

Consolidated Audited Financial Statements of

School District No. 22 (Vernon)

And Independent Auditors' Report thereon

June 30, 2024

School District No. 22 (Vernon)

June 30, 2024

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School District No. 22 (Vernon)

MANAGEMENT REPORT

Version: 9757-9011-7029

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.

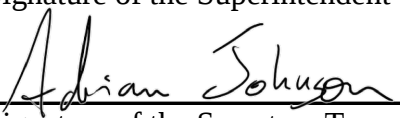
The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 monthly basis and externally audited consolidated financial statements yearly.

The external auditors, BDO 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 18, 2024
Signature of the Chairperson of the Board of Education	Date Signed
	September 18, 2024
Signature of the Superintendent	Date Signed
	September 18, 2024
Signature of the Secretary Treasurer	Date Signed



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BDO Canada LLP
Suite 202, 2706 - 30th Ave
Vernon, BC V1T 2B6

Independent Auditor's Report

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 B.C. Ltd, which comprise the Statement of Financial Position as at June 30, 2024, 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, 2024, 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 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 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 - Basis of Accounting

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.



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Other Information

Management is responsible for the other information. The other information, other than the financial statements and our auditor's report thereon, includes the Financial Statement Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Prior to the date of this auditor's report, we obtained the Financial Statement Discussion and Analysis prepared by management. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation 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.



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- 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's 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.

BDO Canada LLP

Chartered Professional Accountants

Vernon, British Columbia
September 18, 2024

School District No. 22 (Vernon)

Consolidated Statement of Financial Position

As at June 30, 2024

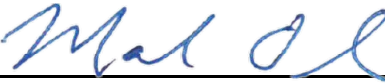
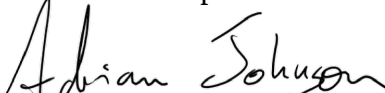
Statement 1

	2024 Actual	2023 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	23,258,322	23,780,161
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	254,004	752,024
Due from First Nations	137,096	145,287
Other (Note 3)	351,017	1,355,665
Total Financial Assets	24,000,439	26,033,137
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	9,147,899	10,129,406
Unearned Revenue (Note 5)	3,067,192	2,552,221
Deferred Revenue (Note 6)	3,576,665	3,060,630
Deferred Capital Revenue (Note 7)	101,374,081	101,437,407
Employee Future Benefits (Note 8)	4,438,981	4,249,139
Asset Retirement Obligation (Note 9)	5,746,172	5,746,172
Total Liabilities	127,350,990	127,174,975
Net Debt	(103,350,551)	(101,141,838)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	133,850,952	133,200,294
Prepaid Expenses	110,101	191,149
Total Non-Financial Assets	133,961,053	133,391,443
Accumulated Surplus (Deficit) (Note 11)	30,610,502	32,249,605

Contractual Obligations (Note 12)

Contingent Liabilities (Note 12)

Approved by the Board

	September 18, 2024
Signature of the Chairperson of the Board of Education	Date Signed
	September 18, 2024
Signature of the Superintendent	Date Signed
	September 18, 2024
Signature of the Secretary Treasurer	Date Signed

School District No. 22 (Vernon)

Statement 2

Consolidated Statement of Operations

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	117,744,969	118,656,940	107,848,095
Other	553,814	500,146	271,061
Federal Grants		31,195	
Tuition	6,562,500	6,395,792	6,163,678
Other Revenue (Note 14)	5,146,643	5,516,948	4,502,018
Rentals and Leases	146,000	144,053	75,463
Investment Income	800,100	1,032,848	744,633
Amortization of Deferred Capital Revenue	4,934,510	4,928,347	4,776,238
Total Revenue	135,888,536	137,206,269	124,381,186
Expenses (Note 16)			
Instruction	112,361,226	113,616,834	101,598,273
District Administration	4,362,329	4,561,594	4,171,731
Operations and Maintenance	17,543,403	17,498,614	16,880,028
Transportation and Housing	3,296,625	3,168,330	3,029,390
Total Expense	137,563,583	138,845,372	125,679,422
Surplus (Deficit) for the year	(1,675,047)	(1,639,103)	(1,298,236)
Accumulated Surplus (Deficit) from Operations, beginning of year		32,249,605	33,547,841
Accumulated Surplus (Deficit) from Operations, end of year		30,610,502	32,249,605

School District No. 22 (Vernon)

Consolidated Statement of Changes in Net Debt
Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(1,675,047)</u>	<u>(1,639,103)</u>	<u>(1,298,236)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(6,891,266)	(7,904,227)	(11,612,277)
Amortization of Tangible Capital Assets	7,238,670	7,253,569	6,979,724
Total Effect of change in Tangible Capital Assets	<u>347,404</u>	<u>(650,658)</u>	<u>(4,632,553)</u>
Use of Prepaid Expenses	-	81,048	107,475
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>81,048</u>	<u>107,475</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(1,327,643)</u>	<u>(2,208,713)</u>	<u>(5,823,314)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(2,208,713)	(5,823,314)
Net Debt, beginning of year		(101,141,838)	(95,318,524)
Net Debt, end of year		<u>(103,350,551)</u>	<u>(101,141,838)</u>

School District No. 22 (Vernon)

Consolidated Statement of Cash Flows

Year Ended June 30, 2024

	2024 Actual	2023 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(1,639,103)	(1,298,236)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	1,510,859	1,450,181
Prepaid Expenses	81,048	107,475
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(981,507)	557,425
Unearned Revenue	514,971	(436,396)
Deferred Revenue	516,035	1,292,456
Employee Future Benefits	189,842	167,430
Amortization of Tangible Capital Assets	7,253,569	6,979,724
Amortization of Deferred Capital Revenue	(4,928,347)	(4,776,238)
Total Operating Transactions	2,517,367	4,043,821
Capital Transactions		
Tangible Capital Assets Purchased	(7,904,227)	(11,612,277)
Total Capital Transactions	(7,904,227)	(11,612,277)
Financing Transactions		
Capital Revenue Received	4,865,021	7,976,847
Total Financing Transactions	4,865,021	7,976,847
Net Increase (Decrease) in Cash and Cash Equivalents	(521,839)	408,391
Cash and Cash Equivalents, beginning of year	23,780,161	23,371,770
Cash and Cash Equivalents, end of year	23,258,322	23,780,161
Cash and Cash Equivalents, end of year, is made up of:		
Cash	23,258,322	23,780,161
	23,258,322	23,780,161

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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)" or "SD22". 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 ("MECC"). 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, 2024

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, 2024

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, 2024

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

i) Asset Retirement Obligations

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

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

The liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District has been initially recognized using the modified retroactive method. The liability has been measured at current cost as the timing and amounts of future cash flows cannot be estimated. The resulting costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset. Assumptions used in the calculations are reviewed annually.

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, 2024

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, 2024

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 must 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, 2024

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, 2024

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.

NOTE 3 OTHER ACCOUNTS RECEIVABLE

	2024	2023
Employee benefits plans	\$ -	\$ 977,284
Sales taxes recoverable	144,191	268,487
Other accounts receivable	206,826	109,894
	<u>\$ 351,017</u>	<u>\$ 1,355,665</u>

NOTE 4 OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade and other amounts payable	\$ 1,813,705	\$ 3,141,786
Wages payable – teachers’ 12 month instalment plan	1,531,910	1,416,013
Pension contributions payable	1,560,298	1,479,163
Payroll taxes payable	2,143,836	2,217,170
Accrued vacation pay	1,112,306	1,015,200
Accrued wages – biweekly payroll	456,681	416,170
Other accrued liabilities	223,109	151,957
Due to Okanagan Labour Relations Council	306,054	291,947
	<u>\$ 9,147,899</u>	<u>\$ 10,129,406</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 5 UNEARNED REVENUE

	2024	2023
Balance, beginning of year	\$ 2,552,221	\$ 2,988,617
Changes for the year:		
Increase:		
Tuition fees collected	6,788,612	5,727,282
Transportation fees collected	399,256	232,141
Decrease:		
Tuition fees recognized	6,395,792	6,163,678
Transportation fees recognized	277,105	232,141
Net increase (decrease) for the year	514,971	(436,396)
Balance, end of year	\$ 3,067,192	\$ 2,552,221

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.

	2024	2023
Balance, beginning of year	\$ 3,060,630	\$ 1,768,174
Changes for the year:		
Increase:		
Grants: Provincial – MECC	13,225,900	11,698,833
Other	3,567,468	3,200,732
	16,793,368	14,899,565
Decrease:		
Allocated to Revenue:		
Grants - Provincial – MECC	12,628,007	10,579,296
Other	3,649,326	3,027,813
	16,277,333	13,607,109
Net increase for the year	516,035	1,292,456
Balance, end of year	\$ 3,576,665	\$ 3,060,630

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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.

	2024	2023
Deferred capital revenue - spent		
Balance, beginning of year	\$ 101,428,141	\$ 98,177,725
Increase:		
Capital additions	4,865,021	8,026,654
Decrease:		
Amortization	4,928,347	4,776,238
Net (decrease) increase for the year	(63,326)	3,250,416
Balance, end of year	\$ 101,364,815	\$ 101,428,141
 Deferred capital revenue - unspent		
Balance, beginning of year	\$ 9,266	\$ 59,073
Increases:		
Provincial grants – MECC	4,865,021	7,776,654
Other grants	-	200,000
Investment income	-	193
Decrease:		
Transfer to deferred capital revenue – spent	4,865,021	8,026,654
Net decrease for the year	-	(49,807)
Balance, end of year	9,266	9,266
Total deferred capital revenue balance, end of year	\$ 101,374,081	\$ 101,437,407

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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.

	2024	2023
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 4,155,361	\$ 4,239,379
Service Cost	314,318	319,953
Interest Cost	169,442	139,647
Benefit Payments	(324,082)	(354,712)
Actuarial Gain	(206,019)	(188,906)
Accrued Benefit Obligation – March 31	<u>\$ 4,109,020</u>	<u>\$ 4,155,361</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 4,109,020	\$ 4,155,361
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,109,020)	(4,155,361)
Employer Contributions After Measurement Date	47,818	70,086
Benefits Expense After Measurement Date	(122,144)	(120,940)
Unamortized Net Actuarial Gain	(255,635)	(42,924)
Accrued Benefit Liability – June 30	<u>\$ (4,438,981)</u>	<u>\$ (4,249,139)</u>

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 4,249,139	\$ 4,081,709
Net Expense for Fiscal Year	491,656	513,072
Employer Contributions	(301,814)	(345,642)
Accrued Benefit Liability – June 30	<u>\$ 4,438,981</u>	<u>\$ 4,249,139</u>

	2024	2023
Components of Net Benefit Expense		
Service Cost	\$ 313,280	\$ 318,544
Interest Cost	171,683	147,096
Amortization of Net Actuarial Loss	6,692	47,432
Net Benefit Expense	<u>\$ 491,655</u>	<u>\$ 513,072</u>

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

	2024	2023
Discount Rate – April 1	4.00%	3.25%
Discount Rate – March 31	4.25%	4.00%
Long Term Salary Growth – April 1 and March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.5 years	9.5 years

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some district owned buildings that will undergo major renovations or demolition in the future.

	2024	2023
Asset Retirement Obligation, beginning of year	\$ 5,746,172	\$ 5,746,172
Settlements during the year	-	-
Asset Retirement Obligation, end of year	\$ 5,746,172	\$ 5,746,172

NOTE 10 TANGIBLE CAPITAL ASSETS

June 30, 2024

	Balance at June 30, 2023	Additions	Disposals and transfers	Balance at June 30, 2024
Cost:				
Sites	\$ 8,816,960	\$ -	\$ -	\$ 8,816,960
Buildings	216,437,633	5,107,378	-	221,545,011
Buildings: Work-in-progress	-	-	-	-
Furniture & Equipment	8,022,387	770,841	(194,321)	8,598,907
Vehicles	5,975,563	1,112,002	(623,971)	6,463,594
Computer Software	323,912	117,810	(89,197)	352,525
Computer Hardware	5,011,013	796,196	(933,301)	4,873,908
Total	\$ 244,587,468	\$ 7,904,227	\$ (1,840,790)	\$ 250,650,905

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Accumulated Amortization:				
Buildings	\$ 103,704,414	\$ 4,744,410	\$ -	\$ 108,448,824
Furniture & Equipment	2,828,157	831,065	(194,321)	3,464,901
Vehicles	2,113,470	621,958	(623,971)	2,111,457
Computer Software	148,063	67,644	(89,197)	126,510
Computer Hardware	2,593,070	988,492	(933,301)	2,648,261
Total	\$ 111,387,174	\$ 7,253,569	\$ (1,840,790)	\$ 116,799,953

June 30, 2023

	Balance at June 30, 2022	Additions	Disposals and transfers	Balance at June 30, 2023
Cost:				
Sites	\$ 8,816,960	\$ -	\$ -	\$ 8,816,960
Buildings	207,212,580	6,963,024	2,262,029	216,437,633
Buildings: Work-in-progress	2,262,029	-	(2,262,029)	-
Furniture & Equipment	7,838,929	1,240,555	(1,057,097)	8,022,387
Vehicles	5,095,110	2,299,324	(1,418,871)	5,975,563
Computer Software	361,558	113,214	(150,860)	323,912
Computer Hardware	4,823,284	996,160	(808,431)	5,011,013
Total	\$ 236,410,450	\$ 11,612,277	\$ (3,435,259)	\$ 244,587,468

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Accumulated Amortization:				
Buildings	\$ 99,123,267	\$ 4,581,147	\$ -	\$ 103,704,414
Furniture & Equipment	3,092,188	793,066	(1,057,097)	2,828,157
Vehicles	2,978,807	553,534	(1,418,871)	2,113,470
Computer Software	230,376	68,547	(150,860)	148,063
Computer Hardware	2,418,071	983,430	(808,431)	2,593,070
Total	\$ 107,842,709	\$ 6,979,724	\$ (3,435,259)	\$ 111,387,174

Net Book Value:

	June 30, 2024	June 30, 2023
Sites	\$ 8,816,960	\$ 8,816,960
Buildings	113,096,187	112,733,219
Buildings: Work-in-progress	-	-
Furniture & Equipment	5,134,006	5,194,230
Vehicles	4,352,137	3,862,093
Computer Software	226,015	175,849
Computer Hardware	2,225,647	2,417,943
Total	\$ 133,850,952	\$ 133,200,294

NOTE 11 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.

	2024	2023
Operating fund	\$ 2,170,844	\$ 3,529,029
Special purpose funds	658,227	720,067
Capital funds	27,781,431	28,000,509
Total Accumulated Surplus	\$ 30,610,502	\$ 32,249,605

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.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 ACCUMULATED SURPLUS *(Continued)*

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.

	2024	2023
Restricted due to the nature of constraints on the funds:		
Indigenous Education commitments	\$ 77,016	\$ 459,621
Union commitments	895,337	747,446
	<u>972,353</u>	<u>1,207,067</u>
Restricted for operations spanning multiple school years:		
School budget balances	395,257	499,287
Trustee travel	36,547	36,787
Department budget balances	47,569	-
Appropriated by budget bylaw	20,174	113,787
	<u>499,547</u>	<u>649,861</u>
Contingency reserve	\$ 698,944	1,672,101
Total Operating Fund	<u>\$ 2,170,844</u>	<u>\$ 3,529,029</u>

The amounts restricted for Indigenous Education commitments represent the unspent portion of MECC 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 MECC 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.

	2024	2023
Internally restricted:		
554210 BC Ltd. operating surplus	\$ 658,227	\$ 720,067
Total Special Purpose Funds	<u>\$ 658,227</u>	<u>\$ 720,067</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 11 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.

	2024	2023
Local capital	\$ 1,041,466	\$ 1,974,528
Invested in tangible capital assets	26,739,965	26,025,981
Total Capital Fund	<u>\$ 27,781,431</u>	<u>\$ 28,000,509</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, 2024	\$ 1,163,000	\$ 1,367,498
Year ended June 30, 2023	<u>\$ 1,163,000</u>	<u>\$ 1,226,093</u>

NOTE 12 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District has approximately \$4.4 million of purchase orders which remain outstanding at June 30, 2024.

The School District, through its Scholarships and Bursaries special purpose fund, has committed to providing \$341,119 of post-secondary scholarships and bursaries at June 30, 2024.

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 \$895,337 at June 30, 2024.

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, 2024 are \$77,016. 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, 2024

NOTE 12 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES *(Continued)*

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, 2024, 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 13 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 24th, 2024. The original annual budget was adopted on May 19th, 2023. The original and amended budgets are presented below.

	2024 Annual Amended Budget	2024 Annual Original Budget
Revenues		
Provincial Grants		
MECC	\$ 117,744,969	\$ 116,409,733
Other	553,814	317,864
Tuition	6,562,500	6,081,600
Other Revenue	5,146,643	2,986,601
Rentals and Leases	146,000	70,000
Investment Income	800,100	670,000
Amortization of Deferred Capital Revenue	4,934,510	4,732,695
	<u>135,888,536</u>	<u>131,268,498</u>
Expenses		
Instruction	112,361,226	108,513,834
District Administration	4,362,329	4,390,116
Operations and Maintenance	17,543,403	16,931,727
Transportation and Housing	3,296,625	3,113,172
	<u>137,563,583</u>	<u>132,948,849</u>
Deficit for the year	<u>\$ (1,675,047)</u>	<u>\$ (1,680,356)</u>

NOTE 14 OTHER REVENUE

	2024	2023
School generated funds (including fees charged for school activities and school fundraising)	3,288,155	2,846,797
Funding from Okanagan Indian Band	1,141,914	954,356
Transportation fees	277,105	232,141
Scholarships and bursaries donations	191,552	150,169
Microsoft settlement vouchers	165,531	-
Child Care fees	154,437	-
Other revenue, donations and grants	298,254	318,555
Total Other Revenue	<u>5,516,948</u>	<u>4,502,018</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 15 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, 2023, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2023, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 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, 2021, indicated a \$3,671 million funding surplus for basic pension benefits on a going concern basis.

The school district paid \$9,236,120 for employer contributions to the plans for the year ended June 30, 2024 (2023: \$8,356,310).

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, 2024, with results available in 2025.

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.

NOTE 16 EXPENSE BY OBJECT

	2024	2023
Salaries and benefits	\$ 113,531,126	\$ 101,330,074
Services and supplies	18,060,677	17,369,624
Amortization	7,253,569	6,979,724
	<u>\$ 138,845,372</u>	<u>\$ 125,679,422</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 17 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 18 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.

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.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 18 RISK MANAGEMENT *(Continued)*

c) Liquidity risk:

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2023 related to credit, market or liquidity risks.

NOTE 19 SCHEDULES BY FUND

The School District accounts for its financial activities using funds. The schedules on pages 28 to 42 of these consolidated financial statements provide financial information on those funds. They are prepared in a format prescribed by the MECC. The schedules are unaudited and unreviewed.

School District No. 22 (Vernon)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2024

	Operating Fund	Special Purpose Fund	Capital Fund	2024 Actual	2023 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	3,529,029	720,067	28,000,509	32,249,605	33,547,841
Changes for the year					
Surplus (Deficit) for the year	268,617	417,502	(2,325,222)	(1,639,103)	(1,298,236)
Interfund Transfers					
Tangible Capital Assets Purchased	(289,304)	(449,342)	738,646	-	
Local Capital	(1,367,498)		1,367,498	-	
Other	30,000	(30,000)		-	
Net Changes for the year	(1,358,185)	(61,840)	(219,078)	(1,639,103)	(1,298,236)
Accumulated Surplus (Deficit), end of year - Statement 2	2,170,844	658,227	27,781,431	30,610,502	32,249,605

School District No. 22 (Vernon)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	104,687,187	105,869,083	97,268,799
Other	553,814	500,146	271,061
Federal Grants		31,195	
Tuition	6,562,500	6,395,792	6,163,678
Other Revenue	1,851,143	1,921,728	1,221,274
Rentals and Leases	146,000	144,053	75,463
Investment Income	800,000	990,155	713,355
Total Revenue	<u>114,600,644</u>	<u>115,852,152</u>	<u>105,713,630</u>
Expenses			
Instruction	96,570,709	97,839,796	88,469,309
District Administration	4,362,329	4,561,594	4,171,731
Operations and Maintenance	10,812,366	10,755,889	10,258,763
Transportation and Housing	2,552,357	2,426,256	2,378,278
Total Expense	<u>114,297,761</u>	<u>115,583,535</u>	<u>105,278,081</u>
Operating Surplus (Deficit) for the year	<u>302,883</u>	<u>268,617</u>	<u>435,549</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>1,171,745</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(341,628)	(289,304)	(585,111)
Local Capital	(1,163,000)	(1,367,498)	(1,226,093)
Other	30,000	30,000	30,000
Total Net Transfers	<u>(1,474,628)</u>	<u>(1,626,802)</u>	<u>(1,781,204)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(1,358,185)</u>	<u>(1,345,655)</u>
Operating Surplus (Deficit), beginning of year		3,529,029	4,874,684
Operating Surplus (Deficit), end of year		<u>2,170,844</u>	<u>3,529,029</u>
Operating Surplus (Deficit), end of year			
Internally Restricted		1,471,900	1,856,928
Unrestricted		698,944	1,672,101
Total Operating Surplus (Deficit), end of year		<u>2,170,844</u>	<u>3,529,029</u>

School District No. 22 (Vernon)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	103,735,986	104,532,796	94,156,535
ISC/LEA Recovery	(1,435,455)	(1,124,550)	(967,845)
Other Ministry of Education and Child Care Grants			
Pay Equity	85,865	85,865	85,865
Funding for Graduated Adults	9,691	11,009	20,749
Student Transportation Fund	361,094	361,094	361,094
FSA Scorer Grant	12,964	12,964	12,964
Child Care Funding	-	74,175	-
Early Learning Framework (ELF) Implementation	1,312	-	1,312
Labour Settlement Funding	1,784,608	1,784,608	3,596,125
Premier's Award	3,000	3,000	2,000
Service provider wage lift grant	128,122	128,122	-
Total Provincial Grants - Ministry of Education and Child Care	104,687,187	105,869,083	97,268,799
Provincial Grants - Other	553,814	500,146	271,061
Federal Grants	-	31,195	-
Tuition			
International and Out of Province Students	6,562,500	6,395,792	6,163,678
Total Tuition	6,562,500	6,395,792	6,163,678
Other Revenues			
Funding from First Nations	1,435,455	1,141,914	954,356
Miscellaneous			
Transportation fees	230,000	277,105	232,141
Other revenues and grants	65,803	182,741	34,777
Child Care fees	119,885	154,437	-
Microsoft settlement vouchers	-	165,531	-
Total Other Revenue	1,851,143	1,921,728	1,221,274
Rentals and Leases	146,000	144,053	75,463
Investment Income	800,000	990,155	713,355
Total Operating Revenue	114,600,644	115,852,152	105,713,630

School District No. 22 (Vernon)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Salaries			
Teachers	49,427,357	48,980,189	45,047,282
Principals and Vice Principals	6,268,844	6,208,693	5,959,846
Educational Assistants	7,340,713	7,499,335	6,443,093
Support Staff	9,309,875	9,541,014	8,988,830
Other Professionals	3,669,110	3,836,994	2,961,893
Substitutes	4,065,068	4,372,177	3,997,203
Total Salaries	80,080,967	80,438,402	73,398,147
Employee Benefits	20,830,752	22,424,801	19,284,816
Total Salaries and Benefits	100,911,719	102,863,203	92,682,963
Services and Supplies			
Services	6,075,026	5,994,638	5,855,577
Student Transportation	7,800	7,227	9,987
Professional Development and Travel	882,798	1,013,632	947,789
Rentals and Leases	85,300	45,363	95,125
Dues and Fees	78,285	112,252	78,319
Insurance	475,452	445,968	377,611
Supplies	3,386,185	2,832,393	2,895,745
Utilities	2,395,196	2,268,859	2,334,965
Total Services and Supplies	13,386,042	12,720,332	12,595,118
Total Operating Expense	114,297,761	115,583,535	105,278,081

School District No. 22 (Vernon)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	35,910,389	951,759	-	565,270	28,592	3,326,210	40,782,220
1.03 Career Programs	457,011	-	-	73,797	26,398	-	557,206
1.07 Library Services	1,048,029	-	-	299,124	-	14,013	1,361,166
1.08 Counselling	2,025,092	84,610	-	-	-	126,476	2,236,178
1.10 Special Education	6,781,102	513,063	6,753,902	60,185	609,919	651,845	15,370,016
1.20 Early Learning and Child Care	-	-	-	231,930	-	-	231,930
1.30 English Language Learning	807,447	-	-	-	-	3,912	811,359
1.31 Indigenous Education	542,827	144,829	720,196	43,775	406,817	9,465	1,867,909
1.41 School Administration	-	4,219,151	-	1,697,809	-	111,790	6,028,750
1.60 Summer School	37,586	-	7,104	-	-	-	44,690
1.62 International and Out of Province Students	1,370,706	295,281	-	112,443	149,713	6,129	1,934,272
Total Function 1	48,980,189	6,208,693	7,481,202	3,084,333	1,221,439	4,249,840	71,225,696
4 District Administration							
4.11 Educational Administration	-	-	-	151,574	959,912	-	1,111,486
4.40 School District Governance	-	-	-	-	146,691	-	146,691
4.41 Business Administration	-	-	-	646,996	769,172	968	1,417,136
Total Function 4	-	-	-	798,570	1,875,775	968	2,675,313
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	18,000	-	-	18,000
5.41 Operations and Maintenance Administration	-	-	-	108,534	613,399	-	721,933
5.50 Maintenance Operations	-	-	-	3,743,958	-	73,502	3,817,460
5.52 Maintenance of Grounds	-	-	-	223,356	-	-	223,356
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	4,093,848	613,399	73,502	4,780,749
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	157,597	126,381	162	284,140
7.70 Student Transportation	-	-	18,133	1,406,666	-	47,705	1,472,504
Total Function 7	-	-	18,133	1,564,263	126,381	47,867	1,756,644
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	48,980,189	6,208,693	7,499,335	9,541,014	3,836,994	4,372,177	80,438,402

School District No. 22 (Vernon)

Operating Expense by Function, Program and Object

Year Ended June 30, 2024

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2024 Actual	2024 Budget (Note 13)	2023 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	40,782,220	11,047,953	51,830,173	1,591,811	53,421,984	52,544,293	49,962,118
1.03 Career Programs	557,206	146,678	703,884	244,963	948,847	1,087,354	796,565
1.07 Library Services	1,361,166	420,481	1,781,647	53,082	1,834,729	1,808,937	1,651,715
1.08 Counselling	2,236,178	565,528	2,801,706	11,361	2,813,067	2,333,987	2,545,634
1.10 Special Education	15,370,016	4,638,825	20,008,841	954,407	20,963,248	20,796,307	17,660,248
1.20 Early Learning and Child Care	231,930	57,983	289,913	1,719	291,632	165,474	
1.30 English Language Learning	811,359	221,419	1,032,778	17,433	1,050,211	1,045,772	699,557
1.31 Indigenous Education	1,867,909	497,523	2,365,432	227,676	2,593,108	2,669,394	2,296,904
1.41 School Administration	6,028,750	1,622,525	7,651,275	274,618	7,925,893	7,704,564	7,379,829
1.60 Summer School	44,690	10,289	54,979	4,105	59,084	22,800	38,876
1.62 International and Out of Province Students	1,934,272	482,633	2,416,905	3,521,088	5,937,993	6,391,827	5,437,863
Total Function 1	71,225,696	19,711,837	90,937,533	6,902,263	97,839,796	96,570,709	88,469,309
4 District Administration							
4.11 Educational Administration	1,111,486	248,686	1,360,172	335,048	1,695,220	1,691,885	1,632,217
4.40 School District Governance	146,691	10,803	157,494	127,164	284,658	312,865	275,164
4.41 Business Administration	1,417,136	392,465	1,809,601	772,115	2,581,716	2,357,579	2,264,350
Total Function 4	2,675,313	651,954	3,327,267	1,234,327	4,561,594	4,362,329	4,171,731
5 Operations and Maintenance							
5.20 Early Learning and Child Care	18,000	4,800	22,800	6,000	28,800	28,800	-
5.41 Operations and Maintenance Administration	721,933	189,825	911,758	173,995	1,085,753	1,056,661	744,253
5.50 Maintenance Operations	3,817,460	1,298,220	5,115,680	1,829,362	6,945,042	7,007,630	6,771,752
5.52 Maintenance of Grounds	223,356	76,342	299,698	102,918	402,616	330,079	379,109
5.56 Utilities	-	-	-	2,293,678	2,293,678	2,389,196	2,363,649
Total Function 5	4,780,749	1,569,187	6,349,936	4,405,953	10,755,889	10,812,366	10,258,763
7 Transportation and Housing							
7.41 Transportation and Housing Administration	284,140	72,227	356,367	4,572	360,939	399,133	346,998
7.70 Student Transportation	1,472,504	419,596	1,892,100	173,217	2,065,317	2,153,224	2,031,280
Total Function 7	1,756,644	491,823	2,248,467	177,789	2,426,256	2,552,357	2,378,278
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	80,438,402	22,424,801	102,863,203	12,720,332	115,583,535	114,297,761	105,278,081

School District No. 22 (Vernon)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	13,057,782	12,787,857	10,579,296
Other Revenue	3,295,500	3,595,220	3,280,744
Investment Income	100	42,693	31,278
Total Revenue	<u>16,353,382</u>	<u>16,425,770</u>	<u>13,891,318</u>
Expenses			
Instruction	15,790,517	15,777,038	13,128,964
Operations and Maintenance	110,347	111,114	195,075
Transportation and Housing	126,288	120,116	97,578
Total Expense	<u>16,027,152</u>	<u>16,008,268</u>	<u>13,421,617</u>
Special Purpose Surplus (Deficit) for the year	<u>326,230</u>	<u>417,502</u>	<u>469,701</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(326,230)	(449,342)	(350,220)
Other	(30,000)	(30,000)	(30,000)
Total Net Transfers	<u>(356,230)</u>	<u>(479,342)</u>	<u>(380,220)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>(30,000)</u>	<u>(61,840)</u>	<u>89,481</u>
Special Purpose Surplus (Deficit), beginning of year		<u>720,067</u>	<u>630,586</u>
Special Purpose Surplus (Deficit), end of year		<u>658,227</u>	<u>720,067</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		<u>658,227</u>	<u>720,067</u>
Total Special Purpose Surplus (Deficit), end of year		<u>658,227</u>	<u>720,067</u>

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Related Entities	Strong Start	Ready, Set, Learn	OLEP	CommunityLINK
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	472,448	1,334,193		-	-	12,744	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	356,577	391,840				128,000	31,850	211,730	648,431
Other			182,923	3,370,545					
	356,577	391,840	182,923	3,370,545	-	128,000	31,850	211,730	648,431
Less: Allocated to Revenue	356,577	391,840	191,552	3,288,155		128,000	31,850	224,474	648,431
Recovered									
Deferred Revenue, end of year	-	-	463,819	1,416,583	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	356,577	391,840				128,000	31,850	224,474	648,431
Other Revenue			191,552	3,288,155	105,744				
Investment Income					42,693				
	356,577	391,840	191,552	3,288,155	148,437	128,000	31,850	224,474	648,431
Expenses									
Salaries									
Teachers							23,398	70,670	
Principals and Vice Principals								27,673	
Educational Assistants		303,441						34,351	
Support Staff						101,875			
Other Professionals									
Substitutes		18,376		37,419			4,649	24,095	
	-	321,817	-	37,419	-	101,875	28,047	156,789	-
Employee Benefits		70,023		5,146		26,125	3,803	29,861	
Services and Supplies	30,347	-	191,552	3,245,590	80,767	-	-	37,824	648,431
	30,347	391,840	191,552	3,288,155	80,767	128,000	31,850	224,474	648,431
Net Revenue (Expense) before Interfund Transfers	326,230	-	-	-	67,670	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(326,230)	-	-	-	(99,510)	-	-	-	-
Other					(30,000)				
	(326,230)	-	-	-	(129,510)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	(61,840)	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									492,747

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	First Nation Student Transportation	Mental Health in Schools	Changing Results for Young Children	Seamless Day Kindergarten	Early Childhood Education Dual Credit Program	Student & Family Affordability
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	26,775	27,154	-	3,317	-	71,287	190,664
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	762,406	7,284,538	160,974	109,900	52,000	6,750	110,800	109,000	260,000
Other									
	762,406	7,284,538	160,974	109,900	52,000	6,750	110,800	109,000	260,000
Less: Allocated to Revenue	762,406	7,284,538	125,308	120,116	52,000	6,750	110,800	41,819	190,664
Recovered			26,775						
Deferred Revenue, end of year	-	-	35,666	16,938	-	3,317	-	138,468	260,000
Revenues									
Provincial Grants - Ministry of Education and Child Care	762,406	7,284,538	125,308	120,116	52,000	6,750	110,800	41,819	190,664
Other Revenue									
Investment Income									
	762,406	7,284,538	125,308	120,116	52,000	6,750	110,800	41,819	190,664
Expenses									
Salaries									
Teachers	-	5,826,516							
Principals and Vice Principals	13,822								
Educational Assistants	293,440								
Support Staff	26,205			65,503			90,690		
Other Professionals					41,600				
Substitutes	268,786	14,517	108,600						
	602,253	5,841,033	108,600	65,503	41,600	-	90,690	-	-
Employee Benefits	160,153	1,443,505	16,708	30,000	10,400		2,445		
Services and Supplies				24,613		6,750	17,665	41,819	190,664
	762,406	7,284,538	125,308	120,116	52,000	6,750	110,800	41,819	190,664
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Feeding Futures Fund	Health Career Grants	Other Grants	Integrated Inquiry Project	Project Penny	French Immersion Growth
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	24,780	10,692	-	-	-	20,224	866,352	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	25,000	19,000	175,000	1,079,115	55,000		880,000	169,764	225,000
Other						14,000			
	25,000	19,000	175,000	1,079,115	55,000	14,000	880,000	169,764	225,000
Less: Allocated to Revenue	17,272	29,692	175,000	1,011,586	6,977	9,769	903,198	-	168,559
Recovered									
Deferred Revenue, end of year	32,508	-	-	67,529	48,023	24,455	843,154	169,764	56,441
Revenues									
Provincial Grants - Ministry of Education and Child Care	17,272	29,692	175,000	1,011,586	6,977		903,198		168,559
Other Revenue						9,769			
Investment Income									
	17,272	29,692	175,000	1,011,586	6,977	9,769	903,198	-	168,559
Expenses									
Salaries									
Teachers				114,661			338,025		126,419
Principals and Vice Principals			140,530				126,088		
Educational Assistants		139							
Support Staff	8,697	391		127,403	2,144		181,609		-
Other Professionals									
Substitutes		3,728							
	8,697	4,258	140,530	242,064	2,144	-	645,722	-	126,419
Employee Benefits	3,317	742	34,470	66,154	779		156,692		42,140
Services and Supplies	5,258	24,692		703,368	4,054	9,769	77,182		
	17,272	29,692	175,000	1,011,586	6,977	9,769	879,596	-	168,559
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	23,602	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-		(23,602)		
Other	-	-	-	-	-	-	(23,602)	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund			25,000						

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2024

	TOTAL
	\$
Deferred Revenue, beginning of year	3,060,630
Add: Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	13,252,675
Other	3,567,468
	16,820,143
Less: Allocated to Revenue	16,277,333
Recovered	26,775
Deferred Revenue, end of year	3,576,665
Revenues	
Provincial Grants - Ministry of Education and Child Care	12,787,857
Other Revenue	3,595,220
Investment Income	42,693
	16,425,770
Expenses	
Salaries	
Teachers	6,499,689
Principals and Vice Principals	308,113
Educational Assistants	631,371
Support Staff	604,517
Other Professionals	41,600
Substitutes	480,170
	8,565,460
Employee Benefits	2,102,463
Services and Supplies	5,340,345
	16,008,268
Net Revenue (Expense) before Interfund Transfers	417,502
Interfund Transfers	
Tangible Capital Assets Purchased	(449,342)
Other	(30,000)
	(479,342)
Net Revenue (Expense)	(61,840)
Additional Expenses funded by, and reported in, the Operating Fund	517,747

School District No. 22 (Vernon)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2024

	2024 Budget (Note 13)	2024 Actual			2023 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	4,934,510	4,928,347		4,928,347	4,776,238
Total Revenue	4,934,510	4,928,347	-	4,928,347	4,776,238
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,620,690	6,631,611		6,631,611	6,426,190
Transportation and Housing	617,980	621,958		621,958	553,534
Total Expense	7,238,670	7,253,569	-	7,253,569	6,979,724
Capital Surplus (Deficit) for the year	(2,304,160)	(2,325,222)	-	(2,325,222)	(2,203,486)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	667,858	738,646		738,646	935,331
Local Capital	1,163,000		1,367,498	1,367,498	1,226,093
Total Net Transfers	1,830,858	738,646	1,367,498	2,106,144	2,161,424
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		2,300,560	(2,300,560)	-	
Total Other Adjustments to Fund Balances		2,300,560	(2,300,560)	-	
Total Capital Surplus (Deficit) for the year	(473,302)	713,984	(933,062)	(219,078)	(42,062)
Capital Surplus (Deficit), beginning of year		26,025,981	1,974,528	28,000,509	28,042,571
Capital Surplus (Deficit), end of year		26,739,965	1,041,466	27,781,431	28,000,509

School District No. 22 (Vernon)

Tangible Capital Assets
Year Ended June 30, 2024

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,816,960	216,437,633	8,022,387	5,975,563	323,912	5,011,013	244,587,468
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		3,772,243	195,425	897,353	-	-	4,865,021
Operating Fund		-	199,971	-	-	89,333	289,304
Special Purpose Funds		326,230	23,602	99,510	-	-	449,342
Local Capital		1,008,905	351,843	115,139	117,810	706,863	2,300,560
	-	5,107,378	770,841	1,112,002	117,810	796,196	7,904,227
Decrease:							
Deemed Disposals			194,321	623,971	89,197	933,301	1,840,790
	-	-	194,321	623,971	89,197	933,301	1,840,790
Cost, end of year	8,816,960	221,545,011	8,598,907	6,463,594	352,525	4,873,908	250,650,905
Work in Progress, end of year							-
Cost and Work in Progress, end of year	8,816,960	221,545,011	8,598,907	6,463,594	352,525	4,873,908	250,650,905
Accumulated Amortization, beginning of year		103,704,414	2,828,157	2,113,470	148,063	2,593,070	111,387,174
Changes for the Year							
Increase: Amortization for the Year		4,744,410	831,065	621,958	67,644	988,492	7,253,569
Decrease:							
Deemed Disposals			194,321	623,971	89,197	933,301	1,840,790
		-	194,321	623,971	89,197	933,301	1,840,790
Accumulated Amortization, end of year		108,448,824	3,464,901	2,111,457	126,510	2,648,261	116,799,953
Tangible Capital Assets - Net	8,816,960	113,096,187	5,134,006	4,352,137	226,015	2,225,647	133,850,952

School District No. 22 (Vernon)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2024

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	96,278,208	4,912,433	237,500	101,428,141
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	4,865,021	-	-	4,865,021
	4,865,021	-	-	4,865,021
Decrease:				
Amortization of Deferred Capital Revenue	4,755,987	147,360	25,000	4,928,347
	4,755,987	147,360	25,000	4,928,347
Net Changes for the Year	109,034	(147,360)	(25,000)	(63,326)
Deferred Capital Revenue, end of year	96,387,242	4,765,073	212,500	101,364,815
Work in Progress, beginning of year				-
Changes for the Year				
Net Changes for the Year	-	-	-	-
Work in Progress, end of year	-	-	-	-
Total Deferred Capital Revenue, end of year	96,387,242	4,765,073	212,500	101,364,815

School District No. 22 (Vernon)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2024

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	-	9,266	-			9,266
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	4,865,021					4,865,021
	4,865,021	-	-	-	-	4,865,021
Decrease:						
Transferred to DCR - Capital Additions	4,865,021	-				4,865,021
	4,865,021	-	-	-	-	4,865,021
Net Changes for the Year	-	-	-	-	-	-
Balance, end of year	-	9,266	-	-	-	9,266