

Consolidated Audited Financial Statements of

School District No. 22 (Vernon)

And Independent Auditors' Report thereon

June 30, 2025

School District No. 22 (Vernon)

June 30, 2025

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School District No. 22 (Vernon)

MANAGEMENT REPORT

Version: 1668-9922-7940

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.

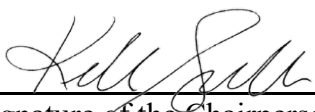
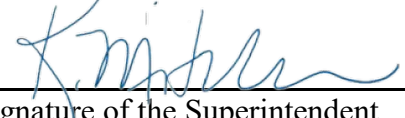
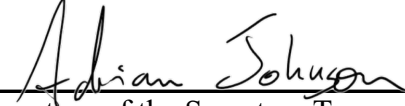
The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 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 17, 2025
Signature of the Chairperson of the Board of Education	Date Signed
	September 17, 2025
Signature of the Superintendent	Date Signed
	September 17, 2025
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),

Opinion

We have audited the consolidated financial statements of School District No. 22 and its controlled entity 554210 B.C. Ltd (the "School District"), which comprise the consolidated statement of financial position as at June 30, 2025, 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, 2025, 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 - Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 of the consolidated 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 on pages 28 through 43 of School District No. 22's consolidated financial statements.

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 consolidated 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 consolidated 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.



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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the School District as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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 19, 2025

School District No. 22 (Vernon)

Consolidated Statement of Financial Position

As at June 30, 2025

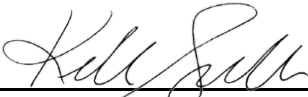
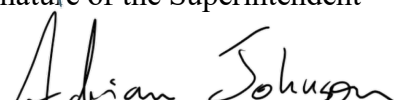
Statement 1

	2025 Actual	2024 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	31,191,554	23,258,322
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	185,085	254,004
Due from First Nations	1,192,506	137,096
Other (Note 3)	1,138,453	351,017
Total Financial Assets	33,707,598	24,000,439
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 4)	12,076,795	9,147,899
Unearned Revenue (Note 5)	4,021,116	3,067,192
Deferred Revenue (Note 6)	3,779,755	3,576,665
Deferred Capital Revenue (Note 7)	108,260,360	101,374,081
Employee Future Benefits (Note 8)	4,527,416	4,438,981
Asset Retirement Obligation (Note 9)	5,746,172	5,746,172
Total Liabilities	138,411,614	127,350,990
Net Debt	(104,704,016)	(103,350,551)
Non-Financial Assets		
Tangible Capital Assets (Note 10)	135,990,945	133,850,952
Prepaid Expenses	164,680	110,101
Total Non-Financial Assets	136,155,625	133,961,053
Accumulated Surplus (Deficit)	31,451,609	30,610,502

Contractual Obligations (Note 12)

Contingent Liabilities (Note 12)

Approved by the Board

	September 17, 2025
Signature of the Chairperson of the Board of Education	Date Signed
	September 17, 2025
Signature of the Superintendent	Date Signed
	September 17, 2025
Signature of the Secretary Treasurer	Date Signed

School District No. 22 (Vernon)

Consolidated Statement of Operations
Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	124,080,210	124,595,079	118,656,940
Other	548,838	437,139	500,146
Federal Grants			31,195
Tuition	6,548,875	6,798,537	6,395,792
Other Revenue (Note 14)	5,566,191	5,962,775	5,516,948
Rentals and Leases	150,000	198,511	144,053
Investment Income	830,100	902,082	1,032,848
Amortization of Deferred Capital Revenue	5,121,599	5,144,090	4,928,347
Total Revenue	<u>142,845,813</u>	<u>144,038,213</u>	<u>137,206,269</u>
Expenses (Note 16)			
Instruction	117,216,812	116,423,421	113,616,834
District Administration	4,691,391	4,707,372	4,561,594
Operations and Maintenance	18,401,902	18,398,908	17,498,614
Transportation and Housing	3,602,962	3,667,405	3,168,330
Total Expense	<u>143,913,067</u>	<u>143,197,106</u>	<u>138,845,372</u>
Surplus (Deficit) for the year	<u>(1,067,254)</u>	<u>841,107</u>	<u>(1,639,103)</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		30,610,502	32,249,605
Accumulated Surplus (Deficit) from Operations, end of year		<u><u>31,451,609</u></u>	<u><u>30,610,502</u></u>

School District No. 22 (Vernon)

Consolidated Statement of Changes in Net Debt
Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Surplus (Deficit) for the year	(1,067,254)	841,107	(1,639,103)
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(9,689,031)	(7,904,227)
Amortization of Tangible Capital Assets		7,549,038	7,253,569
Total Effect of change in Tangible Capital Assets	-	(2,139,993)	(650,658)
Acquisition of Prepaid Expenses		(54,579)	-
Use of Prepaid Expenses		-	81,048
Total Effect of change in Other Non-Financial Assets	-	(54,579)	81,048
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	(1,067,254)	(1,353,465)	(2,208,713)
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		(1,353,465)	(2,208,713)
Net Debt, beginning of year		(103,350,551)	(101,141,838)
Net Debt, end of year		(104,704,016)	(103,350,551)

School District No. 22 (Vernon)

Consolidated Statement of Cash Flows

Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	841,107	(1,639,103)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(1,773,927)	1,510,859
Prepaid Expenses	(54,579)	81,048
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	2,928,896	(981,507)
Unearned Revenue	953,924	514,971
Deferred Revenue	203,090	516,035
Employee Future Benefits	88,435	189,842
Amortization of Tangible Capital Assets	7,549,038	7,253,569
Amortization of Deferred Capital Revenue	(5,144,090)	(4,928,347)
Total Operating Transactions	5,591,894	2,517,367
Capital Transactions		
Tangible Capital Assets Purchased	(9,629,247)	(7,904,227)
Tangible Capital Assets -WIP Purchased	(59,784)	-
Total Capital Transactions	(9,689,031)	(7,904,227)
Financing Transactions		
Capital Revenue Received	12,030,369	4,865,021
Total Financing Transactions	12,030,369	4,865,021
Net Increase (Decrease) in Cash and Cash Equivalents	7,933,232	(521,839)
Cash and Cash Equivalents, beginning of year	23,258,322	23,780,161
Cash and Cash Equivalents, end of year	31,191,554	23,258,322
Cash and Cash Equivalents, end of year, is made up of:		
Cash	31,191,554	23,258,322
	31,191,554	23,258,322

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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. The 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 taxpayer 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 taxpayer 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, 2025

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, 2025

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, 2025 and projected to March 31, 2028. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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

	2025	2024
Employee benefits plans	\$ 417,581	\$ -
Sales taxes recoverable	90,898	144,191
Proceeds from insurance claim	370,488	-
Other accounts receivable	259,486	206,826
	<u>\$ 1,138,453</u>	<u>\$ 351,017</u>

NOTE 4 OTHER ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade and other amounts payable	\$ 3,691,611	\$ 1,813,705
Wages payable – teachers’ 12 month instalment plan	1,748,701	1,531,910
Pension contributions payable	1,634,317	1,560,298
Payroll taxes payable	2,601,221	2,143,836
Accrued vacation pay	1,297,956	1,112,306
Accrued wages – biweekly payroll	557,316	456,681
Other accrued liabilities	130,119	223,109
Due to Okanagan Labour Relations Council	415,554	306,054
	<u>\$ 12,076,795</u>	<u>\$ 9,147,899</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 5 UNEARNED REVENUE

	2025	2024
Balance, beginning of year	\$ 3,067,192	\$ 2,552,221
Changes for the year:		
Increase:		
Tuition fees collected	7,735,350	6,788,612
Transportation fees collected	362,920	399,256
Decrease:		
Tuition fees recognized	6,798,537	6,395,792
Transportation fees recognized	345,809	277,105
Net increase for the year	953,924	514,971
Balance, end of year	\$ 4,021,116	\$ 3,067,192

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.

	2025	2024
Balance, beginning of year	\$ 3,576,665	\$ 3,060,630
Changes for the year:		
Increase:		
Grants: Provincial – MECC	13,629,796	13,225,900
Other	3,669,843	3,567,468
	17,299,639	16,793,368
Decrease:		
Allocated to Revenue:		
Grants - Provincial – MECC	13,486,828	12,628,007
Other	3,609,721	3,649,326
	17,096,549	16,277,333
Net increase for the year	203,090	516,035
Balance, end of year	\$ 3,779,755	\$ 3,576,665

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

	2025	2024
Deferred capital revenue - spent		
Balance, beginning of year	\$ 101,364,815	\$ 101,428,141
Increase:		
Capital additions	7,453,897	4,865,021
Decrease:		
Amortization	5,144,090	4,928,347
Net increase (decrease) for the year	2,309,807	(63,326)
Balance, end of year	\$ 103,674,622	\$ 101,364,815
 Deferred capital revenue - unspent		
Balance, beginning of year	\$ 9,266	\$ 9,266
Increases:		
Provincial grants – MECC	12,030,369	4,865,021
Decrease:		
Transfer to deferred capital revenue – spent	7,453,897	4,865,021
Net increase for the year	4,576,472	-
Balance, end of year	4,585,738	9,266
Total deferred capital revenue balance, end of year	\$ 108,260,360	\$ 101,374,081

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

	2025	2024
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 4,109,020	\$ 4,155,361
Service Cost	310,170	314,318
Interest Cost	178,404	169,442
Benefit Payments	(346,409)	(324,082)
Increase in obligation due to plan amendment	192,666	-
Actuarial Gain	(54,506)	(206,019)
Accrued Benefit Obligation – March 31	<u>\$ 4,389,345</u>	<u>\$ 4,109,020</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 4,389,345	\$ 4,109,020
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,389,345)	(4,109,020)
Employer Contributions After Measurement Date	110,792	47,818
Benefits Expense After Measurement Date	(138,016)	(122,144)
Unamortized Net Actuarial Gain	(110,848)	(255,635)
Accrued Benefit Liability – June 30	<u>\$ (4,527,416)</u>	<u>\$ (4,438,981)</u>

Reconciliation of Change in Accrued Benefit Liability

Accrued Benefit Liability – July 1	\$ 4,438,981	\$ 4,249,139
Net Expense for Fiscal Year	497,818	491,656
Employer Contributions	(409,383)	(301,814)
Accrued Benefit Liability – June 30	<u>\$ 4,527,416</u>	<u>\$ 4,438,981</u>

	2025	2024
Components of Net Benefit Expense		
Service Cost	\$ 325,902	\$ 313,280
Interest Cost	178,544	171,683
Immediate recognition of plan amendment	192,666	
Amortization of Net Actuarial Loss	(199,294)	6,692
Net Benefit Expense	<u>\$ 497,818</u>	<u>\$ 491,655</u>

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

	2025	2024
Discount Rate – April 1	4.25%	4.00%
Discount Rate – March 31	4.00%	4.25%
Long Term Salary Growth – April 1 and March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.0 years	9.5 years

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

	2025	2024
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, 2025

Cost:	Balance at June 30, 2024	Additions	Disposals and transfers	Balance at June 30, 2025
Sites	\$ 8,816,960	\$ -	\$ -	\$ 8,816,960
Buildings	221,545,011	5,602,860	-	227,207,655
Buildings: Work-in-progress	-	59,784	-	59,784
Furniture & Equipment	8,598,907	594,212	272,201	8,920,918
Vehicles	6,463,594	2,077,973	360,577	8,180,990
Computer Software	352,525	8,387	7,287	353,625
Computer Hardware	4,873,908	1,345,815	1,015,883	5,203,840
Total	\$ 250,650,905	\$ 9,689,031	\$ 1,655,948	258,683,988

Accumulated Amortization:	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Buildings	\$ 108,448,824	\$ 4,862,428	\$ -	\$ 113,311,252
Furniture & Equipment	3,464,901	875,991	272,201	4,068,691
Vehicles	2,111,457	732,229	360,577	2,483,109
Computer Software	126,510	70,615	7,287	189,838
Computer Hardware	2,648,261	1,007,775	1,015,883	2,640,153
Total	\$ 116,799,953	\$ 7,549,038	\$ 1,655,948	\$ 122,693,043

June 30, 2024

Cost:	Balance at June 30, 2023	Additions	Disposals and transfers	Balance at June 30, 2024
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

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 10 TANGIBLE CAPITAL ASSETS *(Continued)*

	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

Net Book Value:

	June 30, 2025	June 30, 2024
Sites	\$ 8,816,960	\$ 8,816,960
Buildings	113,836,619	113,096,187
Buildings: Work-in-progress	59,784	-
Furniture & Equipment	4,852,227	5,134,006
Vehicles	5,697,881	4,352,137
Computer Software	163,787	226,015
Computer Hardware	2,563,687	2,225,647
Total	\$ 135,990,945	\$ 133,850,952

NOTE 11 ACCUMULATED SURPLUS

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

	2025	2024
Operating fund	\$ 3,283,054	\$ 2,170,844
Special purpose funds	572,398	658,227
Capital funds	27,596,157	27,781,431
Total Accumulated Surplus	\$ 31,451,609	\$ 30,610,502

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, 2025

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.

	2025	2024
Restricted due to the nature of constraints on the funds:		
Indigenous Education commitments	\$ 190,643	\$ 77,016
Union commitments	1,012,036	895,337
	<u>1,202,679</u>	<u>972,353</u>
Restricted for operations spanning multiple school years:		
School budget balances	578,101	395,257
Trustee travel	-	36,547
Department budget balances	-	47,569
Appropriated by budget bylaw	41,055	20,174
	<u>619,156</u>	<u>499,547</u>
Contingency reserve	1,461,218	698,944
Total Operating Fund	<u>\$ 3,283,054</u>	<u>\$ 2,170,844</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.

	2025	2024
Internally restricted:		
554210 BC Ltd. operating surplus	\$ 572,398	\$ 658,227
Total Special Purpose Funds	<u>\$ 572,398</u>	<u>\$ 658,227</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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.

	2025	2024
Local capital	\$ 1,026,006	\$ 1,041,466
Invested in tangible capital assets	26,570,151	26,739,965
Total Capital Fund	<u>\$ 27,596,157</u>	<u>\$ 27,781,431</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, 2025	\$ 1,486,346	\$ 1,583,398
Year ended June 30, 2024	<u>\$ 1,163,000</u>	<u>\$ 1,367,498</u>

NOTE 12 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District has approximately \$1.4 million of purchase orders which remain outstanding at June 30, 2025.

The School District, through its Scholarships and Bursaries special purpose fund, has committed to providing \$330,750 of post-secondary scholarships and bursaries at June 30, 2025.

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 \$1,012,036 at June 30, 2025.

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, 2025 are \$190,643. 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, 2025

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, 2025, 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 February 19th, 2025. The original annual budget was adopted on May 15th, 2024. The original and amended budgets are presented below.

	2025 Annual Amended Budget	2025 Annual Original Budget
Revenues		
Provincial Grants		
MECC	\$ 124,080,210	\$ 121,726,122
Other	548,838	548,838
Tuition	6,548,875	6,382,500
Other Revenue	5,566,161	4,798,148
Rentals and Leases	150,000	150,000
Investment Income	830,100	830,100
Amortization of Deferred Capital Revenue	5,121,599	5,121,599
	<u>142,845,813</u>	<u>139,557,307</u>
Expenses		
Instruction	117,216,812	114,085,758
District Administration	4,691,391	4,467,235
Operations and Maintenance	18,401,902	18,020,395
Transportation and Housing	3,602,962	3,525,449
	<u>143,913,067</u>	<u>140,098,837</u>
Deficit for the year	<u>\$ (1,067,254)</u>	<u>\$ (541,530)</u>

NOTE 14 OTHER REVENUE

	2025	2024
School generated funds (including fees charged for school activities and school fundraising)	\$ 3,391,843	\$ 3,288,155
Funding from Okanagan Indian Band	1,192,506	1,141,914
Transportation fees	345,809	277,105
Scholarships and bursaries donations	216,474	191,552
Microsoft settlement vouchers	323,346	165,531
Child Care fees	328,618	154,437
Other revenue, donations and grants	164,179	298,254
Total Other Revenue	<u>\$ 5,962,775</u>	<u>\$ 5,516,948</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2024, the Teachers' Pension Plan has about 51,000 active members and approximately 42,000 retired members. As of December 31, 2024, the Municipal Pension Plan has about 256,000 active members, including approximately 31,000 from school districts.

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

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

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

The school district paid \$9,464,872 for employer contributions to the plans for the year ended June 30, 2025 (2024: \$9,236,120).

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

	2025	2024
Salaries and benefits	\$ 117,203,232	\$ 113,531,126
Services and supplies	18,144,836	18,060,677
Amortization	7,549,038	7,253,569
	<u>\$ 143,197,106</u>	<u>\$ 138,845,372</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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, 2025

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 2024/3 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 43 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 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2025

	Operating Fund	Special Purpose Fund	Capital Fund	2025 Actual	2024 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,170,844	658,227	27,781,431	30,610,502	32,249,605
Changes for the year					
Surplus (Deficit) for the year	2,783,022	463,033	(2,404,948)	841,107	(1,639,103)
Interfund Transfers					
Tangible Capital Assets Purchased	(142,874)	(508,862)	651,736	-	
Local Capital	(1,567,938)		1,567,938	-	
Other	40,000	(40,000)		-	
Net Changes for the year	1,112,210	(85,829)	(185,274)	841,107	(1,639,103)
Accumulated Surplus (Deficit), end of year - Statement 2	3,283,054	572,398	27,596,157	31,451,609	30,610,502

School District No. 22 (Vernon)

Schedule 2 (Unaudited)

Schedule of Operating Operations
Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	111,084,769	111,108,251	105,869,083
Other	518,338	437,139	500,146
Federal Grants			31,195
Tuition	6,548,875	6,798,537	6,395,792
Other Revenue	2,031,191	2,313,582	1,921,728
Rentals and Leases	150,000	198,511	144,053
Investment Income	800,000	875,618	990,155
Total Revenue	121,133,173	121,731,638	115,852,152
Expenses			
Instruction	101,204,291	100,016,903	97,839,796
District Administration	4,691,391	4,707,372	4,561,594
Operations and Maintenance	11,519,740	11,411,770	10,755,889
Transportation and Housing	2,789,021	2,812,571	2,426,256
Total Expense	120,204,443	118,948,616	115,583,535
Operating Surplus (Deficit) for the year	928,730	2,783,022	268,617
Budgeted Appropriation (Retirement) of Surplus (Deficit)	777,697		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(260,081)	(142,874)	(289,304)
Local Capital	(1,486,346)	(1,567,938)	(1,367,498)
Other	40,000	40,000	30,000
Total Net Transfers	(1,706,427)	(1,670,812)	(1,626,802)
Total Operating Surplus (Deficit), for the year	-	1,112,210	(1,358,185)
Operating Surplus (Deficit), beginning of year		2,170,844	3,529,029
Operating Surplus (Deficit), end of year		3,283,054	2,170,844
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 11)		1,821,836	1,471,900
Unrestricted		1,461,218	698,944
Total Operating Surplus (Deficit), end of year		3,283,054	2,170,844

School District No. 22 (Vernon)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source
Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	110,203,260	110,269,741	104,532,796
ISC/LEA Recovery	(967,845)	(1,186,987)	(1,124,550)
Other Ministry of Education and Child Care Grants			
Pay Equity	85,865	85,865	85,865
Funding for Graduated Adults	9,691	-	11,009
Student Transportation Fund	361,094	361,094	361,094
FSA Scorer Grant	12,964	14,464	12,964
Child Care Funding	204,500	357,726	74,175
Labour Settlement Funding	1,050,737	1,084,348	1,784,608
Premier's Award	-	-	3,000
Service Provider Wage Lift Grant	122,000	122,000	128,122
Early Learning Framework (ELF) Implementation	2,503	-	-
Total Provincial Grants - Ministry of Education and Child Care	111,084,769	111,108,251	105,869,083
Provincial Grants - Other	518,338	437,139	500,146
Federal Grants	-	-	31,195
Tuition			
International and Out of Province Students	6,548,875	6,798,537	6,395,792
Total Tuition	6,548,875	6,798,537	6,395,792
Other Revenues			
Funding from First Nations	967,845	1,192,506	1,141,914
Miscellaneous			
Transportation fees	245,000	345,809	277,105
Other revenues and grants	53,000	123,303	182,741
Child Care fees	442,000	328,618	154,437
Microsoft settlement vouchers	323,346	323,346	165,531
Total Other Revenue	2,031,191	2,313,582	1,921,728
Rentals and Leases	150,000	198,511	144,053
Investment Income	800,000	875,618	990,155
Total Operating Revenue	121,133,173	121,731,638	115,852,152

School District No. 22 (Vernon)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Salaries			
Teachers	49,985,670	50,142,555	48,980,189
Principals and Vice Principals	6,339,502	6,514,541	6,208,693
Educational Assistants	8,018,637	7,823,276	7,499,335
Support Staff	10,242,294	10,609,054	9,541,014
Other Professionals	3,807,766	4,159,597	3,836,994
Substitutes	5,189,500	4,912,238	4,372,177
Total Salaries	83,583,369	84,161,261	80,438,402
Employee Benefits	22,941,718	22,273,320	22,424,801
Total Salaries and Benefits	106,525,087	106,434,581	102,863,203
Services and Supplies			
Services	6,034,438	6,023,395	5,994,638
Student Transportation	7,800	14,044	7,227
Professional Development and Travel	904,143	810,861	1,013,632
Rentals and Leases	11,250	31,780	45,363
Dues and Fees	82,040	113,964	112,252
Insurance	498,969	512,418	445,968
Supplies	3,651,520	2,667,062	2,832,393
Utilities	2,489,196	2,340,511	2,268,859
Total Services and Supplies	13,679,356	12,514,035	12,720,332
Total Operating Expense	120,204,443	118,948,616	115,583,535

School District No. 22 (Vernon)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	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	36,473,912	1,218,941	-	584,140	2,969	3,874,410	42,154,372
1.03 Career Programs	465,965	159,258	-	48,508	24,748	289	698,768
1.07 Library Services	1,029,019	-	-	297,553	-	4,695	1,331,267
1.08 Counselling	2,249,994	-	-	-	-	37,413	2,287,407
1.10 Inclusive Education	7,081,807	371,765	7,076,442	60,781	687,500	722,107	16,000,402
1.20 Early Learning and Child Care	-	-	-	519,436	-	-	519,436
1.30 English Language Learning	994,271	-	-	-	-	2,152	996,423
1.31 Indigenous Education	485,049	149,520	746,330	46,801	193,723	8,516	1,629,939
1.41 School Administration	-	4,309,799	-	1,769,852	-	107,654	6,187,305
1.60 Summer School	-	-	-	-	-	-	-
1.62 International and Out of Province Students	1,362,538	305,258	-	112,268	162,287	19,371	1,961,722
Total Function 1	50,142,555	6,514,541	7,822,772	3,439,339	1,071,227	4,776,607	73,767,041
4 District Administration							
4.11 Educational Administration	-	-	-	157,821	1,254,260	233	1,412,314
4.40 School District Governance	-	-	-	-	151,441	-	151,441
4.41 Business Administration	-	-	-	651,328	888,194	-	1,539,522
Total Function 4	-	-	-	809,149	2,293,895	233	3,103,277
5 Operations and Maintenance							
5.20 Early Learning and Child Care	-	-	-	18,000	-	-	18,000
5.41 Operations and Maintenance Administration	-	-	-	109,074	660,455	-	769,529
5.50 Maintenance Operations	-	-	-	4,373,938	-	89,741	4,463,679
5.52 Maintenance of Grounds	-	-	-	226,095	-	-	226,095
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	4,727,107	660,455	89,741	5,477,303
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	142,015	134,020	-	276,035
7.70 Student Transportation	-	-	504	1,491,444	-	45,657	1,537,605
Total Function 7	-	-	504	1,633,459	134,020	45,657	1,813,640
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	50,142,555	6,514,541	7,823,276	10,609,054	4,159,597	4,912,238	84,161,261

School District No. 22 (Vernon)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Actual	2025 Budget (Note 13)	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	42,154,372	10,570,407	52,724,779	1,242,910	53,967,689	54,643,748	53,421,984
1.03 Career Programs	698,768	192,677	891,445	305,475	1,196,920	1,220,625	948,847
1.07 Library Services	1,331,267	414,097	1,745,364	51,273	1,796,637	1,906,605	1,834,729
1.08 Counselling	2,287,407	545,963	2,833,370	4,002	2,837,372	2,382,916	2,813,067
1.10 Inclusive Education	16,000,402	4,802,923	20,803,325	864,687	21,668,012	22,464,056	20,963,248
1.20 Early Learning and Child Care	519,436	166,907	686,343	2,343	688,686	618,600	291,632
1.30 English Language Learning	996,423	265,125	1,261,548	9,595	1,271,143	1,261,067	1,050,211
1.31 Indigenous Education	1,629,939	462,685	2,092,624	116,750	2,209,374	2,399,044	2,593,108
1.41 School Administration	6,187,305	1,691,377	7,878,682	275,226	8,153,908	7,749,559	7,925,893
1.60 Summer School	-	-	-	-	-	-	59,084
1.62 International and Out of Province Students	1,961,722	485,688	2,447,410	3,779,752	6,227,162	6,558,071	5,937,993
Total Function 1	73,767,041	19,597,849	93,364,890	6,652,013	100,016,903	101,204,291	97,839,796
4 District Administration							
4.11 Educational Administration	1,412,314	306,878	1,719,192	211,364	1,930,556	1,915,452	1,695,220
4.40 School District Governance	151,441	11,384	162,825	111,932	274,757	324,628	284,658
4.41 Business Administration	1,539,522	396,395	1,935,917	566,142	2,502,059	2,451,311	2,581,716
Total Function 4	3,103,277	714,657	3,817,934	889,438	4,707,372	4,691,391	4,561,594
5 Operations and Maintenance							
5.20 Early Learning and Child Care	18,000	4,800	22,800	6,000	28,800	28,800	28,800
5.41 Operations and Maintenance Administration	769,529	178,899	948,428	198,229	1,146,657	1,136,882	1,085,753
5.50 Maintenance Operations	4,463,679	1,175,583	5,639,262	1,833,447	7,472,709	7,443,338	6,945,042
5.52 Maintenance of Grounds	226,095	82,254	308,349	90,450	398,799	421,524	402,616
5.56 Utilities	-	-	-	2,364,805	2,364,805	2,489,196	2,293,678
Total Function 5	5,477,303	1,441,536	6,918,839	4,492,931	11,411,770	11,519,740	10,755,889
7 Transportation and Housing							
7.41 Transportation and Housing Administration	276,035	68,834	344,869	7,823	352,692	345,534	360,939
7.70 Student Transportation	1,537,605	450,444	1,988,049	471,830	2,459,879	2,443,487	2,065,317
Total Function 7	1,813,640	519,278	2,332,918	479,653	2,812,571	2,789,021	2,426,256
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	84,161,261	22,273,320	106,434,581	12,514,035	118,948,616	120,204,443	115,583,535

School District No. 22 (Vernon)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	12,995,441	13,486,828	12,787,857
Other	30,500		-
Other Revenue	3,535,000	3,649,193	3,595,220
Investment Income	30,100	26,464	42,693
Total Revenue	<u>16,591,041</u>	<u>17,162,485</u>	<u>16,425,770</u>
Expenses			
Instruction	16,012,521	16,406,518	15,777,038
Operations and Maintenance	110,347	170,329	111,114
Transportation and Housing	141,943	122,605	120,116
Total Expense	<u>16,264,811</u>	<u>16,699,452</u>	<u>16,008,268</u>
Special Purpose Surplus (Deficit) for the year	<u>326,230</u>	<u>463,033</u>	<u>417,502</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(326,230)	(508,862)	(449,342)
Other	(40,000)	(40,000)	(30,000)
Total Net Transfers	<u>(366,230)</u>	<u>(548,862)</u>	<u>(479,342)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>(40,000)</u>	<u>(85,829)</u>	<u>(61,840)</u>
Special Purpose Surplus (Deficit), beginning of year		658,227	720,067
Special Purpose Surplus (Deficit), end of year		<u>572,398</u>	<u>658,227</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		572,398	658,227
Total Special Purpose Surplus (Deficit), end of year		<u>572,398</u>	<u>658,227</u>

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	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	-	-	463,819	1,416,583	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	356,577	386,907	-	-		128,000	36,750	211,070	649,093
Provincial Grants - Other	-	-	-	-		-	-	-	-
Other	-	-	230,291	3,405,750		-	-	-	-
	356,577	386,907	230,291	3,405,750	-	128,000	36,750	211,070	649,093
Less: Allocated to Revenue	356,577	386,907	216,474	3,391,843		128,000	36,750	211,070	649,093
Deferred Revenue, end of year	-	-	477,636	1,430,490	-	-	-	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	356,577	386,907	-	-		128,000	36,750	211,070	649,093
Other Revenue	-	-	216,474	3,391,843	39,472	-	-	-	-
Investment Income	-	-	-	-	26,464	-	-	-	-
	356,577	386,907	216,474	3,391,843	65,936	128,000	36,750	211,070	649,093
Expenses									
Salaries									
Teachers	-	-	-	-	-	-	24,669	28,808	-
Principals and Vice Principals	-	-	-	-	-	-	-	25,899	-
Educational Assistants	-	300,209	-	-	-	-	-	87	-
Support Staff	-	-	-	-	-	93,926	-	-	-
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	17,600	-	37,301	-	-	-	36,279	-
	-	317,809	-	37,301	-	93,926	24,669	91,073	-
Employee Benefits	-	69,098	-	6,143		28,963	6,474	26,271	-
Services and Supplies	30,347	-	216,474	3,348,237	111,765	5,111	5,607	91,121	649,093
	30,347	386,907	216,474	3,391,681	111,765	128,000	36,750	208,465	649,093
Net Revenue (Expense) before Interfund Transfers	326,230	-	-	162	(45,829)	-	-	2,605	-
Interfund Transfers									
Tangible Capital Assets Purchased	(326,230)	-	-	(162)	-	-	-	(2,605)	-
Other	-	-	-	-	(40,000)	-	-	-	-
	(326,230)	-	-	(162)	(40,000)	-	-	(2,605)	-
Net Revenue (Expense)	-	-	-	-	(85,829)	-	-	-	-

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	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	-	-	35,666	16,938	-	3,317	-	138,468	260,000
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	794,583	7,811,177	125,614	125,005	52,000	6,750	110,801	79,000	-
Provincial Grants - Other	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	794,583	7,811,177	125,614	125,005	52,000	6,750	110,801	79,000	-
Less: Allocated to Revenue	794,583	7,811,177	135,328	122,605	52,000	6,628	71,111	139,194	228,933
Deferred Revenue, end of year	-	-	25,952	19,338	-	3,439	39,690	78,274	31,067
Revenues									
Provincial Grants - Ministry of Education and Child Care	794,583	7,811,177	135,328	122,605	52,000	6,628	71,111	139,194	228,933
Other Revenue	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
	794,583	7,811,177	135,328	122,605	52,000	6,628	71,111	139,194	228,933
Expenses									
Salaries									
Teachers	-	6,160,163	-	-	-	-	-	51,975	-
Principals and Vice Principals	15,579	-	-	-	-	-	-	-	-
Educational Assistants	334,214	-	-	-	-	63	20,174	-	-
Support Staff	28,217	-	-	43,068	-	1,643	24,029	23,047	-
Other Professionals	-	-	-	-	41,514	-	-	-	-
Substitutes	238,047	28,603	112,702	-	-	3,136	504	-	-
	616,057	6,188,766	112,702	43,068	41,514	4,842	44,707	75,022	-
Employee Benefits	178,526	1,622,411	20,921	10,000	10,486	593	4,153	22,470	-
Services and Supplies	-	-	1,705	69,537	-	1,193	22,251	41,702	228,933
	794,583	7,811,177	135,328	122,605	52,000	6,628	71,111	139,194	228,933
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, 2025

	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)	Feeding Futures Fund	Health Career Grants	Dual Credit Program Expansion	Professional Learning Grant	Other Grants	Integrated Inquiry Project
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	32,508	-	-	67,529	48,023	-	-	24,455	843,154
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	25,000	19,000	175,000	1,243,630	72,500	115,500	225,839	-	880,000
Provincial Grants - Other	-	-	-	-	-	25,000	-	-	-
Other	-	-	-	-	-	-	-	8,802	-
	25,000	19,000	175,000	1,243,630	72,500	140,500	225,839	8,802	880,000
Less: Allocated to Revenue	15,338	-	175,000	1,023,877	49,481	14,996	-	1,404	1,021,739
Deferred Revenue, end of year	42,170	19,000	-	287,282	71,042	125,504	225,839	31,853	701,415
Revenues									
Provincial Grants - Ministry of Education and Child Care	15,338	-	175,000	1,023,877	49,481	14,996	-		1,021,739
Other Revenue	-	-	-	-	-	-	-	1,404	-
Investment Income	-	-	-	-	-	-	-	-	-
	15,338	-	175,000	1,023,877	49,481	14,996	-	1,404	1,021,739
Expenses									
Salaries									
Teachers	-	-	-	119,475	17,325	-	-	-	243,792
Principals and Vice Principals	-	-	139,775	-	-	-	-	-	139,529
Educational Assistants	-	-	-	-	-	-	-	-	13,624
Support Staff	10,517	-	-	176,695	-	-	-	-	109,533
Other Professionals	-	-	-	-	-	-	-	-	94,386
Substitutes	-	-	-	-	-	-	-	-	-
	10,517	-	139,775	296,170	17,325	-	-	-	600,864
Employee Benefits	2,804	-	35,225	63,512	4,534	-	-	-	143,519
Services and Supplies	2,017	-	-	664,195	27,622	14,996	-	1,404	97,491
	15,338	-	175,000	1,023,877	49,481	14,996	-	1,404	841,874
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	-	-	-	179,865
Interfund Transfers									
Tangible Capital Assets Purchased	-	-	-	-	-	-	-	-	(179,865)
Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(179,865)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Project Penny	French Immersion Growth	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	169,764	56,441	3,576,665
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care	-	-	13,629,796
Provincial Grants - Other	-	-	25,000
Other	-	-	3,644,843
	-	-	17,299,639
Less: Allocated to Revenue	-	56,441	17,096,549
Deferred Revenue, end of year	169,764	-	3,779,755
Revenues			
Provincial Grants - Ministry of Education and Child Care	-	56,441	13,486,828
Other Revenue	-	-	3,649,193
Investment Income	-	-	26,464
	-	56,441	17,162,485
Expenses			
Salaries			
Teachers	-	44,685	6,690,892
Principals and Vice Principals	-	-	320,782
Educational Assistants	-	-	668,371
Support Staff	-	-	510,675
Other Professionals	-	-	135,900
Substitutes	-	-	474,172
	-	44,685	8,800,792
Employee Benefits	-	11,756	2,267,859
Services and Supplies	-	-	5,630,801
	-	56,441	16,699,452
Net Revenue (Expense) before Interfund Transfers	-	-	463,033
Interfund Transfers			
Tangible Capital Assets Purchased	-	-	(508,862)
Other	-	-	(40,000)
	-	-	(548,862)
Net Revenue (Expense)	-	-	(85,829)

School District No. 22 (Vernon)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025 Budget (Note 13)	2025 Actual			2024 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Amortization of Deferred Capital Revenue	5,121,599	5,144,090		5,144,090	4,928,347
Total Revenue	5,121,599	5,144,090	-	5,144,090	4,928,347
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	6,771,815	6,816,809		6,816,809	6,631,611
Transportation and Housing	671,998	732,229		732,229	621,958
Total Expense	7,443,813	7,549,038	-	7,549,038	7,253,569
Capital Surplus (Deficit) for the year	(2,322,214)	(2,404,948)	-	(2,404,948)	(2,325,222)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	586,311	651,736		651,736	738,646
Local Capital	1,486,346		1,567,938	1,567,938	1,367,498
Total Net Transfers	2,072,657	651,736	1,567,938	2,219,674	2,106,144
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,583,398	(1,583,398)	-	
Total Other Adjustments to Fund Balances		1,583,398	(1,583,398)	-	
Total Capital Surplus (Deficit) for the year	(249,557)	(169,814)	(15,460)	(185,274)	(219,078)
Capital Surplus (Deficit), beginning of year		26,739,965	1,041,466	27,781,431	28,000,509
Capital Surplus (Deficit), end of year		26,570,151	1,026,006	27,596,157	27,781,431

School District No. 22 (Vernon)

Tangible Capital Assets
Year Ended June 30, 2025

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,816,960	221,545,011	8,598,907	6,463,594	352,525	4,873,908	250,650,905
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		5,276,630	62,200	2,055,283	-	-	7,394,113
Operating Fund			95,882			46,992	142,874
Special Purpose Funds		326,230	182,632				508,862
Local Capital			253,498	22,690	8,387	1,298,823	1,583,398
	-	5,602,860	594,212	2,077,973	8,387	1,345,815	9,629,247
Decrease:							
Deemed Disposals			272,201	360,577	7,287	1,015,883	1,655,948
	-	-	272,201	360,577	7,287	1,015,883	1,655,948
Cost, end of year	8,816,960	227,147,871	8,920,918	8,180,990	353,625	5,203,840	258,624,204
Work in Progress, end of year		59,784					59,784
Cost and Work in Progress, end of year	8,816,960	227,207,655	8,920,918	8,180,990	353,625	5,203,840	258,683,988
Accumulated Amortization, beginning of year		108,448,824	3,464,901	2,111,457	126,510	2,648,261	116,799,953
Changes for the Year							
Increase: Amortization for the Year		4,862,428	875,991	732,229	70,615	1,007,775	7,549,038
Decrease:							
Deemed Disposals			272,201	360,577	7,287	1,015,883	1,655,948
			272,201	360,577	7,287	1,015,883	1,655,948
Accumulated Amortization, end of year		113,311,252	4,068,691	2,483,109	189,838	2,640,153	122,693,043
Tangible Capital Assets - Net	8,816,960	113,896,403	4,852,227	5,697,881	163,787	2,563,687	135,990,945

School District No. 22 (Vernon)

Tangible Capital Assets - Work in Progress
Year Ended June 30, 2025

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year					-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Other	59,784				59,784
	59,784	-	-	-	59,784
Net Changes for the Year	59,784	-	-	-	59,784
Work in Progress, end of year	59,784	-	-	-	59,784

School District No. 22 (Vernon)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	96,387,242	4,765,073	212,500	101,364,815
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	7,394,113			7,394,113
	7,394,113	-	-	7,394,113
Decrease:				
Amortization of Deferred Capital Revenue	4,971,730	147,360	25,000	5,144,090
	4,971,730	147,360	25,000	5,144,090
Net Changes for the Year	2,422,383	(147,360)	(25,000)	2,250,023
Deferred Capital Revenue, end of year	98,809,625	4,617,713	187,500	103,614,838
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress		59,784		59,784
	-	59,784	-	59,784
Net Changes for the Year	-	59,784	-	59,784
Work in Progress, end of year	-	59,784	-	59,784
Total Deferred Capital Revenue, end of year	98,809,625	4,677,497	187,500	103,674,622

School District No. 22 (Vernon)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2025

	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	7,393,843		4,636,526			12,030,369
	7,393,843	-	4,636,526	-	-	12,030,369
Decrease:						
Transferred to DCR - Capital Additions	7,394,113		-			7,394,113
Transferred to DCR - Work in Progress	-		59,784			59,784
	7,394,113	-	59,784	-	-	7,453,897
Net Changes for the Year	(270)	-	4,576,742	-	-	4,576,472
Balance, end of year	(270)	9,266	4,576,742	-	-	4,585,738