SCHOOL DISTRICT
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
22	Vernon	2009/2010

OFFICE LOCATION	TELEPHONE NUMBER
1401-15 Street	250-542-3331
CITY/PROVINCE	**POSTAL CODE**
Vernon , B. C.	V1T 8S8
WEBSITE ADDRESS	
www.sd22.bc.ca	

NAME OF SUPERINTENDENT	NAME OF SECRETARY-TREASURER
Bev Rundell	Randy Hoffman

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and supporting schedules of The Board of Education 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 Canadian 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, changes in fund balances, and cash flows for the year in accordance with Canadian 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, 2010.

	DATE SIGNED
SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION [redacted]	SEP 29/2010
SIGNATURE OF SUPERINTENDENT [redacted]	SEP 29/2010
SIGNATURE OF SECRETARY-TREASURER [redacted]	SEP 29/2010

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September 21, 2010 8:33

SCHOOL DISTRICT No. 22 (VERNON)
2009/2010 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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AUDITORS' REPORT

To the Board of Education 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, 2010 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, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Vernon, Canada

September 17, 2010

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
ASSETS					
Current Assets					
Cash and Cash Equivalents	$ 10,136,876	$ 1,553,980	$ 113,265	$ 11,804,121	$ 12,927,937
Accounts Receivable					
Due from Province - Ministry of Education	1,203		1,813,638	1,814,841	52,463
Due from LEA/Direct Funding	259,917			259,917	67,812
Other Receivables (Note 3)	681,672	16,923		698,595	605,326
Interfund Loans	2,117,385				
Prepaid Expenses	71,401			71,401	98,441
	13,268,454	1,570,903	1,926,903	14,648,875	13,751,979
Capital Assets - Net (Note 4)		162,714	74,082,007	74,244,721	68,215,500
TOTAL ASSETS	**$ 13,268,454**	**$ 1,733,617**	**$ 76,008,910**	**$ 88,893,596**	**$ 81,967,479**
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	954,935			954,935	891,719
Interfund Loans		160,000	1,957,385		
Other Current Liabilities	5,070,162	12,743		5,082,905	4,806,936
	6,025,097	172,743	1,957,385	6,037,840	5,698,655
Deferred Revenue	2,147,090			2,147,090	1,201,467
Deferred Contributions					
Ministry of Education (Note 5a)		404,085	(34,287)	369,798	1,185,923
Other (Note 5b)		1,154,075	962	1,155,037	1,162,409
Accrued Employee Future Benefits (Note 10)	2,441,925			2,441,925	2,333,182
Deferred Capital Contributions (Note 6)			57,811,635	57,811,635	52,642,884
TOTAL LIABILITIES	10,614,112	1,730,903	59,735,695	69,963,325	64,224,520
Fund Balances					
Invested in Capital Assets (Note 7)		2,714	16,270,371	16,273,085	15,412,616
Internally Restricted	2,654,342		2,844	2,657,186	2,330,343
TOTAL FUND BALANCES	2,654,342	2,714	16,273,215	18,930,271	17,742,959
TOTAL LIABILITIES AND FUND BALANCES	**$ 13,268,454**	**$ 1,733,617**	**$ 76,008,910**	**$ 88,893,596**	**$ 81,967,479**

Statement 2

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2010

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
REVENUE					
Provincial Grants - Ministry of Education	$ 69,202,610	$ 2,281,794		$ 71,484,404	$ 70,414,644
Provincial Grants - Other	544,193			544,193	104,300
Other Revenue	5,055,866	2,763,541	52,121	7,871,528	8,161,385
Rentals and Leases	102,266			102,266	75,761
Investment Income	60,043	7,744	16	67,803	250,595
Amortization of Deferred Capital Contributions			2,320,200	2,320,200	2,350,419
	74,964,978	5,053,079	2,372,337	82,390,394	81,357,104
EXPENSE					
Salaries					
Teachers	34,330,535	165,476		34,496,011	34,748,444
Principals and Vice Principals	4,253,507			4,253,507	4,259,965
Educational Assistants	3,764,317			3,764,317	3,770,542
Support Staff	7,546,919	284,652		7,831,571	7,882,386
Other Professionals	1,353,341			1,353,341	1,162,746
Substitutes	1,707,742			1,707,742	1,921,150
	52,956,361	450,128	-	53,406,489	53,745,233
Employee Benefits	11,861,727	77,940		11,939,667	11,917,727
Services and Supplies	9,653,603	3,172,563		12,826,166	13,978,315
Amortization of Capital Assets			3,030,760	3,030,760	2,998,550
	74,471,691	3,700,631	3,030,760	81,203,082	82,639,825
NET REVENUE (EXPENSE)	**$ 493,287**	**$ 1,352,448**	**$ (658,423)**	**$ 1,187,312**	**$ (1,282,721)**

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
FUND BALANCES, BEGINNING OF YEAR	$ 2,327,515	$ 2,714	$ 15,412,730	$ 17,742,959	$ 19,025,680
Changes for the Year					
Net Revenue (Expense) for the Year	493,287	1,352,448	(658,423)	1,187,312	(1,282,721)
Interfund Transfers					
Capital Assets Purchased (Note 8)	(166,460)	(1,352,448)	1,518,908	-	
Net Changes for the Year	326,827	-	860,485	1,187,312	(1,282,721)
FUND BALANCES, END OF YEAR	**$ 2,654,342**	**$ 2,714**	**$ 16,273,215**	**$ 18,930,271**	**$ 17,742,959**

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	$ 493,287	$ 1,352,448	$ (658,423)	$ 1,187,312	$ (1,282,721)
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(243,324)	9,210	(1,813,638)	(2,047,752)	1,387,633
Interfund Loans	(1,615,036)		1,615,036	-	-
Prepaid Expenses	27,040			27,040	(69,712)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	63,216			63,216	(474,922)
Other Current Liabilities	272,870	3,099		275,969	177,129
Deferred Revenue	945,623			945,623	(742,694)
Deferred Contributions		(1,022,715)		(1,022,715)	284,329
Accrued Employee Future Benefits	108,743			108,743	192,004
Other Long Term Liabilities				-	(160,000)
Items Not Involving Cash					
Amortization of Capital Assets			3,030,760	3,030,760	2,998,550
Amortization of Deferred Capital Contributions			(2,320,200)	(2,320,200)	(2,350,419)
Interfund Transfers	(166,460)	(1,352,448)	1,518,908	-	
	(114,041)	(1,010,406)	1,372,443	247,996	(40,823)
FINANCING					
Deferred Contributions Received - Capital			7,688,169	7,688,169	1,899,736
	-	-	7,688,169	7,688,169	1,899,736
INVESTING					
Capital Assets Purchased - Operating			(166,460)	(166,460)	(529,892)
Capital Assets Purchased - Special Purpose			(1,352,448)	(1,352,448)	(481,119)
Capital Assets Purchased - Deferred Contributions - Capital			(20,268)	(20,268)	(755,092)
WIP purchased from DDC			(7,468,682)	(7,468,682)	(1,412,376)
Capital Assets transferred from WIP to Regular (Fulton Proj)			(52,123)	(52,123)	
	-	-	(9,059,981)	(9,059,981)	(3,178,479)
NET INCREASE (DECREASE) IN CASH	**$ (114,041)**	**$ (1,010,406)**	**$ 631**	**$ (1,123,816)**	**$ (1,319,566)**

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
NET INCREASE (DECREASE) IN CASH	$ (114,041)	$ (1,010,406)	$ 631	$ (1,123,816)	$ (1,319,566)
Net Cash, Beginning of Year	10,250,917	2,564,386	112,634	12,927,937	14,247,503
NET CASH, END OF YEAR	**$ 10,136,876**	**$ 1,553,980**	**$ 113,265**	**$ 11,804,121**	**$ 12,927,937**
Cash	$ 10,136,876	$ 1,553,980	$ 113,265	$ 11,804,121	$ 12,927,937
NET CASH, END OF YEAR	**$ 10,136,876**	**$ 1,553,980**	**$ 113,265**	**$ 11,804,121**	**$ 12,927,937**

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 Education 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. 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The financial statements are presented on a consolidated basis to reflect the financial position and results of operations of School District No. 22 (Vernon) and 554210 B.C. Ltd., which is 100 percent controlled by the School District.

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 and contemplate the continuation of the School District as a going concern.

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. Inter-fund 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms of maturity of three months or less when purchased.

c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts (see note 3).

d) Capital Assets

Expenditures, which replace or provide new tangible assets, enhance the service potential or extend the life of existing tangible assets or lower operating costs associated with tangible assets, are capitalized.

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

e) Prepaid Expenses

Materials and supplies held in central stores for use within the School District are included as a prepaid expense and stated at acquisition cost. Textbooks and other teaching supplies are expensed when purchased.

f) 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

f) Revenue Recognition (continued)

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.

   (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.

g) Financial Instruments

The School District designated its financial instruments as follows: cash and cash equivalents and short term investments were designated as held-for-trading, accounts receivable were designated as loans and receivables, and accounts payable and accrued liabilities and other current liabilities were designated as other financial 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

h) Future Accounting Pronouncements

i) Financial instruments

During the Board's 2008/2009 fiscal year, the CICA announced that not-for-profit-organizations could elect to continue to apply Handbook Section 3861, Financial Instruments – Disclosure and Presentation, in place of Handbook Sections 3862, Financial Instruments – Disclosure and 3863, Financial Instruments – Presentation. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Board has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

ii) Future of Not-for-Profit Accounting in Canada

In September 2010, the Province of British Columbia announced that all school boards in the province would adopt Public Sector Accounting Board (PSAB) accounting standards, to be effective for the reporting years ending after January 1, 2012. The School District is in the process of reviewing the impact this change will have on its current reporting framework and financial statements.

i) Expenses

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 expenses 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

j) Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known or are revised.

k) 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 with inter-entity balances eliminated upon consolidation.

l) 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 9.5 years.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. 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

	2010	2009
Due from Federal Government	$ -	$ 26,133
Other Receivables	681,672	579,193
	$ 681,572	$ 605,326

4) CAPITAL ASSETS

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	$ 8,657,246	$ -	$ 8,657,246	$ 8,657,246
Buildings	103,871,991	50,563,003	53,308,988	54,022,220
Furniture and Equipment	1,140,710	454,735	685,975	777,066
Vehicles	2,807,266	1,012,012	1,795,254	2,093,423
Computer Software	214,967	106,293	108,674	126,787
Computer Hardware	1,582,910	883,907	699,003	963,668
Sub -Total	$ 118,275,090	$ 53,019,950	$ 65,255,140	$ 66,640,410
Work in Progress (Coldstream/VSS/Fulton)			$ 8,826,867	$ 1,412,376
Net Capital Assets – Special Purpose Funds			162,714	162,714
Total Net Capital Assets			$ 74,244,721	$ 68,215,500

5) DEFERRED CONTRIBUTIONS

(a) **Deferred Contributions – Ministry of Education:**

	2010			2009
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	$ 1,418,908	$ (232,985)	$ 1,185,923	$ 1,044,772
Increases:				
Provincial Grants-MOE	1,266,761	7,666,748	8,933,509	3,472,694
Investment income	1,522	632	2,154	22,155
Other – misc. grants	-	20,269	20,269	2,277
	1,268,283	7,687,649	8,955,932	3,497,126
Decreases:				
Transfers to Revenue	2,283,106	-	2,283,106	1,188,507
Transfers to DCC:				
Capital additions	-	20,269	20,269	755,095
Work in progress	-	7,468,682	7,468,682	1,412,376
	2,283,106	7,488,951	9,772,057	3,355,975
Net changes for the year	(1,014,823)	198,698	(816,125)	141,151
Balance, end of year	$ 404,085	$ (34,287)	$ 369,796	$ 1,185,923

(b) **Deferred Contributions - Other**

	2010			2009
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	$ 1,161,967	$ 442	$ 1,162,409	$ 1,286,963
Increases:				
Provincial grants – MOE	-	-	-	1,450
Other special grants	2,755,125	-	2,755,125	2,640,319
Investment income	6,956	520	6,956	24,814
Miscellaneous	-	-	-	7,318
Donations	-	-	-	0
	2,762,081	520	2,762,601	2,673,901
Decreases:				
Transfers to Revenue	2,769,973	-	2,769,973	2,771,572
Recovered	-	-	-	26,883
	2,769,973	-	2,769,973	2,798,455
Net changes for the year	(7,892)	-	(7,892)	(124,554)
Balance, end of year	$ 1,154,075	$ 962	$ 1,155,037	$ 1,162,409

6) DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized and unspent amount of grants and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations on the same basis as the related assets are amortized.

	2010	2009
Balance, beginning of year	$ 52,642,884	$ 52,825,835
Changes to Work in Progress	7,468,682	1,412,376
Capital funding receipts:		
Other	20,269	
Ministry of Education	-	755,092
	60,131,835	54,993,303
Amortization for the year	(2,320,200)	(2,350,419)
	$ 57,811,635	$ 52,642,884

The entire balance consists of unamortized capital contributions used to purchase capital assets.

7) INVESTMENT IN CAPITAL ASSETS

	2010	2009
a) Investment in capital assets is calculated as follows:		
Capital assets	$ 74,244,721	$ 68,215,500
Investment Income	16	0
Recognition of past investment income	113	0
Deferred capital contributions	(57,811,635)	(52,642,884)
	$ 16,433,215	$ 15,572,616
Interfund loan	(160,000)	(160,000)
Other long-term liabilities	-	-
	$ 16,273,215	$ 15,412,616
b) Deficiency of revenue over expenses:		
Investment income	$ 16	$ 51
Revenue received	52,121	-
Amortization of deferred capital contributions	2,320,200	2,350,419
Amortization of capital assets	(3,030,760)	(2,998,550)
	$ (658,423)	$ (648,080)

7) INVESTMENT IN CAPITAL ASSETS (continued)

c) Net change in investment in capital assets:

	2010	2009
Purchase of capital assets	$ 1,645,489	$ 1,766,103
Deferred capital contributions	(20,269)	(755,092)
Recognition of past interest earned	114	(0)
Transfers to Capital Assets	(106,312)	0
Deficiency of revenue over expenses	(658,423)	(648,080)
	$ 860,599	$ 362,931

8) INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, the transfers were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2010	2009	2010	2009	2010	2009
Capital assets purchased	$(166,460)	$ (529,892)	$(1,352,448)	$ (481,119)	$1,518,908	$1,011,011

9) ASSET RETIREMENT OBLIGATION

In accordance with GAAP, the School District recognizes asset retirement obligations where a reasonable estimate of the fair value of the obligation and the future settlement date of the retirement of the asset can be determined. The School District has identified potential asset retirement obligations relating to facilities that the School District may incur upon major upgrades or demolition in the future. This potential obligation exists for removal and disposal of environmentally hazardous building materials in some of the School District facilities. At this time, the School District has not recognized these asset retirement obligations as there is an indeterminate settlement date of any potential future demolition or renovation of the facilities and therefore the fair value cannot be reasonably estimated as at June 30, 2010.

10) 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.

a) Reconciliation of Accrued Benefit Obligation

	2010	2009
Accrued Benefit Obligation – April 1	$ 2,344,987	$ 2,529,890
Service Cost	166,702	183,098
Interest Cost	167,354	141,345
Benefit Payments April 1 to March 31	(212,459	(145,202)
Actuarial Gain (Loss)	(19,084)	(364,144)
Accrued Benefit Obligation – March 31	$ 2,447,500	$ 2,344,987

b) Reconciliation of Funded Status at End of Fiscal Year

	2010	2009
Accrued Benefit Obligation – March 31	$ 2,447,500	$ 2,344,987
Market Value of Plan Assets – March 31	-	-
Funded Status – (Deficit)	(2,447,500)	(2,344,987)
Employer Contributions after Measurement Date- April 1 to June 30	45,510	32,656
Unamortized Net Actuarial (Gain)/Loss	(39,935)	(20,851)
Accrued Benefit Liability - June 30	$(2,441,925)	$(2,333,182)

c) Components of Net Benefit Expense

	2010	2009
Service Cost	$ 166,702	$ 183,098
Interest Cost	167,354	141,345
Amortization of Net Actuarial Gain	-	10,624
Net Benefit Expense	$ 334,056	$ 335,067

d) Assumptions

	2010	2009
Discount Rate – Beginning of Period	7.00%	5.50%
Discount Rate – End of Period	5.00%	7.00%
Salary Growth – Beginning of Period	3.25% + seniority	3.25% + seniority
Salary Growth – End of Period	2.50% + seniority	3.25% + seniority
EARSL	9.5 years	9.5 years

11) 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 48,000 active members from school districts, and approximately 24,000 retired members from school districts. The Municipal Plan has about 145,000 active members, of which approximately 21,000 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, 2005 indicated a $904 million unfunded liability for basic pension benefits. The next valuation was at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of $438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available sometime in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The School District paid $6,003,447 for employer contributions to these plans in the year ended June 30, 2010 (2009 - $5,879,715).

12) OPERATING FUND BALANCE, END OF YEAR

Internally Restricted by Board for:

	2010	2009
i. Aboriginal Education Program	$ 557,925	$ 499,070
ii. School and Department Programs		
- School based appropriations representing 21 schools	409,576	339,285
- Various curricular initiative appropriations	103,522	67,574
- Various Student Support Services appropriations	143,035	90,442
- Support staff training/ Pro-D fund	71,153	55,547
- Federal French Funding Surplus	117,069	54,818
- Pro-D/Leadership/Teacher Development	117,996	58,178
iii. Other District Initiatives		
- Reserve for District Office renovations	350,000	350,000
- Reserve for Maintenance and Transportation Building renovations and equipment replacement	354,977	456,914
iv. Other		
- Contingency Reserve	429,089	355,687
Total Available for Future Operations	$ 2,654,342	$ 2,327,515

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13) RELATED PARTY TRANSACTIONS

The School District is related through common control 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.

14) COMMITMENTS

a) Operating Leases:

The School District has committed to a 5 year operating lease agreement for copiers at various locations. The lease agreement expires in July 13, 2011. Future minimum lease payments are as follows:

2009/2010	$112,000
2010/2011	$112,000

b) Capital Commitments:

The District has one capital construction project in progress, being Coldstream Elementary School, with a total budgeted cost of $8,939,000. The total costs incurred to date relating to this project are $6,627,573.

15) 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 organizations. This contemplates continuation of the School District as a "going concern".

16) CAPITAL DISCLOSURES

The School District considers its capital to be its fund balances, operating, special purpose and capital. The internally restricted fund balances consist of amounts for future commitments (see note 14) and amounts invested in capital assets. The board's objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide services to its students. Under the School Act the School District is not permitted to incur deficits without the approval of the Minister of Education. Annual budgets are developed and monitored to ensure the School District's capital is maintained at an appropriate level.

The School District is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding is received for designated purposes, must be used for the purposes outlined in the funding letter. The School District has complied with the external restrictions on the funding provided.

KPMG

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AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited and reported separately herein on the financial statements of School District No. 22 (Vernon) as at and for the year ended June 30, 2010 in accordance with Canadian generally accepted auditing standards.

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, with the exception of the budget figures which are unaudited, 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

September 17, 2010

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2010

Schedule A1

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	$ 69,202,610	$ 68,748,084	$ 69,247,320
Provincial Grants - Other	544,193	743,881	103,150
Other Revenue	5,055,866	5,187,238	5,416,076
Rentals and Leases	102,266	65,000	57,819
Investment Income	60,043	65,000	222,189
	74,964,978	74,809,203	75,046,554
EXPENSE			
Salaries			
Teachers	34,330,535	33,783,833	34,650,251
Principals and Vice Principals	4,253,507	4,336,764	4,259,965
Educational Assistants	3,764,317	3,695,965	3,463,054
Support Staff	7,546,919	7,499,510	7,864,538
Other Professionals	1,353,341	1,567,191	1,162,746
Substitutes	1,707,742	1,625,869	1,921,150
	52,956,361	52,509,132	53,321,704
Employee Benefits	11,861,727	11,376,644	11,851,819
Services and Supplies	9,653,603	13,250,942	10,988,791
	74,471,691	77,136,718	76,162,314
NET REVENUE (EXPENSE), FOR THE YEAR	493,287	(2,327,515)	(1,115,760)
INTERFUND TRANSFERS			
Capital Assets Purchased	(166,460)		(529,892)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		2,327,515	
SURPLUS (DEFICIT), FOR THE YEAR	326,827	$ -	(1,645,652)
SURPLUS (DEFICIT), BEGINNING OF YEAR	2,327,515		3,973,167
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	**$ 2,654,342**		**$ 2,327,515**
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,654,342		
	$ 2,654,342		

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2010

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	$ 69,633,619	$ 69,576,045	$ 69,337,014
INAC/LEA Recovery	(1,176,477)	(1,296,338)	(1,296,338)
Other Ministry of Education Grants			
Pay Equity Grant	85,865	85,865	85,865
Community Links	202,377	1,303	604,556
Strong Starts ($30,00 intital + $500 adj)	159,750	159,750	30,500
Ready Set learn	34,300	34,300	35,000
Federal French	124,720	163,335	163,335
FSA	13,769	13,769	11,400
Innovations Grant (65,755 initial + $5,000)			70,755
Labour Mkt Adj ($100,190+ $56,606)			156,796
Education Guarantee	67,872	10,055	11,809
Carbon Tax Reimb	56,815		20,911
Misc			15,717
	69,202,610	68,748,084	69,247,320
PROVINCIAL GRANTS - OTHER	544,193	743,881	103,150
FEDERAL GRANTS			
OTHER REVENUE			
Summer School Fees	125	-	8,662
Offshore Tuition Fees	3,349,120	3,300,500	3,597,986
LEA/Direct Funding from First Nations	1,176,477	1,296,338	1,296,338
Miscellaneous			
Interior Health	62,800	60,595	79,544
Cafeteria Revenue	134,986	217,000	169,365
Donations	-		200
Fees	16,545		24,290
Misc	247,997	203,505	179,503
IITA Funding for Trades	52,816	79,300	60,188
ITA Educ Society Grant	15,000	30,000	
	5,055,866	5,187,238	5,416,076
RENTALS AND LEASES	102,266	65,000	57,819
INVESTMENT INCOME	60,043	65,000	222,189
TOTAL OPERATING REVENUE	**$ 74,964,978**	**$ 74,809,203**	**$ 75,046,554**

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2010

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
SALARIES			
Teachers	$ 34,330,535	$ 33,783,833	$ 34,650,251
Principals and Vice Principals	4,253,507	4,336,764	4,259,965
Educational Assistants	3,764,317	3,695,965	3,463,054
Support Staff	7,546,919	7,499,510	7,864,538
Other Professionals	1,353,341	1,567,191	1,162,746
Substitutes	1,707,742	1,625,869	1,921,150
	52,956,361	52,509,132	53,321,704
EMPLOYEE BENEFITS	11,861,727	11,376,644	11,851,819
TOTAL SALARIES AND BENEFITS	64,818,088	63,885,776	65,173,523
SERVICES AND SUPPLIES			
Services	3,694,008	3,285,820	3,776,550
Student Transportation	216,740	156,606	306,481
Professional Development and Travel	357,561	617,344	433,969
Rentals and Leases	128,789	129,221	123,440
Dues and Fees	411,748	437,208	443,741
Insurance	236,457	304,083	313,703
Supplies	3,104,943	6,662,112	4,042,953
Utilities	1,503,357	1,658,548	1,547,954
TOTAL SERVICES AND SUPPLIES	9,653,603	13,250,942	10,988,791
TOTAL OPERATING EXPENSE	**$ 74,471,691**	**$ 77,136,718**	**$ 76,162,314**

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	$ 27,455,895	$ 603,582	$ 71,658	$ 437,380		$ 1,241,549	$ 29,810,064
1.03 Career Programs	187,183	26,042		13,749			226,974
1.07 Library Services	588,417	163,899		281,778		3,605	1,037,699
1.08 Counselling	1,147,910	78,489					1,226,399
1.10 Special Education	4,037,043	388,796	3,406,662	85,362		167,388	8,085,251
1.30 English as a Second Language	116,657						116,657
1.31 Aboriginal Education	172,542	99,102	279,615	41,281		1,571	594,111
1.41 School Administration		2,648,129		1,658,457		64,184	4,370,770
1.60 Summer School	54,699						54,699
1.62 Off Shore Students	533,295	103,083		126,193	67,516		830,087
1.64 Other	16,117		6,382	13,295		116	35,910
Total Function 1	34,309,758	4,111,122	3,764,317	2,657,495	67,516	1,478,413	46,388,621
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	15,620	142,385		76,336	227,766	29,935	492,042
4.40 School District Governance					77,820		77,820
4.41 Business Administration	5,157			440,735	657,905	1,784	1,105,581
Total Function 4	20,777	142,385	-	517,071	963,491	31,719	1,675,443
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				45,646	232,214	1,128	278,988
5.50 Maintenance Operations				3,043,194		147,752	3,190,946
5.52 Maintenance of Grounds				126,310			126,310
Total Function 5	-	-	-	3,215,150	232,214	148,880	3,596,244
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				38,458	90,120		128,578
7.65 Conseil Scolaire Francophone				1,118,745		48,730	1,167,475
Total Function 7	-	-	-	1,157,203	90,120	48,730	1,296,053
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	$ 34,330,535	$ 4,253,507	$ 3,764,317	$ 7,546,919	$ 1,353,341	$ 1,707,742	$ 52,956,361

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	$ 29,810,064	$ 6,522,169	$ 36,332,233	$ 1,762,818	$ 38,095,051	$ 38,385,442	$ 39,434,893
1.03 Career Programs	226,974	48,296	275,270	101,116	376,386	400,487	449,466
1.07 Library Services	1,037,699	261,438	1,299,137	47,487	1,346,624	1,368,496	1,378,978
1.08 Counselling	1,226,399	254,886	1,481,285	7,146	1,488,431	1,503,664	1,516,268
1.10 Special Education	8,085,251	1,863,013	9,948,264	815,734	10,763,998	10,779,580	10,215,397
1.30 English as a Second Language	116,657	21,044	137,701	720	138,421	181,327	170,580
1.31 Aboriginal Education	594,111	146,385	740,496	222,267	962,763	1,524,000	860,899
1.41 School Administration	4,370,770	1,026,397	5,397,167	171,633	5,568,800	5,517,816	5,535,050
1.60 Summer School	54,699	10,396	65,095	510	65,605	54,798	43,032
1.62 Off Shore Students	830,087	204,208	1,034,295	2,079,734	3,114,029	3,186,858	3,842,678
1.64 Other	35,910	6,856	42,766	251,097	293,863	397,108	363,845
Total Function 1	46,388,621	10,365,088	56,753,709	5,460,262	62,213,971	63,299,576	63,811,086
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	492,042	111,382	603,424	117,713	721,137	763,551	664,985
4.40 School District Governance	77,820	863	78,683	89,273	167,956	168,460	181,161
4.41 Business Administration	1,105,581	205,859	1,311,440	709,674	2,021,114	2,047,914	1,961,065
Total Function 4	1,675,443	318,104	1,993,547	916,660	2,910,207	2,979,925	2,807,211
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	278,988	53,767	332,755	109,206	441,961	483,069	492,662
5.50 Maintenance Operations	3,190,946	749,730	3,940,676	1,103,257	5,043,933	5,861,826	4,830,850
5.52 Maintenance of Grounds	126,310	32,106	158,416	123,431	281,847	410,595	300,802
5.56 Utilities	-		-	1,503,358	1,503,358	1,658,548	1,547,953
Total Function 5	3,596,244	835,603	4,431,847	2,839,252	7,271,099	8,414,038	7,172,267
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	128,578	26,695	155,273	5,088	160,361	176,973	169,099
7.65 Conseil Scolaire Francophone	1,167,475	316,237	1,483,712	432,341	1,916,053		
7.70 Student Transportation	-		-		-	2,266,206	2,202,651
Total Function 7	1,296,053	342,932	1,638,985	437,429	2,076,414	2,443,179	2,371,750
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	**$ 52,956,361**	**$ 11,861,727**	**$ 64,818,088**	**$ 9,653,603**	**$ 74,471,691**	**$ 77,136,718**	**$ 76,162,314**

Schedule A5

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

BALANCE, BEGINNING OF YEAR	
Changes for the Year	
Increase:	
	-
Decrease:	
	-
Net Changes for the Year	-
BALANCE, END OF YEAR	$ -

Schedule B1

SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2010

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	$ 1,418,908	$ 259,276	$ 818,025	$ 84,666	$ 2,580,875
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,266,761				1,266,761
Other		99,837	2,521,369	133,919	2,755,125
Investment Income	1,522	1,270	5,196	490	8,478
	1,268,283	101,107	2,526,565	134,409	4,030,364
Less: Allocated to Revenue	2,283,106	105,820	2,555,133	109,020	5,053,079
DEFERRED CONTRIBUTIONS, END OF YEAR	$ 404,085	$ 254,563	$ 789,457	$ 110,055	$ 1,558,160
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	$ 2,281,794				$ 2,281,794
Other Revenue		104,584	2,549,937	109,020	2,763,541
Investment Income	1,312	1,236	5,196		7,744
	2,283,106	105,820	2,555,133	109,020	5,053,079
EXPENSE					
Salaries					
Teachers	78,847		86,629		165,476
Support Staff	284,652				284,652
	363,499	-	86,629	-	450,128
Employee Benefits	61,422		16,518		77,940
Services and Supplies	505,737	105,820	2,451,986	109,020	3,172,563
	930,658	105,820	2,555,133	109,020	3,700,631
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,352,448	-	-	-	1,352,448
INTERFUND TRANSFERS					
Capital Assets Purchased	(1,352,448)				(1,352,448)
	(1,352,448)	-	-	-	(1,352,448)
NET REVENUE (EXPENSE)	$ -	$ -	$ -	$ -	$ -

SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	302 Special Education Technology	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	$ 1,347,433	$ 37,425	$ 17,832	$ 16,218	$ 1,418,908
Add: Contributions Received					
Provincial Grants - Ministry of Education	853,544		18,870	394,347	1,266,761
Investment Income	989	210	113	210	1,522
	854,533	210	18,983	394,557	1,268,283
Less: Allocated to Revenue	1,860,661	-	23,295	399,150	2,283,106
DEFERRED CONTRIBUTIONS, END OF YEAR	**$ 341,305**	**$ 37,635**	**$ 13,520**	**$ 11,625**	**$ 404,085**
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	$ 1,859,672		$ 23,182	$ 398,940	$ 2,281,794
Investment Income	989		113	210	1,312
	1,860,661	-	23,295	399,150	2,283,106
EXPENSE					
Salaries					
Teachers				78,847	78,847
Support Staff	268,289			16,363	284,652
	268,289	-	-	95,210	363,499
Employee Benefits	40,622			20,800	61,422
Services and Supplies	199,302		23,295	283,140	505,737
	508,213	-	23,295	399,150	930,658
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,352,448	-	-	-	1,352,448
INTERFUND TRANSFERS					
Capital Assets Purchased	(1,352,448)				(1,352,448)
	(1,352,448)	-	-	-	(1,352,448)
NET REVENUE (EXPENSE)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

	Scholarship	Student Concerts	Salmon Enhancement	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	$ 252,071	$ 1,188	$ 6,017	$ 259,276
Add: Contributions Received				
Other	94,237	5,600		99,837
Investment Income	1,210	26	34	1,270
	95,447	5,626	34	101,107
Less: Allocated to Revenue	100,220	5,600	-	105,820
DEFERRED CONTRIBUTIONS, END OF YEAR	**$ 247,298**	**$ 1,214**	**$ 6,051**	**$ 254,563**
REVENUE AND EXPENSE				
REVENUE				
Other Revenue	99,010	5,574		104,584
Investment Income	1,210	26		1,236
	100,220	5,600	-	105,820
EXPENSE				
Salaries				
	-	-	-	-
Services and Supplies	100,220	5,600		105,820
	100,220	5,600	-	105,820
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-
INTERFUND TRANSFERS				
	-	-	-	-
NET REVENUE (EXPENSE)	$ -	$ -	$ -	$ -

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	$ 8,657,246	$ 102,371,969	$ 1,541,276	$ 2,981,687	$ 192,349	$ 1,577,542	$ 117,322,069
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Other			20,269				20,269
Operating Fund		41,262	46,085		22,618	56,495	166,460
Special Purpose Funds		1,352,448					1,352,448
Transferred from Work in Progress		106,312					106,312
	-	1,500,022	66,354	-	22,618	56,495	1,645,489
Decrease:							
Deemed Disposals			466,920	174,421		51,127	692,468
	-	-	466,920	174,421	-	51,127	692,468
COST, END OF YEAR	8,657,246	103,871,991	1,140,710	2,807,266	214,967	1,582,910	118,275,090
WORK IN PROGRESS, END OF YEAR		8,826,867					8,826,867
COST AND WORK IN PROGRESS, END OF YEAR	$ 8,657,246	$ 112,698,858	$ 1,140,710	$ 2,807,266	$ 214,967	$ 1,582,910	$ 127,101,957
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		$ 48,349,748	$ 764,209	$ 888,264	$ 65,561	$ 613,876	$ 50,681,658
Changes for the Year							
Increase: Amortization for the Year		2,213,255	157,446	298,169	40,732	321,158	3,030,760
Decrease:							
Deemed Disposals			466,920	174,421		51,127	692,468
	-	-	466,920	174,421	-	51,127	692,468
ACCUMULATED AMORTIZATION, END OF YEAR	$ -	$ 50,563,003	$ 454,735	$ 1,012,012	$ 106,293	$ 883,907	$ 53,019,950
CAPITAL ASSETS - NET	**$ 8,657,246**	**$ 62,135,855**	**$ 685,975**	**$ 1,795,254**	**$ 108,674**	**$ 699,003**	**$ 74,082,007**

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2010

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	$ 1,412,376				$ 1,412,376
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	7,468,682				7,468,682
Local Capital	52,121				52,121
	7,520,803	-	-	-	7,520,803
Decrease					
Transferred to Capital Assets	106,312				106,312
	106,312	-	-	-	106,312
Net Changes for the Year	7,414,491	-	-	-	7,414,491
WORK IN PROGRESS, END OF YEAR	**$ 8,826,867**	**$ -**	**$ -**	**$ -**	**$ 8,826,867**

Schedule C3

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	$ 51,230,508			$ 51,230,508
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions			20,269	20,269
Transferred from Work in Progress	54,191			54,191
	54,191	-	20,269	74,460
Decrease				
Amortization of Deferred Capital Contributions	2,319,187		1,013	2,320,200
	2,319,187	-	1,013	2,320,200
Net Changes for the Year	(2,264,996)	-	19,256	(2,245,740)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	$ 48,965,512	$ -	$ 19,256	$ 48,984,768
WORK IN PROGRESS, BEGINNING OF YEAR	$ 1,412,376			$ 1,412,376
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	7,468,682			7,468,682
	7,468,682	-	-	7,468,682
Decrease				
Transferred to Deferred Capital Contributions	54,191			54,191
	54,191	-	-	54,191
Net Changes for the Year	7,414,491	-	-	7,414,491
WORK IN PROGRESS, END OF YEAR	$ 8,826,867	$ -	$ -	$ 8,826,867
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	**$ 57,792,379**	**$ -**	**$ 19,256**	**$ 57,811,635**

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	$ (345,619)	$ 112,634			$ 442	$ (232,543)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	7,666,748					7,666,748
Other					20,269	20,269
Investment Income		632			520	1,152
	7,666,748	632	-	-	20,789	7,688,169
Decrease:						
Transferred to DCC - Capital Additions					20,269	20,269
Transferred to DCC - Work in Progress	7,468,682					7,468,682
	7,468,682	-	-	-	20,269	7,488,951
Net Changes for the Year	198,066	632	-	-	520	199,218
BALANCE, END OF YEAR	**$ (147,553)**	**$ 113,266**	**$ -**	**$ -**	**$ 962**	**$ (33,325)**

Schedule C5

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	$ 15,409,902	$ 2,828	$ 15,412,730
Changes for the Year			
Investment Income		16	16
Amortization of Deferred Capital Contributions	2,320,200		2,320,200
Capital Assets Purchased from Local Capital	52,121	(52,121)	-
Interfund Transfers - Capital Assets Purchased	1,518,908		1,518,908
Amortization of Capital Assets	(3,030,760)		(3,030,760)
BCHydro Contribution to Fulton Lighting Project		52,121	52,121
Net Changes for the Year	860,469	16	860,485
BALANCE, END OF YEAR	**$ 16,270,371**	**$ 2,844**	**$ 16,273,215**