

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2006/2007

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
22	Vernon	2006/2007
OFFICE LOCATION		TELEPHONE NUMBER
1401-15th St		250-542-3331
CITY / PROVINCE		POSTAL CODE
Vernon, BC		V1T 8S8
WEBSITE ADDRESS		
http://www.sd22.bc.ca		
NAME OF SUPERINTENDENT		NAME OF SECRETARY - TREASURER
Robert Peacock		Randall F Hoffman

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of School Trustees of School District No. 22 (Vernon) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The 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 financial statements lies with the Board. The Board has reviewed and approved the financial statements.

External Auditors

The Board appoints external auditors to audit the 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 financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense and cash flows for the year in accordance with 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 Financial Statements of School District No. 22 (Vernon) for the year ended June 30, 2007.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	DATE SIGNED
Original Signed By	09/18/07
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
Original Signed By	09/18/07
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED
Original Signed By	09/18/07

SCHOOL DISTRICT NO. 22 (Vernon)
2006/2007 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 consolidated statement of financial position of School District No. 22 (Vernon) as at June 30, 2007 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, 2007, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

KPMG LLP

Chartered Accountants

Vernon, Canada

August 10, 2007

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
ASSETS					
Current Assets					
Cash and Cash Equivalents	12,444,474	2,099,583	102,173	14,646,230	11,030,470
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	93,658			93,658	1,161,784
Due from Province - Other		1,014		1,014	3,614,787
Due from LEA / Direct Funding				0	0
Other Receivables	956,408	31,340		987,748	289,273
Interfund Loans	32,234				
Inventories				0	0
Prepaid Expenses	15,791			15,791	51,669
	13,542,565	2,131,937	102,173	15,744,441	16,147,983
Investments				0	0
Equity Investments				0	0
Capital Assets - Net		162,714	69,602,794	69,765,508	71,570,802
TOTAL ASSETS	13,542,565	2,294,651	69,704,967	85,509,949	87,718,785
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	14,111
Due to Province - Other				0	0
Other	788,549	19,043		807,592	630,501
Bank Loans				0	0
Interfund Loans			32,234		
Other Current Liabilities	4,567,875			4,567,875	8,208,375
	5,356,424	19,043	32,234	5,375,467	8,852,987
Deferred Revenue	1,844,466			1,844,466	0
Deferred Contributions					
Ministry of Education		834,265	43,793	878,058	1,119,357
Province - Other				0	0
Other		1,251,746		1,251,746	1,267,824
Accrued Employee Future Benefits	2,310,715			2,310,715	2,311,532
Deferred Capital Contributions			54,730,429	54,730,429	57,064,171
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities		160,000		160,000	160,000
TOTAL LIABILITIES	9,511,605	2,265,054	54,806,456	66,550,881	70,775,871
Fund Balances					
Invested in Capital Assets		2,714	14,872,365	14,875,079	14,346,631
Endowment				0	0
Internally Restricted	3,979,715	26,883	26,146	4,032,744	2,312,703
Unrestricted	51,245			51,245	283,580
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	4,030,960	29,597	14,898,511	18,959,068	16,942,914
TOTAL LIABILITIES AND FUND BALANCES	13,542,565	2,294,651	69,704,967	85,509,949	87,718,785

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2007

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
REVENUE					
Provincial Grants - Ministry of Education	66,460,463	2,274,783		68,735,246	64,525,899
Provincial Grants - Other	116,527	1,500		118,027	3,925,756
Federal Grants				0	202,412
Other Revenue	4,372,084	2,036,663		6,408,747	5,514,157
Rentals and Leases	49,315	760,684		809,999	65,434
Investment Income	458,591	66,607	1,109	526,307	358,881
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,392,564	2,392,564	2,423,817
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>71,456,980</u>	<u>5,140,237</u>	<u>2,393,673</u>	<u>78,990,890</u>	<u>77,016,356</u>
EXPENSE					
Salaries					
Teachers	31,611,675	139,062		31,750,737	30,155,671
Principals and Vice Principals	4,053,374			4,053,374	4,223,298
Educational Assistants	2,855,944	16,085		2,872,029	2,874,624
Support Staff	7,404,563	383,153		7,787,716	8,440,904
Other Professionals	1,075,716			1,075,716	1,047,457
Substitutes	2,514,124	7,447		2,521,571	2,224,934
	<u>49,515,396</u>	<u>545,747</u>	<u>0</u>	<u>50,061,143</u>	<u>48,966,888</u>
Employee Benefits	10,475,549	91,679		10,567,228	10,184,147
Services and Supplies	9,059,250	4,488,487		13,547,737	12,433,920
Amortization of Capital Assets			2,799,643	2,799,643	2,743,491
Write-off/down of Buildings and Sites				0	0
	<u>69,050,195</u>	<u>5,125,913</u>	<u>2,799,643</u>	<u>76,975,751</u>	<u>74,328,446</u>
NET REVENUE (EXPENSE)	<u>2,406,785</u>	<u>14,324</u>	<u>(405,970)</u>	<u>2,015,139</u>	<u>2,687,910</u>

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
FUND BALANCES, BEGINNING OF YEAR	2,559,702	14,258	14,368,954	16,942,914	14,255,004
Changes in Accounting Policies/ Prior Period Adjustments					
A/R SCHOOL GENERATED FUNDS		1,015		1,015	0
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	2,559,702	15,273	14,368,954	16,943,929	14,255,004
Changes for the Year					
Net Revenue (Expense) for the Year	2,406,785	14,324	(405,970)	2,015,139	2,687,910
Interfund Transfers					
Capital Assets Purchased	(935,527)		935,527	0	0
Local Capital				0	0
Other				0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Net Changes for the Year	1,471,258	14,324	529,557	2,015,139	2,687,910
FUND BALANCES, END OF YEAR	4,030,960	29,597	14,898,511	18,959,068	16,942,914

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	2,406,785	14,324	(405,970)	2,015,139	2,687,910
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	2,972,002	490,636	521,801	3,984,439	0
Interfund Loans	464,088		(464,088)	0	(4,385,981)
Inventories				0	0
Prepaid Expenses	31,951	3,927		35,878	(11,844)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	159,241	3,739		162,980	(251,255)
Other Current Liabilities	(3,640,500)			(3,640,500)	5,024,199
Deferred Revenue	1,627,116			1,627,116	0
Deferred Contributions		14,503		14,503	403,287
Accrued Employee Future Benefits	(817)			(817)	40,586
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			2,799,643	2,799,643	2,743,491
Amortization of Deferred Capital Contributions			(2,392,564)	(2,392,564)	(2,423,817)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(935,527)		935,527	0	0
	<u>3,084,339</u>	<u>527,129</u>	<u>994,349</u>	<u>4,605,817</u>	<u>3,826,576</u>
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			(54,530)	(54,530)	3,061
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	<u>0</u>	<u>0</u>	<u>(54,530)</u>	<u>(54,530)</u>	<u>3,061</u>
INVESTING					
Capital Assets Purchased - Operating			(935,527)	(935,527)	(653,458)
Capital Assets Purchased - Special Purpose				0	(6,096)
Capital Assets Purchased - Local Capital				0	0
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	<u>0</u>	<u>0</u>	<u>(935,527)</u>	<u>(935,527)</u>	<u>(659,554)</u>
NET INCREASE (DECREASE) IN CASH	<u>3,084,339</u>	<u>527,129</u>	<u>4,292</u>	<u>3,615,760</u>	<u>3,170,083</u>

**SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
NET INCREASE (DECREASE) IN CASH	3,084,339	527,129	4,292	3,615,760	3,170,083
Net Cash, Beginning of Year	9,360,135	1,572,454	97,881	11,030,470	7,860,387
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	9,360,135	1,572,454	97,881	11,030,470	7,860,387
NET CASH, END OF YEAR	12,444,474	2,099,583	102,173	14,646,230	11,030,470
Cash	12,444,474	2,099,583	102,173	14,646,230	11,030,470
Cash Equivalents				0	0
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	12,444,474	2,099,583	102,173	14,646,230	11,030,470

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

1) AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of School Trustees of School District No.22 (Vernon)", and operates as "School District #22 (Vernon)". A board of school trustees (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

b) Capital Assets

The following criteria apply:

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

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

c) Capital Leases

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

d) Revenue Recognition

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

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

- i) Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- ii) Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - (1) If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - (2) If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - (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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

- 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) 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 expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
- (2) Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- (3) Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- (4) Supplies and services are allocated based on actual identification of program.

f) Financial Instruments

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

g) Use of Estimates

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

h) Controlled Entity

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

i) Employee Future Benefits

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

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 9.5.

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

	<u>2007</u>	<u>2006</u>
Due from Federal Government	\$ 33,712	\$ 56,902
Due from Other School Districts	18,247	792
Other Receivables	<u>938,161</u>	<u>231,579</u>
	<u>\$ 990,120</u>	<u>\$ 289,273</u>

4) CAPITAL ASSETS

	<u>2007</u>		<u>2006</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Sites	\$ 8,657,246	\$	\$ 8,657,246
Buildings	101,809,552	43,931,789	57,877,763
Furniture and Equipment	2,000,133	1,108,761	891,372
Vehicles	1,911,585	707,137	1,204,448
Computer Software	102,321	8,665	93,656
Computer Hardware	<u>978,183</u>	<u>99,674</u>	<u>878,509</u>
	<u>\$115,459,020</u>	<u>\$ 45,856,026</u>	<u>\$69,602,994</u>
			<u>\$71,570,802</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5) 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.

	2007	2006
Balance, beginning of year	\$ 57,064,171	\$ 58,966,187
Capital funding receipts: Ministry of Education	58,822	521,801
	57,122,993	59,487,988
Amortization for the year	(2,392,564)	(2,423,817)
Balance, end of year	\$ 54,730,429	\$ 57,064,171

The balance consists of the following:

	2007	2006
Unamortized capital contributions used to purchase capital assets	\$ 54,730,429	\$ 57,064,171
Unspent capital contributions	0	0
	\$ 54,730,429	\$ 57,064,171

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6) Investment in capital assets:

a) Investment in capital assets is calculated as follows:

	2007	2006
Capital assets	\$ 69,765,508	\$ 71,570,802
Deferred capital contributions	(54,730,429)	(57,064,171)
Other long term liabilities	(160,000)	(160,000)
	\$ 14,875,079	\$ 14,346,631

b) Deficiency of revenue over expenses:

	2007	2006
Investment income	\$ 1,109	\$ 815
Amortization of deferred capital contributions	\$ 2,392,564	\$ 2,423,817
Amortization of capital assets	(2,799,643)	(2,743,491)
	\$ (405,970)	\$ (318,859)

c) Net change in investment in capital assets:

	2007	2006
Purchase of capital assets	\$ 994,349	\$ 1,181,355
Deferred capital contributions	(58,822)	(521,801)
Repayment of long-term debt	0	0
Interfund transfer to internally restricted	(1,109)	(815)
Proceeds from disposal of capital assets	0	0
Deficiency of revenue over expenses	(405,970)	(318,859)
	\$ 934,418	\$ 339,880

7) Asset Retirement Obligation:

In accordance with Canadian Generally Accepted Accounting Principles, the 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 District has identified potential asset retirement obligations relating to facilities that the 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 District facilities. At this time, the 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, 2007.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

8) 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.

	2007	2006
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 2,394,545	\$ 2,248,024
Service Cost	171,357	162,326
Interest Cost	129,535	127,625
Benefit Payments April 1 to March 31	(278,553)	(240,343)
Actuarial Gain	161,615	96,913
Accrued Benefit Obligation – March 31	<u>\$ 2,578,499</u>	<u>\$ 2,394,545</u>
a) Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 2,578,499	\$ 2,394,545
Market Value of Plan Assets – March 31	0	0
Funded Status – (Deficit)	(2,578,499)	(2,394,545)
Employer Contributions After Measurement Date - April 1 to June 30	32,178	9,022
Unamortized Net Actuarial (Gain)/Loss	235,606	73,991
Accrued Benefit Liability - June 30	<u>\$ (2,310,715)</u>	<u>\$ (2,311,532)</u>
b) Components of Net Benefit Expense		
Service Cost	\$ 171,357	\$ 162,326
Interest Cost	129,535	127,625
Amortization of Net Actuarial Gain	0	0
Net Benefit Expense	<u>\$ 300,892</u>	<u>\$ 289,951</u>
c) Assumptions		
Discount Rate – Beginning of Period	5.25%	5.50%
Discount Rate – End of Period	5.00%	5.25%
Salary Growth – Beginning of Period	3.25% + seniority	3.25% + seniority
Salary Growth – End of Period	3.25% + seniority	3.25% + seniority
EARSL	9.50	12.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

9) UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

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

Unfunded Liability, as at JUNE 30, 2007

\$ 0

10) EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusted 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 140,000 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 will be as at December 31, 2008 with results available in late 2009. 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. The actuary does not attribute portions of the unfunded liability to individual employers. The Vernon School District No 22 paid \$4,272,253.34 for employer contributions to these plans in the year ended June 30, 2007.

11) OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

i. Aboriginal Education	149,570
ii. School and Department Programs	<u>3,830,145</u>
Subtotal Internally Restricted	\$3,979,715
Unrestricted Operating Surplus	<u>51,245</u>
Total Available for Future Operations	<u>\$4,030,960</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2007

12) 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.

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

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

2007/2008	\$107,709
2008/2009	\$107,709
2009/2010	\$107,709
2010/2011	\$107,709

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2007

Schedule A1

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	66,460,463	65,597,137	62,795,722
Provincial Grants - Other	116,527	59,352	3,925,756
Federal Grants	0	139,234	167,714
Other Revenue	4,372,084	2,472,877	2,830,583
Rentals and Leases	49,315	36,000	65,434
Investment Income	458,591	180,000	307,350
	<u>71,456,980</u>	<u>68,484,600</u>	<u>70,092,559</u>
EXPENSE			
Salaries			
Teachers	31,611,675	30,827,162	30,020,119
Principals and Vice Principals	4,053,374	4,356,984	4,223,298
Educational Assistants	2,855,944	2,922,500	2,874,624
Support Staff	7,404,563	8,008,886	8,157,909
Other Professionals	1,075,716	1,000,897	1,047,457
Substitutes	2,514,124	2,161,567	2,216,285
	<u>49,515,396</u>	<u>49,277,996</u>	<u>48,539,692</u>
Employee Benefits	10,475,549	10,564,672	10,112,831
Services and Supplies	9,059,250	8,345,784	8,425,039
	<u>69,050,195</u>	<u>68,188,452</u>	<u>67,077,562</u>
NET REVENUE (EXPENSE), FOR THE YEAR	<u>2,406,785</u>	<u>296,148</u>	<u>3,014,997</u>
INTERFUND TRANSFERS			
Capital Assets Purchased	(935,527)	0	(653,458)
Local Capital	0	0	0
Other	0	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	0	0	(1,712,299)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		0	
SURPLUS (DEFICIT), FOR THE YEAR	<u>1,471,258</u>	<u>296,148</u>	<u>649,240</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	<u>2,559,702</u>		<u>1,910,462</u>
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>2,559,702</u>		<u>1,910,462</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>4,030,960</u>		<u>2,559,702</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	3,979,715		
Unrestricted	51,245		
	<u>4,030,960</u>		

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2007

Schedule A2

	2007	2007	2006
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	62,914,547	62,659,252	63,312,384
Other Ministry of Education Grants			
GAAP Implementation Funding	564,406	564,406	564,406
Reduction for Local Education Agreements	(1,348,072)	(1,348,072)	(1,328,164)
Pay Equity Grant	85,865	85,865	85,865
Community Links	563,000	563,000	563,000
Strike Savings Recovery	0	0	(1,884,480)
Special Purpose Funding	0	0	1,242,075
Other MOE Grant	608,031	0	84,619
2006/07 COMPENSATION	3,072,686	3,072,686	156,017
	<u>66,460,463</u>	<u>65,597,137</u>	<u>62,795,722</u>
PROVINCIAL GRANTS - OTHER	<u>116,527</u>	<u>59,352</u>	<u>3,925,756</u>
FEDERAL GRANTS	<u>0</u>	<u>139,234</u>	<u>167,714</u>
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	0	0	0
Summer School Fees	7,730	0	11,925
Continuing Education	0	0	0
Offshore Tuition Fees	2,131,230	1,068,250	415,225
LEA/Direct Funding from First Nations	1,358,012	1,348,072	1,279,591
Miscellaneous			
Interior Health	67,398	56,555	56,554
Cafeteria Revenue	253,391	0	215,084
Donations	151,791	0	171,750
Fees	14,500	0	30,163
W/D of Cont Liab	0	0	470,789
Misc	388,032	0	179,502
	<u>4,372,084</u>	<u>2,472,877</u>	<u>2,830,583</u>
RENTALS AND LEASES	<u>49,315</u>	<u>36,000</u>	<u>65,434</u>
INVESTMENT INCOME	<u>458,591</u>	<u>180,000</u>	<u>307,350</u>
TOTAL OPERATING REVENUE	<u><u>71,456,980</u></u>	<u><u>68,484,600</u></u>	<u><u>70,092,559</u></u>

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2007

Schedule A3

	2007	2007	2006
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	31,611,675	30,827,162	30,020,119
Principals and Vice Principals	4,053,374	4,356,984	4,223,298
Educational Assistants	2,855,944	2,922,500	2,874,624
Support Staff	7,404,563	8,008,886	8,157,909
Other Professionals	1,075,716	1,000,897	1,047,457
Substitutes	2,514,124	2,161,567	2,216,285
	49,515,396	49,277,996	48,539,692
EMPLOYEE BENEFITS	10,475,549	10,564,672	10,112,831
Total Salaries and Benefits	59,990,945	59,842,668	58,652,523
SERVICES AND SUPPLIES			
Services	2,190,095	1,418,112	1,769,667
Student Transportation	133,930	43,612	42,796
Professional Development and Travel	426,713	664,640	335,001
Rentals and Leases	127,055	136,357	111,106
Dues and Fees	280,784	275,892	201,262
Insurance	249,520	217,695	177,075
Interest	0	0	0
Supplies	4,174,730	4,105,647	4,340,497
Bad Debts	0	0	0
Utilities	1,476,423	1,483,829	1,447,635
Total Services and Supplies	9,059,250	8,345,784	8,425,039
TOTAL OPERATING EXPENSE	69,050,195	68,188,452	67,077,562

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.1

	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	25,017,910	667,616		392,897		1,887,441	27,965,864
1.03 Career Programs	270,779	29,962		15,869		6,526	323,136
1.07 Library Services	660,980	119,767		277,440		12,825	1,071,012
1.08 Counselling	997,693	77,849				17,951	1,093,493
1.10 Special Education	3,776,694	136,066	2,574,053	98,334		231,026	6,816,173
1.30 English as a Second Language	228,876					2,597	229,473
1.31 Aboriginal Education	288,136	99,079	239,790	31,879		3,691	662,575
1.41 School Administration		2,805,098		1,374,656		38,853	4,218,607
1.60 Summer School	23,300						23,300
1.61 Continuing Education							0
1.62 Off Shore Students	325,634	20,032		184,392		36,466	566,524
1.64 Other	23,673		42,101	20,064		8,165	94,003
1.65 Conseil Scolaire Francophone							0
Total Function 1	31,611,675	3,955,469	2,855,944	2,395,531	0	2,245,541	43,064,160
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				57,211	412,195	90,785	560,191
4.40 School District Governance					74,715		74,715
4.41 Business Administration		97,905		404,421	264,134	1,080	767,540
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	97,905	0	461,632	751,044	91,865	1,402,446
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				36,235	248,534		284,769
5.50 Maintenance Operations				2,982,523		130,257	3,112,780
5.52 Maintenance of Grounds				193,110		122	193,232
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	3,211,868	248,534	130,379	3,590,781
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				37,858	76,138		113,996
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,297,674		46,339	1,344,013
7.73 Housing							0
Total Function 7	0	0	0	1,335,532	76,138	46,339	1,458,009
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	31,611,675	4,053,374	2,855,944	7,404,563	1,075,716	2,514,124	49,515,396

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2007 ACTUAL	2007 AMENDED ANNUAL BUDGET	2006 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	27,965,864	5,689,209	33,655,073	2,027,800	35,682,873	35,456,455	35,756,164
1.03 Career Programs	323,136	68,306	391,442	52,391	443,833	443,688	459,067
1.07 Library Services	1,071,012	259,455	1,330,467	99,087	1,429,554	1,434,812	1,162,756
1.08 Counselling	1,093,493	220,440	1,313,933	12,550	1,326,483	1,411,585	1,311,316
1.10 Special Education	6,816,173	1,513,858	8,330,031	771,467	9,101,498	9,469,869	8,756,723
1.30 English as a Second Language	229,473	46,578	276,051	6,362	282,413	155,425	197,379
1.31 Aboriginal Education	662,575	148,364	810,939	89,635	900,574	1,050,144	925,608
1.41 School Administration	4,218,607	1,051,262	5,269,869	196,378	5,466,247	5,641,069	5,740,244
1.60 Summer School	23,300	3,050	26,350	1,764	28,114	26,128	10,835
1.61 Continuing Education	0	0	0	0	0	0	0
1.62 Off Shore Students	566,524	108,333	674,857	1,456,384	2,131,241	1,068,250	344,742
1.64 Other	94,003	21,741	115,744	345,554	461,298	145,177	488,622
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	43,064,160	9,130,596	52,194,756	5,059,372	57,254,128	56,302,602	55,153,456
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	560,191	115,875	676,066	115,718	791,784	599,951	785,490
4.40 School District Governance	74,715	563	75,278	71,467	146,745	151,195	180,136
4.41 Business Administration	767,540	174,321	941,861	503,172	1,445,033	1,412,640	1,489,262
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	1,402,446	290,759	1,693,205	690,357	2,383,562	2,163,786	2,454,888
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	284,769	62,922	347,691	102,224	449,915	452,296	451,297
5.50 Maintenance Operations	3,112,780	599,414	3,712,194	1,031,992	4,744,186	4,948,283	4,790,311
5.52 Maintenance of Grounds	193,232	37,371	230,603	154,025	384,628	408,721	462,583
5.56 Utilities	0	0	0	1,476,424	1,476,424	1,483,829	1,447,635
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	3,590,781	699,707	4,290,488	2,764,665	7,055,153	7,293,129	7,151,826
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	113,996	25,486	139,482	7,539	147,021	154,633	152,692
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	1,344,013	329,001	1,673,014	537,317	2,210,331	2,274,302	2,164,700
7.73 Housing	0	0	0	0	0	0	0
Total Function 7	1,458,009	354,487	1,812,496	544,856	2,357,352	2,428,935	2,317,392
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	49,515,396	10,475,549	59,990,945	9,059,250	69,050,195	68,188,452	67,077,562

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule A5

BALANCE, BEGINNING OF YEAR	217,350
Changes in Accounting Policies/ Prior Period Adjustments	
Item now recorded on Stm 1	(217,350)
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>0</u>
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
	<u>0</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Investment Income	0
	<u>0</u>
Net Changes for the Year	<u>0</u>
BALANCE, END OF YEAR	<u><u>0</u></u>

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2007

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,021,034	324,625	725,849	0	2,071,508
Add: Contributions Received					
Provincial Grants - Ministry of Education	2,083,430		3,100		2,086,530
Provincial Grants - Other			1,500		1,500
Federal Grants					0
Other Revenue	2,250	71,280	2,047,772	300,048	2,421,350
Investment Income	14,295	11,683	38,036	4,076	68,090
Donations		147,869	429,401		577,270
	2,099,975	230,832	2,519,809	304,124	5,154,740
Less: Allocated to Revenue	2,309,808	198,520	2,437,409	194,500	5,140,237
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	811,201	356,937	808,249	109,624	2,086,011
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	2,271,683		3,100		2,274,783
Provincial Grants - Other			1,500		1,500
Federal Grants					0
Other Revenue	25,313	186,837	1,634,089	190,424	2,036,663
Rentals and Leases			760,684		760,684
Investment Income	12,812	11,683	38,036	4,076	66,607
Gain (Loss) on Equity Investment					0
	2,309,808	198,520	2,437,409	194,500	5,140,237
EXPENSE					
Salaries					
Teachers	139,062				139,062
Principals and Vice Principals					0
Educational Assistants	16,085				16,085
Support Staff	378,743		4,410		383,153
Other Professionals					0
Substitutes			7,447		7,447
	533,890	0	11,857	0	545,747
Employee Benefits	90,200		1,479		91,679
Services and Supplies	1,685,718	198,520	2,424,073	180,176	4,488,487
	2,309,808	198,520	2,437,409	180,176	5,125,913
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	14,324	14,324
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other					0
	0	0	0	0	0
NET REVENUE (EXPENSE)	0	0	0	14,324	14,324

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	Set BC	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	965,504	33,824	21,706	0	1,021,034
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,742,198		14,491	326,741	2,083,430
Provincial Grants - Other					0
Federal Grants					0
Other Revenue				2,250	2,250
Investment Income	12,017	1,483	795		14,295
	1,754,215	1,483	15,286	328,991	2,099,975
Less: Allocated to Revenue	1,933,985		23,769	352,054	2,309,808
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	785,734	35,307	13,223	(23,063)	811,201
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	1,921,968		22,974	326,741	2,271,683
Provincial Grants - Other					0
Federal Grants					0
Other Revenue				25,313	25,313
Investment Income	12,017		795		12,812
	1,933,985	0	23,769	352,054	2,309,808
EXPENSE					
Salaries					
Teachers				139,062	139,062
Principals and Vice Principals					0
Educational Assistants				16,085	16,085
Support Staff	378,743				378,743
Other Professionals					0
Substitutes					0
	378,743	0	0	155,147	533,890
Employee Benefits	58,557			31,643	90,200
Services and Supplies	1,496,685		23,769	165,264	1,685,718
	1,933,985	0	23,769	352,054	2,309,808
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 OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B3

	2010				
	Scholarship	Student Concerts	Salmon Enhancement	Legacy	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	298,356	5,486	20,783	0	324,625
Add: Contributions Received					
Provincial Grants - Ministry of Education					0
Provincial Grants - Other					0
Federal Grants					0
Other Revenue			31,280	40,000	71,280
Investment Income	10,167	478	1,038		11,683
Donations	139,861	8,008			147,869
	150,028	8,486	32,318	40,000	230,832
Less: Allocated to Revenue	117,710	8,700	32,110	40,000	198,520
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	330,674	5,272	20,991	0	356,937
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education					0
Provincial Grants - Other					0
Federal Grants					0
Other Revenue	107,543	8,222	31,072	40,000	186,837
Investment Income	10,167	478	1,038		11,683
	117,710	8,700	32,110	40,000	198,520
EXPENSE					
Salaries					
Teachers					0
Principals and Vice Principals					0
Educational Assistants					0
Support Staff					0
Other Professionals					0
Substitutes					0
	0	0	0	0	0
Employee Benefits					0
Services and Supplies	117,710	8,700	32,110	40,000	198,520
	117,710	8,700	32,110	40,000	198,520
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)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2007

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	8,657,246	101,791,595	2,160,347	2,085,802	43,327	693,928	115,432,245
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	8,657,246	101,791,595	2,160,347	2,085,802	43,327	693,928	115,432,245
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw				58,822			58,822
Deferred Contributions - Other							0
Operating Fund		17,957	250,084	77,545	58,994	530,947	935,527
Special Purpose Funds							0
Local Capital							0
Transferred from Work in Progress							0
	0	17,957	250,084	136,367	58,994	530,947	994,349
Decrease:							
Disposed of							0
Deemed Disposals			410,499	310,584		246,691	967,774
Written-off/down During Year							0
	0	0	410,499	310,584	0	246,691	967,774
COST, END OF YEAR	8,657,246	101,809,552	1,999,932	1,911,585	102,321	978,184	115,458,820
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	8,657,246	101,809,552	1,999,932	1,911,585	102,321	978,184	115,458,820
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	41,704,212	1,303,225	809,141	0	207,579	44,024,157
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	41,704,212	1,303,225	809,141	0	207,579	44,024,157
Changes for the Year							
Increase: Amortization for the Year		2,227,577	216,035	208,580	8,665	138,786	2,799,643
Decrease:							
Disposed of							0
Deemed Disposals			410,499	310,584		246,691	967,774
Written-off During Year							0
	0	0	410,499	310,584	0	246,691	967,774
ACCUMULATED AMORTIZATION, END OF YEAR	0	43,931,789	1,108,761	707,137	8,665	99,674	45,856,026
CAPITAL ASSETS - NET	8,657,246	57,877,763	891,171	1,204,448	93,656	878,510	69,602,794

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2007

Schedule C2

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

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	57,064,171	0	0	57,064,171
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	57,064,171	0	0	57,064,171
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	58,822			58,822
Transferred from Work in Progress				0
	58,822	0	0	58,822
Decrease:				
Amortization of Deferred Capital Contributions	2,392,564			2,392,564
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	2,392,564	0	0	2,392,564
Net Changes for the Year	(2,333,742)	0	0	(2,333,742)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	54,730,429	0	0	54,730,429
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
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	54,730,429	0	0	54,730,429

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	98,323	0	0	0	98,323
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	98,323	0	0	0	98,323
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education						0
Provincial Grants - Other						0
Other					442	442
Investment Income		3,850				3,850
MEd Restricted Portion of Proceeds on Disposal						0
	0	3,850	0	0	442	4,292
Decrease:						
Transferred to DCC - Capital Additions	58,822					58,822
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						0
	58,822	0	0	0	0	58,822
Net Changes for the Year	(58,822)	3,850	0	0	442	(54,530)
BALANCE, END OF YEAR	(58,822)	102,173	0	0	442	43,793

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	14,343,917	25,037	14,368,954
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>14,343,917</u>	<u>25,037</u>	<u>14,368,954</u>
Changes for the Year			
Investment Income		1,109	1,109
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	2,392,564		2,392,564
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	935,527		935,527
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(2,799,643)		(2,799,643)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	<u>528,448</u>	<u>1,109</u>	<u>529,557</u>
BALANCE, END OF YEAR	<u><u>14,872,365</u></u>	<u><u>26,146</u></u>	<u><u>14,898,511</u></u>