

Financial Statements of

COLLINGWOOD SCHOOL SOCIETY

And Independent Auditor's Report thereon

Year ended June 30, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Collingwood School Society:

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Collingwood School Society (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 assets 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 present fairly, in all material respects, the financial position of the Entity as at June 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

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

Chartered Professional Accountants

Vancouver, Canada
September 24, 2025

COLLINGWOOD SCHOOL SOCIETY

Statement of Financial Position

June 30, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 23,989,008	\$ 22,242,951
Short term investments (note 3)	6,397,405	9,617,443
Accounts receivable (notes 4, 10 and 17)	454,736	628,358
Prepaid expenses	538,043	438,622
	<u>31,379,192</u>	<u>32,927,374</u>
Long-term investments (note 3)	20,138,418	18,678,929
Capital assets (note 5)	74,439,953	64,741,783
Long-term prepaid lease (note 6)	37,053	46,316
	<u>\$ 125,994,616</u>	<u>\$ 116,394,402</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 882,087	\$ 1,316,641
Accrued salaries and benefits (notes 7 and 8)	4,807,150	4,690,469
Tuition and other fees received in advance	33,724,658	32,655,964
Current portion of long-term debt (note 9)	471,028	3,299,216
	<u>39,884,923</u>	<u>41,962,290</u>
Long-term debt (note 9)	6,568,850	841,800
	<u>46,453,773</u>	<u>42,804,090</u>
Net assets:		
Unrestricted:		
Operating reserve	9,408,852	9,549,262
Internally restricted:		
Capital reserve	2,092,850	1,626,647
Parents' council	213,714	157,668
Externally restricted	425,352	1,655,968
Invested in capital assets (note 12)	67,400,075	60,600,767
	<u>79,540,843</u>	<u>73,590,312</u>
Commitments (note 14)		
	<u>\$ 125,994,616</u>	<u>\$ 116,394,402</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Nicolás Jiménez, Governor



Lydia Ventura-Paterson, Governor

COLLINGWOOD SCHOOL SOCIETY

Statement of Operations

Year ended June 30, 2025, with comparative information for 2024

	Unrestricted operating reserve	Internally restricted	Externally restricted	Invested in capital assets	2025 Total	2024 Total
Revenue:						
Tuition fees	\$ 37,084,420	\$ -	\$ -	\$ -	\$ 37,084,420	\$ 34,972,970
Less: Financial assistance	(852,057)	-	(381,205)	-	(1,233,262)	(1,354,462)
	36,232,363	-	(381,205)	-	35,851,158	33,618,508
Government grants (note 11)	4,673,104	-	-	-	4,673,104	4,622,820
New student admission fees	1,519,800	-	-	-	1,519,800	741,400
Transportation revenue	186,702	-	-	-	186,702	196,132
Investment income	1,357,887	-	-	-	1,357,887	1,385,869
Other (notes 13 and 17)	3,808,443	56,046	-	-	3,864,489	2,983,463
	47,778,299	56,046	(381,205)	-	47,453,140	43,548,192
Expenses:						
Salaries and benefits	32,098,299	-	-	-	32,098,299	30,031,925
Professional development	393,876	-	-	-	393,876	424,471
Educational programming	4,168,194	-	195,914	-	4,364,108	3,593,477
Facilities	1,936,817	-	-	-	1,936,817	1,839,537
Transportation	429,411	-	-	-	429,411	454,841
Information technology	961,541	-	-	-	961,541	892,922
Parent, alumni and community relations	1,623,623	-	-	-	1,623,623	1,528,331
General and administrative	1,091,899	-	-	-	1,091,899	1,324,173
Amortization	-	-	-	2,565,708	2,565,708	2,571,695
Interest	139,940	-	-	-	139,940	85,594
	42,843,600	-	195,914	2,565,708	45,605,222	42,746,966
Excess (deficiency) of revenue over expenses before other items	4,934,699	56,046	(577,119)	(2,565,708)	1,847,918	801,226
Other items:						
Fundraising (note 17)	1,472,597	-	1,186,430	-	2,659,027	3,410,933
Gift to Collingwood School Foundation (note 17)	(61,030)	-	-	-	(61,030)	(83,326)
Gain on sale of investments	487,929	-	-	-	487,929	138,926
Fair value adjustment of investments (note 3)	1,037,977	-	-	-	1,037,977	1,136,850
Fair value adjustment of interest rate swap (note 10)	(21,290)	-	-	-	(21,290)	(36,192)
	2,916,183	-	1,186,430	-	4,102,613	4,567,191
Excess (deficiency) of revenue over expenses	\$ 7,850,882	\$ 56,046	\$ 609,311	\$ (2,565,708)	\$ 5,950,531	\$ 5,368,417

See accompanying notes to financial statements.

COLLINGWOOD SCHOOL SOCIETY

Statement of Changes in Net Assets

Year ended June 30, 2025, with comparative information for 2024

	Unrestricted operating reserve	Internally restricted		Externally restricted	Invested in capital assets	2025 Total	2024 Total
		Capital reserve	Parents' council				
Net assets, beginning of year	\$ 9,549,262	\$ 1,626,647	\$ 157,668	\$ 1,655,968	\$ 60,600,767	\$ 73,590,312	\$ 68,221,895
Excess (deficiency) of revenue over expenses	7,850,882	-	56,046	609,311	(2,565,708)	5,950,531	5,368,417
Net change in invested in capital assets (note 12(b))	(5,805,089)	(1,720,000)	-	(1,839,927)	9,365,016	-	-
Interfund transfer	(2,186,203)	2,186,203	-	-	-	-	-
Net assets, end of year	\$ 9,408,852	\$ 2,092,850	\$ 213,714	\$ 425,352	\$ 67,400,075	\$ 79,540,843	\$ 73,590,312

See accompanying notes to financial statements.

COLLINGWOOD SCHOOL SOCIETY

Statement of Cash Flows

Year ended June 30, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 5,950,531	\$ 5,368,417
Items not involving cash:		
Amortization	2,565,708	2,571,695
Amortization of prepaid lease	9,263	9,263
Gain on disposal of capital assets	(9,760)	(15,558)
Gain on sale of investments	(487,929)	(138,926)
Fair value adjustment on investments	(1,037,977)	(1,136,850)
Changes in non-cash operating working capital:		
Accounts receivable	173,622	(184,115)
Accrued interest on investments	(559,955)	(454,254)
Prepaid expenses	(99,421)	(32,929)
Accounts payable and accrued liabilities	(434,554)	219,153
Accrued salaries and benefits	116,681	(331,119)
Tuition and other fees received in advance	1,068,694	2,528,356
	7,254,903	8,403,133
Investments:		
Purchase of investments	(5,771,010)	(14,200,000)
Proceeds from sale of investments	9,617,420	9,959,715
Additions to capital assets	(12,263,878)	(1,701,104)
Proceeds from disposal of capital assets	9,760	27,587
	(8,407,708)	(5,913,802)
Financing:		
Additions of long-term debt	6,880,000	-
Repayment of long-term debt	(3,981,138)	(2,542,712)
	2,898,862	(2,542,712)
Increase (decrease) in cash and cash equivalents	1,746,057	(53,381)
Cash and cash equivalents, beginning of year	22,242,951	22,296,332
Cash and cash equivalents, end of year	\$ 23,989,008	\$ 22,242,951

See accompanying notes to financial statements.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements

Year ended June 30, 2025

1. Operations:

Collingwood School Society (the "Society") was incorporated on December 8, 1983 under the *Societies Act* (British Columbia). The Society is a registered charity under the *Income Tax Act* and is therefore exempt from the payment of income tax.

The Society operates Collingwood School (the "School") at the Morven Campus (600 students in grades 8 - 12) and the Wentworth Campus (650 students in junior kindergarten - grade 7), both in West Vancouver. The School is classified as a Group 2 independent school under the *Independent School Act*.

The School is non-denominational and co-educational. The School's personalized and inclusive approach fosters academic excellence and wellbeing as the students explore opportunities across academics, arts, athletics and service learning. With an emphasis on experiential learning, collaboration, character development, and problem solving across disciplines, the School aims to prepare graduates to join the global community as critical thinkers who are resilient, socially conscious and prepared to make the most of their opportunities.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and include the following significant accounting policies:

(a) Fund accounting:

The resources and operations of the Society have been segregated for accounting purposes into the following funds:

(i) Unrestricted:

The Operating Reserve fund accounts for the Society's program delivery, support and administrative activities. Amortization charges relating to these activities are accounted for in the invested in capital assets fund other than the amortization of the prepaid lease which is recorded as an expense of the operating reserve fund as incurred (notes 2(h) and 6).

(ii) Restricted funds:

Internally restricted:

The Capital Reserve fund represents amounts earmarked for capital projects as approved by the Board of Directors (the "Board") on an annual basis.

The Parents' Council fund represents contributions received from the Parents' Council fundraising to be used for the benefit of the School.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(ii) Restricted funds (continued):

Externally restricted:

The externally restricted fund represents funds from donations where the purposes have been specifically designated by donors.

(iii) Invested in capital assets:

The amortization of capital assets used in operations of the Society, as well as, the Society's investment in capital assets and related long-term debt are accounted for as part of invested in capital assets.

Interfund transfers to fund capital projects and other transfers of funds as approved by the Board are presented in the Statement of Changes in Net Assets.

(b) Revenue recognition:

The Society follows the restricted fund method of accounting for contributions.

(i) Unrestricted contributions:

Unrestricted contributions, including government grants, are recognized as revenue of the Operating Fund in the period in which the contribution is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(ii) Restricted contributions:

Restricted contributions, including donations received for future capital projects are recorded in the restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(iii) Parents' Council contributions that are for specific purposes are recognized in the internally restricted fund when received.

(iv) In-kind and service contributions:

Donations and contributions in kind are recorded at fair value at the time of receipt when and if such a value can be reasonably determined.

Volunteers contribute a significant amount of time each year to assist the Society in fundraising and carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services of volunteers are not recognized in these financial statements.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(b) Revenue recognition (continued):

(v) Tuition fees received prior to June 30 for the upcoming year are deferred as tuition fees received in advance and recognized as revenue in the period to which the fees relate. New student admission fees are recognized as fully earned when the applicant is accepted for admission to the school. The school grants financial assistance for students who apply for financial aid. The financial assistance is recorded as a reduction of revenues when granted.

(vi) Other fees are recorded as revenue when the related services are provided.

(c) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments with terms of maturity of three months or less at the date of acquisition.

(d) Short-term investments:

Short-term investments consist of non-redeemable guaranteed investment certificates and mature within the next fiscal year.

(e) Capital assets:

Capital assets are recorded at cost and are amortized over the estimated useful lives of the assets on a straight-line basis using the following annual rates:

Assets	Rates
Morven Campus:	
Buildings	20 - 50 years
Turf Field	15 years
Wentworth Campus:	
Buildings	20 - 50 years
Turf Field	15 years
Furniture, fixtures and other	4 - 10 years

Capital project costs are capitalized once there is certainty as to the future benefit being realized on the project. Once projects are complete, they are transferred to the appropriate capital asset category and amortized when the assets are in put in to use.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(f) Impairment of capital assets:

The Society reviews its capital assets for impairment whenever events or changes in circumstances indicate that the assets no longer contributes to the Society's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the Statement of Operations at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

(g) Prepaid lease:

The components of the prepaid lease are amortized on a straight-line basis over the term of the arrangement.

(h) Subsidiary:

The Society accounts for its investment in 1397095 B.C. Ltd. (the "Company"), a wholly owned subsidiary of the Society, using the equity method. Under this method, the Society's 100% share of the investee's earnings/losses is included in determining the Society's net income and is adjusted against the carrying of value of the investment included in the Statement of Financial Position.

The Society periodically reviews the investment for impairment. Impairment, if any, is adjusted against the carrying value of the investment.

As at June 30, 2025, the Company had no operations and therefore reported no revenues, expenses, or net income. The Company's only asset was \$10 in cash, and its total equity was \$10.

(i) Employee future benefits:

Until 2024, the Society provided extended health benefits to retired employees with a combination of 85-points based on age and service at the time of retirement. There are currently 29 (2024 - 30) retired employees receiving extended health benefits. These amounts are recorded as a liability on an unfunded basis based on the estimated present value of expected future payments to existing retired employees.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Areas requiring management estimates include the useful lives of capital assets for amortization, and provisions for employee future benefits. Actual results could differ from these estimates.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

2. Significant accounting policies (continued):

(k) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to carry investments, other than guaranteed investment certificates, at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(l) Economic interest:

The Collingwood School Foundation (the "Foundation") was established to raise funds for the ultimate benefit of the Society. Endowment funds are maintained in perpetuity by the Foundation, with earnings from the funds being available for distribution to the Society to provide financial assistance, scholarships, and program funding to benefit the Society and its students. The Foundation was incorporated under the *Societies Act* of British Columbia. The Foundation is designated as a public foundation, a registered charity under the *Income Tax Act* and is therefore exempt from the payment of income tax. The Society and the Foundation are separate legal entities having separate boards of governors and directors and independently make all decisions affecting their funds. These financial statements do not reflect the accounts of the Foundation.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

3. Investments:

Investments include guaranteed investment certificates earning interest ranging from 3.5% to 5.6% (2024 - 4.85% to 6.17%) with maturities ranging from November 2025 to June 2026 (2024 - August 2025 to November 2025). Any investments with maturities beyond the next fiscal year are classified as long-term.

Investments held at fair value consist of equity, fixed income pooled funds and alternatives invested with Connor, Clark & Lunn.

	2025	2024
Connor, Clark & Lunn funds held at fair value:		
Canadian Equity Fund	\$ 5,626,356	\$ 3,944,316
Global Equity Fund	5,693,817	4,159,954
Fixed Income Fund	6,184,701	4,061,127
Alternate Investments Fund	2,633,534	1,757,283
	20,138,408	13,922,680
Bank of Montreal:		
Guaranteed investment certificates ("GICs") at amortized cost	-	4,600,000
Canaccord Genuity:		
GICs at amortized cost	6,397,405	9,773,692
1397095 B.C. Ltd.:		
Equity accounted for investment	10	-
	26,535,823	28,296,372
Less current portion	(6,397,405)	(9,617,443)
Long term investments	\$ 20,138,418	\$ 18,678,929

The Canaccord Genuity GICs balance includes \$426,381 (2024 - \$173,692) of interest earned to date.

	2025	2024
Unrealized gains, beginning of year	\$ 1,736,068	\$ 599,218
Change in unrealized gains	1,037,977	1,136,850
Unrealized gains, end of year	\$ 2,774,045	\$ 1,736,068

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

4. Accounts receivable:

	2025	2024
Tuition fees receivable	\$ 121,341	\$ 100,280
SWAP receivable (note 10)	1,064	43,076
Accrued interest receivable	60,489	239,352
Commodity sales tax	169,536	165,461
Other receivables (note 17)	102,306	80,189
	<u>\$ 454,736</u>	<u>\$ 628,358</u>

5. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Morven Campus:				
Land	\$ 12,806,255	\$ -	\$ 12,806,255	\$ 4,244,532
Buildings	52,712,979	14,618,989	38,093,990	37,241,014
Turf Field	1,145,814	842,864	302,950	401,123
Wentworth Campus:				
Land	4,404,621	-	4,404,621	4,404,621
Buildings	24,090,070	9,426,541	14,663,529	15,081,638
Turf Field	544,453	508,156	36,297	72,593
Furniture, fixtures and other	14,829,344	10,697,033	4,132,311	3,296,262
	<u>\$ 110,533,536</u>	<u>\$ 36,093,583</u>	<u>\$ 74,439,953</u>	<u>\$ 64,741,783</u>

Included in Morven Campus land and buildings are eight units rented to school faculty.

Refer to note 9 for information on financing of capital assets.

6. Prepaid lease:

On December 18, 2008, the Society entered into an agreement with the Capilano Rugby Club (the "Club") for the use of the Club's field and facilities until December 31, 2031 for consideration of \$200,000. The lease is amortized on a straight-line basis over the usage term. Prepaid lease amortization included in curriculum expenses for the year ended June 30, 2025 is \$9,263 (2024 - \$9,263).

7. Accrued salaries and wages:

Included in accrued salaries and benefits liabilities are government remittances of \$359,361 (2024 - \$301,724) related to workers compensation and employer health tax remittances.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

8. Post-retirement benefits:

Included in accrued salaries and benefits is the Society's post-retirement health benefit plan liability as follows:

	2025	2024
Retired employees	\$ 480,215	\$ 532,354

The significant assumptions adopted in measuring the post-retirement benefits include using a discount rate of 5.46% (2024 - 5.19%) and the estimated life expectancy from Statistics Canada for 65-year-olds in British Columbia.

9. Long-term debt:

	2025	2024
Term loan:		
Royal Bank term loan bearing interest of CORRA plus 1.80% repayable quarterly in equal installments over 20-years	\$ 250,000	\$ 2,100,000
Royal Bank term loan bearing interest of 2.64% repayable monthly in equal installments of \$4,809, repaid July 3, 2024	-	714,316
Royal Bank term loan bearing interest of 2.64% repayable monthly in equal installments of \$4,723, repaid July 11, 2024	-	701,686
Royal Bank term loan bearing interest of 2.42% repayable monthly in equal installments of \$3,998, repaid March 3, 2025	-	625,014
Royal Bank term loan bearing interest of 4.51% repayable monthly in equal installments of \$43,563, due on January 16, 2030	6,789,878	-
	7,039,878	4,141,016
Current portion of long-term debt	(471,028)	(3,299,216)
	\$ 6,568,850	\$ 841,800

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

9. Long-term debt (continued):

The Society has entered into a Credit Agreement with the Royal Bank of Canada. The facility permits total borrowing of \$16,600,000 (2024 - \$14,250,000). The facility includes a revolving loan of up to \$1,500,000; a revolving term facility of up to \$10,000,000, a non-revolving 20-year term facility of \$4,700,000, and a Visa credit limit of \$400,000. This facility is secured by a general security agreement covering all property of the Society, a first charge of \$7,500,000 on the Morven Campus land and buildings, a first charge of \$15,000,000 on the Wentworth Campus land and buildings and a certificate of insurance over buildings and equipment with a loss payable to the Royal Bank.

The annual principal repayments on long-term debt required for the next 5-years and thereafter are as follows, assuming all loans are renewed on maturity at similar terms:

2026	\$	471,028
2027		231,205
2028		241,850
2029		252,986
2030		264,634
Thereafter		5,578,175
	\$	7,039,878

10. Interest rate swap:

The Society has one outstanding interest rate swap contract currently totaling \$250,000. The balance of the swap amortizes in parallel with the expected debt amortization. The agreement swaps floating interest rates to a fixed rate of 2.86%, which includes Canadian Overnight Repo Rate Average (CORRA) fees of 1.80%, and expires on July 31, 2025. Quarterly, the Society uses excess cash to reduce the obligation and therefore the interest cost to the Society. The amount of excess cash available to apply varies from quarter to quarter.

The swap contract is recorded at fair value and included in accounts receivable of \$1,064 (2024 - \$22,353 in accounts receivable) at June 30, 2025 on the Statement of Financial Position. This fair value adjustment has been reflected in the Statement of Operations as a \$21,290 loss in the current year (2024 - \$36,192 loss). The quarterly payments under the agreement are recorded as interest expense.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

11. Government grants:

The Society receives an *Independent School Act* grant from the British Columbia provincial government based on the number of eligible students. In order for students to be eligible, the following conditions must hold:

- (a) the student must be enrolled in an independent school for at least 600-hours between July 1 and May 15 in a school year;
- (b) the student must be 5-years or older; and
- (c) the student's parent or guardian must be a citizen of Canada or a landed immigrant and they must reside in British Columbia.

The School receives 35% of the amount the West Vancouver School Board receives for operating costs per eligible student. During 2025, there were 1,216 (2024 - 1,217) eligible students.

12. Invested in capital assets:

- (a) Invested in capital assets is comprised of the following:

	2025	2024
Capital assets	\$ 74,439,953	\$ 64,741,783
Amounts financed by long-term debt	(7,039,878)	(4,141,016)
	<u>\$ 67,400,075</u>	<u>\$ 60,600,767</u>

- (b) Change in net assets invested in capital assets is comprised of the following:

	2025	2024
Excess of revenue over expenses:		
Amortization of capital assets	\$ (2,565,708)	\$ (2,571,695)
Net change in invested in capital assets:		
Additions to capital assets	12,263,878	1,701,104
Disposal of capital assets	-	(12,029)
Addition of long-term debt	(6,880,000)	-
Repayment of long-term debt	3,981,138	2,542,712
	<u>9,365,016</u>	<u>4,231,787</u>
	<u>\$ 6,799,308</u>	<u>\$ 1,660,092</u>

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

13. Other revenue:

Other revenue consists of the following:

	2025	2024
Food services	\$ 598,783	\$ 655,628
Registration fees and event ticket sales	2,003,496	1,440,912
Before and after school programs	167,500	137,845
Summer Institute	157,103	129,916
Camp programs	558,808	364,453
Equipment and gear	120,639	75,692
Facility rentals	162,175	118,670
Miscellaneous	95,985	60,347
	<hr/> \$ 3,864,489	<hr/> \$ 2,983,463

These revenues are recorded on a gross basis and have corresponding expenses presented separately on the Statement of Operations.

14. Commitments:

The Society has commitments under various operating leases for equipment. Future payments under such lease obligations are due as follows:

2026	\$	132,510
2027		132,510
2028		120,000
2029		82,468
2030		82,468
	<hr/> \$	<hr/> 549,956

15. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements and obtaining appropriate financing as required. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

15. Financial risks (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Society is not subject to any significant credit risks associated with its cash deposits and investments as they are placed with reputable financial institutions.

(c) Market price risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Society's income or the value of its holdings of financial instruments.

(i) Interest rate risk:

The Society is exposed to interest rate risk on its fixed rate and floating interest rate financial instruments. Fixed rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk, as a result of fixed rate investments in guaranteed investment certificates and fixed income funds. The Society is also exposed to interest rate risks related to its long-term debt, which is subject to floating rates of interest, and has entered into an interest rate swap arrangement to manage the interest rate risk (notes 9 and 10).

(ii) Currency risk:

The Society is exposed to currency risks as a result of investments in global equity funds.

(iii) Other price risks:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Equity price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Society is exposed to equity price risk on its investments in its equity fund holdings. The objective of the Society's investment policy is to manage equity price risk by maintaining a portfolio which is diversified across geographic and industry sectors. The performance of the Society's investments is monitored by measuring against a benchmark consisting of relative weightings of various stock indices.

The Society manages its investment portfolio to earn investment income and invests according to its Investment Policy as approved by the Board.

COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2025

16. Collingwood School Scholarship Fund:

The Society has established the Collingwood School Scholarship Fund (the "Fund") with the Vancouver Foundation to provide scholarship awards and bursaries to students of Collingwood School. The assets in the fund of \$497,664 (2024 - \$472,752) are administered by and remain with the Vancouver Foundation in perpetuity. As such, the Scholarship Fund is not recorded in these financial statements. The interest and return of capital received on this Fund during the year of \$22,285 (2024 - \$21,095) has been included in fundraising revenue.

17. Collingwood School Foundation:

Included in accounts receivable is \$15,693 (2024 - nil) due from the Foundation for donations received in June intended to be donated to the Society. The amount due from the Foundation is unsecured and without interest or specified terms of payment.

During the year, the Society received \$2,497,141 (2024 - \$2,607,141) from the general, restricted and endowment funds of the Foundation towards capital additions, educational programs, school awards, financial assistance, and scholarships which has been included in fundraising income.

The Society also received \$32,165 (2024 - \$54,684) in payment for services it provided for the Foundation. This amount has been included in other revenue. The Society in turn gifted the equivalent amount to the Foundation. The Society also donated \$28,865 (2024 - \$28,642) to the Foundation towards credit card processing fees associated with online fundraising activities.

The net assets of the Foundation consist of a restricted fund of \$269,121 (2024 - \$249,399), endowment fund - principal of \$11,565,787 (2024 - \$11,525,222) and endowment fund - distributable of \$4,638,871 (2024 - \$3,393,936) as at June 30, 2025.

18. Remuneration disclosure under the *Societies Act* (British Columbia):

For the year ended June 30, 2025, the Society paid total remuneration of \$26,972,605 (2024 - \$24,752,150) to 215 employees (2024 - 201) employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

No remuneration was paid to any member of Board of Directors.

19. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.