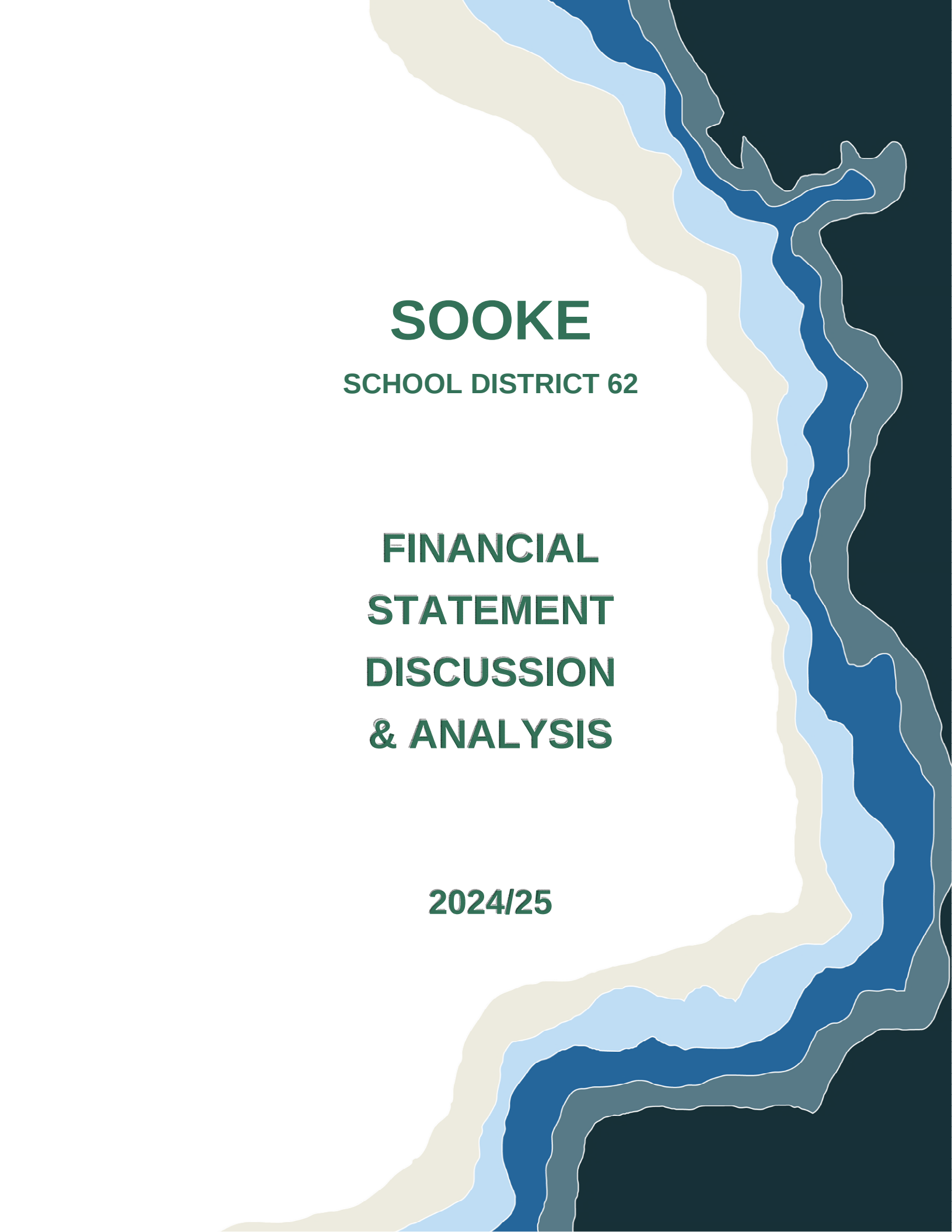




SOOKE

SCHOOL DISTRICT 62

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

2024/25

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

The discussion and analysis of School District 62's financial performance provides an overall narrative review of the School District's financial activities for the year ended June 30, 2025. The intent of the Financial Statement Discussion and Analysis (FSDA) is to look at the District's performance. The FSDA should be read in conjunction with the financial statements and note disclosures to enhance the overall understanding of School District 62's financial picture for the year.

THE SCHOOL DISTRICT

The District has over 13,600 students and serves the communities of Sooke, Port Renfrew, Metchosin, Highlands, Langford and Colwood. Surrounded by forests, ocean, mountains and lakes, we are located a short distance from Victoria, the capital city of the province of British Columbia. The District is one of the fastest growing school districts in the province.

The governing body of the School District is a Board of Education of seven school trustees who are each elected for a four-year term. The day-to-day matters are managed by the administrative staff of the School District, headed by the Superintendent of Schools.

More about the District including the traditional territories, the Board of Education, and the Strategic Plan can be found on the District website at www.sd62.bc.ca

FINANCIAL HIGHLIGHTS

The financial statements provide these insights into the results of this year's operations:

Operating Fund

- For the fiscal year 2024/25, the District Operating Fund had a surplus of \$3,890,225 (\$179,643,335 in revenues and \$175,753,109 in total expense and capital asset purchases). When added to the balance of \$3,746,823 at the beginning of the year, the accumulated surplus in the Operating Fund ended the year with a balance of \$7,637,049.
- This year-end balance is restricted for the following purposes:
 - o Due to the nature of constraints on funds: \$ 489,764
 - o For operations spanning multiple school years: \$ 2,113,619
 - o For anticipated unusual expenses identified by the Board: \$ 1,303,630
- The unrestricted accumulated operating surplus is \$3,730,035. This balance is 2.00% of the \$186,501,757 Operating Fund expenses budgeted for the year ending June 30, 2026.

Special Purpose Funds

- Special Purpose Funds had \$38,773,409 in total revenue and expenditures – an increase of 13% (\$4.5M) from the prior year.

Capital Fund

- The District had \$67,281,938 in tangible capital asset additions in the year – an increase of 70% (\$27.6M) from the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

The District's financial statements include a Statement of Financial Position (Statement 1), Statement of Operations (Statement 2), Statement of Changes in Net Financial Assets (Debt) (Statement 4), Statement of Cash Flows (Statement 5), and note disclosures.

These statements present aggregated information and serve as a means by which the District demonstrates its accountability for the resources, obligations and financial affairs for which it is responsible. They report information required to make assessments of and judgments on government financial operations and management.

As the Statement of Financial Position and Statement of Operations will be of particular concern to the users of the financial statements, the focus of this discussion and analysis will be on these two statements.

STATEMENT OF FINANCIAL POSITION

The statement of financial position reports the financial position of the District at the financial statement date. Four key figures help describe the financial position of the District at the financial statement date: financial assets; non-financial assets; liabilities; and accumulated surplus or deficit.

	FY25	FY24	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
FINANCIAL POSITION			PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
TOTAL FINANCIAL ASSETS	46,827	44,727	2,100	5%
TOTAL NON FINANCIAL ASSETS	482,863	427,924	54,939	13%
TOTAL ASSETS	529,690	472,651	57,039	12%
TOTAL LIABILITIES	363,983	338,241	25,742	8%
ACCUMULATED SURPLUS	165,707	134,410	31,296	23%

The **financial assets** are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations (such as inventory). As at the statement date, the District had financial assets of \$46.8M which is a 5% (\$2.1M) increase from the \$44.7M held the prior year. The increase is primarily due to Cash and Cash Equivalents (\$1.1M) and by an increase in Due from Province – Ministry of Education and Childcare (\$1.1M).

The **non-financial assets** of the District are assets that are, by nature, normally for use in service provision and include purchased, constructed, contributed, developed or leased capital assets, and prepaid expenses. As at the statement date, the District had non-financial assets of \$482.9M which is a 13% (\$54.9M) increase from the \$427.9M held the prior year. The increase is due mainly to \$67.3M in tangible capital asset additions offset by \$13.0M in amortization for the year.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

The **liabilities** are present obligations of the District to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. As at the statement date, the District had liabilities of \$363.9M which is a 8% (\$25.7M) increase from the \$338.2M held the prior year. The increase is primarily due to an increase in Deferred Capital Revenues (\$28.1M) offset by a \$2.2M decrease in Asset Retirement Obligations.

The **accumulated surplus or deficit** of the District is calculated as the sum of the total assets less the liabilities of the District. This indicator represents the net assets of the District.

			INCR / (DECR)	INCR /
	FY25	FY24	FROM	(DECR)
ACCUMULATED SURPLUS / (DEFICIT)	ACTUAL	ACTUAL	PRIOR YEAR	%
(in \$ thousands)	A	B	C = A-B	D = C/B
ENDOWMENTS	673	673	-	0.0%
INVESTED IN CAPITAL ASSETS	157,396	129,990	27,406	21.1%
LOCAL CAPITAL	-	-	-	100.0%
OPERATING	7,637	3,747	3,890	103.8%
TOTAL ACCUMULATED SURPLUS	165,707	134,410	31,296	23.3%

As at the statement date, the District had an accumulated surplus of \$165.7M which is a 23.3% (\$31.3M) increase from the \$134.4M held the prior year.

STATEMENT OF FINANCIAL POSITION METRICS

The following are some statement of financial position metrics that indicate the financial health of the District.

Working capital ratio / Current ratio is an indication of the ability of the District to meet its current financial obligations from the liquid assets it has at a point in time. The ratio is calculated as current assets divided by current liabilities.

If the ratio is less than 1.0, then the District may have trouble paying back creditors. If the ratio is greater than 1.0, then the District has working capital and may have the potential to invest and grow.

The District had a ratio of 1.42 as at June 30, 2025, which is consistent with the prior year and with neighbouring districts SD61 (1.1) and SD63 (1.58) from 2023/24.

Cash asset ratio is a measure of the District's ability to pay its short-term obligations. The ratio is calculated as cash and cash equivalents divided by total current liabilities. The District had a ratio of 1.22 as at June 30, 2025, a slight increase from the prior year (1.14). The District's ratio is within the Office of the Comptroller General of BC suggested ratio of greater than 1.0 and is consistent with neighbouring districts SD61 (1.0) and SD63 (1.06) from 2023/24.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

		FY25	FY24	INCR / (DECR)
		ACTUAL	ACTUAL	FROM
	STATEMENT OF FINANCIAL POSITION METRICS (in \$ thousands)			PRIOR YEAR
	CURRENT ASSETS			
	CASH AND CASH EQUIVALENTS	\$ 41,786	\$ 40,653	\$ 1,134
	ACCOUNTS RECEIVABLE	\$ 5,041	\$ 4,075	\$ 966
	PORTFOLIO INVESTMENTS	\$ -	\$ -	\$ -
	PREPAID EXPENSES (excluding the prepaid lease)	\$ 1,253	\$ 838	\$ 415
	OTHER ASSETS	\$ 600	\$ 250	\$ 350
A	TOTAL CURRENT ASSETS	\$ 48,680	\$ 45,815	\$ 2,865
	CURRENT LIABILITIES			
	ACCOUNTS PAYABLE	\$ 16,087	\$ 17,022	\$ (935)
	UNEARNED REVENUE	\$ 6,383	\$ 6,048	\$ 336
	DEFERRED REVENUE (SPF BALANCES)	\$ 2,695	\$ 2,569	\$ 126
	DEFERRED CAPITAL REVENUE (UNSPENT)	\$ 9,116	\$ 10,021	\$ (905)
				\$ -
B	TOTAL CURRENT LIABILITIES	\$ 34,282	\$ 35,660	\$ (1,378)
	WORKING CAPITAL			
	LONG TERM LIABILITIES: EMPLOYEE FUTURE BENEFITS	\$ 6,761	\$ 6,408	\$ 353
	ACCUMULATED SURPLUS - LOCAL CAPITAL	\$ -	\$ -	\$ -
	ACCUMULATED SURPLUS - OPERATING FUND - RESTRICTED	\$ 7,637	\$ 3,747	\$ 3,890
C = A - B	TOTAL WORKING CAPITAL	\$ 14,398	\$ 10,155	\$ 4,243
D = A/B	CURRENT RATIO = CURRENT ASSETS / CURRENT LIABILITIES	1.4200	1.2848	0.14
	CASH ASSET RATIO = CASH AND CASH EQUIVALENTS / CURRENT LIAB	1.2189	1.1400	0.08

STATEMENT OF OPERATIONS

The Statement of Operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of District services provided in the period, the revenues it has recognized in the period and the difference between them.

The Statement of Operations consolidates all revenues and expenses by function reported for the Operating (Schedule 2), Special Purpose (Schedule 3) and Capital funds (Schedule 4).

The Operating Fund is where the majority of the District's operations are reported. As this will be of particular concern to the users of the financial statements, considerable focus and analysis is provided on the Operating Fund.

OPERATING FUND

The Operating Fund is comprised of four components: revenues, expenses, tangible capital assets purchased, and operating surplus or deficit. The summary schedule for the Operating Fund can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements.

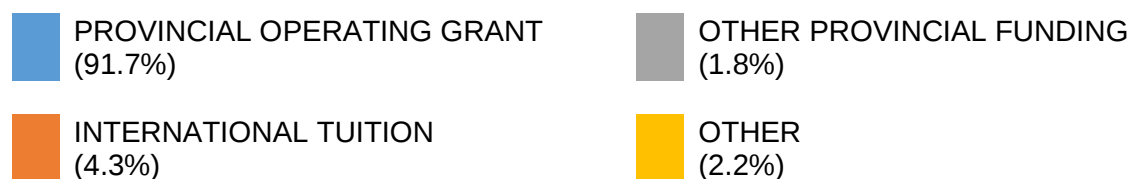
SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

REVENUES

The summary schedule for the District operating revenues can be found in Schedule 2A – the Schedule of Operating Revenue by Source.

The most significant District operating revenues are generated from three sources: the operating grant, international tuition, and other Ministry of Education grants.

OPERATING REVENUE ALLOCATION



The District's operating revenues of \$179.6M increased by 9% (\$14.9M) over the prior year. Against a budget of \$178.6M, the \$179.6M in revenues resulted in savings of 1% (\$1.04M).

	BUDGET FY25	ACTUAL FY25	ACTUAL FY24	SAVINGS / (PRESSURE) FY25	SAVINGS / (PRESSURE) % FY25	INCR / (DECR) FROM PRIOR YEAR	INCR / (DECR) %
OPERATING REVENUES (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
PROVINCIAL OPERATING GRANT	164,265	164,790	150,060	525	0%	14,730	10%
OTHER PROVINCIAL FUNDING	3,161	3,260	4,174	98	3%	(914)	(22%)
FUNDING FROM FIRST NATIONS	578	613	634	35	6%	(21)	(3%)
CONTINUING ED TUITION	90	125	74	35	39%	51	69%
INTERNATIONAL TUITION	7,583	7,715	6,629	132	2%	1,086	16%
MISCELLANEOUS	1,235	1,437	923	202	16%	514	56%
RENTALS AND LEASES	589	610	576	21	4%	34	6%
INVESTMENT INCOME	1,098	1,093	1,582	(4)	(0%)	(489)	(31%)
TOTAL OPERATING REVENUES	178,599	179,643	164,651	1,044	1%	14,992	9%

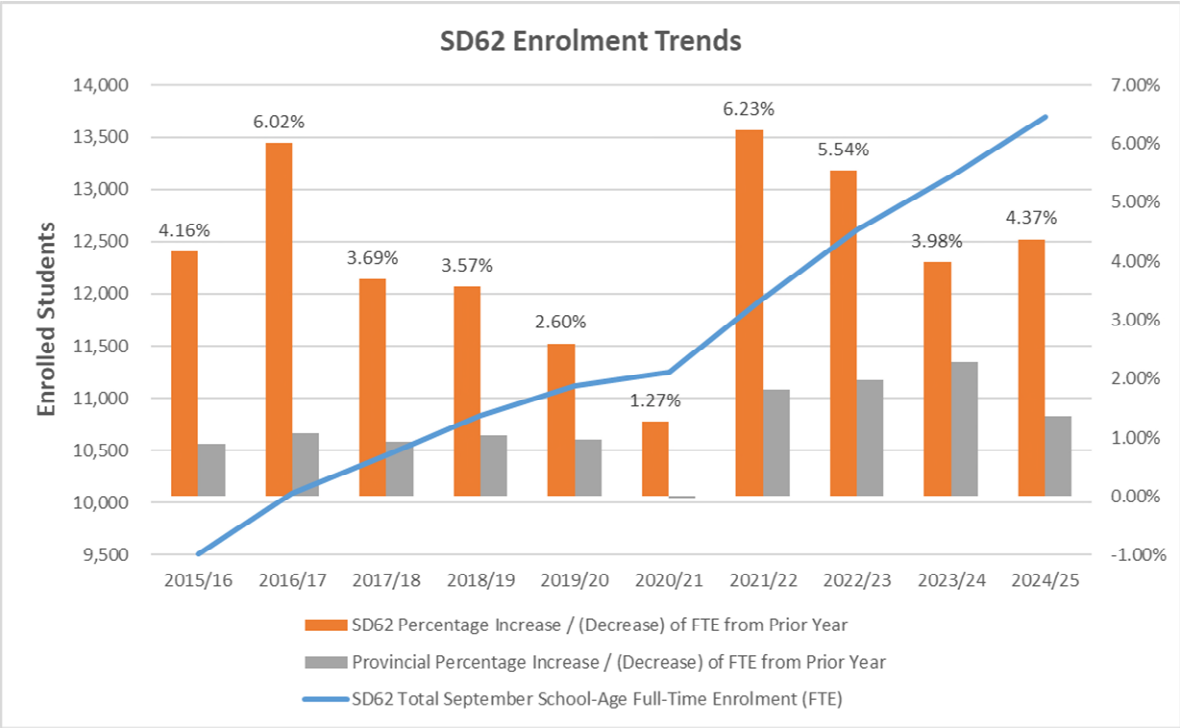
The \$1.0M in savings was largely from the Operating Grant (\$0.5M), International (\$0.1M) and Miscellaneous (\$0.2M).

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

Operating Grant

The Funding Allocation System allocates the General Operating Grants using individual district enrolments and specific factors that apply to each school district.

As highlighted in the graph below, enrolment has increased every year over the past decade.



Prior to 2021/22 the enrolment growth had slowed from 3.69% in 2017/18 to 1.27% in 2020/21. In 2021/22 the district experienced a significant increase in enrolment growth (6.23%) over the prior year. Again, in 2024/25 the district showed a steady growth of 4.37%. At an average enrolment increase of 4.28% over the past 5 years, the District's growth is significantly higher than the provincial average (1.48%) over the same time period.

The upward trajectory of student enrolment continued in the 2024/25 school year. As detailed in the table below, there was a 5.3% (918.94 FTE) increase in total enrolment from the prior year.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

				SAVINGS / (PRESSURE)	SAVINGS / (PRESSURE) %	INCR / (DECR) FROM	INCR / (DECR) %
	BUDGET FY25	ACTUAL FY25	ACTUAL FY24	FY25	FY25	PRIOR YEAR	
ENROLMENT (in FTE)	A	B	C	D = B-A	E = D/A	F = B-C	G = F/C
SEPTEMBER							
STANDARD (REGULAR) SCHOOLS	13,296.81	13,296.81	12,748.75	-	0.0%	548.06	4.3%
CONTINUING EDUCATION	33.06	33.06	23.63	-	0.0%	9.44	39.9%
ALTERNATE SCHOOLS	233.00	233.00	209.00	-	0.0%	24.00	11.5%
DISTRIBUTED LEARNING	131.31	131.31	139.25	-	0.0%	(7.94)	(5.7%)
HOME SCHOOLING & COURSE CHALLENGES	46.00	46.00	40.00	-	0.0%	6.00	15.0%
DESIGNATED STUDENTS	1,461.00	1,461.00	1,216.00	-	0.0%	245.00	20.1%
ENGLISH LANGUAGE LEARNING	1,480.00	1,480.00	1,408.00	-	0.0%	72.00	5.1%
INDIGENOUS EDUCATION	1,286.00	1,286.00	1,243.00	-	0.0%	43.00	3.5%
ADULT EDUCATION	9.19	9.19	10.88	-	0.0%	(1.69)	(15.5%)
TOTAL SEPTEMBER COUNT	17,976.38	17,976.38	17,038.50	-	0.0%	937.88	5.5%
FEBRUARY COUNT	189.00	238.44	292.13	49.44	26.2%	(53.69)	(18.4%)
MAY COUNT	61.00	88.38	53.63	27.38	44.9%	34.75	64.8%
TOTAL ENROLMENT	18,226.38	18,303.19	17,384.25	76.81	0.4%	918.94	5.3%

The increased enrolment along with funding level increases resulted in a 10% (\$14.7M) increase in the operating grant from the prior year.

Other Provincial Funding

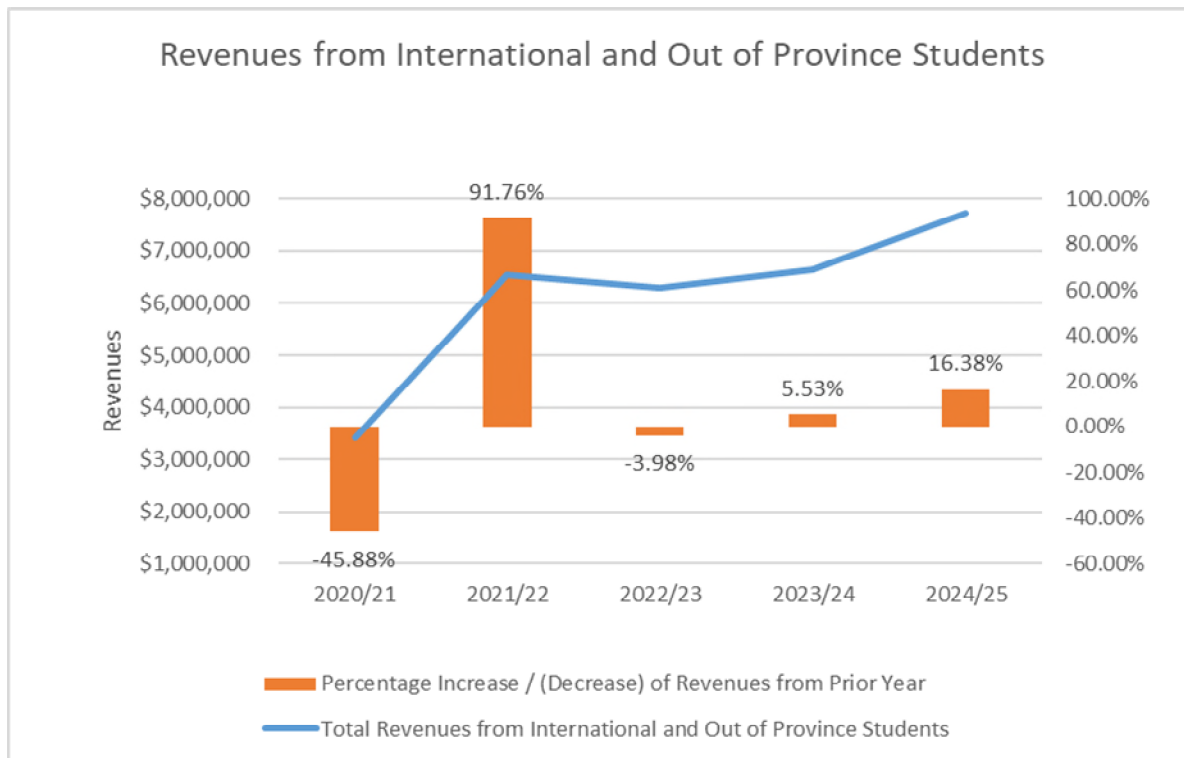
There was a \$0.91M decrease in other Ministry of Education grants compared to the prior year, primarily due to a \$0.94M reduction in Labour Settlement Funding. Other provincial funding revenues totaled \$3.3M for the year, which was in line with the \$3.2M budget.

International Tuition

The International Program has stabilized following a sharp revenue increase in 2021/22 after travel restrictions were lifted. For 2024/25, revenues rose by \$1.08M from the previous year, reaching \$7.7M.

The International Program incurred \$6.1M in expenses to generate \$7.7M in revenue, resulting in net revenues of \$1.6M for 2024/25—consistent with the prior year. These net revenues help fund discretionary programs across the District.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025



EXPENSES

The summary schedule for the District operating expenses can be found in Schedule 2B (the Schedule of Operating Expense by Object) and Schedule 2C (the Schedule of Operating Expense by Function, Program and Object).

The provincial averages are taken from data available to the public on the Ministry of Education financial reporting website. At the time of issuance of this report, the provincial actuals for fiscal 2025 were not yet available, as such the provincial budgets for fiscal 2025 were used for comparative purposes.

Expenses by Type (Object)

The District's spending allocations by object were in line with provincial averages - with 89.3% of its expenses on salaries and benefits (Province = 89.7%) and 10.7% on services and supplies (Province = 10.3%).

The chart below further details spending allocations for the District in the year compared to provincial averages.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

FY25 EXPENSES BY OBJECT



TEACHERS SALARIES (SD62=36.4%; Prov=41.8%)	PVP SALARIES (SD62=6.0%; Prov=5.6%)
EA SALARIES (SD62=11.4%; Prov=8.6%)	SUPPORT STAFF SALARIES (SD62=9.3%; Prov=8.8%)
OTHER PROF. SALARIES (SD62=3.6%; Prov=3.0%)	SUBSTITUTES SALARIES (SD62=4.3%; Prov=3.6%)
EMPLOYEE BENEFITS (SD62=18.4%; Prov=18.3%)	TOTAL SERVICES AND SUPPLIES (SD62=10.7%; Prov=10.3%)

The District's operating expenditures of \$175.01M increased by 6.4% (\$10.6M) over the prior year. Against a budget of \$177.5M, the \$175.01M in expenditures resulted in savings of \$2.5M (1.4%).

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY25	FY25	FY24	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
				FY25	FY25	PRIOR YEAR	%
EXPENSES (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
TEACHERS SALARIES	65,621	63,672	61,916	1,948	3.0%	1,756	2.8%
PVP SALARIES	10,417	10,529	10,219	(112)	(1.1%)	310	3.0%
EA SALARIES	19,583	19,927	16,849	(344)	(1.8%)	3,078	18.3%
SUPPORT STAFF SALARIES	16,733	16,228	15,417	505	3.0%	812	5.3%
OTHER PROFESSIONAL SALARIES	6,355	6,251	6,007	104	1.6%	244	4.1%
SUBSTITUTES SALARIES	6,573	7,569	7,007	(996)	(15.2%)	562	8.0%
EMPLOYEE BENEFITS	33,275	32,197	29,886	1,078	3.2%	2,311	7.7%
TOTAL SERVICES AND SUPPLIES	18,955	18,643	17,140	312	1.6%	1,503	8.8%
TOTAL OPERATING EXPENSES	177,512	175,016	164,441	2,496	1.4%	10,576	6.4%

The \$2.5M in savings was largely due to Teacher salaries (\$1.9M), Support staff salaries (\$0.5M), Employee benefits (\$1.08M) offset by a pressure in Substitute salaries (\$1.0M) and EA salaries (\$0.34M).

The \$1.95M teacher salaries savings is largely due to timing challenges in recruitment and onboarding processes. This is offset by a \$1.0 million pressure on substitutes salaries largely driven by increased reliance on teachers-on-call to support classroom continuity.

The \$0.5 million in support staff salary savings is largely attributable to natural staff transitions and vacancies that occurred during the year.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

The \$1.07 million in employee benefit savings is the result of a combination of factors, including staff turnover, a lower-than-anticipated utilization of benefits, and updated projections based on actuarial analysis.

The \$0.34 million pressure on EA salaries is primarily associated with responding to the needs of a growing number of students requiring additional support.

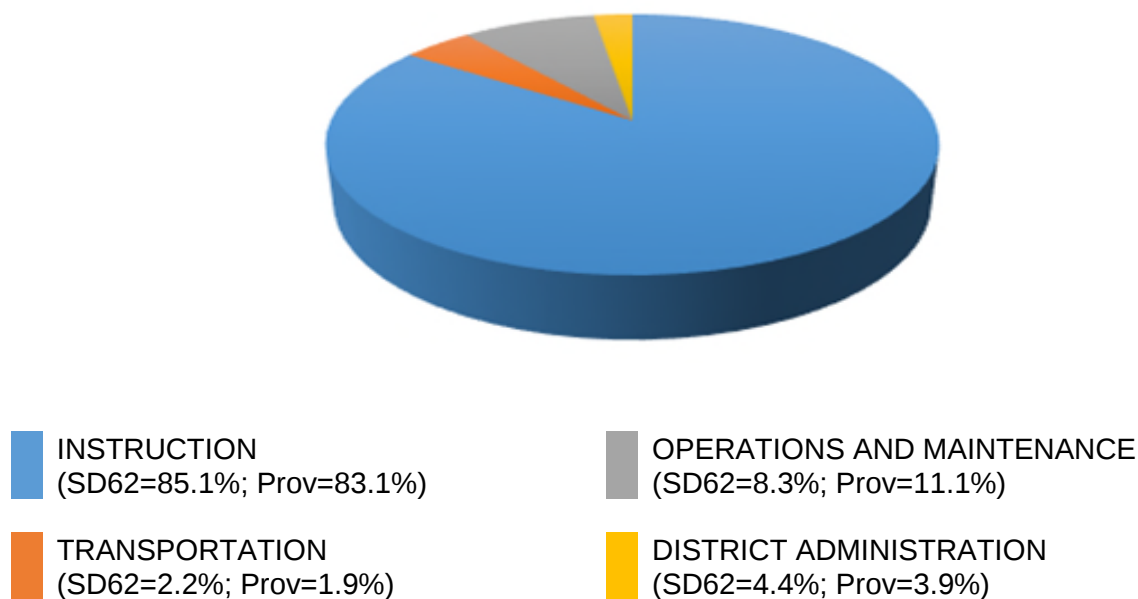
Expenses by Function

The District's expenditures can be categorized by the following functions: Instruction; District Administration; Operations and Maintenance; and Transportation. The functions are defined as follows:

- The **Instruction** function incorporates all programs related to the instruction of students.
- The **District Administration** function incorporates the cost of all programs related to district governance and district administration of educational, business, human resource and labour relations activities.
- The **Operations and Maintenance** function incorporates all programs related to the district's responsibility for the operation, maintenance and safety of sites, buildings, and equipment.
- The **Transportation** function incorporates programs involving the transportation of students.

Over 85% of the District's expenses are categorized under the Instruction function.

FY25 EXPENSES BY FUNCTION



SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

The District's expense allocations are generally in line with the Provincial averages; however, the District's expenditures are slightly more heavily allocated towards Instruction and less in Operations and Maintenance than other Districts.

	BUDGET	ACTUAL	ACTUAL	SAVINGS /	SAVINGS /	INCR / (DECR)	INCR /
	FY25	FY25	FY24	(PRESSURE)	(PRESSURE) %	FROM	(DECR)
EXPENSES BY FUNCTION (in \$ thousands)	A	B	C	D = A-B	E = D/A	F = B-C	G = F/C
INSTRUCTION	151,443	148,985	139,399	2,458	2%	9,586	7%
DISTRICT ADMINISTRATION	7,702	7,629	7,190	73	1%	439	6%
OPERATIONS AND MAINTENANCE	14,245	14,463	13,852	(218)	(2%)	611	4%
TRANSPORTATION	4,121	3,939	4,000	183	4%	(61)	(2%)
TOTAL OPERATING EXPENSES	177,512	175,016	164,441	2,496	1%	10,575	6%

Instruction

The District's Instruction expenses totaled \$149M for the year, reflecting a \$9.6M increase over the prior year. The \$9.6M increase was largely from Regular Instruction (\$2.6M – mainly teacher salaries and benefits), Special Education (\$5.2M – largely EA salaries and benefits), and School Administration (\$0.6M – mostly PVP and support staff salaries and benefits).

Against a budget of \$151.4M, the \$148.9M expenditures resulted in savings of 2% (\$2.5M). The savings was largely due to savings in Regular Instruction (\$2.8M) offset by a pressure in Inclusive Education (\$0.43M).

District Administration

The District's District Administration expenses totaled \$7.6M for the year, a 6% (\$0.44M) increase over the prior year.

The increase was mainly driven by higher costs in services and supplies (\$0.32M), along with an increase in salaries and benefits (\$0.12M).

Against a budget of \$7.7M, the \$7.6M expenditures were primarily on budget for the year.

Operations and Maintenance

The District's Operations and Maintenance expenditures totaled \$14.5M for the year, representing a 4% (\$0.6M) increase over the prior year. This increase was primarily driven by higher costs in Maintenance Operations (\$0.5M - mainly support staff salaries and benefits) and Maintenance Administration (\$0.1M).

Against a budget of \$14.2M, the \$14.5M expenditures resulted in a pressure of 2% (\$0.2M) mainly due to Maintenance Admin (\$0.2M).

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

Transportation

The District's Transportation expenditures totaled \$3.9M for the year, a 2% (\$0.06M) decrease from the prior year. This was primarily due to a reduction in salaries and benefits (\$0.12M), partially offset by an increase in services and supplies (\$0.06M).

Compared to the \$4.1M budget, the \$3.9M in expenditures resulted in 4% savings (\$0.2M), mainly from lower bus driver salaries, benefits, and services and supplies.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

TANGIBLE CAPITAL ASSETS PURCHASED AND WORK IN PROGRESS

The amount of tangible capital assets purchased and tangible capital assets that are a work in progress can be found in Schedule 2 – the Schedule of Operating Operations in the financial statements. The District spent \$436,749 on tangible capital assets including portables and electric buses.

ACCUMULATED SURPLUS (DEFICIT)

Pursuant to *Section 156(12)* of the *School Act*, school districts must obtain prior approval from the Minister before incurring deficits in the operating fund. The District's year end position as reflected in the table below shows an accumulated operating surplus of \$7,637,049 of which \$3,907,013 is internally restricted and \$3,730,035 is unrestricted/contingency.

OPERATING FUND SURPLUS
FOR THE FISCAL YEAR ENDING JUNE 30 2025

	FINAL AMOUNT
A	OPERATING SURPLUS, BEGINNING OF YEAR
	\$ 3,746,823
B	OPERATING SURPLUS / (DEFICIT), FOR THE YEAR 2024/25
	\$ 3,890,226
C = A+B	OPERATING SURPLUS, END OF YEAR
	\$ 7,637,049

INTERNALLY RESTRICTED SURPLUS

Restricted Due to the Nature of Constraints on the Funds

Discretionary School Generated Funds	\$ 302,221
School budget balances	\$ 52,988
Transportation Safety Fees	\$ 118,619
Kindergarten Settlement	\$ 250
Various unspent grants	\$ 15,686
Total - Restricted Due to the Nature of Constraints on the Funds	\$ 489,764

Restricted for Operations Spanning Multiple School Years

District Stabilization	\$ 596,474
John Horgan Campus Furniture	\$ 60,000
Departmental Operations	\$ 378,682
IT Infrastructure	\$ 100,000
E-Bus Infrastructure	\$ 778,464
EMCS Bleachers and gym floor	\$ 200,000
Total - Restricted for Operations Spanning Multiple School Years	\$ 2,113,620

Restricted for Anticipated Unusual Expenses Identified by the Board

FY26 Space Mitigation - Portable Moves	\$ 1,156,630
North Langford Fencing	\$ 75,000
Hans Helgesen Child Care Insurance	\$ 72,000
Total - Restricted for Anticipated Unusual Expenses Identified by the Bo	\$ 1,303,630

D	TOTAL INTERNALLY RESTRICTED SURPLUS	\$ 3,907,014
E = C-D	UNRESTRICTED SURPLUS	\$ 3,730,035

The unrestricted accumulated operating surplus of \$3,730,035 is 2.00% of the \$186,501,757 Operating Fund expenses currently budgeted for the year ended June 30, 2026.

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

SPECIAL PURPOSE FUNDS

All restricted contributions received, except for capital contributions and unearned revenues (tuition, rentals, etc.) must be reported as special purpose funds. Revenues are recognized when the stipulation or restriction the contribution is subject to is met.

The following table compares the most material expenditures for the year to the prior year of the special purpose funds.

	FY25	FY24	INCR / (DECR)	INCR /
	ACTUAL	ACTUAL	FROM	(DECR)
			PRIOR YEAR	%
SPECIAL PURPOSE FUNDS (in \$ thousands)	A	B	C = A-B	D = C/B
ANNUAL FACILITIES GRANT	337	337	0	0%
LEARNING IMPROVEMENT FUND	571	570	1	0%
SCHOOL GENERATED FUNDS	4,062	3,454	608	18%
STRONG START	196	203	(8)	(4%)
OFFICIAL LANGUAGES IN EDUCATION PROTOCOL	305	448	(142)	(32%)
COMMUNITY LINK	807	755	51	7%
ACADEMIES	1,309	1,239	70	6%
CLASSROOM ENHANCEMENT FUND	28,579	25,171	3,407	14%
STUDENT AND FAMILY AFFORDABILITY FUND	354	220	134	61%
FEEDING FUTURES FUND	1,686	1,097	589	54%
EARLY CARE AND LEARNING	195	224	(28)	(13%)
PROJECT PENNY	-	107	(107)	(100%)
OTHER	373	462	(89)	(19%)
TOTAL SPECIAL PURPOSE FUNDS EXPENSES	38,773	34,288	4,486	13%
CAPITAL PURCHASES	-	-	-	100%
TOTAL SPECIAL PURPOSE FUNDS	38,773	34,288	4,486	13%

The District's \$38.8M expenditures on Special Purpose Funds for the year was a 13% (\$4.5M) increase over the prior year. There were increases in Classroom Enhancement Fund expenditures of (\$3.4M), Feeding Futures Fund (\$0.6M) and School Generated Funds (\$0.6M).

SCHOOL DISTRICT NO. 62 (SOOKE)
FINANCIAL STATEMENT DISCUSSION AND ANALYSIS (FSDA)
YEAR ENDED JUNE 30, 2025

CAPITAL FUND

The District's tangible capital asset additions of \$67,281,938 for the year was a 70% (\$27.6M) increase from the prior year. The increase is largely due to an increase in expenditures in the Expansion Program (\$32.3M), offset by a decrease in the Child Care Capital Funding Program (\$2.4M), and projects funded from other sources outside the provincial government (\$2.2M).

		FY25	FY24	INCR / (DECR)	INCR /
		ACTUAL	ACTUAL	FROM	(DECR)
				PRIOR YEAR	%
CAPITAL ADDITIONS (in \$ thousands)		A	B	C = A-B	D = C/B
CAPITAL FUND					
EXPANSION PROGRAM		59,633	27,381	32,252	118%
SCHOOL ENHANCEMENT PROGRAM		1,214	1,001	214	21%
SEISMIC MITIGATION PROGRAM		316	262	53	20%
CARBON NEUTRAL CAPITAL PROGRAM		987	222	765	344%
BUILDING ENVELOPE PROGRAM		-	9	(9)	(100%)
BUS ACQUISITION PROGRAM		1,809	1,452	357	25%
ANNUAL FACILITIES GRANT		314	735	(422)	(57%)
PLAYGROUNDS		195	195	-	0%
CHILD CARE CAPITAL FUNDING PROGRAM		1,261	3,675	(2,414)	(66%)
LOCAL CAPITAL		300	350	(50)	(14%)
OTHER		817	3,062	(2,246)	(73%)
OPERATING FUND		437	1,342	(905)	(67%)
SPECIAL PURPOSE FUND		-	-	-	100%
TOTAL CAPITAL ADDITIONS		67,282	39,686	27,596	70%

Some of the more significant capital projects include:

- **Expansion Program (EXP)** – In 2024/25, the District acquired a middle school site at a total cost of \$25.4 million. An additional \$22.8M was invested in the ongoing construction of SCIANEW STEELTKEEL Elementary, along with \$11.3M for the construction of prefabricated modulars at Ruth King and David Cameron Elementary schools.
- **School Enhancement Program (SEP)** - \$1.2M was invested in energy upgrade projects at Crystal View Elementary, EMCS, and Willway Elementary.
- **Bus Acquisition Program (BUS)** - \$1.8M was spent on the purchase of 5 electric school buses.
- **Child Care Capital Funding Program** – \$1.3M was spent on Childcare New Spaces at Colwood and Hans Helgesen Elementary Schools.
- **Other** - \$0.8M was spent on the electric busses and charging stations.
- **Operating Fund** – there were \$0.4M in Operating Fund tangible capital asset purchases including charging stations (\$0.1M), and fleet vehicles (\$0.2M).

RISKS AND UNCERTAINTIES

The following list are some of the significant financial risks that the District is aware of that could negatively affect operations:

- **Enrolment** – Enrolment drives the District's revenues and an inaccurate estimation of future enrolment could result in either an over or under deployment of resources. Additionally, an inaccurate estimation of future enrolment could further exacerbate the capacity issues the District is currently experiencing.
- **Classroom Capacity** – Continued enrollment increases will provide significant pressure on remaining space availability.
- **Staff benefit rates** – Benefit rates fluctuate from year to year dependent on staff usage so are difficult to accurately predict. In 2024/25, the District benefit rate increased by 0.47% from the prior year (2024/25 = 25.93%; 2023/24 = 25.45%). A one per cent fluctuation in \$124M in salaries amounts to \$1,240,000.
- **Utilities** – Expenditures on utilities fluctuate based on usage, and usage typically depends on the weather which, even for the Farmers' Almanac, is impossible to predict.
- **Leave liability** – Leave balances (such as unused vacation balances) are recorded in the year they are earned. The larger the balance, the larger the expense. It is difficult to predict with accuracy across the District exactly how many vacation days staff plan on using in any given year.
- **Salary differential** – A component of the Operating Grant is the supplement for salary differential which provides additional funding to districts with average teacher salaries higher than the provincial average. In 2024/25, the District received \$512,919 more than the prior year (FY25 = \$2,542,421; FY24 = \$2,029,502).
- **Tariffs** - The continued imposition of tariffs on construction materials such as steel, aluminum, and lumber poses a significant financial risk to the school district. These tariffs can lead to elevated costs for current and future capital projects, including school construction, renovations, and modular installations. As a result, the district may face budget shortfalls, project delays, or the need to scale back the scope of planned infrastructure improvements.