Vancouver School Board

NOTICE OF MEETING
FINANCE AND PERSONNEL COMMITTEE

Secretary Treasurer's Office
September 9, 2026
Public viewing via live broadcast

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

Helen McGregor, Superintendent of Schools
Flavia Coughlan, Secretary Treasurer

Notice of Meeting

A Meeting of the **Finance and Personnel Committee** will be held in room 180 of the VSB Education Centre (1580 West Broadway, Vancouver BC) **for participating trustees, staff, inherent rights holder representatives and stakeholder representatives** on **Wednesday, September 9, 2026 at 5:00 pm**. The meeting will be live broadcast for the public.

Trustees:	Lois Chan-Pedley (Alternate)		Jennifer Reddy (Alternate)
	Victoria Jung		Christopher Richardson
	Suzie Mah		
Student Trustee:	Freddie Zhang		
Other Senior Team Staff:	Pedro da Silva		Janis Myers
	Michael Gray		Alison Ogden
	Jessie Gresley-Jones		Michael Walia
	Maureen McRae-Stanger		
Inherent Rights Holder Representatives:	Faye Mitchell, xʷməθkʷəy̓əm (Musqueam)		
	Kirsten Baker-Williams, Sḵwxwú7mesh Úxwumixw (Squamish Nation)		
	Dennis Thomas, səlilwətaɬ (Tsleil-Waututh Nation)		
Representatives:	Justin Chapman, BCVSBCMTU	Alternates:	Mark Brunner, BCVSBCMTU
	Suzette Magri, CUPE 15		
	Henry Munns, CUPE 407		Adam Crawford, CUPE 407
	Michael Menashy, DPAC		Elizabeth Klaiber-Noble, DPAC
	Tim De Vivo, IUOE		Tim Chester, IUOE
	Tyson Shmyr, PASA		
	Benita Kwon, VASSA		Jason Lauzon, VASSA
	Floyd Tuting, VDSC		
	Marjorie Dumont, VEAES		Jody Polukoshko, VEAES
	Brad Toews, VEPVPA		Stephen Leung, VEPVPA
	Carl Janze, VSTA		Carmen Schaedeli, VSTA

Vancouver School Board

FINANCE AND PERSONNEL COMMITTEE

MEETING AGENDA

Wednesday, September 9, 2026, 5:00 to 5:45 pm
Room 180, VSB Education Centre

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

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

Meeting Decorum:

The Board has a strong commitment to ethical conduct. This includes the responsibility of committee participants (i.e., committee members, staff, inherent rights holder representatives, stakeholder representatives) to conduct themselves with appropriate decorum and professionalism. It is the responsibility of the Chairperson of the Committee to see that decorum is maintained at Committee meetings so that:

- Committee participants engage in discussion by requesting to speak through the Chairperson, ensuring inclusive and orderly dialogue.
- A respectful and collegial environment is maintained as participants share diverse perspectives and contribute to meaningful discussions.
- Staff are trusted to provide objective, high-quality reports that reflect their professional expertise. Their contributions are respected and form a vital part of informed committee decision-making, free from external pressure or influence.
- Committee discussions are conducted in a constructive manner, with participants avoiding language or actions that could be perceived as personal, inflammatory, or accusatory.
- All participants are expected to demonstrate professionalism and courtesy in their interactions, contributing to a positive and productive committee culture.

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

1. Information Items	Presenters
1.1 Audited Financial Statements June 30, 2026	Flavia Coughlan, Secretary Treasurer Michael Walia, Executive Director, Finance

Finance and Personnel Committee

D. Responsibilities:

D.1 Review and provide recommendations to the Board regarding assigned finance and personnel matters.

D.2 Review quarterly financial reports and assist the Board in being fiscally responsible by managing its financial resources effectively and efficiently.

D.3 Review and provide recommendations to the Board regarding the annual financial plan, the annual budget, the amended annual financial plan and the amended budget.

D.4 Review and provide recommendations to the Board regarding the approval of school fees and fees related to programs that charge fees.

D.5 Review and monitor the school district's human resources management strategy to ensure that human resources plans and initiatives will enable the school district to achieve its strategic objectives.

D.6 Review matters referred to the Committee by the Board and make recommendations as requested.

Vancouver School Board

ITEM 1.1

September 9, 2026

TO: **Finance and Personnel Committee**

FROM: **Flavia Coughlan, Secretary Treasurer | CFO**
Michael Walia, Executive Director, Finance

RE: **Audited Financial Statements June 30, 2026**

Reference to Education Plan

GOALS AND OBJECTIVES:

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

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

The Vancouver School Board will increase equity by:

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

INTRODUCTION

On September 2, 2026, the Audit Committee reviewed the audited financial statements for the year ended June 30, 2026 and recommended that the Board approve them at its September 23, 2026 Public Board meeting. This report is presented for information.

BACKGROUND

The Draft Financial Statement Discussion and Analysis is included as Attachment A and the Draft Financial Statements for the year ended June 30, 2026 are included as Attachment B.

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

In accordance with Section 157(5) of the *School Act* and the *2025/26 Financial Statement Instructions* from the Ministry of Education and Child Care, Boards of Education must prepare and approve financial statements with respect to the preceding fiscal year and forward a copy to the Ministry of Education and Child Care by October 1st , together with the auditor's report.

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

The Financial Statements of School District No. 39 (Vancouver) for the year ended June 30, 2026 have been audited by KPMG LLP and will be presented to the Board for approval at the September 23, 2026 public board meeting.

Attachments:
A. Draft Financial Statement Discussion and Analysis June 30, 2026
B. Draft Audited Financial Statements June 30, 2026

ATTACHMENT A

Vancouver School Board

Financial Statements Discussion and Analysis

For the year ended June 30, 2026

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

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Introduction

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

We are privileged to work closely with the three Host Nations, *xʷməθkʷəy̓əm (Musqueam), Sḵwxwú7mesh Úxwumixw (Squamish Nation) & səlilwətaɬ (Tsleil-Waututh Nation).* We embrace Indigenous ways of knowing and learning and work to expand Indigenous perspectives across the curriculum and within our 110 schools and programs, where more than 52,000 students learn and grow.

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

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

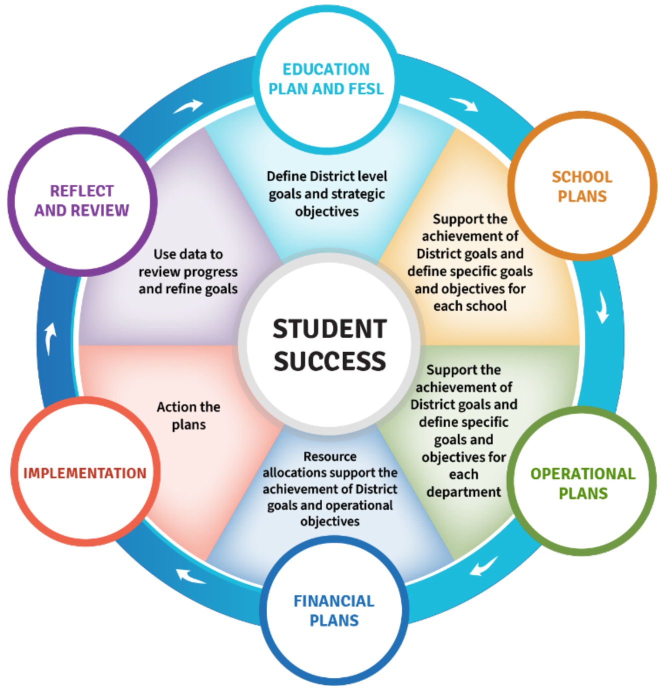
Visit our website to learn more about VSB, including our schools, programs and services.

This report provides a discussion and analysis of the school district's financial results for the fiscal year ending June 30, 2026. It summarizes the school district's financial activities based on current information, decisions and conditions. The financial results for this year are compared with those of the fiscal year ending June 30, 2025 and the amended annual budget for the 2025-26 fiscal year. This report should be read alongside the school district's audited financial statements for the year ending June 30, 2026.

Education Plan

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

Values Statement



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

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

Equity Statement

VSB – a large, urban school district located on the unceded, traditional lands of the xʷməθkʷəy̓əm (Musqueam), Sḵwxwú7mesh Úxwumixw (Squamish Nation) and səlilwətaɬ (Tsleil-Waututh Nation) – respects and supports Indigenous ways of knowing and learning.

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

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

Goals and Priorities

The Education Plan provides direction for the financial planning process as Goal 2 indicates that "*improving stewardship of the district's resources by focusing on effectiveness, efficiency and sustainability*" is essential for VSB to achieve its goal of increasing equity.

The Framework for Enhancing Student Learning identifies the link between effective planning and enhanced student learning and success. The document includes a commitment to inherent rights holders and Indigenous peoples, education partners and communities to work together to continuously improve student learning.

Financial Statements Discussion and Analysis

The Financial Statements Discussion and Analysis should be read in conjunction with the audited financial statements of School District No. 39 (Vancouver) for the year ended June 30, 2026.

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

While the preparation and presentation of the Financial Statements Discussion and Analysis is not a legislative requirement, they are recommended by the Ministry of Education and Child Care (MECC).

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

Accounting Policies

The financial statements of School District No. 39 (Vancouver) have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. Significant accounting and reporting practices are summarized in Note 2 of the financial statements. These include the following:

- operating expenses are recorded in the year the good or service is received;
- operating grants are not restricted in use and are recorded as revenue when received or receivable;
- restricted contributions are recorded as deferred contributions until the funds are expended;
- contributions for capital projects are recorded as deferred capital contributions once they are invested in capital assets; and
- capital assets and deferred capital contributions are amortized over the estimated useful life of the assets.

The school district uses the following funds to meet reporting requirements:

OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND
The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities operations, maintenance, and transportation.	Special purpose funds consist of targeted funding provided to the school district for a specific purpose. Pursuant to Sections 156(4) and (5) of the *School Act*, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as "a contribution that is subject to a legislative or contractual stipulation or restriction as to its use."	Capital funds include facilities (purchases and enhancements) and equipment (purchases) that are funded by ministry capital grants, operating funds and special purpose funds. An annual deficit in the capital fund that is a result of amortization expense and budgeted capital assets purchased from operating and special purpose funds exceeding the amortization of deferred capital revenue, plus budgeted local capital revenue is permitted under the Accounting Practices Order of the ministry.

Statement of Financial Position

The following table provides a comparative analysis of the school district's net financial position for fiscal years ending June 30, 2022, through June 30, 2026.

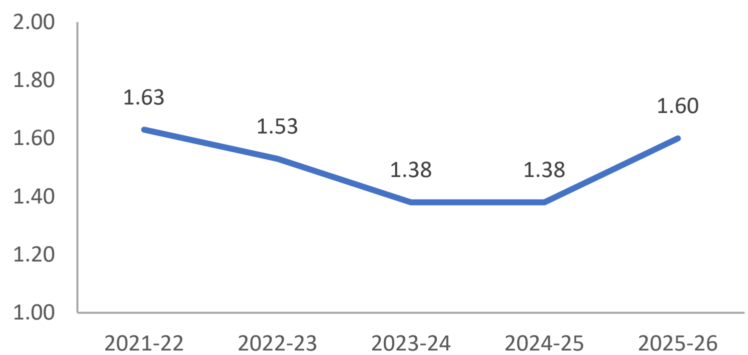
Figure 1 – Statement of Financial Position

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual
Financial Assets					
Cash and cash equivalents	$ 246.30	$ 260.85	$ 207.57	$ 204.88	$ 275.04
Accounts receivable					
Due from MECC	10.26	5.70	5.39	5.18	8.93
Due from Province– Other	-	0.09	0.14	-	-
Other	8.50	18.79	32.45	30.17	7.31
Portfolio Investments	0.42	0.44	50.40	30.21	31.81
Total Financial Assets	265.48	285.87	295.95	270.44	323.09
Liabilities					
Accounts payable and Accrued Liabilities					
Due to Province– MECC	$ -	$ -	$ -	$ -	$ 0.53
Due to Province– Other	0.61	0.64	0.23	0.23	0.20
Other	83.91	87.40	115.57	93.38	106.72
Unearned Revenue	52.61	56.32	57.06	63.08	58.97
Deferred Revenue	25.38	42.29	41.66	38.96	35.92
Deferred Capital Revenue	860.97	917.56	953.31	966.41	1,016.11
Employee Future Benefits	32.39	33.24	33.85	33.89	33.05
Asset Retirement Obligation	67.12	67.12	66.97	70.32	79.68
Capital Lease Obligation	5.52	3.68	2.57	2.61	1.10
Other	0.10	-	-	-	-
Total Liabilities	1,128.61	1,208.25	1,271.22	1,268.88	1,332.28
Net Debt	(863.13)	(922.38)	(975.27)	(998.44)	(1,009.19)
Non-Financial Assets					
Tangible Capital Assets	1,007.48	991.05	1,045.75	1,056.65	1,064.41
Prepaid Expenses	1.41	1.69	3.05	3.02	3.11
Supplies Inventory	0.99	1.11	1.29	1.41	1.47
Total Non-Financial Assets	1,009.88	993.85	1,050.09	1,061.08	1,068.99
Accumulated Surplus (Deficit)	$ 146.75	$ 71.47	$ 74.82	$ 62.64	$ 59.80

Financial Assets to Current Liabilities Ratio

As at June 30, 2026, VSB's financial assets to current liabilities ratio was 1.60. This ratio compares total financial assets to accounts payable, unearned revenue, and deferred revenue and indicates a strong liquidity position and an ability to meet short-term obligations using existing financial resources.

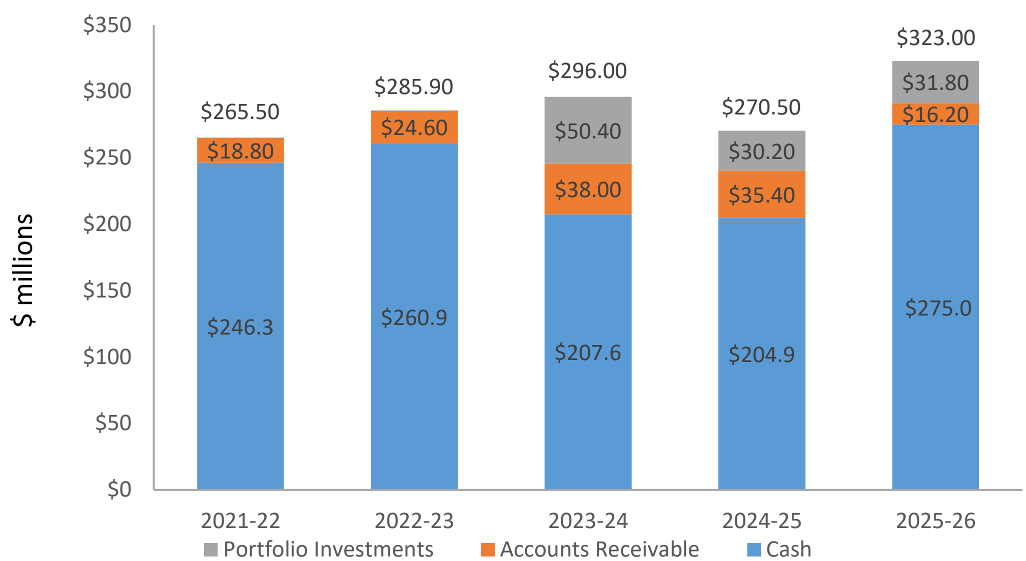
Figure 2 – Financial Assets to Current Liabilities Ratio



Financial Assets

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

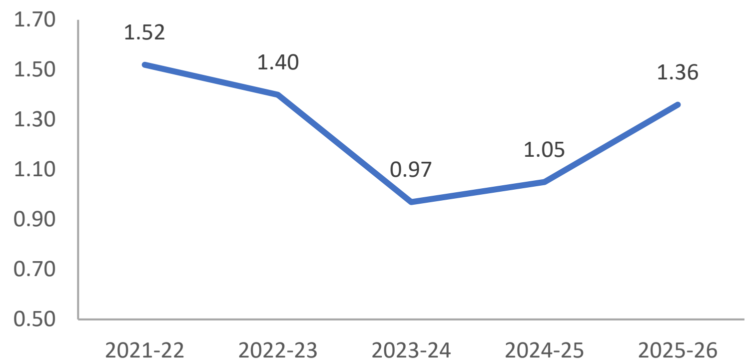
Figure 3 – Financial Assets



Cash and Cash Equivalents

Cash and cash equivalents comprise $275.04 million (2025 – 204.88 million) of the $323.09 million (2025 $270.44 million) of financial assets as at June 30, 2026. VSB earns interest on cash balances held with the Bank of Montreal and on deposits invested through the Provincial Central Deposit Program, with rates generally linked to the Bank of Canada's target overnight rate.

Figure 4 – Cash Ratio



The cash ratio, which measures cash and cash equivalents as a proportion of current liabilities, increased to 1.36 in 2025-26 from 1.05 in the prior year. The increase was primarily attributable to higher cash and cash equivalent balances at year-end. Growth in accounts payable and accrued liabilities of $13.80 million partially offset this improvement.

Accounts Receivable

VSB's accounts receivable was $16.24 million as at June 30, 2026, compared to $35.35 million a year ago.

Figure 5 – Accounts Receivable

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual
Due from MECC	$ 10.26	$ 5.70	$ 5.39	$ 5.18	$ 8.93
Due from Province - Other	-	0.09	0.14	-	-
Due fom Federal Government	0.40	0.52	0.49	1.25	-
Due from Municipalities	3.63	10.65	18.05	19.69	0.02
Due from Other School Districts	-	0.20	0.30	0.19	0.24
Rentals and Leases	40.90	48.46	56.77	3.99	0.60
Other Receivables	3.96	7.36	13.20	5.05	6.97
	59.15	72.98	94.34	35.35	16.76
Allowance for Doubtful Accounts	(40.39)	(48.40)	(56.36)	-	(0.52)
	$ 18.76	$ 24.58	$ 37.98	$ 35.35	$ 16.24

The receivable from MECC includes anticipated funding for eligible capital project expenditures incurred prior to year-end and estimated funding related to labour settlements for unionized employee groups other than teachers, including the Vancouver Adult Educators' Association, the Canadian Union of Public Employees Local 407, the Canadian Union of Public Employees Local 15, the International Union of Operating Engineers Local 963, and the Trades Bargaining Council.

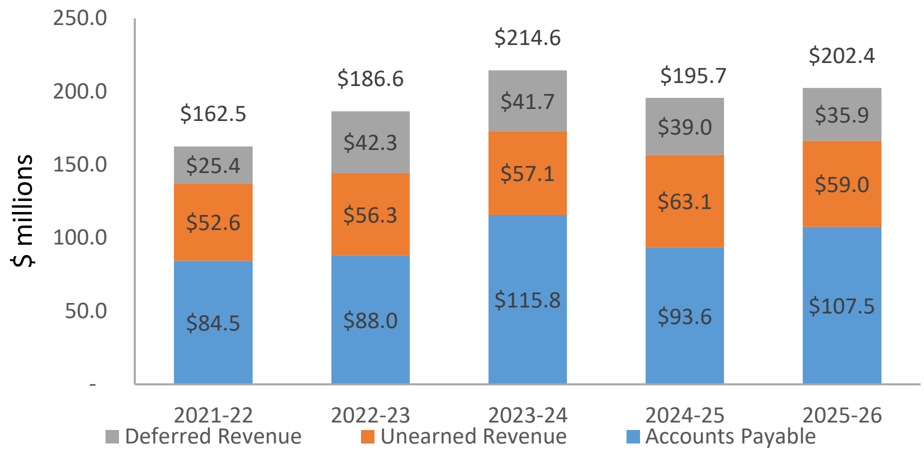
The amounts Due from Municipalities are for construction costs of child care spaces funded by City of Vancouver and built on VSB school grounds.

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

Current Liabilities

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

Figure 6 – Current Liabilities



Accounts Payable

Accounts payable and accrued liabilities totalled $107.5 million as at June 30, 2026, compared to $93.6 million a year ago. The current year balance includes City of Vancouver accrual of $11 million for the Coal Harbour mixed use development which includes cəw̓as Ch'elxwá7elch Skwuláw̓txw Seaside elementary school. The project was completed in July 2026 and students will begin attending the school in September 2026.

Figure 7 – Accounts Payable

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual
Due to Province	$ 0.61	$ 0.64	$ 0.23	$ 0.23	$ 0.73
Accrued vacation payable	11.20	11.27	11.43	12.01	10.73
Salaries and benefits payable	36.52	40.36	43.98	46.92	56.67
Trade payables	16.51	15.39	12.91	9.24	19.91
Other	19.68	20.38	47.25	25.21	19.41
	$ 84.52	$ 88.04	$ 115.80	$ 93.61	$ 107.45

The year-over-year increase of $9.75 million in Salaries and Benefits reflects higher employer contribution rates for extended health and dental benefits, as well as general wage increases. This includes approximately $5.0 million related to retroactive salary adjustments for collective agreements that had not yet been finalized as of June 30, 2026.

Unearned Revenue

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

In November 2024, VSB, with ministry approval, finalized a 99-year ground lease with Vittori Developments Ltd. for the southern portion of Sir Sandford Fleming (Fleming). In alignment with PSAB revenue recognition principles, the gross proceeds of $8.52 million had been recorded as unearned revenue and VSB will recognize these lease proceeds over the term of the ground lease. The annual lease income of approximately $86 thousand will be recognized as lease revenue in Local Capital. At the end of fiscal year 2026, the remaining unearned lease revenue balance is $8.23 million.

Deferred Revenue

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

Figure 8 – Deferred Revenue

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual
Annual Facility Grant (AFG)	$ -	$ -	$ -	$ -	$ 0.12
Assistive Technology BC (AT-BC)	10.64	12.23	13.61	14.47	15.00
Communication Assistance for Youth and Adults (CAYA)	3.65	18.93	16.44	12.82	8.96
Classroom Enhancement Fund (CEF)	0.89	1.32	1.37	1.39	1.30
CommunityLINK	0.38	0.37	0.06	0.58	0.35
CommunityLINK - Other	0.78	0.47	0.44	0.41	0.34
Dual Credit Program Expansion					0.24
Early Childhood Education Dual Credit Program	-	-	-	0.07	0.06
Early Care & Learning (ECL)	0.04	0.09	0.06	0.03	0.34
Learning Improvement Fund (LIF)	0.48	0.59	0.59	0.83	1.08
Mental Health in School	0.05	0.04	-	0.03	0.03
Miscellaneous	0.65	0.63	0.51	0.66	0.79
National School Food Program				0.12	0.27
Official Languages in Education French Program (OLEP)	0.19	0.18	0.25	0.18	0.09
Professional Learning Grant				0.20	0.16
Provincial Resource Centre for the Visually Impaired (PRCVI)	0.63	0.86	1.01	1.25	0.96
Provincial Resource Programs (PRP)	0.31	0.28	0.15	0.15	0.13
Ready, Set, Learn	-	-	-	0.04	0.03
Safe Return to School	1.08	-	-	-	-
Scholarships and Bursaries	0.53	0.57	0.56	0.58	0.57
School Generated Funds	4.02	3.85	4.36	4.48	4.87
Seamless Day Kindergarten Funding	-	0.05	-	-	0.03
Settlement Workers in School (SWIS)	0.39	0.30	-	-	-
Strengthening early Years Transition to Kindergarten Transition (SEY2KT)	-	-	-	0.03	-
Special Education Technology (SET-BC)	0.67	0.49	0.21	0.19	0.10
Student & Family Affordability Fund	-	1.04	2.04	0.40	-
Strong Start	-	-	-	-	0.03
Work Experience Grant	-	-	-	0.05	0.07
	$ 25.38	$ 42.29	$ 41.66	$ 38.96	$ 35.92

Deferred Capital Revenue

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

The balance in DCR related to completed projects is amortized to revenue throughout the expected life of the completed assets. The balance in DCR is explained in the following table.

Figure 9 – Deferred Capital Revenue (DCR)

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual
Deferred Capital Revenue, beginning of year	$624.65	$669.33	$754.01	$870.74	$ 901.50
Transferred from DCR, Work in Progress	67.11	109.23	141.50	62.76	31.39
Other items, net	-	-	1.76	(0.29)	-
Transfers from DCR to DCR, Unspent	-	-	-	(1.42)	-
Amount Recognized in Revenue	(22.43)	(24.55)	(26.53)	(30.29)	(31.18)
Deferred Capital Revenue, end of year	669.33	754.01	870.74	901.50	901.71
DCR, Work in Progress, beginning of year	116.29	149.53	120.56	59.82	44.09
Transfers from Deferred Revenue, unspent	100.35	80.26	80.76	47.59	42.93
Transferred to DCR, completed projects	(67.11)	(109.23)	(141.50)	(62.76)	(31.39)
Write-off/down of Buildings and Sites	-	-	-	(0.56)	-
Settlement of asset retirement obligation	-	-	-	-	(0.28)
DCR, Work in Progress, end of year	149.53	120.56	59.82	44.09	55.35
DCR, Unspent, beginning of year	42.12	42.11	42.99	22.75	20.82
Provincial Grants	94.56	70.38	51.85	40.98	35.95
Other Grants	5.21	8.75	8.55	3.56	0.92
Investment Income	0.51	2.01	2.39	0.94	1.86
Transfers to DCR, WIP	(100.35)	(80.26)	(80.92)	(47.59)	(42.93)
Transfers from DCR to DCR, Unspent	-	-	-	1.42	-
99 Year Lease Queen Elizabeth Annex	-	-	-	-	42.72
Other items, net	0.06	-	(2.11)	(1.24)	(0.29)
DCR, Unspent, end of year	42.11	42.99	22.75	20.82	59.05
TOTAL	$860.97	$917.56	$953.31	$966.41	$1,016.11

During the year, $31.39 million was transferred from DCR, Work in Progress to DCR for completed projects. This included $13.00 million for completed facility renewal and maintenance projects funded through the Annual Facility Grant, $13.36 million for the Henry Hudson Elementary addition and seismic replacement project, $2.54 million for the David Lloyd George Elementary seismic replacement project, $1.04 million for projects funded under the Carbon Neutral Capital Program, and $0.46 million for new child care spaces. Additional details are provided in the capital fund section.

Other Liabilities

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

Employee Future Benefits

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

Asset Retirement Obligations

The school district adopted a new accounting standard in 2023 using the modified retroactive approach as at July 1, 2022, related to legal liabilities that exist for the removal and disposal of asbestos, harmful lead in paint and other environmentally hazardous materials within some school district-owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recorded in the current year.

Capital Lease Obligations

Capital Lease Obligations decreased by $1.5 million during the year, due to leases expiring June 30, 2026 for fleet vehicles and computer hardware.

Figure 10 – Other Liabilities

Tangible Capital Assets

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

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

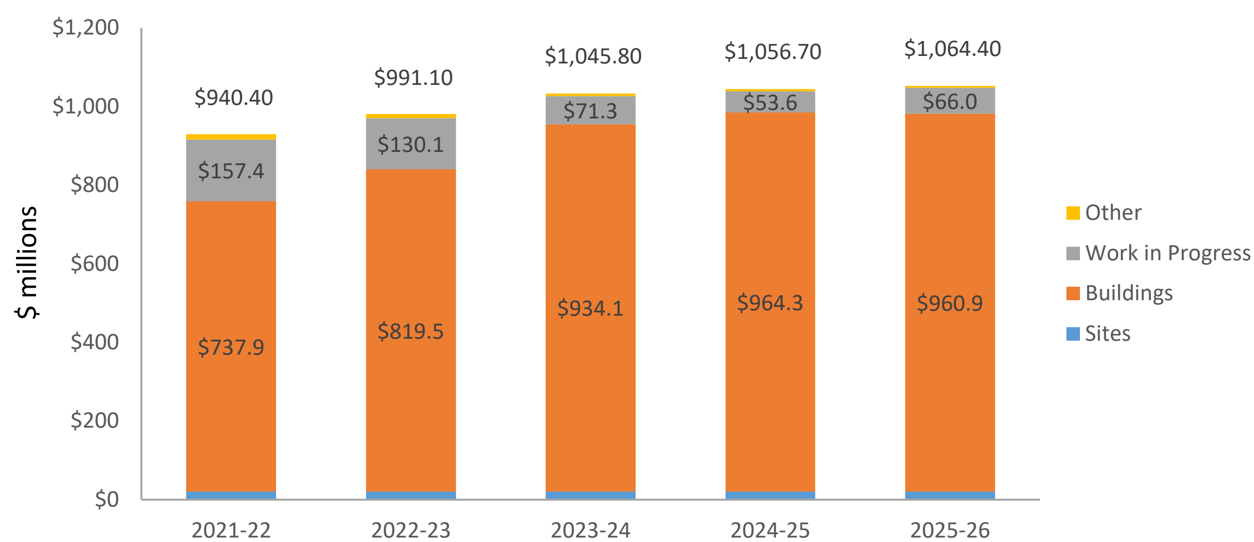
A summary of the school district's tangible capital assets is provided in Figure 11.

Figure 11 – Tangible Capital Assets

Tangible Capital Assets ($ millions)	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	2025-26	2024-25
Cost, beginning of year	$ 20.78	$ 1,550.02	$ 21.26	$ 1.54	$ 0.10	$ 15.94	$ 1,609.64	$ 1,546.11
Additions	-	30.97	1.71	1.30	-	0.75	34.73	67.46
Disposals	-	-	1.10	0.18	0.04	7.07	8.39	3.86
Other items, net	-	12.99	-	-	-	-	12.99	(0.07)
Cost, end of year	20.78	1,593.98	21.87	2.66	0.06	9.62	1,648.97	1,609.64
Add: WIP Balance	-	65.98	-	-	-	-	65.98	53.56
Cost and WIP, end of year	20.78	1,659.96	21.87	2.66	0.06	9.62	1,714.95	1,663.20
Accumulated Amortization - Opening	-	585.70	9.00	1.02	0.07	10.76	606.55	571.63
Amortization Expense	-	34.40	2.16	0.21	0.02	2.61	39.40	38.78
Deemed Disposal Recapture	-	-	1.10	0.18	0.05	7.07	8.40	3.86
Other items, net	-	12.99	-	-	-	-	12.99	-
Accumulated Amortization - Closing	-	633.09	10.06	1.05	0.04	6.30	650.54	606.55
Tangible Capital Assets - Net Book Value	$ 20.78	$ 1,026.87	$ 11.81	$ 1.61	$ 0.02	$ 3.32	$ 1,064.41	$ 1,056.65

The net book value of tangible capital assets was $1,064.41 million as at June 30, 2026, compared to $1,056.65 million the previous year.

Figure 12 – Tangible Capital Assets Net Book Value



Consolidated Statement of Operations

Statement 2 includes the revenues and expenses for all three funds, with expenses shown by function. The following schedule shows an alternative presentation of consolidated expenses by type.

Figure 13 – Consolidated Statement of Operations

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Provincial Grants - MECC	$ 547.61	$ 590.03	$ 646.11	$ 682.30	$ 694.18	$ 709.79
Provincial Grants - Other	7.31	7.91	9.21	10.06	8.99	9.47
Federal Grants	2.38	2.69	3.19	3.38	3.07	3.06
Tuition	22.27	23.47	26.79	26.40	23.26	23.98
Other Revenue	25.42	27.85	27.65	31.36	26.46	30.86
Rentals and Leases	9.44	7.73	7.98	8.92	8.08	10.43
Investment Income	2.02	7.24	9.24	7.53	5.51	5.21
Amortization of Deferred Capital Revenue	22.43	24.55	26.53	30.29	31.42	31.19
Total Revenue	638.88	691.47	756.70	800.24	800.97	823.99
Expense						
Salaries and Benefits	545.33	578.77	629.46	669.25	677.92	687.95
Services and Supplies	72.74	86.62	88.64	97.32	91.44	89.85
Amortization of Tangible Capital Assets	32.38	34.35	35.25	38.79	39.54	52.38
Write-off/down of Buildings and Sites	-	-	-	3.71	-	-
ARO Accretion	-	-	-	3.35	-	(3.35)
Total Expense	650.45	699.74	753.35	812.42	808.90	826.83
Net Revenue (Expense)	(11.57)	(8.27)	3.35	(12.18)	(7.93)	(2.84)
Capital Assets Purchased	(5.28)	(4.74)	(4.13)	(3.11)	(5.67)	3.19
Net Transfers (to) from other funds	5.28	4.74	4.13	3.11	5.67	(3.19)
Surplus (Deficit) for the year	$ (11.57)	$ (8.27)	$ 3.35	$ (12.18)	$ (7.93)	$ (2.84)

Revenue

Consolidated revenues were $23.02 million higher than budget due to several factors. Other revenue was $4.40 million higher than budget primarily due to school generated funds, which exceeded budget by $3.46 million. Additionally, rentals and leases revenue exceeded budget by $2.35 million, tuition revenues were $0.72 million higher than budget, and investment income was $0.30 million lower than budget.

Consolidated revenues increased by $23.75 million compared to the 2024-25 year, primarily due to a $20.11 million increase in provincial grants - MECC revenue reported in the Operating Fund. Additionally, provincial grants - MECC revenue reported in the Special Purpose Fund increased by $7.08 million. These increases included higher annual operating grant revenue, labour settlement funding and increased grant revenue recognized under the Classroom Enhancement Fund, partially offset by lower tuition and investment income.

Expense

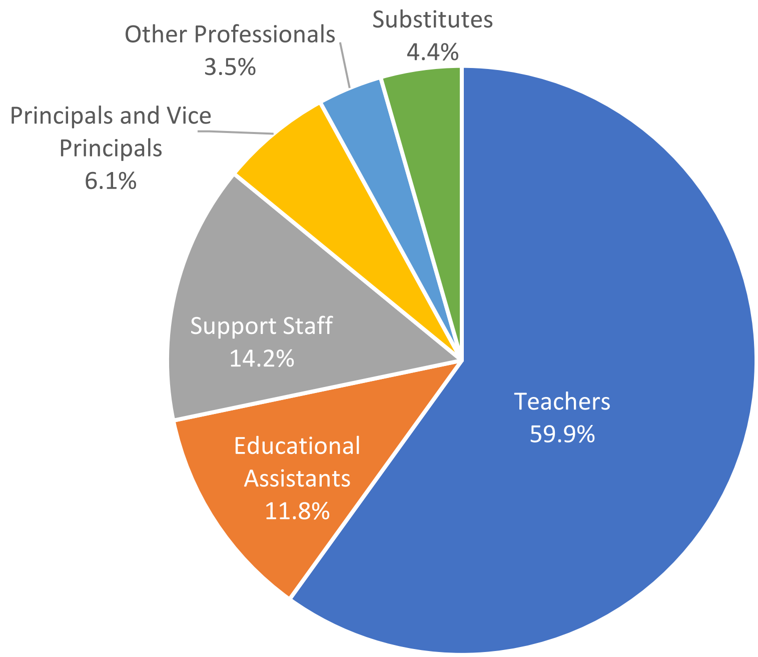
Consolidated expenses were $17.93 million higher than budget. The budget variance included salaries and benefits costs exceeding budget by $10.03 million primarily due to salary increases from new collective agreements and wage lifts. Other expenses exceeded budget totalling approximately $7.90 million and were primarily attributable to the net impact of $12.71 million as 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.

Actual consolidated expenses were $14.41 million higher in 2025-26 compared to the prior year due to a combination of factors, including the items noted above. Salaries and benefits were $18.70 million higher than 2024-25 reflecting general wage increases for unionized staff and performance-based pay increases for exempt staff, and increases in monthly contribution rates for the provision of dental and extended health benefits.

Salaries and Benefits

Teachers, educational assistants and support staff comprise the majority of VSB's personnel and together they accounted for 85.9 per cent of total salaries in the 2025-26 year, as depicted in the chart below.

Figure 14 – Salaries by Employee Group – All Funds



Employee salaries and benefits are primarily reported in the operating fund, but VSB also administers a series of special purpose funds that include funding for salaries and benefits. The table below reports total salaries across all funds from 2021-22 to 2025-26.

Figure 15 – Salaries and Benefits - All Funds

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Teachers	$ 262.83	$ 275.24	$ 299.79	$ 316.88	$ 312.58	$ 321.33
Principals and Vice Principals	27.27	28.40	32.10	31.96	31.26	32.62
Educational Assistants	50.82	52.33	56.33	60.48	68.23	63.19
Support Staff	62.45	66.53	72.07	73.64	75.60	76.15
Other Professionals	15.80	16.20	16.86	18.57	18.27	18.97
Substitutes	16.10	17.23	18.48	19.33	20.31	23.83
Total Salaries	435.27	455.93	495.63	520.86	526.25	536.09
Employee Benefits	110.07	122.84	133.83	148.39	151.66	151.86
Total Salaries and Benefits	$ 545.34	$ 578.77	$ 629.46	$ 669.25	$ 677.91	$ 687.95

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

Teachers salaries were $4.45 million higher than 2024-25 and $8.75 million above the 2025-26 budget. The budget variance was primarily due to higher-than-budgeted average teacher salary costs. When the amended budget was prepared, the provincial collective agreement for teachers had not yet been finalized, and therefore the related salary increases were not fully reflected in the budget. Classroom Enhancement Fund remedy costs for the current and prior years were $0.86 million below budget. This variance is attributable to timing differences between when remedy entitlements are earned and when agreements governing their distribution are finalized with the applicable teachers' associations.

Principals and Vice Principals salaries were $0.66 million higher than in 2024-25 and $1.36 million above the 2025-26 budget. This variance reflects a performance-based exempt compensation increase of up to 2.5%, which was not known at the time the amended budget was prepared.

Educational Assistants salaries were $2.71 million higher than 2024-25, but $5.04 million lower than budgeted for the 2025-26 year. The VSB hired additional educational assistants in 2025-26 to support students with disabilities or diverse abilities. The budget variance is a result of vacancies from unpaid leaves, incidental unpaid absences, and temporarily vacant positions. Additionally, casual educational assistants have been reclassified under the category of Substitutes to align with MECC reporting requirements.

Support Staff salaries were $2.51 million higher than 2024-25, and $0.55 million higher than budgeted for the 2025-26 year. The year-over-year increase and budget variance reflects an accrual for the general wage increases for support staff, which was not measurable at the time the amended budget was finalized.

Other Professionals salaries were $0.4 million higher than 2024-25 and exceeded the 2025-26 budget by $0.70 million. This variance reflects a performance-based exempt compensation increase of up to 2.5%, which was not known at the time the amended budget was prepared.

Substitutes salaries were $4.50 million higher than 2024-25 and $3.52 million higher than budget for the 2025-26 year. The year-over-year increase reflects general wage increases. Teachers teaching on call budget variance was $1.1 million higher than budget, Support staff budget variance was $0.74 million higher than budget and the balance reflected by the other groups. Additionally, casual educational assistants have been reclassified under the category of Substitutes to align with MECC reporting requirements.

Employee Benefits were $3.47 million higher than in 2024-25 and $0.20 million higher than budgeted for the 2025-26 year. The year-over-year increase reflects an increased cost of benefits related to the negotiated wage increases offset by revised estimates for the benefits costs relates to leaves liability accruals.

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

Statement of Operations - Operating Fund

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

The schedule below illustrates the operating fund results for the school district for the years ending June 30, 2025, and June 30, 2026. Revenues are shown as presented on Schedule 2 of the Financial Statements and the expenses are shown by object as presented on Schedule 2B of the Financial Statements.

Figure 16 – Operating Fund Summary

Operating Fund ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Provincial Grants - MECC	$ 485.53	$ 520.37	$ 569.43	$ 594.09	$ 598.31	$ 614.21
Provincial Grants - Other	0.06	0.06	0.06	0.06	0.09	0.07
Federal Grants	2.38	2.69	3.19	3.38	3.07	3.06
Tuition	22.27	23.47	26.79	26.40	23.26	23.98
Other Revenue	18.19	18.66	19.71	23.01	18.79	22.52
Rentals and Leases	3.85	5.11	5.67	6.70	6.03	7.90
Investment Income	1.62	5.80	7.61	6.28	4.22	3.63
Total Revenue	533.90	576.16	632.46	659.92	653.77	675.37
Expense						
Salaries and Benefits	488.50	518.76	560.01	590.47	590.90	601.20
Services and Supplies	53.35	60.88	63.57	68.62	66.06	61.71
Total Expense	541.85	579.64	623.58	659.09	656.96	662.91
Net Revenue (Expense)	(7.95)	(3.48)	8.88	0.83	(3.19)	12.46
Capital Assets Purchased	(4.34)	(4.08)	(3.61)	(2.93)	(4.53)	(2.36)
Interfund Transfers	-	-	-	1.04	(0.22)	(0.22)
Surplus (Deficit) for the year	$ (12.29)	$ (7.56)	$ 5.27	$ (1.06)	$ (7.94)	$ 9.88

The operating fund reported a surplus of $9.88 million for the year, compared to a budgeted deficit of $7.94 million and a deficit of $1.06 million in 2024-25.

When reviewing the operating fund results, it is important to distinguish between school district operations and school generated funds. School generated fund revenues are reported in Other Revenue, while the related expenditures are reported in Supplies.

Included in the operating fund results is a net surplus of $0.53 million arising from school generated fund activities. School generated fund revenues totaled $14.81 million and related expenditures totaled $14.28 million during the year. As these funds are held on behalf of schools for school-based purposes, the resulting surplus is not available to support school district operations and will remain available for future school-based initiatives. School generated funds revenue and expense are summarized in the following table.

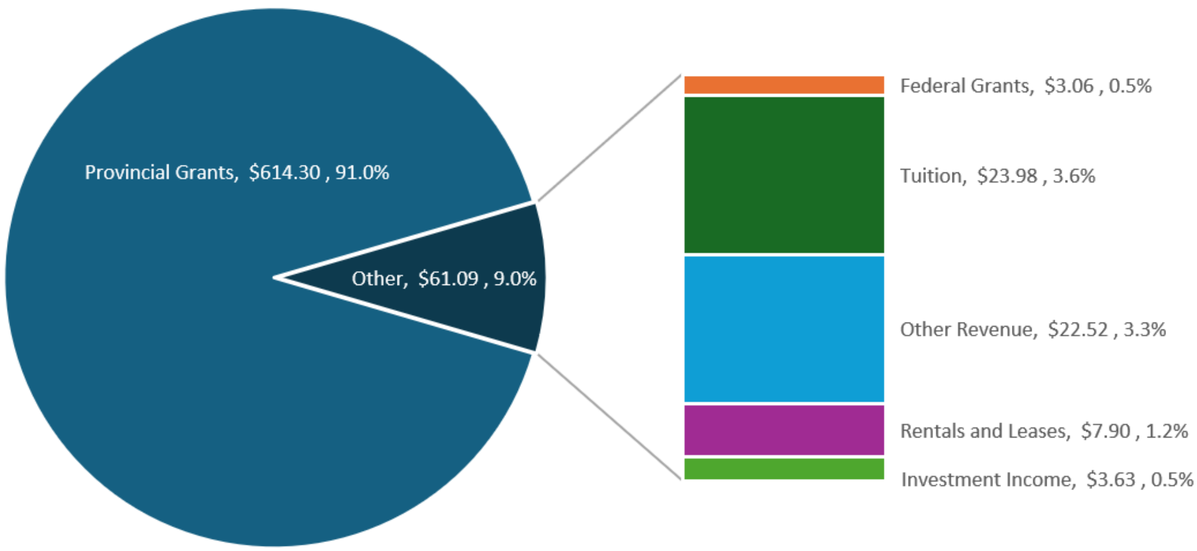
Figure 17 – School Generated Funds

School Generated Funds (SGF) ($ millions)	2024-25 Actual	2025-26 Budget	2025-26 Actual
SGF - Other Revenue	14.56	12.61	14.81
SGF - Supplies	14.48	13.75	14.28

Revenues

Grants from MECC are VSB's primary source of funding, accounting for approximately 91% of total operating fund revenue. Figure 18 illustrates the composition of operating fund revenue by source for the 2025-26 fiscal year.

Figure 18 – Operating Fund - Revenue Sources



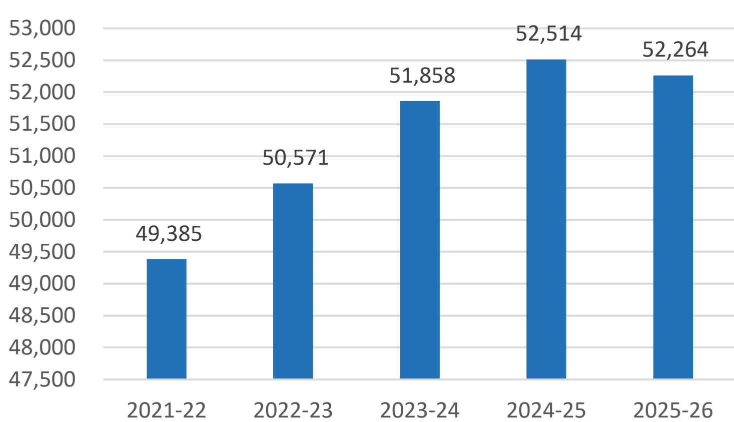
MECC Grants

The annual operating grant is the primary source of funding for the operating fund which is determined based on student enrolments. In 2025-26, operating grant revenue was $15.90 million higher than budgeted due to estimated labour settlement funding.

The enrolment figures presented below represent funded full-time equivalent (FTE) students and include regular, alternate, online learning (school-age), continuing education (school-age), summer learning and non-graduated learners.

Figure 19 shows actual funded enrolment from 2021-22 to 2025-26. Following several years of enrolment decline, VSB experienced enrolment growth from 2022-23 through 2024-25. In 2025-26, this trend reversed, with funded enrolment decreasing by 250 FTE students compared to the prior year.

Figure 19 – MECC Funded Student Enrolment



Enrolment data is collected by MECC from school districts in July, September, February, and May. The table below provides details of VSB's actual MECC funded student enrolment for 2021-22 to 2025-26 and budgeted for 2025-26.

Figure 20 – MECC Funded Student Enrolment

MECC Funded FTE Students	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Enrolment Categories						
Standard (Regular) Schools	47,123	48,323	49,254	49,822	49,578	49,578
Continuning Education (School-Age)	64	68	84	77	75	75
Alternate Schools	308	307	343	339	339	339
Online Learning (School-Age)	893	707	845	880	770	843
Non-Graduated Adults	182	167	182	137	167	163
Summer Learning	813	970	1,111	1,243	1,237	1,237
Newcomer Refugees	1	27	34	16	25	18
Youth Train in Trades	1	2	5	-	-	11
Total Funded Enrolment	**49,385**	**50,571**	**51,858**	**52,514**	**52,191**	**52,264**
Supplemental Funding						
Level 1 - Inclusive Education	68	62	61	69	59	59
Level 2 - Inclusive Education	2,343	2,524	2,709	2,941	3,275	3,262
Level 3 - Inclusive Education	519	504	505	485	445	445
English Language Learners	7,927	8,712	9,274	9,536	9,326	9,321
Indigenous Education	2,154	2,161	2,109	2,065	2,043	2,043

The table below outlines grants received from MECC.

Figure 21 – MECC Grants

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Operating Grant	$ 476.99	$ 492.19	$ 551.13	$ 579.19	$ 588.97	$ 588.80
Pay Equity	7.29	7.29	7.29	7.29	7.29	7.29
Funding for Graduated Adults	1.15	1.00	1.53	1.68	1.96	2.48
Early Career Mentorship Funding	-	-	-	-	-	-
Labour Settlement Funding	-	19.79	9.38	5.78	-	15.54
Other	0.10	0.10	0.10	0.15	0.09	0.10
	$ 485.53	$ 520.37	$ 569.43	$ 594.09	$ 598.31	$ 614.21

Other Revenue

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

Figure 22 – Other Revenue

($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Other Provincial Grants	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.09	$ 0.07
Federal Grants	2.38	2.69	3.19	3.38	3.07	3.06
Tuition	22.27	23.47	26.79	26.40	23.26	23.98
Other Revenue	18.19	18.66	19.71	23.01	18.79	22.52
Rentals and Leases	3.85	5.11	5.67	6.70	6.03	7.90
Investment Income	1.62	5.80	7.61	6.28	4.22	3.63
	$ 48.37	$ 55.79	$ 63.03	$ 65.83	$ 55.46	$ 61.16

Other revenue was $4.67 million lower than in 2024-25 but $5.70 million higher than budget. This includes School Generated Funds, which were $2.20 million greater than budget. The related school-based expenditures exceeded budget by $0.53 million for a net variance to budget of $1.67 million. Tuition revenue exceeded the budget by $0.72 million primarily due to tuition amounts retained under the International Education program's refund policy. In accordance with the participation agreement, certain fees are non-refundable and tuition refunds may be reduced or denied depending on the timing and circumstances of a student's withdrawal. Consequently, a portion of tuition fees paid by students who withdrew from the program was retained by the District, resulting in higher revenue than originally anticipated.

Additionally, rental and lease income increased by $1.20 million compared to 2024-25 mainly due to additional rental agreements entered into during the 2024-25 and 2025-26 fiscal years. Investment income was lower than budget by $0.59 million because interest rates were lower than anticipated during the period.

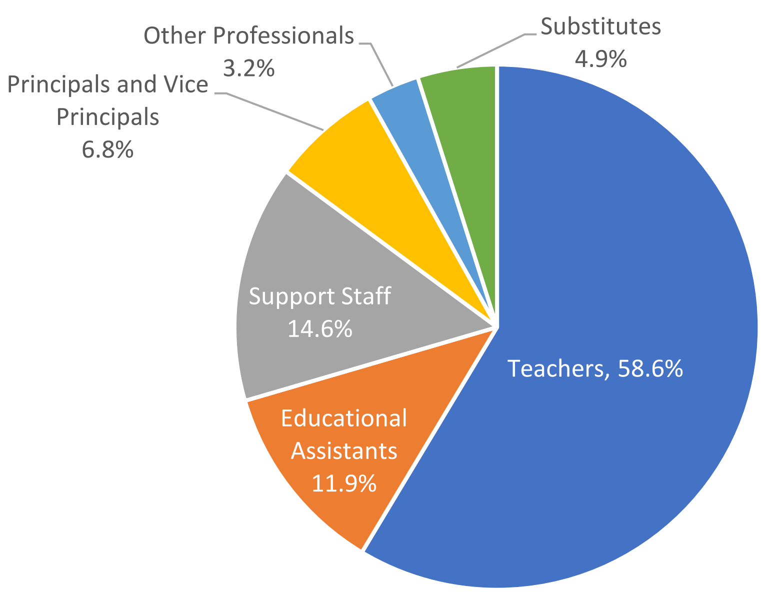
Expenses

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

Salaries and Benefits

Total salaries and benefits amounted to $601.20 million, which is $10.3 million more than the budgeted amount of $590.9 million. As illustrated in the chart below, 85.12 per cent of the 2025-26 salaries were allocated to teachers, educational assistants and support staff.

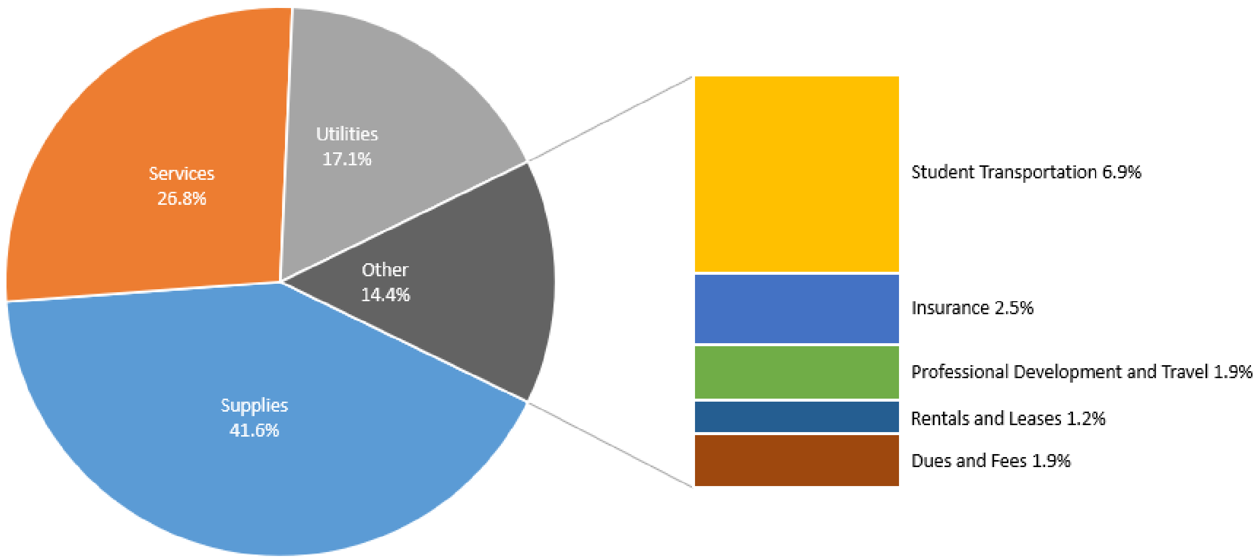
Figure 23 – Operating Fund Salaries by Employee Group



Services and Supplies

Services and Supplies in the operating fund were $61.71 million, compared to a budgeted amount of $66.06 million and $68.62 million in the 2024-25 year. The chart below highlights the components of services and supplies expense.

Figure 24 – Services and Supplies



Services were $0.57 million higher than budget but $4.50 million lower than 2024-25. Services include. legal fees which were $0.90 million below budget and $4.13 million lower than 2024-25. The variance from budget is largely attributable to the timing of legal proceedings. Unused budget related to ongoing legal matters have been appropriated and may be utilized in future periods as costs are incurred.

Student Transportation expenses were $0.35 million higher than budget and comparable to the prior year. The budget variance reflects increased utilization of transportation services by students with disabilities or diverse abilities.

Professional Development and Travel expenses were $0.42 million below budget and $0.25 million lower than 2024-25. Some discretionary professional development allocations were not fully utilized during the year. These savings were partially offset by increased professional development funding provided to unions for administration on behalf of their members.

Rentals and Leases expenses were $0.16 million below budget and $0.05 million lower than 2024-25. The favourable variance was primarily due to lower-than-anticipated lease costs for the vehicle fleet.

Dues and Fees were $0.05 million below budget and $0.13 million higher than 2024-25.

Insurance expenses were $0.27 million below budget and $0.04 million lower than 2024-25. Vehicle insurance premiums were lower than anticipated because eleven fleet vehicle replacements approved in the amended budget were not delivered until late June 2026.

Supplies expenses were $3.65 million below budget and $1.32 million lower than 2024-25. School-generated fund expenditures exceeded budget by $0.53 million, supported by corresponding increases in school-generated fund revenues. Maintenance and custodial supplies were $0.89 million above budget but $1.00 million lower than the prior year. These variances were partially offset by changes in spending on instructional supplies and computer software and hardware.

Utilities expenses were $0.72 million below budget and $0.87 million lower than 2024-25. Internet service costs exceeded budget by $0.13 million; however, savings of $0.85 million in natural gas and other utilities more than offset this increase. Lower heating requirements resulting from higher than average winter temperatures were the primary driver of these savings.

Accumulated Operating Surplus

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

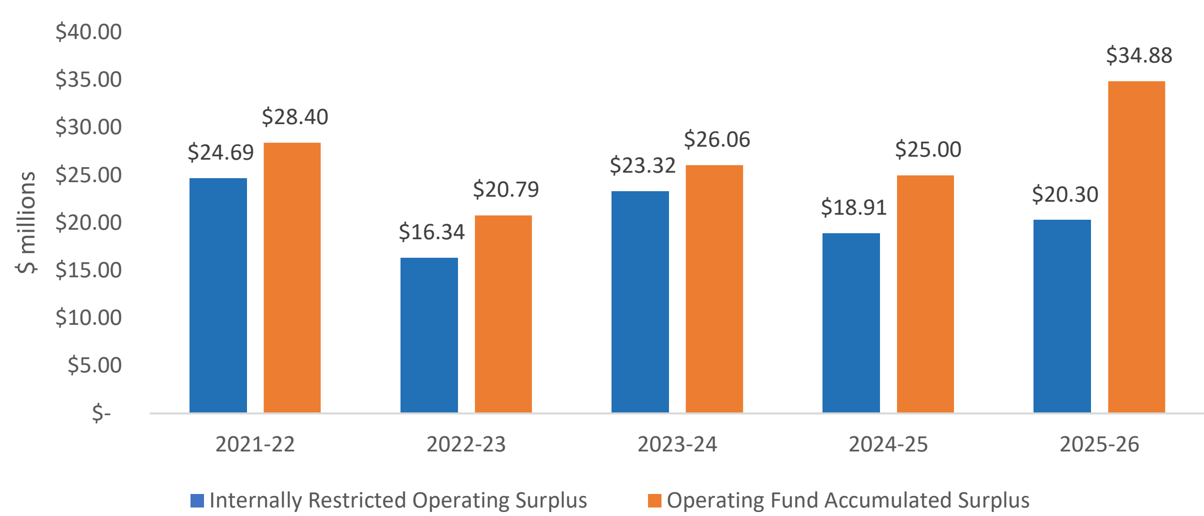
The Board's accumulated operating surplus consists of internally restricted operating funds and unrestricted operating funds, in the following categories:

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

Figure 25 illustrates the composition of the school district's accumulated operating surplus from 2021-22 to 2025-26. Schedule 2 of the financial statements reports an operating surplus of $9.88 million for the year, after transfers for capital projects. Combined with the opening accumulated operating surplus balance of $25.00 million, this resulted in a closing accumulated operating surplus of $34.88 million.

In accordance with Policy 19, the Unrestricted Operating Surplus (Contingency) must be maintained within a range of 1.0% to 2.5% of annual operating expenses. Based on 2025-26 operating expenses of $662.91 million, the minimum required contingency balance at June 30, 2026 was $6.63 million. The school district's actual contingency balance was $14.58 million, representing 2.2% of annual operating expenses and therefore within the range established by Board policy.

Figure 25 – Operating Fund Surplus



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

Figure 26 – Operating Fund Accumulated Surplus

Operating Fund Accumulated Surplus ($ millions)	2024-25 Actual	2025-26 Actual
Internally Restricted (Appropriated) by the Board for:		
Planned Future Operations Spanning Multiple Years		
Education Plan	0.06	0.28
Equity and Anti-Oppression	0.26	0.22
Indigenous Education	0.29	0.37
IT Capital Plan	0.16	0.51
Long Range Facilities Plan	0.12	0.12
Online Learning Funding for Courses in Progress	0.41	0.44
Purchase Order Commitments	0.79	1.06
School Budget Balances	2.85	2.81
Child Care Spaces Maintenance and Renewal	-	0.42
Child Care Spaces Feasibility Study	-	0.08
Total Planned Future Operations Spanning Multiple Years	4.94	6.31
Anticipated Future Requirements		
Financial Provisions	1.36	2.09
Risk Mitigation - Systems and Processes	0.67	0.63
Total Anticipated Future Requirements	2.03	2.72
Restricted Due to Constraints on Funds		
Early Career Mentorship	0.26	0.02
Grants and Donations	3.13	2.16
Scholarships	0.81	0.83
School Generated Funds	7.74	8.26
Total Restricted Due to Constraints on Funds	11.94	11.27
Total Internally Restricted Operating Surplus	18.91	20.30
Operating Fund Contingency	15.44	26.73
Unfunded Litigation Costs	(9.35)	(12.15)
Unrestricted Operating Fund Surplus (Contingency)	6.09	14.58
Operating Fund Accumulated Surplus	**$ 25.00**	**$ 34.88**

Special Purpose Funds

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

Pursuant to Sections 156(4) and (5) of the *School Act*, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. Treasury Board Restricted Contribution Regulation 198/2011, issued in November 2011, defines a restricted contribution as "a contribution that is subject to a legislative or contractual stipulation or restriction to its use other than a contribution or part of contribution that is of, or the purpose of acquiring, land".

Figure 27 – Special Purpose Funds Summary

Special Purpose Funds ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Provincial Grants - MECC	$ 62.08	$ 69.66	$ 76.60	$ 88.21	$ 95.87	$ 95.30
Provincial Grants - Other	7.25	7.85	9.15	10.00	8.90	9.40
Other Revenue	6.79	7.55	7.48	7.90	7.17	8.12
Investment Income	0.22	0.82	0.95	0.89	0.84	1.30
Total Revenue	76.34	85.88	94.18	107.00	112.78	114.12
Expense						
Salaries and Benefits	56.83	60.01	69.45	78.78	87.02	86.75
Services and Supplies	18.57	25.21	24.21	28.04	24.62	26.54
Total Expense	75.40	85.22	93.66	106.82	111.64	113.29
Net Revenue (Expense)	0.94	0.66	0.52	0.18	1.14	0.83
Capital Assets Purchased	(0.94)	(0.66)	(0.52)	(0.18)	(1.14)	(0.83)
Surplus (Deficit) for the year	$ -	$ -	$ -	$ -	$ -	$ -

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

Figure 28 – SPF Details

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

Fund	Intended Use
CommunityLINK – Other	Support programs including food programs, and services to improve the educational performance of vulnerable students, including both academic achievement and social functioning.
Dual Credit Program Expansion	Supports the expansion of dual credit programs and partnerships with post-secondary institutions to increase student access to post-secondary learning opportunities and career pathways.
Early Childhood Education Dual Credit Program	Supports Grade 12 students in earning post-secondary Early Childhood Education (ECE) credits that count toward both high school graduation and post-secondary credential attainment.
Early Care & Learning (ECL)	Support school districts in creating a focused early learning and care portfolio to fulfill future directions and potential added responsibilities in early learning.
Feeding Futures Fund	Funding to make sure all students are fed and ready to learn by expanding existing school fund programs in districts and schools.
First Nation Student Transportation Fund	Funding to provide busing to/from school for First Nations students living on reserve.
Learning Improvement Fund (LIF)	Supplementary funding to school districts for additional teacher assistants and other paraprofessionals and/or additional services to students.
Mental Health in Schools	To build capacity in mental health and well-being related to knowledge, skills and resources in school communities.
Miscellaneous	Most of these funds are for career education and school playground projects.
National School Food Program (NSFP)	Federal funding to support the delivery of meals to students facing food insecurity.
Official Languages in Education French Program (OLEP)	Federal funds received by school districts that must be spent entirely in support of French Immersion programs, Core French courses or French Immersion growth initiatives.
K12-Pandemic Recovery Team	Funding for the district to provide support to schools and school districts in the Vancouver Coastal Health region in responding to COVID-19 cases.
Provincial Resource Centre for the Visually Impaired (PRCVI)	Outreach program that supports school districts' goal of ensuring equitable access and enhanced educational opportunities for students with visual impairments.
Provincial Resource Program (PRP)	Provides outreach services to support educators, students and families to meet the needs of students with disabilities or diverse abilities.
Professional Learning Grant	Funding to support professional learning and capacity building for educators in evidence-based literacy instruction, early literacy screening, literacy interventions and assessment practices to improve student literacy outcomes.
Ready, Set, Learn	Intended for families and their three to five-year old children, Ready, Set, Learn is all about providing good information about how to support a young child's early learning and development. It also develops positive connections between families, the school system and local community agencies.
Safe Return to School /Restart: Health & Safety Grant	Provincial funding provided to assist districts with implementing new health and safety measures during the COVID-19 pandemic.

Fund	Intended Use
Scholarships and Bursaries	Distributed to students to recognize academic achievement.
School Generated Funds	Funds generated by schools for various purposes.
Seamless Day Kindergarten Funding	Kindergarten pilot project to provide a full day for students, including before and after-school care.
Settlement Workers in Schools (SWIS)	School based settlement service for immigrants, refugees and other eligible clients to meet their immediate settlement or ongoing needs after their arrival in Canada.
Strengthening Early Years to Kindergarten Transitions (SEY2KT)	Provides opportunities for school districts and communities to work together to support young children and their families in the smooth transition from home to school.
Special Education Technology (SET-BC)	Provincial program established to assist school districts in utilizing technology to support the diverse needs of students.
Strong Start	A free early learning program located in schools, for preschool children accompanied by a parent, other adult family member or caregiver, created through an agreement between school districts and MECC.
Student & Family Affordability Fund	Funding to help make back to school more affordable for students and their families who are struggling with the rising cost of living due to inflation.
Work Experience Enhancement	Supports the development and expansion of student work experience opportunities through employer partnerships, work placements, and career pathway initiatives.

Total revenue for special purpose funds was $114.12 million for the 2025-26 year, compared to a budgeted amount of $112.78 million and $107 million a year ago. Detailed revenue by special purpose fund is summarized in Figure 29.

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

The ratification of this agreement resulted in the establishment of the CEF to support the additional teacher staffing and related overhead costs associated with the restoration of collective agreement provisions regarding class size and non-enrolling teacher staffing ratios. VSB recognized $55.62 million in CEF grant revenue in 2025-26, compared to $49.65 million in 2024-25. While CEF funding offset a significant portion of the related costs, it did not fully fund the expenditures incurred by the District. In particular, teacher teaching on call costs required to support teacher staffing obligations exceeded available funding. As a result, VSB incurred approximately $1.54 million in additional substitute (teachers teaching on call) costs that were funded through the operating fund and are reported as operating expenses.

Figure 29 – SPF Revenue by Fund

SPF Revenue by Fund ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
AFG	$ 2.20	$ 2.26	$ 3.15	$ 1.68	$ 2.24	$ 1.83
AT-BC	4.17	5.07	5.87	6.48	5.62	6.16
CAYA	3.06	3.05	3.47	4.19	3.97	4.18
CR4YC	0.01	0.01	0.01	0.01	-	-
CEF	32.80	36.37	37.03	49.65	54.88	55.62
CommunityLINK	9.39	9.93	10.78	10.13	11.23	11.14
CommunityLINK - Other	0.28	0.37	0.29	0.23	0.23	0.27
Dual Credit Program Expansion	-	-	-	-	-	0.06
Early Childhood Education Dual Credit Program	-	-	-	0.04	0.07	0.02
ECL	-	0.08	0.21	0.21	0.20	0.21
Feeding Futures Fund	-	-	5.57	5.65	5.55	5.55
First Nation Student Transportation Fund	0.13	0.13	0.15	0.15	0.15	0.15
LIF	1.63	1.56	2.03	1.82	2.03	1.84
Mental Health in Schools	0.08	0.06	0.08	0.02	0.08	0.05
Miscellaneous	0.43	0.27	0.44	0.13	0.41	0.37
National School Food Program	-	-	-	0.01	1.02	0.75
OLEP	0.60	0.75	0.78	0.82	0.78	0.84
Pandemic Recovery Team	0.31	-	-	-	-	-
PRCVI	2.20	2.53	2.91	2.88	3.35	3.38
PRP	2.20	2.41	2.86	3.03	2.71	2.65
Professional Learning Grant	-	-	-	0.01	0.20	0.03
Ready Set Learn	0.23	0.23	0.22	0.18	0.26	0.23
Safe Return to School	1.20	1.09	-	-	-	-
Scholarships and Bursaries	0.05	0.10	0.08	0.02	0.10	0.03
School Generated Funds	5.65	6.99	6.70	7.63	6.46	7.62
Seamless Day Kindergarten Funding	0.01	0.04	0.15	0.06	0.02	0.03
SWIS	0.03	0.10	0.32	-	-	-
SEY2KT	-	-	0.01	0.01	-	0.03
SET-BC	9.08	8.20	9.43	9.69	10.13	10.06
Strong Start	0.62	0.61	0.61	0.61	0.65	0.61
Student & Family Affordability Fund	-	3.67	1.03	1.66	0.39	0.39
Work Experience Enhancement	-	-	-	-	0.05	0.02
TOTAL	$ 76.36	$ 85.88	$ 94.18	$ 107.00	$ 112.78	$ 114.12

Capital Fund

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

The net value of capital assets (historical cost less accumulated amortization) was $1,064.41 million as at June 30, 2026 (see Schedule 4A). Of this amount, $20.78 million represents net investment in sites, $1,026.87 million in buildings and $16.76 million in furniture and equipment as well as vehicles, computer software and computer hardware.

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

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

Figure 30 – Capital Fund Summary

Capital Fund ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Provincial Grants - MECC	$ -	$ -	$ 0.08	$ -	$ -	$ 0.28
Other Revenue	0.44	1.64	0.46	0.45	0.49	0.22
Rentals and Leases	5.59	2.62	2.31	2.22	2.05	2.53
Investment Income	0.18	0.62	0.68	0.36	0.45	0.28
Amortization of Deferred Capital Revenue	22.43	24.55	26.53	30.29	31.42	31.19
Total Revenue	28.64	29.43	30.06	33.32	34.41	34.50
Expense						
Services and Supplies	0.82	0.53	0.86	0.66	0.75	1.60
Amortization of Tangible Capital Assets	32.38	34.35	35.25	38.79	39.54	52.38
Write-off/down of Buildings and Sites	-	-	-	3.71	-	-
ARO Accretion	-	-	-	3.35	-	(3.35)
Total Expense	33.20	34.88	36.11	46.51	40.29	50.63
Net Revenue (Expense)	(4.56)	(5.45)	(6.05)	(13.19)	(5.88)	(16.13)
Net Transfers (to) from other funds	5.28	4.74	4.13	2.07	5.89	3.41
Surplus (Deficit) for the year	$ 0.72	$ (0.71)	$ (1.92)	$ (11.12)	$ 0.01	$ (12.72)

The year-end balance in the capital fund includes funds invested in buildings, equipment and other tangible capital assets, as well as locally generated capital funds.

Figure 31 – Invested in Tangible Capital Assets

Invested in Tangible Capital Assets ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Provincial Grants - MECC	$ -	$ -	$ 0.08	$ -	$ -	$ 0.28
Other Revenue	0.17	0.17	0.17	0.17	0.17	0.17
Amortization of Deferred Capital Revenue	22.43	24.55	26.53	30.29	31.42	31.19
Total Revenue	22.60	24.72	26.78	30.46	31.59	31.64
Expense						
Amortization of Tangible Capital Assets	32.38	34.35	35.25	38.79	39.54	52.38
Write-off/down of Buildings and Sites	-	-	-	3.71	-	-
ARO Accretion	-	-	-	3.35	-	(3.35)
Total Expense	32.38	34.35	35.25	45.85	39.54	49.03
Net Revenue (Expense)	(9.78)	(9.63)	(8.47)	(15.39)	(7.95)	(17.39)
Net Transfers from other funds						
Interfund Transfers	-	-	-	(1.04)	-	-
Tangible Capital Assets Purchased	2.75	2.38	2.53	1.20	3.97	1.60
	2.75	2.38	2.53	0.16	3.97	1.60
Other Adjustments to Fund Balances						
Tangible Capital Assets Purchased From LCR	1.79	1.94	6.24	3.42	7.32	2.91
Capital Lease Principal Payments	2.42	2.19	1.47	1.80	1.62	1.51
Capital Assets Purchased	4.21	4.13	7.71	5.22	8.94	4.42
Surplus (Deficit) for the year	$ (2.82)	$ (3.12)	$ 1.77	$ (10.01)	$ 4.96	$ (11.37)

Local Capital

The local capital fund balance of $7.59 million captures the school district's capital surplus from activities that are under the control of the school district. The primary sources of revenue in local capital are rentals and leases of school district facilities, investment income and child care capital project management fees. Local capital is spent on minor capital projects and the interest on capital leases. Local Capital is also decreased by transfers to Invested in Tangible Capital Assets for Work in Progress.

Figure 32 – Local Capital

Local Capital (LC) ($ millions)	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Revenue						
Other Revenue	$ 0.27	$ 1.47	$ 0.29	$ 0.28	$ 0.32	$ 0.05
Rentals and Leases	5.59	2.62	2.31	2.22	2.05	2.53
Investment Income	0.18	0.62	0.68	0.36	0.45	0.28
Total Revenue	6.04	4.71	3.28	2.86	2.82	2.86
Expense						
Operations and Maintenance	0.71	0.34	0.73	0.55	0.67	1.52
Capital Lease Interest	0.11	0.19	0.13	0.11	0.08	0.08
Total Expense	0.82	0.53	0.86	0.66	0.75	1.60
Net Revenue (Expense)	5.22	4.18	2.42	2.20	2.07	1.26
Net Transfers from other funds						
Capital Lease Payments	2.53	2.37	1.60	1.91	1.70	1.59
Interfund Transfers	-	-	-	-	0.22	0.22
Other Adjustments to Fund Balances						
Tangible Capital Assets Purchased From LC	(1.79)	(1.94)	(6.24)	(3.42)	(7.32)	(2.91)
Capital Lease Principal Payments	(2.42)	(2.19)	(1.47)	(1.80)	(1.62)	(1.51)
Capital Assets Purchased	(4.21)	(4.13)	(7.71)	(5.22)	(8.94)	(4.42)
Surplus (Deficit) for the year	$ 3.54	$ 2.42	$ (3.69)	$ (1.11)	$ (4.95)	$ (1.35)

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

Figure 33 – Local Capital Uses of Fund Balance

($ millions)	2024-25 Actual	2025-26 Actual
Capital Projects Cost Share		
cəẁas Ch'elxwá7elch Skwuláẁtxw Seaside	$ 2.00	$ 0.83
Kitsilano Secondary	0.01	-
Automated External Defibrillators	0.25	-
Equipment Replacement	0.87	1.37
Financial Provisions	0.20	0.20
Parkade and Paid Parking Lots Renewal	0.65	0.97
Renewal of Leased Facilities	0.24	0.48
Replacement School at Lord Roberts Annex Site	3.23	4.01
Technology for Student Learning	0.01	-
Fleet Refresh	-	0.17
Contingency Reserve for Local Capital	4.32	2.40
Total Local Capital	$ 11.78	$ 10.43

Deferred Capital Revenue

Deferred Capital Revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in Treasury Board Regulation 198/2011 and is comprised of the amounts related to completed projects, work in progress, and the amount that is unspent. (Schedule 4C, 4D and Note 8)

Restricted Capital

These are funds held on behalf of the province and represent the Province's portion of proceeds on disposal of land and buildings and any surpluses from completed projects that were funded by the Province, plus associated investment income. The balance decreased by $2.45 million, consisting of spending associated with Minister approved uses for major capital projects ($5.07 million) net of investment income ($1.86 million), a transfer of project surplus from Bylaw capital ($0.65 million), and the earned revenue related to the 99-year Queen Elizabeth Annex lease proceeds ($0.11 million). The costs are related to the Cavell, cəẁas Ch'elxwá7elch Skwuláẁtxw Seaside and Lord Roberts Annex projects. As of June 30, 2026, the balance remaining in restricted capital was $14.90 million.

Bylaw Capital

Bylaw Capital include capital grants received from the Province for specific capital projects funded through certificates of approval, capital portion of the Annual Facility Grant, carbon neutral capital project funding, playground equipment funding and other project funding paid through a certificate of approval.

The purchases under bylaw capital for the year were $36.25 million as reported in Schedule 4D. This is the total spending related to new school construction, seismic mitigation and other minor capital projects.

Other Capital Funding Sources

Funds are provided by the Ministry of Children and Family Development for the construction of new child care spaces and VSB reported capital additions of $1.28 million under this program in 2025-26.

Also, VSB reported $0.32 million in addition to work in progress for projects funded by the City of Vancouver.

Figure 34 – Capital Projects

Project ($ millions)	Bylaw Funding	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Budget	2025-26 Actual
Bylaw Capital							
Bylaw Capital School Replacement							
Nelson	$ 17.89	$ 0.45	$ -	$ -	$ -	$ -	$ -
Fleming	18.95	1.53	0.20	-	-	-	0.06
Kitsilano	59.80	0.04	-	-	-	-	-
Maple Grove	24.44	0.21	-	-	-	-	-
Tennyson	22.88	2.82	0.55	0.09	-	-	-
Bayview	24.46	9.03	3.03	0.20	0.27	-	(0.25)
wək̓ʷan̓əs tə syaqʷəm	21.38	5.99	2.19	0.28	0.22	-	-
Lloyd George	23.09	5.50	8.23	1.88	0.71	2.13	2.47
Hamber	93.52	24.91	26.38	20.24	2.92	1.68	0.16
Hudson	29.67	0.86	7.15	13.35	5.60	-	2.33
Hudson Addition	10.64	-	-	0.40	6.27	-	4.10
Olympic Village	39.06	-	-	0.43	0.82	1.32	1.96
Bylaw Capital Seismic Mitigation							
Lord Byng	13.96	2.45	0.03	-	-	-	-
Maquinna	8.23	0.31	-	-	(0.06)	-	-
Selkirk	4.69	0.16	-	-	-	-	-
Wolfe	16.99	1.74	0.01	-	-	-	-
Cavell	17.97	9.23	4.33	0.11	0.01	-	(0.49)
Livingstone	14.82	7.46	4.72	0.09	0.02	-	0.02
Weir	16.71	10.49	1.64	(0.23)	0.28	-	0.37
Grenfell	18.79	-	-	1.05	4.32	11.73	10.40
Annual Facilities Grant	13.47	11.08	9.76	11.77	12.07	13.47	12.46
MECC Minor Capital Programs	7.14	-	-	2.11	3.81	-	2.66
Total Bylaw Capital	$518.55	$ 94.26	$ 68.22	$ 51.77	$ 37.26	$ 30.33	$ 36.25
Ministry of Education Restricted Capital							
Cavell	$ 0.93	$ -	$ -	$ -	$ -	$ -	$ 0.49
cəl̓was Ch’elxwá7elch Skwuláw̓txw Seaside	31.47	-	-	19.22	6.28	5.86	3.58
Lord Roberts Annex	2.24	-	-	-	0.05	-	1.00
Total Ministry of Education Restricted Capital	$ 34.64	$ -	$ -	$ 19.22	$ 6.33	$ 5.86	$ 5.07

During 2025-26, the School District completed the financial close-out of two major capital projects that had incurred costs in excess of available provincial funding. A deficit of $0.25 million related to the Bayview Elementary Seismic Mitigation Project was funded from Local Capital, while a deficit of $0.49 million related to the Edith Cavell Elementary Seismic Mitigation Project was funded from Restricted Capital. As a result, both project deficits were fully addressed during the year.

Tangible Capital Assets - Buildings

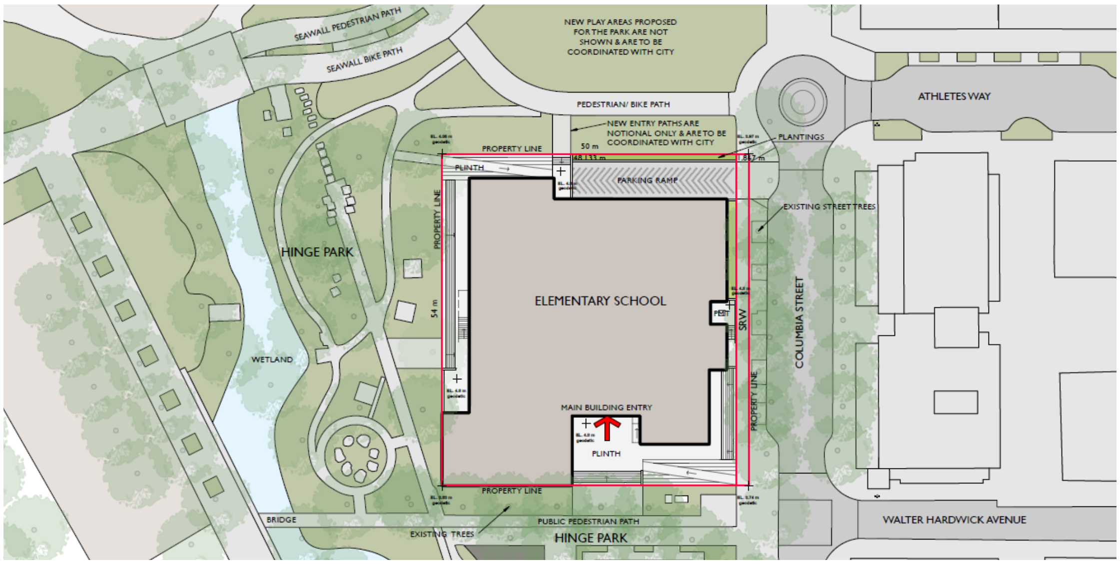
Seismic Mitigation Program (SMP)

As part of the seismic mitigation program, the Henry Hudson Addition was completed during the 2025-26 fiscal year. Construction of the new Sir Wilfred Grenfell Elementary school is ongoing, with occupancy anticipated in fall 2026. The project spending to date is $15.93 million.

New School Construction

cəw̓as Ch’elxwá7elch Skwuláw̓txw Seaside Elementary: This project includes a new school on a site next to the Coal Harbour Community Centre, as part of a larger City of Vancouver mixed-use development that will include child care and non-market housing. The school's construction is funded from the proceeds of the subsurface air parcel at the Lord Roberts Annex site to BC Hydro in 2018 (reported under restricted capital and local capital). Construction of the mixed-use development began in February 2022. The project was completed in July 2026. Students will begin attending the new school in September 2026. The project spending to date is $40.43 million.

Lord Roberts Annex Replacement School: This project involves the replacement of the existing annex with a new three-storey K-7 elementary school designed to accommodate 510 students, including 60 kindergarten and 450 elementary spaces. Planning for the project has been coordinated with a proposed BC Hydro substation development on the site. Construction of the substation is expected to commence following receipt of regulatory approvals, currently anticipated in late fall 2026. Construction of the school's underground parkade could begin as early as 2029. The Vancouver School Board has included this project in its Major Capital Plan submissions and is seeking provincial funding to support the full scope of this project. The project spending to date is $1.73 million.



Olympic Village: Funding for a new elementary school in Olympic Village ($150 million) was approved by Province, and a project agreement was signed in May 2024. The anticipated timeline for rezoning, design and permitting is about two and half years, followed by about two and half years of construction. The school is expected to open in fall 2029. The project spending to date is $3.21 million.

School Enhancement Funded Projects (SEP)

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

During 2025-26, VSB received School Enhancement Program funding and used it to complete heating, ventilation, and air conditioning (HVAC) and electrical upgrades. The following table details the projects that were completed during the year and projects that are currently in progress.

Project type	Facility	Funding	Spending	Expected Completion
HVAC Upgrades	Crosstown Elementary	1,470,000	1,034,224	September 2026
HVAC Upgrades	Crosstown Elementary	1,350,000	90,424	March 2027
Eletrical upgrades	Killarney Secondary	475,000	441	March 2027
		3,295,000	1,125,089	

Carbon Neutral Capital Funded Projects (CNCP)

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

Project type	Facility	Funding	Spending	Expected Completion
HVAC Upgrades	University Hill Elementary	526,750	467,368	Completed
HVAC Upgrades	Windermere Community	475,000	566,753	Completed
HVAC Upgrades	Edith Cavell Elementary	625,000	-	March 2027
HVAC Upgrades	Charles Dickens Annex	450,000	-	March 2027
		2,076,750	1,034,121	

Building Envelope Program (BEP)

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

Project type	Facility	Funding	Spending	Expected Completion
Exterior Walls	Sir Winston Churchill Secondary	2,195,500	2,087,712	Completed

Playground Equipment Program (PEP)

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

Project type	Facility	Funding	Spending	Expected Completion
Accessible Playground Equipment	Pierre Elliott Trudeau Elementary	195,000	195,000	Completed
Accessible Playground Equipment	Britannia Elementary	200,000	205,410	Completed
Accessible Playground Equipment	J.W. Sexsmith Community Elementary	200,000	-	March 2027
		595,000	400,410	

Food Infrastructure Program (FIP)

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

Project type	Facility	Funding	Spending	Expected Completion
Kitchen Equipment	Magee Secondary	25,000	25,023	Completed
Kitchen Equipment and Upgrade	Britannia Secondary	50,000	50,379	Completed
Kitchen Equipment and Upgrade	Gladstone Secondary	28,000	28,135	Completed
Kitchen Equipment and Upgrade	Sir Winston Churchill Secondary	55,000	42,180	March 2027
Kitchen Equipment and Upgrade	Killarney Secondary	90,000	81,588	March 2027
		248,000	227,305	

Annual Facility Grant (AFG)

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

Project Type	Number of Schools	2025-26 Spending
Accessibility Upgrades	15	1,411,257
Asbestos Abatement	7	1,005,002
Electrical	10	2,439,764
Exterior Wall Systems	11	1,854,599
HVAC	5	1,638,037
Interior Construction	14	2,028,902
Plumbing	12	1,646,138
Roofing	3	2,519,026
Site Upgrades	7	973,701
		15,516,426

Child Care Centers

VSB remains committed to expanding access to high-quality child care in our facilities.

In spring 2026, MECC released new funding under the School Age Care on School Grounds program. VSB submitted six projects and received funding for three of these priorities. Construction began in summer 2026 and will be complete by spring 2027.

As part of seismic replacement projects, the school district entered into agreements with the City of Vancouver to build new child care facilities. Costs associated with constructing these child care facilities are to be funded by the City of Vancouver. In addition, the Province funded child care facility at the new cəw̓as Ch'elxwá7elch Skwuláw̓txw Seaside Elementary has been completed and will be open for students in September 2026.

School	Occupancy	Cost
cəw̓as Ch'elxwá7elch Skwuláw̓txw Seaside Elementary	September 2026	$1.80 million
Captain James Cook Elementary	March 2027	$0.20 million
Tyee Elementary	March 2027	$0.06 million
Lord Beaconsfield Elementary	March 2027	$0.06 million

Risk Factors

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

Structural Deficit

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

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

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

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

- ongoing budgeted spending funded from one-time savings or revenue;
- higher costs associated with maintaining many old buildings and operating more sites and programs than are required to meet the current educational needs of students;
- changes in enrolment and the related impact on provincial grant revenue, while many operating costs do not change at the same time;
- creation of programs that do not have a funding source or that rely on surplus funds;
- provision of services that do not have a funding source;
- collective agreement wage lifts and exempt staff wage lifts that are not fully funded over time;
- maintaining non-enrolling teacher staffing above collective agreement requirements;
- provincial funding not covering the cost of inflation; and
- increasing need for support for students with disabilities or diverse abilities.

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

Capital Projects

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

Contingent Assets

In fiscal year ended June 30, 2019, VSB 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.

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.

VSB 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.

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.

The collective agreements for the Canadian Union of Public Employees Local 15, the International Union of Operating Engineers Local 963, and the Trades Bargaining Council expired on June 30, 2025, and remained unsettled as at August 17, 2026. The financial statements include an accrual for the provincial framework wage increase of 3%, retroactive to July 1, 2025. No accrual has been recorded for any additional compensation that may result from local bargaining, as the amount could not be reasonably estimated.

The collective agreements for the Canadian Union of Public Employees Local 407 and the Vancouver Adult Educators' Association were settled subsequent to year-end, with ratification occurring after June 30, 2026. Accordingly, the financial statements include an accrual for retroactive salary increases to July 1, 2025. The related payments will be processed in the 2026-27 fiscal year.

Estimated funding receivable from MECC for labour settlement costs has been recognized to offset the related accrued compensation expenses.

Enterprise Risk Management

As part of the District's enterprise risk management (ERM) initiative, enterprise-wide risks are identified, assessed, and monitored on an ongoing basis to ensure they reflect current conditions, emerging issues and changes in the operating environment.

A comprehensive District-wide risk review was conducted in 2025 to refresh the risk register and update the ERM framework in alignment with leading practices. The major areas of risk for VSB are outlined below.

Facility Maintenance – The District operates 124 active facilities. The Long-Range Facilities Plan identified that the District has many older buildings with significant seismic safety concerns and deferred maintenance requirements. The capital approval process takes time and resources to get new capital projects up and running, and the Ministry continues to request that school districts contribute more local funds toward capital projects.

Legal Action - The risk that VSB will face increased legal exposures, including potential claims or litigation from others, which could result in financial, operational, and reputational impacts.

Supporting Students with Disabilities or Diverse Abilities - The risk that, due to factors including Ministry funding, limited workforce availability, the VSB has limited resources to adequately support and provide a positive experience for students with disabilities or diverse abilities (including accessibility).

Cybersecurity Threats - The risk that VSB faces critical cybersecurity threats or breaches that could expose highly sensitive data which in turn would disrupt essential operations, systems and compromise district data and private information of students, staff and parents.

Workforce Capacity & Performance Management - The risk that inadequate staffing levels and the absence of a robust performance management process will increase workload and strain capacity at VSB—leading to unclear roles and expectations, reduced accountability and engagement, poor staff resource allocations, staff burnout, lower morale and productivity, diminished quality of work, and ultimately impaired delivery on VSB's mandate.

Workforce Adequacy and Continuity - The risk that VSB is unable to maintain adequate staffing levels and expertise due to staff shortages, turnover, and insufficient workforce planning. This could result in unfilled critical roles, loss of institutional knowledge, diminished morale, and reduced capacity to fulfill VSB's mandate, manage current and planned initiatives, and sustain effective operations.

Macroeconomic Uncertainty - The risk that adverse or unpredictable economic conditions—such as changes in tariffs, inflation, interest rates, or government funding—negatively affect the school district's revenues and cost structure. This may result in budget shortfalls, increased operating costs, reduced program funding, and constraints on long-term planning and capital investments.

Locally Generated Revenue – The District relies on locally generated revenue from multiple sources and there is a risk that VSB may not generate sufficient local revenue from rentals, the international education program, and grants, impacting financial sustainability and limiting funding for programs and initiatives. Changes to the federal immigration policies, including tighter restrictions on international student permits and visa eligibility, make it difficult to estimate if international students will want to come and study in Canada or if they can secure a visa. Many of the students who enroll in the program do not come to the province until just before the start of the school year, adding to the uncertainty.

Records Retention/Data Loss - Insufficient records retention and data backup controls create a risk of institutional data loss, potentially disrupting operations and permanently impacting institutional knowledge and records.

Audited Financial Statements of

School District No. 39 (Vancouver)

And Independent Auditors' Report thereon

June 30, 2026

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School District No. 39 (Vancouver)
June 30, 2026

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School District No. 39 (Vancouver)

MANAGEMENT REPORT

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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)

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

KPMG LLP
777 Dunsmuir Street
11th Floor
Vancouver, BC V7Y 1K3
Canada
Telephone 604-691-3000
Fax 604-691-3031

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 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.

Chartered Professional Accountants
Vancouver, Canada
DATE

School District No. 39 (Vancouver)

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

Signature of the Chairperson of the Board of Education — Date Signed

Signature of the Superintendent — Date Signed

Signature of the Secretary Treasurer — Date Signed

School District No. 39 (Vancouver)

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 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)	(19,997,151)	**(10,766,057)**	(23,167,195)
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		**(1,009,199,363)**	(998,433,306)

The accompanying notes are an integral part of these financial statements.

School District No. 39 (Vancouver)

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

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The accompanying notes are an integral part of these financial statements.

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.

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.

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

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.

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.

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.

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.

	June 30, 2026	June 30, 2025
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	3,192,783	5,038,590
Total Receivables	7,831,667	30,175,838
Allowance for Doubtful Accounts	(523,357)	-
Net Balance	$ 7,308,310	$ 30,175,838

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%).

4 Portfolio Investments (continued)

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

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.

	June 30, 2026	June 30, 2025
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
	106,720,143	93,376,357

6 Unearned Revenue

	June 30, 2026	June 30, 2025
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
	63,079,517	57,056,260
Amounts received		
Tuition fees	18,379,644	22,328,544
Rentals and leases	11,445,675	24,046,924
Other	679,332	742,712
	30,504,651	47,118,180
Amounts recognized in revenue		
Tuition fees	22,419,138	24,840,975
Rentals and leases	12,085,001	16,253,948
Other	-	-
	34,504,139	41,094,923
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
	$ 58,972,141	$ 63,079,517

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.

7 Deferred Revenue (continued)

	June 30, 2026	June 30, 2025
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
	38,960,835	41,662,438
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
	112,848,420	106,271,322
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
	114,123,671	107,005,306
Recoveries		
Provincial Grants - MECC	1,765,599	1,967,619
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
	$ 35,919,985	$ 38,960,835

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.

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.

9 Employee Future Benefits (continued)

	June 30, 2026	June 30, 2025
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	$ 27,041,821	$ 28,524,120
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	$ (33,052,370)	$ (33,892,379)
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	$ 33,052,370	$ 33,892,379
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)	$ 1,917,084	$ 2,124,852

	June 30, 2026	June 30, 2025
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.

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.

	June 30, 2026	June 30, 2025
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	(3,348,583)	3,348,583
Asset Retirement Obligation, end of year	$ 79,680,815	$ 70,320,233

11 Capital Lease Obligations

Repayments are due as follows:

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

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
	$ 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).

13 Employee Pension Plans

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trusteed 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.

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		
cəw̓as Ch'elxwá7elch Skwuláw̓txw 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**

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.

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:

18 Budget Figures (continued)

	Annual Budget	Change	Amended Budget
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	787,692,501	13,268,704	800,961,205
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	789,955,912	18,937,434	808,893,346
Surplus (Deficit) for the year	(2,263,411)	(5,668,730)	(7,932,141)
Budgeted Allocation of Surplus	-	8,445,016	8,445,016
Budgeted Surplus (Deficit), for the year	$ (2,263,411)	$ 2,776,286	$ 512,875
Budgeted Surplus (Deficit), for the year	$ (2,263,411)	$ (5,668,730)	$ (7,932,141)
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	(9,730,535)	(2,334,475)	(12,065,010)
Increase (Decrease) in Net Financial Debt	$ (11,993,946)	$ (8,003,205)	$ (19,997,151)

19 Expense by Object

	2026 Actual	2025 Actual
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
	536,092,947	520,862,409
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
	$ 826,835,019	$ 812,425,726

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.

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 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 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 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 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)

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**

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School District No. 39 (Vancouver)

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 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)

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

	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)

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									
Principals and Vice Principals		169,064							
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

	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 of Capital Operations
Year Ended June 30, 2026

	2026 Budget (Note 18)	2026 Actual Invested in Tangible Capital Assets	2026 Actual Local Capital	2026 Actual Fund Balance	2025 Actual
	$	$	$	$	$
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)

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)

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**
	30,122,424	957,531	316,030	**31,395,985**
Decrease:				
Amortization of Deferred Capital Revenue	29,377,858	488,288	1,319,607	**31,185,753**
	29,377,858	488,288	1,319,607	**31,185,753**
Net Changes for the Year	744,566	469,243	(1,003,577)	**210,232**
Deferred Capital Revenue, end of year	838,261,371	15,201,656	48,248,543	**901,711,570**
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**
	36,254,568	6,357,825	316,030	**42,928,423**
Decrease				
Transferred to Deferred Capital Revenue	30,122,424	957,531	316,030	**31,395,985**
District Entered	284,880			**284,880**
	30,407,304	957,531	316,030	**31,680,865**
Net Changes for the Year	5,847,264	5,400,294	-	**11,247,558**
Work in Progress, end of year	22,970,445	32,362,162	-	**55,332,607**
Total Deferred Capital Revenue, end of year	**861,231,816**	**47,563,818**	**48,248,543**	**957,044,177**

School District No. 39 (Vancouver)

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**

DRAFT - Not Finalized
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