



Audited Financial Statements of
School District No. 36 (Surrey)
June 30, 2025

School District No. 36 (Surrey)

June 30, 2025

Table of Contents

Management Report	1
Independent Auditors' Report	2-4
Statement of Financial Position - Statement 1	5
Statement of Operations - Statement 2	6
Statement of Remeasurement Gains and Losses - Statement 3	7
Statement of Changes in Net Debt - Statement 4	8
Statement of Cash Flows - Statement 5	9
Notes to the Financial Statements	10-29
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	30
Schedule of Operating Operations - Schedule 2 (Unaudited)	31
Schedule 2A - Schedule of Operating Revenue by Source (Unaudited)	32
Schedule 2B - Schedule of Operating Expense by Object (Unaudited)	33
Schedule 2C - Operating Expense by Function, Program and Object (Unaudited)	34
Schedule of Special Purpose Operations - Schedule 3 (Unaudited)	36
Schedule 3A - Changes in Special Purpose Funds and Expense by Object (Unaudited)	37
Schedule of Capital Operations - Schedule 4 (Unaudited)	42
Schedule 4A - Tangible Capital Assets (Unaudited)	43
Schedule 4B - Tangible Capital Assets - Work in Progress (Unaudited)	44
Schedule 4C - Deferred Capital Revenue (Unaudited)	45
Schedule 4D - Changes in Unspent Deferred Capital Revenue (Unaudited)	46

School District No. 36 (Surrey)

MANAGEMENT REPORT

Version: 5186-4440-2458

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 36 (Surrey) 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. 36 (Surrey) (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. 36 (Surrey) 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. 36 (Surrey)

"Gary Tymoschuk"	September 17, 2025
Signature of the Chairperson of the Board of Education	Date Signed
"Mark Pearmain"	September 17, 2025
Signature of the Superintendent	Date Signed
"Ray Velestuk"	September 17, 2025
Signature of the Secretary Treasurer	Date Signed



KPMG LLP

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 36 (Surrey),
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 36 (Surrey) (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2025
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

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

Basis for Opinion

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

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

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

Emphasis of Matter – Financial Reporting Framework

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

Our opinion is not modified in respect of this matter.



Other Information

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

- 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 the Other Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



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

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

We also:

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

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

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

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
September 17, 2025

School District No. 36 (Surrey)

Statement of Financial Position

As at June 30, 2025

Statement 1

	2025 Actual \$	2024 Actual \$
Financial Assets		
Cash and Cash Equivalents	149,649,397	152,952,487
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	16,774,555	5,859,976
Due from Province - Other	764,792	69,760
Due from First Nations	132,666	-
Other (Note 4)	9,284,487	12,406,297
Portfolio Investments (Note 5)	31,961,567	36,233,545
Total Financial Assets	208,567,464	207,522,065
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 6)	17,619,236	20,739,390
Unearned Revenue (Note 7)	10,819,140	13,138,406
Deferred Revenue (Note 8)	14,763,039	15,001,047
Deferred Capital Revenue (Note 9)	907,417,498	873,624,656
Employee Future Benefits (Note 10)	11,220,662	11,572,076
Asset Retirement Obligation (Note 11)	56,964,447	57,142,905
Other Liabilities (Note 12)	98,390,081	92,141,064
Total Liabilities	1,117,194,103	1,083,359,544
Net Debt	(908,626,639)	(875,837,479)
Non-Financial Assets		
Tangible Capital Assets (Note 14)	1,575,078,028	1,472,314,595
Restricted Assets (Endowments) (Note 15)	805,015	800,000
Prepaid Expenses	2,668,025	4,202,524
Total Non-Financial Assets	1,578,551,068	1,477,317,119
Accumulated Surplus (Deficit)	669,924,429	601,479,640
Accumulated Surplus (Deficit) is comprised of:		
Accumulated Surplus (Deficit) from Operations	669,502,971	601,462,099
Accumulated Remeasurement Gains (Losses)	421,458	17,541
	669,924,429	601,479,640

Contractual Obligations (Note 18, 19)

Contractual Rights (Note 20)

Contingent Liabilities (Note 21)

Approved by the Board

“Gary Tymoschuk”	September 17, 2025
Signature of the Chairperson of the Board of Education	Date Signed
“Mark Pearmain”	September 17, 2025
Signature of the Superintendent	Date Signed
“Ray Velestuk”	September 17, 2025
Signature of the Secretary Treasurer	Date Signed

School District No. 36 (Surrey)

Statement 2

Statement of Operations

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	1,038,155,815	1,088,940,758	1,017,630,464
Other	755,190	1,185,921	1,181,579
Municipal Grants Spent on Sites		3,853,718	8,249,192
Federal Grants	4,127,891	4,458,879	3,967,229
Tuition	15,780,442	14,031,114	13,790,295
Other Revenue	24,598,270	27,843,170	25,769,913
Rentals and Leases	4,427,164	5,727,376	4,725,016
Investment Income	4,915,387	4,943,945	6,311,604
Amortization of Deferred Capital Revenue	35,659,844	38,071,196	36,032,846
Gain (Loss) on Settlement of ARO		63,458	
Total Revenue	<u>1,128,420,003</u>	<u>1,189,119,535</u>	<u>1,117,658,138</u>
Expenses			
Instruction	959,341,560	946,747,549	904,246,108
District Administration	22,648,397	25,444,336	22,301,460
Operations and Maintenance	144,992,121	144,455,206	144,452,497
Transportation and Housing	5,332,630	4,436,587	9,310,322
Total Expense	<u>1,132,314,708</u>	<u>1,121,083,678</u>	<u>1,080,310,387</u>
Surplus (Deficit) for the year, before endowment contributions	<u>(3,894,705)</u>	<u>68,035,857</u>	<u>37,347,751</u>
Endowment Contributions		5,015	
Surplus (Deficit) for the year	<u>(3,894,705)</u>	<u>68,040,872</u>	<u>37,347,751</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		601,462,099	564,114,348
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>669,502,971</u></u>	<u><u>601,462,099</u></u>

School District No. 36 (Surrey)

Statement 3

Statement of Remeasurement Gains and Losses

Year Ended June 30, 2025

	2025 Actual \$	2024 Actual \$
Accumulated Remeasurement Gains (Losses) at beginning of year	17,541	-
Unrealized Gains (Losses) attributable to:		
Portfolio Investments	466,389	16,735
Amounts Reclassified to the Statement of Operations:		
Portfolio Investments	(62,472)	806
Net Remeasurement Gains (Losses) for the year	403,917	17,541
Accumulated Remeasurement Gains (Losses) at end of year	421,458	17,541

School District No. 36 (Surrey)

Statement of Changes in Net Debt

Year Ended June 30, 2025

Statement 4

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(3,894,705)</u>	<u>68,040,872</u>	<u>37,347,751</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(67,960,884)	(153,970,613)	(133,655,735)
Amortization of Tangible Capital Assets	47,907,021	51,207,180	49,272,027
Total Effect of change in Tangible Capital Assets	<u>(20,053,863)</u>	<u>(102,763,433)</u>	<u>(84,383,708)</u>
Acquisition of Prepaid Expenses		(2,668,025)	(4,202,524)
Use of Prepaid Expenses		4,202,524	2,542,989
Endowment Contributions		(5,015)	
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>1,529,484</u>	<u>(1,659,535)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(23,948,568)</u>	<u>(33,193,077)</u>	<u>(48,695,492)</u>
Net Remeasurement Gains (Losses)		<u>403,917</u>	<u>17,541</u>
(Increase) Decrease in Net Debt		<u>(32,789,160)</u>	<u>(48,677,951)</u>
Net Debt, beginning of year		<u>(875,837,479)</u>	<u>(827,159,528)</u>
Net Debt, end of year		<u>(908,626,639)</u>	<u>(875,837,479)</u>

School District No. 36 (Surrey)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2025

	2025 Actual \$	2024 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	68,040,872	37,347,751
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(8,620,467)	(2,369,546)
Prepaid Expenses	1,534,499	(1,659,535)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(3,120,154)	4,821,138
Unearned Revenue	(2,319,266)	(538,800)
Deferred Revenue	(238,008)	2,976,150
Employee Future Benefits	(351,414)	(347,233)
Asset Retirement Obligations	(178,458)	(64,117)
Other Liabilities	6,249,017	10,996,816
Amortization of Tangible Capital Assets	51,207,180	49,272,027
Amortization of Deferred Capital Revenue	(38,071,196)	(36,032,846)
Recognition of Deferred Capital Revenue Spent on Sites	(45,094,224)	(44,042,411)
Recognition of Deferred Capital Revenue - Settlement of ARO	(115,000)	-
Total Operating Transactions	28,923,381	20,359,394
Capital Transactions		
Tangible Capital Assets Purchased	(106,251,353)	(91,123,324)
Tangible Capital Assets -WIP Purchased	(47,719,260)	(42,532,411)
Total Capital Transactions	(153,970,613)	(133,655,735)
Financing Transactions		
Capital Revenue Received	117,073,262	138,873,654
Endowment Contributions	(5,015)	-
Total Financing Transactions	117,068,247	138,873,654
Investing Transactions		
Redemptions (Purchases) in Portfolio Investments	4,675,895	(36,216,004)
Total Investing Transactions	4,675,895	(36,216,004)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,303,090)	(10,638,691)
Cash and Cash Equivalents, beginning of year	152,952,487	163,591,178
Cash and Cash Equivalents, end of year	149,649,397	152,952,487
Cash and Cash Equivalents, end of year, is made up of:		
Cash	149,649,397	152,952,487
	149,649,397	152,952,487

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 1 AUTHORITY AND PURPOSE

The School District 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. 36 (Surrey)" and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a four-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 36 (Surrey) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian Public Sector Accounting Standards.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand balances on deposit in financial institutions 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.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Unearned Revenue

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

e) Deferred Revenue and Deferred Capital Revenue

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

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. Additional details over basis of accounting are included in Note 2(a).

f) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

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

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

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

g) Asset Retirement Obligations

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

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

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

g) Asset Retirement Obligations (cont'd)

The School District's asset retirement obligations include the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligations include costs directly attributable to the asset retirement activities. The estimated costs have been recorded as a liability and capitalized into the carrying amount of tangible capital assets, which is being amortized in accordance with the amortization accounting policy outlined in Note 2(j). The obligation was measured at current cost as the timing of future cash flows cannot be reasonably determined. The carrying value of the liability is reviewed at each financial reporting date with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. 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.

i) 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 executor costs, e.g., insurance, maintenance costs, etc. 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.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

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

j) Tangible Capital Assets (cont'd)

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

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

k) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

l) Prepaid Expenses

Materials and supplies held in central stores for use within the School District are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit.

m) Revenue Recognition

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

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

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

m) Revenue Recognition (cont'd)

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

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

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

The accounting treatment for restricted contributions that are government transfers is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. Additional details over basis of accounting are included in Note 2(a).

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

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

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

International tuitions, when received in advance of the school year, are recorded as deferred revenue and recognized in revenue evenly over the ten-month school year.

The School District participates in various rebate programs from which an annual rebate is received upon eligibility criteria being met.

Rental and Lease revenues, when received in advance of the rental date, are recorded as deferred revenue and recognized in revenue once the event for the leased space has occurred.

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

n) Expenditures

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

Categories of Salaries

- Principals, Vice-Principals, and District Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

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

n) Expenditures (cont'd)

- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees, Directors of Instruction, 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.

o) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 16 – Interfund Transfers and Note 23 – Internally Restricted – Operating Fund).

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, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and other liabilities. The School District does not have any derivatives.

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

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

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

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

p) Financial Instruments (cont'd)

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

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

q) Measurement Uncertainty

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

NOTE 3 ECONOMIC DEPENDENCE

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

NOTE 4 ACCOUNTS RECEIVABLE - OTHER

	June 30, 2025	June 30, 2024
Due from Federal Government	\$ 3,570,962	\$ 4,960,603
Trade Accounts Receivable	2,175,602	765,033
Payroll Accounts Receivable	-	225,678
Other Accounts Receivable	317,616	1,362,265
Deposits	1,391,406	2,708,309
School Site Acquisition Charges	1,828,901	2,384,409
	\$ 9,284,487	\$ 12,406,297

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2025	June 30, 2024
Investments in the cost and amortized cost category:		
Guaranteed investment certificates	\$ 10,303,446	\$ 25,712,650
Money market funds	651,285	199,691
Total investments at cost and amortized cost	<u>\$ 10,954,731</u>	<u>\$ 25,912,341</u>
Investments in the fair market value category:		
Fixed income	\$ 14,906,931	\$ 10,321,204
Alternative investments	973,801	-
Equity investments	5,126,104	-
Total investments at fair market value	<u>\$ 21,006,836</u>	<u>\$ 10,321,204</u>
Total Portfolio Investments	<u>\$ 31,961,567</u>	<u>\$ 36,233,545</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2025	June 30, 2024
Trade Payables	\$ 11,852,712	\$ 14,213,295
Lien Holdbacks	5,622,364	6,359,943
Other	144,160	166,152
	<u>\$ 17,619,236</u>	<u>\$ 20,739,390</u>

NOTE 7 UNEARNED REVENUE

Unearned revenue as at June 30th, 2025

	Balance, June 30, 2024	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2025
	\$	\$	\$	\$
Tuition Fees	12,692,136	11,610,379	(14,031,114)	10,271,401
Rental/Lease of Facilities	446,270	5,828,845	(5,727,376)	547,739
Total	<u>13,138,406</u>	<u>17,439,224</u>	<u>(19,758,490)</u>	<u>10,819,140</u>

Unearned revenue as at June 30th, 2024

	Balance, June 30, 2023	Increases to Unearned Revenue	Revenue recognized in the period	Balance, June 30, 2024
	\$	\$	\$	\$
Tuition Fees	13,069,950	13,412,481	(13,790,295)	12,692,136
Rental/Lease of Facilities	607,256	4,564,030	(4,725,016)	446,270
Total	<u>13,677,206</u>	<u>17,976,511</u>	<u>(18,515,311)</u>	<u>13,138,406</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 8 DEFERRED REVENUE

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

Deferred Revenue as at June 30th, 2025

	Balance, June 30, 2024	Contributions received	Revenue recognized in the period	Balance, June 30, 2025
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	5,453,095	115,071,915	(114,654,859)	5,870,151
Provincial Grants - Other	715,786	727,106	(812,141)	630,751
Federal Grants	64,796	12,500	(61,168)	16,128
Other	8,725,527	21,201,736	(21,699,879)	8,227,384
Investment Income	41,843	64,892	(88,110)	18,625
Total	15,001,047	137,078,149	(137,316,157)	14,763,039

Deferred Revenue as at June 30th, 2024

	Balance, June 30, 2023	Contributions received	Revenue recognized in the period	Balance, June 30, 2024
	\$	\$	\$	\$
Provincial Grants - Ministry of Education	3,356,258	95,684,923	(93,588,086)	5,453,095
Provincial Grants - Other	733,908	774,657	(792,779)	715,786
Federal Grants	33,320	87,500	(56,024)	64,796
Other	7,901,411	22,866,376	(22,042,260)	8,725,527
Investment Income	-	79,468	(37,625)	41,843
Total	12,024,897	119,492,924	(116,516,774)	15,001,047

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 9 DEFERRED CAPITAL REVENUE

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

	2025	2024
	\$	\$
Deferred Capital Revenue, (includes Work in progress), beginning of year	<u>873,624,656</u>	<u>814,826,259</u>
Increases:		
Provincial Grants - MOE	113,907,894	134,889,834
Local Government Site Fees	2,774,221	3,329,963
Investment Income	388,647	518,646
Other Revenue	<u>2,500</u>	<u>135,211</u>
	<u>117,073,262</u>	<u>138,873,654</u>
Decreases:		
Transfers to Revenue - Site Purchases	45,094,224	44,042,411
Transfers to Revenue - Settlement of ARO	115,000	-
Amortization of Deferred Capital Revenue	<u>38,071,196</u>	<u>36,032,846</u>
	<u>83,280,420</u>	<u>80,075,257</u>
Net Change for the year	<u>33,792,842</u>	<u>58,798,397</u>
Deferred Capital Revenue (includes Work in Progress), end of year	<u>907,417,498</u>	<u>873,624,656</u>

Work in progress amount as of June 30, 2025 was \$71,303,206 (June 30, 2024: \$48,377,104).

Unspent Deferred Capital Contributions as of June 30, 2025 were \$10,369,052 (June 30, 2024: \$33,903,476).

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 10 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance 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.

	2025	2024
	\$	\$
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	10,736,528	11,551,107
Service Cost	715,550	726,702
Interest Cost	452,591	454,564
Benefit Payments	(1,532,769)	(1,626,756)
Actuarial (Gain) Loss	4,614,818	(369,089)
Accrued Benefit Obligation – March 31	<u>14,986,718</u>	<u>10,736,528</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	14,986,718	10,736,528
Funded Status - Surplus (Deficit)	(14,986,718)	(10,736,528)
Employer Contributions After Measurement Date	58,702	127,888
Benefits Expense After Measurement Date	(352,913)	(292,035)
Unamortized Net Actuarial (Gain) Loss	4,060,267	(671,401)
Accrued Benefit Asset (Liability) - June 30	<u>(11,220,662)</u>	<u>(11,572,076)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	11,572,076	11,919,309
Net Expense for Fiscal Year	1,112,168	1,029,932
Employer Contributions	(1,463,582)	(1,377,165)
Accrued Benefit Liability (Asset) - June 30	<u>11,220,662</u>	<u>11,572,076</u>
Components of Net Benefit Expense		
Service Cost	744,026	723,914
Interest Cost	484,993	454,071
Amortization of Net Actuarial (Gain)/Loss	(116,851)	(148,053)
Net Benefit Expense (Income)	<u>1,112,168</u>	<u>1,029,932</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 10 EMPLOYEE FUTURE BENEFITS (Continued)

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

	<u>2025</u>	<u>2024</u>
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	12 years	9.5 years

NOTE 11 ASSET RETIREMENT OBLIGATION

Legal obligations exist for the removal and disposal of asbestos and other hazardous materials in some School District owned buildings that will undergo major renovations or demolition in the future.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	\$	\$
Asset Retirement Obligation, opening balance	57,142,905	57,207,022
Settlements during the year	(178,458)	(64,117)
Asset Retirement Obligation, closing balance	<u>56,964,447</u>	<u>57,142,905</u>

NOTE 12 OTHER LIABILITIES

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service.

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
	\$	\$
Salaries and Benefits Payable	90,010,971	82,901,594
Accrued Vacation Payable	8,379,110	9,239,470
Total	<u>98,390,081</u>	<u>92,141,064</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 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 board of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. Defined contribution plan accounting is applied to the plans as the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, plan assets and cost to individual employers participating in the plans. The School District's employer contributions to these plans in the fiscal year ended June 30, 2025, were \$81,047,370 (2024: \$77,635,511).

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.

Teachers' Pension Plan

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 and a balance of \$1,437 million in the rate stabilization account. The next valuation will be December 31, 2026.

As of December 31, 2024, The Teachers' Pension Plan has about 52,000 active members and approximately 43,000 retired members.

Teacher Pension Plan is determined on a formula based on contribution rates as a percentage of salary. The following rates were used for 2025 and 2024 fiscal years.

Teacher Pension Plan is determined on a formula based on a contribution rate of 11.30% of salary for 2025 (2024: 11.30%).

Year's Maximum Pensionable Earnings ("YMPE") for 2025 set at \$71,300 (2024: \$68,500).

Municipal Pension Plan

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 and a balance of \$3,185 million in the rate stabilization account. The next valuation will be December 31, 2024 with results available in later 2025.

As of December 31, 2024, The Municipal Pension Plan has about 273,000 active members, of which approximately 32,000 are from school districts.

Municipal Pension Plan employer contributions are determined by a formula based on a contribution rate of 9.31% of salary for 2025 (2024: 9.31%).

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 14 TANGIBLE CAPITAL ASSETS

June 30, 2025	Land	Building	Furniture and Equipment	Vehicles	Computer Hardware	Work in Progress (WIP)	2025 Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Beginning of year	448,261,288	1,654,693,292	77,144,241	10,479,546	14,408,746	50,707,535	2,255,694,648
Additions	45,094,224	45,942,131	10,435,067	1,109,161	3,670,770	47,719,260	153,970,613
Disposals	-	(1,087,803)	-	-	-	-	(1,087,803)
Deemed Disposals	-	-	(2,401,512)	(599,588)	(3,545,321)	-	(6,546,421)
Transfer from WIP	-	21,872,069	-	-	-	(21,872,069)	-
Closing Balance	<u>493,355,512</u>	<u>1,721,419,689</u>	<u>85,177,796</u>	<u>10,989,119</u>	<u>14,534,195</u>	<u>76,554,726</u>	<u>2,402,031,037</u>
Accumulated Amortization							
Beginning of year		737,447,189	31,969,015	5,701,252	8,262,597	-	783,380,053
Amortization		39,123,352	8,116,101	1,073,433	2,894,294	-	51,207,180
Disposals		(1,087,803)	-	-	-	-	(1,087,803)
Deemed Disposals		-	(2,401,512)	(599,588)	(3,545,321)	-	(6,546,421)
Closing Balance		<u>775,482,738</u>	<u>37,683,604</u>	<u>6,175,097</u>	<u>7,611,570</u>	<u>-</u>	<u>826,953,009</u>
Net Book Value	<u>493,355,512</u>	<u>945,936,951</u>	<u>47,494,192</u>	<u>4,814,022</u>	<u>6,922,625</u>	<u>76,554,726</u>	<u>1,575,078,028</u>

Amortization of work in progress for buildings as at June 30, 2025 will commence when the asset is put into service.

School District No. 36 (Surrey)
Notes to Financial Statements
Year Ended June 30, 2025

NOTE 14 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2024	Land	Building	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Work in Progress (WIP)	2024 Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost								
Beginning of year	404,218,877	1,580,453,728	72,910,652	10,616,440	481,972	18,145,432	45,496,483	2,132,323,584
Additions	44,042,411	36,918,205	7,856,589	198,066	-	2,108,053	42,532,411	133,655,735
Disposals	-	-	-	-	-	-	-	-
Deemed Disposals	-	-	(3,623,000)	(334,960)	(481,972)	(5,844,739)	-	(10,284,671)
Transfer from WIP	-	37,321,359	-	-	-	-	(37,321,359)	-
Closing Balance	<u>448,261,288</u>	<u>1,654,693,292</u>	<u>77,144,241</u>	<u>10,479,546</u>	<u>-</u>	<u>14,408,746</u>	<u>50,707,535</u>	<u>2,255,694,648</u>
Accumulated Amortization								
Beginning of year		700,036,319	28,089,271	4,981,411	433,778	10,851,918	-	744,392,697
Amortization		37,410,870	7,502,744	1,054,801	48,194	3,255,418	-	49,272,027
Disposals		-	-	-	-	-	-	-
Deemed Disposals		-	(3,623,000)	(334,960)	(481,972)	(5,844,739)	-	(10,284,671)
Closing Balance		<u>737,447,189</u>	<u>31,969,015</u>	<u>5,701,252</u>	<u>-</u>	<u>8,262,597</u>	<u>-</u>	<u>783,380,053</u>
Net Book Value	<u>448,261,288</u>	<u>917,246,103</u>	<u>45,175,226</u>	<u>4,778,294</u>	<u>-</u>	<u>6,146,149</u>	<u>50,707,535</u>	<u>1,472,314,595</u>

Amortization of work in progress for buildings as at June 30, 2024 will commence when the asset is put into service.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 15 RESTRICTED ASSETS – ENDOWMENTS

Donors have provided endowment contributions with a restriction that the original contribution should not be spent. These endowments have been invested in a savings account, bearing interest at 3.997%.

The Surrey School District Food Program endowment fund was established in 2024 to create a legacy fund for the Surrey Schools Lunch Program. The Surrey School District's General Endowment Fund has been established in the current year with the intention of growing the fund to a minimum balance prior to spending investment income generated from original contributions. The General Endowment Fund has been established to provide support for advancement of education and related initiatives.

Name of Endowment	Balance June 30, 2024	Contributions	Balance June 30, 2025
	\$	\$	\$
The Surrey School District Food Program Fund	800,000	-	800,000
The Surrey School District General Endowment Fund	-	5,015	5,015
Total	800,000	5,015	805,015

NOTE 16 INTERFUND TRANSFERS

The School District manages their accounts using three different funds – operating, special purpose and capital. Transfers between funds during the current year are as follows:

- Transfers of \$8,826,991 (2024: \$3,816,710) from the operating fund and \$2,791,214 (2024: \$2,373,036) from the special purpose fund, totalling \$11,618,205 (2024: \$6,189,746) to the capital fund, were made to purchase various capital assets.

NOTE 17 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 18 OPERATING LEASE OBLIGATIONS

The School District has operating lease agreements for facilities that require payments over the next five fiscal years ending June 30 as follows:

2026	\$	419,257
2027		67,458
2028		10,214
2029		-
2030		-
	\$	496,929

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 19 CONTRACTUAL OBLIGATIONS

The School District has a total of \$40,840,838 (2024: \$66,448,229) of contractual obligations at year end related to capital items and the construction or renovation of buildings, which are funded from deferred capital revenues of Ministry of Education and Child Care Bylaw Capital, Restricted Capital, Land Capital, Local Capital Reserve funds and Operating funds. Disclosure relates to the unperformed portion of the contracts.

Kwantlen Park Secondary	\$ 23,453,104
Snokomish Elementary	4,397,019
Guildford Park Secondary	2,208,593
Walnut Road Elementary	2,091,002
Old Yale Road Elementary	1,214,620
Tamanawis Secondary	1,005,238
Riverdale Elementary	771,978
Semiahmoo Trail Elementary	646,584
Woodland Park Elementary	630,775
East Kensington Elementary	511,786
Cedar Hills Elementary	500,380
Johnston Heights Secondary	500,000
George Greenaway Elementary	496,264
Latimer Road Elementary	486,583
City Central Learning Centre	377,365
Fleetwood Park Secondary	256,369
Royal Heights Elementary	127,237
Ta'Talu Elementary	116,849
Regent Road Elementary	111,237
Sum of contractual commitments under \$100,000	937,855
Total Contractual Commitments	<u>\$ 40,840,838</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 20 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets:

2026	\$ 561,510
2027	6,497
2028	-
2029	-
2030	-
	<u>\$ 568,007</u>

NOTE 21 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities when the loss is likely and amount is determinable. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District. The resulting loss on the District, if any, will be recorded in the period in which it is determinable.

NOTE 22 EXPENSE BY OBJECT

	June 30, 2025	June 30, 2024
	\$	\$
Salaries and Benefits	973,976,894	927,509,380
Services and Supplies	95,899,604	103,528,980
Amortization	51,207,180	49,272,027
Total	<u>1,121,083,678</u>	<u>1,080,310,387</u>

NOTE 23 INTERNALLY RESTRICTED – OPERATING FUND

The School District attributes a portion of the accumulated surplus to an internal operating fund and internally restricts for 2025: \$20,793,925 (2024: \$1,647,471). The details of the internal restricted items are as follows:

Addressing Outdated Enterprise Resource Planning System	\$ 16,000,000
Asset Refresh	3,000,000
Net School Operating Balance	826,353
Indigenous Learners Education Targeted Funds	635,787
Early Career Mentorship	214,035
Indigenous Education Council Targeted Funds	77,750
Education Assistance Training Funds	40,000
Total Internally Restricted Items	<u>\$ 20,793,925</u>

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 24 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

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, tariff risk, interest rate risk, and investment equity 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.

Tariff risk refers to the potential financial and operational impacts resulting from changes in tariff policies, such as the imposition, increase or removal of tariffs on imported and exported goods. The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.

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. During the current year, the School District invested in portfolio investments, consisting of low risk GICs, fixed income pooled investments and money market funds. The School District is exposed to minimal interest rate risk through its cash and cash equivalents on deposit with financial institutions as some of the cash is interest bearing. The investment objectives are on protecting investments rather than the potential for superior returns. The School District has very low tolerance for risk with investments and prefers a low degree of price volatility.

Investment equity risk arises from exposure to fluctuations in the market value of equity securities held. These fluctuations in fair value may result from changes in economic conditions, interest rates, and other external factors. These risks may affect the carrying value of investments and the recognition of income. The School District's portfolio is managed professionally with investment advisors and adheres to the District's Investment policies and principles, ensuring preservation of principal investments, liquidity, diversification, and optimizing rates of return on investments.

School District No. 36 (Surrey)

Notes to Financial Statements

Year Ended June 30, 2025

NOTE 24 RISK MANAGEMENT *(Continued)*

- 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.

NOTE 25 BUDGET FIGURES

Budget figures included in the financial statements are based on the School District's Annual Budget adopted by the Board of Education on May 8th, 2024.

School District No. 36 (Surrey)

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	9,718,310	800,000	590,943,789	601,462,099	564,114,348
Changes for the year					
Surplus (Deficit) for the year	32,209,657	2,796,229	33,034,986	68,040,872	37,347,751
Interfund Transfers					
Tangible Capital Assets Purchased	(5,097,110)	(2,791,214)	7,888,324	-	
Local Capital	(3,729,881)		3,729,881	-	
Net Changes for the year	23,382,666	5,015	44,653,191	68,040,872	37,347,751
Accumulated Surplus (Deficit), end of year - Statement 2	33,100,976	805,015	635,596,980	669,502,971	601,462,099
Accumulated Remeasurement Gains (Losses) - Statement 3	421,458			421,458	17,541
	33,522,434	805,015	635,596,980	669,924,429	601,479,640

School District No. 36 (Surrey)

Schedule of Operating Operations

Year Ended June 30, 2025

Schedule 2 (Unaudited)

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	931,279,687	933,045,393	888,249,158
Other	388,800	373,780	388,800
Federal Grants	4,077,891	4,397,711	3,911,205
Tuition	15,780,442	14,031,114	13,790,295
Other Revenue	3,695,070	5,689,334	3,506,660
Rentals and Leases	4,319,464	5,618,825	4,611,176
Investment Income	4,395,387	4,405,055	5,364,635
Total Revenue	963,936,741	967,561,212	919,821,929
Expenses			
Instruction	833,879,684	812,746,478	790,475,954
District Administration	22,648,397	25,444,336	22,301,460
Operations and Maintenance	96,734,036	92,817,930	94,841,162
Transportation and Housing	5,281,262	4,342,811	9,276,046
Total Expense	958,543,379	935,351,555	916,894,622
Operating Surplus (Deficit) for the year	5,393,362	32,209,657	2,927,307
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(3,823,625)	(5,097,110)	(1,994,886)
Local Capital	(1,569,737)	(3,729,881)	(1,821,824)
Total Net Transfers	(5,393,362)	(8,826,991)	(3,816,710)
Total Operating Surplus (Deficit), for the year	-	23,382,666	(889,403)
Operating Surplus (Deficit), beginning of year		9,718,310	10,607,713
Operating Surplus (Deficit), end of year		33,100,976	9,718,310
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 23)		20,793,925	1,647,471
Unrestricted		12,307,051	8,070,839
Total Operating Surplus (Deficit), end of year		33,100,976	9,718,310

School District No. 36 (Surrey)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	913,756,583	914,367,576	864,217,539
ISC/LEA Recovery	(98,928)	(132,666)	(108,133)
Other Ministry of Education and Child Care Grants			
Pay Equity	6,861,224	6,861,224	6,861,224
Funding for Graduated Adults	884,516	1,017,027	1,343,111
Student Transportation Fund	72,999	72,999	73,000
Support Staff Benefits Grant	967,283	967,283	967,283
FSA Scorer Grant	45,719	47,969	45,719
Child Care Funding	-	122,762	60,674
Labour Settlement Funding	8,790,291	9,198,826	9,000,245
Labour Settlement Funding (Teacher & Support Staff Benefit Enhancement)	-	519,408	1,242,159
Exempt Wage Increase	-	-	4,508,794
Miscellaneous	-	2,985	37,543
Total Provincial Grants - Ministry of Education and Child Care	931,279,687	933,045,393	888,249,158
Provincial Grants - Other	388,800	373,780	388,800
Federal Grants	4,077,891	4,397,711	3,911,205
Tuition			
Continuing Education	760,000	580,823	774,167
International and Out of Province Students	15,020,442	13,450,291	13,016,128
Total Tuition	15,780,442	14,031,114	13,790,295
Other Revenues			
Funding from First Nations	98,928	132,666	108,133
Miscellaneous			
Teaching Kitchen Revenue	941,001	1,135,328	1,148,187
Energy Management	120,000	120,390	125,000
Worksafe BC	938,654	2,119,826	-
Other Miscellaneous	1,596,487	2,181,124	2,125,340
Total Other Revenue	3,695,070	5,689,334	3,506,660
Rentals and Leases	4,319,464	5,618,825	4,611,176
Investment Income	4,395,387	4,405,055	5,364,635
Total Operating Revenue	963,936,741	967,561,212	919,821,929

School District No. 36 (Surrey)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2025

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Salaries			
Teachers	441,117,699	430,610,692	424,066,765
Principals and Vice Principals	42,845,392	41,350,605	39,930,011
Educational Assistants	91,404,247	89,467,172	86,739,316
Support Staff	74,050,758	71,150,320	68,849,848
Other Professionals	18,679,776	18,079,324	15,622,000
Substitutes	39,116,770	41,885,576	40,489,182
Total Salaries	707,214,642	692,543,689	675,697,122
Employee Benefits	182,956,427	176,570,072	166,254,778
Total Salaries and Benefits	890,171,069	869,113,761	841,951,900
Services and Supplies			
Services	20,746,775	21,147,599	26,768,709
Student Transportation	3,601,857	3,289,122	7,946,568
Professional Development and Travel	3,376,715	3,003,185	2,731,062
Rentals and Leases	1,121,571	932,981	1,029,988
Dues and Fees	1,401,012	1,453,220	1,431,738
Insurance	2,119,699	2,119,953	2,009,829
Supplies	22,582,467	22,043,432	21,129,912
Utilities	13,422,214	12,248,302	11,894,916
Total Services and Supplies	68,372,310	66,237,794	74,942,722
Total Operating Expense	958,543,379	935,351,555	916,894,622

School District No. 36 (Surrey)

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	334,714,025	9,805,208	38,971	6,158,104	933,159	20,355,436	372,004,903
1.03 Career Programs	3,538,980	85,050	-	1,684,859	-	340,487	5,649,376
1.07 Library Services	8,782,554	-	-	799,804	104,052	654,622	10,341,032
1.08 Counselling	10,526,402	-	-	-	-	739,629	11,266,031
1.10 Inclusive Education	30,765,000	59,977	84,865,193	1,086,305	-	12,277,077	129,053,552
1.20 Early Learning and Child Care							-
1.30 English Language Learning	32,582,074	-	548,329	66,152	-	2,289,106	35,485,661
1.31 Indigenous Education	1,030,219	158,063	2,110,070	94,403	217,255	89,366	3,699,376
1.41 School Administration	150	29,525,190	-	17,509,564	-	1,347,622	48,382,526
1.60 Summer School	3,104,168	367,140	151,240	241,128	-	4,240	3,867,916
1.61 Continuing Education	204,830	68,251	-	686	-	-	273,767
1.62 International and Out of Province Students	4,266,793	382,108	14,351	873,650	419,313	315,443	6,271,658
1.64 Other	583,328	171,612	1,737,811	677,386	201,748	-	3,371,885
Total Function 1	430,098,523	40,622,599	89,465,965	29,192,041	1,875,527	38,413,028	629,667,683
4 District Administration							
4.11 Educational Administration	434,206	174,381	-	361,600	3,211,882	7,993	4,190,062
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	-	-	-	238,028	941,921	-	1,179,949
4.41 Business Administration	20,114	553,625	-	4,131,167	6,990,234	144,105	11,839,245
Total Function 4	454,320	728,006	-	4,730,795	11,144,037	152,098	17,209,256
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	57,849	-	1,207	2,523,065	2,634,156	1,216	5,217,493
5.50 Maintenance Operations	-	-	-	31,417,903	2,093,934	3,259,232	36,771,069
5.52 Maintenance of Grounds	-	-	-	2,783,947	155,286	41,298	2,980,531
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	57,849	-	1,207	36,724,915	4,883,376	3,301,746	44,969,093
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	110,719	176,384	8,954	296,057
7.70 Student Transportation	-	-	-	391,850	-	9,750	401,600
Total Function 7	-	-	-	502,569	176,384	18,704	697,657
9 Debt Services							
9.92 Interest on Bank Loans							-
9.94 Interest on Temporary Borrowing							-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	430,610,692	41,350,605	89,467,172	71,150,320	18,079,324	41,885,576	692,543,689

School District No. 36 (Surrey)

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	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	372,004,903	91,258,585	463,263,488	10,457,019	473,720,507	485,000,031	456,973,887
1.03 Career Programs	5,649,376	1,471,774	7,121,150	1,431,073	8,552,223	8,716,525	9,531,569
1.07 Library Services	10,341,032	2,561,451	12,902,483	4,202,506	17,104,989	17,834,400	16,399,662
1.08 Counselling	11,266,031	2,793,169	14,059,200	-	14,059,200	14,402,702	13,574,944
1.10 Inclusive Education	129,053,552	37,950,663	167,004,215	1,741,569	168,745,784	177,460,688	169,721,540
1.20 Early Learning and Child Care	-	-	-	-	-	79,412	-
1.30 English Language Learning	35,485,661	8,819,128	44,304,789	16,415	44,321,204	43,289,303	41,497,889
1.31 Indigenous Education	3,699,376	976,573	4,675,949	389,970	5,065,919	5,672,063	5,035,607
1.41 School Administration	48,382,526	11,830,818	60,213,344	1,333,605	61,546,949	61,353,842	58,585,139
1.60 Summer School	3,867,916	784,991	4,652,907	182,835	4,835,742	4,884,619	4,459,334
1.61 Continuing Education	273,767	36,180	309,947	53,459	363,406	421,912	377,673
1.62 International and Out of Province Students	6,271,658	1,533,717	7,805,375	2,120,947	9,926,322	11,096,222	10,680,989
1.64 Other	3,371,885	858,515	4,230,400	273,833	4,504,233	3,667,965	3,637,721
Total Function 1	629,667,683	160,875,564	790,543,247	22,203,231	812,746,478	833,879,684	790,475,954
4 District Administration							
4.11 Educational Administration	4,190,062	807,391	4,997,453	903,845	5,901,298	5,305,852	6,157,833
4.20 Early Learning and Child Care	-	-	-	-	-	-	-
4.40 School District Governance	1,179,949	139,449	1,319,398	297,605	1,617,003	1,276,978	1,257,125
4.41 Business Administration	11,839,245	2,619,103	14,458,348	3,467,687	17,926,035	16,065,567	14,886,502
Total Function 4	17,209,256	3,565,943	20,775,199	4,669,137	25,444,336	22,648,397	22,301,460
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	5,217,493	967,243	6,184,736	4,515,403	10,700,139	10,472,910	9,585,427
5.50 Maintenance Operations	36,771,069	10,114,011	46,885,080	14,930,640	61,815,720	63,929,091	65,070,372
5.52 Maintenance of Grounds	2,980,531	811,665	3,792,196	1,816,769	5,608,965	6,319,784	5,794,139
5.56 Utilities	-	-	-	14,693,106	14,693,106	16,012,251	14,391,224
Total Function 5	44,969,093	11,892,919	56,862,012	35,955,918	92,817,930	96,734,036	94,841,162
7 Transportation and Housing							
7.41 Transportation and Housing Administration	296,057	73,775	369,832	4,795	374,627	372,600	356,625
7.70 Student Transportation	401,600	161,871	563,471	3,404,713	3,968,184	4,908,662	8,919,421
Total Function 7	697,657	235,646	933,303	3,409,508	4,342,811	5,281,262	9,276,046
9 Debt Services							
9.92 Interest on Bank Loans	-	-	-	-	-	-	-
9.94 Interest on Temporary Borrowing	-	-	-	-	-	-	-
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	692,543,689	176,570,072	869,113,761	66,237,794	935,351,555	958,543,379	916,894,622

School District No. 36 (Surrey)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

Schedule 3 (Unaudited)

	2025 Budget	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	106,876,128	114,654,859	93,588,086
Other	366,390	812,141	792,779
Federal Grants	50,000	61,168	56,024
Other Revenue	20,778,200	21,699,879	22,042,260
Investment Income	25,000	88,110	37,625
Total Revenue	128,095,718	137,316,157	116,516,774
Expenses			
Instruction	125,461,876	134,001,071	113,770,154
Operations and Maintenance	351,064	430,096	339,308
Transportation and Housing	51,368	93,776	34,276
Total Expense	125,864,308	134,524,943	114,143,738
Special Purpose Surplus (Deficit) for the year, before endowment contributions	2,231,410	2,791,214	2,373,036
Endowment Contributions	-	5,015	-
Special Purpose Surplus (Deficit) for the year	2,231,410	2,796,229	2,373,036
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,231,410)	(2,791,214)	(2,308,919)
Other			(64,117)
Total Net Transfers	(2,231,410)	(2,791,214)	(2,373,036)
Total Special Purpose Surplus (Deficit) for the year	-	5,015	-
Special Purpose Surplus (Deficit), beginning of year		800,000	800,000
Special Purpose Surplus (Deficit), end of year		805,015	800,000
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		805,015	800,000
Total Special Purpose Surplus (Deficit), end of year		805,015	800,000

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	6	4	867,723	4,394,623	1	35,143	36,898	163,203	2
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,362,477	3,236,467	-	-	672,000	254,800	661,135	4,387,210	1,515,679
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	523,449	16,937,673	-	-	70	-	-
Investment Income	5,463	-	27,589	-	-	-	-	-	-
District Entered			-						
	2,367,940	3,236,467	551,038	16,937,673	672,000	254,800	661,205	4,387,210	1,515,679
Less: Allocated to Revenue	2,367,946	3,236,471	503,517	16,864,150	672,001	191,173	596,251	4,550,413	1,515,681
Deferred Revenue, end of year	-	-	915,244	4,468,146	-	98,770	101,852	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,362,483	3,236,471	-	-	672,001	191,173	596,181	4,550,413	1,515,681
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	475,928	16,864,150	-	-	70	-	-
Investment Income	5,463	-	27,589	-	-	-	-	-	-
	2,367,946	3,236,471	503,517	16,864,150	672,001	191,173	596,251	4,550,413	1,515,681
Expenses									
Salaries									
Teachers	-	-	-	-	-	32,692	245,323	-	35,674
Principals and Vice Principals	-	-	-	-	-	-	-	-	123,572
Educational Assistants	-	2,401,401	-	-	-	-	-	1,345,338	-
Support Staff	-	-	-	-	431,482	4,531	-	1,824,684	74,034
Other Professionals	188,515	-	-	-	20,090	80,360	-	292,608	237,879
Substitutes	-	302,580	-	-	33,986	-	-	50,920	581,099
	188,515	2,703,981	-	-	485,558	117,583	245,323	3,513,550	1,052,258
Employee Benefits	40,523	532,490	-	-	185,602	19,032	39,511	979,038	278,207
Services and Supplies	201,064	-	503,517	16,864,150	841	54,558	311,417	57,825	185,216
	430,102	3,236,471	503,517	16,864,150	672,001	191,173	596,251	4,550,413	1,515,681
Net Revenue (Expense) before Interfund Transfers	1,937,844	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(1,937,844)	-	-	-	-	-	-	-	-
	(1,937,844)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

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

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Student & Family Affordability	JUST B4	SEY2KT (Early Years to Kindergarten)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	12,342	-	8,676	61,871	1,970,925	13,284	31,221
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	84,282,535	5,410,706	89,279	47,000	11,250	55,400	-	25,000	19,000
Provincial Grants - Other	-	-	-	-	-	3,717	-	3,343	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	41,257	-	20,061	-
Investment Income	-	-	-	-	-	-	-	-	-
District Entered	-	-	-	-	-	-	-	-	-
	84,282,535	5,410,706	89,279	47,000	11,250	100,374	-	48,404	19,000
Less: Allocated to Revenue	83,221,543	5,410,706	93,776	47,000	9,565	95,029	1,769,942	37,217	19,960
Deferred Revenue, end of year	1,060,992	-	7,845	-	10,361	67,216	200,983	24,471	30,261
Revenues									
Provincial Grants - Ministry of Education and Child Care	83,221,543	5,410,706	93,776	47,000	9,565	50,055	1,769,942	13,815	19,960
Provincial Grants - Other	-	-	-	-	-	3,717	-	3,343	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	41,257	-	20,059	-
Investment Income	-	-	-	-	-	-	-	-	-
	83,221,543	5,410,706	93,776	47,000	9,565	95,029	1,769,942	37,217	19,960
Expenses									
Salaries									
Teachers	66,153,849	4,194,592	-	-	8,973	-	-	-	197
Principals and Vice Principals	-	-	-	-	-	-	-	-	-
Educational Assistants	-	-	-	-	-	-	-	-	-
Support Staff	-	-	34,456	1,622	-	70,043	-	23,547	12,063
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	-	-	-	-	-	-	-	-
	66,153,849	4,194,592	34,456	1,622	8,973	70,043	-	23,547	12,260
Employee Benefits	17,067,694	1,048,648	8,961	238	-	18,167	-	8,692	4,341
Services and Supplies	-	167,466	50,359	45,140	592	6,819	1,769,942	4,978	3,359
	83,221,543	5,410,706	93,776	47,000	9,565	95,029	1,769,942	37,217	19,960
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

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

	ECL (Early Care & Learning)	Feeding Futures Fund	Dual Credit Programs - ECE & Health Career	Professional Learning Grant	French Immersion Growth	Provincial Resource Program	Daytrippers	Endownments	Surrey Youth Resiliency
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	34,239	2,201,970	131,141		139,283	31,161	-	41,843	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	175,000	8,855,207	205,000	204,125	-	1,234,986	-	-	-
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	1,301	-	360,559
Investment Income	-	-	-	-	-	-	-	31,675	-
District Entered									
	175,000	8,855,207	205,000	204,125	-	1,234,986	1,301	31,675	360,559
Less: Allocated to Revenue	208,018	8,132,836	217,143	-	138,585	1,199,556	1,060	54,893	360,559
Deferred Revenue, end of year	1,221	2,924,341	118,998	204,125	698	66,591	241	18,625	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	208,018	8,132,836	217,143	-	138,585	1,199,556	1,060	-	-
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	360,559
Investment Income	-	-	-	-	-	-	-	54,893	-
	208,018	8,132,836	217,143	-	138,585	1,199,556	1,060	54,893	360,559
Expenses									
Salaries									
Teachers	-	-	-	-	107,308	726,613	-	-	59,024
Principals and Vice Principals	173,316	-	-	-	-	-	-	-	-
Educational Assistants	-	-	117,265	-	-	149,830	-	-	-
Support Staff	-	1,299,405	-	-	-	-	-	-	107,916
Other Professionals	-	427,247	-	-	-	-	-	-	-
Substitutes	-	5,030	-	-	-	5,849	-	-	-
	173,316	1,731,682	117,265	-	107,308	882,292	-	-	166,940
Employee Benefits	34,702	429,530	8,382	-	31,277	212,769	-	-	42,607
Services and Supplies	-	5,971,624	91,496	-	-	104,495	1,060	54,893	151,012
	208,018	8,132,836	217,143	-	138,585	1,199,556	1,060	54,893	360,559
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

Schedule 3A (Unaudited)

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

	Safe School Program	Community School Other	Donations	Rapid Response Fund	PAC Contributions	Indigenous ED Windspeaker	Integrated Child & Youth Resiliency	Gang Prevention (BC)	Physical Health Education
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	78,670	895,997	2,177,183	44,595	355,556	54,714	920,266	215,651	82,856
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	-	-	394,400	-	-
Provincial Grants - Other	-	158,000	-	-	-	-	-	562,046	-
Federal Grants	-	-	-	-	-	12,500	-	-	-
Other	122,469	397,485	2,401,833	-	291,579	-	-	-	104,000
Investment Income	-	-	165	-	-	-	-	-	-
District Entered									
	122,469	555,485	2,401,998	-	291,579	12,500	394,400	562,046	104,000
Less: Allocated to Revenue	117,251	676,803	2,929,275	-	324,860	61,168	996,896	606,863	88,050
Deferred Revenue, end of year	83,888	774,679	1,649,906	44,595	322,275	6,046	317,770	170,834	98,806
Revenues									
Provincial Grants - Ministry of Education and Child Care	-	-	-	-	-	-	996,896	-	-
Provincial Grants - Other	40,218	158,000	-	-	-	-	-	606,863	-
Federal Grants	-	-	-	-	-	61,168	-	-	-
Other Revenue	77,033	518,803	2,929,110	-	324,860	-	-	-	88,050
Investment Income	-	-	165	-	-	-	-	-	-
	117,251	676,803	2,929,275	-	324,860	61,168	996,896	606,863	88,050
Expenses									
Salaries									
Teachers	-	1,938	41,644	-	-	-	-	59,486	45,947
Principals and Vice Principals	-	-	-	-	-	-	-	-	27,045
Educational Assistants	-	-	257	-	-	-	-	-	-
Support Staff	38,140	232,663	99,228	-	-	-	647,114	243,313	-
Other Professionals	-	-	-	-	-	-	-	89,620	-
Substitutes	-	-	-	-	-	-	-	-	-
	38,140	234,601	141,129	-	-	-	647,114	392,419	72,992
Employee Benefits	7,794	65,853	22,373	-	-	-	149,661	100,675	15,058
Services and Supplies	71,317	376,349	2,051,419	-	185,844	61,168	200,121	113,769	-
	117,251	676,803	2,214,921	-	185,844	61,168	996,896	606,863	88,050
Net Revenue (Expense) before Interfund Transfers	-	-	714,354	-	139,016	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	(714,354)	-	(139,016)	-	-	-	-
	-	-	(714,354)	-	(139,016)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 36 (Surrey)

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

Schedule 3A (Unaudited)

	National School food Program		TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	-	-	15,001,047
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	973,259		115,071,915
Provincial Grants - Other	-		727,106
Federal Grants	-		12,500
Other	-		21,201,736
Investment Income	-		64,892
District Entered			-
	973,259	-	137,078,149
Less: Allocated to Revenue	-	-	137,316,157
Deferred Revenue, end of year	973,259	-	14,763,039
Revenues			
Provincial Grants - Ministry of Education and Child Care	-		114,654,859
Provincial Grants - Other	-		812,141
Federal Grants	-		61,168
Other Revenue	-		21,699,879
Investment Income	-		88,110
	-	-	137,316,157
Expenses			
Salaries			
Teachers	-		71,713,260
Principals and Vice Principals	-		323,933
Educational Assistants	-		4,014,091
Support Staff	-		5,144,241
Other Professionals	-		1,336,319
Substitutes	-		979,464
	-	-	83,511,308
Employee Benefits	-		21,351,825
Services and Supplies	-		29,661,810
	-	-	134,524,943
Net Revenue (Expense) before Interfund Transfers	-	-	2,791,214
Interfund Transfers			
Tangible Capital Assets Purchased	-	-	(2,791,214)
	-	-	(2,791,214)
Net Revenue (Expense)	-	-	-

School District No. 36 (Surrey)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025 Budget	2025 Actual			2024 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	-	41,240,506		41,240,506	35,793,220
Other				-	-
Municipal Grants Spent on Sites	-	3,853,718		3,853,718	8,249,192
Federal Grants	-			-	-
Other Revenue	125,000	115,000	338,957	453,957	220,993
Rentals and Leases	107,700		108,551	108,551	113,840
Investment Income	495,000		450,780	450,780	909,344
Amortization of Deferred Capital Revenue	35,659,844	38,071,196		38,071,196	36,032,846
Gain (Loss) on settlement of ARO	-	63,458	-	63,458	-
Total Revenue	36,387,544	83,343,878	898,288	84,242,166	81,319,435
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	47,907,021	51,207,180		51,207,180	49,272,027
Total Expense	47,907,021	51,207,180	-	51,207,180	49,272,027
Capital Surplus (Deficit) for the year	(11,519,477)	32,136,698	898,288	33,034,986	32,047,408
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	6,055,035	7,888,324		7,888,324	4,303,805
Local Capital	1,569,737		3,729,881	3,729,881	1,821,824
Settlement of Asset Retirement Obligation				-	64,117
Reclassified Deferred Capital Contribution to Local Capital		17,975	(17,975)	-	-
Total Net Transfers	7,624,772	7,906,299	3,711,906	11,618,205	6,189,746
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,650,538	(2,650,538)	-	
Tangible Capital Assets WIP Purchased from Local Capital		2,921,090	(2,921,090)	-	
Total Other Adjustments to Fund Balances		5,571,628	(5,571,628)	-	
Total Capital Surplus (Deficit) for the year	(3,894,705)	45,614,625	(961,434)	44,653,191	38,237,154
Capital Surplus (Deficit), beginning of year		575,450,511	15,493,278	590,943,789	552,706,635
Capital Surplus (Deficit), end of year		621,065,136	14,531,844	635,596,980	590,943,789

School District No. 36 (Surrey)

Tangible Capital Assets
Year Ended June 30, 2025

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	448,261,288	1,654,693,292	77,144,241	10,479,546	-	14,408,746	2,204,987,113
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	41,240,506	42,551,060	4,433,475	738,255	-	380,513	89,343,809
Deferred Capital Revenue - Other	3,853,718	1,183,439	1,233,312	-	-	98,213	6,368,682
Operating Fund	-	86,972	1,447,188	370,906	-	3,192,044	5,097,110
Special Purpose Funds	-	1,897,468	893,746	-	-	-	2,791,214
Local Capital	-	223,192	2,427,346	-	-	-	2,650,538
Transferred from Work in Progress		21,872,069					21,872,069
	45,094,224	67,814,200	10,435,067	1,109,161	-	3,670,770	128,123,422
Decrease:							
Disposed of	-	1,087,803	-	-	-	-	1,087,803
Deemed Disposals			2,401,512	599,588	-	3,545,321	6,546,421
	-	1,087,803	2,401,512	599,588	-	3,545,321	7,634,224
Cost, end of year	493,355,512	1,721,419,689	85,177,796	10,989,119	-	14,534,195	2,325,476,311
Work in Progress, end of year		76,554,726					76,554,726
Cost and Work in Progress, end of year	493,355,512	1,797,974,415	85,177,796	10,989,119	-	14,534,195	2,402,031,037
Accumulated Amortization, beginning of year		737,447,189	31,969,015	5,701,252	-	8,262,597	783,380,053
Changes for the Year							
Increase: Amortization for the Year		39,123,352	8,116,101	1,073,433	-	2,894,294	51,207,180
Decrease:							
Disposed of		1,087,803					1,087,803
Deemed Disposals			2,401,512	599,588	-	3,545,321	6,546,421
		1,087,803	2,401,512	599,588	-	3,545,321	7,634,224
Accumulated Amortization, end of year		775,482,738	37,683,604	6,175,097	-	7,611,570	826,953,009
Tangible Capital Assets - Net	493,355,512	1,022,491,677	47,494,192	4,814,022	-	6,922,625	1,575,078,028

School District No. 36 (Surrey)

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	50,707,535				50,707,535
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	41,443,621				41,443,621
Deferred Capital Revenue - Other	3,354,549				3,354,549
Local Capital	2,921,090				2,921,090
	47,719,260	-	-	-	47,719,260
Decrease:					
Transferred to Tangible Capital Assets	21,872,069				21,872,069
	21,872,069	-	-	-	21,872,069
Net Changes for the Year	25,847,191	-	-	-	25,847,191
Work in Progress, end of year	76,554,726	-	-	-	76,554,726

School District No. 36 (Surrey)

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	762,888,986	28,455,090		791,344,076
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	48,103,303	2,514,964		50,618,267
Transferred from Work in Progress	21,708,573	163,495		21,872,068
	69,811,876	2,678,459	-	72,490,335
Decrease:				
Amortization of Deferred Capital Revenue	36,951,174	1,120,022		38,071,196
Reclassified Deferred Capital Contribution to Local Capital	17,975	-		17,975
	36,969,149	1,120,022	-	38,089,171
Net Changes for the Year	32,842,727	1,558,437	-	34,401,164
Deferred Capital Revenue, end of year	795,731,713	30,013,527	-	825,745,240
Work in Progress, beginning of year	45,214,995	3,162,109		48,377,104
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	41,443,621	3,354,549		44,798,170
	41,443,621	3,354,549	-	44,798,170
Decrease				
Transferred to Deferred Capital Revenue	21,708,573	163,495		21,872,068
	21,708,573	163,495	-	21,872,068
Net Changes for the Year	19,735,048	3,191,054	-	22,926,102
Work in Progress, end of year	64,950,043	6,353,163	-	71,303,206
Total Deferred Capital Revenue, end of year	860,681,756	36,366,690	-	897,048,446

School District No. 36 (Surrey)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2025

Schedule 4D (Unaudited)

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	19,612,283	6,849,053	3,887,737	3,554,403	-	33,903,476
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	112,465,481		1,442,413			113,907,894
Investment Income	-	243,982	-	144,665		388,647
Transfer project surplus to MECC Restricted (from) Bylaw	(1,308,309)	1,308,309				-
Other Revenue	-	2,500	-	-		2,500
Local Government Site Fees	-	-	-	2,774,221		2,774,221
	<u>111,157,172</u>	<u>1,554,791</u>	<u>1,442,413</u>	<u>2,918,886</u>	<u>-</u>	<u>117,073,262</u>
Decrease:						
Transferred to DCR - Capital Additions	48,103,303	141,182	2,373,782			50,618,267
Transferred to DCR - Work in Progress	41,443,621	398,181	2,956,368			44,798,170
Transferred to Revenue - Site Purchases	41,240,506	-	-	3,853,718		45,094,224
Transferred to Revenue - Settlement of Asset Retirement Obligation	-	-	-	115,000		115,000
Reclassified Deferred Capital Contributions to Local Capital	(17,975)	-	-	-		(17,975)
	<u>130,769,455</u>	<u>539,363</u>	<u>5,330,150</u>	<u>3,968,718</u>	<u>-</u>	<u>140,607,686</u>
Net Changes for the Year	<u>(19,612,283)</u>	<u>1,015,428</u>	<u>(3,887,737)</u>	<u>(1,049,832)</u>	<u>-</u>	<u>(23,534,424)</u>
Balance, end of year	<u>-</u>	<u>7,864,481</u>	<u>-</u>	<u>2,504,571</u>	<u>-</u>	<u>10,369,052</u>