

Consolidated Audited Financial Statements of

School District No. 22 (Vernon)

June 30, 2019

School District No. 22 (Vernon)

June 30, 2019

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School District No. 22 (Vernon)

MANAGEMENT REPORT

Version: 7155-6409-4427

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, KPMG 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)

Signature of the Chairperson of the Board of Education Date Signed

Signature of the Superintendent Date Signed

Signature of the Secretary Treasurer Date Signed

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 financial statements of School District No. 22 (Vernon) (the Entity), which comprise:

- The statement of financial position as at June 30, 2019
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the financial reporting provisions 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 “Auditors’ Responsibilities for the Audit of the Financial Statements” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to note 2 to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Information, other than the financial statements and the auditors’ report thereon, included in the Financial Statement Discussion and Analysis document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors’ report thereon, included in the Financial Statement Discussion and Analysis document as at the date of this auditors’ report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors’ 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 of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and 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 financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- 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.

School District No. 22 (Vernon)

Consolidated Statement of Financial Position

As at June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,973,134	24,381,932
Accounts Receivable		
Due from Province - Ministry of Education	143,534	-
Due from LEA Funding	299,698	245,725
Other	317,505	301,798
Total Financial Assets	<u>22,733,871</u>	<u>24,929,455</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Other (Note 3)	8,610,485	7,669,837
Unearned Revenue (Note 4)	2,170,407	2,441,309
Deferred Revenue (Note 5)	1,716,296	1,173,304
Deferred Capital Revenue (Note 6)	89,647,612	90,970,682
Employee Future Benefits (Note 7)	3,539,784	3,406,985
Total Liabilities	<u>105,684,584</u>	<u>105,662,117</u>
Net Financial Assets (Debt)	<u>(82,950,713)</u>	<u>(80,732,662)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 8)	115,699,715	110,847,457
Prepaid Expenses	149,184	76,025
Total Non-Financial Assets	<u>115,848,899</u>	<u>110,923,482</u>
Accumulated Surplus (Deficit) (Note 9)	<u>32,898,186</u>	<u>30,190,820</u>

Contractual Obligations (Note 10)

Approved by the Board

Signature of the Chairperson of the Board of Education

Date Signed

Signature of the Superintendent

Date Signed

Signature of the Secretary Treasurer

Date Signed

School District No. 22 (Vernon)

Consolidated Statement of Operations

Year Ended June 30, 2019

	2019 Budget (Note 11) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	88,237,607	88,508,444	85,964,824
Other	327,464	316,874	281,110
Tuition	4,697,328	4,933,289	4,867,254
Other Revenue	3,978,916	4,382,612	3,860,494
Rentals and Leases	43,000	54,426	68,305
Investment Income	341,804	484,816	372,633
Amortization of Deferred Capital Revenue	4,084,191	4,095,977	4,048,188
Total Revenue	<u>101,710,310</u>	<u>102,776,438</u>	<u>99,462,808</u>
Expenses (Note 13)			
Instruction	81,870,283	80,022,676	77,384,629
District Administration	3,005,625	2,940,744	2,818,675
Operations and Maintenance	15,032,487	14,639,212	14,568,992
Transportation and Housing	2,572,913	2,466,440	2,431,766
Total Expense	<u>102,481,308</u>	<u>100,069,072</u>	<u>97,204,062</u>
Surplus (Deficit) for the year	<u>(770,998)</u>	<u>2,707,366</u>	<u>2,258,746</u>
Accumulated Surplus (Deficit) from Operations, beginning of year		30,190,820	27,932,074
Accumulated Surplus (Deficit) from Operations, end of year		<u>32,898,186</u>	<u>30,190,820</u>

School District No. 22 (Vernon)

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year Ended June 30, 2019

	2019 Budget (Note 11) \$	2019 Actual \$	2018 Actual \$
Surplus (Deficit) for the year	<u>(770,998)</u>	<u>2,707,366</u>	<u>2,258,746</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(11,209,263)	(10,611,705)	(6,023,492)
Amortization of Tangible Capital Assets	5,759,447	5,759,447	5,750,439
Total Effect of change in Tangible Capital Assets	<u>(5,449,816)</u>	<u>(4,852,258)</u>	<u>(273,053)</u>
Acquisition of Prepaid Expenses	-	(73,159)	22,417
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(73,159)</u>	<u>22,417</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(6,220,814)</u>	<u>(2,218,051)</u>	<u>2,008,110</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(2,218,051)</u>	<u>2,008,110</u>
Net Financial Assets (Debt), beginning of year		<u>(80,732,662)</u>	<u>(82,740,772)</u>
Net Financial Assets (Debt), end of year		<u>(82,950,713)</u>	<u>(80,732,662)</u>

School District No. 22 (Vernon)

Consolidated Statement of Cash Flows

Year Ended June 30, 2019

	2019 Actual	2018 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	2,707,366	2,258,746
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(213,214)	145,289
Prepaid Expenses	(73,159)	22,417
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	940,648	764,018
Unearned Revenue	(270,902)	295,645
Deferred Revenue	542,992	2,669
Employee Future Benefits	132,799	20,820
Amortization of Tangible Capital Assets	5,759,447	5,750,439
Amortization of Deferred Capital Revenue	(4,095,977)	(4,048,188)
Decrease in Other Assets	-	384,659
Total Operating Transactions	<u>5,430,000</u>	<u>5,596,514</u>
Capital Transactions		
Tangible Capital Assets Purchased	(4,462,202)	(5,071,607)
Tangible Capital Assets -WIP Purchased	(6,149,503)	(951,885)
Total Capital Transactions	<u>(10,611,705)</u>	<u>(6,023,492)</u>
Financing Transactions		
Capital Revenue Received	2,772,907	2,761,910
Total Financing Transactions	<u>2,772,907</u>	<u>2,761,910</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,408,798)	2,334,932
Cash and Cash Equivalents, beginning of year	<u>24,381,932</u>	22,047,000
Cash and Cash Equivalents, end of year	<u>21,973,134</u>	<u>24,381,932</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash	21,973,134	24,381,932
	<u>21,973,134</u>	<u>24,381,932</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 1, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 22 (Vernon)", and operates as "School District No. 22 (Vernon)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. 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 restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

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, 2019

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; and
- 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.

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. 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, 2019

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).

This accounting treatment 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.

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, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. 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, 2019

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

i) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations.

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Consolidated Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these consolidated financial statements.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 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, 2019

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

n) Revenue Recognition *(Continued)*

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards, which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

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

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

o) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Categories of Salaries

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

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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, 2019

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 PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade and other amounts payable	\$ 2,896,694	\$ 3,009,910
Wages payable – teachers’ 12 month instalment plan	1,249,540	1,219,864
Pension contributions payable	1,280,210	1,297,795
Payroll taxes payable	1,622,245	1,009,240
Accrued vacation pay	868,513	809,951
Other accrued liabilities	693,283	323,075
	<u>\$8,610,485</u>	<u>\$ 7,669,835</u>

NOTE 4 UNEARNED REVENUE

	2019	2018
Balance, beginning of year	\$ 2,441,309	\$ 2,145,664
Changes for the year:		
Increase:		
Tuition fees collected	4,662,387	5,162,899
Decrease:		
Tuition fees recognized	4,933,289	4,867,254
Net (decrease) increase for the year	(270,902)	295,645
Balance, end of year	<u>\$ 2,170,407</u>	<u>\$ 2,441,309</u>

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 5 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.

	2019	2018
Balance, beginning of year	\$ 1,173,304	\$ 1,170,635
Changes for the year:		
Increase:		
Grants: Provincial – Ministry of Education	8,477,777	8,260,278
School generated funds	3,062,333	2,739,195
Other	216,738	191,979
Interest	52,449	-
	11,809,297	11,191,452
Decrease:		
Allocated to Revenue: Provincial – Ministry of Education	8,164,994	8,314,426
Other	3,101,311	2,874,357
	11,266,305	11,188,783
Net changes for the year	542,992	2,669
Balance, end of year	\$ 1,716,296	\$ 1,173,304

NOTE 6 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.

	2019	2018
Deferred capital revenue - spent		
Balance, beginning of year	\$ 90,609,598	\$ 91,636,557
Increase:		
Capital additions	2,674,041	3,021,229
Decrease:		
Amortization	4,095,977	4,048,188
Net decrease for the year	(1,421,936)	(1,026,959)
Balance, end of year	\$ 89,187,662	\$ 90,609,598

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 6 DEFERRED CAPITAL REVENUE (Continued)

	2019	2018
Deferred capital revenue - unspent		
Balance, beginning of year	\$ 361,084	\$ 620,403
Increases:		
Provincial grants – Ministry of Education	2,749,103	2,736,119
Provincial grants – Other Ministries	21,869	23,856
Investment income	1,935	1,935
Decrease:		
Transfer to deferred capital revenue - spent	2,674,041	3,021,229
Net increase (decrease) for the year	98,866	(259,319)
Balance, end of year	459,950	361,084
Total deferred capital revenue balance, end of year	\$ 89,647,612	\$ 90,970,682

NOTE 7 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.

	2019	2018
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 3,398,812	\$ 3,361,454
Service Cost	254,402	242,718
Interest Cost	95,966	94,911
Benefit Payments	(362,670)	(291,177)
Decrease in Obligation due to Plan Amendment	(14,232)	-
Actuarial Loss (Gain)	883,944	(9,094)
Accrued Benefit Obligation – March 31	\$ 4,256,222	\$ 3,398,812
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 4,256,222	\$ 3,398,812
Market Value of Plan Assets – March 31	-	-
Funded Status – Deficit	(4,256,222)	(3,398,812)
Employer Contributions After Measurement Date	6,656	136,752
Benefits Expense After Measurement Date	(112,290)	(87,592)
Unamortized Net Actuarial Loss (Gain)	822,072	(57,333)
Accrued Benefit Liability – June 30	\$ (3,539,784)	\$ (3,406,985)
Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 3,406,985	\$ 3,386,165
Net Expense for Fiscal Year	365,374	346,386
Employer Contributions	(232,575)	(325,567)
Accrued Benefit Liability – June 30	\$ 3,539,784	\$ 3,406,985

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 7 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2019	2018
Components of Net Benefit Expense		
Service Cost	\$ 275,747	\$ 245,639
Interest Cost	99,320	95,174
Immediate Recognition of Plan Amendment	(14,232)	-
Amortization of Net Actuarial Loss	4,539	5,573
Net Benefit Expense	\$ 365,374	\$ 346,386

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

	2019	2018
Discount Rate – April 1	2.75%	2.75%
Discount Rate – March 31	2.75%	2.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	9.2 years	8.8 years

NOTE 8 TANGIBLE CAPITAL ASSETS

June 30, 2019

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Cost:				
Sites	\$ 8,816,960	\$ -	\$ -	\$ 8,816,960
Buildings	169,375,943	2,909,204	-	172,285,147
Buildings – Work-in-progress	951,885	6,149,503	-	7,101,388
Furniture & Equipment	4,358,675	275,921	75,312	4,559,284
Vehicles	4,916,857	254,579	887,274	4,284,162
Computer Software	391,931	89,197	121,658	359,470
Computer Hardware	5,133,246	933,301	2,652,237	3,414,310
Total	\$ 193,945,497	\$ 10,611,705	\$ 3,736,481	200,820,721

	Balance at June 30, 2018	Additions	Disposals	Balance at June 30, 2019
Accumulated Amortization:				
Buildings	\$ 75,843,376	\$ 3,726,859	\$ -	\$ 79,570,235
Furniture & Equipment	1,383,869	435,867	75,312	1,744,424
Vehicles	2,758,972	491,686	887,274	2,363,384
Computer Software	149,784	78,386	121,658	106,512
Computer Hardware	2,962,039	1,026,649	2,652,237	1,336,451
Total	\$ 83,098,040	\$ 5,759,447	\$ 3,736,481	\$ 85,121,006

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2018

Cost:	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
Sites	\$ 8,816,960	\$ -	\$ -	\$ 8,816,960
Buildings	166,671,085	2,704,858	-	169,375,943
Buildings – Work-in-progress	-	951,885	-	951,885
Furniture & Equipment	3,300,060	1,276,707	218,092	4,358,675
Vehicles	5,281,074	130,751	494,968	4,916,857
Computer Software	393,096	150,860	152,025	391,931
Computer Hardware	5,693,041	808,431	1,368,226	5,133,246
Total	\$ 190,155,316	\$ 6,023,492	\$ 2,233,311	\$ 193,945,497

Accumulated Amortization:	Balance at June 30, 2017	Additions	Disposals	Balance at June 30, 2018
Buildings	\$ 72,168,278	\$ 3,675,098	\$ -	\$ 75,843,376
Furniture & Equipment	1,271,955	330,006	218,092	1,383,869
Vehicles	2,725,832	528,108	494,968	2,758,972
Computer Software	223,190	78,619	152,025	149,784
Computer Hardware	3,191,657	1,138,608	1,368,226	2,962,039
Total	\$ 79,580,912	\$ 5,750,439	\$ 2,233,311	\$ 83,098,040

Net Book Value:

	June 30, 2019	June 30, 2018
Sites	\$ 8,816,960	\$ 8,816,960
Buildings	92,714,912	93,532,567
Buildings – Work-in-progress	7,101,388	951,885
Furniture & Equipment	2,814,860	2,974,806
Vehicles	1,920,778	2,157,885
Computer Software	252,958	242,147
Computer Hardware	2,077,859	2,171,207
Total	\$ 115,699,715	\$ 110,847,457

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 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.

	2019	2018
Operating fund	\$ 3,905,864	\$ 2,463,425
Special purpose funds	57,343	58,891
Capital funds	28,934,979	27,668,504
Total Accumulated Surplus	\$ 32,898,186	\$ 30,190,820

Amounts not restricted by agreement with a third party may be transferred between funds to reflect future intentions of the School District. Externally restricted surpluses are amounts for which an agreement with a third party targets the use of the surplus to a particular activity. Internally restricted surpluses have been allocated to a particular activity.

Operating Fund

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

	2019	2018
Internally restricted:		
School budget balances	\$ 392,648	\$ 325,106
Department budget balances	4,293	30,000
Appropriated for next year's budget	1,693,680	400,000
Contingency reserve	1,000,000	1,000,000
Union commitments	643,885	564,902
Aboriginal Education commitments	171,358	143,417
Total Operating Fund	\$ 3,905,864	\$ 2,463,425

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.

	2019	2018
Internally restricted:		
554210 BC Ltd. operating surplus	\$ 57,343	\$ 58,891
Total Special Purpose Funds	\$ 57,343	\$ 58,891

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 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 restricted to fund future capital purchases.

	2019	2018
Local capital		
Externally restricted for future capital asset purchases	\$ -	\$ 1,449,073
Internally restricted for future capital asset purchases	2,422,926	5,981,572
Total local capital	2,422,926	7,430,645
Invested in tangible capital assets	26,512,053	20,237,859
Total Capital Fund	\$ 28,934,979	\$ 27,668,504

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	Variance
Year ended June 30, 2019	\$ 1,133,000	\$ 1,914,258	\$ 781,258
Year ended June 30, 2018	\$ 1,433,000	\$ 2,046,031	\$ 613,031

\$67,245 (2018 - \$45,004) of the variance reflects transfers into local capital to fund the replacement of the School District's photocopiers. The remaining transfer of \$714,013 (2018 - \$568,027) is from excess international program revenues earned in 2019. It is consistent with the Board's motion on financing the Board Office project and the Board's policy on Financial Surplus and Inter-Fund Transfers.

The School District has allocated existing local capital to fund the following projects in future years:

	2019	2018
Technology	\$ 217,853	\$ 268,201
Maintenance, custodial and transportation equipment and vehicles	105,342	188,140
School classroom improvements	117,655	65,958
Finance enterprise resource planning software	400,000	400,000
Photocopier fleet replacement	54,192	-
Board office renovation and portable replacement	1,527,884	6,508,346
Total Local Capital	\$ 2,422,926	\$ 7,430,645

The forecast board office renovation and portable replacement project costs exceed the local capital allocation by \$900,000. The School District anticipates funding this shortfall through the Annual Facilities Grants and approved operating surplus transfers.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

The School District has approximately \$1.1 million of purchase orders which remain outstanding at June 30, 2019.

The School District has approximately \$2.0 million at June 30, 2019 of contractual commitments relating to the construction of the Board Office portable replacement building and the renovation of the existing Board Office.

The School District has approximately \$570,000 at June 30, 2019 of contractual commitments relating to the construction of a 10 classroom addition to BX Elementary School.

The School District, through its Scholarships and Bursaries special purpose fund, has committed to providing \$264,940 of post-secondary scholarships and bursaries at June 30, 2019.

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 \$643,885 at June 30, 2019.

The School District receives certain targeted funding from the Provincial Government which the School District is required to spend on enhancing the education of Aboriginal students. Unspent amounts at June 30, 2019 are \$171,358. The School District is committed to spending this amount on enhancing the education of Aboriginal students, in addition to any future relevant targeted grants received.

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

The nature of the School District's activities are such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30, 2019, 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.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 11 BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board through the adoption of an amended annual budget on January 16th, 2019. The original annual budget was adopted on May 23rd, 2018. The original and amended budgets are presented below.

	2019 Annual Amended Budget	2019 Annual Original Budget
Revenues		
Provincial Grants		
Ministry of Education	\$ 88,237,607	\$ 87,724,235
Other	327,464	297,864
Tuition	4,697,328	4,616,828
Other Revenue	3,978,916	4,018,182
Rentals and Leases	43,000	43,000
Investment Income	341,804	245,900
Amortization of Deferred Capital Revenue	4,084,191	4,047,705
	101,710,310	100,993,714
Expenses		
Instruction	81,870,283	81,268,702
District Administration	3,005,625	2,917,445
Operations and Maintenance	15,032,487	14,751,989
Transportation and Housing	2,572,913	2,613,423
	102,481,308	101,551,559
Deficit for the year	\$ (770,098)	\$ (557,845)

NOTE 12 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, 2017, the Teachers' Pension Plan has about 46,000 active members and approximately 38,000 retired members. As of December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 24,000 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.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 EMPLOYEE PENSION PLANS *(Continued)*

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017, indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. As a result of the 2017 basic account actuarial valuation surplus, plan enhancements and contribution rate adjustments were made; the remaining \$644 million surplus was transferred to the rate stabilization account.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rate remained unchanged.

The School District paid \$6,974,632 for employer contributions to the plans for the year ended June 30, 2019 (2018: \$7,476,561).

The next valuation for the Teachers' Pension Plan will be as at December 31, 2020, with results available in 2021. The next valuation for the Municipal Pension Plan will be as at December 31, 2018, with results available later in 2019.

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 13 EXPENSE BY OBJECT

	2019	2018
Salaries and benefits	\$ 79,821,894	\$ 77,190,208
Services and supplies	14,487,731	14,263,415
Amortization	5,759,447	5,750,439
	\$ 100,069,072	\$ 97,204,062

NOTE 14 ECONOMIC DEPENDENCE

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

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 15 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.

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.

SCHOOL DISTRICT NO. 22 (VERNON)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 17 SCHEDULES BY FUND

The School District accounts for its financial activities using funds. The schedules on pages 27 to 40 of these consolidated financial statements provide financial information on those funds. They are prepared in a format prescribed by the Ministry of Education.

School District No. 22 (Vernon)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
 Year Ended June 30, 2019

	Operating Fund	Special Purpose Fund	Capital Fund	2019 Actual	2018 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	2,463,425	58,891	27,668,504	30,190,820	27,932,074
Changes for the year					
Surplus (Deficit) for the year	3,849,486	368,728	(1,510,848)	2,707,366	2,258,746
Interfund Transfers					
Tangible Capital Assets Purchased	(522,789)	(340,276)	863,065	-	
Local Capital	(1,914,258)		1,914,258	-	
Other	30,000	(30,000)		-	
Net Changes for the year	1,442,439	(1,548)	1,266,475	2,707,366	2,258,746
Accumulated Surplus (Deficit), end of year - Statement 2	3,905,864	57,343	28,934,979	32,898,186	30,190,820

School District No. 22 (Vernon)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2019

	2019 Budget (Note 11)	2019 Actual	2018 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	79,843,765	80,343,450	77,650,399
Other	297,864	316,874	270,110
Tuition	4,697,328	4,933,289	4,867,254
Other Revenue	1,143,916	1,234,693	959,446
Rentals and Leases	43,000	54,426	68,305
Investment Income	180,000	303,473	187,903
Total Revenue	86,205,873	87,186,205	84,003,417
Expenses			
Instruction	71,132,116	69,178,492	66,529,175
District Administration	2,965,625	2,928,721	2,781,221
Operations and Maintenance	9,583,714	9,254,752	9,316,315
Transportation and Housing	2,081,227	1,974,754	1,903,658
Total Expense	85,762,682	83,336,719	80,530,369
Operating Surplus (Deficit) for the year	443,191	3,849,486	3,473,048
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,060,468		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(400,659)	(522,789)	(596,549)
Local Capital	(1,133,000)	(1,914,258)	(2,046,031)
Other	30,000	30,000	30,000
Total Net Transfers	(1,503,659)	(2,407,047)	(2,612,580)
Total Operating Surplus (Deficit), for the year	-	1,442,439	860,468
Operating Surplus (Deficit), beginning of year		2,463,425	1,602,957
Operating Surplus (Deficit), end of year		3,905,864	2,463,425
Operating Surplus (Deficit), end of year			
Internally Restricted		3,905,864	2,463,425
Total Operating Surplus (Deficit), end of year		3,905,864	2,463,425

School District No. 22 (Vernon)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2019

	2019 Budget (Note 11) \$	2019 Actual \$	2018 Actual \$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	80,142,638	80,440,964	77,547,441
ISC/LEA Recovery	(910,703)	(998,994)	(910,703)
Other Ministry of Education Grants			
Pay Equity	85,865	85,865	85,865
Funding for Graduated Adults	9,691	29,353	25,400
Transportation Supplement	361,094	361,094	361,094
Economic Stability Dividend	90,216	96,491	50,952
Return of Administrative Savings			382,586
Carbon Tax Grant	50,000	75,716	77,721
Employer Health Tax Grant	-	197,147	-
Strategic Priorities - Mental Health Grant	-	33,000	-
BCTEA - LEA Capacity Building Grant	-	6,850	-
FSA and Monitored Marking	12,964	12,964	12,964
Other Grants	2,000	3,000	-
Career Program Grants	-	-	17,079
Total Provincial Grants - Ministry of Education	79,843,765	80,343,450	77,650,399
Provincial Grants - Other	297,864	316,874	270,110
Tuition			
International and Out of Province Students	4,697,328	4,933,289	4,867,254
Total Tuition	4,697,328	4,933,289	4,867,254
Other Revenues			
LEA Funding from First Nations	910,703	998,994	910,703
Miscellaneous			
Sale of assets	-	-	952
Fees	180,000	132,820	-
Miscellaneous	23,303	72,642	30,441
Other Governmental Organisations	20,310	20,637	7,750
Artists in Education (ArtStarts)	9,600	9,600	9,600
Total Other Revenue	1,143,916	1,234,693	959,446
Rentals and Leases	43,000	54,426	68,305
Investment Income	180,000	303,473	187,903
Total Operating Revenue	86,205,873	87,186,205	84,003,417

School District No. 22 (Vernon)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2019

	2019 Budget (Note 11) \$	2019 Actual \$	2018 Actual \$
Salaries			
Teachers	37,556,189	36,991,986	35,608,590
Principals and Vice Principals	4,535,034	4,392,128	4,116,722
Educational Assistants	4,487,653	4,475,282	4,075,434
Support Staff	7,552,667	7,731,396	7,515,634
Other Professionals	2,086,127	1,984,680	1,988,178
Substitutes	2,760,650	2,448,966	2,503,218
Total Salaries	58,978,320	58,024,438	55,807,776
Employee Benefits	15,411,113	14,813,854	14,518,743
Total Salaries and Benefits	74,389,433	72,838,292	70,326,519
Services and Supplies			
Services	4,649,236	4,452,203	4,162,820
Student Transportation	119,813	7,826	10,686
Professional Development and Travel	638,730	696,678	658,118
Rentals and Leases	118,713	130,639	115,377
Dues and Fees	78,579	71,330	216,806
Insurance	384,570	304,007	333,158
Supplies	3,125,173	2,781,983	2,446,223
Utilities	2,258,435	2,053,761	2,260,662
Total Services and Supplies	11,373,249	10,498,427	10,203,850
Total Operating Expense	85,762,682	83,336,719	80,530,369

School District No. 22 (Vernon)

Schedule 2C (Unaudited)

Operating Expense by Function, Program and Object

Year Ended June 30, 2019

	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	28,268,997	1,116,936	-	433,485	25,000	1,870,640	31,715,058
1.03 Career Programs	362,441	63,338	-	34,494	18,211	33,219	511,703
1.07 Library Services	789,702	40,519	-	264,630	-	39,587	1,134,438
1.08 Counselling	1,487,076	-	-	-	-	34,935	1,522,011
1.10 Special Education	4,728,237	49,872	3,973,267	61,691	143,639	277,414	9,234,120
1.30 English Language Learning	82,505	-	-	-	-	-	82,505
1.31 Aboriginal Education	244,496	-	502,015	34,588	126,775	15,161	923,035
1.41 School Administration	-	2,913,676	-	1,347,983	-	41,720	4,303,379
1.60 Summer School	20,075	-	-	-	-	-	20,075
1.62 International and Out of Province Students	1,008,457	144,449	-	89,919	129,608	25,298	1,397,731
Total Function 1	36,991,986	4,328,790	4,475,282	2,266,790	443,233	2,337,974	50,844,055
4 District Administration							
4.11 Educational Administration	-	63,338	-	171,550	672,569	-	907,457
4.40 School District Governance	-	-	-	-	97,971	-	97,971
4.41 Business Administration	-	-	-	412,872	383,888	1,109	797,869
Total Function 4	-	63,338	-	584,422	1,154,428	1,109	1,803,297
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	-	-	-	86,742	288,198	-	374,940
5.50 Maintenance Operations	-	-	-	3,481,761	-	60,709	3,542,470
5.52 Maintenance of Grounds	-	-	-	204,495	-	-	204,495
5.56 Utilities	-	-	-	-	-	-	-
Total Function 5	-	-	-	3,772,998	288,198	60,709	4,121,905
7 Transportation and Housing							
7.41 Transportation and Housing Administration	-	-	-	55,381	98,821	118	154,320
7.70 Student Transportation	-	-	-	1,051,805	-	49,056	1,100,861
Total Function 7	-	-	-	1,107,186	98,821	49,174	1,255,181
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	36,991,986	4,392,128	4,475,282	7,731,396	1,984,680	2,448,966	58,024,438

School District No. 22 (Vernon)

Operating Expense by Function, Program and Object
Year Ended June 30, 2019

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2019 Actual	2019 Budget (Note 11)	2018 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	31,715,058	7,939,819	39,654,877	1,479,459	41,134,336	41,989,367	40,005,888
1.03 Career Programs	511,703	121,512	633,215	210,045	843,260	916,581	875,824
1.07 Library Services	1,134,438	322,092	1,456,530	49,168	1,505,698	1,404,166	1,395,465
1.08 Counselling	1,522,011	353,739	1,875,750	5,933	1,881,683	1,897,194	1,822,803
1.10 Special Education	9,234,120	2,561,176	11,795,296	604,349	12,399,645	12,745,345	11,334,422
1.30 English Language Learning	82,505	21,952	104,457	-	104,457	102,841	83,217
1.31 Aboriginal Education	923,035	261,128	1,184,163	220,384	1,404,547	1,615,687	1,302,492
1.41 School Administration	4,303,379	1,127,500	5,430,879	226,138	5,657,017	5,740,106	5,471,321
1.60 Summer School	20,075	3,902	23,977	1,421	25,398	30,500	30,490
1.62 International and Out of Province Students	1,397,731	310,660	1,708,391	2,514,060	4,222,451	4,690,329	4,207,253
Total Function 1	50,844,055	13,023,480	63,867,535	5,310,957	69,178,492	71,132,116	66,529,175
4 District Administration							
4.11 Educational Administration	907,457	198,614	1,106,071	119,168	1,225,239	1,221,306	1,088,020
4.40 School District Governance	97,971	4,690	102,661	87,928	190,589	229,534	178,690
4.41 Business Administration	797,869	222,074	1,019,943	492,950	1,512,893	1,514,785	1,514,511
Total Function 4	1,803,297	425,378	2,228,675	700,046	2,928,721	2,965,625	2,781,221
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	374,940	77,364	452,304	118,285	570,589	761,510	705,811
5.50 Maintenance Operations	3,542,470	897,079	4,439,549	1,929,135	6,368,684	6,248,070	6,078,254
5.52 Maintenance of Grounds	204,495	60,301	264,796	70,917	335,713	315,699	343,231
5.56 Utilities	-	-	-	1,979,766	1,979,766	2,258,435	2,189,019
Total Function 5	4,121,905	1,034,744	5,156,649	4,098,103	9,254,752	9,583,714	9,316,315
7 Transportation and Housing							
7.41 Transportation and Housing Administration	154,320	29,926	184,246	6,967	191,213	193,257	208,543
7.70 Student Transportation	1,100,861	300,326	1,401,187	382,354	1,783,541	1,887,970	1,695,115
Total Function 7	1,255,181	330,252	1,585,433	389,321	1,974,754	2,081,227	1,903,658
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	58,024,438	14,813,854	72,838,292	10,498,427	83,336,719	85,762,682	80,530,369

School District No. 22 (Vernon)

Schedule of Special Purpose Operations

Year Ended June 30, 2019

Schedule 3 (Unaudited)

	2019 Budget (Note 11) \$	2019 Actual \$	2018 Actual \$
Revenues			
Provincial Grants			
Ministry of Education	8,393,842	8,164,994	8,314,425
Other	29,600		11,000
Other Revenue	2,835,000	3,147,919	2,901,048
Investment Income	7,900	28,721	4,917
Total Revenue	<u>11,266,342</u>	<u>11,341,634</u>	<u>11,231,390</u>
Expenses			
Instruction	10,738,167	10,844,184	10,855,454
District Administration	40,000	12,023	37,454
Operations and Maintenance	181,012	116,699	30,346
Total Expense	<u>10,959,179</u>	<u>10,972,906</u>	<u>10,923,254</u>
Special Purpose Surplus (Deficit) for the year	<u>307,163</u>	<u>368,728</u>	<u>308,136</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(326,163)	(340,276)	(362,519)
Other	(30,000)	(30,000)	(30,000)
Total Net Transfers	<u>(356,163)</u>	<u>(370,276)</u>	<u>(392,519)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>(49,000)</u>	<u>(1,548)</u>	<u>(84,383)</u>
Special Purpose Surplus (Deficit), beginning of year		58,891	143,274
Special Purpose Surplus (Deficit), end of year		<u>57,343</u>	<u>58,891</u>
Special Purpose Surplus (Deficit), end of year			
Related Entities		57,343	58,891
Total Special Purpose Surplus (Deficit), end of year		<u>57,343</u>	<u>58,891</u>

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	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	-	-	348,108	782,052	-	-	-	-	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	356,510	308,787	-	-	-	128,000	34,300	187,404	644,931
Other	-	-	163,987	3,062,233	-	-	-	-	6,437
Investment Income	-	-	24,125	28,324	-	-	-	-	-
	356,510	308,787	188,112	3,090,557	-	128,000	34,300	187,404	651,368
Less: Allocated to Revenue	356,510	308,787	127,150	2,896,700	-	128,000	34,300	165,052	651,368
Recovered	-	-	-	-	-	-	-	-	-
Deferred Revenue, end of year	-	-	409,070	975,909	-	-	-	22,352	-
Revenues									
Provincial Grants - Ministry of Education	356,510	308,787	-	-	-	128,000	34,300	165,052	644,931
Other Revenue	-	-	103,025	2,896,700	70,733	-	-	-	6,437
Investment Income	-	-	24,125	-	4,596	-	-	-	-
	356,510	308,787	127,150	2,896,700	75,329	128,000	34,300	165,052	651,368
Expenses									
Salaries									
Teachers	-	-	-	-	-	-	-	22,346	-
Principals and Vice Principals	-	-	-	-	-	-	-	18,975	-
Educational Assistants	-	244,169	-	-	-	86,106	-	18,978	-
Support Staff	-	-	-	-	-	-	-	-	7,136
Other Professionals	-	-	-	-	-	-	-	-	-
Substitutes	-	14,636	-	-	-	-	-	20,117	-
	-	258,805	-	-	-	86,106	-	80,416	7,136
Employee Benefits	-	49,982	-	-	-	30,206	-	14,383	440
Services and Supplies	30,347	-	127,150	2,896,700	32,764	11,688	34,300	70,253	643,792
	30,347	308,787	127,150	2,896,700	32,764	128,000	34,300	165,052	651,368
Net Revenue (Expense) before Interfund Transfers	326,163	-	-	-	42,565	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	(326,163)	-	-	-	(14,113)	-	-	-	-
Other	-	-	-	-	(30,000)	-	-	-	-
	(326,163)	-	-	-	(44,113)	-	-	-	-
Net Revenue (Expense)	-	-	-	-	(1,548)	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund									54,556

School District No. 22 (Vernon)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2019

	Rural Education Enhancement Fund	Classroom Enhancement Fund - Overhead	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Other Grants	TOTAL
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	48,819	(32,556)	26,881	1,173,304
Add: Restricted Grants						
Provincial Grants - Ministry of Education	443,320	783,583	5,380,904	258,857	-	8,526,596
Other	-	-	-	-	46,414	3,279,071
Investment Income	-	-	-	-	-	52,449
	443,320	783,583	5,380,904	258,857	46,414	11,858,116
Less: Allocated to Revenue	443,320	783,583	5,074,210	226,301	71,024	11,266,305
Recovered	-	-	48,819	-	-	48,819
Deferred Revenue, end of year	-	-	306,694	-	2,271	1,716,296
Revenues						
Provincial Grants - Ministry of Education	443,320	783,583	5,074,210	226,301	-	8,164,994
Other Revenue	-	-	-	-	71,024	3,147,919
Investment Income	-	-	-	-	-	28,721
	443,320	783,583	5,074,210	226,301	71,024	11,341,634
Expenses						
Salaries						
Teachers	77,321	-	4,021,864	-	-	4,121,531
Principals and Vice Principals	121,332	64,005	-	-	-	204,312
Educational Assistants	33,234	255,407	-	-	-	637,894
Support Staff	61,807	30,777	-	-	19,886	119,606
Other Professionals	-	-	-	-	-	-
Substitutes	1,994	254,013	29,263	174,778	6,318	501,119
	295,688	604,202	4,051,127	174,778	26,204	5,584,462
Employee Benefits	77,144	167,381	1,023,083	31,002	5,519	1,399,140
Services and Supplies	70,488	12,000	-	20,521	39,301	3,989,304
	443,320	783,583	5,074,210	226,301	71,024	10,972,906
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	-	368,728
Interfund Transfers						
Tangible Capital Assets Purchased	-	-	-	-	-	(340,276)
Other	-	-	-	-	-	(30,000)
	-	-	-	-	-	(370,276)
Net Revenue (Expense)	-	-	-	-	-	(1,548)
Additional Expenses funded by, and reported in, the Operating Fund						54,556

School District No. 22 (Vernon)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2019

	2019	2019 Actual			2018
	Budget (Note 11)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Investment Income	153,904		152,622	152,622	179,813
Amortization of Deferred Capital Revenue	4,084,191	4,095,977		4,095,977	4,048,188
Total Revenue	4,238,095	4,095,977	152,622	4,248,599	4,228,001
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	5,267,761	5,267,761		5,267,761	5,222,331
Transportation and Housing	491,686	491,686		491,686	528,108
Total Expense	5,759,447	5,759,447	-	5,759,447	5,750,439
Capital Surplus (Deficit) for the year	(1,521,352)	(1,663,470)	152,622	(1,510,848)	(1,522,438)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	726,822	863,065		863,065	959,068
Local Capital	1,133,000		1,914,258	1,914,258	2,046,031
Total Net Transfers	1,859,822	863,065	1,914,258	2,777,323	3,005,099
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		1,227,231	(1,227,231)	-	
Tangible Capital Assets WIP Purchased from Local Capital		5,847,368	(5,847,368)	-	
Total Other Adjustments to Fund Balances		7,074,599	(7,074,599)	-	
Total Capital Surplus (Deficit) for the year	338,470	6,274,194	(5,007,719)	1,266,475	1,482,661
Capital Surplus (Deficit), beginning of year		20,237,859	7,430,645	27,668,504	26,185,843
Capital Surplus (Deficit), end of year		26,512,053	2,422,926	28,934,979	27,668,504

School District No. 22 (Vernon)

Schedule 4A (Unaudited)

Tangible Capital Assets
Year Ended June 30, 2019

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	8,816,960	169,375,943	4,358,675	4,916,857	391,931	5,133,246	192,993,612
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	-	2,323,204	18,692	-	-	-	2,341,896
Deferred Capital Revenue - Other	-	-	30,010	-	-	-	30,010
Operating Fund	-	211,804	183,834	-	-	127,151	522,789
Special Purpose Funds	-	326,163	-	14,113	-	-	340,276
Local Capital	-	48,033	43,385	240,466	89,197	806,150	1,227,231
	-	2,909,204	275,921	254,579	89,197	933,301	4,462,202
Decrease:							
Deemed Disposals			75,312	887,274	121,658	2,652,237	3,736,481
	-	-	75,312	887,274	121,658	2,652,237	3,736,481
Cost, end of year	8,816,960	172,285,147	4,559,284	4,284,162	359,470	3,414,310	193,719,333
Work in Progress, end of year		7,101,388					7,101,388
Cost and Work in Progress, end of year	8,816,960	179,386,535	4,559,284	4,284,162	359,470	3,414,310	200,820,721
Accumulated Amortization, beginning of year		75,843,376	1,383,869	2,758,972	149,784	2,962,039	83,098,040
Changes for the Year							
Increase: Amortization for the Year		3,726,859	435,867	491,686	78,386	1,026,649	5,759,447
Decrease:							
Deemed Disposals			75,312	887,274	121,658	2,652,237	3,736,481
		-	75,312	887,274	121,658	2,652,237	3,736,481
Accumulated Amortization, end of year		79,570,235	1,744,424	2,363,384	106,512	1,336,451	85,121,006
Tangible Capital Assets - Net	8,816,960	99,816,300	2,814,860	1,920,778	252,958	2,077,859	115,699,715

School District No. 22 (Vernon)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2019

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 951,885	\$	\$	\$	\$ 951,885
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	302,135				302,135
Local Capital	5,847,368				5,847,368
	6,149,503	-	-	-	6,149,503
Net Changes for the Year	6,149,503	-	-	-	6,149,503
Work in Progress, end of year	7,101,388	-	-	-	7,101,388

School District No. 22 (Vernon)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	90,491,753	117,845		90,609,598
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,341,896	30,010		2,371,906
	<u>2,341,896</u>	<u>30,010</u>	<u>-</u>	<u>2,371,906</u>
Decrease:				
Amortization of Deferred Capital Revenue	4,084,192	11,785		4,095,977
	<u>4,084,192</u>	<u>11,785</u>	<u>-</u>	<u>4,095,977</u>
Net Changes for the Year	<u>(1,742,296)</u>	<u>18,225</u>	<u>-</u>	<u>(1,724,071)</u>
Deferred Capital Revenue, end of year	<u>88,749,457</u>	<u>136,070</u>	<u>-</u>	<u>88,885,527</u>
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	302,135	-		302,135
	<u>302,135</u>	<u>-</u>	<u>-</u>	<u>302,135</u>
Net Changes for the Year	<u>302,135</u>	<u>-</u>	<u>-</u>	<u>302,135</u>
Work in Progress, end of year	<u>302,135</u>	<u>-</u>	<u>-</u>	<u>302,135</u>
Total Deferred Capital Revenue, end of year	<u>89,051,592</u>	<u>136,070</u>	<u>-</u>	<u>89,187,662</u>

School District No. 22 (Vernon)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2019

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	194,928	125,260	40,896			361,084
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,749,103					2,749,103
Provincial Grants - Other		-	21,869			21,869
Investment Income	-	1,935	-			1,935
Transfer project surplus to MEd Restricted (from) Bylaw	(300,000)	300,000				-
	<u>2,449,103</u>	<u>301,935</u>	<u>21,869</u>	<u>-</u>	<u>-</u>	<u>2,772,907</u>
Decrease:						
Transferred to DCR - Capital Additions	2,341,896	-	30,010			2,371,906
Transferred to DCR - Work in Progress	302,135	-	-			302,135
	<u>2,644,031</u>	<u>-</u>	<u>30,010</u>	<u>-</u>	<u>-</u>	<u>2,674,041</u>
Net Changes for the Year	<u>(194,928)</u>	<u>301,935</u>	<u>(8,141)</u>	<u>-</u>	<u>-</u>	<u>98,866</u>
Balance, end of year	<u>-</u>	<u>427,195</u>	<u>32,755</u>	<u>-</u>	<u>-</u>	<u>459,950</u>