SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FISCAL YEAR 2004/2005

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
22	Vernon	2004/2005
OFFICE LOCATION		TELEPHONE NUMBER
1401-15th St		250-542-3331
MAILING ADDRESS		
CITY / PROVINCE		POSTAL CODE
Vernon, BC		V1T 8S8
NAME OF SUPERINTENDENT		TELEPHONE NUMBER
Robert Peacock		250-542-3331
NAME OF SECRETARY - TREASURER		TELEPHONE NUMBER
Randall F Hoffman		250-542-3331

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements for the School Year 2004/2005 for School District No. 22 (Vernon)

	DATE SIGNED
SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES Original Signed By	Oct 5, 2005
SIGNATURE OF SUPERINTENDENT Original Signed By	Oct 5/05
SIGNATURE OF SECRETARY - TREASURER Original Signed By	Oct 5/05

SCHOOL DISTRICT NO. 22 (Vernon)
2004/2005 AUDITED FINANCIAL STATEMENTS

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AUDITORS' REPORT

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

We have audited the statement of financial position of School District No. 22 (Vernon) as at June 30, 2005 and the 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 financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2005, 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 C4 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 21, 2005

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2005

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
ASSETS					
Current Assets					
Cash	5,931,363	1,834,205	94,819	7,860,387	5,185,124
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	28,325			28,325	11,641
Due from Province - Other				0	0
Due from Canada	70,947			70,947	60,387
Due from Other School Districts				0	1,046
Due from LEA / Direct Funding	318,798			318,798	0
Other Receivables	251,993	9,800		261,793	284,777
Allowance for Doubtful Accounts				0	0
Interfund Loans			24,665		
Inventories				0	0
Prepaid Expenses	39,475	350		39,825	78,002
	6,640,901	1,844,355	119,484	8,580,075	5,620,977
Investments				0	0
Equity Investments				0	0
Capital Assets - Net		162,714	72,970,224	73,132,938	129,909,765
TOTAL ASSETS	6,640,901	2,007,069	73,089,708	81,713,013	135,530,742
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education	285,282			285,282	0
Due to Province - Other				0	0
Other	588,694	21,891		610,585	411,539
Bank Loans				0	0
Interfund Loans	24,665				
Other Current Liabilities	3,184,176			3,184,176	2,378,315
	4,082,817	21,891	0	4,080,043	2,789,854
Deferred Contributions					
Ministry of Education		650,111	95,262	745,373	1,269,225
Province - Other				0	0
Other	88,975	1,146,485		1,235,460	328,752
Accrued Employee Future Benefits	2,270,946			2,270,946	0
Deferred Capital Contributions			58,966,187	58,966,187	61,448,943
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities		160,000		160,000	0
TOTAL LIABILITIES	6,442,738	1,978,487	59,061,449	67,458,009	65,836,774
Fund Balances					
Invested in Capital Assets			14,004,037	14,004,037	68,460,822
Endowment				0	0
Internally Restricted	1,905,930	28,582	24,222	1,958,734	1,158,351
Unrestricted	4,532			4,532	74,795
Unfunded Accrued Employee Future Benefits and Vacation Pay	(1,712,299)			(1,712,299)	0
TOTAL FUND BALANCES	198,163	28,582	14,028,259	14,255,004	69,693,968
TOTAL LIABILITIES AND FUND BALANCES	6,640,901	2,007,069	73,089,708	81,713,013	135,530,742

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2005

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
REVENUE					
Provincial Grants - Ministry of Education	61,515,545	2,734,684		64,250,229	61,119,849
Provincial Grants - Other	59,353	1,173		60,526	546,103
Federal Grants	147,665	29,700		177,365	192,392
Other Revenue	1,977,449	2,643,835		4,621,284	1,665,073
Rentals and Leases	52,286			52,286	62,270
Investment Income	155,435	36,509	588	192,532	157,827
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,519,053	2,519,053	0
Gain (Loss) on Disposal of Capital Assets				0	12,556
	63,907,733	5,445,901	2,519,641	71,873,275	63,756,070
EXPENSE					
Salaries					
Teachers	29,255,121	188,295		29,443,416	29,530,056
Principals and Vice Principals	3,597,771			3,597,771	3,608,865
Educational Assistants	2,216,803			2,216,803	2,135,136
Support Staff	7,315,443	395,067		7,710,510	7,828,369
Other Professionals	820,321	69,937		890,258	958,724
Substitutes	1,796,126	10,892		1,807,018	1,931,242
	45,001,585	664,191	0	45,665,776	45,992,392
Employee Benefits	10,012,948	116,192		10,129,140	10,421,690
Services and Supplies	7,164,179	4,086,087		11,250,266	8,274,438
Amortization of Capital Assets			2,878,587	2,878,587	0
Write-off/down of Buildings and Sites				0	0
	62,178,712	4,866,470	2,878,587	69,923,769	64,688,520
NET REVENUE (EXPENSE)	1,729,021	579,431	(358,946)	1,949,506	(932,450)

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2005

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
FUND BALANCES, BEGINNING OF YEAR	1,116,326	0	68,577,642	69,693,968	66,128,061
Changes in Accounting Policies / Prior Period Adjustments					
Accrued Employee Future Benefits (Note 3a)	(2,135,020)			(2,135,020)	0
Accrued Vacation Pay (Note 3b)	(760,095)			(760,095)	0
Accumulated Amortization of Capital Assets (Note 3e)			(54,375,570)	(54,375,570)	0
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions (Note 3f)			(93,186)	(93,186)	0
School Generated Funds				0	0
Related Entities (Note 3d)		(4,880)		(4,880)	0
Deferred Capital Contributions				0	1,863,205
Bylaw Capital Over (Under) Spent Beginning of Year				0	0
Bylaw Capital Error Correction			(19,719)	(19,719)	
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	(1,778,789)	(4,880)	14,089,167	12,305,498	67,991,266
Changes for the Year					
Net Revenue (Expense) for the Year	1,729,021	579,431	(358,946)	1,949,506	(932,450)
Interfund Transfers					
Capital Assets Purchased	(286,103)	(11,935)	298,038	0	0
Local Capital				0	0
Other	534,034	(534,034)		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Amort of Deferred Capital Contribution					2,635,152
Net Changes for the Year	1,976,952	33,462	(60,908)	1,949,506	1,702,702
FUND BALANCES, END OF YEAR	198,163	28,582	14,028,259	14,255,004	69,693,968

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	1,729,021	579,431	(358,946)	1,949,506	(932,450)
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(312,368)	(9,800)	156	(322,012)	80,361
Interfund Loans	(15,990)		15,990	0	0
Inventories				0	0
Prepaid Expenses	38,527	(350)		38,177	86,595
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	462,437			462,437	(192,668)
Other Current Liabilities	805,861	21,891		827,752	(935,044)
Deferred Contributions	60,740	(475,170)		(414,430)	447,698
Accrued Employee Future Benefits	2,270,946			2,270,946	0
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	(12,556)
Items Not Involving Cash					
Amortization of Capital Assets			2,878,587	2,878,587	0
Amortization of Deferred Capital Contributions			(2,519,053)	(2,519,053)	0
Accounting Change - Accrued EFB	(2,135,020)			(2,135,020)	0
Accounting Change - Accrued Vacation Pay	(760,095)			(760,095)	0
Write-off/down of Buildings and Sites				0	0
Interfund Transfers	247,931	(545,969)	298,038	0	0
	2,391,990	(429,967)	314,772	2,276,795	(1,458,064)
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			(14,502)	(14,502)	0
Proceeds from Disposal of Capital Assets				0	12,556
MEd Restricted Portion of Proceeds on Disposal				0	0
Long Term Debt		160,000		160,000	
	0	160,000	(14,502)	145,498	12,556
INVESTING					
Capital Assets Purchased - Operating			(286,103)	(286,103)	0
Capital Assets Purchased - Special Purpose			(11,935)	(11,935)	0
Capital Assets Purchased - Local Capital				0	(17,352)
Capial Assets Purchased - Related Entity		(162,714)		(162,714)	
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	(162,714)	(298,038)	(460,752)	(17,352)
Net Increase (Decrease) in Cash	2,391,990	(432,681)	2,232	1,961,541	(1,462,860)

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPTIAL FUND	TOTAL 2005	TOTAL 2004
NET INCREASE (DECREASE) IN CASH	2,391,990	(432,681)	2,232	1,961,541	(1,462,860)
Net Cash, Beginning of Year	3,539,373	1,553,164	92,587	5,185,124	6,647,984
Changes in Accounting Policies/ Prior Period Adjustments					
School Based fund opening Balance		718,602		718,602	
Related Entity Opening Balance		(4,880)		(4,880)	
Net Cash, Beginning of Year, as Restated	3,539,373	2,266,886	92,587	5,898,846	6,647,984
NET CASH, END OF YEAR	5,931,363	1,834,205	94,819	7,860,387	5,185,124
Cash	5,931,363	1,834,205	94,819	7,860,387	5,185,124
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	5,931,363	1,834,205	94,819	7,860,387	5,185,124

NOTES TO 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 except as disclosed as a change in accounting policy. The prior year's comparative figures were prepared in accordance with sections 156 and 157 of the School Act using accounting policies as prescribed by the Ministry of Education.

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 and commences the year following acquisition. 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 and Related Entities

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. (See Note 3).

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 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) CHANGE IN ACCOUNTING POLICY

a) Employee Future Benefits

Effective July 1, 2004, school districts in the Province of British Columbia adopted *CICA Handbook* section 3461 on a retroactive basis. The estimated liability based on October 2003 school district employee data, was determined from an actuarial study conducted by Mercer Human Resources Consulting. The following adjustment to equity on Statement 3 (Statement of Changes in Fund Balances) was made to adjust the liability to full accrual:

Accrual adjustment required as at July 1, 2004	$ 2,135,020

Although accrued employee future benefits expenses are $135,926 greater than they would have been under the previous cash basis of accounting, there is no net impact on operating revenues and expenses as $135,926 of grant revenue is used to offset this expense increase.

b) Vacation Pay

Vacation pay is recorded on a full accrual basis commencing July 1, 2004. The following adjustment to equity on Statement 3 (Statement of Changes in Fund Balances) was made to adjust the liability to full accrual:

Accrual adjustment required as at July 1, 2004	$ 760,095

As a result of recording vacation pay on an accrual basis, operating expenses are $12,584 greater for the year than they would have been under the previous cash basis of accounting.

c) **School Generated Funds**

Funds collected and used at the school level are included in these financial statements. The opening balance of $ 720,102 at July 1, 2004 is reported as a deferred contribution in the School-Generated Fund column in the special purpose fund.

Contributions collected during the year are recorded as deferred contributions. These deferred contributions are recognized as revenue in the year in which the related expense is incurred.

This change has also had the effect of increasing other revenue, substitutes, services and supplies expenses and inter-fund transfers recorded in the Special Purpose Funds by $2,495,833, $10,892, $2,473,006, and $11,935 respectively in the current year. There is no net impact of revenues and expenses.

d) **Controlled Entity – "For Profit" Enterprise**

Investment in 554210 B. C. Ltd is included in these financial statements. The opening equity investment in the amount of $4,880 as at July 1, 2004 is reported as an adjustment (Equity Investment) to the special purpose fund balance on Statement 3 (Statement of Changes in Fund Balances). The current year activity and year-end financial position is reported by consolidation in the special purpose fund.

e) **Amortization of Capital Assets**

Amortization of capital assets commenced July 1, 2004. The accumulated amortization as at July 1, 2004 in the amount of $40,182,132 is reported as an adjustment to the capital fund on Statement 3 (Statement of Changes in Fund Balances). Amortization for the year ended June 30, 2004 was $3,050,612. The net book value of capital assets at June 30, 2004 had amortization been recorded would have been $75,534,197.

Assets that are fully amortized, except buildings, are written off as deemed disposals. The accumulated deemed disposal as at July 1, 2004 in the amount of $14,193,438 is reported as an adjustment on Schedule C1 (Capital Assets – Capital Fund)

Amortization expense recorded in the Capital Fund has increased by $2,878,587 in the current year from what would have been recognized under the former policy. Of this amount, $2,519,053 is offset by amortization of deferred capital contributions.

f) **Reserves**

The School Act no longer requires the use of "reserves", thus externally restricted capital funds are recorded in accordance with Canadian GAAP. The following adjustment has been made in the capital fund on Statement 3 (Statement of Changes in Fund Balances) to transfer the reserve balances as at July 1, 2004 to deferred contributions.

Capital Reserve	$ 93,186

4) CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	$ 8,819,960	$	$ 8,819,960	$ 8,657,246
Buildings	101,791,595	39,460,774	62,330,821	101,775,017
Furniture and Equipment	2,224,303	1,339,774	884,529	11,278,680
Vehicles	1,961,519	1,035,601	925,918	4,732,197
Computer Hardware	407,353	235,643	171,710	3,466,625
	$115,030,080	$ 42,071,792	$73,132,938	$129,909,765

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 portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and Vacation Pay on Statement 1 (Statement of Financial Position).

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

a) Reconciliation of Accrued Benefit Obligation

Accrued Benefit Obligation – Beginning of Period	$ 2,135,020
Service Cost	155,037
Interest Cost	126,595
Benefit Payments	(145,706)
Actuarial Gain	(22,922)
Accrued Benefit Obligation – End of Period	$ 2,248,024

b) Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – End of Period	$ 2,248,024
Market Value of Plan Assets – End of Period	0
Funded Status – (Deficit)	(2,248,024)
Employer Contributions After Measurement Date	0
Unamortized Net Actuarial Gain	(22,922)
Accrued Benefit Liability	$(2,270,946)

c) Components of Net Benefit Expense

Service Cost	$ 155,037
Interest Cost	126,595
Amortization of Net Actuarial Gain	0
Net Benefit Expense	$ 281,632

d) Assumptions

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

6) UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

Implementation of GAAP on July 1, 2004 required full accrual for employee future benefits and vacation pay. On Statement 1 (Statement of Financial Position), the resulting adjustment to equity was segregated in the Fund Balance section as 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. It is planned that the unfunded liability will be eliminated in 3.25 years.

Unfunded accrued employee future benefits, as at July 1, 2004	$ 2,135,020
Unfunded vacation pay, as at July 1, 2004	760,095
Total unfunded liability, as at July 1, 2004	$ 2,895,115
Reductions during the year	1,182,816
Unfunded Liability, as at June 30, 2005	$ 1,712,299

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 47,000 active members from school districts and approximately 21,000 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 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 $4,324,755 for employer contributions to these plans in the year ended June 30, 2005.

8) OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

i. 2005/2006 budget	$ 93,455
ii. Aboriginal Education	56,906
iii. School and Department Programs	1,755,569
Subtotal Internally Restricted	$1,905,930
Unrestricted Operating Surplus	4,532
Total Available for Future Operations	$1,910,462

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 five year operating lease agreement for an alternate school location. The lease agreement expires in 2006. Future minimum lease payments are as follows:

2005/2006 $42,672

12) COMPARATIVE AMOUNTS

The 2004 comparative figures have not been restated for the changes in accounting policy described in note 3, as the information is not readily available or determinable.

Amortization of Deferred Capital Contributions has been moved from Statement 3 (Statement of Changes in Fund Balances) to Statement 2 (Statement of Revenue and Expense). The 2004 comparative figure related to this item has also been moved.

13) 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 1, 2005.

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2005

Schedule A1

	2005 ACTUAL	2005 AMENDED ANNUAL BUDGET	2004 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	61,515,545	61,119,343	59,108,486
Provincial Grants - Other	59,353	59,352	546,103
Federal Grants	147,665	109,594	117,120
Other Revenue	1,977,449	1,219,567	1,511,664
Rentals and Leases	52,286	36,000	62,270
Investment Income	155,435	170,000	142,778
	63,907,733	62,713,856	61,488,421
EXPENSE			
Salaries			
Teachers	29,255,121	29,061,331	29,341,048
Principals and Vice Principals	3,597,771	3,878,946	3,608,865
Educational Assistants	2,216,803	2,192,850	2,105,520
Support Staff	7,315,443	7,365,701	7,521,921
Other Professionals	820,321	881,041	873,724
Substitutes	1,796,126	1,921,519	1,931,008
	45,001,585	45,301,388	45,382,086
Employee Benefits	10,012,948	9,849,962	10,313,800
Services and Supplies	7,164,179	7,160,500	6,740,572
	62,178,712	62,311,850	62,436,458
NET REVENUE (EXPENSE), FOR THE YEAR	1,729,021	402,006	(948,037)
INTERFUND TRANSFERS			
Capital Assets Purchased	(286,103)	0	0
Local Capital	0	0	0
Other	534,034	513,598	0
REDUCTION OF UNFUNDED LIABILITY			
Employee Future Benefits and Vacation Pay	(1,182,816)	(1,074,682)	
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		159,078	
SURPLUS (DEFICIT), FOR THE YEAR	794,136	0	(948,037)
SURPLUS (DEFICIT) BEGINNING OF YEAR	1,116,326		2,064,363
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT),BEGINNING OF YEAR, AS RESTATED	1,116,326	0	2,064,363
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	1,910,462	0	1,116,326

SURPLUS (DEFICIT), END OF YEAR	
Internally Restricted	1,905,930
Unrestricted	4,532
	1,910,462

Schedule A2

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2005

	2005 ACTUAL	2005 AMENDED ANNUAL BUDGET	2004 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	61,074,958	60,948,954	58,899,447
Other Ministry of Education Grants			
GAAP Implementation	805,144	564,406	
Reduction for Local Education Agreements	(1,328,164)	(1,042,882)	
Pay Equity Grant	85,865	85,865	85,865
Capital Lease Funding			85,173
Community Links	563,000	563,000	38,001
Learning Resources Grant	154,203		
Literacy Grant	79,224		
Miscellaneous	81,315		
	61,515,545	61,119,343	59,108,486
PROVINCIAL GRANTS - OTHER	59,353	59,352	546,103
FEDERAL GRANTS	147,665	109,594	117,120
OTHER REVENUE			
Other School District/Education Authorities	0	0	1,336
Summer School Fees	12,985	13,205	11,480
Continuing Education	0	0	0
Offshore Tuition Fees	119,670	108,700	36,466
LEA/Direct Funding from First Nations	1,328,164	1,042,882	1,043,711
Miscellaneous			
Cafeteria Revenue	238,474		251,725
Donations	125,867		
Fees	17,835		
Interoir Health	56,231	54,780	56,592
Miscellaneous	78,223		110,354
	1,977,449	1,219,567	1,511,664
RENTALS AND LEASES	52,286	36,000	62,270
INVESTMENT INCOME	155,435	170,000	142,778
TOTAL OPERATING REVENUE	63,907,733	62,713,856	61,488,421

Schedule A3

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2005

	2005 ACTUAL	2005 AMENDED ANNUAL BUDGET	2004 ACTUAL
SALARIES			
Teachers	29,255,121	29,061,331	29,341,048
Principals and Vice Principals	3,597,771	3,878,946	3,608,865
Educational Assistants	2,216,803	2,192,850	2,105,520
Support Staff	7,315,443	7,365,701	7,521,921
Other Professionals	820,321	881,041	873,724
Substitutes	1,796,126	1,921,519	1,931,008
	45,001,585	45,301,388	45,382,086
EMPLOYEE BENEFITS	10,012,948	9,849,962	10,313,800
Total Salaries and Benefits	55,014,533	55,151,350	55,695,886
SERVICES AND SUPPLIES			
Services	1,466,181	1,391,111	1,276,877
Student Transportation	39,181	62,101	56,088
Professional Development and Travel	331,765	375,617	295,836
Rentals and Leases	136,183	146,820	118,099
Dues and Fees	155,003	141,604	87,254
Insurance	181,474	223,559	187,047
Interest	0	0	0
Supplies	3,489,112	3,363,162	3,303,453
Bad Debts	0	0	0
Utilities	1,365,280	1,456,526	1,415,918
Total Services and Supplies	7,164,179	7,160,500	6,740,572
TOTAL OPERATING EXPENSE	62,178,712	62,311,850	62,436,458

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2005

	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	24,057,070	513,674		425,895		1,461,384	26,458,023
1.03 Career Programs	142,679			572			143,251
1.07 Library Services	593,187	61,225		272,253		2,059	928,724
1.08 Counselling	942,795	150,641					1,093,436
1.10 Special Education	3,232,083	133,496	1,968,350	309,722		79,072	5,722,723
1.30 English as a Second Language	178,425		53				178,478
1.31 Aboriginal Education	38,169	83,376	209,011	321,342		1,288	653,186
1.41 School Administration		2,506,758		1,278,360		61,373	3,846,491
1.60 Summer School	11,196						11,196
1.61 Continuing Education							0
1.62 Off Shore Students	239	35,872		18,484			54,595
1.64 Other	57,272		39,389	16,578			113,239
1.65 Conseil Scolaire Francophone							0
Total Function 1	29,253,115	3,485,042	2,216,803	2,643,206	0	1,605,176	39,203,342
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	2,006	20,496		64,054	277,662	53,780	417,998
4.40 School District Governance					72,449		72,449
4.41 Business Administration		92,233		369,604	240,969	214	703,020
4.65 Conseil Scolaire Francophone							0
Total Function 4	2,006	112,729	0	433,658	591,080	53,994	1,193,467
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				40,120	157,686		197,806
5.50 Maintenance Operations				2,762,190		89,765	2,851,955
5.52 Maintenance of Grounds				216,232			216,232
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	3,018,542	157,686	89,765	3,265,993
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				37,856	71,555	33	109,444
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,182,181		47,158	1,229,339
7.73 Housing							0
Total Function 7	0	0	0	1,220,037	71,555	47,191	1,338,783
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	29,255,121	3,597,771	2,216,803	7,315,443	820,321	1,796,126	45,001,585

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2005

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2005 ACTUAL	2005 AMENDED ANNUAL BUDGET	2004 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	26,458,023	5,606,217	32,064,240	2,067,487	34,131,727	33,832,166	33,890,994
1.03 Career Programs	143,251	28,320	171,571	40,666	212,237	197,653	300,077
1.07 Library Services	928,724	221,677	1,150,401	84,630	1,235,031	1,321,630	1,281,777
1.08 Counselling	1,093,436	236,368	1,329,804	5,252	1,335,056	1,294,916	1,310,948
1.10 Special Education	5,722,723	1,264,210	6,986,933	663,349	7,650,282	8,220,507	7,802,443
1.30 English as a Second Language	178,478	37,093	215,571	1,653	217,224	234,968	190,766
1.31 Aboriginal Education	653,186	150,246	803,432	71,504	874,936	891,931	852,951
1.41 School Administration	3,846,491	1,030,061	4,876,552	179,548	5,056,100	4,934,048	5,291,017
1.60 Summer School	11,196	1,407	12,603		12,603	0	16,898
1.61 Continuing Education	0		0		0	0	0
1.62 Off Shore Students	54,595	14,004	68,599	119,538	188,137	159,032	0
1.64 Other	113,239	20,416	133,655	373,634	507,289	163,081	497,828
1.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 1	39,203,342	8,610,019	47,813,361	3,607,261	51,420,622	51,249,932	51,435,699
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	417,998	99,382	517,380	92,019	609,399	612,646	624,759
4.40 School District Governance	72,449	760	73,209	79,815	153,024	140,729	155,397
4.41 Business Administration	703,020	171,917	874,937	314,812	1,189,749	1,322,126	1,297,761
4.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 4	1,193,467	272,059	1,465,526	486,646	1,952,172	2,075,501	2,077,917
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	197,806	50,146	247,952	109,467	357,419	355,521	383,145
5.50 Maintenance Operations	2,851,955	667,030	3,518,985	873,662	4,392,647	4,593,823	4,425,291
5.52 Maintenance of Grounds	216,232	52,393	268,625	239,225	507,850	397,757	455,289
5.56 Utilities	0		0	1,365,280	1,365,280	1,456,526	1,415,918
5.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 5	3,265,993	769,569	4,035,562	2,587,634	6,623,196	6,803,627	6,679,643
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	109,444	26,020	135,464	8,698	144,162	148,645	136,282
7.65 Conseil Scolaire Francophone	0		0		0	0	0
7.70 Student Transportation	1,229,339	335,281	1,564,620	473,940	2,038,560	2,034,145	2,106,917
7.73 Housing	0		0		0	0	0
Total Function 7	1,338,783	361,301	1,700,084	482,638	2,182,722	2,182,790	2,243,199
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	45,001,585	10,012,948	55,014,533	7,164,179	62,178,712	62,311,850	62,436,458

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2005

Schedule A5

BALANCE, BEGINNING OF YEAR	28,235
Changes In Accounting Policies /	
Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	28,235
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	88,975
	88,975
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Rentals and Leases	28,235
Investment Income	0
	28,235
Net Changes for the Year	60,740
BALANCE, END OF YEAR	88,975

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2005

	MINISTRY OF EDUCATION SPECIAL PURPOSE FUNDS	OTHER SPECIAL PURPOSE FUNDS	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,252,647	300,517	718,602	0	2,271,766
Add: Contributions Received					
Provincial Grants - Ministry of Education	2,129,148		3,000		2,132,148
Provincial Grants - Other			1,173		1,173
Federal Grants		31,499			31,499
Other Revenue	1,950		2,105,738		2,107,688
Rentals and Leases					0
Investment Income	6,667	6,975	22,311		35,953
District Entered		198,302	382,419		580,721
	2,137,765	236,776	2,514,641	0	4,889,182
Less: Allocated to Revenue	2,740,301	128,218	2,495,833		5,364,352
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	650,111	409,075	737,410	0	1,796,596
REVENUE					
Provincial Grants - Ministry of Education	2,731,684		3,000		2,734,684
Provincial Grants - Other			1,173		1,173
Federal Grants		29,700			29,700
Other Revenue	1,950	91,543	2,469,349	80,993	2,643,835
Rentals and Leases					0
Investment Income	6,667	6,975	22,311	556	36,509
Gain (Loss) on Equity Investment					0
	2,740,301	128,218	2,495,833	81,549	5,445,901
EXPENSE					
Salaries					
Teachers	188,061	234			188,295
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	395,067				395,067
Other Professionals	69,937				69,937
Substitutes			10,892		10,892
	653,065	234	10,892	0	664,191
Employee Benefits	114,167	41	1,984		116,192
Services and Supplies	1,459,471	127,943	2,471,022	27,651	4,086,087
	2,226,703	128,218	2,483,898	27,651	4,866,470
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	513,598	0	11,935	53,898	579,431
INTERFUND TRANSFERS					
Capital Assets Purchased			(11,935)		(11,935)
Other	(513,598)			(20,436)	(534,034)
	(513,598)	0	(11,935)	(20,436)	(545,969)
NET REVENUE (EXPENSE)	0	0	0	33,462	33,462

Schedule B2

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2005

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	295 One Time GAAP Grant	302 Special Education Technology	District Entered	TOTAL
DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	679,709	42,439	16,901	513,598			1,252,647
Add: Contributions Received							
Provincial Grants - Ministry of Education	1,724,753		14,490		339,905	50,000	2,129,148
Provincial Grants - Other							0
Federal Grants							0
Other Revenue					1,950		1,950
Rentals and Leases							0
Investment Income	4,997	938	428		304		6,667
	1,729,750	938	14,918		342,159	50,000	2,137,765
Less: Allocated to Revenue	1,839,610	9,738	11,457	513,598	315,898	50,000	2,740,301
Recovered							0
DEFERRED CONTRIBUTIONS, END OF YEAR	569,849	33,639	20,362		26,261		650,111
REVENUE AND EXPENSE							
REVENUE							
Provincial Grants - Ministry of Education	1,834,613	8,800	11,029	513,598	313,644	50,000	2,731,684
Provincial Grants - Other							0
Federal Grants							0
Other Revenue					1,950		1,950
Rentals and Leases							0
Investment Income	4,997	938	428		304		6,667
	1,839,610	9,738	11,457	513,598	315,898	50,000	2,740,301
EXPENSE							
Salaries							
Teachers					188,061		188,061
Principals and Vice Principals							0
Educational Assistants							0
Support Staff	376,224				18,843		395,067
Other Professionals	69,937						69,937
Substitutes							0
	446,161				206,904		653,065
Employee Benefits	69,008				45,159		114,167
Services and Supplies	1,324,441	9,738	11,457		63,835	50,000	1,459,471
	1,839,610	9,738	11,457		315,898	50,000	2,226,703
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS				513,598			513,598
INTERFUND TRANSFERS							
Capital Assets Purchased							0
Other				(513,598)			(513,598)
				(513,598)			(513,598)
NET REVENUE (EXPENSE)							0

Schedule B3

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2005

	Scholarship	Student Concerts	Salmon Enhancement	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	270,742	6,410	23,365	300,517
Add: Contributions Received				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			31,499	31,499
Other Revenue				0
Rentals and Leases				0
Investment Income	6,078	303	594	6,975
Donations	188,816	9,486		198,302
	194,894	9,789	32,093	236,776
Less: Allocated to Revenue	87,856	10,068	30,294	128,218
Recovered				0
DEFERRED CONTRIBUTIONS, END OF YEAR	377,780	6,131	25,164	409,075
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			29,700	29,700
Other Revenue	81,778	9,765		91,543
Rentals and Leases				0
Investment Income	6,078	303	594	6,975
	87,856	10,068	30,294	128,218
EXPENSE				
Salaries				
Teachers		234		234
Principals and Vice Principals				0
Educational Assistants				0
Support Staff				0
Other Professionals				0
Substitutes				0
		234		234
Employee Benefits		41		41
Services and Supplies	87,856	9,793	30,294	127,943
	87,856	10,068	30,294	128,218
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS				0
INTERFUND TRANSFERS				
Capital Assets Purchased				0
Other				0
				0
NET REVENUE (EXPENSE)				0

Schedule C1

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2005

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	8,657,246	101,775,017	11,278,680	4,732,197	0	3,466,625	129,909,765
Changes In Accounting Policy /							
Prior Period Adjustments							
Deemed Disposals			(8,828,943)	(2,810,833)		(2,553,662)	(14,193,438)
COST, BEGINNING OF YEAR, AS RESTATED	8,657,246	101,775,017	2,449,737	1,921,364	0	912,963	115,716,327
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		16,578					16,578
Deferred Contributions - Other							0
Operating Fund			135,959	99,017		51,127	286,103
Special Purpose Funds			11,935				11,935
Local Capital							0
Transferred from Work in Progress							0
Capital Leases							0
	0	16,578	147,894	99,017	0	51,127	314,616
Decrease:							
Disposed Of							0
Deemed Disposals			373,328	58,862		556,737	988,927
Written-off/down During Year							0
	0	0	373,328	58,862	0	556,737	988,927
COST, END OF YEAR	8,657,246	101,791,595	2,224,303	1,961,519	0	407,353	115,042,016
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	8,657,246	101,791,595	2,224,303	1,961,519	0	407,353	115,042,016
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		0	0	0	0	0	0
Change in Accounting Policies/							
Prior Period Adjustments							
Accumulated Amortization		37,201,890	10,297,071	3,713,160		3,163,449	54,375,570
Deemed Disposals			(8,828,943)	(2,810,833)		(2,553,662)	(14,193,438)
BALANCE, BEGINNING OF YEAR,AS RESTATED	0	37,201,890	1,468,128	902,327	0	609,787	40,182,132
Changes for the Year							
Increase: Amortization for the Year		2,258,884	244,974	192,136		182,593	2,878,587
Decrease:							
Disposed of							0
Deemed Disposals			373,328	58,862		556,737	988,927
Written-off During Year							0
	0	0	373,328	58,862	0	556,737	988,927
ACCUMULATED AMORTIZATION, END OF YEAR	0	39,460,774	1,339,774	1,035,601	0	235,643	42,071,792
CAPITAL ASSETS - NET	8,657,246	62,330,821	884,529	925,918	0	171,710	72,970,224

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2005

Schedule C2

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	61,448,943	0	0	61,448,943
Changes in Accounting Policies/ Prior Period Adjustments				
District Entered	19,719			19,719
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	61,468,662	0	0	61,468,662
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	16,578			16,578
Transferred from Work in Progress				0
	16,578	0	0	16,578
Decrease:				
Amortization of Deferred Capital Contributions	2,519,053			2,519,053
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	2,519,053	0	0	2,519,053
Net Changes for the Year	(2,502,475)	0	0	(2,502,475)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	58,966,187	0	0	58,966,187
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	58,966,187	0	0	58,966,187

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2005

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	16,578	0	0	0	0	16,578
Changes in Accounting Policies / Prior Period Adjustments						
Transfer from Reserves						0
Bylaw Capital Under Spent Beginning of Year		93,186				93,186
BALANCE, BEGINNING OF YEAR, AS RESTATED	16,578	93,186	0	0	0	109,764
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education						0
Provincial Grants - Other						0
Other						0
Investment Income		2,076				2,076
MEd Restricted Portion of Proceeds on Disposal						0
	0	2,076	0	0	0	2,076
Decrease:						
Transferred to DCC - Capital Additions	16,578					16,578
Transferred to DCC - Work in Progress						0
Transferred to Net Assets - Site Purchases						0
	16,578	0	0	0	0	16,578
Net Changes for the Year	(16,578)	2,076	0	0	0	(14,502)
BALANCE, END OF YEAR	0	95,262	0	0	0	95,262

Schedule C4

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2005

	FUND BALANCE	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	CAPITAL RESERVE	LAND CAPITAL RESERVE	TOTAL
BALANCE, BEGINNING OF YEAR	68,577,642	68,460,822	23,634	93,186	0	116,820
Changes in Accounting Policies/						
Prior Period Adjustments						
Accumulated Amortization of Capital Assets	(54,375,570)	(54,375,570)				0
Transfer Land Capital Reserve to Deferred Contributions						0
Transfer Capital Reserve to Deferred Contributions	(93,186)			(93,186)		(93,186)
District Entered	(19,719)	(19,719)				
BALANCE, BEGINNING OF YEAR, AS RESTATED	14,089,167	14,065,533	23,634	0	0	23,634
Changes for the Year						
Investment Income	588		588			588
Gain (Loss) on Disposal of Capital Assets						0
District Portion of Proceeds on Disposal						
Write-off/down of Buildings and Sites						0
Amortization of Deferred Capital Contributions	2,519,053	2,519,053				0
Capital Assets Purchased from Local Capital						0
Interfund Transfers - Capital Assets Purchased	298,038	298,038				0
Interfund Transfers - Local Capital						0
Amortization of Capital Assets	(2,878,587)	(2,878,587)				0
Transferred to Net Assets - Site Purchases						0
Net Changes for the Year	(60,908)	(61,496)	588	0	0	588
BALANCE, END OF YEAR	14,028,259	14,004,037	24,222	0	0	24,222