SCHOOL DISTRICT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR 2005/2006

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
22	Vernon	2005/2006
OFFICE LOCATION 1401-15th St		TELEPHONE NUMBER 250-542-3331
CITY / PROVINCE Vernon, BC		POSTAL CODE V1T 8S8
WEBSITE ADDRESS http://www.sd22.bc.ca		
NAME OF SUPERINTENDENT Robert Peacock	NAME OF SECRETARY - TREASURER Randall F Hoffman	

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and supporting schedules of The Board of School Trustees of School District No. 22 (Vernon) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The consolidated financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the consolidated financial statements lies with the Board. The Board has reviewed and approved the consolidated financial statements.

External Auditors

The Board appoints external auditors to audit the consolidated financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these consolidated financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense and cash flows for the year in accordance with generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Consolidated Financial Statements of School District No. 22 (Vernon) for the year ended June 30, 2006.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	DATE SIGNED
Wm Turanski	Sept 19/06
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
R Peacock	Sept 19/06
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED
R Hoffman	Sept. 19/06

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AUDITORS' REPORT

To the Board of School Trustees of School District No. 22 (Vernon)

We have audited the consolidated statement of financial position of School District No. 22 (Vernon) as at June 30, 2006 and the consolidated statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These consolidated financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2006, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

Chartered Accountants

Vernon, Canada

July 28, 2006

SCHOOL DISTRICT NO. 22 (Vernon)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2006

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
ASSETS					
Current Assets					
Cash	9,360,135	1,572,454	97,881	11,030,470	7,860,387
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	128,844	511,139	521,801	1,161,784	28,325
Due from Province - Other	3,614,787			3,614,787	0
Due from LEA / Direct Funding				0	318,798
Other Receivables	278,437	10,836		289,273	332,740
Interfund Loans	496,322				
Inventories				0	0
Prepaid Expenses	47,742	3,927		51,669	39,825
	13,926,267	2,098,356	619,682	16,147,983	8,580,075
Investments				0	0
Equity Investments				0	0
Capital Assets - Net		162,714	71,408,088	71,570,802	73,132,938
TOTAL ASSETS	13,926,267	2,261,070	72,027,770	87,718,785	81,713,013
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	14,111			14,111	285,282
Due to Province - Other				0	0
Other	615,197	15,304		630,501	610,585
Bank Loans				0	0
Interfund Loans			496,322		
Other Current Liabilities	8,208,375			8,208,375	3,184,176
	8,837,683	15,304	496,322	8,852,987	4,080,043
Deferred Contributions					
Ministry of Education		1,021,034	98,323	1,119,357	745,373
Province - Other				0	0
Other	217,350	1,050,474		1,267,824	1,235,460
Accrued Employee Future Benefits	2,311,532			2,311,532	2,270,946
Deferred Capital Contributions			57,064,171	57,064,171	58,966,187
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities		160,000		160,000	160,000
TOTAL LIABILITIES	11,366,565	2,246,812	57,658,816	70,775,871	67,458,009
Fund Balances					
Invested in Capital Assets			14,343,917	14,343,917	14,004,037
Endowment				0	0
Internally Restricted	2,276,122	14,258	25,037	2,315,417	1,958,734
Unrestricted	283,580			283,580	4,532
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	(1,712,299)
TOTAL FUND BALANCES	2,559,702	14,258	14,368,954	16,942,914	14,255,004
TOTAL LIABILITIES AND FUND BALANCES	13,926,267	2,261,070	72,027,770	87,718,785	81,713,013

SCHOOL DISTRICT NO. 22 (Vernon)
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2006

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
REVENUE					
Provincial Grants - Ministry of Education	62,795,722	1,730,177		64,525,899	64,250,229
Provincial Grants - Other	3,925,756			3,925,756	60,526
Federal Grants	167,714	34,698		202,412	177,365
Other Revenue	2,830,583	2,683,574		5,514,157	4,621,284
Rentals and Leases	65,434			65,434	52,286
Investment Income	307,350	50,716	815	358,881	192,532
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,423,817	2,423,817	2,519,053
Gain (Loss) on Disposal of Capital Assets				0	0
	70,092,559	4,499,165	2,424,632	77,016,356	71,873,275
EXPENSE					
Salaries					
Teachers	30,020,119	135,552		30,155,671	29,443,416
Principals and Vice Principals	4,223,298			4,223,298	3,597,771
Educational Assistants	2,874,624			2,874,624	2,216,803
Support Staff	8,157,909	282,995		8,440,904	7,710,510
Other Professionals	1,047,457			1,047,457	890,258
Substitutes	2,216,285	8,649		2,224,934	1,807,018
	48,539,692	427,196	0	48,966,888	45,665,776
Employee Benefits	10,112,831	71,316		10,184,147	10,129,140
Services and Supplies	8,425,039	4,008,881		12,433,920	11,250,266
Amortization of Capital Assets			2,743,491	2,743,491	2,878,587
Write-off/down of Buildings and Sites				0	0
	67,077,562	4,507,393	2,743,491	74,328,446	69,923,769
NET REVENUE (EXPENSE)	3,014,997	(8,228)	(318,859)	2,687,910	1,949,506

SCHOOL DISTRICT NO. 22 (Vernon)
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2006

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
FUND BALANCES, BEGINNING OF YEAR	198,163	28,582	14,028,259	14,255,004	69,693,968
Changes in Accounting Policies/ Prior Period Adjustments					
Accrued Employee Future Benefits				0	(2,135,020)
Accrued Vacation Pay				0	(760,095)
Accumulated Amortization of Capital Assets				0	(54,375,570)
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions				0	(93,186)
School-Generated Funds				0	0
Related Entities				0	(4,880)
Bylaw Capital Error Correction					(19,719)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	198,163	28,582	14,028,259	14,255,004	12,305,498
Changes for the Year					
Net Revenue (Expense) for the Year	3,014,997	(8,228)	(318,859)	2,687,910	1,949,506
Interfund Transfers					
Capital Assets Purchased	(653,458)	(6,096)	659,554	0	0
Local Capital				0	0
Other				0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Net Changes for the Year	2,361,539	(14,324)	340,695	2,687,910	1,949,506
FUND BALANCES, END OF YEAR	2,559,702	14,258	14,368,954	16,942,914	14,255,004

SCHOOL DISTRICT NO. 22 (Vernon)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	3,014,997	(8,228)	(318,859)	2,687,910	1,949,506
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(3,352,005)	(512,175)	(521,801)	(4,385,981)	(322,012)
Interfund Loans	(520,987)		520,987	0	0
Inventories				0	0
Prepaid Expenses	(8,267)	(3,577)		(11,844)	38,177
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	(244,668)	(6,587)		(251,255)	462,437
Other Current Liabilities	5,024,199			5,024,199	827,752
Deferred Contributions	128,375	274,912		403,287	(414,430)
Accrued Employee Future Benefits	40,586			40,586	2,270,946
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			2,743,491	2,743,491	2,878,587
Amortization of Deferred Capital Contributions			(2,423,817)	(2,423,817)	(2,519,053)
Accounting Change - Accrued EFB				0	(2,135,020)
Accounting Change - Accrued Vacation Pay				0	(760,095)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(653,458)	(6,096)	659,554	0	0
	3,428,772	(261,751)	659,555	3,826,576	2,276,795
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			3,061	3,061	(14,502)
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
Long Term Debt					160,000
	0	0	3,061	3,061	145,498
INVESTING					
Capital Assets Purchased - Operating			(653,458)	(653,458)	(286,103)
Capital Assets Purchased - Special Purpose			(6,096)	(6,096)	(11,935)
Capital Assets Purchased - Local Capital				0	0
Capial Assets Purchased - Related Entity					(162,714)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(659,554)	(659,554)	(460,752)
Net Increase (Decrease) in Cash	3,428,772	(261,751)	3,062	3,170,083	1,961,541

SCHOOL DISTRICT NO. 22 (Vernon)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
NET INCREASE (DECREASE) IN CASH	3,428,772	(261,751)	3,062	3,170,083	1,961,541
Net Cash, Beginning of Year	5,931,363	1,834,205	94,819	7,860,387	5,185,124
Changes in Accounting Policies/ Prior Period Adjustments					
School Based fund opening Balance					718,602
Related Entity Opening Balance					(4,880)
Net Cash, Beginning of Year, as Restated	5,931,363	1,834,205	94,819	7,860,387	5,898,846
NET CASH, END OF YEAR	9,360,135	1,572,454	97,881	11,030,470	7,860,387
Cash	9,360,135	1,572,454	97,881	11,030,470	7,860,387
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	9,360,135	1,572,454	97,881	11,030,470	7,860,387

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of School Trustees of School District No.22 (Vernon)", and operates as "School District #22 (Vernon)". A board of school trustees (Board) elected for a three-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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose funds, and capital fund. Revenues and expenses are recorded on a gross and accrual basis.

Statement 2 (Statement of Revenue and Expense), Statement 3, (Statement of Changes In Fund Balances) and Statement 4, (Statement of Cash Flows) present the annual results of each fund, the change in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

Fund accounting procedures recognize external restrictions on the use of contributions by governments or other granting agencies, and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

i) Operating fund reports assets, liabilities, revenue and expense for general operations.
ii) Special Purpose fund reports assets, liabilities, revenue and expense for:
  (1) Contributions restricted in use by the *School Act* or Ministry of Education.
  (2) Contributions restricted in use by other external bodies.
  (3) Endowment funds.
  (4) Funds collected and used at the school level (School Generated Funds).
  (5) Controlled and/or related entities.
iii) Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.

b) **Capital Assets**

The following criteria apply:

i) Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
ii) Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
iii) Sites and buildings that no longer contribute to the ability of the district to provide services are written down to residual value.
iv) Buildings that are demolished or destroyed are written off.
v) Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

(1) Buildings	40 years
(2) Furniture and Equipment	10 years
(3) Vehicles	10 years
(4) Computer Software	5 years
(5) Computer Hardware	5 years

c) **Capital Leases**

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of property to the Board are considered capital leases. These are accounted for as an asset and an obligation.

d) **Revenue Recognition**

Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services and products are reported as revenue when services are provided or products are delivered.

Externally restricted contributions, grants and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

i) Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
ii) Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
   (1) If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
   (2) If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. Amortization commences in the year following acquisition.
   (3) Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
iii) Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.

iv) Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recognized as a deferred contribution and recognized as revenue in the year related expenses are incurred.

e) **Expenditures**

i) Categories of Salaries

(1) Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
(2) Superintendents, Assistant Superintendents, Secretary Treasurers, Trustees and any other employees excluded from union contract are categorized as Other Professionals.

ii) Allocation of costs

(1) 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 regular programs.
(2) 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.
(3) Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
(4) Supplies and services are allocated based on actual identification of program.

f) **Financial Instruments**

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and other current liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

g) **Use of Estimates**

Preparation of financial statements requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from these estimates.

h) **Controlled Entity**

554210 B.C. Ltd. is wholly owned by the School District. The investment in 554210 B. C. Ltd. is reported in the special purpose fund and accounted for using the consolidation method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

i) **Employee Future Benefits**

The School District provides certain post-employment benefits including vacation pay, death benefits and retirement allowances for certain employees pursuant to contracts and collective agreements.

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service, using a best estimate of expected salary escalation, termination, retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 12.3.

For the purposes of determining the financial position of the plans, and employee future benefit costs, a measurement date of March 31 has been adopted for all periods subsequent to July 1, 2004.

3) ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2006	2005
Due from Federal Government	$ 56,902	$ 70,947
Due from Other School Districts	792	0
Other Receivables	231,579	261,793
	$ 289,273	$ 332,740

4) CAPITAL ASSETS

	2006 Cost	2006 Accumulated Amortization	2006 Net Book Value	2005 Net Book Value
Sites	$ 8,819,960	$	$ 8,819,960	$ 8,819,960
Buildings	101,791,595	41,704,212	60,087,383	62,330,821
Furniture and Equipment	2,160,347	1,303,225	857,122	884,529
Vehicles	2,085,802	809,141	1,276,661	925,918
Computer Software	43,327	0	43,327	0
Computer Hardware	693,928	207,579	486,349	171,710
	$115,594,959	$ 44,024,157	$71,570,802	$73,132,938

5) EMPLOYEE FUTURE BENEFITS

The accrued benefit obligation for employee future benefits is not funded as funding is provided when benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

Reconciliation of Accrued Benefit Obligation

	2006	2005
Accrued Benefit Obligation – April 1 (2005 – July 1)	$ 2,248,024	$ 2,135,020
Service Cost	162,326	155,037
Interest Cost	127,625	126,595
Benefit Payments April 1 to March 31 (2005 – July 1 – March 31)	(240,343)	(145,706)
Actuarial Gain	96,913	(22,922)
Accrued Benefit Obligation – March 31	$ 2,394,545	$ 2,248,024

a) Reconciliation of Funded Status at End of Fiscal Year

	2006	2005
Accrued Benefit Obligation – March 31	$ 2,394,545	$ 2,248,024
Market Value of Plan Assets – March 31	0	0
Funded Status – (Deficit)	(2,394,545)	(2,248,024)
Employer Contributions After Measurement Date - April 1 to June 30	9,022	0
Unamortized Net Actuarial (Gain)/Loss	73,991	(22,922)
Accrued Benefit Liability - June 30	$ (2,311,532)	$(2,270,946)

b) Components of Net Benefit Expense

	2006	2005
Service Cost	$ 162,326	$ 155,037
Interest Cost	127,625	126,595
Amortization of Net Actuarial Gain	0	0
Net Benefit Expense	$ 289,951	$ 281,632

c) Assumptions

	2006	2005
Discount Rate – Beginning of Period	5.50%	5.75%
Discount Rate – End of Period	5.25%	5.50%
Salary Growth – Beginning of Period	3.25% + seniority	3.25% + seniority
Salary Growth – End of Period	3.25% + seniority	3.25% + seniority
EARSL	12.3	12.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6) UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

The Ministry of Education provided funding to be used to reduce the unfunded liability. Once the unfunded liability is eliminated, this funding can be used at the discretion of the Board.

Unfunded liability, as at July 1, 2005	$ 1,712,299
Reductions during the year	(1,712,299)
Unfunded Liability, as at June 30, 2006	$ 0

7) EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusteed pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 45,000 active members from school districts and approximately 23,000 retired members from school districts. The Municipal Plan has about 130,000 active members, of which approximately 20,000 are from school districts.

Every three years an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2002 indicated a $382 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2005 with results available in late 2006. The most recent valuation for the Municipal Pension Plan as at December 31, 2003, indicated an unfunded liability of $789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. School District #22 (Vernon) paid $4,339,745 for employer contributions to these plans in the year ended June 30, 2006 ($4,324,755 for the year ended June 30, 2005).

8) OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

i. 2006/2007 budget	$ 66,327
ii. Aboriginal Education	69,944
iii. School and Department Programs	2,139,851
Subtotal Internally Restricted	$2,276,122
Unrestricted Operating Surplus	283,580
Total Available for Future Operations	$2,559,702

9) CONTROLLED ENTITY

The School District wholly owns a subsidiary company, 554210 B.C. Ltd, holding the woodlot used in the district forestry program. The assets, liabilities and transactions have been consolidated in the financial statements of the School District.

10) 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 generally considered to be in the normal course of operations and are recorded at the exchange amount.

11) COMMITMENTS

The School District has committed to a one year operating lease agreement for an alternate school location. The lease agreement expires in 2007. Future minimum lease payments are as follows:

2006/2007	$24,521

12) BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 7, 2006.

13) ECONOMIC DEPENDENCE

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 financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organization. This contemplates continuation of the School District as a "going concern"

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2006

	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	62,795,722	62,425,795	61,515,545
Provincial Grants - Other	3,925,756	31,008	59,353
Federal Grants	167,714	151,734	147,665
Other Revenue	2,830,583	1,616,536	1,977,449
Rentals and Leases	65,434	36,000	52,286
Investment Income	307,350	180,000	155,435
	70,092,559	64,441,073	63,907,733
EXPENSE			
Salaries			
Teachers	30,020,119	27,884,504	29,255,121
Principals and Vice Principals	4,223,298	4,279,032	3,597,771
Educational Assistants	2,874,624	2,502,873	2,216,803
Support Staff	8,157,909	7,409,280	7,315,443
Other Professionals	1,047,457	851,459	820,321
Substitutes	2,216,285	1,895,915	1,796,126
	48,539,692	44,823,063	45,001,585
Employee Benefits	10,112,831	10,134,781	10,012,948
Services and Supplies	8,425,039	9,102,861	7,164,179
	67,077,562	64,060,705	62,178,712
NET REVENUE (EXPENSE), FOR THE YEAR	3,014,997	380,368	1,729,021
INTERFUND TRANSFERS			
Capital Assets Purchased	(653,458)	0	(286,103)
Local Capital	0	0	0
Other	0	0	534,034
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	(1,712,299)	(564,406)	(1,182,816)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		184,038	
SURPLUS (DEFICIT), FOR THE YEAR	649,240	0	794,136
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,910,462		1,116,326
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	1,910,462		1,116,326
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	2,559,702		1,910,462
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,276,122		
Unrestricted	283,580		
	2,559,702		

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2006

Schedule A2

	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	63,312,384	63,206,093	61,074,958
Other Ministry of Education Grants			
GAAP Implementation Funding	564,406	564,406	805,144
Reduction for Local Education Agreements	(1,328,164)	(1,328,164)	(1,328,164)
Pay Equity Grant	85,865	85,865	85,865
Community Links	563,000	563,000	563,000
Strike Savings Recovery	(1,884,480)	(1,884,480)	
Special Purpose Funding - Job Action	1,242,075	1,219,075	154,203
TOC April to June Costs	84,619		79,224
Miscellaneous Grants	156,017		81,315
	62,795,722	62,425,795	61,515,545
PROVINCIAL GRANTS - OTHER	3,925,756	31,008	59,353
FEDERAL GRANTS	167,714	151,734	147,665
OTHER REVENUE			
Other School District/Education Authorities	0	0	0
Summer School Fees	11,925	0	12,985
Continuing Education	0	0	0
Offshore Tuition Fees	415,225	300,000	119,670
LEA/Direct Funding from First Nations	1,279,591	1,261,756	1,328,164
Miscellaneous			
Cafeteria Revenue	215,084		238,474
Donations	171,750		125,867
Fees	30,163		17,835
Interior Health	56,554	54,780	56,231
Miscellaneous	179,502		78,223
Writedown of Contingent Liability	470,789		
	2,830,583	1,616,536	1,977,449
RENTALS AND LEASES	65,434	36,000	52,286
INVESTMENT INCOME	307,350	180,000	155,435
TOTAL OPERATING REVENUE	70,092,559	64,441,073	63,907,733

Schedule A3

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2006

	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
SALARIES			
Teachers	30,020,119	27,884,504	29,255,121
Principals and Vice Principals	4,223,298	4,279,032	3,597,771
Educational Assistants	2,874,624	2,502,873	2,216,803
Support Staff	8,157,909	7,409,280	7,315,443
Other Professionals	1,047,457	851,459	820,321
Substitutes	2,216,285	1,895,915	1,796,126
	48,539,692	44,823,063	45,001,585
EMPLOYEE BENEFITS	10,112,831	10,134,781	10,012,948
Total Salaries and Benefits	58,652,523	54,957,844	55,014,533
SERVICES AND SUPPLIES			
Services	1,769,667	1,432,285	1,466,181
Student Transportation	42,796	63,420	39,181
Professional Development and Travel	335,001	412,606	331,765
Rentals and Leases	111,106	152,357	136,183
Dues and Fees	201,262	179,142	155,003
Insurance	177,075	226,453	181,474
Interest	0	0	0
Supplies	4,340,497	4,983,769	3,489,112
Bad Debts	0	0	0
Utilities	1,447,635	1,652,829	1,365,280
Total Services and Supplies	8,425,039	9,102,861	7,164,179
TOTAL OPERATING EXPENSE	67,077,562	64,060,705	62,178,712

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2006

	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	24,723,067	687,911		473,038		1,519,834	27,403,850
1.03 Career Programs	269,947	36,182		14,275		8,707	329,111
1.07 Library Services	489,612	81,471		273,487		20,723	865,293
1.08 Counselling	941,686	103,473				34,579	1,079,738
1.10 Special Education	3,290,262	172,101	2,594,821	389,852		219,860	6,666,896
1.30 English as a Second Language	159,528					2,909	162,437
1.31 Aboriginal Education	61,242	87,176	238,599	287,485		17,208	691,710
1.41 School Administration		2,862,886		1,500,907		130,704	4,494,497
1.60 Summer School	7,679						7,679
1.61 Continuing Education							0
1.62 Off Shore Students	43,819	39,898		40,873			124,590
1.64 Other	31,184		41,204	39,049			111,437
1.65 Conseil Scolaire Francophone							0
Total Function 1	30,018,026	4,071,098	2,874,624	3,018,966	0	1,954,524	41,937,238
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	2,093	24,203		76,918	392,635	62,740	558,589
4.40 School District Governance					73,728		73,728
4.41 Business Administration		127,997		427,122	263,571	490	819,180
4.65 Conseil Scolaire Francophone							0
Total Function 4	2,093	152,200	0	504,040	729,934	63,230	1,451,497
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				38,801	238,771		277,572
5.50 Maintenance Operations				3,034,736		148,613	3,183,349
5.52 Maintenance of Grounds				191,207		399	191,606
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	3,264,744	238,771	149,012	3,652,527
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				39,034	78,752	126	117,912
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,331,125		49,393	1,380,518
7.73 Housing							0
Total Function 7	0	0	0	1,370,159	78,752	49,519	1,498,430
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	30,020,119	4,223,298	2,874,624	8,157,909	1,047,457	2,216,285	48,539,692

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2006

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	27,403,850	5,605,463	33,009,313	2,746,851	35,756,164	33,617,941	34,131,727
1.03 Career Programs	329,111	67,446	396,557	62,510	459,067	456,237	212,237
1.07 Library Services	865,293	198,578	1,063,871	98,885	1,162,756	1,328,465	1,235,031
1.08 Counselling	1,079,738	224,111	1,303,849	7,467	1,311,316	1,327,823	1,335,056
1.10 Special Education	6,666,896	1,357,430	8,024,326	732,397	8,756,723	8,462,558	7,650,282
1.30 English as a Second Language	162,437	33,258	195,695	1,684	197,379	197,596	217,224
1.31 Aboriginal Education	691,710	143,875	835,585	90,023	925,608	961,200	874,936
1.41 School Administration	4,494,497	1,085,603	5,580,100	160,144	5,740,244	5,593,850	5,056,100
1.60 Summer School	7,679	1,473	9,152	1,683	10,835	0	12,603
1.61 Continuing Education	0		0		0	0	0
1.62 Off Shore Students	124,590	19,090	143,680	201,062	344,742	267,394	188,137
1.64 Other	111,437	21,220	132,657	355,965	488,622	157,177	507,289
1.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 1	41,937,238	8,757,547	50,694,785	4,458,671	55,153,456	52,370,241	51,420,622
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	558,589	99,203	657,792	127,698	785,490	590,828	609,399
4.40 School District Governance	73,728	748	74,476	105,660	180,136	167,258	153,024
4.41 Business Administration	819,180	183,695	1,002,875	486,387	1,489,262	1,313,776	1,189,749
4.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 4	1,451,497	283,646	1,735,143	719,745	2,454,888	2,071,862	1,952,172
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	277,572	67,985	345,557	105,740	451,297	369,078	357,419
5.50 Maintenance Operations	3,183,349	623,383	3,806,732	983,579	4,790,311	4,910,395	4,392,647
5.52 Maintenance of Grounds	191,606	43,424	235,030	227,553	462,583	399,679	507,850
5.56 Utilities	0		0	1,447,635	1,447,635	1,652,829	1,365,280
5.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 5	3,652,527	734,792	4,387,319	2,764,507	7,151,826	7,331,981	6,623,196
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	117,912	26,278	144,190	8,502	152,692	150,920	144,162
7.65 Conseil Scolaire Francophone	0		0		0	0	0
7.70 Student Transportation	1,380,518	310,568	1,691,086	473,614	2,164,700	2,135,701	2,038,560
7.73 Housing	0		0		0	0	0
Total Function 7	1,498,430	336,846	1,835,276	482,116	2,317,392	2,286,621	2,182,722
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans				0	0	0	0
9.94 Interest on Temporary Borrowing				0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	48,539,692	10,112,831	58,652,523	8,425,039	67,077,562	64,060,705	62,178,712

Schedule A5

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CONSOLIDATED CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

BALANCE, BEGINNING OF YEAR	88,975
Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	88,975
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
deferred Tuition	217,350
	217,350
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Rentals and Leases	0
Investment Income	0
Deferred Tuition	88,975
	88,975
Net Changes for the Year	128,375
BALANCE, END OF YEAR	217,350

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CONSOLIDATED SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2006

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	650,111	409,075	737,410	0	1,796,596
Add: Contributions Received					
Provincial Grants - Ministry of Education	2,097,915		3,000		2,100,915
Provincial Grants - Other					0
Federal Grants		29,567			29,567
Other Revenue			1,983,707		1,983,707
Rentals and Leases					0
Investment Income	12,411	9,535	28,127		50,073
Donations		112,604	410,213		522,817
	2,110,326	151,706	2,425,047	0	4,687,079
Less: Allocated to Revenue	1,739,403	236,156	2,436,608		4,412,167
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	1,021,034	324,625	725,849	0	2,071,508
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	1,727,177		3,000		1,730,177
Provincial Grants - Other					0
Federal Grants		34,698			34,698
Other Revenue		191,923	2,405,481	86,170	2,683,574
Rentals and Leases					0
Investment Income	12,226	9,535	28,127	828	50,716
Gain (Loss) on Equity Investment					0
	1,739,403	236,156	2,436,608	86,998	4,499,165
EXPENSE					
Salaries					
Teachers	135,552				135,552
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	282,995				282,995
Other Professionals					0
Substitutes			8,649		8,649
	418,547	0	8,649	0	427,196
Employee Benefits	69,999		1,317		71,316
Services and Supplies	1,250,857	236,156	2,420,546	101,322	4,008,881
	1,739,403	236,156	2,430,512	101,322	4,507,393
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	6,096	(14,324)	(8,228)
INTERFUND TRANSFERS					
Capital Assets Purchased			(6,096)		(6,096)
Other					0
	0	0	(6,096)	0	(6,096)
NET REVENUE (EXPENSE)	0	0	0	(14,324)	(14,324)

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2006

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	302 Special Education Technology	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	569,849	33,639	20,362	26,261	650,111
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,767,214		15,352	315,349	2,097,915
Provincial Grants - Other					0
Federal Grants					0
Other Revenue					0
Rentals and Leases					0
Investment Income	10,042	1,119	740	510	12,411
	1,777,256	1,119	16,092	315,859	2,110,326
Less: Allocated to Revenue	1,381,601	934	14,748	342,120	1,739,403
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	965,504	33,824	21,706		1,021,034
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	1,371,559		14,008	341,610	1,727,177
Provincial Grants - Other					0
Federal Grants					0
Other Revenue					0
Rentals and Leases					0
Investment Income	10,042	934	740	510	12,226
	1,381,601	934	14,748	342,120	1,739,403
EXPENSE					
Salaries					
Teachers				135,552	135,552
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	267,140			15,855	282,995
Other Professionals					0
Substitutes					0
	267,140			151,407	418,547
Employee Benefits	40,459			29,540	69,999
Services and Supplies	1,074,002	934	14,748	161,173	1,250,857
	1,381,601	934	14,748	342,120	1,739,403
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS					0
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other					0
					0
NET REVENUE (EXPENSE)					0

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2006

	Scholarship	Student Concerts	Salmon Enhancement	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	377,780	6,131	25,164	409,075
Add: Contributions Received				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			29,567	29,567
Other Revenue				0
Rentals and Leases				0
Investment Income	8,330	388	817	9,535
Donations	103,824	8,030	750	112,604
	112,154	8,418	31,134	151,706
Less: Allocated to Revenue	191,578	9,063	35,515	236,156
Recovered				0
DEFERRED CONTRIBUTIONS, END OF YEAR	298,356	5,486	20,783	324,625
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			34,698	34,698
Other Revenue	183,248	8,675		191,923
Rentals and Leases				0
Investment Income	8,330	388	817	9,535
	191,578	9,063	35,515	236,156
EXPENSE				
Salaries				
Teachers				0
Principals and Vice Principals				0
Educational Assistants				0
Support Staff				0
Other Professionals				0
Substitutes				0
				0
Employee Benefits				0
Services and Supplies	191,578	9,063	35,515	236,156
	191,578	9,063	35,515	236,156
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS				0
INTERFUND TRANSFERS				
Capital Assets Purchased				0
Other				0
				0
NET REVENUE (EXPENSE)				0

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CONSOLIDATED CAPITAL ASSETS
YEAR ENDED JUNE 30, 2006

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	8,657,246	101,791,595	2,224,303	1,961,519	0	407,353	115,042,016
Changes in Accounting Policy/							
Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	8,657,246	101,791,595	2,224,303	1,961,519	0	407,353	115,042,016
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw				521,801			521,801
Deferred Contributions - Other							0
Operating Fund			188,927	25,094	43,327	396,110	653,458
Special Purpose Funds			6,096				6,096
Local Capital							0
Transferred from Work in Progress							0
	0	0	195,023	546,895	43,327	396,110	1,181,355
Decrease:							
Disposed of							0
Deemed Disposals							0
Written-off/down During Year			258,979	422,612		109,535	791,126
	0	0	258,979	422,612	0	109,535	791,126
COST, END OF YEAR	8,657,246	101,791,595	2,160,347	2,085,802	43,327	693,928	115,432,245
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	8,657,246	101,791,595	2,160,347	2,085,802	43,327	693,928	115,432,245
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		39,460,774	1,339,774	1,035,601	0	235,643	42,071,792
Changes in Accounting Policies/							
Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	39,460,774	1,339,774	1,035,601	0	235,643	42,071,792
Changes for the Year							
Increase: Amortization for the Year		2,243,438	222,430	196,152		81,471	2,743,491
Decrease:							
Disposed of							0
Deemed Disposals			258,979	422,612		109,535	791,126
Written-off During Year							0
	0	0	258,979	422,612	0	109,535	791,126
ACCUMULATED AMORTIZATION, END OF YEAR	0	41,704,212	1,303,225	809,141	0	207,579	44,024,157
CAPITAL ASSETS - NET	8,657,246	60,087,383	857,122	1,276,661	43,327	486,349	71,408,088

Schedule C2

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CONSOLIDATED CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2006

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0	0
Changes in Accounting Policy/ Prior Period Adjustments					
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	0	0	0	0	0
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw					0
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
	0	0	0	0	0
Decrease:					
Transferred to Capital Assets					0
	0	0	0	0	0
Net Changes for the Year	0	0	0	0	0
WORK IN PROGRESS, END OF YEAR	0	0	0	0	0

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CONSOLIDATED DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	58,966,187	0	0	58,966,187
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	58,966,187	0	0	58,966,187
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	521,801			521,801
Transferred from Work in Progress				0
	521,801	0	0	521,801
Decrease:				
Amortization of Deferred Capital Contributions	2,423,817			2,423,817
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	2,423,817	0	0	2,423,817
Net Changes for the Year	(1,902,016)	0	0	(1,902,016)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	57,064,171	0	0	57,064,171
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	0	0	0	0
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	0	0	0	0
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
Net Changes for the Year	0	0	0	0
WORK IN PROGRESS, END OF YEAR	0	0	0	0
DEFERRED CAPITAL CONTRIBUTIONS AND WORK IN PROGRESS, END OF YEAR	57,064,171	0	0	57,064,171

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CONSOLIDATED CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	95,262	0	0	0	95,262
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	95,262	0	0	0	95,262
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	521,801					521,801
Provincial Grants - Other						0
Other						0
Investment Income		3,061				3,061
MEd Restricted Portion of Proceeds on Disposal						0
	521,801	3,061	0	0	0	524,862
Decrease:						
Transferred to DCC - Capital Additions	521,801					521,801
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						0
	521,801	0	0	0	0	521,801
Net Changes for the Year	0	3,061	0	0	0	3,061
BALANCE, END OF YEAR	0	98,323	0	0	0	98,323

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CONSOLIDATED CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2006

Schedule C5

	INVESTMENT IN CAPITAL	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	14,004,037	24,222	14,028,259
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	14,004,037	24,222	14,028,259
Changes for the Year			
Investment Income		815	815
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	2,423,817		2,423,817
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	659,554		659,554
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(2,743,491)		(2,743,491)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	339,880	815	340,695
BALANCE, END OF YEAR	14,343,917	25,037	14,368,954