SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FISCAL YEAR 2003/2004

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
22	Vernon	2003/2004
OFFICE LOCATION 1401-15th St		TELEPHONE NUMBER 250-542-3331
MAILING ADDRESS 1401-15th St.		
CITY / PROVINCE Vernon, British Columbia.		POSTAL CODE V1T 8S8
NAME OF SUPERINTENDENT Michael J McAvoy		TELEPHONE NUMBER 250-542-3331
NAME OF SECRETARY - TREASURER Randall F Hoffman		TELEPHONE NUMBER 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 District Fiscal Year 2003/2004 for School District No. 22 (Vernon)

	DATE SIGNED
SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	Sept 14/04
SIGNATURE OF SUPERINTENDENT	Sept 14/04
SIGNATURE OF SECRETARY - TREASURER	Sept 14/04

SCHOOL DISTRICT NO. 22 (Vernon)
2003/2004 AUDITED FINANCIAL STATEMENTS

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KPMG

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AUDITORS' REPORT TO THE BOARD OF SCHOOL TRUSTEES

We have audited the statement of financial position of School District No. 22 (Vernon) as at June 30, 2004 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements have been prepared to comply with sections 156 and 157 of the School Act (British Columbia). These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these 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 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, 2004 and the results of its operations and cash flows for the year then ended in accordance with the basis of accounting disclosed in note 2, note 4, note 5 and note 11 of the financial statements. As required by the School Act (British Columbia), we report that, in our opinion, these principles have been applied, except for the changes in the methods of accounting as described in note 3 of the financial statements, on a basis consistent with that of the preceding year.

Our audit was conducted for the purpose of forming an opinion on the basic 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 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board of Trustees of District No. 22 (Vernon) and the Ministry of Education for complying with sections 156 and 157 of the School Act (British Columbia). The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

Chartered Accountants

Vernon, Canada

July 27, 2004

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2004

Statement 1

ASSETS	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
Current Assets					
Cash	3,539,373	1,553,164	92,587	5,185,124	6,647,984
Short Term Investments					
Accounts Receivable					
Due from Province - Ministry of Education	11,641			11,641	26,222
Due from Province - Other					
Due from Canada	60,387			60,387	38,465
Due from Other School Districts	1,046			1,046	933
Due from LEA / Direct Funding					
Other Receivables	284,621		156	284,777	372,592
Allowance for Doubtful Accounts					
Interfund Loans			40,655		
Inventories					
Prepaid Expenses	78,002			78,002	164,597
	3,975,070	1,553,164	133,398	5,620,977	7,250,793
Investments					
Equity Investments					
Capital Assets - Net			129,909,765	129,909,765	129,584,172
	3,975,070	1,553,164	130,043,163	135,530,742	136,834,965
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft					
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education					
Due to Province - Other					
Other	411,539			411,539	604,207
Bank Loans					
Interfund Loan	40,655				
Other Current Liabilities	2,378,315			2,378,315	3,313,359
	2,830,509	0	0	2,789,854	3,917,566
Deferred Contributions					
Ministry of Education		1,252,647	16,578	1,269,225	729,943
Province, Other					
Other	28,235	300,517		328,752	400,617
Accrued Employee Future Benefits					
Deferred Capital Contributions			61,448,943	61,448,943	65,658,778
Bank Loans					
Capital Lease Obligations					
Other Long Term Liabilities					
	2,858,744	1,553,164	61,465,521	65,836,774	70,706,904
Fund Balances					
Invested In Capital Assets			68,460,822	68,460,822	63,945,113
Reserves			116,820	116,820	118,585
Endowment					
Internally Restricted	1,041,531			1,041,531	1,794,567
Unrestricted	74,795			74,795	269,796
	1,116,326	0	68,577,642	69,693,968	66,128,061
	3,975,070	1,553,164	130,043,163	135,530,742	136,834,965

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2004

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
REVENUE					
Provincial Grants - Ministry of Education	59,108,486	2,011,363		61,119,849	61,699,731
Provincial Grants - Other	546,103			546,103	705,886
Federal Grants	117,120	75,272		192,392	145,373
Other Revenue	1,511,664	153,409		1,665,073	1,746,443
Rentals and Leases	62,270			62,270	53,864
Investment Income	142,778	12,018	3,031	157,827	169,156
Gain (Loss) on Equity Investment					
Gain (Loss) on Disposal of Capital Assets			12,556	12,556	3,128
	61,488,421	2,252,062	15,587	63,756,070	64,523,581
EXPENSE					
Salaries					
Teachers	29,341,048	189,008		29,530,056	28,786,965
Principals and Vice Principals	3,608,865			3,608,865	3,729,891
Educational Assistants	2,105,520	29,616		2,135,136	2,161,440
Support Staff	7,521,921	306,448		7,828,369	7,623,066
Other Professionals	873,724	85,000		958,724	991,012
Substitutes	1,931,008	234		1,931,242	2,118,834
	45,382,086	610,306	0	45,992,392	45,411,208
Employee Benefits	10,313,800	107,890		10,421,690	9,927,606
Services and Supplies	6,740,572	1,533,866		8,274,438	9,163,071
	62,436,458	2,252,062	0	64,688,520	64,501,885
NET REVENUE (EXPENSE)	(948,037)	0	15,587	(932,450)	21,696

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
FUND BALANCES, BEGINNING OF YEAR	2,064,363	0	64,063,698	66,128,061	64,464,305
Changes in Accounting Policies / Prior Period Adjustments					
Deferred Capital Contributions			1,863,205	1,863,205	
Deferred Contributions - Trust Funds					(1,390,183)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	2,064,363	0	65,926,903	67,991,266	63,074,122
Changes for the Year					
Net Revenue (Expense) for the Year	(948,037)		15,587	(932,450)	21,696
Interfund Transfers					
Direct Increases in Fund Balances					
Amortization of Deferred Capital Contributions			2,635,152	2,635,152	3,032,243
Net Changes for the Year	(948,037)	0	2,650,739	1,702,702	3,053,939
FUND BALANCES, END OF YEAR	1,116,326	0	68,577,642	69,693,968	66,128,061

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

Statement 4

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	(948,037)		15,587	(932,450)	21,696
Changes In Non-Cash Operating Working Capital					
Decrease (Increase)					
Accounts Receivable	80,284		77	80,361	1,201,040
Interfund Loans	(17,005)		17,005		
Prepaid Expenses	86,595			86,595	(58,303)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(187,133)		(5,535)	(192,668)	(650,427)
Other Current Liabilities	(935,044)			(935,044)	(15,524)
Deferred Contributions	(63,176)	514,015	(3,141)	447,698	(103,218)
Loss (Gain) on Disposal Of Capital Assets			(12,556)	(12,556)	(3,128)
	(1,983,516)	514,015	11,437	(1,458,064)	392,136
FINANCING					
Proceeds from Disposal of Capital Assets			12,556	12,556	3,128
	0	0	12,556	12,556	3,128
INVESTING					
Capital Assets Purchased - Capital Reserves			(17,352)	(17,352)	(598,338)
	0	0	(17,352)	(17,352)	(598,338)
Net Increase (Decrease) In Cash	(1,983,516)	514,015	6,641	(1,462,860)	(203,074)
Net Cash, Beginning of Year	5,522,889	1,039,149	85,946	6,647,984	6,851,058
Changes In Accounting Policies/					
Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	5,522,889	1,039,149	85,946	6,647,984	6,851,058
NET CASH, END OF YEAR	3,539,373	1,553,164	92,587	5,185,124	6,647,984
Cash	3,539,373	1,553,164	92,587	5,185,124	6,647,984
Short Term Investments					
Bank Overdraft					
NET CASH, END OF YEAR	3,539,373	1,553,164	92,587	5,185,124	6,647,984

NOTES TO FINANCIAL STATEMENTS

1) AUTHORITY

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)". 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 sections 156 and 157 of the School Act using significant accounting policies as set out below to comply with the accounting requirements prescribed or permitted by the Ministry of Education. These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

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

The Statement of Revenue and Expense, Statement of Changes In Fund Balances and the Statement of Cash Flows present the annual results of each fund, the change in fund balances and the cash flows for the year. The 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 resources 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) Trust funds with contributions restricted in use by the School Act or Ministry of Education.
  - (2) Trust funds with contributions restricted in use by other external bodies.
  - (3) Endowment funds.
- iii) Capital fund reports assets, liabilities, revenues and expenses for capital. Resources of other funds used for capital purposes are transferred to the capital fund. This fund also includes amounts designated as capital reserves and restricted in use by the School Act or Ministry of Education.

b) Fund Balances

Fund balances are classified as Invested in Capital Assets, Reserves, Endowment, Internally Restricted (by the Board), and Unrestricted (for use at Board discretion).

c) Capital Assets

Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation. No provision is made for amortization.

Disposals of sites or buildings are recorded and gains/losses calculated. Proceeds from the sale of other assets are recorded as a gain on disposal.

d) 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.

e) Revenue Recognition

Operating government grants not restricted in use are recognized as revenue when received or receivable. 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 the services are provided or the 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) Funds advanced by the Province for approved capital projects (bylaw capital) are recorded as outlined in note 7.
iii) Capital contributions that by the School Act must be recorded as a reserve are recorded as revenue when received.
iv) Other 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 to capital fund equity (Investment in Capital Assets). Amortization commences in the year following acquisition.
   (3) Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
v) Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.
vi) 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.

f) 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

Operating expenditures 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.

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

3) CHANGE IN ACCOUNTING POLICY

Reporting for deferred capital contributions and deferred contributions was revised (note 7).

Externally restricted trust funds are included with other special purpose funds.

4) VACATION PAY

Vacation pay is recorded as an expense in the year payments are made. The amount owing at June 30, 2004 is estimated to be $760,095 and has not been accrued in the financial statements.

5) EMPLOYEE FUTURE BENEFITS

Employee future benefits include benefits that may be paid to employees retiring or terminating. These costs are for benefits such as retiring allowances. The estimated liability for these benefits based on October 2003 school district employee data was determined by an actuarial study conducted by Mercer Human Resource Consulting Limited in accordance with Section 3461 of the Canadian Institute of Chartered Accountant's handbook.

Employee future benefits are recorded as expenditures in the year payments are made. The amount of employee future benefits actuarially determined at June 30, 2004 is $2,135,020. Employee future benefits have not been accrued in the financial statements.

6) UNFUNDED PENSION LIABILITY

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 contributors from school districts and the Municipal

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Plan has about 123,000 active contributors, 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 2005. The most recent valuation for the Municipal Pension Plan as at December 31, 2000, indicated a funding surplus of $436 million for basic pension benefits. The next valuation will be as at December 31, 2003 with results available in 2004. The Joint Trust Agreements specify how surplus assets can be used. The actuary does not attribute portions of the surplus or unfunded liability to individual employers. Employer contributions to the plans in the fiscal year ended June 30, 2003 were $4,133,261.

7) DEFERRED CAPITAL CONTRIBUTIONS

Prior to July 1, 2003 funds advanced by the Province for approved capital projects were recorded as deferred capital contributions. These funds included a portion for site purchases. Deferred capital contributions were recognized by amortizing to capital fund equity (investment in Capital Assets). The amortization period was 32 years.

Effective July 1, 2003, an adjustment was made to remove the portions of site purchases and revise the 32 year amortization period to the capital asset rates based on expected useful life.

	Deferred Capital Contributions	Accumulated Amortization	Unamortized Deferred Capital Contributions
Balance June 30, 2003	$ 89,632,888	$ 23,974,110	$ 65,658,778
Adjustment	13,206,409	15,069,614	(1,863,205)
Balance July 1, 2003	$102,839,297	$ 39,043,724	$ 63,795,573

For the 2003/2004 fiscal year, funds advanced by the Province for approved capital projects are recorded as deferred capital contributions until the amount is invested in capital assets.

i) If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
ii) 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 to capital fund equity (Investment in Capital Assets).
iii) Amortization commences in the year following acquisition, thus the amortization amount is based on assets acquired prior to July 1, 2003.

8) OPERATING FUND BALANCE, END OF YEAR

a) Internally Restricted (appropriated) by Board for:

i) 2004/2005 budget	$ 104,045
ii) Aboriginal Education	35,212
iii) School and Department Commitments	902,274
Subtotal Internally Restricted	$1,041,531
b) Unrestricted Operating Surplus	74,795
Total Available for Future Operations	$1,116,326

9) OPERATING LEASE OBLIGATIONS

The School District has committed to five year operating lease agreements for two alternate school locations. The lease agreements expire in 2005 and 2006. Future minimum lease payments are as follows:

2004/2005	$83,832
2005/2006	$42,672

10) USE OF ESTIMATES

The 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

11) SCHOOL GENERATED FUNDS

Funds collected and used at the school level are not included in these statements.

12) COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year's presentation.

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2004

Schedule A1

	2004 ACTUAL	2004 AMENDED ANNUAL BUDGET	2003 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	59,108,486	59,032,757	59,408,781
Provincial Grants - Other	546,103	544,853	705,886
Federal Grants	117,120	71,903	114,874
Other Revenue	1,511,664	1,082,913	1,622,752
Rentals and Leases	62,270	36,500	53,864
Investment Income	142,778	150,000	150,347
	61,488,421	60,918,926	62,056,504
EXPENSE			
Salaries			
Teachers	29,341,048	29,122,607	28,614,971
Principals and Vice Principals	3,608,865	3,748,815	3,729,891
Educational Assistants	2,105,520	2,140,679	2,136,632
Support Staff	7,521,921	7,423,318	7,534,252
Other Professionals	873,724	851,716	991,012
Substitutes	1,931,008	1,970,357	2,086,240
	45,382,086	45,257,492	45,092,998
Employee Benefits	10,313,800	10,413,989	9,863,683
Services and Supplies	6,740,572	6,841,035	7,085,378
	62,436,458	62,512,516	62,042,059
NET REVENUE (EXPENSE) FOR THE YEAR	(948,037)	(1,593,590)	14,445
INTERFUND TRANSFERS			
Capital Assets Purchased			
Local Capital			
Other			
Budgeted Allocation of Surplus (Deficit)		1,593,590	
Surplus (Deficit) Beginning of Year	2,064,363		2,049,918
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	1,116,326	0	2,064,363
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	1,041,531		
Unrestricted	74,795		
	1,116,326		

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2004

Schedule A2

	2004 ACTUAL	2004 AMENDED ANNUAL BUDGET	2003 ACTUAL
PROVINCIAL GRANTS, MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	58,899,447	58,861,719	58,337,364
Other Ministry of Education Grants			
Ministry of Education Holdback Recovery			805,552
Pay Equity Grant	85,865	85,865	85,865
Capital Lease Funding	85,173	85,173	85,434
Miscellaneous	38,001		94,566
	59,108,486	59,032,757	59,408,781
PROVINCIAL GRANTS, OTHER	546,103	544,853	705,886
FEDERAL GRANTS	117,120	71,903	114,874
OTHER REVENUE			
School Referendum Taxes			
Other School District/Education Authorities	1,336		
Summer School Fees	11,480		5,300
Continuing Education			
Offshore Tuition Fees	36,466	17,546	115,835
LEA/Direct Funding from First Nations	1,043,711	1,005,587	987,537
Miscellaneous			
Instructional Cafeteria Revenue	251,725		198,508
Four Hour Minimum Fund			33,680
Job Security Fund			152,188
Workforce Adjustment Program			86,760
Interior Health	56,592	54,780	
Miscellaneous	110,354	5,000	42,944
	1,511,664	1,082,913	1,622,752
RENTALS AND LEASES	62,270	36,500	53,864
INVESTMENT INCOME	142,778	150,000	150,347
TOTAL OPERATING REVENUE	61,488,421	60,918,926	62,056,504

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2004

	2004 ACTUAL	2004 AMENDED ANNUAL BUDGET	2003 ACTUAL
SALARIES			
Teachers	29,341,048	29,122,607	28,614,971
Principals and Vice Principals	3,608,865	3,748,815	3,729,891
Educational Assistants	2,105,520	2,140,679	2,136,632
Support Staff	7,521,921	7,423,318	7,534,252
Other Professionals	873,724	851,716	991,012
Substitutes	1,931,008	1,970,357	2,086,240
	45,382,086	45,257,492	45,092,998
EMPLOYEE BENEFITS	10,313,800	10,413,989	9,863,683
Total Salaries and Benefits	55,695,886	55,671,481	54,956,681
SERVICES AND SUPPLIES			
Services	1,276,877	1,231,664	1,331,271
Student Transportation	56,088	55,064	21,623
Professional Development and Travel	295,836	361,636	426,135
Rentals and Leases	118,099	147,655	117,901
Dues and Fees	87,254	170,509	126,876
Insurance	187,047	148,670	210,729
Interest			
Supplies	2,799,167	2,845,468	3,025,948
Bad Debts			
Furniture and Equipment Replacement	364,256	358,988	407,030
Computer Equipment Replacement	140,030	83,042	151,033
Utilities	1,415,918	1,438,339	1,266,832
Total Services and Supplies	6,740,572	6,841,035	7,085,378
TOTAL OPERATING EXPENSE	62,436,458	62,512,516	62,042,059

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2004

	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	24,075,649	526,716		476,926		1,413,614	26,492,905
1.03 Career Programs	193,345	3,539		2,083		4,771	203,738
1.07 Library Services	617,292	50,066		264,827		15,428	947,613
1.08 Counselling	966,678	87,612				24,795	1,079,085
1.10 Special Education	3,252,528	255,529	1,831,449	326,306		184,471	5,850,283
1.30 English as a Second Language	151,579					3,654	155,233
1.31 Aboriginal Education	36,791	83,206	228,581	259,466		345	608,389
1.41 School Administration		2,489,697		1,479,749		59,561	4,029,007
1.60 Summer School	13,332			783			14,115
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other	29,481		45,490	28,788			103,759
1.65 Conseil Scolaire Francophone							0
Total Function 1	29,336,675	3,496,365	2,105,520	2,838,928	0	1,706,639	39,484,127
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	4,373	20,455		71,746	278,257	44,202	419,033
4.40 School District Governance					71,212		71,212
4.41 Business Administration		92,045		375,359	299,437	872	767,713
4.65 Conseil Scolaire Francophone							0
Total Function 4	4,373	112,500	0	447,105	648,906	45,074	1,257,958
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				39,217	153,263		192,480
5.50 Maintenance Operations				2,737,283		129,726	2,867,009
5.52 Maintenance of Grounds				187,390		1,634	189,024
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	2,963,890	153,263	131,360	3,248,513
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				31,299	71,555		102,854
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,240,699		47,935	1,288,634
7.73 Housing							0
Total Function 7	0	0	0	1,271,998	71,555	47,935	1,391,488
9 DEBT SERVICES (OPERATING)							
9.92 Interest On Bank Loans							
9.94 Interest On Temporary Borrowing							
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	29,341,048	3,608,865	2,105,520	7,521,921	873,724	1,931,008	45,382,086

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2004

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2004 ACTUAL	2004 AMENDED ANNUAL BUDGET	2003 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	26,492,905	5,592,212	32,085,117	1,805,877	33,890,994	33,755,249	33,599,288
1.03 Career Programs	203,738	39,766	243,504	56,573	300,077	331,978	486,627
1.07 Library Services	947,613	205,045	1,152,658	129,119	1,281,777	1,314,109	1,423,621
1.08 Counselling	1,079,085	226,615	1,305,700	5,248	1,310,948	1,331,651	1,217,801
1.10 Special Education	5,850,283	1,361,134	7,211,417	591,026	7,802,443	8,203,070	7,937,977
1.30 English as a Second Language	155,233	34,081	189,314	1,452	190,766	188,240	309,708
1.31 Aboriginal Education	608,389	151,036	759,425	93,526	852,951	885,189	688,731
1.41 School Administration	4,029,007	1,078,277	5,107,284	183,733	5,291,017	5,067,492	4,764,595
1.60 Summer School	14,115	1,860	15,975	923	16,898		
1.61 Continuing Education	0		0		0		
1.62 Off Shore Students	0		0		0		16,906
1.64 Other	103,759	32,136	135,895	361,933	497,828	211,682	413,067
1.65 Conseil Scolaire Francophone	0		0		0		
Total Function 1	39,484,127	8,722,162	48,206,289	3,229,410	51,435,699	51,288,660	50,858,321
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	419,033	93,516	512,549	112,210	624,759	568,650	595,573
4.40 School District Governance	71,212	787	71,999	83,398	155,397	140,729	164,830
4.41 Business Administration	767,713	204,718	972,431	325,330	1,297,761	1,353,996	1,518,160
4.65 Conseil Scolaire Francophone	0		0		0		
Total Function 4	1,257,958	299,021	1,556,979	520,938	2,077,917	2,063,375	2,278,563
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	192,480	86,380	278,860	104,285	383,145	371,535	414,912
5.50 Maintenance Operations	2,867,009	760,455	3,627,464	797,827	4,425,291	4,632,357	4,802,961
5.52 Maintenance of Grounds	189,024	47,696	236,720	218,569	455,289	404,857	280,646
5.56 Utilities	0		0	1,415,918	1,415,918	1,438,339	1,266,833
5.65 Conseil Scolaire Francophone	0		0		0		
Total Function 5	3,248,513	894,531	4,143,044	2,536,599	6,679,643	6,847,088	6,765,352
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	102,854	25,588	128,442	7,840	136,282	150,219	132,603
7.65 Conseil Scolaire Francophone	0		0		0		
7.70 Student Transportation	1,288,634	372,498	1,661,132	445,785	2,106,917	2,163,174	2,007,220
7.73 Housing	0		0		0		
Total Function 7	1,391,488	398,086	1,789,574	453,625	2,243,199	2,313,393	2,139,823
9 DEBT SERVICES (OPERATING)							
9.92 Interest On Bank Loans							
9.94 Interest On Temporary Borrowing							
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	45,382,086	10,313,800	55,695,886	6,740,572	62,436,458	62,512,516	62,042,059

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

BALANCE, BEGINNING OF YEAR	91,411
Changes in Accounting Policies / Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	91,411
Changes for the Year	
Increase:	
Other Revenue	28,235
	28,235
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	85,865
Other Revenue	5,546
	91,411
Net Changes for the Year	(63,176)
BALANCE, END OF YEAR	28,235

Schedule B1

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2004

	MINISTRY OF EDUCATION TRUST FUNDS	OTHER TRUST FUNDS	SCHOOL GENERATED FUNDS	RELATED PARTIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	729,943	309,206	0	0	1,039,149
Add: Contributions Received					
Provincial Grants - Ministry of Education	2,580,688				2,580,688
Provincial Grants - Other					0
Federal Grants		29,904			29,904
Other Revenue	11,576	131,891			143,467
Rentals and Leases					0
Investment Income	2,873	9,145			12,018
					0
	2,595,137	170,940	0	0	2,766,077
Less: Allocated to Revenue	2,072,433	179,629			2,252,062
Recovered					0
District Entered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	1,252,647	300,517	0	0	1,553,164
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	2,011,363				2,011,363
Provincial Grants - Other					0
Federal Grants	46,621	28,651			75,272
Other Revenue	11,576	141,833			153,409
Rentals and Leases					0
Investment Income	2,873	9,145			12,018
Gain (Loss) on Equity Investment					0
	2,072,433	179,629	0	0	2,252,062
EXPENSE					
Salaries					
Teachers	188,826	182			189,008
Principals and Vice Principals					0
Educational Assistants	29,616				29,616
Support Staff	306,448				306,448
Other Professionals	85,000				85,000
Substitutes	234				234
	610,124	182	0	0	610,306
Employee Benefits	107,861	29			107,890
Services and Supplies	1,354,448	179,418			1,533,866
	2,072,433	179,629	0	0	2,252,062
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	0	0
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other					0
	0	0	0	0	0
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION TRUST FUNDS
YEAR ENDED JUNE 30, 2004

	207 Annual Capital Grant	295 One Time GAAP Grant	231 Aboriginal Education Technology	250 Special Education Equipment	302 Special Education Technology	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	616,406		89,060	8,323	16,154	729,943
Add: Contributions Received						
Provincial Grants - Ministry of Education	1,717,525	513,598		15,556	334,009	2,580,688
Provincial Grants - Other						0
Federal Grants						0
Other Revenue					11,576	11,576
Rentals and Leases						0
Investment Income			2,081	306	486	2,873
						0
	1,717,525	513,598	2,081	15,862	346,071	2,595,137
Less: Allocated to Revenue	1,654,222		48,702	7,284	362,225	2,072,433
Recovered						0
District Entered						0
DEFERRED CONTRIBUTIONS, END OF YEAR	679,709	513,598	42,439	16,901		1,252,647
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education	1,654,222			6,978	350,163	2,011,363
Provincial Grants - Other						0
Federal Grants			46,621			46,621
Other Revenue					11,576	11,576
Rentals and Leases						0
Investment Income			2,081	306	486	2,873
	1,654,222		48,702	7,284	362,225	2,072,433
EXPENSE						
Salaries						
Teachers					188,826	188,826
Principals and Vice Principals						0
Educational Assistants					29,616	29,616
Support Staff	280,730				25,718	306,448
Other Professionals	85,000					85,000
Substitutes					234	234
	365,730				244,394	610,124
Employee Benefits	52,038				55,823	107,861
Services and Supplies	1,236,454		48,702	7,284	62,008	1,354,448
	1,654,222		48,702	7,284	362,225	2,072,433
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS						0
INTERFUND TRANSFERS						
Capital Assets Purchased						0
Other						0
						0
NET REVENUE (EXPENSE)						0

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER TRUST FUNDS
YEAR ENDED JUNE 30, 2004

	Scholarship	Student Concerts	Salmon Enhancement	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	279,931	7,163	22,112	309,206
Add: Contributions Received				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			29,904	29,904
Other Revenue	121,521	9,620	750	131,891
Rentals and Leases				0
Investment Income	8,225	344	576	9,145
				0
	129,746	9,964	31,230	170,940
Less: Allocated to Revenue	138,935	10,717	29,977	179,629
Recovered				0
District Entered				0
DEFERRED CONTRIBUTIONS, END OF YEAR	270,742	6,410	23,365	300,517
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education				0
Provincial Grants - Other				0
Federal Grants			28,651	28,651
Other Revenue	130,710	10,373	750	141,833
Rentals and Leases				0
Investment Income	8,225	344	576	9,145
	138,935	10,717	29,977	179,629
EXPENSE				
Salaries				
Teachers		182		182
Principals and Vice Principals				0
Educational Assistants				0
Support Staff				0
Other Professionals				0
Substitutes				0
		182		182
Employee Benefits		29		29
Services and Supplies	138,935	10,506	29,977	179,418
	138,935	10,717	29,977	179,629
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS				0
INTERFUND TRANSFERS				
Capital Assets Purchased				0
Other				0
				0
NET REVENUE (EXPENSE)				0

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2004

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
BALANCE, BEGINNING OF YEAR	8,657,246	101,771,876	11,277,781	4,410,644	0	3,466,625	129,584,172
Changes in Accounting Policy / Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	8,657,246	101,771,876	11,277,781	4,410,644	0	3,466,625	129,584,172
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions		3,141		305,100			308,241
Operating Fund							0
Special Purpose Funds							0
Capital Reserves			899	16,453			17,352
	0	3,141	899	321,553	0	0	325,593
Capital Leases							0
	0	3,141	899	321,553	0	0	325,593
Decrease:							
Disposed Of							0
District Entered							0
	0	0	0	0	0	0	0
Net Changes for the Year	0	3,141	899	321,553	0	0	325,593
BALANCE, END OF YEAR	8,657,246	101,775,017	11,278,680	4,732,197	0	3,466,625	129,909,765
WORK IN PROGRESS							
CAPITAL ASSETS - NET	8,657,246	101,775,017	11,278,680	4,732,197	0	3,466,625	129,909,765

Schedule C2

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
BALANCE, BEGINNING OF YEAR	65,658,778			65,658,778
Changes in Accounting Policy/				
Prior Period Adjustments				
Adjust Opening Deferred Capital Contributions	(1,863,205)			(1,863,205)
BALANCE, BEGINNING OF YEAR, AS RESTATED	63,795,573	0	0	63,795,573
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	308,241			308,241
	308,241	0	0	308,241
Decrease:				
Amortization of Deferred Capital Contributions	2,635,152			2,635,152
Bylaw Capital Under Spent Beginning of Year	19,719			19,719
	2,654,871	0	0	2,654,871
Net Changes for the Year	(2,346,630)	0	0	(2,346,630)
BALANCE, END OF YEAR	61,448,943	0	0	61,448,943

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies / Prior Period Adjustments				
Bylaw Capital (Over)/Under Spent Beginning of Year	19,719			19,719
BALANCE, BEGINNING OF YEAR, AS RESTATED	19,719	0	0	19,719
Changes for the Year				
Increase:				
Provincial Grants - Ministry of Education	305,100			305,100
	305,100	0	0	305,100
Decrease:				
Transferred to DCC - Capital Additions	308,241			308,241
	308,241	0	0	308,241
Net Changes for the Year	(3,141)	0	0	(3,141)
BALANCE, END OF YEAR	16,578	0	0	16,578

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004

	FUND BALANCE	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL RESERVE	CAPITAL RESERVE	LAND CAPITAL RESERVE	TOTAL RESERVES
BALANCE, BEGINNING OF YEAR	64,063,698	63,945,113	31,963	86,622		118,585
Changes in Accounting Policies/ Prior Period Adjustments						
Deferred Capital Contributions	1,863,205	1,863,205				0
BALANCE, BEGINNING OF YEAR, AS RESTATED	65,926,903	65,808,318	31,963	86,622	0	118,585
Changes for the Year						
Local Government Site Fees						0
Investment Income	3,031		682	2,349		3,031
Gain (Loss) on Disposal of Capital Assets	12,556	12,556				0
Proceeds from Sale of Assets		(12,556)	8,341	4,215		12,556
Amortization of Deferred Capital Contributions	2,635,152	2,635,152				0
Capital Assets Purchased from Reserves		17,352	(17,352)			(17,352)
Interfund Transfers - Capital Assets Purchased						0
Interfund Transfers - Local Capital						0
Net Changes for the Year	2,650,739	2,652,504	(8,329)	6,564	0	(1,765)
BALANCE, END OF YEAR	68,577,642	68,460,822	23,634	93,186	0	116,820