

Audited Financial Statements of

School District No. 34 (Abbotsford)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 34 (Abbotsford)

June 30, 2026

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School District No. 34 (Abbotsford)

MANAGEMENT REPORT

Version: 9069-8324-6341

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 34 (Abbotsford) 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. 34 (Abbotsford) (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, Office of the Auditor General, 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. 34 (Abbotsford) 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. 34 (Abbotsford)


Signature of the Chairperson of the Board of Education

Sept. 22 / 26
Date Signed


Signature of the Superintendent

Sept. 22 / 26
Date Signed


Signature of the Secretary Treasurer

Sept. 22 / 26
Date Signed



Independent Auditor's Report

To the Board of Education of School District No. 34 (Abbotsford), and
To the Minister of Education and Child Care, Province of British Columbia

Qualified opinion

I have audited the accompanying financial statements of School District No. 34 (Abbotsford) "the entity", which comprise the statement of financial position as at June 30, 2026, and the statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the Basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at June 30, 2026, and the results of its operations, change in its net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for qualified opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

As described in Note 2a to the Financial Statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under Canadian public sector accounting standards, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable. In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian public sector accounting standards.

This departure has existed since the inception of the standard in 2012. As of June 30, 2026, the liability for deferred capital revenue and deferred revenue are overstated by \$205.3 million and \$2.4 million respectively, the annual deficit is overstated by \$207.7 million, and the accumulated surplus and contributions revenue is understated by \$207.7 million. This represents the cumulative impact of this departure over time. Of this cumulative amount, \$15.9 million represents the understatement of contributions revenue and corresponding overstatement of annual deficit in the current fiscal year.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Other accompanying information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the Financial Statement Discussion and Analysis and Unaudited Schedules 1 to 4D, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained the Financial Statement Discussion and Analysis and Unaudited Schedules 1 to 4D. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for qualified opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the Financial Statement Discussion and Analysis and Unaudited Schedules 1 to 4D affected by this departure from Canadian public sector accounting standards.

Responsibilities of management and those charged with governance for the financial statements

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 when the entity will continue its operations for the foreseeable future.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the entity's 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 my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Bridget Parrish, CPA, CA
Auditor General of British Columbia

Victoria, British Columbia
September 28, 2026

School District No. 34 (Abbotsford)

Statement of Financial Position

As at June 30, 2026

Statement 1

	2026 Actual \$	2025 Actual \$
Financial Assets		
Cash and Cash Equivalents	68,491,136	61,716,617
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	451,768	6,059,555
Other (Note 3)	1,039,328	1,350,450
Total Financial Assets	69,982,232	69,126,622
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	19,033,478	18,580,281
Unearned Revenue (Note 5)	5,400,626	5,039,237
Deferred Revenue (Note 6)	4,668,980	3,694,188
Deferred Capital Revenue (Note 7)	214,194,050	209,182,803
Employee Future Benefits (Note 8)	10,002,867	10,091,678
Asset Retirement Obligation (Note 9)	33,717,262	24,847,180
Other Liabilities (Note 10)	11,047,655	10,517,533
Total Liabilities	298,064,918	281,952,900
Net Debt	(228,082,686)	(212,826,278)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	265,326,125	260,223,622
Prepaid Expenses	2,206,711	2,248,463
Total Non-Financial Assets	267,532,836	262,472,085
Accumulated Surplus (Deficit) (Note 17)	39,450,150	49,645,807

Approved by the Board

Signature of the Chairperson of the Board of Education

Signature of the Superintendent

Signature of the Secretary Treasurer

Sept. 22/26
Date Signed

Sept. 22/26
Date Signed

Sept. 22/26
Date Signed

School District No. 34 (Abbotsford)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	270,132,814	275,113,855	264,512,397
Other	683,822	610,691	611,485
Federal Grants		36,238	13,050
Tuition	5,694,200	5,619,606	6,333,708
Other Revenue	7,617,937	8,592,717	8,576,431
Rentals and Leases	470,000	523,437	534,892
Investment Income	925,000	743,048	1,068,814
Amortization of Deferred Capital Revenue	7,500,000	10,003,028	8,110,470
Bylaw Capital Expenditures Not Capitalized			660,691
Total Revenue	293,023,773	301,242,620	290,421,938
Expenses			
Instruction	248,873,017	247,546,050	240,175,644
District Administration	11,453,583	12,255,720	10,123,977
Operations and Maintenance	34,924,277	36,300,053	33,959,903
Transportation and Housing	4,823,000	5,358,504	4,936,177
Reevaluation of Asset Retirement Obligation		9,977,950	
Total Expense	300,073,877	311,438,277	289,195,701
Surplus (Deficit) for the year	(7,050,104)	(10,195,657)	1,226,237
Accumulated Surplus (Deficit) from Operations, beginning of year		49,645,807	48,419,570
Accumulated Surplus (Deficit) from Operations, end of year		39,450,150	49,645,807

School District No. 34 (Abbotsford)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget \$	2026 Actual \$	2025 Actual \$
Surplus (Deficit) for the year	<u>(7,050,104)</u>	<u>(10,195,657)</u>	<u>1,226,237</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(2,137,518)	(17,409,222)	(24,693,726)
Amortization of Tangible Capital Assets	10,550,000	11,859,542	9,982,097
Asset Retirement Obligation adjustment		447,177	
Total Effect of change in Tangible Capital Assets	<u>8,412,482</u>	<u>(5,102,503)</u>	<u>(14,711,629)</u>
Acquisition of Prepaid Expenses		41,752	211,993
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>41,752</u>	<u>211,993</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>1,362,378</u>	<u>(15,256,408)</u>	<u>(13,273,399)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(15,256,408)</u>	<u>(13,273,399)</u>
Net Debt, beginning of year		<u>(212,826,278)</u>	<u>(199,552,879)</u>
Net Debt, end of year		<u>(228,082,686)</u>	<u>(212,826,278)</u>

School District No. 34 (Abbotsford)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual \$	2025 Actual \$
Operating Transactions		
Surplus (Deficit) for the year	(10,195,657)	1,226,237
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	5,918,909	(2,897,849)
Prepaid Expenses	41,752	211,993
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	453,197	10,194,785
Unearned Revenue	361,389	(416,475)
Deferred Revenue	974,792	(14,881)
Employee Future Benefits	(88,811)	70,415
Asset Retirement Obligations	8,870,082	(134,283)
Other Liabilities	530,122	(109,228)
Amortization of Tangible Capital Assets	11,859,542	9,982,097
Amortization of Deferred Capital Revenue	(10,003,028)	(8,110,470)
Asset Retirement Obligation adjustment	447,177	
Total Operating Transactions	9,169,466	10,002,341
Capital Transactions		
Tangible Capital Assets Purchased	(17,409,222)	(8,304,167)
Tangible Capital Assets -WIP Purchased		(16,389,559)
Settlement of Asset Retirement Obligation		(134,283)
Asbestos Abatement Identification		(526,408)
Total Capital Transactions	(17,409,222)	(25,354,417)
Financing Transactions		
Capital Revenue Received	15,014,275	24,592,903
Total Financing Transactions	15,014,275	24,592,903
Net Increase (Decrease) in Cash and Cash Equivalents	6,774,519	9,240,827
Cash and Cash Equivalents, beginning of year	61,716,617	52,475,790
Cash and Cash Equivalents, end of year	68,491,136	61,716,617
Cash and Cash Equivalents, end of year, is made up of:		
Cash	68,491,136	61,716,617
	68,491,136	61,716,617

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 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. 34 (Abbotsford)", and operates as "School District No. 34 (Abbotsford)". 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 School District and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 34 (Abbotsford) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the School District are as follows:

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

b) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and other liabilities. 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. Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Statement of Remeasurement Gains and Losses. Upon settlement, the cumulative gain or loss is reclassified from the Statement of Remeasurement Gains and Losses and recognized in the Statement of Operations. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments (Continued)

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

All financial assets measured at amortized cost 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.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash in the bank and funds held with the Province in the Central Deposit Program that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are generally highly liquid, with 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.

d) Accounts Receivable

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

e) Unearned Revenue

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

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(k). 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.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Employee Future Benefits

i) Post-employment Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to 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 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 estimated cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARSLS) of active employees covered under the plan. The most recent valuation of the obligation was performed as at March 31, 2025. The next valuation will be performed as at March 31, 2028 for use starting 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.

ii) Pension Plans

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

h) Asset Retirement Obligations

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

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

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

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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, which are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion. Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.

Buildings that are demolished or destroyed are written-off. Works of art, historic assets and other intangible assets, other than purchased 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 lives are as follows:

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

j) Prepaid Expenses

Employee benefits, memberships and dues, software licenses, subscriptions, equipment lease and other payments paid in advance are included as prepaid expenses. Prepaid expenses are stated at acquisition cost and are expensed over the periods expected to benefit from it.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Revenue Recognition

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

Contributions received 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 asset acquisitions other than sites are recorded as deferred capital revenue and amortized as revenue over the useful life of the related assets.

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

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. All other revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

Revenue from transactions with performance obligations should be recognized when (or as) the School District satisfies a performance obligation by providing the promised goods or services to a payor. Revenue from transactions with no performance obligations should be recognized when a school district has the authority to claim or retain an inflow of economic resources; and identifies a past transaction or event that gives rise to an asset.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or the service is performed.

Investment income is reported in the period earned. When required by the funding party or related legislation, investment income earned on deferred revenue is included in the deferred revenue balance until spent.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Expenses

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.
- Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenses are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

m) 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 the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The School District is directly responsible or accepts responsibility for the contamination;
- 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.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Measurement Uncertainty

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

o) Funds and Reserves

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

	June 30, 2026	June 30, 2025
Due from the Government of Canada	\$140,347	\$243,572
Due from Parent Advisory Councils	6,158	15,428
Other receivables	892,823	1,091,450
Total Accounts Receivable – Other	\$1,039,328	\$1,350,450

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES – OTHER

	June 30, 2026	June 30, 2025
Trade payables	\$15,448,899	\$8,960,494
Salaries and benefits payable	2,279,090	8,279,352
Accrued vacation payable	1,305,489	1,340,435
Total Accounts Payable and Accrued Liabilities - Other	\$19,033,478	\$18,580,281

NOTE 5 UNEARNED REVENUE

	June 30, 2026	June 30, 2025
Tuition fees, beginning of year	\$4,959,311	\$5,006,286
Tuition fees received	5,922,585	6,264,733
Tuition fees recognized as revenue	(5,610,357)	(6,311,708)
Tuition fees, end of year	\$5,271,539	\$4,959,311
Academy and Career Programs, beginning of year	\$79,926	\$449,426
Academy and Career Programs received	774,357	503,073
Academy and Career Programs recognized as revenue	(725,196)	(872,573)
Academy and Career Programs, end of year	\$129,087	\$79,926
Total Unearned Revenue	\$5,400,626	\$5,039,237

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 6 DEFERRED REVENUE

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

	June 30, 2026	June 30, 2025
Balance, beginning of year	\$3,694,188	\$3,709,069
Provincial grants received	34,249,266	30,046,900
Other grants and income received	6,729,649	7,230,462
Revenue recognized	(39,963,800)	(37,236,446)
Recoveries	(40,323)	(55,797)
Total Deferred Revenue	\$4,668,980	\$3,694,188

NOTE 7 DEFERRED CAPITAL REVENUE

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

	June 30, 2026	June 30, 2025
<u>Deferred capital revenue subject to amortization</u>		
Balance, beginning of year	\$144,397,566	\$145,996,664
Transferred from deferred revenue – capital additions	14,222,927	6,511,372
Transferred from work in progress	56,670,979	-
Amortization of deferred capital revenue	(10,003,028)	(8,110,470)
Balance, end of year	\$205,288,444	\$144,397,566
<u>Deferred capital revenue – work in progress</u>		
Work in progress, beginning of year	\$56,670,979	\$40,281,420
Transferred from deferred revenue – work in progress	-	16,389,559
Transferred to deferred capital revenue	(56,670,979)	-
Balance, end of year	-	\$56,670,979
<u>Deferred capital revenue – unspent portion</u>		
Unspent deferred capital, beginning of year	\$8,114,258	\$7,082,977
Provincial grants – Ministry of Education and Child Care	14,177,207	23,451,163
School Site Acquisition Fees	443,817	607,153
Investment income	393,251	534,587
Transfer to deferred capital revenue – capital additions	(14,222,927)	(6,511,372)
Transfer to deferred capital revenue – work in progress	-	(16,389,559)
Settlement of Asset Retirement Obligation	-	(134,283)
Asbestos Abatement Identification	-	(526,408)
Balance, end of year	\$8,905,606	\$8,114,258
Total Deferred Capital Revenue	\$214,194,050	\$209,182,803

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 8 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.

	June 30, 2026	June 30, 2025
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation – April 1	\$8,597,155	\$8,093,989
Service cost	627,393	556,778
Interest cost	352,035	351,386
Benefit payments	(778,056)	(627,789)
Actuarial (gain)/loss	(350,063)	222,791
Accrued benefit obligation – March 31	<u>\$8,448,464</u>	<u>\$8,597,155</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation – March 31	\$8,448,464	\$8,597,155
Funded status – deficit	(8,448,464)	(8,597,155)
Employer contributions after measurement date	450,916	388,397
Benefits expense after measurement date	(247,921)	(244,857)
Unamortized net actuarial gain	(1,757,398)	(1,638,063)
Accrued Benefit Liability – June 30	<u>\$(10,002,867)</u>	<u>\$(10,091,678)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability – July 1	\$10,091,678	\$10,021,263
Net expense for fiscal year	751,764	734,928
Employer contributions	(840,575)	(664,513)
Accrued benefit liability – June 30	<u>\$10,002,867</u>	<u>\$10,091,678</u>

Components of Net Benefit Expense		
Service cost	\$621,085	\$574,432
Interest cost	361,407	351,549
Amortization of net actuarial loss	(230,728)	(191,052)
Net benefit expense	<u>\$751,764</u>	<u>\$734,929</u>

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

	June 30, 2026	June 30, 2025
Discount rate – April 1	4.00%	4.25%
Discount rate – March 31	4.50%	4.00%
Long term salary growth – April 1	2.5% + seniority	2.5% + seniority
Long term salary growth – March 31	2.5% + seniority	2.5% + seniority
EARSL – March 31	11.9 years	11.9 years

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 9 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other 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 recognized using the modified retroactive approach as at July 1, 2022. The obligation has been measured at current costs as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	June 30, 2026	June 30, 2025
Asset Retirement Obligation, July 1	\$24,847,180	\$24,981,463
Change in estimate	9,036,601	-
Settlements during the year	(166,519)	(134,283)
Asset Retirement Obligation, June 30	\$33,717,262	\$24,847,180

NOTE 10 OTHER LIABILITIES

	June 30, 2026	June 30, 2025
Teachers' summer pay	\$8,415,395	\$8,143,132
International homestay and medical fees	2,320,951	2,114,208
Other	311,309	260,193
Total Other Liabilities	\$11,047,655	\$10,517,533

NOTE 11 DEBT

The School District has an approved letter of credit of \$21,840 with interest at the bank's prime rate. As of June 30, 2026 the School District had nil borrowings (2025 – nil) under this facility.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 12 TANGIBLE CAPITAL ASSETS

June 30, 2026

Cost:	Balance at July 1, 2025	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2026
Sites	\$42,822,665	-	-	-	\$42,822,665
Buildings	390,751,805	\$22,504,760	-	\$37,760,468	451,017,033
Buildings – WIP	37,760,468	-	-	(37,760,468)	-
Furniture & equipment	6,764,117	2,852,457	\$(277,643)	20,800,087	30,139,018
Furniture & equipment – WIP	20,800,087	-	-	(20,800,087)	-
Vehicles	4,300,587	1,103,498	(815,856)	-	4,588,229
Computer software	299,313	-	(29,466)	-	269,847
Computer hardware	3,409,035	479,280	(1,924,249)	-	1,964,066
Total	\$506,908,077	\$26,939,995	\$(3,047,214)	-	\$530,800,858

Accumulated Amortization:	Balance at July 1, 2025	Amortization	Disposals	Balance at June 30, 2026
Buildings	\$238,421,871	\$18,953,662	-	\$257,375,533
Furniture & equipment	2,719,345	1,845,157	\$(277,643)	4,286,859
Vehicles	2,614,539	444,446	(815,856)	2,243,129
Computer software	123,176	81,603	(29,466)	175,313
Computer hardware	2,805,524	512,624	(1,924,249)	1,393,899
Total	\$246,684,455	\$21,837,492	\$(3,047,214)	\$265,474,733

June 30, 2025

Cost:	Balance at July 1, 2024	Additions	Disposals	Balance at June 30, 2025
Sites	\$42,822,665	-	-	\$42,822,665
Buildings	383,704,438	\$7,047,367	-	390,751,805
Buildings – work in progress	36,426,248	1,334,220	-	37,760,468
Furniture & equipment	7,071,313	875,270	\$(1,182,466)	6,764,117
Furniture & equipment – WIP	5,744,748	15,055,339	-	20,800,087
Vehicles	4,589,544	381,530	(670,487)	4,300,587
Computer software	313,153	-	(13,840)	299,313
Computer hardware	3,546,677	-	(137,642)	3,409,035
Total	\$484,218,786	\$24,693,726	\$(2,004,435)	\$506,908,077

Accumulated Amortization:	Balance at July 1, 2024	Amortization	Disposals	Balance at June 30, 2025
Buildings	\$230,332,875	\$8,088,996	-	\$238,421,871
Furniture & equipment	3,210,039	691,772	\$(1,182,466)	2,719,345
Vehicles	2,840,515	444,511	(670,487)	2,614,539
Computer software	51,083	85,933	(13,840)	123,176
Computer hardware	2,272,281	670,885	(137,642)	2,805,524
Total	\$238,706,793	\$9,981,947	\$(2,004,435)	\$246,684,455

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

Net Book Value:	June 30, 2026	June 30, 2025
Sites	\$42,822,665	\$42,822,665
Buildings	193,641,500	152,329,934
Buildings – work in progress	-	37,760,468
Furniture & equipment	25,852,159	4,044,772
Furniture & equipment – work in progress	-	20,800,087
Vehicles	2,345,100	1,686,048
Computer software	94,534	176,137
Computer hardware	570,167	603,511
Total	\$265,326,125	\$260,223,622

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 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 was 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 \$19,395,497 for employer contributions to the plans for the year ended June 30, 2026 (2025: \$18,823,720).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2026. The next valuation for the Municipal Pension Plan will be as at December 31, 2027.

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.

The School District's support staff participate in the Teamsters' National Pension Plan. The School District contributes 100% of the pension premiums on behalf its employees. The rate of contribution is determined through the collective bargaining process. The School District paid \$521,473 for contributions to the plan for the year ended June 30, 2026 (2025: \$587,055).

NOTE 14 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 15 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of the amended annual budget on February 10, 2026. 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.

	Annual Budget	Amended Annual Budget	Change
Statement 2			
Revenues			
Provincial Grants			
Ministry of Education and Child Care	\$263,369,356	\$270,132,814	\$6,763,458
Other	309,471	683,822	374,351
Federal Grants	45,654	-	(45,654)
Tuition	5,215,000	5,694,200	479,200
Other revenue	7,713,396	7,617,937	(95,459)
Rentals and leases	470,000	470,000	-
Investment income	925,000	925,000	-
Amortization of deferred capital revenue	7,500,000	7,500,000	-
Total Revenue	285,547,877	293,023,773	7,475,896
Expenses			
Instruction	241,370,629	248,873,017	7,502,388
District administration	9,205,206	11,453,583	2,248,377
Operations and maintenance	33,656,852	34,924,277	1,267,425
Transportation and housing	4,502,378	4,823,000	320,622
Total Expense	288,735,065	300,073,877	11,338,812
Surplus (deficit) for the year	(3,187,188)	(7,050,104)	(3,862,916)
Budgeted allocation of surplus	2,094,581	6,712,622	4,618,041
Budgeted Surplus (Deficit) for the year	\$(1,092,607)	\$(337,482)	\$755,125
Statement 4			
Deficit for the year	\$(3,187,188)	\$(7,050,104)	\$(3,862,916)
Effect of change in tangible capital assets			
Acquisition of tangible capital assets	(832,393)	(2,137,518)	(1,305,125)
Amortization of tangible capital assets	10,000,000	10,550,000	550,000
Total effect of change in tangible capital assets	9,167,607	8,412,482	(755,125)
Decrease in Net Financial Debt	\$5,980,419	\$1,362,378	\$(4,618,041)

NOTE 16 CONTINGENCIES

In the normal course of business, lawsuits and claims have been brought against the School District. The School District defends against these lawsuits and claims. Management has made provisions for any unexpected liabilities and believes that the ultimate results of any pending legal proceeding will not have a material effect on the financial position of the School District.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 17 ACCUMULATED SURPLUS

The operating fund accounts for the School District's operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the operating fund, whereby budgeted expenditures do not exceed the total of budgeted revenue plus any surplus in the operating fund carried forward from the previous year. The operating fund also contains a contingency reserve for unanticipated future operating expenditures.

	June 30, 2026	June 30, 2025
Operating Fund Accumulated Surplus		
Restricted due to the nature of constraints on funds:		
Targeted funding for Indigenous Education	\$120,409	\$292,105
Restricted for future operations:		
School budget balances	1,327,633	1,240,470
Restricted for anticipated future expenditures:		
Strategic plan initiatives	403,627	250,000
Information technology infrastructure	-	1,000,000
Abbotsford Arts Centre	100,914	89,597
2025/26 by-election costs	-	350,000
Commitments	235,180	1,000,000
Outstanding purchase orders	91,836	145,865
2025/26 operating budget	2,189,173	2,094,581
Portable moves	250,000	250,000
Transportation software	150,000	-
	4,868,772	6,712,618
Unrestricted operating surplus	3,846,992	2,992,537
Total Operating Fund Accumulated Surplus	\$8,715,764	\$9,705,155
Capital Fund Accumulated Surplus		
Internally restricted by the Board for:		
Centralized program service centre	\$2,783,546	\$2,846,579
Auguston Elementary addition project	-	43,221
Stenerson Elementary addition project	-	506,998
Synthetic Turf Fields	1,050,000	1,050,000
School equipment	735,155	865,000
Facilities vehicles and equipment	500,000	315,000
Total internally restricted accumulated surplus	5,068,701	5,626,798
Invested in capital assets	25,665,685	34,313,854
Total Capital Fund Accumulated Surplus	\$30,734,386	\$39,940,652
Total Accumulated Surplus	\$39,450,149	\$49,645,807

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 18 EXPENSE BY OBJECT – ALL FUNDS

	June 30, 2026	June 30, 2025
Salaries and benefits	\$254,944,162	\$244,131,357
Services and supplies	34,656,623	35,082,247
Amortization	11,859,542	9,982,097
Reevaluation of Asset Retirement Obligation	9,977,950	-
	\$311,438,277	\$289,195,701

NOTE 19 ECONOMIC DEPENDENCE

Change from FS100
ok

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

NOTE 20 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 if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in the Central Deposit Program with the Province and in recognized British Columbia institutions. The School District invests in various financial instruments including equity funds, bond funds certificates and term deposits to reduce the concentration of credit risk.

b) Market risk

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in the Province's Central Deposit Program, guaranteed investment certificates, equity funds and term deposits that have a maturity date of no more than 1 year.

SCHOOL DISTRICT NO. 34 (ABBOTSFORD)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2026

NOTE 20 RISK MANAGEMENT (Continued)

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due. The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

NOTE 21 CONTRACTUAL OBLIGATIONS

The School District has entered several multiple-year contracts. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

	June 30, 2027	Thereafter
CCA Financial Company	\$784,000	\$2,352,000
Sparkrock	428,000	2,566,000
RFS Canada Inc.	250,000	250,000
Unitech	1,000,000	-
Total contractual obligations	\$2,462,000	\$5,168,000

School District No. 34 (Abbotsford)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	9,705,155		39,940,652	49,645,807	48,419,570
Changes for the year					
Surplus (Deficit) for the year	1,232,404	133,706	(11,561,767)	(10,195,657)	1,226,237
Interfund Transfers					
Tangible Capital Assets Purchased	(890,675)	(133,706)	1,024,381	-	
Local Capital	(1,331,120)		1,331,120	-	
Net Changes for the year	(989,391)	-	(9,206,266)	(10,195,657)	1,226,237
Accumulated Surplus (Deficit), end of year - Statement 2	8,715,764	-	30,734,386	39,450,150	49,645,807

School District No. 34 (Abbotsford)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	235,904,738	241,523,892	234,205,266
Other	221,600	205,600	279,510
Federal Grants		15,150	13,050
Tuition	5,694,200	5,619,606	6,333,708
Other Revenue	1,713,823	2,645,059	1,979,091
Rentals and Leases	470,000	523,437	534,892
Investment Income	650,000	470,351	657,687
Total Revenue	<u>244,654,361</u>	<u>251,003,095</u>	<u>244,003,204</u>
Expenses			
Instruction	208,970,708	208,296,185	203,670,014
District Administration	11,453,583	12,255,720	10,123,977
Operations and Maintenance	24,865,375	24,304,728	23,832,015
Transportation and Housing	4,273,000	4,914,058	4,496,658
Total Expense	<u>249,562,666</u>	<u>249,770,691</u>	<u>242,122,664</u>
Operating Surplus (Deficit) for the year	<u>(4,908,305)</u>	<u>1,232,404</u>	<u>1,880,540</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>6,712,622</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,504,317)	(890,675)	(739,351)
Local Capital	(300,000)	(1,331,120)	(150,000)
Total Net Transfers	<u>(1,804,317)</u>	<u>(2,221,795)</u>	<u>(889,351)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(989,391)</u>	<u>991,189</u>
Operating Surplus (Deficit), beginning of year		9,705,155	8,713,966
Operating Surplus (Deficit), end of year		<u>8,715,764</u>	<u>9,705,155</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		4,868,770	6,712,618
Unrestricted		3,846,994	2,992,537
Total Operating Surplus (Deficit), end of year		<u>8,715,764</u>	<u>9,705,155</u>

School District No. 34 (Abbotsford)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	235,968,568	237,028,573	231,865,396
ISC/LEA Recovery	(645,813)	(699,887)	(645,813)
Other Ministry of Education and Child Care Grants			
Pay Equity	118,014	118,014	118,014
Funding for Graduated Adults	150,000	308,584	234,714
Student Transportation Fund	313,969	313,969	313,969
Foundation Skills Assessment (FSA) Scorer Grant		17,740	17,740
Labour Settlement Funding		4,436,899	2,301,246
Total Provincial Grants - Ministry of Education and Child Care	235,904,738	241,523,892	234,205,266
Provincial Grants - Other	221,600	205,600	279,510
Federal Grants		15,150	13,050
Tuition			
Summer School Fees	15,000	9,250	22,000
International and Out of Province Students	5,679,200	5,610,356	6,311,708
Total Tuition	5,694,200	5,619,606	6,333,708
Other Revenues			
Funding from First Nations	645,813	699,887	645,813
Miscellaneous			
Academy Fees	440,350	519,596	423,147
Busing Fees	450,000	470,424	436,539
Other Revenue and Rebates	177,660	955,152	473,592
Total Other Revenue	1,713,823	2,645,059	1,979,091
Rentals and Leases	470,000	523,437	534,892
Investment Income	650,000	470,351	657,687
Total Operating Revenue	244,654,361	251,003,095	244,003,204

School District No. 34 (Abbotsford)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	103,699,025	106,879,097	102,801,790
Principals and Vice Principals	14,152,680	13,723,376	14,111,610
Educational Assistants	22,749,323	22,268,945	20,599,249
Support Staff	20,319,469	20,186,846	19,596,674
Other Professionals	7,178,993	8,081,569	6,729,558
Substitutes	8,827,170	7,748,351	8,972,072
Total Salaries	176,926,660	178,888,184	172,810,953
Employee Benefits	46,697,803	47,777,287	46,238,881
Total Salaries and Benefits	223,624,463	226,665,471	219,049,834
Services and Supplies			
Services	8,709,339	8,358,529	9,775,822
Student Transportation	173,345	389,343	471,808
Professional Development and Travel	2,374,123	2,231,662	2,301,550
Rentals and Leases	916,000	1,384,615	874,282
Dues and Fees	595,830	655,582	641,297
Insurance	571,100	345,477	300,337
Supplies	10,272,998	7,273,628	5,983,110
Utilities	2,325,468	2,466,384	2,724,624
Total Services and Supplies	25,938,203	23,105,220	23,072,830
Total Operating Expense	249,562,666	249,770,691	242,122,664

School District No. 34 (Abbotsford)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	84,415,754	2,051,302	15,322	620,350		6,537,126	93,639,854
1.03 Career Programs	946,915	161,599	102,239	8,697			1,219,450
1.07 Library Services	2,794,453			438,715		4,606	3,237,774
1.08 Counselling	3,084,372						3,084,372
1.10 Inclusive Education	10,553,440	342,017	20,124,122	94,459		475,867	31,589,905
1.20 Early Learning and Child Care				106,250			106,250
1.30 English Language Learning	3,406,331	171,255		100,185		2,860	3,680,631
1.31 Indigenous Education	798,415	184,301	1,639,017	90,290		4,844	2,716,867
1.41 School Administration		10,758,902		3,909,223		116,261	14,784,386
1.60 Summer School	467,734	54,000	85,493	9,357			616,584
1.61 Continuing Education							-
1.62 International and Out of Province Students	411,683		302,752	136,101	454,127	447	1,305,110
Total Function 1	106,879,097	13,723,376	22,268,945	5,513,627	454,127	7,142,011	155,981,183
4 District Administration							
4.11 Educational Administration					2,344,334	440	2,344,774
4.40 School District Governance					247,470		247,470
4.41 Business Administration				1,115,245	3,139,206	127,000	4,381,451
Total Function 4	-	-	-	1,115,245	5,731,010	127,440	6,973,695
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				399,141	915,626		1,314,767
5.50 Maintenance Operations				10,087,725	873,170	456,943	11,417,838
5.52 Maintenance of Grounds				537,020			537,020
5.56 Utilities							-
Total Function 5	-	-	-	11,023,886	1,788,796	456,943	13,269,625
7 Transportation and Housing							
7.41 Transportation and Housing Administration				158,849			158,849
7.70 Student Transportation				2,375,239	107,636	21,957	2,504,832
Total Function 7	-	-	-	2,534,088	107,636	21,957	2,663,681
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	106,879,097	13,723,376	22,268,945	20,186,846	8,081,569	7,748,351	178,888,184

School District No. 34 (Abbotsford)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

Schedule 2C (Unaudited)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	93,639,854	24,062,761	117,702,615	6,026,970	123,729,585	125,812,910	123,716,596
1.03 Career Programs	1,219,450	349,355	1,568,805	457,556	2,026,361	1,906,296	2,267,198
1.07 Library Services	3,237,774	947,347	4,185,121	526,785	4,711,906	4,702,958	4,466,209
1.08 Counselling	3,084,372	878,953	3,963,325	32,378	3,995,703	3,769,544	3,698,266
1.10 Inclusive Education	31,589,905	9,222,233	40,812,138	911,170	41,723,308	41,764,940	38,796,272
1.20 Early Learning and Child Care	106,250	36,287	142,537		142,537	169,180	64,672
1.30 English Language Learning	3,680,631	1,041,259	4,721,890	117,551	4,839,441	3,927,141	4,530,301
1.31 Indigenous Education	2,716,867	751,944	3,468,811	642,806	4,111,617	4,094,067	3,852,726
1.41 School Administration	14,784,386	4,084,709	18,869,095	847,968	19,717,063	19,913,311	18,859,001
1.60 Summer School	616,584	122,571	739,155	12,431	751,586	636,921	693,534
1.61 Continuing Education	-		-		-		167,249
1.62 International and Out of Province Students	1,305,110	375,923	1,681,033	866,045	2,547,078	2,273,440	2,557,990
Total Function 1	155,981,183	41,873,342	197,854,525	10,441,660	208,296,185	208,970,708	203,670,014
4 District Administration							
4.11 Educational Administration	2,344,774	616,261	2,961,035	624,298	3,585,333	3,337,022	2,553,700
4.40 School District Governance	247,470	28,003	275,473	282,331	557,804	411,606	525,929
4.41 Business Administration	4,381,451	1,158,371	5,539,822	2,572,761	8,112,583	7,704,955	7,044,348
Total Function 4	6,973,695	1,802,635	8,776,330	3,479,390	12,255,720	11,453,583	10,123,977
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,314,767	354,125	1,668,892	603,410	2,272,302	2,169,580	1,858,072
5.50 Maintenance Operations	11,417,838	2,891,308	14,309,146	4,368,555	18,677,701	19,171,120	16,856,893
5.52 Maintenance of Grounds	537,020	150,597	687,617	200,724	888,341	1,199,207	2,392,426
5.56 Utilities	-		-	2,466,384	2,466,384	2,325,468	2,724,624
Total Function 5	13,269,625	3,396,030	16,665,655	7,639,073	24,304,728	24,865,375	23,832,015
7 Transportation and Housing							
7.41 Transportation and Housing Administration	158,849	40,615	199,464	165,886	365,350	267,980	449,283
7.70 Student Transportation	2,504,832	664,665	3,169,497	1,379,211	4,548,708	4,005,020	4,047,375
Total Function 7	2,663,681	705,280	3,368,961	1,545,097	4,914,058	4,273,000	4,496,658
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	178,888,184	47,777,287	226,665,471	23,105,220	249,770,691	249,562,666	242,122,664

School District No. 34 (Abbotsford)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	34,228,076	33,589,963	30,307,131
Other	462,222	405,091	331,975
Federal Grants		21,088	
Other Revenue	5,904,114	5,947,658	6,597,340
Total Revenue	<u>40,594,412</u>	<u>39,963,800</u>	<u>37,236,446</u>
Expenses			
Instruction	39,902,309	39,249,865	36,505,630
Operations and Maintenance	58,902	580,229	58,902
Total Expense	<u>39,961,211</u>	<u>39,830,094</u>	<u>36,564,532</u>
Special Purpose Surplus (Deficit) for the year	<u>633,201</u>	<u>133,706</u>	<u>671,914</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(633,201)	(133,706)	(671,914)
Total Net Transfers	<u>(633,201)</u>	<u>(133,706)</u>	<u>(671,914)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 34 (Abbotsford)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

Schedule 3A (Unaudited)

	Annual Facility Grant	Learning Improvement Fund	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			2,148,672		34,929	7,059			
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	692,103	815,957		374,000	78,400	263,468	1,325,905	510,873	24,338,970
Provincial Grants - Other									
Federal Grants									
Other			5,960,001			2,615			
	692,103	815,957	5,960,001	374,000	78,400	266,083	1,325,905	510,873	24,338,970
Less: Allocated to Revenue	692,103	731,631	5,708,932	374,000	68,907	262,311	1,325,905	510,873	24,338,970
Recovered									
Deferred Revenue, end of year	-	84,326	2,399,741	-	44,422	10,831	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	692,103	731,631		374,000	68,907	262,311	1,325,905	510,873	24,338,970
Provincial Grants - Other									
Federal Grants									
Other Revenue			5,708,932						
	692,103	731,631	5,708,932	374,000	68,907	262,311	1,325,905	510,873	24,338,970
Expenses									
Salaries									
Teachers						50,705			18,762,531
Principals and Vice Principals								152,750	
Educational Assistants		558,323				34,111	668,446		
Support Staff				240,500					
Other Professionals								88,620	
Substitutes					1,100	21,081			
	-	558,323	-	240,500	1,100	105,897	668,446	241,370	18,762,531
Employee Benefits		165,235		73,035		6,443	189,352	61,838	5,576,439
Services and Supplies	580,229	8,073	5,708,932	60,465	67,807	149,971	468,107	207,665	
	580,229	731,631	5,708,932	374,000	68,907	262,311	1,325,905	510,873	24,338,970
Net Revenue (Expense) before Interfund Transfers	111,874	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(111,874)								
	(111,874)	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 34 (Abbotsford)

Schedule 3A (Unaudited)

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

	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	JUST B4	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year		32,712	31,034	7,733		65,745	86,500	13,976	91,310
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,084,392		48,000		55,400		50,000		525,000
Provincial Grants - Other					40,454		64,185		
Federal Grants									
Other					37,101		94,494		
	2,084,392	-	48,000	-	132,955	-	208,679	-	525,000
Less: Allocated to Revenue	2,084,392	7,695	40,406	7,733	122,969	32,590	174,437	13,976	192,151
Recovered		11,323							
Deferred Revenue, end of year	-	13,694	38,628	-	9,986	33,155	120,742	-	424,159
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,084,392	7,695	40,406	7,733	55,400	32,590	50,000	13,976	192,151
Provincial Grants - Other					40,454		50,000		
Federal Grants									
Other Revenue					27,115		74,437		
	2,084,392	7,695	40,406	7,733	122,969	32,590	174,437	13,976	192,151
Expenses									
Salaries									
Teachers									
Principals and Vice Principals									
Educational Assistants							104,574		
Support Staff					40,988			8,699	31,450
Other Professionals					53,316				105,692
Substitutes	217,717								
	217,717	-	-	-	94,304	-	104,574	8,699	137,142
Employee Benefits					28,335		25,417	4,523	40,953
Services and Supplies	1,866,675	7,695	40,406	7,733	330	32,590	44,446	754	14,056
	2,084,392	7,695	40,406	7,733	122,969	32,590	174,437	13,976	192,151
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased									
	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 34 (Abbotsford)

Schedule 3A (Unaudited)

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

	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	National School Food Program	Dual Credit Pathway to Teacher Education	PRP Adolescent Day Treatment	IPALS	Early Years Outreach	Literacy Matters
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	309,974	98,037	200,588	351,938			19,754	105,714	55,927
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,248,258			598,540		240,000			
Provincial Grants - Other								275,937	
Federal Grants									
Other					50,000				32,959
	2,248,258	-	-	598,540	50,000	240,000	-	275,937	32,959
Less: Allocated to Revenue	2,392,861	9,944	68,998	89,117	25,000	240,000	3,025	314,637	37,855
Recovered		29,000							
Deferred Revenue, end of year	165,371	59,093	131,590	861,361	25,000	-	16,729	67,014	51,031
Revenues									
Provincial Grants - Ministry of Education and Child Care	2,392,861	9,944	68,998	89,117		240,000			
Provincial Grants - Other								314,637	
Federal Grants									
Other Revenue					25,000		3,025		37,855
	2,392,861	9,944	68,998	89,117	25,000	240,000	3,025	314,637	37,855
Expenses									
Salaries									
Teachers						90,955			
Principals and Vice Principals									
Educational Assistants	210,110					36,791			
Support Staff	165,361							141,245	
Other Professionals	76,482								
Substitutes									
	451,953	-	-	-	-	127,746	-	141,245	-
Employee Benefits	151,429					34,195		39,196	
Services and Supplies	1,789,479	9,944	68,998	67,285	25,000	78,059	3,025	134,196	37,855
	2,392,861	9,944	68,998	67,285	25,000	240,000	3,025	314,637	37,855
Net Revenue (Expense) before Interfund Transfers	-	-	-	21,832	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased				(21,832)					
	-	-	-	(21,832)	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 34 (Abbotsford)

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

Schedule 3A (Unaudited)

	Community Support	BEAR Bus	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	32,586		3,694,188
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care			34,249,266
Provincial Grants - Other			380,576
Federal Grants	77,638		77,638
Other	66,681	27,584	6,271,435
	144,319	27,584	40,978,915
Less: Allocated to Revenue	89,928	2,454	39,963,800
Recovered			40,323
Deferred Revenue, end of year	86,977	25,130	4,668,980
Revenues			
Provincial Grants - Ministry of Education and Child Care			33,589,963
Provincial Grants - Other			405,091
Federal Grants	21,088		21,088
Other Revenue	68,840	2,454	5,947,658
	89,928	2,454	39,963,800
Expenses			
Salaries			
Teachers			18,904,191
Principals and Vice Principals			152,750
Educational Assistants	15,318		1,668,661
Support Staff			640,571
Other Professionals			270,794
Substitutes			239,898
	15,318	-	21,876,865
Employee Benefits	5,770		6,402,160
Services and Supplies	68,840	2,454	11,551,069
	89,928	2,454	39,830,094
Net Revenue (Expense) before Interfund Transfers	-	-	133,706
Interfund Transfers			
Tangible Capital Assets Purchased			(133,706)
	-	-	(133,706)
Net Revenue (Expense)	-	-	-

School District No. 34 (Abbotsford)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026	2026 Actual			2025
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	275,000		272,697	272,697	411,127
Amortization of Deferred Capital Revenue	7,500,000	10,003,028		10,003,028	8,110,470
Bylaw Capital Expenditures Not Capitalized				-	660,691
Total Revenue	<u>7,775,000</u>	<u>10,003,028</u>	<u>272,697</u>	<u>10,275,725</u>	<u>9,182,288</u>
Expenses					
Operations and Maintenance				-	526,408
Amortization of Tangible Capital Assets					
Operations and Maintenance	10,000,000	11,415,096		11,415,096	9,542,578
Transportation and Housing	550,000	444,446		444,446	439,519
Asset Retirement Obligation Adjustment		9,977,950		9,977,950	
Total Expense	<u>10,550,000</u>	<u>21,837,492</u>	<u>-</u>	<u>21,837,492</u>	<u>10,508,505</u>
Capital Surplus (Deficit) for the year	<u>(2,775,000)</u>	<u>(11,834,464)</u>	<u>272,697</u>	<u>(11,561,767)</u>	<u>(1,326,217)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,137,518	1,024,381		1,024,381	1,411,265
Local Capital	300,000		1,331,120	1,331,120	150,000
Total Net Transfers	<u>2,437,518</u>	<u>1,024,381</u>	<u>1,331,120</u>	<u>2,355,501</u>	<u>1,561,265</u>
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,161,914	(2,161,914)	-	
Total Other Adjustments to Fund Balances		<u>2,161,914</u>	<u>(2,161,914)</u>	<u>-</u>	
Total Capital Surplus (Deficit) for the year	<u>(337,482)</u>	<u>(8,648,169)</u>	<u>(558,097)</u>	<u>(9,206,266)</u>	<u>235,048</u>
Capital Surplus (Deficit), beginning of year		<u>34,313,854</u>	<u>5,626,798</u>	<u>39,940,652</u>	<u>39,705,604</u>
Capital Surplus (Deficit), end of year		<u>25,665,685</u>	<u>5,068,701</u>	<u>30,734,386</u>	<u>39,940,652</u>

School District No. 34 (Abbotsford)

Tangible Capital Assets

Year Ended June 30, 2026

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	42,822,665	390,751,805	6,764,117	4,300,587	299,313	3,409,035	448,347,522
Prior Period Adjustments							
Asset Retirement Obligation Adjustment		9,530,773					9,530,773
Cost, beginning of year, as restated	42,822,665	400,282,578	6,764,117	4,300,587	299,313	3,409,035	457,878,295
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		12,469,048	788,643	919,516			14,177,207
Deferred Capital Revenue - Other		45,720					45,720
Operating Fund		275,706	135,689			479,280	890,675
Special Purpose Funds		120,480	13,226				133,706
Local Capital		63,033	1,914,899	183,982			2,161,914
Transferred from Work in Progress		37,760,468	20,800,087				58,560,555
	-	50,734,455	23,652,544	1,103,498	-	479,280	75,969,777
Decrease:							
Deemed Disposals			277,643	815,856	29,466	1,924,249	3,047,214
	-	-	277,643	815,856	29,466	1,924,249	3,047,214
Cost, end of year	42,822,665	451,017,033	30,139,018	4,588,229	269,847	1,964,066	530,800,858
Work in Progress, end of year							-
Cost and Work in Progress, end of year	42,822,665	451,017,033	30,139,018	4,588,229	269,847	1,964,066	530,800,858
Accumulated Amortization, beginning of year		238,421,871	2,719,345	2,614,539	123,176	2,805,524	246,684,455
Changes for the Year							
Amortization for the Year		8,975,712	1,845,157	444,446	81,603	512,624	11,859,542
		8,975,712	1,845,157	444,446	81,603	512,624	11,859,542
Deemed Disposals			277,643	815,856	29,466	1,924,249	3,047,214
Written-off During Year							-
Reevaluation of Asset Retirement Obligation		(9,977,950)					(9,977,950)
		(9,977,950)	277,643	815,856	29,466	1,924,249	(6,930,736)
Accumulated Amortization, end of year		257,375,533	4,286,859	2,243,129	175,313	1,393,899	265,474,733
Tangible Capital Assets - Net	42,822,665	193,641,500	25,852,159	2,345,100	94,534	570,167	265,326,125

School District No. 34 (Abbotsford)

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	37,760,468	20,800,087			58,560,555
Changes for the Year					
Decrease:					
Transferred to Tangible Capital Assets	37,760,468	20,800,087			58,560,555
	37,760,468	20,800,087	-	-	58,560,555
Net Changes for the Year	(37,760,468)	(20,800,087)	-	-	(58,560,555)
Work in Progress, end of year	-	-	-	-	-

School District No. 34 (Abbotsford)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	137,289,954	4,403,776	2,703,836	144,397,566
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	14,177,207	45,720		14,222,927
Transferred from Work in Progress	54,805,706	1,865,273		56,670,979
	68,982,913	1,910,993	-	70,893,906
Decrease:				
Amortization of Deferred Capital Revenue	9,695,151	154,906	152,971	10,003,028
	9,695,151	154,906	152,971	10,003,028
Net Changes for the Year	59,287,762	1,756,087	(152,971)	60,890,878
Deferred Capital Revenue, end of year	196,577,716	6,159,863	2,550,865	205,288,444
Work in Progress, beginning of year	54,805,706	1,865,273		56,670,979
Changes for the Year				
Decrease				
Transferred to Deferred Capital Revenue	54,805,706	1,865,273		56,670,979
	54,805,706	1,865,273	-	56,670,979
Net Changes for the Year	(54,805,706)	(1,865,273)	-	(56,670,979)
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	196,577,716	6,159,863	2,550,865	205,288,444

School District No. 34 (Abbotsford)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year		134,178	287,969	7,644,050	48,061	8,114,258
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	14,177,207					14,177,207
Investment Income		6,503	13,957	370,462	2,329	393,251
School Site Acquisition Fees				443,817		443,817
	<u>14,177,207</u>	<u>6,503</u>	<u>13,957</u>	<u>814,279</u>	<u>2,329</u>	<u>15,014,275</u>
Decrease:						
Transferred to DCR - Capital Additions	14,177,207		45,720			14,222,927
	<u>14,177,207</u>	<u>-</u>	<u>45,720</u>	<u>-</u>	<u>-</u>	<u>14,222,927</u>
Net Changes for the Year	<u>-</u>	<u>6,503</u>	<u>(31,763)</u>	<u>814,279</u>	<u>2,329</u>	<u>791,348</u>
Balance, end of year	<u>-</u>	<u>140,681</u>	<u>256,206</u>	<u>8,458,329</u>	<u>50,390</u>	<u>8,905,606</u>