

Consolidated Audited Financial Statements of

# **School District No. 22 (Vernon)**

And Independent Auditors' Report thereon

June 30, 2022

# School District No. 22 (Vernon)

June 30, 2022

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# School District No. 22 (Vernon)

## MANAGEMENT REPORT

Version: 5156-4410-2428

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

The accompanying consolidated financial statements of School District No. 22 (Vernon) 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 consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.


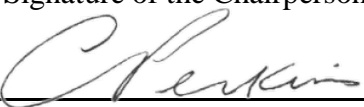

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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. 22 (Vernon) (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 consolidated financial statements on a quarterly basis and externally audited consolidated financial statements yearly.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of School District No. 22 (Vernon) 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 consolidated financial statements.

On behalf of School District No. 22 (Vernon)

|   |                    |
|---|--------------------|
|  | September 21, 2022 |
| Signature of the Chairperson of the Board of Education                              | Date Signed        |
|  | September 21, 2022 |
| Signature of the Superintendent   | Date Signed        |
|  | September 21, 2022 |
| Signature of the Secretary Treasurer  | Date Signed        |

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## Independent Auditor's Report

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To the Board of Education of School District No. 22 (Vernon), and  
To the Minister of Education, Province of British Columbia

### Opinion

We have audited the consolidated financial statements of School District No. 22 (the "School District") and its controlled entity 554210 BC Ltd, which comprise the Statement of Financial Position as at June 30, 2022, and the consolidated Statements of Operations, Changes in Net Debt and Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2022, and its results of operations, its changes of net debt and its cash flows for the year then ended in accordance with the accounting requirements 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 Consolidated Financial Statements* section of our report. We are independent of the School District in accordance with the ethical requirements that are relevant to our audit of the consolidated 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

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes the basis of accounting. The consolidated financial statements are prepared in order for the School District to meet the reporting requirements of the Act referred to above. Note 2 of the Consolidated Financial Statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



## **Unaudited Information**

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules 1 - 4 of School District No. 22 consolidated financial statements or information other than the financial statements and auditors' report thereon, included in the Financial Statement Discussion and Analysis document.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Section 23.1 of the Budget 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 consolidated financial statements, management is responsible for assessing the School District'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 School District or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Consolidated 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 these 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 School District'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 School District'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 School District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information both entities and business activities within to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and the performance of the audit. We remain solely responsible for our audit opinion.

We 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

Vernon, British Columbia  
September 21, 2022

# School District No. 22 (Vernon)

## Consolidated Statement of Financial Position

As at June 30, 2022



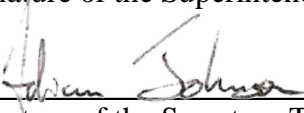
Statement 1

|  | 2022<br>Actual      | 2021<br>Actual      |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| <b>Financial Assets</b>                                  |                     |                     |
| Cash and Cash Equivalents                                | 23,371,770          | 26,169,093          |
| Accounts Receivable                                      |                     |                     |
| Due from Province - Ministry of Education and Child Care | 416,554             | 1,351,007           |
| Due from Province - Other                                | 901,547             | -                   |
| Due from First Nations                                   | 950,798             | 1,107,041           |
| Other (Note 3)   | 1,434,258           | 1,253,617           |
| <b>Total Financial Assets</b>                            | <b>27,074,927</b>   | <b>29,880,758</b>   |
| <b>Liabilities</b>                                       |                     |                     |
| Accounts Payable and Accrued Liabilities                 |                     |                     |
| Due to Province - Ministry of Education and Child Care   | -                   | 136,662             |
| Other (Note 4)   | 9,571,981           | 10,939,142          |
| Unearned Revenue (Note 5)                                | 2,988,617           | 2,405,966           |
| Deferred Revenue (Note 6)                                | 1,768,174           | 1,734,576           |
| Deferred Capital Revenue (Note 7)                        | 98,236,798          | 96,453,653          |
| Employee Future Benefits (Note 8)                        | 4,081,709           | 3,874,818           |
| <b>Total Liabilities</b>                                 | <b>116,647,279</b>  | <b>115,544,817</b>  |
| <b>Net Debt</b>  | <b>(89,572,352)</b> | <b>(85,664,059)</b> |
| <b>Non-Financial Assets</b>                              |                     |                     |
| Tangible Capital Assets (Note 9)                         | 128,519,090         | 125,862,796         |
| Prepaid Expenses   | 298,624             | 80,978              |
| <b>Total Non-Financial Assets</b>                        | <b>128,817,714</b>  | <b>125,943,774</b>  |
| <b>Accumulated Surplus (Deficit) (Note 10)</b>           | <b>39,245,362</b>   | <b>40,279,715</b>   |

Contractual Obligations (Note 11)

Contractual Rights (Note 11)

Approved by the Board

|   |                    |
|---|--------------------|
|  | September 21, 2022 |
| Signature of the Chairperson of the Board of Education                              | Date Signed        |
|  | September 21, 2022 |
| Signature of the Superintendent   | Date Signed        |
|  | September 21, 2022 |
| Signature of the Secretary Treasurer  | Date Signed        |

# School District No. 22 (Vernon)

Statement 2

## Consolidated Statement of Operations

Year Ended June 30, 2022

|   | 2022<br>Budget<br>(Note 12) | 2022<br>Actual     | 2021<br>Actual     |
|---|-----------------------------|--------------------|--------------------|
|   | \$                          | \$                 | \$                 |
| <b>Revenues</b>   |                             |                    |                    |
| Provincial Grants   |                             |                    |                    |
| Ministry of Education and Child Care                                    | 99,420,064                  | <b>100,298,740</b> | 100,014,337        |
| Other   | 363,864                     | <b>334,100</b>     | 296,210            |
| Federal Grants  |                             | <b>6,181</b>       | 25,119             |
| Tuition   | 5,160,000                   | <b>5,353,188</b>   | 2,532,963          |
| Other Revenue   | 3,629,845                   | <b>4,163,125</b>   | 3,161,811          |
| Rentals and Leases  | 6,000                       | <b>12,443</b>      | 6,093              |
| Investment Income   | 223,600                     | <b>178,184</b>     | 217,590            |
| Amortization of Deferred Capital Revenue                                | 4,576,426                   | <b>4,574,249</b>   | 4,323,383          |
| <b>Total Revenue</b>  | <b>113,379,799</b>          | <b>114,920,210</b> | <b>110,577,506</b> |
| <b>Expenses (Note 14)</b>   |                             |                    |                    |
| Instruction   | 95,320,819                  | <b>93,442,130</b>  | 84,788,585         |
| District Administration   | 3,500,459                   | <b>3,817,983</b>   | 3,091,274          |
| Operations and Maintenance  | 16,047,332                  | <b>15,692,987</b>  | 16,563,786         |
| Transportation and Housing  | 2,834,342                   | <b>3,001,463</b>   | 2,806,500          |
| <b>Total Expense</b>  | <b>117,702,952</b>          | <b>115,954,563</b> | <b>107,250,145</b> |
| <b>Surplus (Deficit) for the year</b>                                   | <b>(4,323,153)</b>          | <b>(1,034,353)</b> | <b>3,327,361</b>   |
| <b>Accumulated Surplus (Deficit) from Operations, beginning of year</b> |                             | <b>40,279,715</b>  | <b>36,952,354</b>  |
| <b>Accumulated Surplus (Deficit) from Operations, end of year</b>       |                             | <b>39,245,362</b>  | <b>40,279,715</b>  |



# School District No. 22 (Vernon)

Consolidated Statement of Changes in Net Debt  
Year Ended June 30, 2022

Statement 4

|   | 2022<br>Budget<br>(Note 12)<br>\$ | 2022<br>Actual<br>\$ | 2021<br>Actual<br>\$ |
|---|-----------------------------------|----------------------|----------------------|
| <b>Surplus (Deficit) for the year</b>   | <u>(4,323,153)</u>                | <u>(1,034,353)</u>   | <u>3,327,361</u>     |
| <b>Effect of change in Tangible Capital Assets</b>                              |                                   |                      |                      |
| Acquisition of Tangible Capital Assets  | (8,472,094)                       | (9,354,483)          | (15,499,163)         |
| Amortization of Tangible Capital Assets   | 6,810,579                         | 6,698,189            | 6,244,784            |
| <b>Total Effect of change in Tangible Capital Assets</b>                        | <u>(1,661,515)</u>                | <u>(2,656,294)</u>   | <u>(9,254,379)</u>   |
| Acquisition of Prepaid Expenses   |                                   | (217,646)            | (73,153)             |
| <b>Total Effect of change in Other Non-Financial Assets</b>                     | <u>-</u>                          | <u>(217,646)</u>     | <u>(73,153)</u>      |
| <b>(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)</b> | <u>(5,984,668)</u>                | <u>(3,908,293)</u>   | <u>(6,000,171)</u>   |
| <b>Net Remeasurement Gains (Losses)</b>   |                                   |                      |                      |
| <b>(Increase) Decrease in Net Debt</b>  |                                   | <u>(3,908,293)</u>   | <u>(6,000,171)</u>   |
| <b>Net Debt, beginning of year</b>  |                                   | <u>(85,664,059)</u>  | <u>(79,663,888)</u>  |
| <b>Net Debt, end of year</b>  |                                   | <u>(89,572,352)</u>  | <u>(85,664,059)</u>  |

# School District No. 22 (Vernon)

Statement 5

## Consolidated Statement of Cash Flows

Year Ended June 30, 2022

|   | 2022<br>Actual     | 2021<br>Actual      |
|---|--------------------|---------------------|
|   | \$                 | \$                  |
| <b>Operating Transactions</b>                                 |                    |                     |
| Surplus (Deficit) for the year                                | (1,034,353)        | 3,327,361           |
| Changes in Non-Cash Working Capital                           |                    |                     |
| Decrease (Increase)   |                    |                     |
| Accounts Receivable   | 8,508              | (2,358,019)         |
| Prepaid Expenses  | (217,646)          | (73,153)            |
| Increase (Decrease)   |                    |                     |
| Accounts Payable and Accrued Liabilities                      | (1,503,823)        | 1,441,370           |
| Unearned Revenue  | 582,651            | 1,142,479           |
| Deferred Revenue  | 33,598             | 14,676              |
| Employee Future Benefits                                      | 206,891            | 59,016              |
| Amortization of Tangible Capital Assets                       | 6,698,189          | 6,244,784           |
| Amortization of Deferred Capital Revenue                      | (4,574,249)        | (4,323,383)         |
| Expenditure from Proceeds of Insurance                        |                    | (632,631)           |
| <b>Total Operating Transactions</b>                           | <b>199,766</b>     | <b>4,842,500</b>    |
| <b>Capital Transactions</b>                                   |                    |                     |
| Tangible Capital Assets Purchased                             | (7,128,604)        | (9,838,151)         |
| Tangible Capital Assets -WIP Purchased                        | (2,225,879)        | (5,661,012)         |
| <b>Total Capital Transactions</b>                             | <b>(9,354,483)</b> | <b>(15,499,163)</b> |
| <b>Financing Transactions</b>                                 |                    |                     |
| Capital Revenue Received                                      | 6,357,394          | 12,803,051          |
| <b>Total Financing Transactions</b>                           | <b>6,357,394</b>   | <b>12,803,051</b>   |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>   | <b>(2,797,323)</b> | <b>2,146,388</b>    |
| <b>Cash and Cash Equivalents, beginning of year</b>           | <b>26,169,093</b>  | <b>24,022,705</b>   |
| <b>Cash and Cash Equivalents, end of year</b>                 | <b>23,371,770</b>  | <b>26,169,093</b>   |
| <b>Cash and Cash Equivalents, end of year, is made up of:</b> |                    |                     |
| Cash  | 23,371,770         | 26,169,093          |
|   | <b>23,371,770</b>  | <b>26,169,093</b>   |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 1      AUTHORITY AND PURPOSE**

The School District, established on April 1, 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. 22 (Vernon)", and operates as "School District No. 22 (Vernon)." 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. The School District is exempt from federal and provincial corporate income taxes.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections.

Regulation 198/2011 requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

a) Basis of Accounting *(Continued)*

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- Deferred contributions meet the liability criteria in accordance with PS3200.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

b) Basis of Consolidation

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is comprised of all controlled entities. Inter-departmental balances and organizational transactions have been eliminated.

The School District controls 554210 B.C. Ltd, a company which owns a woodlot license to facilitate the delivery of the School District's educational program. 554210 B.C. Ltd is incorporated under the BC Company Act. Revenue is generated by 554210 B.C. Ltd primarily through the sale of timber. All of the shares of 554210 B.C. Ltd are held by third parties in trust for the benefit of the School District.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash deposits 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) 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.

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

f) Deferred Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by the 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 n).

g) Deferred Capital Revenue

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 as detailed in Note 2 n).

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 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 ("EARSLS") of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

i) Asset Retirement Obligations

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 obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.

j) 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 as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Consolidated 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 consolidated financial statements.

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

j) Tangible Capital Assets *(Continued)*

- The cost, less residual value, of tangible capital assets (excluding sites and work-in-progress), 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  |

k) 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 executor 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.

l) Prepaid Expenses

Amounts for insurance, software license fees and other services are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

m) 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.

n) 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.

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

n) Revenue Recognition *(Continued)*

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.

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 creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished.

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.

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

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

o) 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 are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.



**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

o) Expenditures *(Continued)*

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.

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and debt. 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 and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments measured at fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. There are no measurement gains or losses during the periods presented, therefore no statement of remeasurement gains or losses is included in these financial statements.

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

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

q) Measurement Uncertainty

Preparation of consolidated financial statements in accordance with the basis of accounting described in note 2 a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the estimated useful life of assets and estimated employee future benefits. Actual results could differ from those estimates.

r) 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.

w) Future Changes in Accounting Policies

*PS 3280 Asset Retirement Obligations* issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

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

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 obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

*PS 3400 Revenue* issued November 2018 establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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

w) Future Changes in Accounting Policies *(Continued)*

Revenue from transactions with performance obligations should be recognized when (or as) the School District satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- (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.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results

**NOTE 3 OTHER ACCOUNTS RECEIVABLE**

|                           | 2022                | 2021                |
|---------------------------|---------------------|---------------------|
| Employee benefits plans   | \$ 830,067          | \$ 870,467          |
| Sales taxes recoverable   | 283,820             | 142,525             |
| Other accounts receivable | 320,371             | 240,625             |
|                           | <u>\$ 1,434,258</u> | <u>\$ 1,253,617</u> |

**NOTE 4 OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|  | 2022                | 2021                 |
|--|---------------------|----------------------|
| Trade and other amounts payable                    | \$ 2,873,651        | \$ 3,931,916         |
| Wages payable – teachers' 12 month instalment plan | 1,395,146           | 1,389,805            |
| Pension contributions payable                      | 1,274,272           | 1,292,016            |
| Payroll taxes payable                              | 1,855,630           | 1,894,375            |
| Accrued vacation pay                               | 948,088             | 1,120,264            |
| Other accrued liabilities                          | 877,940             | 994,623              |
| Due to Okanagan Labour Relations Council           | 347,254             | 316,143              |
|  | <u>\$ 9,571,981</u> | <u>\$ 10,939,142</u> |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 5      UNEARNED REVENUE**

|                            | 2022                | 2021                |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 2,405,966        | \$ 1,263,487        |
| Changes for the year:      |                     |                     |
| Increase:                  |                     |                     |
| Tuition fees collected     | 5,935,839           | 3,675,442           |
| Decrease:                  |                     |                     |
| Tuition fees recognized    | 5,353,188           | 2,532,963           |
| Net increase for the year  | 582,651             | 1,142,479           |
| Balance, end of year       | <u>\$ 2,988,617</u> | <u>\$ 2,405,966</u> |

**NOTE 6      DEFERRED REVENUE**

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

|  | 2022                | 2021                |
|--|---------------------|---------------------|
| Balance, beginning of year                                 | \$ 1,734,576        | \$ 1,719,900        |
| Changes for the year:                                      |                     |                     |
| Increase:  |                     |                     |
| Grants: Provincial – Ministry of Education and Child Care  | 9,038,618           | 11,991,919          |
| Other  | 2,425,745           | 1,791,236           |
|  | <u>11,464,363</u>   | <u>13,783,155</u>   |
| Decrease:  |                     |                     |
| Allocated to Revenue:                                      |                     |                     |
| Grants - Provincial – Ministry of Education and Child Care | 9,014,873           | 12,076,810          |
| Other  | 2,415,892           | 1,691,669           |
|  | <u>11,430,765</u>   | <u>13,768,479</u>   |
| Net changes for the year                                   | 33,958              | 14,676              |
| Balance, end of year                                       | <u>\$ 1,768,174</u> | <u>\$ 1,734,576</u> |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 7      DEFERRED CAPITAL REVENUE**

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

|   | 2022          | 2021          |
|---|---------------|---------------|
| <b>Deferred capital revenue - spent</b> |               |               |
| Balance, beginning of year              | \$ 95,121,136 | \$ 88,177,619 |
| Increase:                               |               |               |
| Capital additions                       | 7,630,838     | 11,266,900    |
| Decrease:                               |               |               |
| Amortization                            | 4,574,249     | 4,323,383     |
| Net increase (decrease) for the year    | 3,056,589     | 6,943,517     |
| Balance, end of year                    | \$ 98,177,725 | \$ 95,121,136 |

**NOTE 7      DEFERRED CAPITAL REVENUE (Continued)**

|  | 2022                 | 2021                 |
|--|----------------------|----------------------|
| <b>Deferred capital revenue - unspent</b>                  |                      |                      |
| Balance, beginning of year                                 | \$ 1,332,517         | \$ 428,997           |
| Increases:   |                      |                      |
| Provincial grants – Ministry of Education and Child Care   | 6,306,506            | 11,439,381           |
| Provincial grants – Other Ministries                       | -                    | 1,360,482            |
| Other grants   | 50,000               | -                    |
| Investment income  | 888                  | 3,188                |
| Decrease:  |                      |                      |
| Transfer to deferred capital revenue – spent               | 7,630,838            | 11,266,900           |
| Transfer to revenue – proceeds of insurance                | -                    | 632,631              |
| Net increase (decrease) for the year                       | (1,273,444)          | 903,520              |
| Balance, end of year                                       | 59,073               | 1,332,517            |
| <b>Total deferred capital revenue balance, end of year</b> | <b>\$ 98,236,798</b> | <b>\$ 96,453,653</b> |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 8 EMPLOYEE FUTURE BENEFITS**

Benefits include accumulating non-vested sick leave, retirement/severance 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.

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| <b>Reconciliation of Accrued Benefit Obligation</b> |                     |                     |
| Accrued Benefit Obligation – April 1                | \$ 4,322,702        | \$ 4,336,575        |
| Service Cost  | 356,982             | 357,217             |
| Interest Cost                                       | 111,749             | 101,114             |
| Benefit Payments                                    | (322,950)           | (511,503)           |
| Actuarial (Gain) Loss                               | (229,104)           | 39,299              |
| Accrued Benefit Obligation – March 31               | <u>\$ 4,239,379</u> | <u>\$ 4,322,702</u> |

**Reconciliation of Funded Status at End of Fiscal Year**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Accrued Benefit Obligation – March 31         | \$ 4,239,379          | \$ 4,322,702          |
| Market Value of Plan Assets – March 31        | -                     | -                     |
| Funded Status – Deficit                       | (4,239,379)           | (4,322,702)           |
| Employer Contributions After Measurement Date | 79,156                | 57,904                |
| Benefits Expense After Measurement Date       | (114,900)             | (117,183)             |
| Unamortized Net Actuarial Loss                | 193,414               | 507,163               |
| Accrued Benefit Liability – June 30           | <u>\$ (4,081,709)</u> | <u>\$ (3,874,818)</u> |

**Reconciliation of Change in Accrued Benefit Liability**

|                                     |                     |                     |
|-------------------------------------|---------------------|---------------------|
| Accrued Benefit Liability – July 1  | \$ 3,874,818        | \$ 3,815,802        |
| Net Expense for Fiscal Year         | 551,093             | 542,897             |
| Employer Contributions              | (344,202)           | (483,881)           |
| Accrued Benefit Liability – June 30 | <u>\$ 4,081,709</u> | <u>\$ 3,874,818</u> |

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| <b>Components of Net Benefit Expense</b> |                   |                   |
| Service Cost                             | \$ 347,725        | \$ 357,158        |
| Interest Cost                            | 118,724           | 103,773           |
| Amortization of Net Actuarial Loss       | 84,645            | 81,966            |
| Net Benefit Expense                      | <u>\$ 551,093</u> | <u>\$ 542,897</u> |

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

|  | 2022              | 2021              |
|--|-------------------|-------------------|
| Discount Rate – April 1                        | 2.50%             | 2.25%             |
| Discount Rate – March 31                       | 3.25%             | 2.50%             |
| Long Term Salary Growth – April 1 and March 31 | 2.50% + seniority | 2.50% + seniority |
| EARSL – March 31                               | 9.5 years         | 9.2 years         |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 9 TANGIBLE CAPITAL ASSETS**

**June 30, 2022**

| Cost:                       | Balance at<br>June 30, 2021 | Additions    | Disposals and<br>transfers | Balance at June<br>30, 2022 |
|-----------------------------|-----------------------------|--------------|----------------------------|-----------------------------|
| Sites                       | \$ 8,816,960                | \$ -         | \$ -                       | \$ 8,816,960                |
| Buildings                   | 196,947,317                 | 4,519,091    | -                          | 201,466,408                 |
| Buildings: Work-in-progress | 36,150                      | 2,225,879    | -                          | 2,262,029                   |
| Furniture & Equipment       | 6,065,641                   | 1,932,674    | (159,386)                  | 7,838,929                   |
| Vehicles                    | 5,017,558                   | 195,748      | (118,19)                   | 5,095,110                   |
| Computer Software           | 452,235                     | 28,735       | (119,412)                  | 361,558                     |
| Computer Hardware           | 5,130,752                   | 452,356      | (759,824)                  | 4,823,284                   |
| Total                       | \$ 222,466,613              | \$ 9,354,483 | \$ (1,156,818)             | \$ 230,664,278              |

| Accumulated Amortization: | Balance at<br>June 30, 2021 | Additions    | Disposals      | Balance at June<br>30, 2022 |
|---------------------------|-----------------------------|--------------|----------------|-----------------------------|
| Buildings                 | \$ 89,005,201               | \$ 4,420,545 | \$ -           | \$ 93,425,746               |
| Furniture & Equipment     | 2,556,346                   | 695,228      | (159,386)      | 3,092,188                   |
| Vehicles                  | 2,591,370                   | 505,633      | (118,196)      | 2,978,807                   |
| Computer Software         | 268,409                     | 81,379       | (119,412)      | 230,376                     |
| Computer Hardware         | 2,182,491                   | 995,404      | (759,824)      | 2,418,071                   |
| Total                     | \$ 96,603,817               | \$ 6,698,189 | \$ (1,156,818) | \$ 102,145,188              |

**June 30, 2021**

| Cost:                       | Balance at<br>June 30, 2020 | Additions     | Disposals and<br>transfers | Balance at June<br>30, 2021 |
|-----------------------------|-----------------------------|---------------|----------------------------|-----------------------------|
| Sites                       | \$ 8,816,960                | \$ -          | \$ -                       | \$ 8,816,960                |
| Buildings                   | 183,315,870                 | 6,238,447     | 7,393,000                  | 196,947,317                 |
| Buildings: Work-in-progress | 1,768,138                   | 5,661,012     | (7,393,000)                | 36,150                      |
| Furniture & Equipment       | 5,167,594                   | 1,201,727     | (303,680)                  | 6,065,641                   |
| Vehicles                    | 5,064,175                   | 699,186       | (745,803)                  | 5,017,558                   |
| Computer Software           | 366,757                     | 85,478        | -                          | 452,235                     |
| Computer Hardware           | 3,745,382                   | 1,613,313     | (227,943)                  | 5,130,752                   |
| Total                       | \$ 208,244,876              | \$ 15,499,163 | \$ (1,277,426)             | \$ 222,466,613              |

| Accumulated Amortization: | Balance at<br>June 30, 2020 | Additions    | Disposals      | Balance at June<br>30, 2021 |
|---------------------------|-----------------------------|--------------|----------------|-----------------------------|
| Buildings                 | \$ 84,795,678               | \$ 4,209,523 | \$ -           | \$ 89,005,201               |
| Furniture & Equipment     | 2,298,364                   | 561,662      | (303,680)      | 2,556,346                   |
| Vehicles                  | 2,833,086                   | 504,087      | (745,803)      | 2,591,370                   |
| Computer Software         | 186,510                     | 81,899       | -              | 268,409                     |
| Computer Hardware         | 1,522,821                   | 887,613      | (227,943)      | 2,182,491                   |
| Total                     | \$ 91,636,459               | \$ 6,244,784 | \$ (1,277,426) | \$ 96,603,817               |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 9 TANGIBLE CAPITAL ASSETS** *(Continued)*

**Net Book Value:**

|                             | June 30, 2022  | June 30, 2021  |
|-----------------------------|----------------|----------------|
| Sites                       | \$ 8,816,960   | \$ 8,816,960   |
| Buildings                   | 110,302,691    | 107,942,116    |
| Buildings: Work-in-progress | 2,262,029      | 36,150         |
| Furniture & Equipment       | 2,484,712      | 3,509,295      |
| Vehicles                    | 2,116,303      | 2,426,188      |
| Computer Software           | 131,182        | 183,826        |
| Computer Hardware           | 2,405,213      | 2,948,261      |
| Total                       | \$ 128,519,090 | \$ 125,862,796 |

Buildings – work in progress having a value of \$2,262,029 (2021: \$36,150) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**NOTE 10 ACCUMULATED SURPLUS**

The School District has established a number of funds to demonstrate compliance with legislation and to reflect the School District's intentions to undertake identified future activities.

|                           | 2022          | 2021          |
|---------------------------|---------------|---------------|
| Operating fund            | \$ 4,874,684  | \$ 5,932,543  |
| Special purpose funds     | 630,586       | 429,907       |
| Capital funds             | 33,740,092    | 33,917,265    |
| Total Accumulated Surplus | \$ 39,245,362 | \$ 40,279,715 |

Amounts not restricted by agreement with a third party may be transferred between funds to reflect future intentions of the School District. Restricted surpluses are amounts that the Board has allocated to a particular activity.

**Operating Fund**

The Operating Fund accounts for the School District's operating grants and other operating revenues. Legislation requires that the School District present a balanced budget for the Operating Fund, whereby budgeted expenditure does not exceed the total of budgeted revenue and any surplus in the operating fund carried forward from previous years.



**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

**NOTE 10 ACCUMULATED SURPLUS** *(Continued)*

|   | 2022                       | 2021                       |
|---|----------------------------|----------------------------|
| Restricted due to the nature of constraints on the funds: |                            |                            |
| Indigenous Education commitments                          | \$ 784,034                 | \$ 737,175                 |
| Union commitments   | 771,264                    | 857,857                    |
|   | <u>1,555,298</u>           | <u>1,595,032</u>           |
| Restricted for operations spanning multiple school years: |                            |                            |
| School budget balances                                    | 723,836                    | 746,240                    |
| Trustee travel  | 30,286                     | 18,074                     |
| Department budget balances                                | 38,119                     | 47,271                     |
| Appropriated by budget bylaw                              | 1,365,295                  | 2,063,887                  |
| Address learning impacts of pandemic                      | -                          | 277,780                    |
|   | <u>2,157,536</u>           | <u>3,153,252</u>           |
| Contingency reserve                                       | 1,161,850                  | 1,184,259                  |
| Total Operating Fund                                      | <u><u>\$ 4,874,684</u></u> | <u><u>\$ 5,932,543</u></u> |

The amounts restricted for Indigenous Education commitments represent the unspent portion of Ministry of Education and Child Care grants which legislation stipulates the District must spend on the provision of Indigenous education programs and services. Regulation 198/2011 of the Budget Transparency and Accountability Act of British Columbia requires that an unspent contribution which is subject to a legislative stipulation as to its use be recorded as a deferred contribution. The Ministry of Education and Child Care has directed that this amount be recorded within Accumulated Surplus, which is the treatment adopted here.

**Special Purpose Funds**

The Special Purpose Funds account for grants and contributions received which are directed by agreement with a third party towards specific activities. As these are targeted grants, any unspent funding is typically accounted for as deferred revenue, not as accumulated surplus. The Special Purpose Funds also account for the operating revenues, expenses and surplus of 554210 BC Ltd, a related entity which owns a woodlot license.

|                                  | 2022              | 2021              |
|----------------------------------|-------------------|-------------------|
| Internally restricted:           |                   |                   |
| 554210 BC Ltd. operating surplus | \$ 630,586        | \$ 429,907        |
| Total Special Purpose Funds      | <u>\$ 630,586</u> | <u>\$ 429,907</u> |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 10     ACCUMULATED SURPLUS** *(Continued)*

**Capital Fund**

The Capital Fund accounts for the School District's investment in its existing capital infrastructure, including the existing buildings, furniture, computers and equipment. It also reflects local capital, which represent surpluses the Board has allocated to fund future capital purchases.

|                                     | 2022                 | 2021                 |
|-------------------------------------|----------------------|----------------------|
| Local capital                       | \$ 3,398,727         | \$ 3,175,605         |
| Invested in tangible capital assets | 30,341,365           | 30,741,660           |
| Total Capital Fund                  | <u>\$ 33,740,092</u> | <u>\$ 33,917,265</u> |

The amounts within local capital represent cumulative unspent amounts transferred to the capital fund from the operating fund, interest earned on the local capital balance, and proceeds from the sale of certain assets.

The School District has transferred the following amounts from the Operating Fund to the Local Capital Fund:

|                          | Budget       | Actual       |
|--------------------------|--------------|--------------|
| Year ended June 30, 2022 | \$ 1,163,000 | \$ 1,209,263 |
| Year ended June 30, 2021 | \$ 1,163,000 | \$ 2,835,690 |

**NOTE 11     CONTRACTUAL OBLIGATIONS AND CONTINGENCIES**

The School District has approximately \$8.6 million of purchase orders which remain outstanding at June 30, 2022.

The School District, through its Scholarships and Bursaries special purpose fund, has committed to providing \$306,000 of post-secondary scholarships and bursaries at June 30, 2022.

The School District has contractual obligations in collective agreements with employee unions to provide certain future funds for employee professional development and collective agreement administration. The total of these commitments is \$771,264 at June 30, 2022.

The School District receives certain targeted funding from the Provincial Government that legislation stipulates the School District must spend on enhancing the education of Indigenous students. Unspent amounts at June 30, 2022 are \$784,034. The School District is committed to spending this amount on enhancing the education of Indigenous students, in addition to any future relevant targeted grants received.

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 11      CONTRACTUAL OBLIGATIONS AND CONTINGENCIES** *(Continued)*

Certain schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to unknown timelines.

The nature of the School District's activities are such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2022, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event that any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position or operations.

**NOTE 12      BUDGET FIGURES**

Budget figures included in the consolidated financial statements were approved by the Board through the adoption of an amended annual budget on January 19<sup>th</sup>, 2022. The original annual budget was adopted on May 12<sup>th</sup>, 2021. The original and amended budgets are presented below.

|  | 2022 Annual<br>Amended Budget | 2022 Annual<br>Original Budget |
|--|-------------------------------|--------------------------------|
| <b>Revenues</b>                          |                               |                                |
| Provincial Grants                        |                               |                                |
| Ministry of Education and Child Care     | \$ 99,420,064                 | \$ 97,942,619                  |
| Other                                    | 363,864                       | 317,864                        |
| Tuition                                  | 5,160,000                     | 5,160,000                      |
| Other Revenue                            | 3,629,845                     | 5,288,408                      |
| Rentals and Leases                       | 6,000                         | 6,000                          |
| Investment Income                        | 223,600                       | 273,000                        |
| Amortization of Deferred Capital Revenue | 4,576,426                     | 4,414,194                      |
|  | <u>113,379,799</u>            | <u>113,402,085</u>             |
| <b>Expenses</b>                          |                               |                                |
| Instruction                              | 95,320,819                    | 93,609,677                     |
| District Administration                  | 3,500,459                     | 3,348,844                      |
| Operations and Maintenance               | 16,047,332                    | 15,873,299                     |
| Transportation and Housing               | 2,834,342                     | 2,913,502                      |
|  | <u>117,702,952</u>            | <u>115,745,321</u>             |
| <b>Deficit for the year</b>              | <u><u>(4,323,153)</u></u>     | <u><u>\$ (2,343,236)</u></u>   |

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 13      EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at December 31, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As of December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 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, 2020, indicated a \$1,584 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$7,919,951 for employer contributions to the plans for the year ended June 30, 2022 (2021: \$7,348,028).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2023. The next valuation for the Municipal Pension Plan will be as at December 31, 2021, with results available in 2022.

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. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 14      EXPENSE BY OBJECT**

|                       | 2022               | 2021                  |
|-----------------------|--------------------|-----------------------|
| Salaries and benefits | 94,382,877         | \$ 87,974,071         |
| Services and supplies | 14,873,497         | 13,031,290            |
| Amortization          | 6,698,189          | 6,244,784             |
|                       | <u>115,954,563</u> | <u>\$ 107,250,145</u> |

**NOTE 15      ECONOMIC DEPENDENCE**

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

**NOTE 16      RISK MANAGEMENT**

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

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 and amounts receivable.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as the School District does not have significant amounts receivable from any one borrower or class of borrowers.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits as they are placed in Chartered Bank instruments or with the Provincial Government's Central Deposit Program.

b) Market risk:

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

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

**SCHOOL DISTRICT NO. 22 (VERNON)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 16     RISK MANAGEMENT** *(Continued)*

It is management's opinion that the School District is not exposed to significant market risk associated with interest rate risk as the School District has no borrowings and interest earned on existing deposits is not significant to the School District's operations.

c) Liquidity risk:

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

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

**NOTE 17     SCHEDULES BY FUND**

The School District accounts for its financial activities using funds. The schedules on pages 29 to 43 of these consolidated financial statements provide financial information on those funds. They are prepared in a format prescribed by the Ministry of Education and Child Care.

# School District No. 22 (Vernon)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund  
Year Ended June 30, 2022

|  | Operating<br>Fund | Special Purpose<br>Fund | Capital<br>Fund | 2022<br>Actual | 2021<br>Actual |
|--|-------------------|-------------------------|-----------------|----------------|----------------|
|  | \$                | \$                      | \$              | \$             | \$             |
| Accumulated Surplus (Deficit), beginning of year         | 5,932,543         | 429,907                 | 33,917,265      | 40,279,715     | 36,952,354     |
| Changes for the year                                     |                   |                         |                 |                |                |
| Surplus (Deficit) for the year                           | 452,264           | 637,323                 | (2,123,940)     | (1,034,353)    | 3,327,361      |
| Interfund Transfers                                      |                   |                         |                 |                |                |
| Tangible Capital Assets Purchased                        | (330,860)         | (406,644)               | 737,504         | -              |                |
| Local Capital  | (1,209,263)       |                         | 1,209,263       | -              |                |
| Other  | 30,000            | (30,000)                |                 | -              |                |
| Net Changes for the year                                 | (1,057,859)       | 200,679                 | (177,173)       | (1,034,353)    | 3,327,361      |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 4,874,684         | 630,586                 | 33,740,092      | 39,245,362     | 40,279,715     |

# School District No. 22 (Vernon)

## Schedule of Operating Operations

Year Ended June 30, 2022

Schedule 2 (Unaudited)

|   | 2022<br>Budget<br>(Note 12) | 2022<br>Actual            | 2021<br>Actual     |
|---|-----------------------------|---------------------------|--------------------|
|   | \$                          | \$                        | \$                 |
| <b>Revenues</b>   |                             |                           |                    |
| Provincial Grants   |                             |                           |                    |
| Ministry of Education and Child Care                            | 90,611,938                  | <b>91,283,867</b>         | 87,304,896         |
| Other   | 317,864                     | <b>331,269</b>            | 296,210            |
| Federal Grants  |                             | <b>6,181</b>              | 25,119             |
| Tuition   | 5,160,000                   | <b>5,353,188</b>          | 2,532,963          |
| Other Revenue   | 1,444,845                   | <b>1,341,770</b>          | 1,351,845          |
| Rentals and Leases  | 6,000                       | <b>12,443</b>             | 6,093              |
| Investment Income   | 200,000                     | <b>174,359</b>            | 212,938            |
| <b>Total Revenue</b>  | <u>97,740,647</u>           | <u><b>98,503,077</b></u>  | <u>91,730,064</u>  |
| <b>Expenses</b>   |                             |                           |                    |
| Instruction   | 85,207,866                  | <b>82,727,207</b>         | 73,588,279         |
| District Administration   | 3,500,459                   | <b>3,817,983</b>          | 3,091,274          |
| Operations and Maintenance                                      | 9,555,969                   | <b>9,103,230</b>          | 9,153,702          |
| Transportation and Housing                                      | 2,133,997                   | <b>2,402,393</b>          | 1,936,610          |
| <b>Total Expense</b>  | <u>100,398,291</u>          | <u><b>98,050,813</b></u>  | <u>87,769,865</u>  |
| <b>Operating Surplus (Deficit) for the year</b>                 | <u>(2,657,644)</u>          | <u><b>452,264</b></u>     | <u>3,960,199</u>   |
| <b>Budgeted Appropriation (Retirement) of Surplus (Deficit)</b> | <u>4,382,607</u>            |                           |                    |
| <b>Net Transfers (to) from other funds</b>                      |                             |                           |                    |
| Tangible Capital Assets Purchased                               | (591,963)                   | <b>(330,860)</b>          | (397,988)          |
| Local Capital   | (1,163,000)                 | <b>(1,209,263)</b>        | (2,835,690)        |
| Other   | 30,000                      | <b>30,000</b>             | 30,000             |
| <b>Total Net Transfers</b>                                      | <u>(1,724,963)</u>          | <u><b>(1,510,123)</b></u> | <u>(3,203,678)</u> |
| <b>Total Operating Surplus (Deficit), for the year</b>          | <u>-</u>                    | <u><b>(1,057,859)</b></u> | <u>756,521</u>     |
| <b>Operating Surplus (Deficit), beginning of year</b>           |                             | <b>5,932,543</b>          | 5,176,022          |
| <b>Operating Surplus (Deficit), end of year</b>                 |                             | <u><b>4,874,684</b></u>   | <u>5,932,543</u>   |
| <b>Operating Surplus (Deficit), end of year</b>                 |                             |                           |                    |
| Internally Restricted   |                             | <b>3,712,834</b>          | 4,748,284          |
| Unrestricted  |                             | <b>1,161,850</b>          | 1,184,259          |
| <b>Total Operating Surplus (Deficit), end of year</b>           |                             | <u><b>4,874,684</b></u>   | <u>5,932,543</u>   |



# School District No. 22 (Vernon)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

|   | 2022<br>Budget<br>(Note 12) | 2022<br>Actual    | 2021<br>Actual |
|---|-----------------------------|-------------------|----------------|
|   | \$                          | \$                | \$             |
| <b>Provincial Grants - Ministry of Education and Child Care</b>       |                             |                   |                |
| Operating Grant, Ministry of Education and Child Care                 | 91,246,863                  | <b>91,752,747</b> | 85,399,166     |
| ISC/LEA Recovery  | (1,107,042)                 | <b>(950,798)</b>  | (1,107,042)    |
| Other Ministry of Education and Child Care Grants                     |                             |                   |                |
| Pay Equity  | 85,865                      | <b>85,865</b>     | 85,865         |
| Funding for Graduated Adults  | 9,691                       | <b>19,492</b>     | 39,188         |
| Student Transportation Fund   | 361,094                     | <b>361,094</b>    | 361,094        |
| Teachers' Labour Settlement Funding                                   |                             |                   | 2,328,158      |
| Early Career Mentorship Funding                                       |                             |                   | 180,000        |
| FSA Scorer Grant  | 12,964                      | <b>12,964</b>     | 12,964         |
| Early Learning Framework  | 2,503                       | <b>2,503</b>      | 2,503          |
| Other Grants  |                             |                   | 3,000          |
| <b>Total Provincial Grants - Ministry of Education and Child Care</b> | <b>90,611,938</b>           | <b>91,283,867</b> | 87,304,896     |
| <b>Provincial Grants - Other</b>                                      | <b>317,864</b>              | <b>331,269</b>    | 296,210        |
| <b>Federal Grants</b>   | <b>-</b>                    | <b>6,181</b>      | 25,119         |
| <b>Tuition</b>  |                             |                   |                |
| International and Out of Province Students                            | 5,160,000                   | <b>5,353,188</b>  | 2,532,963      |
| <b>Total Tuition</b>  | <b>5,160,000</b>            | <b>5,353,188</b>  | 2,532,963      |
| <b>Other Revenues</b>   |                             |                   |                |
| Funding from First Nations  | 1,107,042                   | <b>950,798</b>    | 1,107,042      |
| Miscellaneous   |                             |                   |                |
| Fees  | 290,000                     | <b>358,651</b>    | 174,554        |
| Miscellaneous   | 47,803                      | <b>32,321</b>     | 70,249         |
| <b>Total Other Revenue</b>  | <b>1,444,845</b>            | <b>1,341,770</b>  | 1,351,845      |
| <b>Rentals and Leases</b>   | <b>6,000</b>                | <b>12,443</b>     | 6,093          |
| <b>Investment Income</b>  | <b>200,000</b>              | <b>174,359</b>    | 212,938        |
| <b>Total Operating Revenue</b>  | <b>97,740,647</b>           | <b>98,503,077</b> | 91,730,064     |

# School District No. 22 (Vernon)

## Schedule of Operating Expense by Object

Year Ended June 30, 2022

Schedule 2B (Unaudited)

|                                     | 2022<br>Budget<br>(Note 12) | 2022<br>Actual    | 2021<br>Actual |
|-------------------------------------|-----------------------------|-------------------|----------------|
|                                     | \$                          | \$                | \$             |
| <b>Salaries</b>                     |                             |                   |                |
| Teachers                            | 44,969,476                  | <b>43,422,203</b> | 40,409,941     |
| Principals and Vice Principals      | 5,531,838                   | <b>5,516,963</b>  | 5,063,490      |
| Educational Assistants              | 5,762,535                   | <b>5,809,538</b>  | 5,098,362      |
| Support Staff                       | 8,253,295                   | <b>8,420,285</b>  | 8,049,351      |
| Other Professionals                 | 2,371,202                   | <b>2,476,237</b>  | 2,263,608      |
| Substitutes                         | 3,336,048                   | <b>3,690,931</b>  | 2,895,394      |
| <b>Total Salaries</b>               | <b>70,224,394</b>           | <b>69,336,157</b> | 63,780,146     |
| <b>Employee Benefits</b>            | 17,435,671                  | <b>17,384,562</b> | 15,123,136     |
| <b>Total Salaries and Benefits</b>  | <b>87,660,065</b>           | <b>86,720,719</b> | 78,903,282     |
| <b>Services and Supplies</b>        |                             |                   |                |
| Services                            | 5,607,857                   | <b>5,231,754</b>  | 3,660,011      |
| Student Transportation              | 6,500                       | <b>7,691</b>      | 8,214          |
| Professional Development and Travel | 724,769                     | <b>589,798</b>    | 263,490        |
| Rentals and Leases                  | 83,150                      | <b>109,313</b>    | 87,996         |
| Dues and Fees                       | 76,545                      | <b>97,036</b>     | 80,803         |
| Insurance                           | 468,350                     | <b>395,540</b>    | 232,536        |
| Supplies                            | 3,712,860                   | <b>2,745,685</b>  | 2,620,970      |
| Utilities                           | 2,058,195                   | <b>2,153,277</b>  | 1,912,563      |
| <b>Total Services and Supplies</b>  | <b>12,738,226</b>           | <b>11,330,094</b> | 8,866,583      |
| <b>Total Operating Expense</b>      | <b>100,398,291</b>          | <b>98,050,813</b> | 87,769,865     |

# School District No. 22 (Vernon)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2022

|   | Teachers<br>Salaries | Principals and<br>Vice Principals<br>Salaries | Educational<br>Assistants<br>Salaries | Support<br>Staff<br>Salaries | Other<br>Professionals<br>Salaries | Substitutes<br>Salaries | Total<br>Salaries |
|---|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|-------------------|
|   | \$                   | \$  | \$                                    | \$                           | \$                                 | \$                      | \$                |
| <b>1 Instruction</b>                            |                      |   |                                       |                              |                                    |                         |                   |
| 1.02 Regular Instruction                        | 32,775,112           | 1,060,913                                     | -                                     | 472,325                      | -                                  | 3,053,332               | 37,361,682        |
| 1.03 Career Programs                            | 300,671              | 135,640                                       | -                                     | 40,732                       | 13,500                             | -                       | 490,543           |
| 1.07 Library Services                           | 887,715              | -   | -                                     | 279,692                      | -                                  | 13,299                  | 1,180,706         |
| 1.08 Counselling                                | 1,895,030            | -   | -                                     | -                            | -                                  | 10,657                  | 1,905,687         |
| 1.10 Special Education                          | 5,671,122            | 443,599                                       | 5,147,683                             | 103,143                      | 183,249                            | 375,260                 | 11,924,056        |
| 1.30 English Language Learning                  | 397,816              | -   | -                                     | -                            | -                                  | -                       | 397,816           |
| 1.31 Indigenous Education                       | 297,728              | 110,707                                       | 642,840                               | 54,510                       | 169,060                            | 3,636                   | 1,278,481         |
| 1.41 School Administration                      | -                    | 3,591,809                                     | -                                     | 1,493,832                    | -                                  | 102,297                 | 5,187,938         |
| 1.60 Summer School                              | 29,000               | -   | -                                     | -                            | -                                  | -                       | 29,000            |
| 1.62 International and Out of Province Students | 1,168,009            | 143,535                                       | -                                     | 92,195                       | 193,538                            | 1,631                   | 1,598,908         |
| <b>Total Function 1</b>                         | <b>43,422,203</b>    | <b>5,486,203</b>                              | <b>5,790,523</b>                      | <b>2,536,429</b>             | <b>559,347</b>                     | <b>3,560,112</b>        | <b>61,354,817</b> |
| <b>4 District Administration</b>                |                      |   |                                       |                              |                                    |                         |                   |
| 4.11 Educational Administration                 |                      | 30,760  |                                       | 106,439                      | 618,659                            |                         | 755,858           |
| 4.40 School District Governance                 |                      |   |                                       | -                            | 133,932                            |                         | 133,932           |
| 4.41 Business Administration                    |                      |   |                                       | 522,875                      | 904,789                            |                         | 1,427,664         |
| <b>Total Function 4</b>                         | <b>-</b>             | <b>30,760</b>                                 | <b>-</b>                              | <b>629,314</b>               | <b>1,657,380</b>                   | <b>-</b>                | <b>2,317,454</b>  |
| <b>5 Operations and Maintenance</b>             |                      |   |                                       |                              |                                    |                         |                   |
| 5.41 Operations and Maintenance Administration  |                      |   |                                       | 91,225                       | 160,757                            | -                       | 251,982           |
| 5.50 Maintenance Operations                     |                      |   |                                       | 3,725,738                    | -                                  | 114,373                 | 3,840,111         |
| 5.52 Maintenance of Grounds                     |                      |   |                                       | 105,395                      | -                                  | -                       | 105,395           |
| 5.56 Utilities                                  |                      |   |                                       | -                            | -                                  | -                       | -                 |
| <b>Total Function 5</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>3,922,358</b>             | <b>160,757</b>                     | <b>114,373</b>          | <b>4,197,488</b>  |
| <b>7 Transportation and Housing</b>             |                      |   |                                       |                              |                                    |                         |                   |
| 7.41 Transportation and Housing Administration  |                      |   |                                       | 91,962                       | 98,753                             | -                       | 190,715           |
| 7.70 Student Transportation                     |                      |   | 19,015                                | 1,240,222                    | -                                  | 16,446                  | 1,275,683         |
| <b>Total Function 7</b>                         | <b>-</b>             | <b>-</b>                                      | <b>19,015</b>                         | <b>1,332,184</b>             | <b>98,753</b>                      | <b>16,446</b>           | <b>1,466,398</b>  |
| <b>9 Debt Services</b>                          |                      |   |                                       |                              |                                    |                         |                   |
| <b>Total Function 9</b>                         | <b>-</b>             | <b>-</b>                                      | <b>-</b>                              | <b>-</b>                     | <b>-</b>                           | <b>-</b>                | <b>-</b>          |
| <b>Total Functions 1 - 9</b>                    | <b>43,422,203</b>    | <b>5,516,963</b>                              | <b>5,809,538</b>                      | <b>8,420,285</b>             | <b>2,476,237</b>                   | <b>3,690,931</b>        | <b>69,336,157</b> |

# School District No. 22 (Vernon)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object  
Year Ended June 30, 2022

|   | Total<br>Salaries | Employee<br>Benefits | Total Salaries<br>and Benefits | Services and<br>Supplies | 2022<br>Actual    | 2022<br>Budget<br>(Note 12) | 2021<br>Actual    |
|---|-------------------|----------------------|--------------------------------|--------------------------|-------------------|-----------------------------|-------------------|
|   | \$                | \$                   | \$                             | \$                       | \$                | \$                          | \$                |
| <b>1 Instruction</b>                            |                   |                      |                                |                          |                   |                             |                   |
| 1.02 Regular Instruction                        | 37,361,682        | 8,797,183            | 46,158,865                     | 1,535,436                | 47,694,301        | 48,825,477                  | 45,134,072        |
| 1.03 Career Programs                            | 490,543           | 109,871              | 600,414                        | 163,147                  | 763,561           | 897,015                     | 805,690           |
| 1.07 Library Services                           | 1,180,706         | 337,635              | 1,518,341                      | 57,692                   | 1,576,033         | 1,587,235                   | 1,463,118         |
| 1.08 Counselling                                | 1,905,687         | 432,473              | 2,338,160                      | 38,857                   | 2,377,017         | 2,314,302                   | 2,106,720         |
| 1.10 Special Education                          | 11,924,056        | 3,498,389            | 15,422,445                     | 966,250                  | 16,388,695        | 16,128,174                  | 13,980,432        |
| 1.30 English Language Learning                  | 397,816           | 91,782               | 489,598                        | -                        | 489,598           | 594,364                     | 378,381           |
| 1.31 Indigenous Education                       | 1,278,481         | 399,960              | 1,678,441                      | 252,073                  | 1,930,514         | 2,758,861                   | 1,713,549         |
| 1.41 School Administration                      | 5,187,938         | 1,249,392            | 6,437,330                      | 300,309                  | 6,737,639         | 6,913,719                   | 6,125,422         |
| 1.60 Summer School                              | 29,000            | 2,540                | 31,540                         | 969                      | 32,509            | 30,500                      | 32,874            |
| 1.62 International and Out of Province Students | 1,598,908         | 372,590              | 1,971,498                      | 2,765,842                | 4,737,340         | 5,158,219                   | 1,848,021         |
| <b>Total Function 1</b>                         | <b>61,354,817</b> | <b>15,291,815</b>    | <b>76,646,632</b>              | <b>6,080,575</b>         | <b>82,727,207</b> | <b>85,207,866</b>           | <b>73,588,279</b> |
| <b>4 District Administration</b>                |                   |                      |                                |                          |                   |                             |                   |
| 4.11 Educational Administration                 | 755,858           | 162,800              | 918,658                        | 326,629                  | 1,245,287         | 1,325,652                   | 1,108,427         |
| 4.40 School District Governance                 | 133,932           | 8,284                | 142,216                        | 105,190                  | 247,406           | 272,143                     | 227,583           |
| 4.41 Business Administration                    | 1,427,664         | 349,559              | 1,777,223                      | 548,067                  | 2,325,290         | 1,902,664                   | 1,755,264         |
| <b>Total Function 4</b>                         | <b>2,317,454</b>  | <b>520,643</b>       | <b>2,838,097</b>               | <b>979,886</b>           | <b>3,817,983</b>  | <b>3,500,459</b>            | <b>3,091,274</b>  |
| <b>5 Operations and Maintenance</b>             |                   |                      |                                |                          |                   |                             |                   |
| 5.41 Operations and Maintenance Administration  | 251,982           | 63,630               | 315,612                        | 115,767                  | 431,379           | 652,241                     | 563,025           |
| 5.50 Maintenance Operations                     | 3,840,111         | 1,031,951            | 4,872,062                      | 1,421,687                | 6,293,749         | 6,536,943                   | 6,289,728         |
| 5.52 Maintenance of Grounds                     | 105,395           | 48,167               | 153,562                        | 71,263                   | 224,825           | 308,590                     | 388,386           |
| 5.56 Utilities                                  | -                 | -                    | -                              | 2,153,277                | 2,153,277         | 2,058,195                   | 1,912,563         |
| <b>Total Function 5</b>                         | <b>4,197,488</b>  | <b>1,143,748</b>     | <b>5,341,236</b>               | <b>3,761,994</b>         | <b>9,103,230</b>  | <b>9,555,969</b>            | <b>9,153,702</b>  |
| <b>7 Transportation and Housing</b>             |                   |                      |                                |                          |                   |                             |                   |
| 7.41 Transportation and Housing Administration  | 190,715           | 45,499               | 236,214                        | 41,025                   | 277,239           | 244,075                     | 239,772           |
| 7.70 Student Transportation                     | 1,275,683         | 382,857              | 1,658,540                      | 466,614                  | 2,125,154         | 1,889,922                   | 1,696,838         |
| <b>Total Function 7</b>                         | <b>1,466,398</b>  | <b>428,356</b>       | <b>1,894,754</b>               | <b>507,639</b>           | <b>2,402,393</b>  | <b>2,133,997</b>            | <b>1,936,610</b>  |
| <b>9 Debt Services</b>                          |                   |                      |                                |                          |                   |                             |                   |
| <b>Total Function 9</b>                         | -                 | -                    | -                              | -                        | -                 | -                           | -                 |
| <b>Total Functions 1 - 9</b>                    | <b>69,336,157</b> | <b>17,384,562</b>    | <b>86,720,719</b>              | <b>11,330,094</b>        | <b>98,050,813</b> | <b>100,398,291</b>          | <b>87,769,865</b> |

# School District No. 22 (Vernon)

## Schedule of Special Purpose Operations

Year Ended June 30, 2022

Schedule 3 (Unaudited)

|   | 2022<br>Budget<br>(Note 12) | 2022<br>Actual           | 2021<br>Actual     |
|---|-----------------------------|--------------------------|--------------------|
|   | \$                          | \$                       | \$                 |
| <b>Revenues</b>   |                             |                          |                    |
| Provincial Grants   |                             |                          |                    |
| Ministry of Education and Child Care                        | 8,808,126                   | <b>9,014,873</b>         | 12,076,810         |
| Other   | 46,000                      | <b>2,831</b>             |                    |
| Other Revenue   | 2,185,000                   | <b>2,821,355</b>         | 1,809,966          |
| Investment Income   | 23,600                      | <b>3,825</b>             | 4,652              |
| <b>Total Revenue</b>  | <u>11,062,726</u>           | <u><b>11,842,884</b></u> | <u>13,891,428</u>  |
| <b>Expenses</b>   |                             |                          |                    |
| Instruction   | 10,112,953                  | <b>10,714,923</b>        | 11,200,306         |
| District Administration                                     | -                           |                          | -                  |
| Operations and Maintenance                                  | 246,833                     | <b>397,201</b>           | 1,036,756          |
| Transportation and Housing                                  | 134,296                     | <b>93,437</b>            | 365,803            |
| <b>Total Expense</b>  | <u>10,494,082</u>           | <u><b>11,205,561</b></u> | <u>12,602,865</u>  |
| <b>Special Purpose Surplus (Deficit) for the year</b>       | <u>568,644</u>              | <u><b>637,323</b></u>    | <u>1,288,563</u>   |
| <b>Net Transfers (to) from other funds</b>                  |                             |                          |                    |
| Tangible Capital Assets Purchased                           | (318,644)                   | <b>(406,644)</b>         | (1,270,219)        |
| Other   | (30,000)                    | <b>(30,000)</b>          | (30,000)           |
| <b>Total Net Transfers</b>                                  | <u>(348,644)</u>            | <u><b>(436,644)</b></u>  | <u>(1,300,219)</u> |
| <b>Total Special Purpose Surplus (Deficit) for the year</b> | <u>220,000</u>              | <u><b>200,679</b></u>    | <u>(11,656)</u>    |
| <b>Special Purpose Surplus (Deficit), beginning of year</b> |                             | <b>429,907</b>           | 441,563            |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                             | <u><b>630,586</b></u>    | <u>429,907</u>     |
| <b>Special Purpose Surplus (Deficit), end of year</b>       |                             |                          |                    |
| Related Entities  |                             | <b>630,586</b>           | 429,907            |
| <b>Total Special Purpose Surplus (Deficit), end of year</b> |                             | <u><b>630,586</b></u>    | <u>429,907</u>     |

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

|  | Annual<br>Facility<br>Grant | Learning<br>Improvement<br>Fund | Scholarships<br>and<br>Bursaries | School<br>Generated<br>Funds | Related<br>Entities | Strong<br>Start | Ready,<br>Set,<br>Learn | OLEP    | CommunityLINK |
|--|-----------------------------|---------------------------------|----------------------------------|------------------------------|---------------------|-----------------|-------------------------|---------|---------------|
|  | \$                          | \$                              | \$                               | \$                           | \$                  | \$              | \$                      | \$      | \$            |
| Deferred Revenue, beginning of year                      | -                           | -                               | 413,737                          | 1,191,758                    |                     | -               | -                       | 16,998  | -             |
| Add: Restricted Grants                                   |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Provincial Grants - Ministry of Education and Child Care | 348,991                     | 311,490                         |                                  |                              |                     | 128,000         | 34,300                  | 162,717 | 646,292       |
| Provincial Grants - Other                                |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Other  |                             |                                 | 179,188                          | 2,193,519                    |                     |                 |                         |         |               |
|  | 348,991                     | 311,490                         | 179,188                          | 2,193,519                    | -                   | 128,000         | 34,300                  | 162,717 | 646,292       |
| Less: Allocated to Revenue                               | 348,991                     | 311,490                         | 155,207                          | 2,176,044                    |                     | 128,000         | 34,300                  | 179,715 | 646,292       |
| Deferred Revenue, end of year                            | -                           | -                               | 437,718                          | 1,209,233                    | -                   | -               | -                       | -       | -             |
| Revenues   |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Provincial Grants - Ministry of Education and Child Care | 348,991                     | 311,490                         |                                  |                              |                     | 128,000         | 34,300                  | 179,715 | 646,292       |
| Provincial Grants - Other                                |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Other Revenue  |                             |                                 | 155,207                          | 2,176,044                    | 408,294             |                 |                         |         |               |
| Investment Income  |                             |                                 |                                  |                              | 3,825               |                 |                         |         |               |
|  | 348,991                     | 311,490                         | 155,207                          | 2,176,044                    | 412,119             | 128,000         | 34,300                  | 179,715 | 646,292       |
| Expenses   |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Salaries   |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Teachers   |                             |                                 |                                  |                              |                     |                 |                         | 25,473  |               |
| Principals and Vice Principals                           |                             |                                 |                                  |                              |                     |                 |                         | 59,019  |               |
| Educational Assistants                                   |                             | 243,649                         |                                  |                              |                     | 84,536          |                         | 24,849  |               |
| Support Staff  |                             |                                 |                                  |                              |                     | 1,116           |                         |         | 2,671         |
| Other Professionals                                      |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Substitutes  |                             | 12,040                          |                                  | 1,272                        |                     |                 |                         | 11,723  |               |
|  | -                           | 255,689                         | -                                | 1,272                        | -                   | 85,652          | -                       | 121,064 | 2,671         |
| Employee Benefits  |                             | 55,801                          |                                  | 148                          |                     | 31,269          |                         | 31,447  | 315           |
| Services and Supplies                                    | 30,347                      |                                 | 155,207                          | 2,174,624                    | 93,440              | 11,079          | 34,300                  | 27,204  | 643,306       |
|  | 30,347                      | 311,490                         | 155,207                          | 2,176,044                    | 93,440              | 128,000         | 34,300                  | 179,715 | 646,292       |
| Net Revenue (Expense) before Interfund Transfers         | 318,644                     | -                               | -                                | -                            | 318,679             | -               | -                       | -       | -             |
| Interfund Transfers                                      |                             |                                 |                                  |                              |                     |                 |                         |         |               |
| Tangible Capital Assets Purchased                        | (318,644)                   |                                 |                                  |                              | (88,000)            |                 |                         |         |               |
| Other  |                             |                                 |                                  |                              | (30,000)            |                 |                         |         |               |
|  | (318,644)                   | -                               | -                                | -                            | (118,000)           | -               | -                       | -       | -             |
| Net Revenue (Expense)                                    | -                           | -                               | -                                | -                            | 200,679             | -               | -                       | -       | -             |

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

|  | Classroom<br>Enhancement<br>Fund - Overhead | Classroom<br>Enhancement<br>Fund - Staffing | Classroom<br>Enhancement<br>Fund - Remedies | First Nation<br>Student<br>Transportation | Mental<br>Health<br>in Schools | Changing<br>Results for<br>Young Children | Safe Return<br>to School /<br>Restart: Health<br>& Safety Grant | Federal Safe<br>Return to<br>Class /<br>Ventilation Fund | Seamless<br>Day<br>Kindergarten |
|--|---|---|---|---|--------------------------------|---|---|--|---------------------------------|
|  | \$  | \$  | \$  | \$  | \$                             | \$  | \$  | \$   | \$                              |
| Deferred Revenue, beginning of year                      | -   | -   | -   | 73,985                                    | -                              | -   | -   | -  | -                               |
| Add: Restricted Grants                                   |   |   |   |   |                                |   |   |  |                                 |
| Provincial Grants - Ministry of Education and Child Care | 696,607                                     | 5,821,175                                   | 210,540                                     | 61,807                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 50,000                          |
| Provincial Grants - Other                                |   |   |   |   |                                |   |   |  |                                 |
| Other  |   |   |   |   |                                |   |   |  |                                 |
|  | 696,607                                     | 5,821,175                                   | 210,540                                     | 61,807                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 50,000                          |
| Less: Allocated to Revenue                               | 696,607                                     | 5,821,175                                   | 210,540                                     | 93,437                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 48,370                          |
| Deferred Revenue, end of year                            | -   | -   | -   | 42,355                                    | -                              | -   | -   | -  | 1,630                           |
| Revenues   |   |   |   |   |                                |   |   |  |                                 |
| Provincial Grants - Ministry of Education and Child Care | 696,607                                     | 5,821,175                                   | 210,540                                     | 93,437                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 48,370                          |
| Provincial Grants - Other                                |   |   |   |   |                                |   |   |  |                                 |
| Other Revenue  |   |   |   |   |                                |   |   |  | -                               |
| Investment Income  |   |   |   |   |                                |   |   |  |                                 |
|  | 696,607                                     | 5,821,175                                   | 210,540                                     | 93,437                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 48,370                          |
| Expenses   |   |   |   |   |                                |   |   |  |                                 |
| Salaries   |   |   |   |   |                                |   |   |  |                                 |
| Teachers   |   | 4,674,858                                   |   |   | 60,000                         |   |   |  |                                 |
| Principals and Vice Principals                           | 13,468                                      |   |   |   |                                |   |   |  |                                 |
| Educational Assistants                                   | 261,864                                     |   |   |   |                                |   |   |  | 37,899                          |
| Support Staff  | 24,210                                      |   |   | 48,637                                    |                                |   | 148,825   |  |                                 |
| Other Professionals                                      |   |   |   |   | 41,844                         |   |   |  |                                 |
| Substitutes  | 258,358                                     | 15,787                                      | 98,500                                      |   |                                |   |   |  | 993                             |
|  | 557,900                                     | 4,690,645                                   | 98,500                                      | 48,637                                    | 101,844                        | -   | 148,825   | -  | 38,892                          |
| Employee Benefits  | 138,707                                     | 1,130,530                                   | 19,686                                      | 20,845                                    | 21,001                         |   | 17,141  |  | 8,449                           |
| Services and Supplies                                    | -   |   | 92,354                                      | 23,955                                    | -                              | 6,000                                     | 50,520  | 150,368  | 1,029                           |
|  | 696,607                                     | 5,821,175                                   | 210,540                                     | 93,437                                    | 122,845                        | 6,000                                     | 216,486   | 150,368  | 48,370                          |
| Net Revenue (Expense) before Interfund Transfers         | -   | -   | -   | -   | -                              | -   | -   | -  | -                               |
| Interfund Transfers                                      |   |   |   |   |                                |   |   |  |                                 |
| Tangible Capital Assets Purchased                        |   |   |   |   |                                |   |   |  |                                 |
| Other  |   |   |   |   |                                |   |   |  |                                 |
|  | -   | -   | -   | -   | -                              | -   | -   | -  | -                               |
| Net Revenue (Expense)                                    | -   | -   | -   | -   | -                              | -   | -   | -  | -                               |

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object  
Year Ended June 30, 2022

|  | Early Childhood<br>Education Dual<br>Credit Program | Other<br>Grants | TOTAL      |
|--|---|-----------------|------------|
|  | \$  | \$              | \$         |
| Deferred Revenue, beginning of year                      | -   | 38,098          | 1,734,576  |
| Add: Restricted Grants                                   |   |                 |            |
| Provincial Grants - Ministry of Education and Child Care | 71,000  | -               | 9,038,618  |
| Provincial Grants - Other                                |   | 2,831           | 2,831      |
| Other  |   | 50,207          | 2,422,914  |
|  | 71,000  | 53,038          | 11,464,363 |
| Less: Allocated to Revenue                               | 257   | 84,641          | 11,430,765 |
| Deferred Revenue, end of year                            | 70,743  | 6,495           | 1,768,174  |
| Revenues   |   |                 |            |
| Provincial Grants - Ministry of Education and Child Care | 257   |                 | 9,014,873  |
| Provincial Grants - Other                                |   | 2,831           | 2,831      |
| Other Revenue  |   | 81,810          | 2,821,355  |
| Investment Income  |   |                 | 3,825      |
|  | 257   | 84,641          | 11,842,884 |
| Expenses   |   |                 |            |
| Salaries   |   |                 |            |
| Teachers   |   |                 | 4,760,331  |
| Principals and Vice Principals                           |   |                 | 72,487     |
| Educational Assistants                                   |   | 7,970           | 660,767    |
| Support Staff  |   | 19,715          | 245,174    |
| Other Professionals                                      |   | -               | 41,844     |
| Substitutes  |   | 4,548           | 403,221    |
|  | -   | 32,233          | 6,183,824  |
| Employee Benefits  |   | 2,995           | 1,478,334  |
| Services and Supplies                                    | 257   | 49,413          | 3,543,403  |
|  | 257   | 84,641          | 11,205,561 |
| Net Revenue (Expense) before Interfund Transfers         | -   | -               | 637,323    |
| Interfund Transfers                                      |   |                 |            |
| Tangible Capital Assets Purchased                        |   |                 | (406,644)  |
| Other  |   |                 | (30,000)   |
|  | -   | -               | (436,644)  |
| Net Revenue (Expense)                                    | -   | -               | 200,679    |



# School District No. 22 (Vernon)

## Schedule of Capital Operations

Year Ended June 30, 2022

Schedule 4 (Unaudited)

|  | 2022<br>Budget<br>(Note 12) | 2022 Actual                            |                  |                 | 2021<br>Actual |
|--|-----------------------------|--|------------------|-----------------|----------------|
|  |                             | Invested in Tangible<br>Capital Assets | Local<br>Capital | Fund<br>Balance |                |
|  | \$                          | \$                                     | \$               | \$              | \$             |
| <b>Revenues</b>                                      |                             |  |                  |                 |                |
| Provincial Grants                                    |                             |  |                  |                 |                |
| Ministry of Education and Child Care                 |                             |  |                  | -               | 632,631        |
| Amortization of Deferred Capital Revenue             | 4,576,426                   | 4,574,249                              |                  | 4,574,249       | 4,323,383      |
| <b>Total Revenue</b>                                 | 4,576,426                   | 4,574,249                              | -                | 4,574,249       | 4,956,014      |
| <b>Expenses</b>                                      |                             |  |                  |                 |                |
| Operations and Maintenance                           |                             |  |                  | -               | 632,631        |
| Amortization of Tangible Capital Assets              |                             |  |                  |                 |                |
| Operations and Maintenance                           | 6,244,530                   | 6,192,556                              |                  | 6,192,556       | 5,740,697      |
| Transportation and Housing                           | 566,049                     | 505,633                                |                  | 505,633         | 504,087        |
| <b>Total Expense</b>                                 | 6,810,579                   | 6,698,189                              | -                | 6,698,189       | 6,877,415      |
| <b>Capital Surplus (Deficit) for the year</b>        | (2,234,153)                 | (2,123,940)                            | -                | (2,123,940)     | (1,921,401)    |
| <b>Net Transfers (to) from other funds</b>           |                             |  |                  |                 |                |
| Tangible Capital Assets Purchased                    | 910,607                     | 737,504                                |                  | 737,504         | 1,668,207      |
| Local Capital  | 1,163,000                   |  | 1,209,263        | 1,209,263       | 2,835,690      |
| <b>Total Net Transfers</b>                           | 2,073,607                   | 737,504                                | 1,209,263        | 1,946,767       | 4,503,897      |
| <b>Other Adjustments to Fund Balances</b>            |                             |  |                  |                 |                |
| Tangible Capital Assets Purchased from Local Capital |                             | 986,141                                | (986,141)        | -               |                |
| <b>Total Other Adjustments to Fund Balances</b>      |                             | 986,141                                | (986,141)        | -               |                |
| <b>Total Capital Surplus (Deficit) for the year</b>  | (160,546)                   | (400,295)                              | 223,122          | (177,173)       | 2,582,496      |
| <b>Capital Surplus (Deficit), beginning of year</b>  |                             | 30,741,660                             | 3,175,605        | 33,917,265      | 31,334,769     |
| <b>Capital Surplus (Deficit), end of year</b>        |                             | 30,341,365                             | 3,398,727        | 33,740,092      | 33,917,265     |

# School District No. 22 (Vernon)

Schedule 4A (Unaudited)

Tangible Capital Assets  
Year Ended June 30, 2022

|  | Sites            | Buildings          | Furniture and<br>Equipment | Vehicles         | Computer<br>Software | Computer<br>Hardware | Total              |
|--|------------------|--------------------|----------------------------|------------------|----------------------|----------------------|--------------------|
|  | \$               | \$                 | \$                         | \$               | \$                   | \$                   | \$                 |
| <b>Cost, beginning of year</b>                     | 8,816,960        | 196,947,317        | 6,065,641                  | 5,017,558        | 452,235              | 5,130,752            | <b>222,430,463</b> |
| <b>Changes for the Year</b>                        |                  |                    |                            |                  |                      |                      |                    |
| Increase:  |                  |                    |                            |                  |                      |                      |                    |
| Purchases from:                                    |                  |                    |                            |                  |                      |                      |                    |
| Deferred Capital Revenue - Bylaw                   |                  | 3,879,368          | 1,426,519                  | 99,072           | -                    | -                    | <b>5,404,959</b>   |
| Operating Fund                                     |                  | -                  | 227,421                    | -                | -                    | 103,439              | <b>330,860</b>     |
| Special Purpose Funds                              |                  | 318,644            | -                          | 88,000           | -                    | -                    | <b>406,644</b>     |
| Local Capital                                      |                  | 321,079            | 278,734                    | 8,676            | 28,735               | 348,917              | <b>986,141</b>     |
|  | -                | 4,519,091          | 1,932,674                  | 195,748          | 28,735               | 452,356              | <b>7,128,604</b>   |
| Decrease:  |                  |                    |                            |                  |                      |                      |                    |
| Deemed Disposals                                   |                  |                    | 159,386                    | 118,196          | 119,412              | 759,824              | <b>1,156,818</b>   |
|  | -                | -                  | 159,386                    | 118,196          | 119,412              | 759,824              | <b>1,156,818</b>   |
| <b>Cost, end of year</b>                           | 8,816,960        | 201,466,408        | 7,838,929                  | 5,095,110        | 361,558              | 4,823,284            | <b>228,402,249</b> |
| <b>Work in Progress, end of year</b>               |                  | 2,262,029          |                            |                  |                      |                      | <b>2,262,029</b>   |
| <b>Cost and Work in Progress, end of year</b>      | 8,816,960        | 203,728,437        | 7,838,929                  | 5,095,110        | 361,558              | 4,823,284            | <b>230,664,278</b> |
| <b>Accumulated Amortization, beginning of year</b> |                  | 89,005,201         | 2,556,346                  | 2,591,370        | 268,409              | 2,182,491            | <b>96,603,817</b>  |
| <b>Changes for the Year</b>                        |                  |                    |                            |                  |                      |                      |                    |
| Increase: Amortization for the Year                |                  | 4,420,545          | 695,228                    | 505,633          | 81,379               | 995,404              | <b>6,698,189</b>   |
| Decrease:  |                  |                    |                            |                  |                      |                      |                    |
| Deemed Disposals                                   |                  |                    | 159,386                    | 118,196          | 119,412              | 759,824              | <b>1,156,818</b>   |
|  |                  | -                  | 159,386                    | 118,196          | 119,412              | 759,824              | <b>1,156,818</b>   |
| <b>Accumulated Amortization, end of year</b>       |                  | 93,425,746         | 3,092,188                  | 2,978,807        | 230,376              | 2,418,071            | <b>102,145,188</b> |
| <b>Tangible Capital Assets - Net</b>               | <b>8,816,960</b> | <b>110,302,691</b> | <b>4,746,741</b>           | <b>2,116,303</b> | <b>131,182</b>       | <b>2,405,213</b>     | <b>128,519,090</b> |

# School District No. 22 (Vernon)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

|                                     | Buildings | Furniture and<br>Equipment | Computer<br>Software | Computer<br>Hardware | Total     |
|-------------------------------------|-----------|----------------------------|----------------------|----------------------|-----------|
|                                     | \$        | \$                         | \$                   | \$                   | \$        |
| Work in Progress, beginning of year | 36,150    |                            |                      |                      | 36,150    |
| Changes for the Year                |           |                            |                      |                      |           |
| Increase:                           |           |                            |                      |                      |           |
| Deferred Capital Revenue - Other    | 2,225,879 |                            |                      |                      | 2,225,879 |
|                                     | 2,225,879 | -                          | -                    | -                    | 2,225,879 |
| Net Changes for the Year            | 2,225,879 | -                          | -                    | -                    | 2,225,879 |
| Work in Progress, end of year       | 2,262,029 | -                          | -                    | -                    | 2,262,029 |

# School District No. 22 (Vernon)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2022

|   | Bylaw<br>Capital | Other<br>Provincial | Other<br>Capital | Total<br>Capital |
|---|------------------|---------------------|------------------|------------------|
|   | \$               | \$                  | \$               | \$               |
| Deferred Capital Revenue, beginning of year           | 94,539,337       | 545,649             |                  | 95,084,986       |
| Changes for the Year                                  |                  |                     |                  |                  |
| Increase:   |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Capital Additions | 5,404,959        |                     |                  | 5,404,959        |
|   | 5,404,959        | -                   | -                | 5,404,959        |
| Decrease:   |                  |                     |                  |                  |
| Amortization of Deferred Capital Revenue              | 4,545,588        | 28,661              |                  | 4,574,249        |
|   | 4,545,588        | 28,661              | -                | 4,574,249        |
| Net Changes for the Year                              | 859,371          | (28,661)            | -                | 830,710          |
| Deferred Capital Revenue, end of year                 | 95,398,708       | 516,988             | -                | 95,915,696       |
| Work in Progress, beginning of year                   | -                | 36,150              |                  | 36,150           |
| Changes for the Year                                  |                  |                     |                  |                  |
| Increase  |                  |                     |                  |                  |
| Transferred from Deferred Revenue - Work in Progress  |                  | 2,225,879           |                  | 2,225,879        |
|   | -                | 2,225,879           | -                | 2,225,879        |
| Net Changes for the Year                              | -                | 2,225,879           | -                | 2,225,879        |
| Work in Progress, end of year                         | -                | 2,262,029           | -                | 2,262,029        |
| Total Deferred Capital Revenue, end of year           | 95,398,708       | 2,779,017           | -                | 98,177,725       |

# School District No. 22 (Vernon)

Schedule 4D (Unaudited)

Changes in Unspent Deferred Capital Revenue  
Year Ended June 30, 2022

|  | Bylaw<br>Capital | MECC<br>Restricted<br>Capital | Other<br>Provincial<br>Capital | Land<br>Capital | Other<br>Capital | Total       |
|--|------------------|-------------------------------|--------------------------------|-----------------|------------------|-------------|
|  | \$               | \$                            | \$                             | \$              | \$               | \$          |
| Balance, beginning of year                               | -                | 8,185                         | 1,324,332                      |                 |                  | 1,332,517   |
| Changes for the Year                                     |                  |                               |                                |                 |                  |             |
| Increase:  |                  |                               |                                |                 |                  |             |
| Provincial Grants - Ministry of Education and Child Care | 5,404,959        |                               | 901,547                        |                 |                  | 6,306,506   |
| Other  |                  |                               |                                |                 | 50,000           | 50,000      |
| Investment Income  |                  | 888                           |                                |                 |                  | 888         |
|  | 5,404,959        | 888                           | 901,547                        | -               | 50,000           | 6,357,394   |
| Decrease:  |                  |                               |                                |                 |                  |             |
| Transferred to DCR - Capital Additions                   | 5,404,959        |                               |                                |                 |                  | 5,404,959   |
| Transferred to DCR - Work in Progress                    |                  |                               | 2,225,879                      |                 |                  | 2,225,879   |
|  | 5,404,959        | -                             | 2,225,879                      | -               | -                | 7,630,838   |
| Net Changes for the Year                                 | -                | 888                           | (1,324,332)                    | -               | 50,000           | (1,273,444) |
| Balance, end of year                                     | -                | 9,073                         | -                              | -               | 50,000           | 59,073      |