

Audited Financial Statements of

**School District No. 35 (Langley)**

And Independent Auditors' Report thereon

June 30, 2026

# School District No. 35 (Langley)

June 30, 2026

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# School District No. 35 (Langley)

## MANAGEMENT REPORT

Version: 7710-6964-4981

### Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 35 (Langley) 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. 35 (Langley) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and externally audited financial statements yearly.

The external auditors, KPMG, 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. 35 (Langley) 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. 35 (Langley)

Signature of the Chairperson of the Board of Education

Sept 22/26  
Date Signed

Signature of the Superintendent

SEPT 23/26  
Date Signed

Signature of the Secretary Treasurer

Sept 24/26  
Date Signed



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of School District No. 35 (Langley), and  
To the Minister of Education and Child Care, Province of British Columbia

### *Opinion*

We have audited the financial statements of School District No. 35 (Langley) (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 statements 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 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:

- the information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion & Analysis document; and
- Unaudited Schedules 1-4 attached to the audited financial statements.

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 and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion & Analysis document and the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***DRAFT***

Chartered Professional Accountants

Langley, Canada

September 22, 2026

# School District No. 35 (Langley)

## Statement of Financial Position

As at June 30, 2026

Statement 1

|                                                          | 2026<br>Actual       | 2025<br>Actual       |
|----------------------------------------------------------|----------------------|----------------------|
|                                                          | \$                   | \$                   |
| <b>Financial Assets</b>                                  |                      |                      |
| Cash and Cash Equivalents                                | 92,776,818           | 104,664,515          |
| Accounts Receivable                                      |                      |                      |
| Due from Province - Ministry of Education and Child Care | 25,868,485           | 10,476,438           |
| Other (Note 3)                                           | 4,260,819            | 5,055,241            |
| Portfolio Investments (Note 4)                           | 10,000,000           |                      |
| <b>Total Financial Assets</b>                            | <b>132,906,122</b>   | <b>120,196,194</b>   |
| <b>Liabilities</b>                                       |                      |                      |
| Accounts Payable and Accrued Liabilities                 |                      |                      |
| Due to Province - Ministry of Education and Child Care   |                      | 470,753              |
| Other (Note 5)                                           | 80,528,228           | 64,366,046           |
| Unearned Revenue (Note 7)                                | 15,456,077           | 14,841,101           |
| Deferred Revenue (Note 8)                                | 9,645,263            | 8,003,943            |
| Deferred Capital Revenue (Note 9)                        | 420,590,648          | 312,873,104          |
| Employee Future Benefits (Note 10)                       | 7,387,979            | 7,622,746            |
| Asset Retirement Obligation (Note 18)                    | 34,521,949           | 37,324,535           |
| <b>Total Liabilities</b>                                 | <b>568,130,144</b>   | <b>445,502,228</b>   |
| <b>Net Debt</b>                                          | <b>(435,224,022)</b> | <b>(325,306,034)</b> |
| <b>Non-Financial Assets</b>                              |                      |                      |
| Tangible Capital Assets (Note 6)                         | 609,809,482          | 503,298,471          |
| Prepaid Expenses                                         | 4,121,633            | 3,291,828            |
| <b>Total Non-Financial Assets</b>                        | <b>613,931,115</b>   | <b>506,590,299</b>   |
| <b>Accumulated Surplus (Deficit) (Note 13)</b>           | <b>178,707,093</b>   | <b>181,284,265</b>   |

Contractual Obligations (Note 16, 21)

Contingent Liabilities (Note 16)

Approved by the Board

Signature of the Chairperson of the Board of Education

Sept 22/26  
Date Signed

Signature of the Superintendent

Sept 23/26  
Date Signed

Signature of the Secretary/Treasurer

S. pt 24/26  
Date Signed

**School District No. 35 (Langley)**

Statement 2

Statement of Operations

Year Ended June 30, 2026

|                                                                         | 2026<br>Budget<br>(Note 17) | 2026<br>Actual     | 2025<br>Actual     |
|-------------------------------------------------------------------------|-----------------------------|--------------------|--------------------|
|                                                                         | \$                          | \$                 | \$                 |
| <b>Revenues</b>                                                         |                             |                    |                    |
| Provincial Grants                                                       |                             |                    |                    |
| Ministry of Education and Child Care                                    | 375,612,626                 | 380,993,541        | 383,355,348        |
| Other                                                                   | 272,759                     | 236,959            | 238,559            |
| Municipal Grants Spent on Sites                                         |                             |                    | 3,032,923          |
| Federal Grants                                                          | 1,014,771                   | 852,664            | 1,099,885          |
| Tuition                                                                 | 17,317,613                  | 17,365,928         | 17,642,938         |
| Other Revenue                                                           | 10,750,226                  | 10,990,837         | 10,835,523         |
| Rentals and Leases                                                      | 1,251,150                   | 1,448,733          | 1,329,530          |
| Investment Income                                                       | 2,200,000                   | 2,158,475          | 2,710,119          |
| Amortization of Deferred Capital Revenue                                | 13,763,140                  | 13,817,513         | 12,473,953         |
| <b>Total Revenue</b>                                                    | <u>422,182,285</u>          | <u>427,864,650</u> | <u>432,718,778</u> |
| <b>Expenses</b>                                                         |                             |                    |                    |
| Instruction                                                             | 361,161,766                 | 362,543,387        | 331,005,431        |
| District Administration                                                 | 11,976,371                  | 12,404,832         | 12,087,624         |
| Operations and Maintenance                                              | 52,497,079                  | 54,178,978         | 50,277,214         |
| Transportation and Housing                                              | 3,554,713                   | 4,117,211          | 3,729,053          |
| Asset Retirement Obligation revaluation                                 |                             | (2,802,586)        | 6,191,564          |
| <b>Total Expense</b>                                                    | <u>429,189,929</u>          | <u>430,441,822</u> | <u>403,290,886</u> |
| <b>Surplus (Deficit) for the year</b>                                   | <u>(7,007,644)</u>          | <u>(2,577,172)</u> | <u>29,427,892</u>  |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year</b> |                             | 181,284,265        | 151,856,373        |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>       |                             | <u>178,707,093</u> | <u>181,284,265</u> |

# School District No. 35 (Langley)

## Statement of Changes in Net Debt

Year Ended June 30, 2026

Statement 4

|                                                                                 | 2026<br>Budget<br>(Note 17) | 2026<br>Actual              | 2025<br>Actual              |
|---------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                 | \$                          | \$                          | \$                          |
| <b>Surplus (Deficit) for the year</b>                                           | <u>(7,007,644)</u>          | <u>(2,577,172)</u>          | <u>29,427,892</u>           |
| <b>Effect of change in Tangible Capital Assets</b>                              |                             |                             |                             |
| Acquisition of Tangible Capital Assets (Note 6)                                 | (138,510,656)               | (126,309,612)               | (112,605,246)               |
| Amortization of Tangible Capital Assets (Note 6)                                | 20,038,669                  | 19,798,601                  | 18,232,602                  |
| Asset Retirement Obligation revaluation (Note 17)                               |                             |                             | 6,191,564                   |
| <b>Total Effect of change in Tangible Capital Assets</b>                        | <u>(118,471,987)</u>        | <u>(106,511,011)</u>        | <u>(88,181,080)</u>         |
| Acquisition of Prepaid Expenses                                                 |                             | (4,121,633)                 | (3,291,826)                 |
| Use of Prepaid Expenses                                                         |                             | 3,291,828                   | 2,551,825                   |
| <b>Total Effect of change in Other Non-Financial Assets</b>                     | <u>-</u>                    | <u>(829,805)</u>            | <u>(740,001)</u>            |
| <b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b> | <u>(125,479,631)</u>        | <u>(109,917,988)</u>        | <u>(59,493,189)</u>         |
| <b>Net Remeasurement Gains (Losses)</b>                                         |                             |                             |                             |
| <b>(Increase) Decrease in Net Debt</b>                                          |                             | <u>(109,917,988)</u>        | <u>(59,493,189)</u>         |
| <b>Net Debt, beginning of year</b>                                              |                             | <u>(325,306,034)</u>        | <u>(265,812,845)</u>        |
| <b>Net Debt, end of year</b>                                                    |                             | <u><u>(435,224,022)</u></u> | <u><u>(325,306,034)</u></u> |

**School District No. 35 (Langley)**

## Statement of Cash Flows

Year Ended June 30, 2026

Statement 5

|                                                                              | 2026<br>Actual       | 2025<br>Actual       |
|------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                              | \$                   | \$                   |
| <b>Operating Transactions</b>                                                |                      |                      |
| Surplus (Deficit) for the year                                               | (2,577,172)          | 29,427,892           |
| Changes in Non-Cash Working Capital                                          |                      |                      |
| Decrease (Increase)                                                          |                      |                      |
| Accounts Receivable                                                          | (14,597,625)         | (7,854,850)          |
| Prepaid Expenses                                                             | (829,805)            | (740,001)            |
| Increase (Decrease)                                                          |                      |                      |
| Accounts Payable and Accrued Liabilities                                     | 15,691,429           | 16,457,006           |
| Unearned Revenue                                                             | 614,976              | (1,291,974)          |
| Deferred Revenue                                                             | 1,641,320            | 1,297,543            |
| Employee Future Benefits                                                     | (234,767)            | 478,962              |
| Asset Retirement Obligations (Note 18)                                       | (16,307)             | (193,108)            |
| Amortization of Tangible Capital Assets (Note 6)                             | 19,798,601           | 18,232,602           |
| Amortization of Deferred Capital Revenue (Note 9)                            | (13,817,513)         | (12,473,953)         |
| Recognition of Deferred Capital Revenue Spent on Sites (Note 9)              |                      | (33,103,413)         |
| Recognition of Deferred Capital Revenue Spent on Asset Retirement Obligation | (16,307)             | (193,108)            |
| Asset Retirement Obligations Revaluation (Note 17)                           | (2,786,279)          | 6,191,564            |
| <b>Total Operating Transactions</b>                                          | <b>2,870,551</b>     | <b>16,235,162</b>    |
| <b>Capital Transactions</b>                                                  |                      |                      |
| Tangible Capital Assets Purchased                                            | (5,608,783)          | (40,191,752)         |
| Tangible Capital Assets -WIP Purchased                                       | (120,700,829)        | (66,221,930)         |
| <b>Total Capital Transactions</b>                                            | <b>(126,309,612)</b> | <b>(106,413,682)</b> |
| <b>Financing Transactions</b>                                                |                      |                      |
| Capital Revenue Received                                                     | 121,551,364          | 96,923,826           |
| <b>Total Financing Transactions</b>                                          | <b>121,551,364</b>   | <b>96,923,826</b>    |
| <b>Investing Transactions</b>                                                |                      |                      |
| Investments in Portfolio Investments                                         | (10,000,000)         | -                    |
| <b>Total Investing Transactions</b>                                          | <b>(10,000,000)</b>  | <b>-</b>             |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                  | <b>(11,887,697)</b>  | <b>6,745,306</b>     |
| <b>Cash and Cash Equivalents, beginning of year</b>                          | <b>104,664,515</b>   | <b>97,919,209</b>    |
| <b>Cash and Cash Equivalents, end of year</b>                                | <b>92,776,818</b>    | <b>104,664,515</b>   |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b>                |                      |                      |
| Cash                                                                         | 76,483,662           | 63,881,241           |
| Cash Equivalents                                                             | 16,293,156           | 40,783,274           |
|                                                                              | <b>92,776,818</b>    | <b>104,664,515</b>   |

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# **School District No. 35 (Langley)**

## **Notes to the Financial Statements**

### **Year Ended June 30, 2026**

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#### **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. 35 (Langley)" and operates as "School District No. 35 (Langley)". A Board of Education (Board) is elected for a four-year term and 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. School District No. 35 (Langley) is exempt from federal and provincial income taxes.

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#### **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 supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all taxpayer supported organizations in the schools, universities, colleges, and hospital sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

For British Columbia taxpayer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

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

As a result, revenue recognized in the statement of operations and certain related deferred capital revenue would be recorded differently under Canadian public sector accounting standards.

##### **b) Cash and Cash Equivalents**

Cash and cash equivalents include cash in the bank and deposits in the Provincial Ministry of Finance Central Deposit Program which are readily convertible to cash and that are not subject to

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**2. Summary of Significant Accounting Policies (continued)**

**b) Cash and Cash Equivalents (continued)**

a significant risk of change in value. The deposits with the Ministry of Finance can be withdrawn from the program with three days of notice.

**c) Accounts Receivable**

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

**d) Prepaid Expenses**

Prepaid expenses include costs prepaid for insurance, equipment and software maintenance, and other fees. These prepaid expenses are stated at acquisition cost and are charged to expense over the future periods expected to benefit from them.

**e) Unearned Revenue**

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

**f) Deferred Revenue and Deferred Capital Revenue**

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

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.

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**2. Summary of Significant Accounting Policies (continued)**

**g) 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, if available. Otherwise, a nominal value is used.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

Tangible capital assets that no longer contribute to the ability of the School District to provide services are written down to residual value and accounted for as expenses in the statement of operations.

Buildings that are demolished or destroyed are written-off.

The cost, less any residual value, of tangible capital assets (excluding sites) is amortized on a straight-line basis over the estimated useful life of the asset. Estimated useful lives for the School District's tangible capital assets, as determined by management, are as follows:

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

Amortization of tangible capital assets are taken at one-half the normal annual rate in the year of acquisition and in the year of disposal.

**h) Internally Restricted Reserves**

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved. (See Note 13: Accumulated Surplus and Note 14: Interfund Transfers).

**i) Revenue Recognition**

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

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

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**2. Summary of Significant Accounting Policies (continued)**

**i) Revenue Recognition (continued)**

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 over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value, if available, 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 the 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.

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

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.

**j) Expenses**

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

**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.
- 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.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**2. Summary of Significant Accounting Policies (continued)**

- Supplies and services are allocated based on actual program identification.

**k) 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 and accounts payable and accrued 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.

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

Unrealized gains and losses from changes in the fair value of financial instruments measured at fair value 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. There are no measurement gains or losses during the periods presented; therefore no statement of remeasurement gains or losses is included in these financial statements.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

**l) 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. Benefits include vested sick leave, accumulating non-vested sick leave, retirement allowances, vacation pay and life insurance.

The School District accrues its obligations and related costs under employee future benefit plans. The future 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 and retirement rates, and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

The cumulative unrecognized actuarial gains (losses) are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 13.0 years (2025: 13.0 years).

The most recent valuation of the obligation was performed at March 31, 2025 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.

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.

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**2. Summary of Significant Accounting Policies (continued)**

**m) Asset Retirement Obligation**

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 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 g). Assumptions used in the calculations are reviewed annually.

**n) Liability for Contaminated Sites**

A liability for 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.

**o) 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 for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Areas requiring the use of management estimates relate to rates for amortization, estimated employee future benefits and the asset retirement obligation. Actual results could differ from those estimates.

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements****Year Ended June 30, 2026**

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**3. Accounts Receivable – Other**

|                             | <b>June 30, 2026</b> | <b>June 30, 2025</b> |
|-----------------------------|----------------------|----------------------|
| Other Accounts Receivable   | \$ 3,248,439         | \$ 4,465,790         |
| Due from Federal Government | 1,012,380            | 589,451              |
|                             | <u>\$ 4,260,819</u>  | <u>\$ 5,055,241</u>  |

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**4. Portfolio Investments**

The portfolio investments are Guaranteed Investment Certificates that mature between F2027 with annual yields between 3.40% and 4.05%.

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**5. Accounts Payable and Accrued Liabilities - Other**

|                                           | <b>June 30, 2026</b> | <b>June 30, 2025</b> |
|-------------------------------------------|----------------------|----------------------|
| Trade Payables                            | \$ 32,818,991        | \$ 26,151,796        |
| Salaries and Benefits Payable             | 35,987,357           | 27,926,622           |
| Accrued Vacation Pay                      | 5,585,911            | 5,630,121            |
| Other                                     | 6,134,622            | 4,656,566            |
| Due to Langley School District Foundation | 1,347                | 941                  |
|                                           | <u>\$80,528,228</u>  | <u>\$64,366,046</u>  |

**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

**6. Tangible Capital Assets**

| June 30, 2026                    | Balance<br>July 1, 2025         | Additions             | Disposals           | Transfers<br>(WIP)         | Balance<br>July 1, 2026         |
|----------------------------------|---------------------------------|-----------------------|---------------------|----------------------------|---------------------------------|
| <b>Cost:</b>                     |                                 |                       |                     |                            |                                 |
| Sites                            | \$ 136,380,086                  |                       |                     |                            | \$ 136,380,086                  |
| Buildings                        | 549,844,936                     | 1,742,365             | 2,786,279           | 63,439,369                 | 612,240,391                     |
| Building - work in progress      | 52,738,641                      | 117,778,541           |                     | (63,439,369)               | 107,077,813                     |
| Furniture & equipment            | 38,346,433                      | 4,680,271             | 2,073,394           |                            | 40,953,310                      |
| Vehicles                         | 8,114,997                       | 933,593               | 148,174             |                            | 8,900,416                       |
| Computer software                | 97,504                          |                       | 23,322              |                            | 74,182                          |
| Computer hardware                | 12,043,022                      | 1,174,842             | 2,370,729           |                            | 10,847,135                      |
|                                  | <u>\$ 797,565,619</u>           | <u>\$ 126,309,612</u> | <u>\$ 7,401,898</u> | <u>\$ -</u>                | <u>\$ 916,473,333</u>           |
| <b>Accumulated Amortization:</b> |                                 |                       |                     |                            |                                 |
| Sites                            | \$ -                            |                       |                     |                            | \$ -                            |
| Buildings                        | 265,744,987                     | 12,717,722            | 2,786,279           |                            | 275,676,430                     |
| Furniture & equipment            | 18,877,278                      | 3,923,925             | 2,073,394           |                            | 20,727,809                      |
| Vehicles                         | 3,600,934                       | 850,771               | 148,174             |                            | 4,303,531                       |
| Computer software                | 47,471                          | 17,168                | 23,322              |                            | 41,317                          |
| Computer hardware                | 5,996,478                       | 2,289,015             | 2,370,729           |                            | 5,914,764                       |
|                                  | <u>\$ 294,267,148</u>           | <u>\$ 19,798,601</u>  | <u>\$ 7,401,898</u> | <u>\$ -</u>                | <u>\$ 306,663,851</u>           |
| <b>June 30, 2025</b>             | <b>Balance<br/>July 1, 2024</b> | <b>Additions</b>      | <b>Disposals</b>    | <b>Transfers<br/>(WIP)</b> | <b>Balance<br/>Jun 30, 2025</b> |
| <b>Cost:</b>                     |                                 |                       |                     |                            |                                 |
| Sites                            | \$ 103,276,673                  | \$ 33,103,413         | \$ -                | \$ -                       | \$ 136,380,086                  |
| Buildings                        | 503,183,231                     | 8,289,973             | -                   | 38,371,732                 | 549,844,936                     |
| Building - work in progress      | 26,463,627                      | 64,646,746            | -                   | (38,371,732)               | 52,738,641                      |
| Furniture & equipment            | 37,296,290                      | 3,642,118             | 2,591,975           | -                          | 38,346,433                      |
| Vehicles                         | 7,171,668                       | 1,206,969             | 263,640             | -                          | 8,114,997                       |
| Computer software                | 87,725                          | 11,987                | 2,208               | -                          | 97,504                          |
| Computer hardware                | 11,358,165                      | 1,704,040             | 1,019,183           | -                          | 12,043,022                      |
|                                  | <u>\$ 688,837,379</u>           | <u>\$ 112,605,246</u> | <u>\$ 3,877,006</u> | <u>\$ -</u>                | <u>\$ 797,565,619</u>           |
| <b>Accumulated Amortization:</b> |                                 |                       |                     |                            |                                 |
| Sites                            | \$ -                            | \$ -                  | \$ -                | \$ -                       | \$ -                            |
| Buildings                        | 248,188,357                     | 17,556,630            | -                   | -                          | 265,744,987                     |
| Furniture & equipment            | 17,724,691                      | 3,744,562             | 2,591,975           | -                          | 18,877,278                      |
| Vehicles                         | 3,100,241                       | 764,333               | 263,640             | -                          | 3,600,934                       |
| Computer software                | 31,157                          | 18,522                | 2,208               | -                          | 47,471                          |
| Computer hardware                | 4,675,542                       | 2,340,119             | 1,019,183           | -                          | 5,996,478                       |
|                                  | <u>\$ 273,719,988</u>           | <u>\$ 24,424,166</u>  | <u>\$ 3,877,006</u> | <u>\$ -</u>                | <u>\$ 294,267,148</u>           |

**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

**6. Tangible Capital Assets (continued)**

| <b>Net Book Value</b>        | <b>June 30, 2026</b>  | <b>June 30, 2025</b>  |
|------------------------------|-----------------------|-----------------------|
| Sites                        | \$ 136,380,086        | \$ 136,380,086        |
| Buildings                    | 336,563,961           | 284,099,948           |
| Buildings – work-in-progress | 107,077,813           | 52,738,641            |
| Furniture & equipment        | 20,225,501            | 19,469,155            |
| Vehicles                     | 4,596,885             | 4,514,063             |
| Computer software            | 32,865                | 50,033                |
| Computer hardware            | 4,932,371             | 6,046,545             |
|                              | <u>\$ 609,809,482</u> | <u>\$ 503,298,471</u> |

Buildings – work-in-progress have not been amortized. Amortization of these assets will commence when the asset is put into service.

Included in both cost and accumulated amortization for Buildings are amounts for a decrease of \$2,786,279 (2025: increase of \$6,191,564) related to the revaluation of the Asset Retirement Obligation as described in note 18.

**7. Unearned Revenue**

|                                   | <b>June 30, 2026</b> | <b>June 30, 2025</b> |
|-----------------------------------|----------------------|----------------------|
| <b>Balance, Beginning of Year</b> | <u>\$ 14,841,101</u> | <u>\$ 16,133,075</u> |
| <b>Changes for the Year</b>       |                      |                      |
| Increase:                         |                      |                      |
| Tuition fees                      | 15,423,416           | 14,669,691           |
| Transportation                    | 1,200                | 1,960                |
| Grants                            | 14,461               | 118,321              |
| Other                             | 860                  | -                    |
|                                   | <u>15,439,938</u>    | <u>14,105,479</u>    |
| Decrease:                         |                      |                      |
| Tuition fees                      | (14,699,671)         | (16,105,479)         |
| Transportation                    | (1,960)              | (2,280)              |
| Grants                            | (123,330)            | (2,010)              |
| Other                             | -                    | (2,158)              |
|                                   | <u>(14,824,961)</u>  | <u>(16,111,927)</u>  |
| <b>Balance, End of Year</b>       | <u>\$ 15,456,077</u> | <u>\$ 14,841,101</u> |

**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

**8. Deferred Revenue**

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

|                                   | June 30, 2026 | June 30, 2025 |
|-----------------------------------|---------------|---------------|
| <b>Balance, Beginning of Year</b> | \$ 8,003,943  | \$ 6,706,400  |
| Changes for the year:             |               |               |
| Increase:                         |               |               |
| Provincial Grants - MECC          | 78,999,770    | 68,771,257    |
| Federal Grants                    | 905,424       | 1,190,343     |
| Other revenue                     | 9,711,247     | 9,704,263     |
|                                   | 89,616,441    | 79,665,863    |
| Decrease:                         |               |               |
| Allocated to revenue              | (82,525,607)  | (74,072,719)  |
| Recovered                         | (5,449,514)   | (4,295,601)   |
|                                   | (87,975,121)  | (78,368,320)  |
| <b>Balance, End of Year</b>       | \$ 9,645,263  | \$ 8,003,943  |

**9. Deferred Capital Revenue**

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

|                                      | June 30, 2026  | June 30, 2025  |
|--------------------------------------|----------------|----------------|
| <b>Balance, Beginning of Year</b>    | \$ 312,843,104 | \$ 261,719,752 |
| Increase:                            |                |                |
| Provincial Grants - MECC             | 120,309,784    | 94,709,088     |
| Other revenue                        | 1,516,410      | 2,553,599      |
| Investment income                    | 76,087         | 130,948        |
|                                      | 121,902,281    | 97,393,635     |
| Decrease:                            |                |                |
| Amortization                         | (13,817,512)   | (12,473,953)   |
| Site purchase                        | -              | (33,103,413)   |
| Asset Retirement Obligation          | (16,307)       | (193,108)      |
| Transfer to income statement for AFG | (350,918)      | (469,809)      |
|                                      | (14,184,737)   | (46,240,283)   |
| <b>Balance, End of Year</b>          | \$ 420,590,648 | \$ 312,873,104 |

# School District No. 35 (Langley)

## Notes to the Financial Statements

Year Ended June 30, 2026

### 10. Employee Future Benefits

Benefits include vested sick leave, accumulating non-vested sick leave, retirement allowances, vacation pay and life insurance. The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

|                                                              | 2026         | 2025         |
|--------------------------------------------------------------|--------------|--------------|
| <b>Reconciliation of Accrued Benefit Obligation</b>          |              |              |
| Accrued benefit obligation, April 1                          | \$ 5,703,204 | \$ 6,713,668 |
| Service cost                                                 | 482,497      | 578,237      |
| Interest cost                                                | 225,549      | 293,569      |
| Benefit payments – April 1 to March 31                       | (653,310)    | (417,267)    |
| Actuarial gain (loss)                                        | (591,596)    | (1,465,003)  |
| Accrued benefit obligation, March 31                         | \$ 5,164,344 | \$ 5,703,204 |
| <b>Reconciliation of Funded Status at End of Fiscal Year</b> |              |              |
| Accrued benefit obligation – March 31                        | \$ 5,164,344 | \$ 5,703,204 |
| Employer contributions after measurement date                | (154,638)    | (8,500)      |
| Benefits expense after measurement date                      | 176,245      | 177,012      |
| Unamortized net actuarial (gain) loss                        | 2,202,028    | 1,751,030    |
| Accrued benefit liability - June 30                          | \$ 7,387,979 | \$ 7,622,746 |
| <b>Reconciliation of Change in Accrued Benefit Liability</b> |              |              |
| Accrued benefit liability – July 1                           | \$ 7,622,746 | \$ 7,143,784 |
| Net expense for fiscal year                                  | 566,681      | 839,992      |
| Employer contributions                                       | (801,448)    | (361,030)    |
| Accrued benefit liability - June 30                          | \$ 7,387,979 | \$ 7,622,746 |
| <b>Components of Net Benefit Expense</b>                     |              |              |
| Service cost                                                 | \$ 478,016   | \$ 554,302   |
| Interest cost                                                | 229,264      | 276,564      |
| Amortization of actuarial (gain) loss                        | (140,599)    | 9,126        |
| <b>Net Benefit Expense</b>                                   | \$ 566,681   | \$ 839,992   |

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**10. Employee Future Benefits (continued)**

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

|                                    | 2026              | 2025              |
|------------------------------------|-------------------|-------------------|
| 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                   | 13.0 years        | 13.0 years        |

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**11. Employee Pension Plans**

**a) Teachers' Pension Plan and Municipal Pension Plan**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2025, the Teachers' Pension Plan has approximately 52,000 active members and 43,000 retired members in the plan. As at December 31, 2025, the Municipal Pension Plan has over 490,000 members in the plan.

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, and a balance of \$1,437 million in the rate stabilization account.

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, and a balance of \$4,598 million in the rate stabilization account.

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

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**11. Employee Pension Plans (continued)**

**a) Teachers' Pension Plan and Municipal Pension Plan (continued)**

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 employer contributions to these plans in the fiscal year ended June 30, 2026 were \$29,318,186 (2025: \$26,672,663).

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**12. Expense by Object**

|                                         | <b>June 30, 2026</b> | <b>June 30, 2025</b> |
|-----------------------------------------|----------------------|----------------------|
| Salaries and Benefits                   | \$364,038,842        | \$330,833,394        |
| Services and Supplies                   | 40,173,153           | 38,707,216           |
| Interest                                | 21,504               | 69,561               |
| Amortization                            | 19,798,601           | 18,232,602           |
| Asset Retirement Obligation revaluation | (2,802,586)          | 6,191,564            |
| Other                                   | 9,212,308            | 9,256,549            |
|                                         | <u>\$430,441,822</u> | <u>\$403,290,886</u> |

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**13. Accumulated Surplus**

The School District's accumulated surplus consists of balances in its internal capital and internal operating funds. The balance in the internal capital fund consists of amounts invested in tangible capital assets and local capital. The balance in the internal operating fund consists of amounts restricted for various specific purposes and an unrestricted amount.

**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

**13. Accumulated Surplus (continued)**

|                                                                                 | June 30, 2026        | June 30, 2025        |
|---------------------------------------------------------------------------------|----------------------|----------------------|
| Total Capital Fund Surplus                                                      | \$158,843,634        | \$157,540,385        |
| Restricted Operating Surplus                                                    |                      |                      |
| <b>Constraints on Funds:</b>                                                    |                      |                      |
| Internally restricted for commitments 2025/2026                                 | 1,714,433            | 2,867,969            |
| Internally restricted for initiatives not completed 2025/2026                   | 295,845              | 119,000              |
| Internally restricted for Indigenous Education 2025/2026                        | 307,906              | 107,814              |
| Internally restricted for Indigenous Education Councils 2025/2026               | 134,773              | -                    |
| Internally restricted for Administration supports                               | 280,000              | 400,000              |
| Internally restricted for Clerical supports                                     | 60,000               | 100,000              |
| Internally restricted for Exempt mentorship                                     | -                    | 40,000               |
| Internally restricted for Exempt staffing positions for 1 year awaiting funding | 150,000              | -                    |
| Internally restricted for Middle school initiatives for K-7 schools             | -                    | 20,000               |
| Internally restricted for Accessible playground equipment                       | -                    | 400,000              |
| School Generated Funds                                                          | 2,996,283            | 2,934,601            |
| <b>Operations Spanning Multiple Years:</b>                                      |                      |                      |
| Internally restricted to balance 2026/2027 budget                               | 902,337              | -                    |
| Internally restricted to balance 2025/2026 budget                               | -                    | 1,528,446            |
| Internally restricted to balance future budgets                                 | 2,932,477            | 3,151,648            |
| Internally restricted for student capacity needs                                | 3,687,331            | 3,687,331            |
| School surpluses                                                                | 322,074              | 392,071              |
| Internally restricted for classroom furniture                                   | -                    | 400,000              |
| Internally restricted for ERP replacement                                       | -                    | 1,300,000            |
| Internally restricted for Project Management costs for Smith Middle/Secondary   | 300,000              | 300,000              |
| Internally restricted for Cyber security                                        | -                    | 145,000              |
| Internally restricted for Facility upgrades                                     | 250,000              | 500,000              |
| Internally restricted for Instructional Supplies                                | 100,000              | -                    |
| Internally restricted for Staff collaboration at Superintendent's meetings      | 80,000               | -                    |
| Total Restricted Operating Surplus                                              | 14,513,459           | 18,393,880           |
| Unrestricted Operating Surplus                                                  | 5,350,000            | 5,350,000            |
| Total Operating Surplus                                                         | 19,863,459           | 23,743,880           |
| <b>Accumulated Surplus</b>                                                      | <b>\$178,707,093</b> | <b>\$181,284,265</b> |

**14. Interfund Transfers**

The School District manages its accounts using three different funds – Operating, Special Purpose and Capital. Transfers between these funds during the year ended June 30, 2026, were as follows:

- A transfer in the amount of \$82,100 (2025: \$158,184) was made from the special purpose fund to the capital fund for payment of capital assets purchased.
- A transfer in the amount of \$4,343,593 (2025: \$6,298,585) was made from the operating fund to the capital fund for payment of capital assets purchased.

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**School District No. 35 (Langley)**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2026**

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**15. 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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

The School District has an economic interest in the Langley School District Foundation (Foundation) which acts as a fundraising agency for the School District. The Foundation is a separate legal entity and is a registered charity under the provisions of the *Income Tax Act* of Canada. The Foundation has its own board of directors who approve grants to support various initiatives of the School District.

During the year, the School District received \$850,973 (2025: \$792,713) in contributions from the Foundation to support and promote programs not funded by the Ministry of Education and Child Care. The School District made contributions to the Foundation to support its operations of \$100,000 (2025: \$100,000). The School District also has \$1,347 in amounts payable due to the Foundation (2025: \$941 accounts receivable).

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**16. Contractual Obligations and Contingent Liabilities**

- a) In the normal course of business, lawsuits and claims have been brought against the School District. The School District contests these lawsuits and claims. Management believes that the results of any pending legal proceedings will not have a material effect on the financial position of the School District.
- b) The School District has entered into a number of 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. Disclosure relates to the unperformed portion of the contracts.

|                                     | 2027                 | 2028                 | 2029                 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Donna Gabriel Robins Modular        | \$ 6,500,000         | \$ 1,500,000         | \$ -                 |
| Langley Secondary School Expansion  | 5,472,000            | -                    | -                    |
| Nicomekl Modular                    | 580,000              | -                    | -                    |
| Northeast Latimer Elementary School | 780,000              | -                    | -                    |
| Smith Middle School                 | 52,115,000           | 19,460,000           | 4,412,000            |
| Smith Secondary School              | 79,660,000           | 43,851,000           | 20,028,000           |
| RE Mountain Secondary               | 450,000              | 20,000,000           | 16,000,000           |
| Various AFG projects                | 1,150,000            | -                    | -                    |
|                                     | <u>\$146,707,000</u> | <u>\$ 84,811,000</u> | <u>\$ 40,440,000</u> |

# School District No. 35 (Langley)

## Notes to the Financial Statements

### Year Ended June 30, 2026

#### 17. Budgeted Figures

Budget figures were approved by the Board through the adoption of an annual amended budget bylaw on February 24, 2026.

Budget figures included in the financial statements reflect the amended planned budget approved by the Board. The School District has elected to present the amended budget as it reflects a budget based on funding as a result of final enrollment numbers versus estimated enrollment projections, as well as updates from recent labour settlement agreements.

| <b>Revenues</b>                                | <b>Annual Budget</b> | <b>Amended Budget</b> | <b>Change</b> |
|------------------------------------------------|----------------------|-----------------------|---------------|
| Ministry of Education & Child Care             | \$ 357,248,224       | \$ 375,612,626        | \$ 18,364,402 |
| Other - Provincial Grants                      | 269,759              | 272,759               | 3,000         |
| Federal Grants                                 | 1,594,972            | 1,014,771             | (580,201)     |
| Tuition                                        | 15,775,128           | 17,317,613            | 1,542,485     |
| Other revenue                                  | 9,404,937            | 10,750,226            | 1,345,289     |
| Rentals and leases                             | 1,145,000            | 1,251,150             | 106,150       |
| Investment income                              | 2,520,000            | 2,200,000             | (320,000)     |
| Amort. of deferred capital revenue             | 13,737,716           | 13,763,140            | 25,424        |
|                                                | 401,695,736          | 422,182,285           | 20,486,549    |
| <b>Expenses</b>                                |                      |                       |               |
| Instruction                                    | 340,320,441          | 361,161,766           | 20,841,325    |
| District administration                        | 11,562,610           | 11,976,371            | 413,761       |
| Operations and maintenance                     | 50,006,564           | 52,497,079            | 2,490,515     |
| Transportation and housing                     | 3,423,504            | 3,554,713             | 131,209       |
|                                                | 405,313,119          | 429,189,929           | 23,876,810    |
| <b>Net Expense</b>                             | (3,617,383)          | (7,007,644)           | (3,390,261)   |
| <b>Budgeted Allocation of Surplus</b>          | 1,528,446            | 7,965,689             | 6,437,243     |
| <b>Budgeted Surplus (Deficit) for the Year</b> | \$ (2,088,937)       | \$ 958,045            | \$ 3,046,982  |

Significant changes between the original and amended budgets are as follows:

- Ministry grants – Reflects increased funding for Classroom Enhancement Fund and increased Operating Grant for enrollment increase and Labour Settlement Funding for collective agreements.
- Federal Grants decreased based on decreased budgets approved by federally.
- Tuition revenue is higher due to increased number of International Students.
- Other revenue increased for School Generated Funds
- Investment income decreased due to prime interest rate decreases.
- Instruction expenses – Reflects increase in Classroom Enhancement Fund teachers; increased number of teachers and education assistants in operating due to increased enrollment and increased expenditures relating to retroactive pay for collective agreements.

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# School District No. 35 (Langley)

## Notes to the Financial Statements

Year Ended June 30, 2026

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### 17. Budgeted Figures (continued)

- Operations and maintenance expenses – Reflects increased labour costs for increases in employee headcount; increased amortization expense for capital assets and increased expenditures relating to retroactive pay for collective agreements.

### 18. Asset Retirement Obligation

Legal liabilities exist for the removal and disposal of asbestos and lead paint within certain district owned buildings that will undergo major renovations or demolition in the future. The obligation has been measured at current cost 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.

|                                            |                     |
|--------------------------------------------|---------------------|
| Asset Retirement Obligation, July 1, 2025  | \$37,324,535        |
| Revaluation                                | (2,786,279)         |
| Settlements during the year                | (16,307)            |
| Asset Retirement Obligation, June 30, 2026 | <u>\$34,521,949</u> |

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### 19. Risk Management

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

#### a) Credit risk:

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

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

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in the Central Deposit Program with the Province and in recognized British Columbia institutions and the School District invests solely in fixed income financial instruments such as term deposits, guaranteed investment certificates and other investments which are principal protected.

#### 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.

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# **School District No. 35 (Langley)**

## **Notes to the Financial Statements**

**Year Ended June 30, 2026**

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### **19. Risk Management (continued)**

- i. 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. The School District is monitoring the potential impacts and options to mitigate risks arising from tariffs and cross border trade.
- ii. 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.
- iii. The imposition of U.S. tariffs on cross-border trade will result in increased costs for goods and services procured from U.S. suppliers, impacting operations and infrastructure projects. While the long-term impact remains uncertain, the School District is actively working to monitor and mitigate the risks and impacts of the tariffs.

**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 2025 related to credit, market or liquidity risks.

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### **20. Economic Dependence**

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.

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### **21. Future Capital Transactions**

On June 9, 2023 the Ministry of Education and Child Care announced the approval of a 300-seat addition at Langley Secondary school to help meet current enrolment and future growth. Funding for as much as \$27.9 million from the Province has been approved. The addition will include general instruction classrooms, foods classrooms, a science lab and special education rooms. The Langley School District is contributing an additional \$1 million to the project. The addition is expected to be ready for students in fall 2026.

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## **School District No. 35 (Langley)**

### **Notes to the Financial Statements**

**Year Ended June 30, 2026**

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#### **21. Future Capital Transactions (continued)**

On September 9, 2024 the Ministry announced a new joint school campus located in the Willoughby area of the Township of Langley that will be home to Smith Middle and Smith Secondary schools. The Smith Secondary school will provide spaces for 1,900 new students through approximately \$203 million from the Province. An additional \$103 million in provincial funding will be used to create 900 new seats at Smith Middle school, and will include a neighbourhood learning centre for child care to benefit the broader community. Work began in March 2025 and both schools are expected to be completed by fall 2027.

On April 15, 2026 the Ministry of Education and Child Care announced a \$42 million investment to add 300 more student spaces at R.E. Mountain Secondary school by way of a school addition. The addition will include 12 new classrooms as well as specialty learning spaces, creating more opportunities for students to select electives, such as art and cooking, that further support their learning and growth. The project began in April 2026 and is expected to be completed in Winter 2028.

On June 30, 2026 the Ministry of Education and Child Care announced a \$12 million investment to add 200 more student spaces at Donna Gabriel Robins Elementary school by way of a prefabricated school addition. The addition will include eight classrooms and storage for students' personal belongings. Construction will begin Fall 2026 and the project is expected to be completed in September 2027.

On June 30, 2026 the Ministry of Education and Child Care announced a \$6 million investment to add 100 more student spaces at Josette Dandurand Elementary school by way of a prefabricated school addition. The addition will include 4 classrooms and storage for students' personal belongings. Construction will begin Fall 2026 and the project is expected to be completed in September 2027.

# School District No. 35 (Langley)

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

Schedule 1 (Unaudited)

|                                                          | Operating<br>Fund | Special Purpose<br>Fund | Capital<br>Fund | 2026<br>Actual | 2025<br>Actual |
|----------------------------------------------------------|-------------------|-------------------------|-----------------|----------------|----------------|
|                                                          | \$                | \$                      | \$              | \$             | \$             |
| Accumulated Surplus (Deficit), beginning of year         | 23,743,880        |                         | 157,540,385     | 181,284,265    | 151,856,373    |
| Changes for the year                                     |                   |                         |                 |                |                |
| Surplus (Deficit) for the year                           | 463,171           | 82,100                  | (3,122,443)     | (2,577,172)    | 29,427,892     |
| Interfund Transfers                                      |                   |                         |                 |                |                |
| Tangible Capital Assets Purchased                        | (4,343,593)       | (82,100)                | 82,100          | -              | -              |
| Local Capital                                            | (3,880,422)       | -                       | 4,343,593       | -              | -              |
| Net Changes for the year                                 |                   |                         | 1,303,250       | (2,577,172)    | 29,427,892     |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 19,863,458        | -                       | 158,843,635     | 178,707,093    | 181,284,265    |

**School District No. 35 (Langley)**

## Schedule of Operating Operations

Year Ended June 30, 2026

Schedule 2 (Unaudited)

|                                                                 | 2026<br>Budget<br>(Note 17) | 2026<br>Actual     | 2025<br>Actual     |
|-----------------------------------------------------------------|-----------------------------|--------------------|--------------------|
|                                                                 | \$                          | \$                 | \$                 |
| <b>Revenues</b>                                                 |                             |                    |                    |
| Provincial Grants                                               |                             |                    |                    |
| Ministry of Education and Child Care                            | 299,594,024                 | 308,301,459        | 288,989,525        |
| Other                                                           | 272,759                     | 236,959            | 238,559            |
| Tuition                                                         | 17,317,613                  | 17,365,928         | 17,642,938         |
| Other Revenue                                                   | 1,608,396                   | 1,642,749          | 1,495,105          |
| Rentals and Leases                                              | 1,251,150                   | 1,448,733          | 1,329,530          |
| Investment Income                                               | 2,100,000                   | 2,118,723          | 2,687,796          |
| <b>Total Revenue</b>                                            | <b>322,143,942</b>          | <b>331,114,551</b> | <b>312,383,453</b> |
| <b>Expenses</b>                                                 |                             |                    |                    |
| Instruction                                                     | 277,098,684                 | 281,867,912        | 258,842,362        |
| District Administration                                         | 10,888,027                  | 11,484,957         | 11,084,383         |
| Operations and Maintenance                                      | 32,284,970                  | 34,065,846         | 31,628,623         |
| Transportation and Housing                                      | 2,704,376                   | 3,232,665          | 2,927,008          |
| <b>Total Expense</b>                                            | <b>322,976,057</b>          | <b>330,651,380</b> | <b>304,482,376</b> |
| <b>Operating Surplus (Deficit) for the year</b>                 | <b>(832,115)</b>            | <b>463,171</b>     | <b>7,901,077</b>   |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b> | <b>7,965,689</b>            |                    |                    |
| <b>Net Transfers (to) from other funds</b>                      |                             |                    |                    |
| Local Capital                                                   | (7,133,574)                 | (4,343,593)        | (6,298,585)        |
| <b>Total Net Transfers</b>                                      | <b>(7,133,574)</b>          | <b>(4,343,593)</b> | <b>(6,298,585)</b> |
| <b>Total Operating Surplus (Deficit), for the year</b>          | <b>-</b>                    | <b>(3,880,422)</b> | <b>1,602,492</b>   |
| <b>Operating Surplus (Deficit), beginning of year</b>           |                             | <b>23,743,880</b>  | <b>22,141,388</b>  |
| <b>Operating Surplus (Deficit), end of year</b>                 |                             | <b>19,863,458</b>  | <b>23,743,880</b>  |
| <b>Operating Surplus (Deficit), end of year</b>                 |                             |                    |                    |
| Internally Restricted (Note 13)                                 |                             | 14,513,458         | 18,393,880         |
| Unrestricted                                                    |                             | 5,350,000          | 5,350,000          |
| <b>Total Operating Surplus (Deficit), end of year</b>           |                             | <b>19,863,458</b>  | <b>23,743,880</b>  |

**School District No. 35 (Langley)**

## Schedule of Operating Revenue by Source

Year Ended June 30, 2026

Schedule 2A (Unaudited)

|                                                                       | 2026<br>Budget<br>(Note 17) | 2026<br>Actual     | 2025<br>Actual |
|-----------------------------------------------------------------------|-----------------------------|--------------------|----------------|
|                                                                       | \$                          | \$                 | \$             |
| <b>Provincial Grants - Ministry of Education and Child Care</b>       |                             |                    |                |
| Operating Grant, Ministry of Education and Child Care                 | 298,365,112                 | <b>298,763,817</b> | 283,932,771    |
| ISC/LEA Recovery                                                      | (104,088)                   | <b>(142,870)</b>   | (111,960)      |
| Other Ministry of Education and Child Care Grants                     |                             |                    |                |
| Pay Equity                                                            | 551,875                     | <b>551,875</b>     | 551,875        |
| Funding for Graduated Adults                                          | 500,000                     | <b>684,974</b>     | 560,111        |
| Student Transportation Fund                                           | 260,000                     | <b>260,000</b>     | 260,000        |
| Support Staff Benefits Grant                                          |                             |                    | 325,200        |
| Foundation Skills Assessment (FSA) Scorer Grant                       | 17,740                      | <b>17,740</b>      | 17,740         |
| Child Care Funding                                                    |                             | <b>274,867</b>     | 122,520        |
| Labour Settlement Funding                                             |                             | <b>7,891,056</b>   | 2,915,010      |
| Teacher Pro D Funding                                                 |                             |                    | 238,508        |
| Support Staff Funding EHB                                             |                             |                    | 177,750        |
| Early Learning Framework (ELF) Implementation                         | 3,385                       |                    |                |
| <b>Total Provincial Grants - Ministry of Education and Child Care</b> | <b>299,594,024</b>          | <b>308,301,459</b> | 288,989,525    |
| <b>Provincial Grants - Other</b>                                      | <b>272,759</b>              | <b>236,959</b>     | 238,559        |
| <b>Tuition</b>                                                        |                             |                    |                |
| Summer School Fees                                                    | 239,753                     | <b>239,753</b>     | 139,928        |
| Continuing Education                                                  | 53,000                      | <b>63,102</b>      | 70,051         |
| International and Out of Province Students                            | 17,024,860                  | <b>17,063,073</b>  | 17,432,959     |
| <b>Total Tuition</b>                                                  | <b>17,317,613</b>           | <b>17,365,928</b>  | 17,642,938     |
| <b>Other Revenues</b>                                                 |                             |                    |                |
| Funding from First Nations                                            | 104,088                     | <b>142,870</b>     | 111,960        |
| Miscellaneous                                                         |                             |                    |                |
| Other Revenues                                                        | 907,308                     | <b>745,483</b>     | 571,661        |
| Transportation                                                        | 30,000                      | <b>24,000</b>      | 18,400         |
| BC Hydro Grant                                                        | 47,000                      | <b>87,000</b>      | 60,000         |
| Salary Recoveries                                                     | 520,000                     | <b>581,714</b>     | 661,173        |
| School Generated Funds                                                |                             | <b>61,682</b>      | 71,911         |
| <b>Total Other Revenue</b>                                            | <b>1,608,396</b>            | <b>1,642,749</b>   | 1,495,105      |
| <b>Rentals and Leases</b>                                             | <b>1,251,150</b>            | <b>1,448,733</b>   | 1,329,530      |
| <b>Investment Income</b>                                              | <b>2,100,000</b>            | <b>2,118,723</b>   | 2,687,796      |
| <b>Total Operating Revenue</b>                                        | <b>322,143,942</b>          | <b>331,114,551</b> | 312,383,453    |

**School District No. 35 (Langley)**

Schedule of Operating Expense by Object

Year Ended June 30, 2026

**Schedule 2B (Unaudited)**

|                                     | 2026<br>Budget<br>(Note 17) | 2026<br>Actual     | 2025<br>Actual     |
|-------------------------------------|-----------------------------|--------------------|--------------------|
|                                     | \$                          | \$                 | \$                 |
| <b>Salaries</b>                     |                             |                    |                    |
| Teachers                            | 140,341,171                 | 139,264,720        | 128,287,987        |
| Principals and Vice Principals      | 15,971,653                  | 16,308,260         | 15,810,311         |
| Educational Assistants              | 33,723,060                  | 33,532,047         | 30,897,883         |
| Support Staff                       | 21,853,523                  | 22,666,620         | 22,296,648         |
| Other Professionals                 | 8,080,272                   | 8,354,578          | 7,270,175          |
| Substitutes                         | 13,491,705                  | 18,894,681         | 15,228,596         |
| <b>Total Salaries</b>               | <b>233,461,384</b>          | <b>239,020,906</b> | <b>219,791,600</b> |
| <b>Employee Benefits</b>            | <b>60,137,369</b>           | <b>61,901,308</b>  | <b>55,477,830</b>  |
| <b>Total Salaries and Benefits</b>  | <b>293,598,753</b>          | <b>300,922,214</b> | <b>275,269,430</b> |
| <b>Services and Supplies</b>        |                             |                    |                    |
| Services                            | 10,049,829                  | 10,247,562         | 8,958,589          |
| Student Transportation              | 217,900                     | 278,961            | 235,343            |
| Professional Development and Travel | 2,700,012                   | 2,448,132          | 2,790,822          |
| Rentals and Leases                  | 51,875                      | 58,848             | 77,085             |
| Dues and Fees                       | 1,727,335                   | 1,809,234          | 1,665,455          |
| Insurance                           | 720,893                     | 690,429            | 651,301            |
| Interest                            |                             | 21,504             | 69,561             |
| Supplies                            | 10,371,460                  | 10,598,710         | 11,398,056         |
| Utilities                           | 3,536,000                   | 3,575,786          | 3,366,734          |
| Bad Debts                           | 2,000                       |                    |                    |
| <b>Total Services and Supplies</b>  | <b>29,377,304</b>           | <b>29,729,166</b>  | <b>29,212,946</b>  |
| <b>Total Operating Expense</b>      | <b>322,976,057</b>          | <b>330,651,380</b> | <b>304,482,376</b> |

# School District No. 35 (Langley)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2026

Schedule 2C (Unaudited)

|                                                 | Teachers<br>Salaries | Principals and<br>Vice Principals<br>Salaries | Educational<br>Assistants<br>Salaries | Support<br>Staff<br>Salaries | Other<br>Professionals<br>Salaries | Substitutes<br>Salaries | Total<br>Salaries  |
|-------------------------------------------------|----------------------|-----------------------------------------------|---------------------------------------|------------------------------|------------------------------------|-------------------------|--------------------|
|                                                 | \$                   | \$                                            | \$                                    | \$                           | \$                                 | \$                      | \$                 |
| <b>1 Instruction</b>                            |                      |                                               |                                       |                              |                                    |                         |                    |
| 1.02 Regular Instruction                        | 112,244,865          | 751,135                                       | 1,093,683                             | 1,397,585                    | 10,441                             | 13,692,350              | 129,190,059        |
| 1.03 Career Programs                            | 614,021              |                                               | 418,226                               | 100,844                      |                                    | 6,988                   | 1,140,079          |
| 1.07 Library Services                           | 1,322,845            |                                               | 819,229                               | 22,021                       |                                    | 21,936                  | 2,186,031          |
| 1.08 Counselling                                | 3,848,333            |                                               |                                       |                              |                                    | 20,618                  | 3,868,951          |
| 1.10 Special Education                          | 16,146,262           | 2,102,358                                     | 28,717,837                            | 256,306                      | 1,038,543                          | 2,982,833               | 51,244,139         |
| 1.30 English Language Learning                  | 1,627,815            | 304,901                                       | 116,741                               |                              |                                    | 15,582                  | 2,065,039          |
| 1.31 Indigenous Education                       | 583,496              | 4,624                                         | 1,632,222                             | 88,270                       |                                    | 2,238                   | 2,310,850          |
| 1.41 School Administration                      |                      | 12,311,043                                    | 13,986                                | 3,895,500                    |                                    | 175,701                 | 16,396,230         |
| 1.60 Summer School                              | 1,054,783            | 174,456                                       | 211,623                               | 18,329                       |                                    | 9,069                   | 1,468,260          |
| 1.62 International and Out of Province Students | 1,822,300            | 327,824                                       | 499,143                               | 241,124                      | 457,856                            | 88,604                  | 3,436,851          |
| <b>Total Function 1</b>                         | <b>139,264,720</b>   | <b>15,976,341</b>                             | <b>33,522,690</b>                     | <b>6,019,979</b>             | <b>1,506,840</b>                   | <b>17,015,919</b>       | <b>213,306,489</b> |
| <b>4 District Administration</b>                |                      |                                               |                                       |                              |                                    |                         |                    |
| 4.11 Educational Administration                 |                      | 66,417                                        |                                       | 62,191                       | 1,477,864                          |                         | 1,606,472          |
| 4.40 School District Governance                 |                      |                                               |                                       |                              | 242,809                            |                         | 242,809            |
| 4.41 Business Administration                    |                      | 265,502                                       | 2,291                                 | 1,644,792                    | 2,787,067                          | 39,377                  | 4,739,029          |
| <b>Total Function 4</b>                         | <b>-</b>             | <b>331,919</b>                                | <b>2,291</b>                          | <b>1,706,983</b>             | <b>4,507,740</b>                   | <b>39,377</b>           | <b>6,588,310</b>   |
| <b>5 Operations and Maintenance</b>             |                      |                                               |                                       |                              |                                    |                         |                    |
| 5.41 Operations and Maintenance Administration  |                      |                                               |                                       | 87,242                       | 1,698,754                          | 1,371                   | 1,787,367          |
| 5.50 Maintenance Operations                     |                      |                                               |                                       | 13,071,894                   | 493,410                            | 1,498,703               | 15,064,007         |
| 5.52 Maintenance of Grounds                     |                      |                                               |                                       | 436,809                      |                                    | 89,664                  | 526,473            |
| 5.56 Utilities                                  |                      |                                               |                                       |                              |                                    |                         | -                  |
| <b>Total Function 5</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>13,595,945</b>            | <b>2,192,164</b>                   | <b>1,589,738</b>        | <b>17,377,847</b>  |
| <b>7 Transportation and Housing</b>             |                      |                                               |                                       |                              |                                    |                         |                    |
| 7.41 Transportation and Housing Administration  |                      |                                               |                                       | 160,716                      | 147,834                            | 40,167                  | 348,717            |
| 7.70 Student Transportation                     |                      |                                               | 7,066                                 | 1,182,997                    |                                    | 209,480                 | 1,399,543          |
| <b>Total Function 7</b>                         | <b>-</b>             | <b>-</b>                                      | <b>7,066</b>                          | <b>1,343,713</b>             | <b>147,834</b>                     | <b>249,647</b>          | <b>1,748,260</b>   |
| <b>9 Debt Services</b>                          |                      |                                               |                                       |                              |                                    |                         |                    |
| <b>Total Function 9</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>-</b>                           | <b>-</b>                | <b>-</b>           |
| <b>Total Functions 1 - 9</b>                    | <b>139,264,720</b>   | <b>16,308,260</b>                             | <b>33,532,047</b>                     | <b>22,666,620</b>            | <b>8,354,578</b>                   | <b>18,894,681</b>       | <b>239,020,906</b> |

**School District No. 35 (Langley)**  
Operating Expense by Function, Program and Object  
Year Ended June 30, 2026

Schedule 2C (Unaudited)

|                                                 | Total<br>Salaries  | Employee<br>Benefits | Total Salaries<br>and Benefits | Services and<br>Supplies | 2026<br>Actual     | 2026<br>Budget<br>(Note 17) | 2025<br>Actual     |
|-------------------------------------------------|--------------------|----------------------|--------------------------------|--------------------------|--------------------|-----------------------------|--------------------|
|                                                 | \$                 | \$                   | \$                             | \$                       | \$                 | \$                          | \$                 |
| <b>1 Instruction</b>                            |                    |                      |                                |                          |                    |                             |                    |
| 1 02 Regular Instruction                        | 129,190,059        | 32,878,262           | 162,068,321                    | 6,971,232                | 169,039,553        | 160,672,289                 | 155,360,908        |
| 1 03 Career Programs                            | 1,140,079          | 296,286              | 1,436,365                      | 304,071                  | 1,740,436          | 1,934,259                   | 1,385,412          |
| 1 07 Library Services                           | 2,186,031          | 561,020              | 2,747,051                      | 191,605                  | 2,938,656          | 3,001,862                   | 2,611,795          |
| 1 08 Counselling                                | 3,868,951          | 940,024              | 4,808,975                      | 378,083                  | 5,187,058          | 5,698,972                   | 5,075,764          |
| 1 10 Special Education                          | 51,244,139         | 14,156,344           | 65,400,483                     | 1,220,736                | 66,621,219         | 67,162,931                  | 58,933,452         |
| 1 30 English Language Learning                  | 2,065,039          | 543,995              | 2,609,034                      | 98,945                   | 2,707,979          | 4,208,388                   | 2,560,062          |
| 1 31 Indigenous Education                       | 2,310,850          | 615,801              | 2,926,651                      | 444,588                  | 3,371,239          | 3,600,147                   | 3,394,688          |
| 1 41 School Administration                      | 16,396,230         | 3,947,852            | 20,344,082                     | 906,809                  | 21,250,891         | 21,355,180                  | 20,970,511         |
| 1 60 Summer School                              | 1,468,260          | 253,126              | 1,721,386                      | 36,422                   | 1,757,808          | 1,689,109                   | 1,494,876          |
| 1 62 International and Out of Province Students | 3,436,851          | 901,337              | 4,338,188                      | 2,914,885                | 7,253,073          | 7,775,547                   | 7,054,894          |
| <b>Total Function 1</b>                         | <b>213,306,489</b> | <b>55,094,047</b>    | <b>268,400,536</b>             | <b>13,467,376</b>        | <b>281,867,912</b> | <b>277,098,684</b>          | <b>258,842,362</b> |
| <b>4 District Administration</b>                |                    |                      |                                |                          |                    |                             |                    |
| 4 11 Educational Administration                 | 1,606,472          | 426,216              | 2,032,688                      | 510,986                  | 2,543,674          | 2,367,589                   | 2,680,723          |
| 4 40 School District Governance                 | 242,809            | 15,919               | 258,728                        | 282,803                  | 541,531            | 625,733                     | 444,639            |
| 4 41 Business Administration                    | 4,739,029          | 1,221,936            | 5,960,965                      | 2,438,787                | 8,399,752          | 7,894,705                   | 7,959,021          |
| <b>Total Function 4</b>                         | <b>6,588,310</b>   | <b>1,664,071</b>     | <b>8,252,381</b>               | <b>3,232,576</b>         | <b>11,484,957</b>  | <b>10,888,027</b>           | <b>11,1084,383</b> |
| <b>5 Operations and Maintenance</b>             |                    |                      |                                |                          |                    |                             |                    |
| 5 41 Operations and Maintenance Administration  | 1,787,367          | 427,550              | 2,214,917                      | 721,268                  | 2,936,185          | 3,113,762                   | 2,987,330          |
| 5 50 Maintenance Operations                     | 15,064,007         | 4,174,557            | 19,238,564                     | 7,423,698                | 26,662,262         | 24,623,290                  | 24,272,429         |
| 5 52 Maintenance of Grounds                     | 526,473            | 152,775              | 679,248                        | 220,106                  | 899,354            | 1,036,918                   | 1,036,005          |
| 5 56 Utilities                                  | -                  | -                    | -                              | 3,568,045                | 3,568,045          | 3,511,000                   | 3,332,859          |
| <b>Total Function 5</b>                         | <b>17,377,847</b>  | <b>4,754,882</b>     | <b>22,132,729</b>              | <b>11,933,117</b>        | <b>34,065,846</b>  | <b>32,284,970</b>           | <b>31,628,623</b>  |
| <b>7 Transportation and Housing</b>             |                    |                      |                                |                          |                    |                             |                    |
| 7 41 Transportation and Housing Administration  | 348,717            | 99,247               | 447,964                        | 10,875                   | 458,839            | 310,759                     | 338,544            |
| 7 70 Student Transportation                     | 1,399,543          | 289,061              | 1,688,604                      | 1,085,222                | 2,773,826          | 2,393,617                   | 2,588,464          |
| <b>Total Function 7</b>                         | <b>1,748,260</b>   | <b>388,308</b>       | <b>2,136,568</b>               | <b>1,096,097</b>         | <b>3,232,665</b>   | <b>2,704,376</b>            | <b>2,927,008</b>   |
| <b>9 Debt Services</b>                          |                    |                      |                                |                          |                    |                             |                    |
| <b>Total Function 9</b>                         | <b>-</b>           | <b>-</b>             | <b>-</b>                       | <b>-</b>                 | <b>-</b>           | <b>-</b>                    | <b>-</b>           |
| <b>Total Functions 1 - 9</b>                    | <b>239,020,906</b> | <b>61,901,308</b>    | <b>300,922,214</b>             | <b>29,729,166</b>        | <b>330,651,380</b> | <b>322,976,057</b>          | <b>304,482,376</b> |

**School District No. 35 (Langley)**

## Schedule of Special Purpose Operations

Year Ended June 30, 2026

Schedule 3 (Unaudited)

|                                                             | 2026<br>Budget<br>(Note 17) | 2026<br>Actual    | 2025<br>Actual    |
|-------------------------------------------------------------|-----------------------------|-------------------|-------------------|
|                                                             | \$                          | \$                | \$                |
| <b>Revenues</b>                                             |                             |                   |                   |
| Provincial Grants                                           |                             |                   |                   |
| Ministry of Education and Child Care                        | 75,868,602                  | 72,324,857        | 63,632,416        |
| Federal Grants                                              | 1,014,771                   | 852,664           | 1,099,885         |
| Other Revenue                                               | 9,141,830                   | 9,348,088         | 9,340,418         |
| <b>Total Revenue</b>                                        | <u>86,025,203</u>           | <u>82,525,609</u> | <u>74,072,719</u> |
| <b>Expenses</b>                                             |                             |                   |                   |
| Instruction                                                 | 84,063,082                  | 80,675,475        | 72,163,069        |
| District Administration                                     | 1,088,344                   | 919,875           | 1,003,241         |
| Operations and Maintenance                                  | 873,777                     | 814,384           | 710,513           |
| Transportation and Housing                                  |                             | 33,775            | 37,712            |
| <b>Total Expense</b>                                        | <u>86,025,203</u>           | <u>82,443,509</u> | <u>73,914,535</u> |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <u>-</u>                    | <u>82,100</u>     | <u>158,184</u>    |
| <b>Net Transfers (to) from other funds</b>                  |                             |                   |                   |
| Tangible Capital Assets Purchased                           |                             | (82,100)          | (158,184)         |
| <b>Total Net Transfers</b>                                  | <u>-</u>                    | <u>(82,100)</u>   | <u>(158,184)</u>  |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <u>-</u>                    | <u>-</u>          | <u>-</u>          |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                             |                   |                   |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                             | <u>-</u>          | <u>-</u>          |

## Schedule 3A (Unaudited)

Deferred Revenue, beginning of year

**Less: Allocated to Revenue**

## Revenues

## Expenses

Teachers

### Educational Assistants

Other Pro

## Substitutions

## Employee Benefits

Net Revenue (Expense) before Interfund Transfers

### Tangible Capital Assets Purchased

Net Revenue (Expense)

Version: 7710-6964-4981  
September 22, 2026 10:01

**School District No. 35 (Langley)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2026

Schedule 3A (Unaudited)

**Deferred Revenue, beginning of year**

**Add:** Restricted Grants  
Provincial Grants - Ministry of Education and Child Care  
Federal Grants  
Other

**Less:** Allocated to Revenue  
Recovered

**Deferred Revenue, end of year**

**Revenues**  
Provincial Grants - Ministry of Education and Child Care  
Federal Grants  
Other Revenue

**Expenses**

Salaries  
Teachers  
Principals and Vice Principals  
Educational Assistants  
Support Staff  
Other Professionals  
Substitutes

Employee Benefits  
Services and Supplies

**Net Revenue (Expense) before Interfund Transfers**

**Interfund Transfers**

Tangible Capital Assets Purchased

**Net Revenue (Expense)**

|                                                          | Classroom<br>Enhancement<br>Fund - Remedies | First Nation<br>Student<br>Transportation | Mental<br>Health<br>in Schools | Seamless<br>Day<br>Kindergarten | Early Childhood<br>Education (ECE)<br>Dual Credit<br>Program | JUST<br>B4 | Early Care<br>& Learning<br>(ECL) | Feeding<br>Futures<br>Fund | Health<br>Career<br>Grants |
|----------------------------------------------------------|---------------------------------------------|-------------------------------------------|--------------------------------|---------------------------------|--------------------------------------------------------------|------------|-----------------------------------|----------------------------|----------------------------|
|                                                          | \$                                          | \$                                        | \$                             | \$                              | \$                                                           | \$         | \$                                | \$                         | \$                         |
| Deferred Revenue, beginning of year                      |                                             | 12,412                                    |                                |                                 | 52,049                                                       |            |                                   | 45,924                     | 979                        |
| Add: Restricted Grants                                   |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Provincial Grants - Ministry of Education and Child Care | 8,073,149                                   | 27,071                                    | 48,000                         | 170,260                         |                                                              | 25,000     | 525,000                           | 2,793,495                  |                            |
| Federal Grants                                           |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Other                                                    |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Less: Allocated to Revenue                               | 8,073,149                                   | 27,071                                    | 48,000                         | 170,260                         | -                                                            | 25,000     | 525,000                           | 2,793,495                  | -                          |
| Recovered                                                | 7,797,257                                   | 33,775                                    | 48,000                         | 170,260                         | 23,317                                                       | 25,000     | 175,000                           | 2,771,006                  | 979                        |
| Deferred Revenue, end of year                            | 275,892                                     | 5,708                                     | -                              | -                               | 28,732                                                       | -          | 350,000                           | 68,413                     | -                          |
| Revenues                                                 |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Provincial Grants - Ministry of Education and Child Care | 7,797,257                                   | 33,775                                    | 48,000                         | 170,260                         | 23,317                                                       | 25,000     | 175,000                           | 2,771,006                  | 979                        |
| Federal Grants                                           |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Other Revenue                                            | 7,797,257                                   | 33,775                                    | 48,000                         | 170,260                         | 23,317                                                       | 25,000     | 175,000                           | 2,771,006                  | 979                        |
| Expenses                                                 |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Salaries                                                 |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Teachers                                                 |                                             |                                           |                                |                                 |                                                              |            |                                   | 105,037                    |                            |
| Principals and Vice Principals                           |                                             |                                           |                                |                                 |                                                              |            | 146,020                           | 174,010                    |                            |
| Educational Assistants                                   |                                             |                                           |                                | 119,736                         |                                                              | 19,253     |                                   | 426,034                    |                            |
| Support Staff                                            |                                             |                                           |                                | 699                             |                                                              |            |                                   | 1,901                      |                            |
| Other Professionals                                      |                                             |                                           | 39,430                         |                                 |                                                              |            |                                   |                            |                            |
| Substitutes                                              |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Employee Benefits                                        | -                                           | -                                         | 39,430                         | 120,435                         | -                                                            | 19,253     | 146,020                           | 706,982                    | -                          |
| Services and Supplies                                    | 7,797,257                                   | 33,775                                    | 8,570                          | 41,187                          | 23,317                                                       | 5,747      | 28,980                            | 198,015                    | 979                        |
|                                                          | 7,797,257                                   | 33,775                                    | 48,000                         | 170,260                         | 23,317                                                       | 25,000     | 175,000                           | 2,771,006                  | 979                        |
| Net Revenue (Expense) before Interfund Transfers         | -                                           | -                                         | -                              | -                               | -                                                            | -          | -                                 | -                          | -                          |
| Interfund Transfers                                      |                                             |                                           |                                |                                 |                                                              |            |                                   |                            |                            |
| Tangible Capital Assets Purchased                        | -                                           | -                                         | -                              | -                               | -                                                            | -          | -                                 | -                          | -                          |
| Net Revenue (Expense)                                    | -                                           | -                                         | -                              | -                               | -                                                            | -          | -                                 | -                          | -                          |

**School District No. 35 (Langley)**  
Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2026

Schedule 3A (Unaudited)

|                                                          | Professional Learning Grant | National School Food Program | Project Resiliency | SWIS    | TOTAL      |
|----------------------------------------------------------|-----------------------------|------------------------------|--------------------|---------|------------|
|                                                          | \$                          | \$                           | \$                 | \$      | \$         |
| Deferred Revenue, beginning of year                      | 208,468                     | 215,249                      |                    | 377,440 | 8,003,943  |
| Add: Restricted Grants                                   |                             |                              |                    |         |            |
| Provincial Grants - Ministry of Education and Child Care |                             | 401,150                      |                    |         | 78,999,770 |
| Federal Grants                                           |                             |                              |                    | 905,427 | 905,427    |
| Other                                                    |                             |                              | 394,184            |         | 9,711,245  |
| Less: Allocated to Revenue                               | -                           | 401,150                      |                    | 905,427 | 89,616,442 |
| Recovered                                                | 15,619                      | 93,025                       | 394,184            | 852,664 | 82,525,609 |
| Deferred Revenue, end of year                            | 197,849                     | 523,374                      | -                  | 430,203 | 9,645,263  |
| <b>Revenues</b>                                          |                             |                              |                    |         |            |
| Provincial Grants - Ministry of Education and Child Care | 15,619                      | 93,025                       |                    |         | 72,324,857 |
| Federal Grants                                           |                             |                              |                    | 852,664 | 852,664    |
| Other Revenue                                            | 15,619                      | 93,025                       | 394,184            |         | 9,348,088  |
|                                                          |                             |                              |                    | 852,664 | 82,525,609 |
| <b>Expenses</b>                                          |                             |                              |                    |         |            |
| Salaries                                                 |                             |                              |                    |         |            |
| Teachers                                                 |                             |                              | 55,855             | 61,698  | 45,148,303 |
| Principals and Vice Principals                           |                             |                              | 96,320             | 12,296  | 441,703    |
| Educational Assistants                                   |                             |                              | 67,242             | 439,452 | 3,201,506  |
| Support Staff                                            |                             |                              |                    | 45,464  | 473,193    |
| Other Professionals                                      |                             |                              | 103,485            | 77,350  | 332,004    |
| Substitutes                                              | 13,204                      |                              |                    | 1,343   | 2,054,557  |
|                                                          | 13,204                      |                              | 322,902            | 637,603 | 51,651,266 |
| Employee Benefits                                        | 2,055                       | -                            | 72,839             | 182,019 | 11,465,362 |
| Services and Supplies                                    | 360                         | 10,925                       | (1,557)            | 33,042  | 19,326,881 |
|                                                          | 15,619                      | 10,925                       | 394,184            | 852,664 | 82,443,509 |
| <b>Net Revenue (Expense) before Interfund Transfers</b>  | -                           | 82,100                       | -                  | -       | 82,100     |
| <b>Interfund Transfers</b>                               |                             |                              |                    |         |            |
| Tangible Capital Assets Purchased                        |                             | (82,100)                     |                    |         | (82,100)   |
|                                                          | -                           | (82,100)                     | -                  | -       | (82,100)   |
| <b>Net Revenue (Expense)</b>                             | -                           | -                            | -                  | -       | -          |

# School District No. 35 (Langley)

## Schedule of Capital Operations

Year Ended June 30, 2026

Schedule 4 (Unaudited)

|                                                          | 2026<br>Budget<br>(Note 17) | 2026 Actual                            |                    |                    | 2025<br>Actual     |
|----------------------------------------------------------|-----------------------------|----------------------------------------|--------------------|--------------------|--------------------|
|                                                          |                             | Invested in Tangible<br>Capital Assets | Local<br>Capital   | Fund<br>Balance    |                    |
|                                                          | \$                          | \$                                     | \$                 | \$                 | \$                 |
| <b>Revenues</b>                                          |                             |                                        |                    |                    |                    |
| Provincial Grants                                        |                             |                                        |                    |                    |                    |
| Ministry of Education and Child Care                     | 150,000                     | 367,225                                |                    | 367,225            | 30,733,407         |
| Municipal Grants Spent on Sites                          |                             |                                        |                    | -                  | 3,032,923          |
| Investment Income                                        | 100,000                     |                                        | 39,752             | 39,752             | 22,323             |
| Gain (Loss) on Disposal of Tangible Capital Assets       | -                           |                                        |                    | -                  |                    |
| Amortization of Deferred Capital Revenue                 | 13,763,140                  | 13,817,513                             |                    | 13,817,513         | 12,473,953         |
| <b>Total Revenue</b>                                     | <u>14,013,140</u>           | <u>14,184,738</u>                      | <u>39,752</u>      | <u>14,224,490</u>  | <u>46,262,606</u>  |
| <b>Expenses</b>                                          |                             |                                        |                    |                    |                    |
| Operations and Maintenance                               | 150,000                     | 350,918                                |                    | 350,918            | 469,809            |
| Amortization of Tangible Capital Assets                  |                             |                                        |                    |                    |                    |
| Operations and Maintenance                               | 19,188,332                  | 18,947,830                             |                    | 18,947,830         | 17,468,269         |
| Transportation and Housing                               | 850,337                     | 850,771                                |                    | 850,771            | 764,333            |
| Asset Retirement Obligation revaluation                  |                             | (2,802,586)                            |                    | (2,802,586)        | 6,191,564          |
| <b>Total Expense</b>                                     | <u>20,188,669</u>           | <u>17,346,933</u>                      | <u>-</u>           | <u>17,346,933</u>  | <u>24,893,975</u>  |
| <b>Capital Surplus (Deficit) for the year</b>            | <u>(6,175,529)</u>          | <u>(3,162,195)</u>                     | <u>39,752</u>      | <u>(3,122,443)</u> | <u>21,368,631</u>  |
| <b>Net Transfers (to) from other funds</b>               |                             |                                        |                    |                    |                    |
| Tangible Capital Assets Purchased                        |                             | 82,100                                 |                    | 82,100             | 158,184            |
| Local Capital                                            | 7,133,574                   |                                        | 4,343,593          | 4,343,593          | 6,298,585          |
| <b>Total Net Transfers</b>                               | <u>7,133,574</u>            | <u>82,100</u>                          | <u>4,343,593</u>   | <u>4,425,693</u>   | <u>6,456,769</u>   |
| <b>Other Adjustments to Fund Balances</b>                |                             |                                        |                    |                    |                    |
| Tangible Capital Assets Purchased from Local Capital     |                             | 4,318,411                              | (4,318,411)        | -                  |                    |
| Tangible Capital Assets WIP Purchased from Local Capital |                             | 25,182                                 | (25,182)           | -                  |                    |
| <b>Total Other Adjustments to Fund Balances</b>          |                             | <u>4,343,593</u>                       | <u>(4,343,593)</u> | <u>-</u>           |                    |
| <b>Total Capital Surplus (Deficit) for the year</b>      | <u>958,045</u>              | <u>1,263,498</u>                       | <u>39,752</u>      | <u>1,303,250</u>   | <u>27,825,400</u>  |
| <b>Capital Surplus (Deficit), beginning of year</b>      |                             | <u>156,771,785</u>                     | <u>768,600</u>     | <u>157,540,385</u> | <u>129,714,985</u> |
| <b>Capital Surplus (Deficit), end of year</b>            |                             | <u>158,035,283</u>                     | <u>808,352</u>     | <u>158,843,635</u> | <u>157,540,385</u> |

# School District No. 35 (Langley)

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                     | 136,380,086 | 549,844,936 | 37,898,871              | 8,114,997 | 97,504            | 12,043,022        | 744,379,416 |
| Changes for the Year                        |             |             |                         |           |                   |                   |             |
| Increase:                                   |             |             |                         |           |                   |                   |             |
| Purchases from:                             |             |             |                         |           |                   |                   |             |
| Deferred Capital Revenue - Bylaw            |             |             | 763,727                 | 444,545   |                   |                   | 444,545     |
| Deferred Capital Revenue - Other            |             |             | 82,100                  |           |                   |                   | 763,727     |
| Special Purpose Funds                       |             |             | 912,156                 |           |                   |                   | 82,100      |
| Local Capital                               |             | 1,742,365   |                         | 489,048   |                   | 1,174,842         | 4,318,411   |
| Transferred from Work in Progress           |             | 63,439,369  | 2,985,239               |           |                   |                   | 66,424,608  |
|                                             | -           | 65,181,734  | 4,743,222               | 933,593   | -                 | 1,174,842         | 72,033,391  |
| Decrease:                                   |             |             |                         |           |                   |                   |             |
| Deemed Disposals                            |             | 2,786,279   | 2,073,394               | 148,174   | 23,322            | 2,370,729         | 4,615,619   |
| Asset Retirement Obligation Revaluation     |             |             |                         |           |                   |                   | 2,786,279   |
|                                             | -           | 2,786,279   | 2,073,394               | 148,174   | 23,322            | 2,370,729         | 7,401,898   |
| Cost, end of year                           | 136,380,086 | 612,240,391 | 40,568,699              | 8,900,416 | 74,182            | 10,847,135        | 809,010,909 |
| Work in Progress, end of year               |             | 107,077,813 | 384,611                 |           |                   |                   | 107,462,424 |
| Cost and Work in Progress, end of year      | 136,380,086 | 719,318,204 | 40,953,310              | 8,900,416 | 74,182            | 10,847,135        | 916,473,333 |
| Accumulated Amortization, beginning of year |             | 265,744,987 | 18,877,278              | 3,600,934 | 47,471            | 5,996,478         | 294,267,148 |
| Changes for the Year                        |             |             |                         |           |                   |                   |             |
| Amortization for the Year                   |             | 12,717,722  | 3,923,925               | 850,771   | 17,168            | 2,289,015         | 19,798,601  |
|                                             |             | 12,717,722  | 3,923,925               | 850,771   | 17,168            | 2,289,015         | 19,798,601  |
| Deemed Disposals                            |             |             | 2,073,394               | 148,174   | 23,322            | 2,370,729         | 4,615,619   |
| Written-off During Year                     |             | 2,786,279   |                         |           |                   |                   | -           |
| Asset Retirement Obligation Revaluation     |             |             |                         |           |                   |                   | 2,786,279   |
|                                             |             | 2,786,279   | 2,073,394               | 148,174   | 23,322            | 2,370,729         | 7,401,898   |
| Accumulated Amortization, end of year       |             | 275,676,430 | 20,727,809              | 4,303,531 | 41,317            | 5,914,764         | 306,663,851 |
| Tangible Capital Assets - Net               | 136,380,086 | 443,641,774 | 20,225,501              | 4,596,885 | 32,865            | 4,932,371         | 609,809,482 |

**School District No. 35 (Langley)**

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

|                                            | <b>Buildings</b>          | <b>Furniture and<br/>Equipment</b> | <b>Computer<br/>Software</b> | <b>Computer<br/>Hardware</b> | <b>Total</b>              |
|--------------------------------------------|---------------------------|------------------------------------|------------------------------|------------------------------|---------------------------|
|                                            | <b>\$</b>                 | <b>\$</b>                          | <b>\$</b>                    | <b>\$</b>                    | <b>\$</b>                 |
| <b>Work in Progress, beginning of year</b> | 52,738,641                | 447,562                            |                              |                              | <b>53,186,203</b>         |
| <b>Changes for the Year</b>                |                           |                                    |                              |                              |                           |
| Increase:                                  |                           |                                    |                              |                              |                           |
| Deferred Capital Revenue - Bylaw           | 116,753,359               | 2,922,288                          |                              |                              | <b>119,675,647</b>        |
| Deferred Capital Revenue - Other           | 1,000,000                 |                                    |                              |                              | <b>1,000,000</b>          |
| Local Capital                              | 25,182                    |                                    |                              |                              | <b>25,182</b>             |
|                                            | <u>117,778,541</u>        | <u>2,922,288</u>                   | <u>-</u>                     | <u>-</u>                     | <u><b>120,700,829</b></u> |
| Decrease:                                  |                           |                                    |                              |                              |                           |
| Transferred to Tangible Capital Assets     | 63,439,369                | 2,985,239                          |                              |                              | <b>66,424,608</b>         |
|                                            | <u>63,439,369</u>         | <u>2,985,239</u>                   | <u>-</u>                     | <u>-</u>                     | <u><b>66,424,608</b></u>  |
| <b>Net Changes for the Year</b>            | <u>54,339,172</u>         | <u>(62,951)</u>                    | <u>-</u>                     | <u>-</u>                     | <u><b>54,276,221</b></u>  |
| <b>Work in Progress, end of year</b>       | <u><b>107,077,813</b></u> | <u><b>384,611</b></u>              | <u><b>-</b></u>              | <u><b>-</b></u>              | <u><b>107,462,424</b></u> |

**School District No. 35 (Langley)**

Deferred Capital Revenue  
Year Ended June 30, 2026

Schedule 4C (Unaudited)

|                                                       | Bylaw<br>Capital   | Other<br>Provincial | Other<br>Capital | Total<br>Capital   |
|-------------------------------------------------------|--------------------|---------------------|------------------|--------------------|
|                                                       | \$                 | \$                  | \$               | \$                 |
| <b>Deferred Capital Revenue, beginning of year</b>    | 232,070,135        | 20,853,848          | 3,196,147        | <b>256,120,130</b> |
| <b>Changes for the Year</b>                           |                    |                     |                  |                    |
| Increase:                                             |                    |                     |                  |                    |
| Transferred from Deferred Revenue - Capital Additions | 444,545            |                     | 763,727          | <b>1,208,272</b>   |
| Transferred from Work in Progress                     | 5,842,411          | 60,582,197          |                  | <b>66,424,608</b>  |
|                                                       | 6,286,956          | 60,582,197          | 763,727          | <b>67,632,880</b>  |
| Decrease:                                             |                    |                     |                  |                    |
| Amortization of Deferred Capital Revenue              | 11,945,981         | 1,448,489           | 423,043          | <b>13,817,513</b>  |
|                                                       | 11,945,981         | 1,448,489           | 423,043          | <b>13,817,513</b>  |
| <b>Net Changes for the Year</b>                       | <b>(5,659,025)</b> | <b>59,133,708</b>   | <b>340,684</b>   | <b>53,815,367</b>  |
| <b>Deferred Capital Revenue, end of year</b>          | <b>226,411,110</b> | <b>79,987,556</b>   | <b>3,536,831</b> | <b>309,935,497</b> |
| <b>Work in Progress, beginning of year</b>            | 53,082,021         |                     |                  | <b>53,082,021</b>  |
| <b>Changes for the Year</b>                           |                    |                     |                  |                    |
| Increase                                              |                    |                     |                  |                    |
| Transferred from Deferred Revenue - Work in Progress  | 119,675,647        | 1,000,000           |                  | <b>120,675,647</b> |
|                                                       | 119,675,647        | 1,000,000           | -                | <b>120,675,647</b> |
| Decrease                                              |                    |                     |                  |                    |
| Transferred to Deferred Capital Revenue               | 5,842,411          | 60,582,197          |                  | <b>66,424,608</b>  |
|                                                       | 5,842,411          | 60,582,197          | -                | <b>66,424,608</b>  |
| <b>Net Changes for the Year</b>                       | <b>113,833,236</b> | <b>(59,582,197)</b> | <b>-</b>         | <b>54,251,039</b>  |
| <b>Work in Progress, end of year</b>                  | <b>166,915,257</b> | <b>(59,582,197)</b> | <b>-</b>         | <b>107,333,060</b> |
| <b>Total Deferred Capital Revenue, end of year</b>    | <b>393,326,367</b> | <b>20,405,359</b>   | <b>3,536,831</b> | <b>417,268,557</b> |

**School District No. 35 (Langley)**  
Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2026

Schedule 4D (Unaudited)

|                                                                    | Bylaw<br>Capital | MECC<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital  | Other<br>Capital | Total            |
|--------------------------------------------------------------------|------------------|-------------------------------|--------------------------------|------------------|------------------|------------------|
|                                                                    | \$               | \$                            | \$                             | \$               | \$               | \$               |
| Balance, beginning of year                                         | 89,008           | 1,367,257                     |                                | 2,214,688        |                  | 3,670,953        |
| <b>Changes for the Year</b>                                        |                  |                               |                                |                  |                  |                  |
| Increase:                                                          |                  |                               |                                |                  |                  |                  |
| Provincial Grants - Ministry of Education and Child Care           | 120,309,784      |                               |                                |                  |                  | 120,309,784      |
| Other                                                              |                  |                               |                                | 752,683          | 763,727          | 1,516,410        |
| Investment Income                                                  | (350,918)        | 18,597                        |                                | 57,491           |                  | 76,088           |
| Reclassify for AFG Expense Projects                                | 119,958,866      | 18,597                        | -                              | 810,174          | 763,727          | (350,918)        |
| Decrease:                                                          |                  |                               |                                |                  |                  |                  |
| Transferred to DCR - Capital Additions                             | 444,545          |                               |                                |                  | 763,727          | 1,208,272        |
| Transferred to DCR - Work in Progress                              | 119,675,647      | 1,000,000                     |                                |                  |                  | 120,675,647      |
| Transferred to Revenue - Settlement of Asset Retirement Obligation | 16,307           |                               |                                |                  |                  | 16,307           |
|                                                                    | 120,136,499      | 1,000,000                     | -                              | -                | 763,727          | 121,900,226      |
| <b>Net Changes for the Year</b>                                    | (177,633)        | (981,403)                     | -                              | 810,174          | -                | (348,862)        |
| <b>Balance, end of year</b>                                        | <b>(88,625)</b>  | <b>385,854</b>                | <b>-</b>                       | <b>3,024,862</b> | <b>-</b>         | <b>3,322,091</b> |