-	37,509,602
5.52 Maintenance of Grounds	-	-	-	3,859,684	19,466	-	3,879,150
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	826	43,086,960	4,712,939	-	47,800,725
7 Transportation and Housing							
7.70 Student Transportation	-	-	-	57,180	-	-	57,180
Total Function 7	-	-	-	57,180	-	-	57,180
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	275,775,846	31,073,774	53,240,124	66,540,040	14,691,110	18,452,188	459,773,082

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Actual	2025 Budget (Note 18)	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	227,875,082	61,338,767	289,213,849	17,149,909	306,363,758	309,913,919	298,218,235
1.03 Career Programs	392,202	114,318	506,520	655,327	1,161,847	1,779,074	1,941,804
1.07 Library Services	7,304,447	2,061,775	9,366,222	2,003,895	11,370,117	12,202,573	11,935,025
1.08 Counselling	9,365,978	2,643,618	12,009,596	489,406	12,499,002	13,819,415	13,390,132
1.10 Inclusive Education	85,814,818	27,287,724	113,102,542	2,237,856	115,340,398	109,230,166	96,426,272
1.20 Early Learning and Child Care	171,801	48,676	220,477	5,351	225,828	302,863	250,315
1.30 English Language Learning	16,030,367	4,547,238	20,577,605	462,086	21,039,691	25,877,963	25,368,811
1.31 Indigenous Education	2,794,842	802,272	3,597,114	538,377	4,135,491	4,377,648	3,819,059
1.41 School Administration	34,270,280	9,673,202	43,943,482	1,476,462	45,419,944	43,335,545	41,761,109
1.60 Summer School	3,097,420	874,278	3,971,698	230,979	4,202,677	4,262,102	4,090,015
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	8,428,917	2,386,020	10,814,937	2,065,709	12,880,646	12,087,076	14,938,100
1.64 Other	1,079,598	273,963	1,353,561	559,380	1,912,941	-	-
Total Function 1	396,625,752	112,051,851	508,677,603	27,874,737	536,552,340	537,188,344	512,138,877
4 District Administration							
4.11 Educational Administration	4,755,828	1,378,556	6,134,384	1,346,514	7,480,898	7,818,346	7,945,663
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	974,114	275,401	1,249,515	240,937	1,490,452	1,406,978	1,404,333
4.41 Business Administration	9,559,483	3,031,323	12,590,806	10,398,075	22,988,881	24,281,449	18,636,281
Total Function 4	15,289,425	4,685,280	19,974,705	11,985,526	31,960,231	33,506,773	27,986,277
5 Operations and Maintenance							
5.20 Early Learning and Child Care	89,269	25,195	114,464	-	114,464	168,712	-
5.41 Operations and Maintenance Administration	6,322,704	1,559,462	7,882,166	2,915,896	10,798,062	9,033,200	8,420,779
5.50 Maintenance Operations	37,509,602	11,166,607	48,676,209	8,443,710	57,119,919	57,970,047	53,995,272
5.52 Maintenance of Grounds	3,879,150	1,190,188	5,069,338	1,684,148	6,753,486	6,791,707	6,217,723
5.56 Utilities	-	-	-	11,486,263	11,486,263	11,484,856	11,253,765
Total Function 5	47,800,725	13,941,452	61,742,177	24,530,017	86,272,194	85,448,522	79,887,539
7 Transportation and Housing							
7.70 Student Transportation	57,180	16,138	73,318	4,230,323	4,303,641	4,505,190	3,573,966
Total Function 7	57,180	16,138	73,318	4,230,323	4,303,641	4,505,190	3,573,966
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	459,773,082	130,694,721	590,467,803	68,620,603	659,088,406	660,648,829	623,586,659

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	88,393,857	88,213,490	76,601,848
Other	8,794,247	10,000,114	9,149,069
Other Revenue	7,050,304	7,903,665	7,482,451
Investment Income	118,516	888,037	948,164
Total Revenue	104,356,924	107,005,306	94,181,532
Expenses			
Instruction	101,564,885	104,355,593	89,614,202
District Administration	627,622	641,563	763,974
Operations and Maintenance	1,350,489	1,680,073	3,139,824
Transportation and Housing	146,694	146,694	146,507
Total Expense	103,689,690	106,823,923	93,664,507
Special Purpose Surplus (Deficit) for the year	667,234	181,383	517,025
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(661,685)	(170,285)	(504,973)
Other	(5,549)	(11,098)	(12,052)
Total Net Transfers	(667,234)	(181,383)	(517,025)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		590,674	-	564,323	210,369	4,360,912		11,632	253,654
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,238,403	2,063,515			9,792,997		608,000	218,050	763,817
Provincial Grants - Other				10,360		7,753,438			
Other				18,291	37,918				18,045
Investment Income									(30,000)
Accrued Provincial Grants - Ministry of Education and Child Care	(558,330)								
	1,680,073	2,063,515	-	28,651	9,830,915	7,753,438	608,000	218,050	751,862
Less: Allocated to Revenue	1,680,073	1,823,925	-	15,350	9,684,461	7,634,170	608,000	187,771	824,404
Recovered					166,529				
Recovered Funds - Accounts Payable									
Deferred Revenue, end of year	-	830,264	-	577,624	190,294	4,480,180	-	41,911	181,112
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,680,073	1,823,925			9,646,543		608,000	187,771	806,359
Provincial Grants - Other									
Federal Grants				-					
Other Revenue				15,350		7,634,170			
Investment Income					37,918				18,045
	1,680,073	1,823,925	-	15,350	9,684,461	7,634,170	608,000	187,771	824,404
Expenses									
Salaries									
Teachers					2,542,630				115,636
Principals and Vice Principals					329,522				13,089
Educational Assistants		1,338,061			367	522	424,053	143	
Support Staff	1,023,265				1,340,161	70,266		59,081	
Other Professionals					25,699				
Substitutes					2,556			25,514	58,621
	1,023,265	1,338,061	-	-	4,240,935	70,788	424,053	84,738	187,346
Employee Benefits	288,300	485,864			1,289,627	14,067	155,327	27,486	46,385
Services and Supplies	368,508			15,350	4,153,899	7,455,746	28,620	75,547	590,673
	1,680,073	1,823,925	-	15,350	9,684,461	7,540,601	608,000	187,771	824,404
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	93,569	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased						(82,471)			
Other						(11,098)			
	-	-	-	-	-	(93,569)	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

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

	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	64,971			1,370,830		4,902	6,173		44,634
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	10,647,334	4,604,881	41,910,572	3,345,582	146,694	47,000	11,250	55,400	70,000
Provincial Grants - Other									
Other									
Investment Income									
Accrued Provincial Grants - Ministry of Education and Child Care				1,183,981					
	10,647,334	4,604,881	41,910,572	4,529,563	146,694	47,000	11,250	55,400	70,000
Less: Allocated to Revenue	10,127,669	4,604,881	41,873,584	3,174,257	146,694	20,402	15,196	55,400	41,074
Recovered				1,971,247					
Recovered Funds - Accounts Payable				(600,417)					
Deferred Revenue, end of year	584,636	-	36,988	1,355,306	-	31,500	2,227	-	73,560
Revenues									
Provincial Grants - Ministry of Education and Child Care	10,127,669	4,604,881	41,873,584	3,174,257	146,694	20,402	15,196	55,400	41,074
Provincial Grants - Other									
Federal Grants									
Other Revenue									
Investment Income									
	10,127,669	4,604,881	41,873,584	3,174,257	146,694	20,402	15,196	55,400	41,074
Expenses									
Salaries									
Teachers	2,122,789		32,834,301	1,420,053					14,308
Principals and Vice Principals	187,973								
Educational Assistants	2,993,751	2,337,417						40,658	
Support Staff	230,110								
Other Professionals	1,572,239	503,187							
Substitutes	17,347	576,971		155,429			6,325		
	7,124,209	3,417,575	32,834,301	1,575,482	-	-	6,325	40,658	14,308
Employee Benefits	2,181,069	1,107,173	9,039,283	425,667			1,421	14,742	3,939
Services and Supplies	822,391	80,133		1,173,108	146,694	20,402	7,450		22,827
	10,127,669	4,604,881	41,873,584	3,174,257	146,694	20,402	15,196	55,400	41,074
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Other	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund		1,398,289							

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

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

	Student & Family Affordability	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Feeding Futures Fund	Professional Learning Grant	National School Food Program	Community Link Other	CAYA	Assistive Technology AT-BC
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	2,038,068	20,101	61,738				438,863	16,442,900	13,606,313
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	-	19,000	175,000	5,653,374	204,125	125,725			
Provincial Grants - Other							170,000		6,828,507
Other							29,990		
Investment Income								576,337	511,866
Accrued Provincial Grants - Ministry of Education and Child Care	-	19,000	175,000	5,653,374	204,125	125,725	199,990	576,337	7,340,373
Less: Allocated to Revenue	1,649,037	11,753	210,926	5,653,374	6,668	8,812	226,543	4,195,641	6,479,696
Recovered									
Recovered Funds - Accounts Payable									
Deferred Revenue, end of year	389,031	27,348	25,812	-	197,457	116,913	412,310	12,823,596	14,466,990
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,649,037	11,753	210,926	5,653,374	6,668	8,812			
Provincial Grants - Other							104,780	3,896,902	5,998,432
Federal Grants									
Other Revenue							121,763		
Investment Income								298,739	481,264
	1,649,037	11,753	210,926	5,653,374	6,668	8,812	226,543	4,195,641	6,479,696
Expenses									
Salaries									
Teachers									
Principals and Vice Principals			170,067						
Educational Assistants		1,780							
Support Staff				1,907,653		5,665		713,458	732,871
Other Professionals				84,404				301,662	1,029,163
Substitutes		2,016			5,345				
	-	3,796	170,067	1,992,057	5,345	5,665	-	1,015,120	1,762,034
Employee Benefits		741	39,910	618,122	1,201	1,457		340,978	507,171
Services and Supplies	1,649,037	7,216	949	3,043,195	122	1,690	226,543	2,839,543	4,210,491
	1,649,037	11,753	210,926	5,653,374	6,668	8,812	226,543	4,195,641	6,479,696
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
Other	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2025

Schedule 3A (Unaudited)

	PRP	PRCVI	Miscellaneous	Work Experience Grant	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	151,352	1,012,352	407,677		41,662,438
Add: Restricted Grants					
Provincial Grants - Ministry of Education and Child Care	3,178,553	3,260,825	-	50,000	89,190,097
Provincial Grants - Other		88,000			7,086,507
Other			364,054		8,157,842
Investment Income		54,071	24,697		1,241,225
Accrued Provincial Grants - Ministry of Education and Child Care					595,651
	3,178,553	3,402,896	388,751	50,000	106,271,322
Less: Allocated to Revenue	3,025,952	2,887,148	132,382	63	107,005,306
Recovered	151,352	278,908			2,568,036
Recovered Funds - Accounts Payable					(600,417)
Deferred Revenue, end of year	152,601	1,249,192	664,046	49,937	38,960,835
Revenues					
Provincial Grants - Ministry of Education and Child Care	3,025,952	2,835,077		63	88,213,490
Provincial Grants - Other					10,000,114
Federal Grants					-
Other Revenue			132,382		7,903,665
Investment Income	-	52,071			888,037
	3,025,952	2,887,148	132,382	63	107,005,306
Expenses					
Salaries					
Teachers	1,829,616	221,508			41,100,841
Principals and Vice Principals	185,144				885,795
Educational Assistants	97,110		7,533		7,241,395
Support Staff	135,705	880,706			7,098,941
Other Professionals	12,108	349,769			3,878,231
Substitutes	34,000				884,124
	2,293,683	1,451,983	7,533	-	61,089,327
Employee Benefits	631,842	464,671	2,734		17,689,177
Services and Supplies	100,427	970,494	34,301	63	28,045,419
	3,025,952	2,887,148	44,568	63	106,823,923
Net Revenue (Expense) before Interfund Transfers	-	-	87,814	-	181,383
Interfund Transfers					
Tangible Capital Assets Purchased			(87,814)		(170,285)
Other					(11,098)
	-	-	(87,814)	-	(181,383)
Net Revenue (Expense)	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund					1,398,289

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Actual			2024 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care				-	76,695
Other Revenue	446,522	171,678	279,882	451,560	457,285
Rentals and Leases	2,098,401		2,227,934	2,227,934	2,313,436
Investment Income	545,946		351,807	351,807	676,113
Amortization of Deferred Capital Revenue	30,157,151	30,286,834		30,286,834	26,533,602
Total Revenue	<u>33,248,020</u>	<u>30,458,512</u>	<u>2,859,623</u>	<u>33,318,135</u>	<u>30,057,131</u>
Expenses					
Operations and Maintenance	952,262		549,486	549,486	729,579
Amortization of Tangible Capital Assets					
Operations and Maintenance	38,673,698	38,792,405		38,792,405	35,252,334
Write-off/down of Buildings and Sites		3,714,650		3,714,650	
Debt Services					
Capital Lease Interest	186,498		108,274	108,274	129,538
ARO Accretion		3,348,582		3,348,582	
Total Expense	<u>39,812,458</u>	<u>45,855,637</u>	<u>657,760</u>	<u>46,513,397</u>	<u>36,111,451</u>
Capital Surplus (Deficit) for the year	<u>(6,564,438)</u>	<u>(15,397,125)</u>	<u>2,201,863</u>	<u>(13,195,262)</u>	<u>(6,054,320)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,502,751	1,199,523		1,199,523	2,529,540
Tangible Capital Assets - Work in Progress	-			-	
Capital Lease Payment	2,077,697		1,912,360	1,912,360	1,596,162
Other		(1,039,780)		(1,039,780)	
Total Net Transfers	<u>4,580,448</u>	<u>159,743</u>	<u>1,912,360</u>	<u>2,072,103</u>	<u>4,125,702</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		497,349	(497,349)	-	
Tangible Capital Assets WIP Purchased from Local Capital		2,921,238	(2,921,238)	-	
Principal Payment					
Capital Lease		1,804,084	(1,804,084)	-	
Total Other Adjustments to Fund Balances		<u>5,222,671</u>	<u>(5,222,671)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(1,983,990)</u>	<u>(10,014,711)</u>	<u>(1,108,448)</u>	<u>(11,123,159)</u>	<u>(1,928,618)</u>
Capital Surplus (Deficit), beginning of year		35,870,972	12,885,916	48,756,888	50,685,506
Capital Surplus (Deficit), end of year		<u>25,856,261</u>	<u>11,777,468</u>	<u>37,633,729</u>	<u>48,756,888</u>

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2025

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,781,543	1,486,467,041	21,014,530	1,727,699	100,244	16,014,429	1,546,105,486
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund			755,591			273,647	1,029,238
Special Purpose Funds			110,942			59,343	170,285
Local Capital			497,349				497,349
Capital Lease						1,839,120	1,839,120
Transferred from Work in Progress		63,622,455	315,161				63,937,616
	-	63,622,455	1,679,043	-	-	2,172,110	67,473,608
Decrease:							
Deemed Disposals			1,432,938	191,448		2,244,045	3,868,431
ARO Retirement		76,695					76,695
	-	76,695	1,432,938	191,448	-	2,244,045	3,945,126
Cost, end of year	20,781,543	1,550,012,801	21,260,635	1,536,251	100,244	15,942,494	1,609,633,968
Work in Progress, end of year		53,565,681					53,565,681
Cost and Work in Progress, end of year	20,781,543	1,603,578,482	21,260,635	1,536,251	100,244	15,942,494	1,663,199,649
Accumulated Amortization, beginning of year		552,397,841	8,319,273	1,051,429	51,612	9,809,635	571,629,790
Changes for the Year							
Increase: Amortization for the Year		33,299,707	2,113,765	163,193	20,048	3,195,692	38,792,405
Decrease:							
Deemed Disposals			1,432,938	191,448		2,244,045	3,868,431
		-	1,432,938	191,448	-	2,244,045	3,868,431
Accumulated Amortization, end of year		585,697,548	9,000,100	1,023,174	71,660	10,761,282	606,553,764
Tangible Capital Assets - Net	20,781,543	1,017,880,934	12,260,535	513,077	28,584	5,181,212	1,056,645,885

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2025

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	71,270,110				71,270,110
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	37,106,355	157,857			37,264,212
Deferred Capital Revenue - Other	10,173,548	157,304			10,330,852
Local Capital	2,921,238				2,921,238
	<u>50,201,141</u>	<u>315,161</u>	<u>-</u>	<u>-</u>	<u>50,516,302</u>
Decrease:					
Transferred to Tangible Capital Assets	63,622,455	315,161			63,937,616
Cost of PDR's for Capital Projects Not Approved	4,283,115				4,283,115
	<u>67,905,570</u>	<u>315,161</u>	<u>-</u>	<u>-</u>	<u>68,220,731</u>
Net Changes for the Year	<u>(17,704,429)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,704,429)</u>
Work in Progress, end of year	<u>53,565,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,565,681</u>

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	818,755,849	13,457,359	38,524,188	870,737,396
Changes for the Year				
Increase:				
Transferred from Work in Progress	50,658,377	208,604	11,894,903	62,761,884
Transfer from Bylaw Capital to Other Provincial	(2,926,557)	2,926,557		-
	<u>47,731,820</u>	<u>3,135,161</u>	<u>11,894,903</u>	<u>62,761,884</u>
Decrease:				
Amortization of Deferred Capital Revenue	28,676,459	443,404	1,166,971	30,286,834
Transfer from DCR to Unspent DCR	217,710	1,416,703		1,634,413
ARO Retirement	76,695			76,695
	<u>28,970,864</u>	<u>1,860,107</u>	<u>1,166,971</u>	<u>31,997,942</u>
Net Changes for the Year	<u>18,760,956</u>	<u>1,275,054</u>	<u>10,727,932</u>	<u>30,763,942</u>
Deferred Capital Revenue, end of year	<u><u>837,516,805</u></u>	<u><u>14,732,413</u></u>	<u><u>49,252,120</u></u>	<u><u>901,501,338</u></u>
Work in Progress, beginning of year	31,085,811	19,197,830	9,536,693	59,820,334
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	37,264,212	7,972,642	2,358,210	47,595,064
	<u>37,264,212</u>	<u>7,972,642</u>	<u>2,358,210</u>	<u>47,595,064</u>
Decrease				
Transferred to Deferred Capital Revenue	50,658,377	208,604	11,894,903	62,761,884
Funding for Cost of PDR's for Capital Projects Not Approved	568,465			568,465
	<u>51,226,842</u>	<u>208,604</u>	<u>11,894,903</u>	<u>63,330,349</u>
Net Changes for the Year	<u>(13,962,630)</u>	<u>7,764,038</u>	<u>(9,536,693)</u>	<u>(15,735,285)</u>
Work in Progress, end of year	<u>17,123,181</u>	<u>26,961,868</u>	<u>-</u>	<u>44,085,049</u>
Total Deferred Capital Revenue, end of year	<u><u>854,639,986</u></u>	<u><u>41,694,281</u></u>	<u><u>49,252,120</u></u>	<u><u>945,586,387</u></u>

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		22,752,976				22,752,976
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	40,989,292					40,989,292
Provincial Grants - Other			1,212,663			1,212,663
Other					2,358,210	2,358,210
Investment Income		939,748				939,748
Transfer from DCR to Unspent DCR			1,416,703			1,416,703
Other items, net	(1,057,966)					(1,057,966)
	39,931,326	939,748	2,629,366	-	2,358,210	45,858,650
Decrease:						
Transferred to DCR - Work in Progress	37,264,212	6,334,042	1,638,600		2,358,210	47,595,064
Reversal of Investment Income Credited in Prior Years			193,915			193,915
	37,264,212	6,334,042	1,832,515	-	2,358,210	47,788,979
Net Changes for the Year	2,667,114	(5,394,294)	796,851	-	-	(1,930,329)
Balance, end of year	2,667,114	17,358,682	796,851	-	-	20,822,647

School District No. 39 (Vancouver)**Statement 2 with Restated Budget**

Statement of Operations
Year Ended June 30, 2025

	2025 Budget (Note 18)	2025 Restated Budget	2025 Actual	2024 Actual
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Ministry of Education and Child Care	681,578,366	681,578,366	682,302,605	646,100,708
Other	8,872,382	8,872,382	10,062,363	9,211,318
Federal Grants	3,407,449	3,407,449	3,375,678	3,192,037
Tuition	24,842,423	24,842,423	26,400,962	26,789,970
Other Revenue	25,507,536	25,507,536	31,365,552	27,649,234
Rentals and Leases	7,730,139	7,730,139	8,925,174	7,988,402
Investment Income	6,247,968	6,247,968	7,521,963	9,235,795
Amortization of Deferred Capital Revenue	30,157,151	30,157,151	30,286,834	26,533,602
Total Revenue	<u>788,343,414</u>	<u>788,343,414</u>	<u>800,241,131</u>	<u>756,701,066</u>
Expenses (Note 19)				
Instruction	638,753,229	636,691,251	640,907,933	601,753,079
District Administration	34,134,395	35,100,479	32,601,794	28,750,251
Operations and Maintenance	126,424,971	127,521,055	127,294,158	119,009,276
Transportation and Housing	4,651,884	4,651,694	4,450,335	3,720,473
Debt Services	186,498	186,498	108,274	129,538
Write-off/down of Buildings and Sites			3,714,650	
ARO Accretion			3,348,582	
Total Expense	<u>804,150,977</u>	<u>804,150,977</u>	<u>812,425,726</u>	<u>753,362,617</u>
Surplus (Deficit) for the year	<u>(15,807,563)</u>	<u>(15,807,563)</u>	<u>(12,184,595)</u>	<u>3,338,449</u>
Accumulated Surplus (Deficit) from Operations, beginning of year			74,817,165	71,478,716
Accumulated Surplus (Deficit) from Operations, end of year			<u><u>62,632,570</u></u>	<u><u>74,817,165</u></u>

September 17, 2025

TO: Finance and Personnel Committee

FROM: Michael Gray, Executive Director, Employee Services

RE: Recruitment Update

*Reference to
Education Plan*

GOAL:

The Vancouver School Board will improve student achievement, physical and mental well-being, and belonging by...

OBJECTIVE:

- Improving school environments to ensure they are safe, caring, welcoming, and inclusive places for students and families.

INTRODUCTION

This report provides an update on recent recruitment and staffing activities.

RECRUITMENT ACTIVITIES

Recent outreach efforts by the Employee Services Division Recruitment team in preparation for the 2025-26 school year staffing requirements include attending the following career fairs:

- March 2025 @ BCIT (Technology teachers);
- April 2025
 - WorkBC Midtown (Support staff/Teacher)
 - Langara Educational Assistant (EA) Program job fair (SSAs)
 - YWCA job fair (Exempt/Support staff)
 - UBC Faculty of Education (Secondary Teacher Candidates)
- May 2025
 - Apply to Education job fair- Toronto (Support staff/Teachers)
 - UBC Faculty of Education (Elementary Teacher Candidates)
- September 2025
 - SFU Education (Elementary/Secondary Teacher Candidates)
 - Burnaby Continuing Education EA Program (SSAs)
 - Main Street Car Free Day (Support staff/Teachers)

Staff will continue to attend job fairs, including at Faculties of Education, for the balance of the 2025-26 school year.

RECRUITMENT METRICS

In the last two years, the Recruitment team has hired almost 800 new staff per year. This is a product of ongoing recruitment efforts year round, including the support of school administrators and district staff through their participation in interviews. More specifically, for the time period between March and September of 2025, the following hiring occurred to meet system needs and collective agreement obligations:

- 195 teachers (VTF)
- 104 SSAs (CUPE Local 15)
- 18 office staff (CUPE Local 15)
- 32 Supervision Aides (IUOE Local 963)
- 14 Exempt Staff
- 17 Principals and Vice Principals

Moving forward into the 2025-26 school year, the Recruitment team will continue to focus on the hiring and retention of SSAs, as well as specialized teaching positions.

September 17, 2025

ITEM 3.3

TO: Finance and Personnel Committee

FROM: Michael Gray, Executive Director, Employee Services
Hans Loeffelholz, Director, Enterprise Risk Management and Safety Compliance

RE: Wellness and Occupational Health and Safety Update

*Reference to
Education Plan*

GOAL:

The Vancouver School Board will improve student achievement, physical and mental well-being, and belonging by...

OBJECTIVE:

- Improving school environments to ensure they are safe, caring, welcoming, and inclusive places for students and families.

INTRODUCTION

This report provides an update on wellness and occupational health and safety initiatives.

WELLNESS UPDATE

This past summer, the Wellness Team hosted four new professional development sessions focused on men's health, including "*Unpacking & Promoting Men's Health*" with Dr. John Oliffe, where 75 participants from the Grounds, Maintenance, Construction, and Operations departments attended.

Looking ahead, the next scheduled event is October 24th at Eric Hamber Secondary School where approximately 17 different sessions will be offered to employees on a wide range of wellness issues. Planning also continues for the annual Pro-D Health Fair in February 2026.

The Employee Services Division is reviewing the Employee and Family Assistance Program (EFAP) to better meet staff needs and improve access. They are also working to increase employee awareness of available wellness services.

RESPONSE TO UNEXPECTED HEALTH EMERGENCIES

On June 28, 2025, the Ministry of Education and Child Care (MECC) issued the [Support Services for Schools Ministerial Order](#) and the new [Response to Unexpected Health Emergencies Policy](#), both of which came into effect on July 1, 2025. The Ministerial directive outlines key implementation timelines, including the requirement for all boards of education to submit completed policies/administrative procedures to the Ministry by December 31, 2025.

Additionally, Automated External Defibrillators (AEDs) and naloxone kits must be installed in all secondary schools by December 31, 2025, and in all elementary and middle schools by September 8, 2026.

AED Implementation

As reported during the May 2025 Finance and Personnel Committee Meeting, VSB was actively engaged in the public procurement process for AED units. Since that time, the following milestones have been achieved:

- Completion of site assessments across the district
- Procurement and installation of AED units
- All units are installed, operational, and ready for use
- Monthly servicing of AED units will commence in September 2025

The total cost of the implementation remains within the Board-approved budget of \$250,000. Beginning this fall, the anticipated annual servicing cost for the AED units will be approximately \$14,100, with additional expenditures expected for replacing expired components as necessary.

Naloxone Implementation

In parallel with the AED initiative, VSB acquired and distributed naloxone overdose response kits to all VSB sites, ensuring readiness for unexpected health emergencies.

The total cost of providing Naloxone overdose response kits across VSB schools is currently \$8,200. This expense is being covered through existing budget resources, so no additional funding is required.

Conclusion

VSB has fully implemented the requirements of the *Support Services for Schools Ministerial Order* and the *Response to Unexpected Health Emergencies Policy* well in advance of the mandated deadlines. The administrative procedure required to be adopted by December 31, 2025 is currently being drafted and will be completed in accordance with the Ministry's timeline.