

Financial Statement Discussion & Analysis

2024 – 2025



GULF ISLANDS
SCHOOL
DISTRICT 64



Financial Statement Discussion & Analysis

For the Year Ended June 30, 2025

The following is a discussion and analysis of the School District's financial performance for the fiscal year ended June 30, 2025. It serves as a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This report is intended to be read alongside the School District's financial statements.

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Overview of the District

Gulf Islands School District encompasses nine schools located across the islands of Galiano, Mayne, Pender, Salt Spring, and Saturna. Students often commute to school via water taxis and buses, with the majority residing on Salt Spring Island, the largest island in the district. During the 2024/25 school year, the district served 1,487 (FTE) local students and 45 international students (equivalent to 35.4 FTE). Additionally, 155 students in the district identify as having Indigenous ancestry and are supported through the Indigenous Education Program, while 113 students participated in the Late French Immersion Program for grades 6 to 11.

The district operates under the Board's Strategic Direction, which focuses on four priorities: Truths, Reparation, and Restoration; Integrity and Responsibility; Relationships and Belonging; and an Ethic of Learning. These priorities are integrated into every aspect of the district's operations, aiming to create a supportive and forward-thinking educational environment that prepares students to thrive in a rapidly changing world.

Efforts to improve academic success have shown significant results. Completion rates for resident students have steadily increased over recent years—from 74% in 2017/18 to 100% in June 2023 and 2024. The 2023/24 completion rates for Indigenous students and students with diverse abilities also reached near parity at 100% and 95%, respectively. Graduation Completion rates for 2024/25 are yet to be published. Participation rates in the Grade 4 Foundation Skills Assessment (FSA) for Literacy remain high at 93% for 2024/25 (from a low of 45% in 2018). Literacy and reading achievement rates for this cohort have dipped from 85.2% on track or extending in 2023/24 to 71% in 2024/25, although rates remain above the provincial average. Similarly, FSA results for Grade 7 remain strong, with a participation rate of 95% and achievement rates of 84% on track or extending in Literacy and Reading, and 73% in Numeracy. Results have increased from 64% in 2023/24 for Numeracy and remain the same for Literacy.

The district is configured as follows:

- Elementary schools on Salt Spring, Mayne, and Galiano Islands serve students from kindergarten to Grade 7.
- Saturna Island Elementary accommodates Kindergarten to Grade 5.
- Gulf Island Secondary School (GISS) provides education for Grades 8 to 12.
- Pender Island Elementary Secondary School (PIESS) serves students from kindergarten to Grade 12. It offers a junior secondary program for Grades 8 and 9, catering to students from Pender, Mayne, Galiano, and Saturna (Grades 6-9). PIESS provides choice of education programming for Grade 10-12 students from any district catchment area.
- French Immersion begins at Grade 6 at Salt Spring Elementary, with senior French Immersion offered at GISS.
- Saturna Ecological Education Center serves a maximum of 12 students from grade 9-12 at a residential/classroom location and is focused on outdoor place-based education.

A key element of the district's configuration is prioritizing local catchment areas to ensure that elementary schools remain robust and serve the needs of their communities.

Since 2022, four new electric buses have been added to the fleet, replacing older vehicles.

Financial Highlights

The district's financial position has strengthened since 2019, reflecting advantages from recent bus route optimization, school closures, and reconfiguration of grade levels. Consistent operating revenue, sustained in part through Funding Protection, has made it possible to invest in both sustainability initiatives and improvements to educational quality. Despite these gains, the district continues to face financial pressures stemming from inflation in goods and rising cost of wages and benefits not fully funded through Labour Settlement funding.

Looking ahead, stable future enrolment will result in the district exiting Funding Protection, which will further impact the operating grant and financial planning.

Key financial highlights include:

- The Annual Operating Surplus before tangible capital assets were purchased is \$70K. \$347K of physical assets were purchased with Accumulated Operating Surplus, resulting in this year's Operating Deficit of \$277K. The deficit is due to intentional use of accumulated surplus to fund strategic investments in the district.
- The ending Operating Accumulated Surplus for 24-25 is \$2.7M.
- Cash and cash equivalents have decreased from \$7.06M to \$6.20M.
- Full-Time Equivalent (FTE) enrollment decreased from 1,500 to 1,487.
- The cessation of the International Program as of June 30, 2025, results in a nil balance of Unearned Revenue (23-24, \$722K).

Funding Protection ensures the operating grant decreases gradually by 1.5% annually until it aligns with actual student enrollment. However, recent increases in Labour Settlement Funding have accelerated the reduction of Funding Protection. The district has used this temporary funding in one-time initiatives like student learning recovery, professional development, electric buses,

technology upgrades, and facility improvements. Transparency in the usage of these funds is maintained through board reporting during the budget process.

For the Operating Fund, the Amended Annual Budget projected \$23.32M in Provincial Grants and received \$23.46M. Budgeted expenses were \$25.22M, with actual expenses slightly lower at \$24.79M, resulting in an annual operating surplus of \$70K before investments in tangible capital assets. After spending \$348K on capital assets using the Accumulated Surplus, the deficit is \$277K.

The Accumulated Operating Surplus now stands at \$2.7M, representing 11% of the year's operating expenses. The district aims to reduce this surplus to approximately 5% (or \$1.3M) of annual operating revenue/expenses over time, with a focus on sustainability and prudent resource management while making strategic investments that support the learning environment.



Financial Analysis of the School District as a Whole

| Financial Items | 2024-25 | 2023-24 | Change in \$ CY/PY | Change in % CY/PY | Discussion |
|--|------------|------------|-----------------------|----------------------|--|
| Schedule of Operations SCH 2 | | | | | |
| Enrollment BC Resident – (February 1701) FTE | 1,470 | 1,513 | -43 | -3% | There was a 3% decrease in student FTE over the prior year. This trend of a larger graduating class then kindergarten entry class is continuing into the 2025-2026 school year. |
| Operating Revenue | 24,861,561 | 24,972,207 | -110,646 | 0% | Most of the decrease is \$115K in International Tuition and \$100K in Investment Revenue. This decrease is partially offset by a slight increase in MOECC funding and Rental Revenue. |
| Operating Expense | 24,791,149 | 25,043,910 | -252,761 | -1% | The current year Operating Expenses were budgeted to be \$25.2M, with the actual \$426K under budget or 1.7% and \$253K or 1% less than prior year. |
| Special Purpose Revenue and Expense | 5,337,582 | 4,573,794 | 763,788 | 17% | Most of the SPF revenue and expense increase was the \$633K of additional CEF funding. The remaining increase relates to the Feeding Futures program being fully implemented for the full year in 24-25 (\$150K more than prior year) and the full \$100k of the final year of the Student Affordability Fund was utilized. This was offset by less spending in the Health Career Grant (\$7K 24-25 and \$93K in 23-24) as the project is nearing completion. There was \$159K less Education Trust funding recognized than in prior year. |
| Capital Revenue | 1,447,158 | 1,269,814 | 177,344 | 14% | Deferred Capital Revenue and Amortization Expense are a percentage of the total Capital Asset and DDC Liability value. Consistently for the last 5 years capital investment has been strong and therefore the total value of the assets/liabilities have increased, and the expenses and revenue recognised each year has increased. |

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|---------------------------------|-----------|-----------|----------|------|--|
| Annual Surplus (Deficit) | -368,162 | -422,629 | 54,467 | -13% | For the last 3 years there has been an effort to utilize Accumulated Surplus for strategic capital investments. In the current year \$348K of Accumulated Surplus was utilized on capital improvements. \$102K was combined with \$40K of MoECC capital funds to renew the Galiano school kitchen and update floors, paint and remediation work through-out the school. \$147K was invested in computer hardware for schools and student transportation tracking systems. \$98K was for the software addition related to the current year completed phase of the accounting software modernization project (accounts payable). 25-26 will see the completion of the final phase of the accounting modernization (payroll). |
| Statement of Financial Position | | | | | |
| Cash and Cash Equivalents | 6,091,187 | 7,056,292 | -965,105 | -14% | The reduction in Cash by 14% reflects spending Accumulated Operating Surplus on local capital investments and not holding Unearned Revenue for the subsequent year's international program tuition and homestay prepayments. At the beginning of 24-25 the district held \$722K in student funds. The International Program closed June 30th, 2025, and nil funds are held at yearend for the upcoming year. |
| Accounts Receivable | 631,758 | 716,495 | -84,737 | -12% | Accounts Receivable has decreased from prior year. Last year there was two years of accumulated GST Receivable from the Federal Government and in the current year there is only the last 6 months of the current year, and it is \$85K compared to the prior year ending GST balance of \$452K. The current year capital COA funding due from the MOECC is \$497K compared to \$159K in prior year. |
| Portfolio Investments | 145,966 | 138,896 | 7,070 | 5% | The change in balance is related to the change of the categorization of the underlying investments. Most of the portfolio's value is categorized as investments and not cash accounts. The overall value of the portfolio is relatively consistent. |

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|--|------------|------------|-----------|-------|--|
| Accounts Payable and Accrued Liabilities | 330,519 | 666,406 | -335,887 | -50% | The reduction in Account Payables is related to an emphasis on performing a cheque run on the last day of the current fiscal year and a reduction in one-time accruals at yearend. |
| Unearned Revenue | - | 722,130 | -722,130 | -100% | In November of 2024 the Board passed a motion to cease operation of the International Program as of June 30, 2025. This is reflected in the nil balance of the Unearned Revenue. Unearned Revenue in prior year has been made of the subsequent year's international tuition and homestay payments received before yearend. |
| Deferred Revenue (SPF) | 2,117,610 | 1,766,004 | 351,606 | 20% | In June of 2025 the district received \$250K in Literacy Professional Development funds to utilize in subsequent fiscal periods from MOECC. This increase in Deferred Revenue is offset by the reduction in Student Affordability funding held by the district. We started the year with \$98K that was received in June of 2024 and was required to be utilized by June 2025. We are not anticipating any additional Student Affordability funds in 2025-26. Our Education Trust fund also received \$100K greater than it distributed in the period. A portion of this is related to the funds donated before yearend to SSE to increase the footprint of the new SSE playground. The \$300K playground was built in the summer of 2025 through the \$200K from MOECC capital funding and \$100K raised from school and community initiatives. |
| Deferred Capital Revenue (liability) | 23,275,161 | 21,759,037 | 1,516,124 | 7% | Most of the change reflects the increase in Deferred Capital Revenue in the current year (\$2.8M) (capital additions funds received from the Province, Federal government and donations) less recognition of Deferred Capital Revenue (\$1.3M). |
| Employee Future Benefits | 1,073,658 | 1,033,345 | 40,313 | 4% | The change reflects accrued retirement benefits owed on the current work performed by CUPE members, less retirements in the current year and the payment of their contractually obligated retirement allowances. |

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|------------------------------|------------|------------|-----------|-----|---|
| Asset Retirement Obligations | 1,490,000 | 1,260,000 | 230,000 | 18% | The original ARO value was established in 2022-23. Based on the increase cost for remedial work during the ensuing period, a new external estimate was requested. The change in value is the current estimated cost of the remediation work. |
| Tangible Capital Assets | 30,923,419 | 29,097,878 | 1,825,541 | 6% | The change in capital assets is additions less current year amortization. In the current year there was \$2.4M in COA Bylaw additions, \$0.1M in Other Deferred Capital Revenue (Federal electric school bus rebates), \$0.35M in Operating capital additions and \$0.46M transferred from WIP. There is also \$0.3M in new current year WIP additions. A tractor was donated and is valued at \$71K. The ARO estimate increase was also a \$230K addition to building assets. Amortization was \$1.7M in the current year. |
| Accumulated Surplus | 9,664,246 | 10,032,408 | -368,162 | -4% | Accumulated Surplus is all former and current year impacts to the Operating and Capital Fund. In the current year the Operating Fund had an annual surplus of \$70K before interfund transfers of \$347K to Capital. The Capital Fund has an annual deficit of \$438K before the transfer from Operating. The deficit in the Capital Fund is a result of greater amortization than deferred capital revenue being recognized. |

Analysis of Major Revenue and Expenditure Items by Source and Function

| Financial Items | 2024-25 Actual | 2023-24 Actual | Change in \$ CY/PY | Change in % CY/PY | Discussion |
|--|-------------------|-------------------|-----------------------|----------------------|---|
| Key Revenue Sources | | | | | |
| Provincial Grant - Operating Grant | 22,813,165 | 22,574,209 | 238,956 | 1% | The Operating Grant has increased over prior year, and this is driven by the increase to the per student funding. The increase to the per student funding is attributed to the incorporation of the prior year's Labour Settlement Funding into the Operating Grant. The district received \$60K in funding for the creation and support of an Indigenous Education Council as outlined in Legislative Bill 40-2023 through the Operating Grant. This is a new type of targeted funding. At yearend the district has retained the unspent amount (\$39K) as a component of Internally Restricted Surplus to be used in subsequent periods for its intended purpose. |
| Operating - Other Ministry of Education and Child Care | 647,310 | 819,698 | -172,388 | -21% | In prior year the Labour Settlement Funding grant (which is a separate grant in the year the agreement has been reached and falls into the Other MOECC funding line, and in the subsequent year it is included in the regular Operating Grant) was \$352K, in the current year the same grant was \$181K. This amount was determined during the current year when Provincial collective agreement bargaining, and local tables had concluded. All other grants remain relatively consistent. |
| International Tuition | 472,050 | 587,540 | -115,490 | -20% | The 20% decrease in International Tuition is a direct result of the decrease of total FTE attending. The current year total international students FTE was 35.4 and prior year was 39.3 FTE. |

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|--------------------------------------|------------|------------|----------|------|---|
| Other Revenue | 612,027 | 604,817 | 7,210 | 1% | Other Revenue has increased slightly from prior year. Other international program fees and homestay fees decreased inline with enrollment reductions; however, the decrease was offset by higher WCB payments for employees on WCB. |
| Rental and Leases | 98,999 | 65,811 | 33,188 | 50% | The former Phoenix Elementary School site commenced being leased in December of 2024. |
| Investment Income | 218,010 | 320,132 | -102,122 | -32% | This decrease in Investment Income reflects having less of the Cash and Cash equivalents invested with the Ministry of Finance, and interest rates have returned to a more common rates range after the usually high rates from the prior 2 years. This reduction was anticipated as we have reduced our cash balances and rates have declined. |
| Total Revenue | 24,861,561 | 24,972,207 | -110,646 | 0% | The decrease in total Operating Revenue is less than half a percentage point and that movement has been discussed above in the individual components of revenue. |
| Operating Expense by Function | | | | | |
| Instruction | 17,612,001 | 17,878,965 | -266,964 | -1% | The 1% less spending in instruction to prior year is related to budget decreases in staff with a decrease of 3% in enrollment. |
| District Administration | 1,656,982 | 1,818,641 | -161,659 | -9% | The decrease in District Administration reflects stable leadership. In the prior year there were additional Educational Administration expenses related to changing leadership positions. |
| Operations and Maintenance | 3,561,351 | 3,565,834 | -4,483 | 0% | Operations and maintenance is consistent with prior year. |
| Transportation and Housing | 1,960,815 | 1,780,470 | 180,345 | 10% | The increase is reflective of inflation in services and supplies, 1 full year of having a mechanic (prior year was only 1/2 year of the position) on staff and an increase of one bus route on Mayne Island. |

| | | | | | |
|--|------------|------------|----------|-------|---|
| Total Operating Expense | 24,791,149 | 25,043,910 | -252,761 | -1% | Total Expenses decreased by 1%. The changes have been discussed above in the individual expense functions. Overall Salaries and Benefits expense decreased by less than a 10th of a percent, Benefits increased by 2% and Services and Supplies decreased by 5%. For a total overall decrease in Operating Expenses of 1%. The decrease in expenses is consistent with the 2024/25 Amended Annual budget. |
| Operating Annual Surplus (Deficit) before Fund Transfers | 70,412 | -71,703 | 142,115 | -198% | Operating Revenue decreased by over \$111K and Operating Expenses decreased by \$253K. Result in a slight surplus compared to prior year's slight deficit before the purchase of capital assets with Operating funds. |

Budgetary Highlights / Analysis of Operating Results to Budget

| Operating Revenue and Expenses | Amended Annual Budget 2024-25 | Annual Budget 2024-25 | Change in \$ Amended / Annual | Change in % Amended / Annual | Discussion |
|------------------------------------|-------------------------------|-----------------------|-------------------------------|------------------------------|---|
| FTE | 1,470 | 1,445 | 25 | 2% | The Annual Budget is based on the May enrollment estimates for the next fiscal period and Amended is based on September 1701 Actual. A component of the change is that the estimate is based on headcount, and the actual is based on full time equivalent (FTE). The FTE was higher than headcount for the 1701 and there were additional students who joined the district between the dates of the estimate and budget. |
| Revenues | | | | | |
| Provincial Grant - Operating MoECC | 22,681,558 | 22,492,579 | 188,979 | 1% | Funding is based on increased per FTE operating grant funding and slightly higher FTE than anticipated and the Indigenous Education Council funding. |
| Provincial Grant - Other MoECC | 644,785 | 438,162 | 206,623 | 47% | The increase is based on the known amount of Labour Settlement Funding of \$181K which was announced after the annual budget was completed. |
| International Tuition | 480,000 | 490,000 | -10,000 | -2% | Relatively consistent to initial budget. |
| Other Revenue | 642,321 | 651,821 | -9,500 | -1% | Slightly lower GISPA registration than initially budgeted for. |
| Rentals & Leases | 90,000 | 95,000 | -5,000 | -5% | Consistent to initial budget. |
| Investment Income | 200,000 | 275,000 | -75,000 | -27% | The interest rates were decreasing between the two budget dates, and the impact was anticipated to reduce revenue. |
| Total Revenue | 24,738,664 | 24,442,562 | 296,102 | 1% | Relatively consistent to initial budget. |

| Expenses | | | | | |
|---|------------|------------|----------|------|--|
| Instruction | 18,020,635 | 17,733,696 | 286,939 | 2% | Anticipated increase based on expected grid wage improvements through collective bargaining. |
| District Administration | 1,735,096 | 1,628,870 | 106,226 | 7% | Increase based on additional IEC funding through Operating Grant and expected BCPSEA salary increases. |
| Operations & Maintenance | 3,510,914 | 3,394,430 | 116,484 | 3% | The increase is reflective of inflation in services and supplies, 1 full year of a mechanic (prior year was only 1/2 year of position) and an increase of one bus route on Mayne Island. |
| Transportation & Housing | 1,950,865 | 1,959,300 | - 8,435 | 0% | Relatively consistent with annual budget. |
| Total Expenses | 25,217,510 | 24,716,296 | 501,214 | 2% | The 2% increase in expense across all four Functions reflects the actual cost impacts of inflation and collective agreement labour increases, with minor adjustments to enrollment, staffing and bus routes. |
| Total Net Transfer | | | | | |
| Tangible Capital Assets Purchased | 275,000 | 550,000 | -275,000 | -50% | With the anticipated increased cost pressures due to collective agreement increases, a strategic decision to reduce some of the one-time capital investments planned was decided. A sports team mini-coach and a white fleet facilities maintenance replacement were removed from the projects list. The Galiano Renewal project, School Hardware and device repayment were continued. |
| Budgeted Prior Year Surplus Appropriation | 753,846 | 823,734 | -69,888 | -8% | This is consistent with the 1% increase in revenue and 2% increase in expense between the Annual and Amended budget and the reduction of local capital projects. |

| Operating Revenue and Expenses | Amended Budget 2024-25 | Actual Budget 2024-25 | Change in \$ | Change in % | Discussion |
|------------------------------------|------------------------|-----------------------|--------------|-------------|---|
| FTE | 1,470 | 1,487 | 17 | 1% | 64Go actual FTE is accumulated through the year. |
| Revenues | | | | | |
| Provincial Grant - Operating MoECC | 22,681,558 | 22,813,165 | 131,607 | 1% | Slight increase related to increase in the funding envelope. |
| Provincial Grant - Other MoECC | 644,785 | 647,310 | 2,525 | 0% | The change is related to funding for Graduated Adults. |
| International Tuition | 480,000 | 472,050 | -7,950 | -2% | Slightly higher than anticipated due less student FTE. |
| Other Revenue | 642,321 | 612,027 | -30,294 | -5% | Received less community grant funding than budgeted. |
| Rentals & Leases | 90,000 | 98,999 | 8,999 | 9% | Slightly higher third-party facilities rentals than anticipated. |
| Investment Income | 200,000 | 218,010 | 18,010 | 8% | Slightly higher than anticipated. |
| Total Revenue | 24,738,664 | 24,861,561 | 122,897 | 0% | Slight increase is a result of additional investment income and Operating Grant funding, offset by lower than anticipated community grants. |
| Expenses | | | | | |
| Instruction | 18,020,635 | 17,612,001 | -408,634 | -2% | The areas that were slightly below budget are Learning Services and School Administration, Career Programs and Indigenous Education were slightly higher. |
| District Administration | 1,735,096 | 1,656,982 | -78,114 | -5% | \$39K of this amount is related to the underspent in Indigenous Education Council funding, which has been retained within Internally Restricted, Operating Surplus. |

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|---|------------|------------|----------|-------|--|
| Operations & Maintenance | 3,510,914 | 3,561,351 | 50,437 | 1% | Consistent with amended budget. |
| Transportation & Housing | 1,950,865 | 1,960,815 | 9,950 | 1% | Consistent with amended budget. |
| Total Expenses | 25,217,510 | 24,791,149 | -426,361 | -2% | Consistent with amended budget. |
| Total Net Transfer | | | | | |
| Tangible Capital Assets Purchased | 275,000 | 347,786 | 72,786 | 21% | In the current year \$348K was spent on local capital projects using Accumulated Operating Surplus. \$101K was invested in a paint, flooring and general remediation work at Galiano School. \$147K was used for computer infrastructure upgrades, student devices and transportation student tracking system. \$98K was spent on the current completed module of the multi phase accounting software modernization. |
| Budgeted Prior Year Surplus Appropriation | 753,846 | 277,374 | -476,472 | -172% | The \$476K in reduced budget appropriation is related to the slight Revenue increase of half a percent and reduction in Expenses by 2%. |

Reserves – Operating, Special Purpose and Capital Balances

SD64 does not currently have any reserves. In June of 2022, an updated Accumulated Operating Surplus Policy [Bylaws, Policies and Procedures \(sd64.bc.ca\)](#) was adopted. This policy outlines the expectations of how surplus will be used and the process for consulting on the use of surplus and the categories under which surplus can be restricted and utilized. Policy 5.10 Financial Planning and Reporting is relevant to this section. Operating Accumulated Surplus when utilized for tangible asset purpose is included in the Annual or Amended Budget and treated as Local Capital and shown as a transfer between funds.

Capital Assets

In the current year, the district has had six capital COAs approved for multiple sites for fiscal 2024-25. Two electric bus units are included in vehicle asset addition and replaced older diesel units. One was from a 2024-25 COA and the other from a 25-26 COA. Salt Spring Elementary and Mayne Island Elementary Schools both received Project approvals for HVAC upgrades. Additional kitchen equipment was awarded for GISS and Galiano School. The 23-24 COAS for universal washrooms upgrade at GISS and Pender LED lighting replacement were fully drawn down in the current year with the work completed in the fall of 2024.

| Financial Items | 2023-24 | 2024-25 | Change in \$ CY/PY | Change in % CY/PY | Discussion |
|---------------------------------------|------------|------------|-----------------------|----------------------|--|
| Tangible – Capital Asset – Book Value | | | | | |
| Sites | 4,107,653 | 4,107,653 | - | 0% | No disposal or acquisition of sites in year. |
| Buildings | 21,386,626 | 22,905,512 | 1,518,886 | 7% | The following projects were added to buildings in the current year: \$1M SSE HVAC upgrade, \$239K HVAC upgrade at Mayne, \$90K renovation of kitchen equipment at Galiano and GISS. AFG funding of \$130K was also used to complete the SSE HVAC project and \$101K of operating surplus local capital funding was used for renewal at Galiano School. \$230K of ARO building estimated remediation work was increased the value of building asset. The change includes the reduction based on annual amortization of the asset. |
| Buildings WIP | 610,945 | 486,972 | -123,973 | -20% | The following the 23-24 COA Bylaw capital projects were completed: the universal access washrooms at GISS and the Pender LED lighting replacement projects. Total value of GISS washroom upgrade with COA and AFG funding was \$502K. Preliminary work has occurred on some of the 25/26 COA Bylaw projects in anticipation of summer/fall 2025 work. |

| | | | | | |
|-----------------------|------------|------------|-----------|------|---|
| Furniture & Equipment | 1,319,451 | 1,163,030 | -156,421 | -12% | No new additions in the current year - the change is related to amortization and deemed disposals. |
| Vehicles | 1,268,043 | 1,749,306 | 481,263 | 38% | \$611K addition for two electric school buses and a donated \$71K tractor less amortization and deemed disposals. |
| Computer Software | 47,841 | 123,699 | 75,858 | 159% | Additional components delivered on the accounting software modernization less amortization and deemed disposals. |
| Computer Hardware | 357,319 | 387,247 | 29,928 | 8% | Operating funding was used to upgrade student computers, and district network hardware and student transportation tracking devices, less amortization and deemed disposals. |
| Total Net Book | 29,097,878 | 30,923,419 | 1,825,541 | 6% | Change consistent with additions, amortization and deemed disposals. |

In June 2025, the Board reviewed a Draft Long-Range Facilities Plan (2024-2034) created by an external expert after inspecting the district's facilities and utilizing Rocky Point facility engineering assessments and MOECC building assessment reports. The district manages 15 buildings—11 school buildings and three support facilities—with three additional sites leased to other organizations. These buildings, located across five islands, range from 14 to 90 years old, with an average age of 60 years, and are well maintained. The district's Facility Condition Index averages 0.27, better than the provincial average of 0.47, reflecting strong upkeep. Both Capital funds (through the Minor and Major project system and the Annual Facilities Grant) and Operating funds (through Operations and Maintenance expense Function 5) have been effectively used for short- and long-term facility maintenance.

Factors Bearing on the School District's Future

Senior management continues to work with the Board to present stable budgets. Ensuring that the district's regular operating expenses do not exceed the operating revenue.

Management is aware that, for the last two years and for the Annual Budget for 2025-26 in the upcoming year, Funding Protection and all revenue is fully utilized in our regular programing. The Accumulated Operating Surplus that was amassed with Funding Protection funds post initial configuration, is no longer being added to. It is being strategically used to make long-term investments in the district.

The district has tracked its decline in geographic based enrollment over the last few decades. This has been taken into consideration with the recent reconfiguration model. The district can contract or expand by a few hundred students and retain its current building organization.

Contacting the School District's Financial Management

This financial report is designed to provide stakeholders with a general overview of the School District's finances and to demonstrate the School District's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Secretary Treasurer.

GULF ISLANDS
SCHOOL DISTRICT

