

Audited Financial Statements of

School District No. 62 (Sooke)

And Independent Auditors' Report thereon

June 30, 2026

School District No. 62 (Sooke)

June 30, 2026

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School District No. 62 (Sooke)

MANAGEMENT REPORT

Version: 7313-6567-4585

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 62 (Sooke) 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.

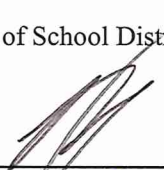
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 62 (Sooke) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, KPMG LLP, 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. 62 (Sooke) 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.

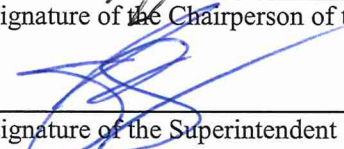
On behalf of School District No. 62 (Sooke)



Signature of the Chairperson of the Board of Education

September 29, 2026

Date Signed



Signature of the Superintendent

Sept. 29, 2026

Date Signed



Signature of the Secretary Treasurer

September 29, 2026

Date Signed



KPMG LLP

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800-730 View Street
Victoria BC V8W 3Y7
Canada
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education of School District No. 62 (Sooke), and
To the Minister of Education and Child Care, Province of British Columbia

Opinion

We have audited the financial statements of School District No. 62 (Sooke) (the Entity), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Entity as at and for the year ended June 30, 2026 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document.
- 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 Other Information, other than the financial statements and the auditor's report thereon, included in the Financial Statement Discussion and Analysis document and 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.

Chartered Professional Accountants

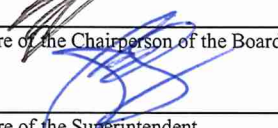
Victoria, Canada
September 29, 2026

School District No. 62 (Sooke)

Statement 1

Statement of Financial Position

As at June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	43,015,629	41,786,398
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	2,339,467	3,720,656
Due from Province - Other	41,480	66,709
Due from First Nations	418,699	361,295
Other (Note 3)	682,085	892,142
Portfolio Investments (Note 4)	41,484	
Total Financial Assets	46,538,844	46,827,200
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	25,438	24,587
Other (Note 6)	14,639,073	16,062,493
Unearned Revenue (Note 7)	6,426,825	6,383,350
Deferred Revenue (Note 8)	2,975,156	2,695,446
Deferred Capital Revenue (Note 9)	326,093,207	327,396,799
Employee Future Benefits (Note 10)	7,100,105	6,761,135
Asset Retirement Obligation (Note 21)	4,650,192	4,659,561
Total Liabilities	361,909,996	363,983,371
Net Debt	(315,371,152)	(317,156,171)
Non-Financial Assets		
Tangible Capital Assets (Note 11)	481,435,462	478,486,834
Restricted Assets (Endowments) (Note 13)	673,449	673,449
Prepaid Expenses (Note 5)	3,827,913	3,102,525
Other Assets	319,000	600,000
Total Non-Financial Assets	486,255,824	482,862,808
Accumulated Surplus (Deficit) (Note 23)	170,884,672	165,706,637
Contractual Obligations (Note 17)		
Contractual Rights (Note 18)		
Contingent Liabilities (Note 19)		
Approved by the Board		
Signature of the Chairperson of the Board of Education		September 29, 2026 Date Signed
Signature of the Superintendent		Sept. 29, 2026 Date Signed
Signature of the Secretary Treasurer		September 29, 2026 Date Signed

School District No. 62 (Sooke)

Statement 2

Statement of Operations

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	211,815,053	216,424,587	223,219,550
Other	169,121	143,913	4,694,500
Federal Grants			49,393
Tuition	8,276,500	8,100,623	7,840,268
Other Revenue	9,109,878	8,033,248	7,486,825
Rentals and Leases	589,114	767,855	610,131
Investment Income	933,246	906,566	1,134,609
Gain (Loss) on Disposal of Tangible Capital Assets		318,752	
Amortization of Deferred Capital Revenue	13,109,632	13,050,264	12,050,098
Amortization of Deferred Capital Revenue - for lease	61,477	61,477	61,477
Total Revenue	<u>244,064,021</u>	<u>247,807,285</u>	<u>257,146,851</u>
Expenses (Note 22)			
Instruction	201,862,620	199,653,793	187,271,635
District Administration	8,704,798	8,254,847	7,629,301
Operations and Maintenance	29,806,567	29,208,673	28,175,925
Transportation and Housing	5,180,175	5,511,937	4,989,969
Asset Retirement Obligation Revaluation			(2,216,446)
Total Expense	<u>245,554,160</u>	<u>242,629,250</u>	<u>225,850,384</u>
Surplus (Deficit) for the year	<u>(1,490,139)</u>	<u>5,178,035</u>	<u>31,296,467</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		165,706,637	134,410,170
Accumulated Surplus (Deficit) from Operations, end of year		<u>170,884,672</u>	<u>165,706,637</u>

School District No. 62 (Sooke)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(1,490,139)	5,178,035	31,296,467
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(12,129,976)	(17,099,580)	(67,281,938)
Amortization of Tangible Capital Assets	14,038,430	14,150,704	13,039,868
Net carrying value of Tangible Capital Assets disposed of		248	
Asset Retirement Obligation Revaluation			6,989
Total Effect of change in Tangible Capital Assets	1,908,454	(2,948,628)	(54,235,081)
Acquisition of Prepaid Expenses		(2,039,958)	(1,253,093)
Use of Prepaid Expenses		1,314,570	899,560
Acquisition of Other Assets		(319,000)	(1,860,258)
Use of Other Assets		600,000	1,510,258
Total Effect of change in Other Non-Financial Assets	-	(444,388)	(703,533)
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	418,315	1,785,019	(23,642,147)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		1,785,019	(23,642,147)
Net Debt, beginning of year		(317,156,171)	(293,514,024)
Net Debt, end of year		(315,371,152)	(317,156,171)

School District No. 62 (Sooke)

Statement 5

Statement of Cash Flows

Year Ended June 30, 2026

	2026 Actual	2025 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	5,178,035	31,296,467
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,559,071	(966,229)
Prepaid Expenses	(725,388)	(353,533)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,422,569)	(934,667)
Unearned Revenue	43,475	335,759
Deferred Revenue	279,710	126,320
Employee Future Benefits	338,970	352,772
Asset Retirement Obligations	(9,369)	(2,216,446)
Loss (Gain) on Disposal of Tangible Capital Assets	248	
Amortization of Tangible Capital Assets	14,150,704	13,039,868
Amortization of Deferred Capital Revenue	(13,050,264)	(12,050,098)
Recognition of Deferred Capital Revenue Spent on Sites	(187,805)	(25,442,816)
Deferred Capital Revenue Transferred to Revenue	(655,427)	(1,175,716)
Amortization of Deferred Capital Revenue - for lease	(61,477)	(61,477)
Total Operating Transactions	5,437,914	1,950,204
Capital Transactions		
Tangible Capital Assets Purchased	(1,546,441)	(28,197,666)
Tangible Capital Assets -WIP Purchased	(15,553,139)	(39,084,272)
Use (Acquisition) of Other Assets	281,000	(350,000)
Total Capital Transactions	(16,818,580)	(67,631,938)
Financing Transactions		
Capital Revenue Received	12,651,381	66,815,586
Total Financing Transactions	12,651,381	66,815,586
Investing Transactions		
Investments in Portfolio Investments	(41,484)	
Total Investing Transactions	(41,484)	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,229,231	1,133,852
Cash and Cash Equivalents, beginning of year	41,786,398	40,652,546
Cash and Cash Equivalents, end of year	43,015,629	41,786,398
Cash and Cash Equivalents, end of year, is made up of:		
Cash	29,536,053	28,617,422
Cash Equivalents	13,479,576	13,168,976
	43,015,629	41,786,398

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 62 (Sooke)", and operates as "School District No. 62 (Sooke)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education and Child Care. School District No. 62 (Sooke) is exempt from federal and provincial corporate income taxes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

b) Basis of Consolidation

The School District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

The School District has entered into trust activities with some employees; these are described in Note 14.

c) Cash and Cash Equivalents

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

d) Accounts Receivable

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

e) Portfolio Investments

Portfolio investments include investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's are reported at cost.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

f) 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.

g) Deferred Revenue and Deferred Capital Revenue

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

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.

h) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

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

The most recent valuation of the obligation was performed at March 31, 2025 and projected to March 31, 2028. 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.

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

i) Asset Retirement Obligations

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

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The liability includes costs for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities. 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 2k). The carrying value of the liability is reviewed annually with changes to the timing or amount of the original estimate of cash flows recorded as an adjustment to the liability and related tangible capital asset.

j) Liability for Contaminated Sites

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

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

k) Tangible Capital Assets

The following criteria apply:

- 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 of the asset.
- Donated tangible capital assets from non-related parties are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful life is as follows:

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

l) Capital Leases

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

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

m) Prepaid Expenses

Payments for insurance, leases, subscriptions and maintenance contracts for use within the School District in the future period are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

n) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 15 – Interfund Transfers and Note 23 – Accumulated Surplus).

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

o) Revenue Recognition

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

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

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

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

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

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

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

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

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

p) Expenditures

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

Categories of Salaries

- Principals and Vice-Principals employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Associate Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

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

q) Endowment Contributions

Endowment contributions are reported as revenue on the Statement of Operations when received. Investment income earned on endowment principal is recorded as deferred revenue if it meets the definition of a liability and is recognized as revenue in the year related expenses (disbursements) are incurred. If the investment income earned does not meet the definition of a liability, it is recognized as revenue in the year it is earned. Endowment assets are reported as restricted non-financial assets on the Statement of Financial Position.

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**YEAR ENDED JUNE 30, 2026

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**r) 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, portfolio investments, accounts payable and accrued liabilities. The School District does not have any derivative financial instruments.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. The School District has not invested in any equity instruments that are actively quoted in the market and has not designated any financial instruments to be recorded at fair value. The School District has no instruments in the fair value category and therefore no statement of remeasurement gains or losses is presented.

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

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

s) Measurement Uncertainty

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2026	June 30, 2025
Due from Federal Government	\$ -	\$ 192,486
Payroll accounts receivable	1,218	-
School site acquisition charges receivable	59,899	86,396
Other accounts receivable	620,968	613,260
	<u>\$ 682,085</u>	<u>\$ 892,142</u>

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS****YEAR ENDED JUNE 30, 2026****NOTE 4 PORTFOLIO INVESTMENTS**

	June 30, 2026	June 30, 2025
Investments in the cost and amortized cost category: GIC's	\$ 41,484	\$ -
	\$ 41,484	\$ -

NOTE 5 PREPAID LEASE

The School District prepaid a long-term lease to the Federal Government for the use of the John Stubbs Memorial School site for 50 years. This lease started on July 1, 2005 and ends on June 30, 2055.

The unamortized balance of the lease represents \$1,787,952 (2025: \$1,849,432) of the prepaid expenses.

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	June 30, 2025
Trade payables	\$ 4,204,352	\$ 8,065,144
Salaries and benefits payable	9,706,192	7,174,211
Accrued vacation pay	728,529	823,138
	\$ 14,639,073	\$ 16,062,493

NOTE 7 UNEARNED REVENUE

	June 30, 2026	June 30, 2025
Balance, beginning of year	\$ 6,383,350	\$ 6,047,591
Increase:		
Tuition fees collected	8,144,098	8,176,027
Transportation safety enhancement fees collected	55,010	59,216
Bus fees collected	576,771	628,420
	8,775,879	8,863,663
Decrease:		
Tuition fees recognized	(8,100,623)	(7,840,268)
Transportation safety enhancement fees recognized	(55,010)	(59,216)
Bus fees recognized	(576,771)	(628,420)
	(8,732,404)	(8,527,904)
Net change for the year	43,475	335,759
Balance, end of year	\$ 6,426,825	\$ 6,383,350

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2026

NOTE 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
Balance, beginning of year	\$ 2,695,446	\$ 2,569,126
Increase:		
Provincial Grants - Ministry of Education and Child Care	35,844,212	33,206,298
Provincial Grants - Other	11,111	-
Federal Grants	-	21,398
Other revenue	5,598,599	5,628,814
Investment income	39,142	43,319
	<u>41,493,064</u>	<u>38,899,829</u>
Decrease:		
Transfers to revenue	(41,106,390)	(38,773,409)
Grants recovered	(106,964)	(100)
	<u>(41,213,354)</u>	<u>(38,773,509)</u>
Net change for the year	279,710	126,320
Balance, end of year	\$ 2,975,156	\$ 2,695,446

NOTE 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
Deferred Capital Revenue Subject to Amortization		
Balance, beginning of year	\$ 275,746,887	\$ 254,468,488
Increases:		
Transfer from deferred capital revenue – capital additions	1,049,728	2,482,811
Transfer from deferred capital revenue – work in progress	49,338,909	30,907,163
	<u>50,388,637</u>	<u>33,389,974</u>
Decreases:		
Amortization of deferred capital revenue	(13,050,264)	(12,050,098)
Amortization of long term lease	(61,477)	(61,477)
	<u>(13,111,741)</u>	<u>(12,111,575)</u>
Net change for the year	37,276,896	(21,278,399)
Balance, end of year	\$ 313,023,783	\$ 275,746,887

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

	June 30, 2026	June 30, 2025
Deferred Capital Revenue - Work In Progress		
Balance, beginning of year	\$ 42,533,786	\$ 34,821,387
Increases:		
Transfer from deferred capital revenue - unspent	13,373,052	38,619,562
	<u>13,373,052</u>	<u>38,619,562</u>
Decreases:		
Transfer to deferred capital revenue subject to amortization	(49,338,909)	(30,907,163)
	<u>(49,338,909)</u>	<u>(30,907,163)</u>
Net change for the year	(35,965,857)	7,712,399
Balance, end of year	<u>\$ 6,567,929</u>	<u>\$ 42,533,786</u>
	June 30, 2026	June 30, 2025
Deferred Capital Revenue - Unspent		
Balance, beginning of year	\$ 9,116,126	\$ 10,021,445
Increases:		
Provincial Grants - Ministry of Education and Child Care	9,859,573	56,944,685
Provincial Grants – Other	837,318	7,188,978
Other	1,940,981	2,663,310
Investment income	13,509	18,613
	<u>12,651,381</u>	<u>66,815,586</u>
Decreases:		
Transfer to deferred capital revenue – capital additions	(1,049,728)	(2,482,811)
Transfer to deferred capital revenue – work in progress	(13,373,052)	(38,619,562)
Transfer to revenue – site purchases	(187,805)	(25,442,816)
Transfer to revenue – expensed costs	(655,427)	(1,175,716)
	<u>(15,266,012)</u>	<u>(67,720,905)</u>
Net change for the year	(2,614,631)	(905,319)
Balance, end of year	<u>\$ 6,501,495</u>	<u>\$ 9,116,126</u>
Total Deferred Capital Revenue Balance, end of year	<u>\$ 326,093,207</u>	<u>\$ 327,396,799</u>

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

	June 30, 2026	June 30, 2025
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation - April 1	\$ 6,679,235	\$ 5,852,596
Service cost	743,699	560,204
Interest cost	282,371	260,682
Benefit payments	(744,082)	(514,811)
Actuarial loss (gain)	(250,402)	520,564
Accrued benefit obligation - March 31	\$ 6,710,821	\$ 6,679,235
Reconciliation of Funded Status at End of Fiscal Year		
Accrued benefit obligation - March 31	\$ 6,710,821	\$ 6,679,235
Market value of Plan Assets - March 31	-	-
Funded Status - Deficit	(6,710,821)	(6,679,235)
Employer contributions after measurement date	36,354	73,766
Benefits expense after measurement date	(257,918)	(256,518)
Unamortized net actuarial loss	(167,720)	100,852
Accrued benefit liability - June 30	\$ (7,100,105)	\$ (6,761,135)
Reconciliation of Change in Accrued Benefit Liability		
Accrued benefit liability - July 1	\$ 6,761,135	\$ 6,408,363
Net expense for fiscal year	1,045,640	907,915
Employer contributions	(706,670)	(555,143)
Accrued benefit liability - June 30	\$ 7,100,105	\$ 6,761,135
Components of Net Benefit Expense		
Service cost	\$ 735,095	\$ 606,078
Interest cost	292,375	266,104
Amortization of net actuarial loss	18,170	35,733
Net benefit expense for fiscal year	\$ 1,045,640	\$ 907,915
	2026	2025

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

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	12.5	12.5

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 11 TANGIBLE CAPITAL ASSETS

Net Book Value	June 30, 2026	June 30, 2025
Sites	\$ 145,935,293	\$ 145,686,906
Buildings	305,192,164	267,194,611
Buildings – WIP	6,130,899	43,134,497
Furniture & Equipment	15,691,617	14,117,583
Furniture – WIP	437,030	399,288
Vehicles	7,960,233	7,853,666
Computer Software	-	-
Computer Hardware	88,226	100,283
Total	\$ 481,435,462	\$ 478,486,834

June 30, 2026

Cost:	Balance at July 1, 2025	Additions	Disposals / Revaluation	Transfers (WIP)	Balance at June 30, 2026
Sites	\$ 145,686,906	\$ 248,635	\$ (248)	\$ -	\$ 145,935,293
Buildings	410,921,948	-	-	48,329,663	459,251,611
Buildings – WIP	43,134,497	11,326,065	-	(48,329,663)	6,130,899
Furniture & Equipment	27,235,140	-	(6,353,656)	4,189,332	25,070,816
Furniture – WIP	399,288	4,227,074	-	(4,189,332)	437,030
Vehicles	11,409,918	1,277,214	(684,101)	-	12,003,031
Computer Software	-	-	-	-	-
Computer Hardware	152,948	20,592	-	-	173,540
Computer Hardware - WIP	-	-	-	-	-
Total	\$ 638,940,645	\$ 17,099,580	\$ (7,038,005)	\$ -	\$ 649,002,220

Accumulated Amortization:	Balance at July 1, 2025	Amortization	Disposals / Revaluation	Balance at June 30, 2026
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	143,727,337	10,332,110	-	154,059,447
Furniture & Equipment	13,117,557	2,615,298	(6,353,656)	9,379,199
Vehicles	3,556,252	1,170,647	(684,101)	4,042,798
Computer software	-	-	-	-
Computer hardware	52,665	32,649	-	85,314
Total	\$ 160,453,811	\$ 14,150,704	\$ (7,037,757)	\$ 167,566,758

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 11**TANGIBLE CAPITAL ASSETS (continued)****June 30, 2025**

Cost:	Balance at July 1, 2024	Additions	Disposals / Revaluation	Transfers (WIP)	Balance at June 30, 2025
Sites	\$ 120,244,090	\$ 25,442,816	\$ -	\$ -	\$ 145,686,906
Buildings	384,925,412	-	(2,223,435)	28,219,971	410,921,948
Buildings – WIP	35,371,653	35,982,815	-	(28,219,971)	43,134,497
Furniture & Equipment	24,425,710	-	(42,472)	2,851,902	27,235,140
Furniture – WIP	149,733	3,101,457	-	(2,851,902)	399,288
Vehicles	9,613,820	2,668,463	(872,365)	-	11,409,918
Computer Software	-	-	-	-	-
Computer Hardware	66,561	86,387	-	-	152,948
Computer Hardware - WIP	-	-	-	-	-
Total	\$ 574,796,979	\$ 67,281,938	\$ (3,138,272)	\$ -	\$ 638,940,645

Accumulated Amortization:	Balance at July 1, 2024	Amortization	Disposals / Revaluation	Balance at June 30, 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	136,560,095	9,383,688	(2,216,446)	143,727,337
Furniture & Equipment	10,576,987	2,583,042	(42,472)	13,117,557
Vehicles	3,377,430	1,051,187	(872,365)	3,556,252
Computer Software	-	-	-	-
Computer Hardware	30,714	21,951	-	52,665
Total	\$ 150,545,226	\$ 13,039,868	\$ (3,131,283)	\$ 160,453,811

Work in progress (WIP) includes buildings, furniture and equipment and computer hardware that have not been amortized. Amortization of these assets will commence when the assets are put into service.

Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$0 (2025 - \$0).

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 12 EMPLOYEE PENSION PLANS

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

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

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

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

The school district paid \$15,733,497 for employer contributions to the plans for the year ended June 30, 2026 (2025: \$14,683,540).

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

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

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2026

NOTE 13 RESTRICTED ASSETS - ENDOWMENT FUNDS

Donors have provided endowment contributions with a restriction that the original contribution should not be spent. These endowments have been invested in high interest savings accounts bearing interest at 3.70%.

Other than the Victor Chen Memorial endowment, the endowments were established to provide scholarships and bursaries for one or more deserving graduate or undergraduate students in full time attendance at Edward Milne Community School. The Victor Chen Memorial endowment was established to provide annual scholarships in perpetuity to a student or students from the Westshore planning to study engineering.

Name of Endowment	Balance July 1, 2025	Contributions	Balance June 30, 2026
Cal Meyer	\$ 609,285	\$ -	\$ 609,285
Sooke Women's Institute	17,554	-	17,554
Derochie	10,000	-	10,000
STARR	6,000	-	6,000
Victor Chen Memorial	30,610	-	30,610
Total	\$ 673,449	\$ -	\$ 673,449

NOTE 14 TRUSTS UNDER ADMINISTRATION

The School District is in a trustee relationship with employees under the deferred salary leave plan and the teachers' summer savings plan.

As at June 30, 2026, the District held the following funds in place, as directed by agreement with the employees. These amounts have not been included in the cash or accounts payable balances in the financial statements:

	June 30, 2026	June 30, 2025
Deferred Salary Leave Plan	\$ 300,213	\$ 277,431
Teachers' Summer Savings Plan	3,131,908	2,911,232
Total	\$ 3,432,121	\$ 3,188,663

NOTE 15 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2026, were as follows:

- Transfer to the capital fund for tangible capital assets purchased from the operating fund \$308,908
- Transfer to the capital fund for tangible capital assets work in progress from the operating fund \$2,069,248
- Transfer to the capital fund for settlement of asset retirement obligation from the operating fund \$9,369
- Transfer to the capital fund for tangible capital assets work in progress from the special purpose fund \$110,839

NOTE 16 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2026

NOTE 17 CONTRACTUAL OBLIGATIONS

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	2030	2031	Thereafter
Premises leases	\$ 160,543	\$ 94,584	\$ 7,908	\$ -	\$ -	\$ -
Copier leases	149,344	121,792	84,248	47,659	2,279	-
Total	\$ 309,888	\$ 216,375	\$ 92,156	\$ 47,659	\$ 2,279	\$ -

The School District has entered into contracts related to capital projects with a remaining cost of approximately \$7,222,192.

NOTE 18 CONTRACTUAL RIGHTS

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The School District's contractual rights arise because of contracts entered into for the leasing of School District property. The following table summarizes the contractual rights of the School District for future assets.

	2027	2028	2029	2030	2031	Thereafter
Future lease/rental revenue	\$ 325,596	\$ 185,084	\$ 185,084	\$ 161,260	\$ 22,906	\$ -
Total	\$ 325,596	\$ 185,084	\$ 185,084	\$ 161,260	\$ 22,906	\$ -

NOTE 19 CONTINGENT LIABILITIES

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2026, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2026

NOTE 20 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget bylaw on February 24, 2026. The original budget was adopted on June 24, 2025. The original and amended budgets are presented below.

	2026 Amended Annual Budget \$	2026 Annual Budget \$
Revenues		
Provincial Grants		
Ministry of Education and Child Care	211,815,053	210,198,320
Other	169,121	218,485
Tuition	8,276,500	8,159,500
Other Revenue	9,109,878	6,501,329
Rentals and Leases	589,114	589,114
Investment Income	933,246	893,875
Amortization of Deferred Capital Revenue	13,109,632	12,917,831
Amortization of Deferred Capital Revenue - for long term lease	61,477	61,477
Total Revenue	244,064,021	239,539,931
Expenses		
Instruction	201,862,620	196,620,396
District Administration	8,704,798	8,521,639
Operations and Maintenance	29,806,567	29,225,222
Transportation and Housing	5,180,175	4,990,504
Total Expense	245,554,160	239,357,761
Net Revenue (Expense)	(1,490,139)	182,170
Budgeted Allocation of Surplus	3,907,014	-
Budgeted Surplus (Deficit), for the year	<u>2,416,875</u>	<u>182,170</u>

NOTE 21 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials such as lead pipes and lead paint within some district owned buildings that will undergo major renovations or demolition in the future. The timing of future settlement is unknown.

	2026	2025
Asset Retirement Obligation, beginning of year	\$ 4,659,561	\$ 6,882,996
Settlements during the year	(9,369)	-
Revaluations during the year	-	(2,223,435)
Asset Retirement Obligation, end of year	<u>\$ 4,650,192</u>	<u>\$ 4,659,561</u>

SCHOOL DISTRICT NO. 62 (SOOKE)**NOTES TO FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2026

NOTE 22 EXPENSE BY OBJECT

	June 30, 2026	June 30, 2025
Salaries and benefits	\$ 201,543,767	\$ 187,400,937
Services and supplies	26,934,779	27,626,025
Amortization	14,150,704	10,823,422
Total	\$ 242,629,250	\$ 225,850,384

NOTE 23 ACCUMULATED SURPLUS

Accumulated surplus consists of surplus balances of operating, special purpose fund – endowments, and invested in tangible capital assets as follows:

	June 30, 2026	June 30, 2025
Operating surplus	\$ 10,910,604	\$ 7,637,049
Special Purpose Fund – endowments	673,449	673,449
Invested in Tangible Capital Assets	159,300,619	157,396,139
Total Accumulated Surplus	\$ 170,884,672	\$ 165,706,637

The operating surplus is categorized as follows:

	June 30, 2026
Internally Restricted Operating Surplus	
Restricted due to the nature of constraints on the funds	\$ 359,931
Restricted for operations spanning multiple school years	4,934,399
Restricted for anticipated unusual expenses identified by the Board	1,786,929
Subtotal Internally Restricted Operating Surplus	7,081,259
Unrestricted Operating Surplus - Contingency	3,829,345
Total Operating Surplus	\$ 10,910,604

NOTE 24 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 62 (SOOKE)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2026

NOTE 25 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 debtor. 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 recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates with a fixed maturity date.

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, tariff risk, and interest rate risk.

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

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, management is actively working to monitor and mitigate the risks and impacts of the tariffs.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as it invests solely in Guaranteed Investment Certificates that have a fixed maturity and cash deposits with the Ministry of Finance.

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.

School District No. 62 (Sooke)

Schedule 1 (Unaudited)

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

	Operating Fund	Special Purpose Fund	Capital Fund	2026 Actual	2025 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	7,637,049	673,449	157,396,139	165,706,637	134,410,170
Changes for the year					
Surplus (Deficit) for the year	5,661,080	110,839	(593,884)	5,178,035	31,296,467
Interfund Transfers					
Tangible Capital Assets Purchased	(308,908)		308,908	-	
Tangible Capital Assets - Work in Progress	(2,069,248)	(110,839)	2,180,087	-	
Other	(9,369)		9,369	-	
Net Changes for the year	3,273,555	-	1,904,480	5,178,035	31,296,467
Accumulated Surplus (Deficit), end of year - Statement 2	10,910,604	673,449	159,300,619	170,884,672	165,706,637

School District No. 62 (Sooke)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	175,076,663	180,124,013	167,904,326
Other	169,121	142,050	145,071
Tuition	8,276,500	8,100,623	7,840,268
Other Revenue	2,116,219	2,425,341	2,050,040
Rentals and Leases	589,114	767,855	610,131
Investment Income	853,875	867,289	1,093,499
Total Revenue	<u>187,081,492</u>	<u>192,427,171</u>	<u>179,643,335</u>
Expenses			
Instruction	159,659,348	159,021,748	148,985,103
District Administration	8,704,798	8,254,847	7,629,301
Operations and Maintenance	15,257,785	15,174,835	14,463,174
Transportation and Housing	4,020,902	4,314,661	3,938,782
Total Expense	<u>187,642,833</u>	<u>186,766,091</u>	<u>175,016,360</u>
Operating Surplus (Deficit) for the year	<u>(561,341)</u>	<u>5,661,080</u>	<u>4,626,975</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,907,014</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(2,328,094)	(308,908)	(272,039)
Tangible Capital Assets - Work in Progress		(2,069,248)	(164,710)
Local Capital			(300,000)
Other		(9,369)	
Total Net Transfers	<u>(2,328,094)</u>	<u>(2,387,525)</u>	<u>(736,749)</u>
Total Operating Surplus (Deficit), for the year	<u>1,017,579</u>	<u>3,273,555</u>	<u>3,890,226</u>
Operating Surplus (Deficit), beginning of year		7,637,049	3,746,823
Operating Surplus (Deficit), end of year		<u>10,910,604</u>	<u>7,637,049</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		7,081,259	3,907,014
Unrestricted		3,829,345	3,730,035
Total Operating Surplus (Deficit), end of year		<u>10,910,604</u>	<u>7,637,049</u>

School District No. 62 (Sooke)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	173,961,744	174,096,222	165,322,347
ISC/LEA Recovery	(631,134)	(607,448)	(631,134)
Other Ministry of Education and Child Care Grants			
Pay Equity	931,052	931,052	931,052
Funding for Graduated Adults	40,000	53,903	33,252
Student Transportation Fund	358,365	358,365	358,365
Foundation Skills Assessment (FSA) Scorer Grant	12,000	15,214	12,964
Child Care Funding	294,314	399,049	92,513
Labour Settlement Funding		4,767,334	1,686,418
Indigenous Education Councils (IEC) Funding	110,322	110,322	98,549
Total Provincial Grants - Ministry of Education and Child Care	175,076,663	180,124,013	167,904,326
Provincial Grants - Other	169,121	142,050	145,071
Tuition			
Continuing Education	90,000	72,934	125,397
International and Out of Province Students	8,186,500	8,027,689	7,714,871
Total Tuition	8,276,500	8,100,623	7,840,268
Other Revenues			
Funding from First Nations	631,134	752,867	613,024
Miscellaneous			
Grants for Crossing Guards	156,000	186,000	156,000
Miscellaneous	111,920	58,978	156,491
Rebates	51,000	67,420	64,031
Reclassified from SGF Discretionary	200,000	377,897	341,073
Child Care Fees	285,800	303,265	
Transportation Safety Enhancement Fees	80,000	55,010	59,216
Bus Fees	600,365	576,771	628,420
Careers Program		47,133	31,785
Total Other Revenue	2,116,219	2,425,341	2,050,040
Rentals and Leases	589,114	767,855	610,131
Investment Income	853,875	867,289	1,093,499
Total Operating Revenue	187,081,492	192,427,171	179,643,335

School District No. 62 (Sooke)**Schedule 2B (Unaudited)**Schedule of Operating Expense by Object
Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Salaries			
Teachers	67,197,647	67,818,911	63,672,448
Principals and Vice Principals	11,510,769	11,208,636	10,528,971
Educational Assistants	21,984,311	22,598,003	19,926,893
Support Staff	16,791,318	16,903,788	16,228,256
Other Professionals	6,926,937	6,546,901	6,251,259
Substitutes	7,212,657	8,080,514	7,569,033
Total Salaries	131,623,639	133,156,753	124,176,860
Employee Benefits	35,639,587	34,829,911	32,196,907
Total Salaries and Benefits	167,263,226	167,986,664	156,373,767
Services and Supplies			
Services	9,650,459	8,632,861	8,379,961
Professional Development and Travel	1,270,035	1,144,170	1,316,892
Rentals and Leases	394,114	522,578	486,248
Dues and Fees	188,596	205,817	198,420
Insurance	740,451	591,078	557,648
Supplies	5,763,808	5,554,630	5,649,412
Utilities	2,346,344	2,128,293	2,038,580
Bad Debt	25,800		15,432
Total Services and Supplies	20,379,607	18,779,427	18,642,593
Total Operating Expense	187,642,833	186,766,091	175,016,360

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	56,885,301	290,808	224,106	2,269,489	593,074	5,253,952	65,516,730
1.03 Career Programs	496,411			203,881		28,317	728,609
1.07 Library Services	565,244			324,594		92,237	982,075
1.08 Counselling	2,291,087					33,753	2,324,840
1.10 Inclusive Education	4,906,481	456,532	21,440,338	174,326	1,550,506	1,566,635	30,094,818
1.20 Early Learning and Child Care			265,635	3,554		10,116	279,305
1.30 English Language Learning	850,050			154,879		104,927	1,109,856
1.31 Indigenous Education	689,536	264,508	572,724	104,586		65,555	1,696,909
1.41 School Administration		9,561,629		3,222,500		207,264	12,991,393
1.61 Continuing Education							-
1.62 International and Out of Province Students	1,120,234	319,982		414,670		778	1,855,664
Total Function 1	67,804,344	10,893,459	22,502,803	6,872,479	2,143,580	7,363,534	117,580,199
4 District Administration							
4.11 Educational Administration	14,567	166,907	95,200	8,926	1,064,522	2,008	1,352,130
4.20 Early Learning and Child Care		124,270		4,477	53,331		182,078
4.40 School District Governance		24,000		27,516	153,401		204,917
4.41 Business Administration				733,753	2,343,783	34,638	3,112,174
Total Function 4	14,567	315,177	95,200	774,672	3,615,037	36,646	4,851,299
5 Operations and Maintenance							
5.20 Early Learning and Child Care				33,600			33,600
5.41 Operations and Maintenance Administration				152,716	149,205		301,921
5.50 Maintenance Operations				6,146,068	424,682	474,645	7,045,395
5.52 Maintenance of Grounds				697,490			697,490
5.56 Utilities							-
Total Function 5	-	-	-	7,029,874	573,887	474,645	8,078,406
7 Transportation and Housing							
7.41 Transportation and Housing Administration				149,772	214,397		364,169
7.70 Student Transportation				2,076,991		205,689	2,282,680
Total Function 7	-	-	-	2,226,763	214,397	205,689	2,646,849
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	67,818,911	11,208,636	22,598,003	16,903,788	6,546,901	8,080,514	133,156,753

School District No. 62 (Sooke)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2026

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2026 Actual	2026 Budget (Note 20)	2025 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	65,516,730	17,686,546	83,203,276	3,739,676	86,942,952	87,308,426	82,057,972
1.03 Career Programs	728,609	204,140	932,749	630,004	1,562,753	1,512,961	1,200,207
1.07 Library Services	982,075	274,080	1,256,155	36,505	1,292,660	1,130,223	1,224,457
1.08 Counselling	2,324,840	617,368	2,942,208	6,924	2,949,132	2,917,503	2,666,797
1.10 Inclusive Education	30,094,818	8,169,959	38,264,777	851,371	39,116,148	38,418,440	35,477,612
1.20 Early Learning and Child Care	279,305	70,990	350,295	12,792	363,087	414,856	70,229
1.30 English Language Learning	1,109,856	289,066	1,398,922	45,152	1,444,074	1,362,906	1,461,799
1.31 Indigenous Education	1,696,909	400,889	2,097,798	295,710	2,393,508	2,330,580	2,354,455
1.41 School Administration	12,991,393	2,826,367	15,817,760	676,256	16,494,016	17,303,121	16,243,071
1.61 Continuing Education	-	-	-	96,362	96,362	40,405	113,401
1.62 International and Out of Province Students	1,855,664	489,521	2,345,185	4,021,871	6,367,056	6,919,927	6,115,103
Total Function 1	117,580,199	31,028,926	148,609,125	10,412,623	159,021,748	159,659,348	148,985,103
4 District Administration							
4.11 Educational Administration	1,352,130	264,951	1,617,081	726,056	2,343,137	2,397,903	1,979,964
4.20 Early Learning and Child Care	182,078	47,954	230,032	4,094	234,126	165,258	
4.40 School District Governance	204,917	23,117	228,034	216,048	444,082	472,755	475,052
4.41 Business Administration	3,112,174	695,239	3,807,413	1,426,089	5,233,502	5,668,882	5,174,285
Total Function 4	4,851,299	1,031,261	5,882,560	2,372,287	8,254,847	8,704,798	7,629,301
5 Operations and Maintenance							
5.20 Early Learning and Child Care	33,600	8,400	42,000		42,000		
5.41 Operations and Maintenance Administration	301,921	73,272	375,193	412,018	787,211	890,698	1,031,057
5.50 Maintenance Operations	7,045,395	1,808,345	8,853,740	2,119,746	10,973,486	10,602,654	10,108,931
5.52 Maintenance of Grounds	697,490	201,238	898,728	331,172	1,229,900	1,418,089	1,273,807
5.56 Utilities	-	-	-	2,142,238	2,142,238	2,346,344	2,049,379
Total Function 5	8,078,406	2,091,255	10,169,661	5,005,174	15,174,835	15,257,785	14,463,174
7 Transportation and Housing							
7.41 Transportation and Housing Administration	364,169	84,018	448,187	115,697	563,884	504,849	398,082
7.70 Student Transportation	2,282,680	594,451	2,877,131	873,646	3,750,777	3,516,053	3,540,700
Total Function 7	2,646,849	678,469	3,325,318	989,343	4,314,661	4,020,902	3,938,782
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	133,156,753	34,829,911	167,986,664	18,779,427	186,766,091	187,642,833	175,016,360

School District No. 62 (Sooke)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual	2025 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	35,467,119	35,457,343	33,220,692
Other		1,863	25,429
Federal Grants			49,393
Other Revenue	6,993,659	5,607,907	5,436,785
Investment Income	79,371	39,277	41,110
Total Revenue	42,540,149	41,106,390	38,773,409
Expenses			
Instruction	42,203,272	40,632,045	38,286,532
Operations and Maintenance	336,877	336,877	486,877
Transportation and Housing		26,629	
Total Expense	42,540,149	40,995,551	38,773,409
Special Purpose Surplus (Deficit) for the year	-	110,839	-
Net Transfers (to) from other funds			
Tangible Capital Assets - Work in Progress		(110,839)	
Total Net Transfers	-	(110,839)	-
Total Special Purpose Surplus (Deficit) for the year	-	-	-
Special Purpose Surplus (Deficit), beginning of year		673,449	673,449
Special Purpose Surplus (Deficit), end of year		673,449	673,449
Special Purpose Surplus (Deficit), end of year			
Endowment Contributions		673,449	673,449
Total Special Purpose Surplus (Deficit), end of year		673,449	673,449

School District No. 62 (Sooke)

Schedule 3A (Unaudited)

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

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year			39,371	886,019		27,414		109,416	
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	336,877	623,971			204,000	48,999	306,705	808,140	1,679,910
Provincial Grants - Other				4,201,687					
Other			17,760					3,699	
Investment Income	336,877	623,971	17,760	4,201,687	204,000	48,999	306,705	811,839	1,679,910
Less: Allocated to Revenue	336,877	623,971	25,443	4,190,337	204,000	48,842	306,705	759,210	1,679,910
Recovered									
Deferred Revenue, end of year	-	-	31,688	897,369	-	27,571	-	162,045	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	336,877	623,971			204,000	48,842	306,705	759,210	1,679,910
Provincial Grants - Other				4,190,337					
Other Revenue			25,443						
Investment Income	336,877	623,971	25,443	4,190,337	204,000	48,842	306,705	759,210	1,679,910
Expenses									
Salaries									
Teachers							87,734	118,365	
Principals and Vice Principals								51,375	
Educational Assistants		498,501		41					
Support Staff				14,067	154,524	1,049		4,281	
Other Professionals								258,610	
Substitutes				44,671		21,680	41,827	51,802	1,399,925
Employee Benefits	-	498,501	-	58,779	154,524	22,729	129,561	484,433	1,399,925
Services and Supplies	336,877	125,470		715	46,171	4,855	29,879	117,633	279,985
	336,877	623,971	25,443	4,130,843	3,305	21,258	147,265	157,144	
	336,877	623,971	25,443	4,190,337	204,000	48,842	306,705	759,210	1,679,910
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 3A (Unaudited)

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

	Classroom Enhancement Fund - Staffing	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children (CR4YC)	Seamless Day Kindergarten	Early Childhood Education (ECE) Dual Credit Program	Student & Family Affordability (SFAF)	Strengthening Early Years to Kindergarten (SEY2KT)	Early Care & Learning (ECL)
Deferred Revenue, beginning of year	\$ 106,964	\$ 13,360	\$ 28,640	\$ 11,439	\$ 28,853	\$ 9,026	\$ 15,505	\$ 2,021	\$ 9,384
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	29,127,597	17,640	51,000		55,400				578,019
Provincial Grants - Other									
Other									
Investment Income									7,700
	29,127,597	17,640	51,000	-	55,400	-	-	-	585,719
Less: Allocated to Revenue	29,095,422	26,629	50,756	11,439	84,253	3,801	436	1,672	38,190
Recovered	106,964								
Deferred Revenue, end of year	32,175	4,371	28,884	-	-	5,225	15,069	349	556,913
Revenues									
Provincial Grants - Ministry of Education and Child Care	29,095,422	26,629	50,756	11,439	84,253		436	1,672	38,190
Provincial Grants - Other									
Other Revenue						3,801			
Investment Income									
	29,095,422	26,629	50,756	11,439	84,253	3,801	436	1,672	38,190
Expenses									
Salaries									
Teachers	22,930,968								67
Principals and Vice Principals									29,644
Educational Assistants					63,812				
Support Staff					964				
Other Professionals									
Substitutes			6,734	7,662	39	245		1,113	
	22,930,968	-	6,734	7,662	64,815	245	-	1,113	29,711
Employee Benefits	6,164,454		1,322	1,588	18,405	55		240	8,479
Services and Supplies		26,629	42,700	2,189	1,033	3,501	436	319	
	29,095,422	26,629	50,756	11,439	84,253	3,801	436	1,672	38,190
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets - Work in Progress	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

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

Schedule 3A (Unaudited)

	Feeding Futures Fund	Health Career Grants	Professional Learning Grant	National School Food Program	French Immersion Numeracy	Nature K	Academies	Art Starts	Donations
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	348,780	2,938	221,496	141,640		4,953	540,381	6,436	59,252
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	1,661,694			253,010	91,250				
Provincial Grants - Other									
Other							1,347,431		44,448
Investment Income			5,200						4,783
	1,661,694	-	5,200	253,010	91,250	-	1,347,431	-	49,231
Less: Allocated to Revenue	1,905,355	1,799	65,497	136,031	85,549	156	1,375,268	3,807	29,322
Recovered									
Deferred Revenue, end of year	105,119	1,139	161,199	258,619	5,701	4,797	512,544	2,629	79,161
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,905,355	1,799	60,297	136,031	85,549				
Provincial Grants - Other									
Other Revenue						156	1,375,268	3,807	27,925
Investment Income			5,200						1,397
	1,905,355	1,799	65,497	136,031	85,549	156	1,375,268	3,807	29,322
Expenses									
Salaries									
Teachers							133,627		
Principals and Vice Principals							27,784		
Educational Assistants									
Support Staff	224,943						45,854		
Other Professionals									
Substitutes			28,808		32,005		12,988		
	224,943	-	28,808	-	32,005	-	220,253	-	-
Employee Benefits	50,627		5,965		6,656		61,391		
Services and Supplies	1,629,785	1,799	30,724	31,452	46,888	156	1,087,364	3,807	29,322
	1,905,355	1,799	65,497	31,452	85,549	156	1,369,008	3,807	29,322
Net Revenue (Expense) before Interfund Transfers	-	-	-	104,579	-	-	6,260	-	-
Interfund Transfers									
Tangible Capital Assets - Work in Progress				(104,579)			(6,260)		
	-	-	-	(104,579)	-	-	(6,260)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 62 (Sooke)

Changes in Special Purpose Funds and Expense by Object

Year Ended June 30, 2026

Schedule 3A (Unaudited)

	Theaters	Mentorship Grant	Here 4 Peers	TDHH Grant	TOTAL
	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	11,618	68,727	1,813		2,695,446
Add: Restricted Grants					
Provincial Grants - Ministry of Education and Child Care					35,844,212
Provincial Grants - Other				11,111	11,111
Other	5,033				5,598,599
Investment Income					39,142
	5,033	-	-	11,111	41,493,064
Less: Allocated to Revenue	6,613	7,287	1,813	-	41,106,390
Recovered					106,964
Deferred Revenue, end of year	10,038	61,440	-	11,111	2,975,156
Revenues					
Provincial Grants - Ministry of Education and Child Care					35,457,343
Provincial Grants - Other		50	1,813		1,863
Other Revenue	6,613				5,607,907
Investment Income		7,237			39,277
	6,613	7,287	1,813	-	41,106,390
Expenses					
Salaries					
Teachers					23,270,761
Principals and Vice Principals					108,803
Educational Assistants					562,354
Support Staff	974				446,656
Other Professionals					258,610
Substitutes					1,649,499
	974	-	-	-	26,296,683
Employee Benefits	86				6,923,976
Services and Supplies	5,553	7,287	1,813		7,774,892
	6,613	7,287	1,813	-	40,995,551
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	110,839
Interfund Transfers					
Tangible Capital Assets - Work in Progress					(110,839)
	-	-	-	-	(110,839)
Net Revenue (Expense)	-	-	-	-	-

School District No. 62 (Sooke)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2026

	2026 Budget (Note 20)	2026 Actual			2025 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care	1,271,271	843,231		843,231	22,094,532
Other				-	4,524,000
Gain (Loss) on Disposal of Tangible Capital Assets		318,752		318,752	
Amortization of Deferred Capital Revenue	13,109,632	13,050,264		13,050,264	12,050,098
Amortization of Deferred Capital Revenue - for lease	61,477	61,477		61,477	61,477
Total Revenue	14,442,380	14,273,724	-	14,273,724	38,730,107
Expenses					
Operations and Maintenance	1,332,748	716,904		716,904	1,237,193
Amortization of Tangible Capital Assets					
Operations and Maintenance	12,879,157	12,980,057		12,980,057	11,988,681
Transportation and Housing	1,159,273	1,170,647		1,170,647	1,051,187
Asset Retirement Obligation Revaluation				-	(2,216,446)
Total Expense	15,371,178	14,867,608	-	14,867,608	12,060,615
Capital Surplus (Deficit) for the year	(928,798)	(593,884)	-	(593,884)	26,669,492
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	2,328,094	308,908		308,908	272,039
Tangible Capital Assets - Work in Progress		2,180,087		2,180,087	164,710
Local Capital				-	300,000
Settlement of Asset Retirement Obligation		9,369		9,369	
Total Net Transfers	2,328,094	2,498,364	-	2,498,364	736,749
Total Capital Surplus (Deficit) for the year	1,399,296	1,904,480	-	1,904,480	27,406,241
Capital Surplus (Deficit), beginning of year		157,396,139		157,396,139	129,989,898
Capital Surplus (Deficit), end of year		159,300,619	-	159,300,619	157,396,139

School District No. 62 (Sooke)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2026

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	145,686,906	410,921,948	27,235,140	11,409,918		152,948	595,406,860
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	92,567			759,748			852,315
Deferred Capital Revenue - Other	95,238			289,980			385,218
Operating Fund	60,830			227,486		20,592	308,908
Transferred from Work in Progress		48,329,663	4,189,332				52,518,995
	248,635	48,329,663	4,189,332	1,277,214	-	20,592	54,065,436
Decrease:							
Disposed of	248						248
Deemed Disposals			6,353,656	684,101			7,037,757
	248	-	6,353,656	684,101	-	-	7,038,005
Cost, end of year	145,935,293	459,251,611	25,070,816	12,003,031	-	173,540	642,434,291
Work in Progress, end of year		6,130,899	437,030				6,567,929
Cost and Work in Progress, end of year	145,935,293	465,382,510	25,507,846	12,003,031	-	173,540	649,002,220
Accumulated Amortization, beginning of year		143,727,337	13,117,557	3,556,252		52,665	160,453,811
Changes for the Year							
Increase:							
Amortization for the Year		10,332,110	2,615,298	1,170,647		32,649	14,150,704
		10,332,110	2,615,298	1,170,647	-	32,649	14,150,704
Decrease:							
Deemed Disposals			6,353,656	684,101			7,037,757
		-	6,353,656	684,101	-	-	7,037,757
Accumulated Amortization, end of year		154,059,447	9,379,199	4,042,798	-	85,314	167,566,758
Tangible Capital Assets - Net	145,935,293	311,323,063	16,128,647	7,960,233	-	88,226	481,435,462

School District No. 62 (Sooke)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2026

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	43,134,497	399,288			43,533,785
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	5,829,887	2,529,393			8,359,280
Deferred Capital Revenue - Other	4,377,363	636,409			5,013,772
Operating Fund	1,118,815	950,433			2,069,248
Special Purpose Funds		110,839			110,839
	11,326,065	4,227,074	-	-	15,553,139
Decrease:					
Transferred to Tangible Capital Assets	48,329,663	4,189,332			52,518,995
	48,329,663	4,189,332	-	-	52,518,995
Net Changes for the Year	(37,003,598)	37,742	-	-	(36,965,856)
Work in Progress, end of year	6,130,899	437,030	-	-	6,567,929

School District No. 62 (Sooke)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	247,575,612	22,492,442	5,678,833	275,746,887
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	759,748		289,980	1,049,728
Transferred from Work in Progress	48,708,731		630,178	49,338,909
	49,468,479	-	920,158	50,388,637
Decrease:				
Amortization of Deferred Capital Revenue	11,579,870	866,229	604,165	13,050,264
Amortization of Deferred Capital Revenue - for long term lease	61,477			61,477
	11,641,347	866,229	604,165	13,111,741
Net Changes for the Year	37,827,132	(866,229)	315,993	37,276,896
Deferred Capital Revenue, end of year	285,402,744	21,626,213	5,994,826	313,023,783
Work in Progress, beginning of year	41,783,407	750,379		42,533,786
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	8,359,280	4,383,594	630,178	13,373,052
	8,359,280	4,383,594	630,178	13,373,052
Decrease				
Transferred to Deferred Capital Revenue	48,708,731		630,178	49,338,909
	48,708,731	-	630,178	49,338,909
Net Changes for the Year	(40,349,451)	4,383,594	-	(35,965,857)
Work in Progress, end of year	1,433,956	5,133,973	-	6,567,929
Total Deferred Capital Revenue, end of year	286,836,700	26,760,186	5,994,826	319,591,712

School District No. 62 (Sooke)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2026

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	122,719	530,012	5,928,341	2,535,054		9,116,126
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	9,859,573					9,859,573
Provincial Grants - Other			837,318			837,318
Other				1,020,823	920,158	1,940,981
Investment Income		13,509				13,509
Transfer project surplus to MECC Restricted (from) Bylaw	(20,796)	20,796				-
	<u>9,838,777</u>	<u>34,305</u>	<u>837,318</u>	<u>1,020,823</u>	<u>920,158</u>	<u>12,651,381</u>
Decrease:						
Transferred to DCR - Capital Additions	759,748				289,980	1,049,728
Transferred to DCR - Work in Progress	8,359,280		4,383,594		630,178	13,373,052
Transferred to Revenue - Site Purchases	92,567		95,238			187,805
Transferred to Revenue - Expensed Costs	655,427					655,427
	<u>9,867,022</u>	<u>-</u>	<u>4,478,832</u>	<u>-</u>	<u>920,158</u>	<u>15,266,012</u>
Net Changes for the Year	<u>(28,245)</u>	<u>34,305</u>	<u>(3,641,514)</u>	<u>1,020,823</u>	<u>-</u>	<u>(2,614,631)</u>
Balance, end of year	<u>94,474</u>	<u>564,317</u>	<u>2,286,827</u>	<u>3,555,877</u>	<u>-</u>	<u>6,501,495</u>