

FINANCIAL STATEMENTS

July 1, 2025 to June 30, 2026



Audited Financial Statements of

School District No. 39 (Vancouver)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 39 (Vancouver)

June 30, 2026

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

Version: 3239-2493-9511

Management's Responsibility for the Financial Statements.

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

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

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

The Board of Education of School District No. 39 (Vancouver) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 39 (Vancouver) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 39 (Vancouver)

Original Signed	September 23, 2026
Signature of the Chairperson of the Board of Education	Date Signed
Original Signed	September 24, 2026
Signature of the Superintendent	Date Signed
Original Signed	September 24, 2026
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

- the statement of financial position as at June 30, 2026
 - 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, 2026 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 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 Information included in the Unaudited Schedules 1-4 attached to the audited financial statements and Management's Financial Statement Discussion and Analysis 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'. The signature is written in a cursive, stylized font and is positioned above a horizontal line.

Chartered Professional Accountants

Vancouver, Canada
September 24, 2026

School District No. 39 (Vancouver)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	275,042,317	204,874,430
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	8,926,468	5,187,360
Other (Note 3)	7,308,310	30,175,838
Portfolio Investments (Note 4)	31,814,935	30,208,956
Total Financial Assets	323,092,030	270,446,584
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	735,772	233,539
Other (Note 5)	106,720,143	93,376,357
Unearned Revenue (Note 6)	58,972,141	63,079,517
Deferred Revenue (Note 7)	35,919,985	38,960,835
Deferred Capital Revenue (Note 8)	1,016,111,388	966,409,034
Employee Future Benefits (Note 9)	33,052,370	33,892,379
Asset Retirement Obligation (Note 10)	79,680,815	70,320,233
Capital Lease Obligations (Note 11)	1,098,779	2,607,996
Total Liabilities	1,332,291,393	1,268,879,890
Net Debt	(1,009,199,363)	(998,433,306)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	1,064,409,993	1,056,645,885
Prepaid Expenses	3,112,603	3,008,153
Supplies Inventory	1,466,157	1,411,838
Total Non-Financial Assets	1,068,988,753	1,061,065,876
Accumulated Surplus (Deficit) (Note 14)	59,789,390	62,632,570

Contractual Obligations (Note 15)

Contingent Assets (Note 16)

Contingent Liabilities (Note 17)

Approved by the Board

Original Signed	September 23, 2026
Signature of the Chairperson of the Board of Education	Date Signed
Original Signed	September 24, 2026
Signature of the Superintendent	Date Signed
Original Signed	September 24, 2026
Signature of the Secretary Treasurer	Date Signed

School District No. 39 (Vancouver)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	694,181,243	709,787,838	682,302,605
Other	8,987,608	9,472,686	10,062,363
Federal Grants	3,068,057	3,056,831	3,375,678
Tuition	23,257,696	23,984,376	26,400,962
Other Revenue	26,467,243	30,857,121	31,365,552
Rentals and Leases	8,082,871	10,429,538	8,925,174
Investment Income	5,499,661	5,217,696	7,521,963
Amortization of Deferred Capital Revenue	31,416,826	31,185,753	30,286,834
Total Revenue	800,961,205	823,991,839	800,241,131
Expenses (Note 19)			
Instruction	648,964,601	657,309,840	640,907,933
District Administration	27,848,782	24,779,803	32,601,794
Operations and Maintenance	127,907,998	143,681,173	127,294,158
Transportation and Housing	4,091,984	4,332,804	4,450,335
Debt Services	79,981	79,982	108,274
Write-off/down of Buildings and Sites			3,714,650
ARO Accretion		(3,348,583)	3,348,582
Total Expense	808,893,346	826,835,019	812,425,726
Surplus (Deficit) for the year	(7,932,141)	(2,843,180)	(12,184,595)
Accumulated Surplus (Deficit) from Operations, beginning of year		62,632,570	74,817,165
Accumulated Surplus (Deficit) from Operations, end of year		59,789,390	62,632,570

School District No. 39 (Vancouver)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(7,932,141)	(2,843,180)	(12,184,595)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(51,604,448)	(60,144,077)	(49,769,179)
Amortization of Tangible Capital Assets	39,539,438	52,379,969	38,792,405
ARO Retirement			76,695
Total Effect of change in Tangible Capital Assets	(12,065,010)	(7,764,108)	(10,900,079)
Acquisition of Prepaid Expenses		(6,028,825)	(5,731,916)
Use of Prepaid Expenses		5,923,373	5,775,574
Acquisition of Supplies Inventory		(1,794,884)	(1,469,009)
Use of Supplies Inventory		1,741,567	1,342,830
Total Effect of change in Other Non-Financial Assets	-	(158,769)	(82,521)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(19,997,151)</u>	<u>(10,766,057)</u>	<u>(23,167,195)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(10,766,057)	(23,167,195)
Net Debt, beginning of year		(998,433,306)	(975,266,111)
Net Debt, end of year		<u>(1,009,199,363)</u>	<u>(998,433,306)</u>

School District No. 39 (Vancouver)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(2,843,180)	(12,184,595)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	19,128,420	2,615,056
Supplies Inventories	(54,319)	(126,179)
Prepaid Expenses	(104,450)	43,658
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	13,846,019	(22,190,052)
Unearned Revenue	(4,107,376)	6,023,257
Deferred Revenue	(3,040,850)	(2,701,603)
Employee Future Benefits	(840,009)	41,819
Asset Retirement Obligations	9,360,582	3,348,583
Amortization of Tangible Capital Assets	52,379,969	38,792,405
Amortization of Deferred Capital Revenue	(31,185,753)	(30,286,834)
Write-Off/down of Buildings and Sites		3,714,650
Total Operating Transactions	52,539,053	(12,909,835)
Capital Transactions		
Tangible Capital Assets Purchased	(3,001,477)	(1,696,872)
Tangible Capital Assets -WIP Purchased	(44,433,435)	(50,516,302)
ARO - Change in Estimate	(12,994,045)	
ARO Settlement	(284,880)	
Total Capital Transactions	(60,713,837)	(52,213,174)
Financing Transactions		
Capital Revenue Received	81,457,867	45,858,650
Capital Lease Payments	(1,509,217)	(1,804,084)
DCR Transfer and other items		(1,828,328)
Total Financing Transactions	79,948,650	42,226,238
Investing Transactions		
Investments in Portfolio Investments	(1,605,979)	20,201,768
Total Investing Transactions	(1,605,979)	20,201,768
Net Increase (Decrease) in Cash and Cash Equivalents	70,167,887	(2,695,003)
Cash and Cash Equivalents, beginning of year	204,874,430	207,569,433
Cash and Cash Equivalents, end of year	275,042,317	204,874,430
Cash and Cash Equivalents, end of year, is made up of:		
Cash	275,042,317	204,874,430
	275,042,317	204,874,430

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

1 Authority and Purpose

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

2 Summary of Significant Accounting Policies

a) Basis of Accounting

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

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

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

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

d) Portfolio Investments

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

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

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

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

g) Employee Future Benefits

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

The most recent valuation of the obligation was performed at March 31, 2026 and projected to June 30, 2026. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

i) Pension Plans

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

h) Tangible Capital Assets

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

i) Asset Retirement Obligations

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

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

The liability associated with the remediation and removal of asbestos, lead in paint and other hazardous materials contained within certain School District-owned buildings was initially recognized using the modified retrospective method. Due to the uncertainty surrounding the timing and amounts of future cash outflows, the liability has been measured based on current cost estimates. The corresponding asset retirement costs have been capitalized as part of the carrying value of the related tangible capital assets and are amortized over the assets' remaining useful lives using the same basis as the associated tangible capital assets (see Note 2(h)).

During the year ended June 30, 2026, the School District completed a review of its asset retirement obligation estimates using updated information regarding the nature, extent, and current cost of required remediation and retirement activities. As a result of this review, the estimated obligation was revised, resulting in an increase to the asset retirement obligation liability and related tangible capital assets. The effect of the remeasurement is included in the changes reported in Note 10 to the financial statements.

The assumptions and estimates underlying the liability calculation are reviewed periodically and updated when new information becomes available or circumstances change.

j) Capital Leases

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

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

k) Prepaid Expenses

Prepaid annual maintenance contracts, prepaid rent and membership dues are included as a prepaid expense and stated at acquisition cost, and are charged to expense over the periods expected to benefit from it.

l) Supplies Inventory

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

m) Funds and Reserves

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

n) Revenue Recognition

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

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

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

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

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful lives of the assets. Donated sites are recorded as revenue at fair market value when received or receivable. Nominal values are recorded where fair market value cannot be reasonably determined.

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 over the period that the liability is extinguished.

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

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

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

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

o) Expenditures

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

Categories of Salaries

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

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 indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals' and Vice-Principals' salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and other current liabilities.

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

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

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

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

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

2 Summary of Significant Accounting Policies (continued)

q) Liability for Contaminated Sites

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

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

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

r) Measurement Uncertainty

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

3 Other Receivables

The decrease in amounts due from municipalities primarily reflects the collection of \$19 million from the City of Vancouver that was outstanding at June 30, 2025. The allowance for doubtful accounts represents management's estimate of amounts that may not be collectible.

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Due from Federal Government	\$ 3,611,294	\$ 1,253,366
Due from Municipalities	14,570	19,695,743
Due from Other School Districts	410,761	192,325
Rentals and Leases	602,259	3,995,814
Other Receivables	<u>3,192,783</u>	<u>5,038,590</u>
Total Receivables	7,831,667	30,175,838
Allowance for Doubtful Accounts	<u>(523,357)</u>	<u>-</u>
Net Balance	<u>\$ 7,308,310</u>	<u>\$ 30,175,838</u>

4 Portfolio Investments

Portfolio investments consist of guaranteed investment certificates, including a short-term investment certificate, and senior government bonds. These investments are not quoted in an active market and are reported at cost or amortized cost. At June 30, 2026, the guaranteed investment certificates earned interest at a weighted-average rate of 3.77%, and the senior government bonds earned interest at a weighted-average rate of 2.88% (2025: 2.71%).

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

4 Portfolio Investments (continued)

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Short-term Investment Certificate	\$ 100,899	\$ -
Senior Government Bonds	108,946	107,910
GIC's	31,605,090	30,101,046
Net Balance	<u>\$ 31,814,935</u>	<u>\$ 30,208,956</u>

5 Accounts Payable and Accrued Liabilities – Other

Accounts payable and accrued liabilities represent amounts owing for goods and services received and other employee, program, vendor, and operating obligations incurred as at June 30, 2026.

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Trade Payables	19,914,358	9,239,004
Salaries and Benefits Payable	56,665,239	46,918,812
Accrued Vacation Pay	10,733,155	12,007,994
Other	19,407,392	25,210,547
	<u>106,720,143</u>	<u>93,376,357</u>

6 Unearned Revenue

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Balance, beginning of year		
Tuition fees	\$ 21,392,299	\$ 23,904,730
Rentals and leases	21,162,499	13,369,523
Other	20,524,719	19,782,007
	<u>63,079,517</u>	<u>57,056,260</u>
Amounts received		
Tuition fees	18,379,644	22,328,544
Rentals and leases	11,445,675	24,046,924
Other	679,332	742,712
	<u>30,504,651</u>	<u>47,118,180</u>
Amounts recognized in revenue		
Tuition fees	22,419,138	24,840,975
Rentals and leases	12,085,001	16,253,948
Other	-	-
	<u>34,504,139</u>	<u>41,094,923</u>
Balance, end of year		
Tuition fees	17,352,805	21,392,299
Rentals and leases	20,415,285	21,162,499
Other	21,204,051	20,524,719
	<u>\$ 58,972,141</u>	<u>\$ 63,079,517</u>

7 Deferred Revenue

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

7 Deferred Revenue (continued)

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Balance, beginning of year		
Provincial Grants - MECC	\$ 5,134,361	\$ 5,529,722
Provincial Grants - Other	25,661,131	28,574,738
Other Grants	6,288,441	6,034,264
Investment Income	1,876,902	1,523,714
	<u>38,960,835</u>	<u>41,662,438</u>
Increases during the year		
Provincial Grants - MECC	96,929,127	89,785,748
Provincial Grants - Other	6,570,264	7,086,507
Other	8,562,628	8,157,842
Interest Income	786,401	1,241,225
	<u>112,848,420</u>	<u>106,271,322</u>
Allocated to Revenue		
Provincial Grants - MECC	95,294,570	88,213,490
Provincial Grants - Other	9,402,032	10,000,114
Other Grants	8,122,486	7,903,665
Interest Income	1,304,583	888,037
	<u>114,123,671</u>	<u>107,005,306</u>
Recoveries		
Provincial Grants - MECC	<u>1,765,599</u>	<u>1,967,619</u>
Balance, end of year		
Provincial Grants - MECC	5,003,319	5,134,361
Provincial Grants - Other	22,829,363	25,661,131
Other Grants	6,728,583	6,288,441
Investment Income	1,358,720	1,876,902
	<u>\$ 35,919,985</u>	<u>\$ 38,960,835</u>

8 Deferred Capital Revenue

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

8 Deferred Capital Revenue (continued)

	June 30, 2026	June 30, 2025
Deferred Capital Revenue, Completed Projects		
Balance, beginning of year	\$ 901,501,338	\$ 870,737,396
Increases		
Transfers from Work in Progress	31,395,985	62,761,884
Transferred to Deferred Revenue Other from Bylaw	-	(1,787,803)
	31,395,985	60,974,081
Decreases		
Amortization - ByLaw Capital	29,377,858	28,676,459
Amortization - Other Provincial Capital	488,288	443,404
Amortization - Other Capital	1,319,607	1,166,971
ARO Settlement	-	(76,695)
Other	-	-
	31,185,753	30,210,139
Balance, end of year	901,711,570	901,501,338
Deferred Capital Revenue, Work in Progress		
Balance, beginning of year	44,085,049	59,820,334
Increases		
Transfers from Deferred Revenue – Unspent funds	42,928,423	47,595,064
Transfers from Deferred Revenue – ARO Settlement	-	-
Decreases		
Transfers to Deferred Revenue Other from Bylaw	-	-
Transfers to Deferred Capital Revenue – Completed projects	31,395,985	62,761,884
Write off	-	568,465
Settlement of Asset Retirement Obligations	284,880	-
Balance, end of year	55,332,607	44,085,049
Balance DCR - Completed Projects and WIP, end of year	957,044,177	945,586,387
Deferred Capital Revenue, Unspent		
Balance, beginning of year	20,822,647	22,752,976
Increases		
Provincial Grants – Ministry of Education and Child Care	35,955,663	39,636,921
Other Grants	922,096	3,570,873
Investment Income	1,860,108	745,833
Others	42,720,000	1,711,108
	81,457,867	45,664,735
Decreases		
Transferred to Deferred Capital Revenue, WIP	42,928,423	47,595,064
Settlement of Asset Retirement Obligations	284,880	-
Transfers to Deferred Revenue Other from Bylaw	-	-
	43,213,303	47,595,064
Balance, DCR - Unspent, end of year	59,067,211	20,822,647
Total Deferred Capital Revenue	\$ 1,016,111,388	\$ 966,409,034

9 Employee Future Benefits

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

9 Employee Future Benefits (continued)

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 28,524,120	\$ 25,988,416
Service Cost	1,799,150	1,702,176
Interest Cost	1,142,548	1,123,534
Benefit Payments	(2,970,225)	(2,020,968)
Increase (Decrease) in obligation due to Plan Amendment	-	-
Actuarial (Gain) Loss	(1,453,772)	1,730,962
Accrued Benefit Obligation – March 31	<u>\$ 27,041,821</u>	<u>\$ 28,524,120</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$ 27,041,821	\$ 28,524,120
Market Value of Plan Assets - March 31	-	-
Funded Status - Surplus (Deficit)	(27,041,821)	(28,524,120)
Employer Contributions After Measurement Date	1,206,192	1,419,325
Benefits Expense After Measurement Date	(739,926)	(735,425)
Unamortized Net Actuarial (Gain) Loss	(6,476,815)	(6,052,159)
Accrued Benefit Asset (Liability) - June 30	<u>\$ (33,052,370)</u>	<u>\$ (33,892,379)</u>
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability (Asset) - July 1	\$ 33,892,379	\$ 33,850,559
Net Expense for Fiscal Year	1,917,084	2,124,851
Employer Contributions	(2,757,093)	(2,083,031)
Accrued Benefit Liability (Asset) - June 30	<u>\$ 33,052,370</u>	<u>\$ 33,892,379</u>
Components of Net Benefit Expense		
Service Cost	1,780,382	1,726,420
Interest Cost	1,165,818	1,128,288
Immediate Recognition of Plan Amendment	-	-
Amortization of Net Actuarial (Gain)/Loss	(1,029,116)	(729,856)
Net Benefit Expense (Income)	<u>\$ 1,917,084</u>	<u>\$ 2,124,852</u>

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Assumptions		
Discount Rate - April 1	4.00%	4.25%
Discount Rate - March 31	4.50%	4.00%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARSL - March 31	11.1	11.1

The impact of changes in assumptions between the March 31, 2026 measurement date and June 30, 2026 reporting date have been considered and are not considered to be material.

10 Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials (lead in paint, fuel tanks) within some School District owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the obligation has been recognized using the modified retrospective method as at July 1, 2022.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

10 Asset Retirement Obligation (continued)

During the year ended June 30, 2026, the School District completed a review of its asset retirement obligation estimates using updated information regarding the nature, extent, and current cost of required remediation and retirement activities. As a result of this review, the estimated obligation was revised, resulting in an increase to the asset retirement obligation liability and related tangible capital assets. Accretion previously recognized was reversed to conform with the current-cost measurement approach. The effect of the remeasurement is included in the changes reported in the continuity schedule below.

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Asset Retirement Obligation, beginning of year	\$ 70,320,233	\$ 66,971,650
Change of estimate	12,994,045	-
Settlements during the year	(284,880)	-
Accretion Expense	<u>(3,348,583)</u>	<u>3,348,583</u>
Asset Retirement Obligation, end of year	<u>\$ 79,680,815</u>	<u>\$ 70,320,233</u>

11 Capital Lease Obligations

Repayments are due as follows:

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Fiscal year ended		
2026	\$ -	1,587,178
2027	630,819	632,838
2028	<u>499,192</u>	<u>499,192</u>
	1,130,011	2,719,208
Interest portion	<u>(31,232)</u>	<u>(111,212)</u>
Total	<u>\$ 1,098,779</u>	<u>\$ 2,607,996</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

12 Tangible Capital Assets

2026

Cost	July 1, 2025	Additions & ARO	Disposals & ARO	Transfers	June 30, 2026
Sites	\$ 20,781,543	\$ -	\$ -	\$ -	\$ 20,781,543
Buildings	1,550,012,801	12,994,045	-	30,966,346	1,593,973,191
Buildings – WIP	53,565,681	43,382,836	-	(30,966,346)	65,982,171
Furniture & Equipment	21,260,635	947,766	(1,096,546)	765,719	21,877,574
Vehicles	1,536,251	1,303,664	(181,718)	-	2,658,197
Computer Software	100,244	-	(45,272)	-	54,972
Computer Hardware	15,942,494	750,048	(7,066,913)	-	9,625,629
Total	\$ 1,663,199,649	\$ 60,144,078	\$ (8,390,449)	\$ -	\$ 1,714,953,277

Accumulated Amortization	July 1, 2025	Amortization & ARO	Disposals & ARO	June 30, 2026
Buildings	\$ 585,697,548	\$ 47,391,552	\$ -	\$ 633,089,100
Furniture & Equipment	9,000,100	2,157,182	1,096,546	10,060,736
Vehicles	1,023,174	209,722	181,718	1,051,178
Computer Software	71,660	15,522	45,272	41,910
Computer Hardware	10,761,282	2,605,991	7,066,913	6,300,360
Total	\$ 606,553,764	\$ 52,379,969	\$ 8,390,449	\$ 650,543,284

2025

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

Accumulated Amortization	July 1, 2024	Amortization & ARO	Disposals & ARO	June 30, 2025
Buildings	\$ 552,397,841	\$ 33,299,707	\$ -	\$ 585,697,548
Furniture & Equipment	8,319,273	2,113,765	1,432,938	9,000,100
Vehicles	1,051,429	163,193	191,448	1,023,174
Computer Software	51,612	20,048	-	71,660
Computer Hardware	9,809,635	3,195,692	2,244,045	10,761,282
Total	\$ 571,629,790	\$ 38,792,405	\$ 3,868,431	\$ 606,553,764

Net Book Value	June 30, 2026	June 30, 2025
Sites	\$ 20,781,543	\$ 20,781,543
Buildings	960,884,091	964,315,253
Buildings - WIP	65,982,171	53,565,681
Furniture & Equipment	11,816,838	12,260,535
Vehicles	1,607,019	513,077
Computer Software	13,062	28,584
Computer Hardware	3,325,269	5,181,212
Total	\$ 1,064,409,993	\$ 1,056,645,885

12 Tangible Capital Assets (continued)

As at June 30, 2026, there was work in progress of \$65,982,171 (2025 – \$53,565,681) included in Buildings and not being amortized.

No tangible capital assets were acquired through capital leases in the current year (2025 – \$1,839,120).

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

13 Employee Pension Plans

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

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

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$53,296,765, for employer contributions to the plans for the year ended June 30, 2026 (2025: \$54,146,757).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026, with results available in late 2027. The next valuation for the Municipal Pension Plan will be as at Dec 31, 2027 with results available in late 2028.

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

14 Accumulated Surplus

	June 30, 2026	June 30, 2025
Local Capital Surplus		
Internally Restricted (Appropriated) by the Board for:		
Restricted for Future Capital Cost Share		
cəwās Ch'elxwá7elch Skwuláwtxw Seaside	\$ 827,556	\$ 1,996,488
Kitsilano Secondary	14,364	14,364
Equipment Replacement	1,367,971	867,971
Financial Provisions	200,000	200,000
Parkade and Paid Parking Lots Renewal	965,837	653,761
Renewal of Leased Facilities	480,000	240,000
Replacement School at Lord Roberts Annex Site	4,005,396	3,235,396
Technology for Student Learning	-	5,245
Automated External Defibrillators	-	247,931
Fleet Refresh	170,613	-
Contingency Reserve for Local Capital	2,396,683	4,316,312
Total Internally Restricted Local Capital Surplus	10,428,420	11,777,468
Invested in Capital Assets	14,482,893	25,856,261
Total Local Capital Surplus	24,911,313	37,633,729
Accumulated Operating Surplus		
Internally Restricted (Appropriated) by the Board for:		
Planned Future Operations Spanning Multiple Years		
Education Plan	278,352	62,714
Equity and Anti-Oppression	223,105	260,069
Indigenous Education	371,160	295,461
IT Capital Plan	509,976	155,924
Long Range Facilities Plan	120,000	120,000
Online Learning Funding for Courses in Progress	443,544	411,064
Purchase Order Commitments	1,054,615	786,527
School Budget Balances	2,813,650	2,850,281
Child Care Spaces Maintenance and Renewal	424,735	-
Child Care Spaces Feasibility Study	75,000	-
Total Planned Future Operations Spanning Multiple Years	6,314,138	4,942,040
Anticipated Future Requirements		
Financial Provisions	2,086,502	1,352,974
Risk Mitigation - Systems and Processes	632,625	673,151
Total Anticipated Future Requirements	2,719,127	2,026,125
Restricted Due to Constraints on Funds		
Early Career Mentorship	19,855	257,974
Grants and Donations	2,156,075	3,131,454
Scholarships	833,751	813,527
School Generated Funds	8,260,185	7,735,493
Total Restricted Due to Constraints on Funds	11,269,865	11,938,449
Total Internally Restricted Operating Surplus	20,303,130	18,906,615
Operating Fund Contingency	26,621,300	15,443,012
Unfunded Litigation Costs	(12,046,353)	(9,350,786)
Unrestricted Operating Fund Surplus (Contingency)	14,574,947	6,092,226
Total Accumulated Operating Accumulated Surplus	34,878,077	24,998,841
Accumulated Surplus	\$ 59,789,390	\$ 62,632,570

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

15 Contractual Obligations

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

	2027	2028	2029	2030
Approved Capital Projects	\$ 7,673,109	\$ 152,000	\$ 100,000	\$ 299,500
Future operating lease payments	518,370	488,111	-	-
	\$ 8,191,479	\$ 640,111	\$ 100,000	\$ 299,500

16 Contingent Assets

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

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

VSB is seeking leave to appeal this decision to the Supreme Court of Canada. The collectability of the amount invoiced depends on the outcome of the appeal.

Contingent assets are not recorded in the financial statements.

17 Contingent Liabilities

In the ordinary course of business, VSB has legal proceedings brought against it. It is the opinion of management that final determination of these claims will not have a material impact on the financial positions or operations of VSB.

The District is involved in ongoing legal proceedings initiated by the Conseil Scolaire Francophone de la Colombie-Britannique (the "Conseil") against His Majesty the King in Right of the Province of British Columbia, the MECC, and the VSB. The proceedings are related, in part, to the Conseil's claim that it is entitled to the fee simple transfer of specific school sites from the School District to the Conseil. The Conseil has also claimed that there should be court orders overriding the District's school closure and surplus disposal policies and compelling MECC to exercise powers under the School Act to require the fee simple transfer of such school sites.

The Conseil filed a Notice of Civil Claim on December 22, 2020, initiating the lawsuit and seeking the fee simple transfer of the Queen Elizabeth Annex (QEA) to the Conseil. The Conseil filed its Third Amended Notice of Civil Claim on August 26, 2022, expanding the relief sought to include additional sites in Vancouver and other communities. On July 28, 2023, the Conseil filed its Fourth Amended Notice of Civil Claim, seeking the fee simple transfer of the QEA site, the Laurier Annex site, and the Dr. A.R. Lord site.

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

17 Contingent Liabilities (continued)

On May 23, 2025, after a nine month long trial, the British Columbia Supreme Court issued reasons for judgment. Regarding the claims against VSB, the Court dismissed the Conseil's claim that fee simple transfers were necessary to give effect to s. 23 rights under the Canadian Charter of Rights and Freedoms (minority French language education rights). Instead, the Court found that s. 23 rights could be fulfilled through the use of long-term leases as suggested by VSB. The Court ordered that a transfer of tenure, either long term lease or fee simple, of QEA be made and the VSB fulfilled that order by granting a 99-year ground lease to the CSF. The Court ordered that VSB must make Laurier Annex site available for a transfer of tenure, again either long term lease or fee simple transfer, subject to decisions being made by the MECC and the Conseil. The Court dismissed the Conseil's claim in relation to the Dr. A.R. Lord site because there was insufficient evidence of failed negotiations between VSB and the Conseil at this point in the time to justify an order.

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

An estimate of the remaining costs to defend the legal case is included as a financial provision appropriated from surplus realized in prior years. The outcome of these legal proceedings is uncertain and the financial impact on the school district cannot be determined at this time. VSB continues to defend against the Conseil's claims.

According to a directive from MECC, remedies funded from the Classroom Enhancement Fund are payable only where an agreement has been reached with the applicable teachers' association. As at June 30, 2026, no agreement had been reached with the Vancouver Secondary Teachers' Association for remedies relating to the 2024-25 fiscal year, or with either Vancouver teachers' association for remedies relating to the 2025-26 fiscal year. As a result, the amount and likelihood of any obligation cannot be reasonably estimated.

18 Budget Figures

Budget figures reflect the amended annual budget approved by the Board on February 25, 2026. The School District has elected to present the amended annual budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated annual projections. As the 2025/26 Amended Annual Budget is used for comparative purposes, a reconciliation between the 2025/26 Annual and the 2025/26 Amended Annual Budgets is provided below:

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

18 Budget Figures (continued)

	<u>Annual Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Revenues			
Provincial Grants			
MECC	\$ 681,214,860	\$ 12,966,383	\$ 694,181,243
Other	8,757,686	229,922	8,987,608
Federal Grants	3,068,057	-	3,068,057
Tuition	23,687,024	(429,328)	23,257,696
Other Revenue	25,643,443	823,800	26,467,243
Rentals and Leases	7,599,706	483,165	8,082,871
Investment Income	5,761,766	(262,105)	5,499,661
Amortization of Deferred Capital Revenue	31,959,959	(543,133)	31,416,826
Total Revenue	<u>787,692,501</u>	<u>13,268,704</u>	<u>800,961,205</u>
Expenses			
Instruction	631,688,282	17,276,319	648,964,601
District Administration	25,877,630	1,971,152	27,848,782
Operations and Maintenance	128,778,838	(870,840)	127,907,998
Transportation and Housing	3,531,181	560,803	4,091,984
Debt Services	79,981	-	79,981
Total Expense	<u>789,955,912</u>	<u>18,937,434</u>	<u>808,893,346</u>
Surplus (Deficit) for the year	<u>(2,263,411)</u>	<u>(5,668,730)</u>	<u>(7,932,141)</u>
Budgeted Allocation of Surplus	-	8,445,016	8,445,016
Budgeted Surplus (Deficit), for the year	<u>\$ (2,263,411)</u>	<u>\$ 2,776,286</u>	<u>\$ 512,875</u>
 Budgeted Surplus (Deficit), for the year	 <u>\$ (2,263,411)</u>	 <u>\$ (5,668,730)</u>	 <u>\$ (7,932,141)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(49,641,199)	(1,963,249)	(51,604,448)
Amortization of Tangible Capital Assets	39,910,664	(371,226)	39,539,438
Total Effect of Change in Tangible Capital Assets	<u>(9,730,535)</u>	<u>(2,334,475)</u>	<u>(12,065,010)</u>
Increase (Decrease) in Net Financial Debt	<u>\$ (11,993,946)</u>	<u>\$ (8,003,205)</u>	<u>\$ (19,997,151)</u>

19 Expense by Object

	<u>2026 Actual</u>	<u>2025 Actual</u>
Salaries		
Teachers	\$ 321,328,272	\$ 316,876,687
Principals and Vice Principals	32,628,946	31,959,569
Educational Assistants	63,184,678	60,481,519
Support Staff	76,149,964	73,638,981
Other Professionals	18,967,062	18,569,341
Substitutes	23,834,025	19,336,312
	<u>536,092,947</u>	<u>520,862,409</u>
Employee Benefits	151,869,729	148,383,898
Services and Supplies	89,760,974	100,930,157
Amortization	49,031,387	42,140,987
Interest	79,982	108,275
	<u>\$ 826,835,019</u>	<u>\$ 812,425,726</u>

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

20 Interfund Transfers

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

- \$766,529 from operating to capital for capital assets purchased
- \$222,050 annual transfer from operating to local capital over five years to fund the replacement of fleet vehicles
- \$1,589,199 from operating to capital for capital lease payments
- \$826,251 from special purpose to capital for capital assets purchased

21 Economic Dependence

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

22 Related Party Transactions

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

23 Risk Management

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

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

a) Credit risk

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

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

b) Market risk

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

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

SCHOOL DISTRICT NO. 39 (VANCOUVER)
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 2026

23 Risk Management (continued)

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

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

c) Liquidity risk

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

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

Risk management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from June 30, 2025, related to credit, market or liquidity risks, with the exception of additional exposure to market risks from tariffs. The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.

School District No. 39 (Vancouver)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2026

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	24,998,841		37,633,729	62,632,570	74,817,165
Changes for the year					
Surplus (Deficit) for the year	12,457,014	826,251	(16,126,445)	(2,843,180)	(12,184,595)
Interfund Transfers					
Tangible Capital Assets Purchased	(766,529)	(826,251)	1,592,780	-	
Local Capital	(222,050)		222,050	-	
Other	(1,589,199)		1,589,199	-	
Net Changes for the year	9,879,236	-	(12,722,416)	(2,843,180)	(12,184,595)
Accumulated Surplus (Deficit), end of year - Statement 2	34,878,077	-	24,911,313	59,789,390	62,632,570

School District No. 39 (Vancouver)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	598,313,997	614,208,388	594,089,115
Other	87,498	70,654	62,249
Federal Grants	3,068,057	3,056,831	3,375,678
Tuition	23,257,696	23,984,376	26,400,962
Other Revenue	18,793,832	22,516,750	23,010,327
Rentals and Leases	6,032,791	7,901,342	6,697,240
Investment Income	4,217,401	3,629,547	6,282,119
Total Revenue	653,771,272	675,367,888	659,917,690
Expenses			
Instruction	540,497,136	546,650,709	536,552,340
District Administration	27,060,355	24,121,945	31,960,231
Operations and Maintenance	85,457,875	87,952,907	86,272,194
Transportation and Housing	3,944,493	4,185,313	4,303,641
Total Expense	656,959,859	662,910,874	659,088,406
Operating Surplus (Deficit) for the year	(3,188,587)	12,457,014	829,284
Budgeted Appropriation (Retirement) of Surplus (Deficit)	8,445,016		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,823,876)	(766,529)	(1,029,238)
Local Capital	(222,050)	(222,050)	
Other	(1,701,609)	(1,589,199)	(861,482)
Total Net Transfers	(4,747,535)	(2,577,778)	(1,890,720)
Total Operating Surplus (Deficit), for the year	508,894	9,879,236	(1,061,436)
Operating Surplus (Deficit), beginning of year		24,998,841	26,060,277
Operating Surplus (Deficit), end of year		34,878,077	24,998,841
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 14)		20,303,130	18,906,615
Unrestricted		14,574,947	6,092,226
Total Operating Surplus (Deficit), end of year		34,878,077	24,998,841

School District No. 39 (Vancouver)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	588,969,826	588,801,397	579,188,435
Other Ministry of Education and Child Care Grants			
Pay Equity	7,294,124	7,294,124	7,294,124
Funding for Graduated Adults	1,955,003	2,480,505	1,683,352
Student Transportation Fund	53,423	53,423	53,423
Foundation Skills Assessment (FSA) Scorer Grant	41,621	43,121	43,871
Child Care Funding			44,495
Labour Settlement Funding		15,535,818	5,781,415
Total Provincial Grants - Ministry of Education and Child Care	598,313,997	614,208,388	594,089,115
Provincial Grants - Other	87,498	70,654	62,249
Federal Grants	3,068,057	3,056,831	3,375,678
Tuition			
Summer School Fees	947,218	944,925	897,373
Continuing Education	422,300	829,957	471,518
International and Out of Province Students	21,888,178	22,209,494	25,032,071
Total Tuition	23,257,696	23,984,376	26,400,962
Other Revenues			
Other School District/Education Authorities	1,415,017	2,273,556	2,374,831
Miscellaneous			
Instructional Cafeteria Revenue	1,206,305	1,207,175	945,774
Miscellaneous Fees and Revenue	2,997,197	3,616,269	3,884,042
School Generated Funds	12,159,539	14,328,232	14,558,775
Other Grants	1,015,774	1,091,518	1,246,905
Total Other Revenue	18,793,832	22,516,750	23,010,327
Rentals and Leases	6,032,791	7,901,342	6,697,240
Investment Income	4,217,401	3,629,547	6,282,119
Total Operating Revenue	653,771,272	675,367,888	659,917,690

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

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	267,469,281	274,984,722	275,775,846
Principals and Vice Principals	30,405,012	31,723,389	31,073,774
Educational Assistants	60,783,577	55,695,999	53,240,124
Support Staff	67,921,050	68,717,626	66,540,040
Other Professionals	14,169,164	15,120,447	14,691,110
Substitutes	18,359,165	22,968,814	18,452,188
Total Salaries	459,107,249	469,210,997	459,773,082
Employee Benefits	131,790,124	131,992,351	130,694,721
Total Salaries and Benefits	590,897,373	601,203,348	590,467,803
Services and Supplies			
Services	15,991,703	16,559,968	21,055,363
Student Transportation	3,903,893	4,247,272	4,257,455
Professional Development and Travel	1,613,768	1,193,827	1,439,884
Rentals and Leases	871,620	706,818	759,439
Dues and Fees	1,241,483	1,192,151	1,060,360
Insurance	1,824,730	1,551,080	1,588,197
Supplies	29,350,118	25,702,820	27,024,501
Utilities	11,265,171	10,553,590	11,435,404
Total Services and Supplies	66,062,486	61,707,526	68,620,603
Total Operating Expense	656,959,859	662,910,874	659,088,406

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	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	204,326,319	2,535,057	250,735	4,726,188	-	14,700,869	226,539,168
1.03 Career Programs	370,516	31,618	-	90,648	-	27,244	520,026
1.07 Library Services	6,905,004	350,813	-	139,929	-	494,266	7,890,012
1.08 Counselling	8,756,345	142,585	-	482	274,377	632,252	9,806,041
1.10 Inclusive Education	33,782,843	2,969,385	50,598,791	1,035,481	135,869	4,992,313	93,514,682
1.20 Early Learning and Child Care	-	-	-	-	-	-	-
1.30 English Language Learning	12,706,224	188,791	2,690,388	434,559	232,671	943,878	17,196,511
1.31 Indigenous Education	1,009,399	373,302	1,259,014	188,491	-	5,246	2,835,452
1.41 School Administration	-	22,327,972	-	12,048,536	-	793,963	35,170,471
1.60 Summer School	2,070,885	326,250	658,442	205,841	2,413	-	3,263,831
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	5,057,187	178,534	218,612	556,587	363,667	367,417	6,742,004
1.64 Other	-	-	-	911,521	221,815	-	1,133,336
Total Function 1	274,984,722	29,424,307	55,675,982	20,338,263	1,230,812	22,957,448	404,611,534
4 District Administration							
4.11 Educational Administration	-	1,947,531	-	551,371	1,508,627	-	4,007,529
4.40 School District Governance	-	-	-	84,823	908,604	-	993,427
4.41 Business Administration	-	109,237	15,313	3,392,910	6,139,672	3,189	9,660,321
Total Function 4	-	2,056,768	15,313	4,029,104	8,556,903	3,189	14,661,277
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	4,704	-	113,883	8,177	126,764
5.41 Operations and Maintenance Administration	-	242,314	-	2,039,859	5,218,849	-	7,501,022
5.50 Maintenance Operations	-	-	-	38,354,394	-	-	38,354,394
5.52 Maintenance of Grounds	-	-	-	3,891,041	-	-	3,891,041
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	242,314	4,704	44,285,294	5,332,732	8,177	49,873,221
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	-	-	-	-
7.70 Student Transportation	-	-	-	64,965	-	-	64,965
Total Function 7	-	-	-	64,965	-	-	64,965
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	274,984,722	31,723,389	55,695,999	68,717,626	15,120,447	22,968,814	469,210,997

School District No. 39 (Vancouver)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 18)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	226,539,168	61,787,559	288,326,727	19,749,493	308,076,220	301,862,010	306,363,758
1.03 Career Programs	520,026	138,829	658,855	459,888	1,118,743	1,152,814	1,161,847
1.07 Library Services	7,890,012	2,144,684	10,034,696	717,869	10,752,565	10,912,138	11,370,117
1.08 Counselling	9,806,041	2,541,801	12,347,842	236,276	12,584,118	12,395,273	12,499,002
1.10 Inclusive Education	93,514,682	29,144,012	122,658,694	1,619,030	124,277,724	126,056,230	115,340,398
1.20 Early Learning and Child Care	-	-	-	-	-	-	225,828
1.30 English Language Learning	17,196,511	5,070,755	22,267,266	428,143	22,695,409	22,279,654	21,039,691
1.31 Indigenous Education	2,835,452	947,457	3,782,909	296,308	4,079,217	4,427,100	4,135,491
1.41 School Administration	35,170,471	9,413,234	44,583,705	1,623,011	46,206,716	44,614,484	45,419,944
1.60 Summer School	3,263,831	964,580	4,228,411	131,137	4,359,548	4,387,162	4,202,677
1.61 Continuing Education	-	-	-	-	-	-	-
1.62 International and Out of Province Students	6,742,004	1,782,388	8,524,392	1,861,826	10,386,218	9,772,262	12,880,646
1.64 Other	1,133,336	346,270	1,479,606	634,625	2,114,231	2,638,009	1,912,941
Total Function 1	404,611,534	114,281,569	518,893,103	27,757,606	546,650,709	540,497,136	536,552,340
4 District Administration							
4.11 Educational Administration	4,007,529	1,060,970	5,068,499	1,227,464	6,295,963	6,662,358	7,480,898
4.40 School District Governance	993,427	199,184	1,192,611	241,921	1,434,532	1,662,926	1,490,452
4.41 Business Administration	9,660,321	2,852,774	12,513,095	3,878,355	16,391,450	18,735,071	22,988,881
Total Function 4	14,661,277	4,112,928	18,774,205	5,347,740	24,121,945	27,060,355	31,960,231
5 Operations and Maintenance							
5.20 Early Learning and Child Care	126,764	46,745	173,509	48,985	222,494	155,163	114,464
5.41 Operations and Maintenance Administration	7,501,022	1,803,706	9,304,728	4,304,679	13,609,407	12,436,473	10,798,062
5.50 Maintenance Operations	38,354,394	10,665,220	49,019,614	7,811,447	56,831,061	55,349,396	57,119,919
5.52 Maintenance of Grounds	3,891,041	1,059,045	4,950,086	1,829,494	6,779,580	6,331,472	6,753,486
5.56 Utilities	-	-	-	10,510,365	10,510,365	11,185,371	11,486,263
Total Function 5	49,873,221	13,574,716	63,447,937	24,504,970	87,952,907	85,457,875	86,272,194
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	-	-	-	-
7.70 Student Transportation	64,965	23,138	88,103	4,097,210	4,185,313	3,944,493	4,303,641
Total Function 7	64,965	23,138	88,103	4,097,210	4,185,313	3,944,493	4,303,641
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	469,210,997	131,992,351	601,203,348	61,707,526	662,910,874	656,959,859	659,088,406

School District No. 39 (Vancouver)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	95,867,246	95,294,570	88,213,490
Other	8,900,110	9,402,032	10,000,114
Other Revenue	7,176,890	8,122,486	7,903,665
Investment Income	836,314	1,304,583	888,037
Total Revenue	112,780,560	114,123,671	107,005,306
Expenses			
Instruction	108,467,465	110,659,131	104,355,593
District Administration	788,427	657,858	641,563
Operations and Maintenance	2,238,404	1,832,940	1,680,073
Transportation and Housing	147,491	147,491	146,694
Total Expense	111,641,787	113,297,420	106,823,923
Special Purpose Surplus (Deficit) for the year	1,138,773	826,251	181,383
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,138,773)	(826,251)	(170,285)
Other			(11,098)
Total Net Transfers	(1,138,773)	(826,251)	(181,383)
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	Special Education Technology	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		830,264	577,624	190,294	4,480,180	-	41,911	181,112	584,636
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,956,722	2,091,943		10,033,464		646,000	215,600	731,812	10,906,562
Provincial Grants - Other									
Other			7,324		8,007,218				
Investment Income			16,543	4,749				10,745	
	1,956,722	2,091,943	23,867	10,038,213	8,007,218	646,000	215,600	742,557	10,906,562
Less: Allocated to Revenue	1,832,940	1,839,414	30,850	10,058,583	7,619,584	614,377	228,882	838,039	11,140,739
Recovered				71,258					
Deferred Revenue, end of year	123,782	1,082,793	570,641	98,666	4,867,814	31,623	28,629	85,630	350,459
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,832,940	1,839,414		10,058,583		614,377	228,882	827,294	11,140,739
Provincial Grants - Other									
Other Revenue			30,850		7,619,584				
Investment Income								10,745	
	1,832,940	1,839,414	30,850	10,058,583	7,619,584	614,377	228,882	838,039	11,140,739
Expenses									
Salaries									
Teachers				2,678,524				151,820	2,217,047
Principals and Vice Principals				355,513				14,048	182,994
Educational Assistants		1,334,572				425,256	6,994		3,170,157
Support Staff	1,153,634			1,339,244	31,116		60,966		210,396
Other Professionals				25,810					1,666,614
Substitutes				690			22,769	73,584	401
	1,153,634	1,334,572	-	4,399,781	31,116	425,256	90,729	239,452	7,447,609
Employee Benefits	362,940	504,842		1,375,922	5,877	163,906	31,787	64,178	2,369,210
Services and Supplies	316,366		30,850	4,282,880	7,554,566	25,215	106,366	502,797	1,271,489
	1,832,940	1,839,414	30,850	10,058,583	7,591,559	614,377	228,882	806,427	11,088,308
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	28,025	-	-	31,612	52,431
Interfund Transfers									
Tangible Capital Assets Purchased					(28,025)			(31,612)	(52,431)
	-	-	-	-	(28,025)	-	-	(31,612)	(52,431)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

Schedule 3A (Unaudited)

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Seamless Day Kindergarten	Early Childhood Education (ECE) Dual Credit Program	Student & Family Affordability (SFAF)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	36,988	1,355,306	-	31,500	2,227	-	73,560	389,031
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	4,743,027	50,267,527	1,912,139	147,491	47,000		55,400		
Provincial Grants - Other							456		
Other									
Investment Income									
	4,743,027	50,267,527	1,912,139	147,491	47,000	-	55,856	-	-
Less: Allocated to Revenue	4,743,027	50,267,527	614,055	147,491	48,249	1,731	27,967	15,027	389,031
Recovered		36,988	1,355,306						
Deferred Revenue, end of year	-	-	1,298,084	-	30,251	496	27,889	58,533	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	4,743,027	50,267,527	614,055	147,491	48,249	1,731	27,967	15,027	389,031
Provincial Grants - Other									
Other Revenue									
Investment Income									
	4,743,027	50,267,527	614,055	147,491	48,249	1,731	27,967	15,027	389,031
Expenses									
Salaries									
Teachers		39,235,512	306,271						
Principals and Vice Principals									
Educational Assistants	2,445,768						2,016		
Support Staff									
Other Professionals	515,968								
Substitutes	511,029		174,882						
	3,472,765	39,235,512	481,153	-	-	-	2,016	-	-
Employee Benefits	1,188,016	11,031,991	132,902				758		
Services and Supplies	82,246	24		147,491	48,249	1,731	491	15,027	389,031
	4,743,027	50,267,527	614,055	147,491	48,249	1,731	3,265	15,027	389,031
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	24,702	-	-
Interfund Transfers									
Tangible Capital Assets Purchased							(24,702)		
	-	-	-	-	-	-	(24,702)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund	1,501,682	39,864							

School District No. 39 (Vancouver)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2026

	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)	Feeding Futures Fund	Dual Credit Program Expansion	Professional Learning Grant	National School Food Program	Dual Credit Pathway to Teacher Education	Community Link Other	CAYA
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	27,348	25,812		-	197,457	116,913		412,310	12,823,596
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care		525,000	5,548,306			903,520	300,300		
Provincial Grants - Other								165,000	
Other								27,182	
Investment Income									312,851
	-	525,000	5,548,306	-	-	903,520	300,300	192,182	312,851
Less: Allocated to Revenue	26,363	211,645	5,548,306	-	33,301	752,266	59,750	265,891	4,179,836
Recovered									
Deferred Revenue, end of year	985	339,167	-	-	164,156	268,167	240,550	338,601	8,956,611
Revenues									
Provincial Grants - Ministry of Education and Child Care	26,363	211,645	5,548,306		33,301	752,266	59,750		
Provincial Grants - Other								168,828	3,312,349
Other Revenue								97,063	
Investment Income									867,487
	26,363	211,645	5,548,306	-	33,301	752,266	59,750	265,891	4,179,836
Expenses									
Salaries									
Teachers		169,064							
Principals and Vice Principals									
Educational Assistants	1,882								
Support Staff			1,923,007			142,727			752,867
Other Professionals			82,628						293,075
Substitutes					20,677				
	1,882	169,064	2,005,635	-	20,677	142,727	-	-	1,045,942
Employee Benefits	711	42,530	619,685		5,538	41,878			366,831
Services and Supplies	23,770	51	2,922,986		7,086	267,429	59,750	265,891	2,767,063
	26,363	211,645	5,548,306	-	33,301	452,034	59,750	265,891	4,179,836
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	300,232	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased						(300,232)			
	-	-	-	-	-	(300,232)	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 39 (Vancouver)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

Schedule 3A (Unaudited)

	Assistive Technology AT-BC	PRP	PRCVI	Miscellaneous	Work Experience Grant	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	14,466,991	152,601	1,249,191	664,046	49,937	38,960,835
Add: Restricted Grants						
Provincial Grants - Ministry of Education and Child Care		2,775,944	3,121,370			96,929,127
Provincial Grants - Other	6,295,365		88,000	21,443		6,570,264
Other				473,904	47,000	8,562,628
Investment Income	400,584		31,148	9,781		786,401
	6,695,949	2,775,944	3,240,518	505,128	47,000	112,848,420
Less: Allocated to Revenue	6,163,087	2,649,704	3,376,798	374,989	24,222	114,123,671
Recovered		144,068	157,979			1,765,599
Deferred Revenue, end of year	14,999,853	134,773	954,932	794,185	72,715	35,919,985
Revenues						
Provincial Grants - Ministry of Education and Child Care		2,649,704	3,192,679		24,222	95,294,570
Provincial Grants - Other	5,762,503		158,352			9,402,032
Other Revenue				374,989		8,122,486
Investment Income	400,584		25,767			1,304,583
	6,163,087	2,649,704	3,376,798	374,989	24,222	114,123,671
Expenses						
Salaries						
Teachers		1,504,305	232,012		18,059	46,343,550
Principals and Vice Principals		183,938				905,557
Educational Assistants		102,034				7,488,679
Support Staff	776,894	133,242	905,092			7,429,185
Other Professionals	887,550	10,454	364,516			3,846,615
Substitutes		61,179				865,211
	1,664,444	1,995,152	1,501,620	-	18,059	66,878,797
Employee Benefits	506,194	562,235	493,264	100	5,077	19,876,372
Services and Supplies	3,992,449	92,317	1,331,467	36,087	1,086	26,542,251
	6,163,087	2,649,704	3,326,351	36,187	24,222	113,297,420
Net Revenue (Expense) before Interfund Transfers	-	-	50,447	338,802	-	826,251
Interfund Transfers						
Tangible Capital Assets Purchased			(50,447)	(338,802)		(826,251)
	-	-	(50,447)	(338,802)	-	(826,251)
Net Revenue (Expense)	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund						1,541,546

School District No. 39 (Vancouver)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	-	284,880		284,880	
Other	-			-	
Municipal Grants Spent on Sites	-			-	
Federal Grants	-			-	
Other Revenue	496,521	171,679	46,206	217,885	451,560
Rentals and Leases	2,050,080		2,528,196	2,528,196	2,227,934
Investment Income	445,946		283,566	283,566	351,807
Gain (Loss) on Disposal of Tangible Capital Assets	-			-	
Amortization of Deferred Capital Revenue	31,416,826	31,185,753		31,185,753	30,286,834
Total Revenue	34,409,373	31,642,312	2,857,968	34,500,280	33,318,135
Expenses					
Operations and Maintenance	672,281		1,515,357	1,515,357	549,486
Amortization of Tangible Capital Assets					
Operations and Maintenance	39,539,438	52,379,969		52,379,969	38,792,405
Write-off/down of Buildings and Sites				-	3,714,650
Debt Services					
Capital Lease Interest	79,981		79,982	79,982	108,274
ARO Accretion		(3,348,583)		(3,348,583)	3,348,582
Total Expense	40,291,700	49,031,386	1,595,339	50,626,725	46,513,397
Capital Surplus (Deficit) for the year	(5,882,327)	(17,389,074)	1,262,629	(16,126,445)	(13,195,262)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	3,962,649	1,592,780		1,592,780	1,199,523
Tangible Capital Assets - Work in Progress	-			-	
Local Capital	222,050		222,050	222,050	
Capital Lease Payment	1,701,609		1,589,199	1,589,199	1,912,360
Capital Loan Payment	-			-	
Settlement of Asset Retirement Obligation	-			-	
Other	-			-	(1,039,780)
Total Net Transfers	5,886,308	1,592,780	1,811,249	3,404,029	2,072,103
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,408,697	(1,408,697)	-	
Tangible Capital Assets WIP Purchased from Local Capital		1,505,012	(1,505,012)	-	
Principal Payment					
Capital Lease		1,509,217	(1,509,217)	-	
Total Other Adjustments to Fund Balances		4,422,926	(4,422,926)	-	
Total Capital Surplus (Deficit) for the year	3,981	(11,373,368)	(1,349,048)	(12,722,416)	(11,123,159)
Capital Surplus (Deficit), beginning of year		25,856,261	11,777,468	37,633,729	48,756,888
Capital Surplus (Deficit), end of year		14,482,893	10,428,420	24,911,313	37,633,729

School District No. 39 (Vancouver)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	20,781,543	1,550,012,801	21,260,635	1,536,251	100,244	15,942,494	1,609,633,968
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund			175,242			591,287	766,529
Special Purpose Funds			525,262	142,228		158,761	826,251
Local Capital			247,261	1,161,436			1,408,697
ARO Change in Estimate		12,994,045					12,994,045
Transferred from Work in Progress		30,966,346	765,719				31,732,065
	-	43,960,391	1,713,484	1,303,664	-	750,048	47,727,587
Decrease:							
Deemed Disposals			1,096,546	181,718	45,272	7,066,913	8,390,449
Retirement of Asset Retirement Obligation		-					-
	-	-	1,096,546	181,718	45,272	7,066,913	8,390,449
Cost, end of year	20,781,543	1,593,973,192	21,877,573	2,658,197	54,972	9,625,629	1,648,971,106
Work in Progress, end of year		65,982,171					65,982,171
Cost and Work in Progress, end of year	20,781,543	1,659,955,363	21,877,573	2,658,197	54,972	9,625,629	1,714,953,277
Accumulated Amortization, beginning of year		585,697,548	9,000,100	1,023,174	71,660	10,761,282	606,553,764
Changes for the Year							
Amortization for the Year		34,397,507	2,157,182	209,722	15,522	2,605,991	39,385,924
ARO - Change in Estimate		12,994,045					12,994,045
		47,391,552	2,157,182	209,722	15,522	2,605,991	52,379,969
Deemed Disposals			1,096,546	181,718	45,272	7,066,913	8,390,449
Written-off During Year							-
District Entered							-
		-	1,096,546	181,718	45,272	7,066,913	8,390,449
Accumulated Amortization, end of year		633,089,100	10,060,736	1,051,178	41,910	6,300,360	650,543,284
Tangible Capital Assets - Net	20,781,543	1,026,866,263	11,816,837	1,607,019	13,062	3,325,269	1,064,409,993

School District No. 39 (Vancouver)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	53,565,681				53,565,681
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	35,625,232	629,336			36,254,568
Deferred Capital Revenue - Other	6,537,472	136,383			6,673,855
Local Capital	1,505,012				1,505,012
	43,667,716	765,719	-	-	44,433,435
Decrease:					
Transferred to Tangible Capital Assets	30,966,346	765,719			31,732,065
ARO Settlement	284,880				284,880
	31,251,226	765,719	-	-	32,016,945
Net Changes for the Year	12,416,490	-	-	-	12,416,490
Work in Progress, end of year	65,982,171	-	-	-	65,982,171

School District No. 39 (Vancouver)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	837,516,805	14,732,413	49,252,120	901,501,338
Changes for the Year				
Increase:				
Transferred from Work in Progress	30,122,424	957,531	316,030	31,395,985
	<u>30,122,424</u>	<u>957,531</u>	<u>316,030</u>	<u>31,395,985</u>
Decrease:				
Amortization of Deferred Capital Revenue	29,377,858	488,288	1,319,607	31,185,753
	<u>29,377,858</u>	<u>488,288</u>	<u>1,319,607</u>	<u>31,185,753</u>
Net Changes for the Year	<u>744,566</u>	<u>469,243</u>	<u>(1,003,577)</u>	<u>210,232</u>
Deferred Capital Revenue, end of year	<u>838,261,371</u>	<u>15,201,656</u>	<u>48,248,543</u>	<u>901,711,570</u>
 Work in Progress, beginning of year	 17,123,181	 26,961,868		 44,085,049
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	36,254,568	6,357,825	316,030	42,928,423
	<u>36,254,568</u>	<u>6,357,825</u>	<u>316,030</u>	<u>42,928,423</u>
Decrease				
Transferred to Deferred Capital Revenue	30,122,424	957,531	316,030	31,395,985
District Entered	284,880			284,880
	<u>30,407,304</u>	<u>957,531</u>	<u>316,030</u>	<u>31,680,865</u>
Net Changes for the Year	<u>5,847,264</u>	<u>5,400,294</u>	<u>-</u>	<u>11,247,558</u>
Work in Progress, end of year	<u>22,970,445</u>	<u>32,362,162</u>	<u>-</u>	<u>55,332,607</u>
Total Deferred Capital Revenue, end of year	<u>861,231,816</u>	<u>47,563,818</u>	<u>48,248,543</u>	<u>957,044,177</u>

School District No. 39 (Vancouver)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	2,667,114	17,358,682	796,851			20,822,647
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	35,955,663					35,955,663
Provincial Grants - Other			606,066			606,066
Other					316,030	316,030
Investment Income		1,860,108				1,860,108
Transfer project surplus to MECC Restricted (from) Bylaw	(651,304)	651,304				-
99 Year Lease Queen Elizabeth Annex		107,879			42,612,121	42,720,000
	35,304,359	2,619,291	606,066	-	42,928,151	81,457,867
Decrease:						
Transferred to DCR - Work in Progress	36,254,568	5,073,598	1,284,227		316,030	42,928,423
Transferred to Revenue - Settlement of Asset Retirement Obligation	284,880					284,880
	36,539,448	5,073,598	1,284,227	-	316,030	43,213,303
Net Changes for the Year	(1,235,089)	(2,454,307)	(678,161)	-	42,612,121	38,244,564
Balance, end of year	1,432,025	14,904,375	118,690	-	42,612,121	59,067,211