

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

| | | |
|--|-----------------------------------|--|
| SCHOOL DISTRICT NUMBER 22 | NAME OF SCHOOL DISTRICT Vernon | YEAR 2007/2008 |
| OFFICE LOCATION 1401-15th St | | TELEPHONE NUMBER 250-542-3331 |
| CITY / PROVINCE Vernon, BC | | POSTAL CODE V1T 8S8 |
| WEBSITE ADDRESS http://www.sd22.bc.ca | | |
| NAME OF SUPERINTENDENT Robert Peacock | | NAME OF SECRETARY - TREASURER Randall F Hoffman |

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

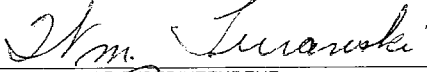
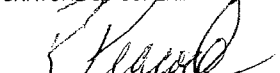
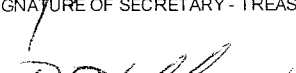
External Auditors

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, 2008.

| | |
|---|-------------------------|
| SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION  | DATE SIGNED Oct 2/08 |
| SIGNATURE OF SUPERINTENDENT  | DATE SIGNED Oct 2/08 |
| SIGNATURE OF SECRETARY - TREASURER  | DATE SIGNED Oct 2/08 |



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Chartered Accountants
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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, 2008 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, 2008, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vernon, Canada

August 14, 2008



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AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited and reported separately herein on the financial statements of School District No. 22 (Vernon) as at and for the year ended June 30, 2008 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis. Such supplementary information 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font.

Chartered Accountants

Vernon, Canada

August 14, 2008

SCHOOL DISTRICT NO. 22 (Vernon)
2007/2008 AUDITED FINANCIAL STATEMENTS

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**SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008**

Statement 1

| | OPERATING FUND | SPECIAL PURPOSE FUNDS | CAPITAL FUND | TOTAL 2008 | TOTAL 2007 |
|---|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Cash Equivalents | 11,863,072 | 2,277,941 | 106,490 | 14,247,503 | 14,646,230 |
| Short Term Investments | | | | 0 | 0 |
| Accounts Receivable | | | | | |
| Due from Province - Ministry of Education | 76,905 | | | 76,905 | 93,658 |
| Due from Province - Other | | | | 0 | 1,014 |
| Due from LEA / Direct Funding | | | | 0 | 0 |
| Other Receivables | 2,004,244 | 32,085 | | 2,036,329 | 987,748 |
| Interfund Loans | 68,524 | | | | |
| Inventories | | | | 0 | 0 |
| Prepaid Expenses | 28,729 | | | 28,729 | 15,791 |
| | <u>14,041,474</u> | <u>2,310,026</u> | <u>106,490</u> | <u>16,389,466</u> | <u>15,744,441</u> |
| Investments | | | | 0 | 0 |
| Equity Investments | | | | 0 | 0 |
| Capital Assets - Net | | 162,714 | 67,872,857 | 68,035,571 | 69,765,508 |
| TOTAL ASSETS | <u>14,041,474</u> | <u>2,472,740</u> | <u>67,979,347</u> | <u>84,425,037</u> | <u>85,509,949</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current Liabilities | | | | | |
| Bank Overdraft | | | | 0 | 0 |
| Accounts Payable and Accrued Liabilities | | | | | |
| Due to Province - Ministry of Education | | | | 0 | 0 |
| Due to Province - Other | | | | 0 | 0 |
| Other | 1,366,641 | | | 1,366,641 | 807,592 |
| Bank Loans | | | | 0 | 0 |
| Interfund Loans | | | 68,524 | | |
| Other Current Liabilities | 4,616,327 | 13,480 | | 4,629,807 | 4,567,875 |
| | <u>5,982,968</u> | <u>13,480</u> | <u>68,524</u> | <u>5,996,448</u> | <u>5,375,467</u> |
| Deferred Revenue | 1,944,161 | | | 1,944,161 | 1,844,466 |
| Deferred Contributions | | | | | |
| Ministry of Education | | 1,010,025 | 34,747 | 1,044,772 | 878,058 |
| Province - Other | | | | 0 | 0 |
| Other | | 1,286,521 | 442 | 1,286,963 | 1,251,746 |
| Accrued Employee Future Benefits | 2,141,178 | | | 2,141,178 | 2,310,715 |
| Deferred Capital Contributions | | | 52,825,835 | 52,825,835 | 54,730,429 |
| Bank Loans | | | | 0 | 0 |
| Capital Lease Obligations | | | | 0 | 0 |
| Other Long Term Liabilities | | 160,000 | | 160,000 | 160,000 |
| TOTAL LIABILITIES | <u>10,068,307</u> | <u>2,470,026</u> | <u>52,929,548</u> | <u>65,399,357</u> | <u>66,550,881</u> |
| Fund Balances | | | | | |
| Invested in Capital Assets | | 2,714 | 15,047,022 | 15,049,736 | 14,875,079 |
| Endowment | | | | 0 | 0 |
| Internally Restricted | 3,973,167 | | 2,777 | 3,975,944 | 4,032,744 |
| Unrestricted | | | | 0 | 51,245 |
| Unfunded Accrued Employee Future Benefits and Vacation Pay | | | | 0 | 0 |
| TOTAL FUND BALANCES | <u>3,973,167</u> | <u>2,714</u> | <u>15,049,799</u> | <u>19,025,680</u> | <u>18,959,068</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>14,041,474</u> | <u>2,472,740</u> | <u>67,979,347</u> | <u>84,425,037</u> | <u>85,509,949</u> |

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2008

Statement 2

| | OPERATING FUND | SPECIAL PURPOSE FUNDS | CAPITAL FUND | TOTAL 2008 | TOTAL 2007 |
|--|-------------------|-----------------------------|------------------|-------------------|-------------------|
| REVENUE | | | | | |
| Provincial Grants - Ministry of Education | 68,573,902 | 1,899,020 | | 70,472,922 | 68,735,246 |
| Provincial Grants - Other | 162,447 | 1,500 | | 163,947 | 118,027 |
| Federal Grants | | 20,173 | | 20,173 | 0 |
| Other Revenue | 5,634,175 | 1,989,341 | | 7,623,516 | 6,408,747 |
| Rentals and Leases | 41,945 | 786,333 | | 828,278 | 809,999 |
| Investment Income | 534,593 | 83,233 | 276 | 618,102 | 526,307 |
| Gain (Loss) on Equity Investment | | | | 0 | 0 |
| Amortization of Deferred Capital Contributions | | | 2,320,815 | 2,320,815 | 2,392,564 |
| Gain (Loss) on Disposal of Capital Assets | | | | 0 | 0 |
| | <u>74,947,062</u> | <u>4,779,600</u> | <u>2,321,091</u> | <u>82,047,753</u> | <u>78,990,890</u> |
| EXPENSE | | | | | |
| Salaries | | | | | |
| Teachers | 33,700,504 | 133,220 | | 33,833,724 | 31,750,737 |
| Principals and Vice Principals | 4,126,503 | | | 4,126,503 | 4,053,374 |
| Educational Assistants | 3,128,987 | | | 3,128,987 | 2,872,029 |
| Support Staff | 7,857,943 | 326,292 | | 8,184,235 | 7,787,716 |
| Other Professionals | 1,006,615 | | | 1,006,615 | 1,075,716 |
| Substitutes | 1,959,461 | 25,954 | | 1,985,415 | 2,521,571 |
| | <u>51,780,013</u> | <u>485,466</u> | <u>0</u> | <u>52,265,479</u> | <u>50,061,143</u> |
| Employee Benefits | 11,558,056 | 80,335 | | 11,638,391 | 10,567,228 |
| Services and Supplies | 11,105,939 | 4,080,050 | | 15,185,989 | 13,547,737 |
| Amortization of Capital Assets | | | 2,891,282 | 2,891,282 | 2,799,643 |
| Write-off/down of Buildings and Sites | | | | 0 | 0 |
| | <u>74,444,008</u> | <u>4,645,851</u> | <u>2,891,282</u> | <u>81,981,141</u> | <u>76,975,751</u> |
| NET REVENUE (EXPENSE) | <u>503,054</u> | <u>133,749</u> | <u>(570,191)</u> | <u>66,612</u> | <u>2,015,139</u> |

SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Statement 3

| | OPERATING FUND | SPECIAL PURPOSE FUNDS | CAPITAL FUND | TOTAL 2008 | TOTAL 2007 |
|---|-------------------|-----------------------------|-----------------|---------------|---------------|
| FUND BALANCES, BEGINNING OF YEAR | 4,030,960 | 29,597 | 14,898,511 | 18,959,068 | 16,942,914 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | | | |
| A/R SCHOOL GENERATED FUNDS | | | | 0 | 1,015 |
| FUND BALANCES, BEGINNING OF YEAR, AS RESTATED | 4,030,960 | 29,597 | 14,898,511 | 18,959,068 | 16,943,929 |
| Changes for the Year | | | | | |
| Net Revenue (Expense) for the Year | 503,054 | 133,749 | (570,191) | 66,612 | 2,015,139 |
| Interfund Transfers | | | | | |
| Capital Assets Purchased | (560,847) | (160,632) | 721,479 | 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 | (57,793) | (26,883) | 151,288 | 66,612 | 2,015,139 |
| FUND BALANCES, END OF YEAR | 3,973,167 | 2,714 | 15,049,799 | 19,025,680 | 18,959,068 |

**SCHOOL DISTRICT NO. 22 (Vernon)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008**

Statement 4.1

| | OPERATING FUND | SPECIAL PURPOSE FUNDS | CAPITAL FUND | TOTAL 2008 | TOTAL 2007 |
|--|-------------------|-----------------------------|-----------------|---------------|---------------|
| CASH PROVIDED BY (USED FOR) | | | | | |
| OPERATIONS | | | | | |
| Net Revenue (Expense) for the Year | 503,054 | 133,749 | (570,191) | 66,612 | 2,015,139 |
| Changes In Non-Cash Working Capital | | | | | |
| Decrease (Increase) | | | | | |
| Accounts Receivable | (1,031,083) | 269 | | (1,030,814) | 3,984,439 |
| Interfund Loans | (36,290) | | 36,290 | 0 | 0 |
| Inventories | | | | 0 | 0 |
| Prepaid Expenses | (12,938) | | | (12,938) | 35,878 |
| Increase (Decrease) | | | | | |
| Accounts Payable/Accrued Liabilities | 417,957 | (19,043) | | 398,914 | 162,980 |
| Other Current Liabilities | 208,587 | 13,480 | | 222,067 | (3,640,500) |
| Deferred Revenue | 99,695 | | | 99,695 | 1,627,116 |
| Deferred Contributions | | 210,535 | | 210,535 | 14,503 |
| Accrued Employee Future Benefits | (169,537) | | | (169,537) | (817) |
| Other Long Term Liabilities | | | | 0 | 0 |
| Loss (Gain) on Disposal of Capital Assets | | | | 0 | 0 |
| Items Not Involving Cash | | | | | |
| Amortization of Capital Assets | | | 2,891,282 | 2,891,282 | 2,799,643 |
| Amortization of Deferred Capital Contributions | | | (2,320,815) | (2,320,815) | (2,392,564) |
| Write-off/down of Buildings and Sites | | | | 0 | 0 |
| Comprehensive Income (Loss) | | | | 0 | 0 |
| Interfund Transfers | (560,847) | (160,632) | 721,479 | 0 | 0 |
| | (581,402) | 178,358 | 758,045 | 355,001 | 4,605,817 |
| FINANCING | | | | | |
| Bank Loan Received | | | | 0 | 0 |
| Bank Loan Paid | | | | 0 | 0 |
| Endowment Contributions | | | | 0 | 0 |
| Increase (Decrease) Deferred Contributions - Capital | | | (8,604) | (8,604) | (54,530) |
| Proceeds from Disposal of Capital Assets | | | | 0 | 0 |
| MEd Restricted Portion of Proceeds on Disposal | | | | 0 | 0 |
| | 0 | 0 | (8,604) | (8,604) | (54,530) |
| INVESTING | | | | | |
| Capital Assets Purchased - Operating | | | (560,847) | (560,847) | (935,527) |
| Capital Assets Purchased - Special Purpose | | | (160,632) | (160,632) | 0 |
| Capital Assets Purchased - Local Capital | | | (23,645) | (23,645) | 0 |
| Decrease (Increase) in Investments | | | | 0 | 0 |
| Decrease (Increase) in Equity Investments | | | | 0 | 0 |
| | 0 | 0 | (745,124) | (745,124) | (935,527) |
| NET INCREASE (DECREASE) IN CASH | (581,402) | 178,358 | 4,317 | (398,727) | 3,615,760 |

SCHOOL DISTRICT NO. 22 (Vernon)
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2008

Statement 4.2

| | OPERATING FUND | SPECIAL PURPOSE FUNDS | CAPITAL FUND | TOTAL 2008 | TOTAL 2007 |
|---|-------------------|-----------------------------|-----------------|---------------|---------------|
| NET INCREASE (DECREASE) IN CASH | (581,402) | 178,358 | 4,317 | (398,727) | 3,615,760 |
| Net Cash, Beginning of Year | 12,444,474 | 2,099,583 | 102,173 | 14,646,230 | 11,030,470 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | | | |
| Net Cash, Beginning of Year, as Restated | 12,444,474 | 2,099,583 | 102,173 | 14,646,230 | 11,030,470 |
| NET CASH, END OF YEAR | 11,863,072 | 2,277,941 | 106,490 | 14,247,503 | 14,646,230 |
| Cash | 11,863,072 | 2,277,941 | 106,490 | 14,247,503 | 14,646,230 |
| Cash Equivalents | | | | 0 | 0 |
| Short Term Investments | | | | 0 | 0 |
| Bank Overdraft | | | | 0 | 0 |
| NET CASH, END OF YEAR | 11,863,072 | 2,277,941 | 106,490 | 14,247,503 | 14,646,230 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

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. The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years and contemplate the continuation of the School District as a going concern.

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

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

a) Fund Accounting

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

b) Cash and cash equivalents

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

c) 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 |

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

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

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

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.

f) **Financial Instruments**

Effective July 1, 2007, the School District adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, Financial Instruments – Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments – Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied.

Under these new standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and are initially measured at fair market value. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Held for trading financial investments are measured at fair value and all gains and losses are included in excess of revenue over expenses in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included as changes in net asset balances until the asset is removed from the balance sheet. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The standards require derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. All changes in the fair value of derivatives are recognized in operations in the period they arise unless specific hedge criteria are met, which require that an entity must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

All of the School District's short-term investments held on July 1, 2007 or acquired subsequently are designated as held-to-maturity under the new standards. Purchases and sales of investments are recorded on a trade date basis. Held-to-maturity investments are measured at amortized costs with income included on the statement of operations.

On initial adoption of the new standards, the School District designated its financial instruments as follows: cash and cash equivalents and short term investments were designated as held-to-maturity, accounts receivable were designated as loans and receivables, and accounts payable and accrued liabilities and other current liabilities were designated as other financial liabilities. The adoption of these new standards resulted in a nil effect to net assets as of July 31, 2007.

g) **Future Accounting Changes**

Effective July 1, 2008, the School District will be adopting CICA Handbook Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments – Presentation, that were issued but not yet effective as of June 30, 2008. These standards revise the current standards for the presentation and disclosure of financial instruments and place an increased emphasis on the disclosure of the nature and extent of an entity's exposure to risks arising from financial instruments and how the entity manages those risks. The School District's management does not expect that the adoption of these sections will significantly impact the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

h) 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.

i) 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.

j) 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, 2008

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.

The most recent valuation of the obligation was performed at March 31, 2007 and projected to June 30, 2011. The next valuation will be performed at March 31, 2010 for use at June 30, 2010. 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>2008</u> | <u>2007</u> |
|---------------------------------|---------------------|-------------------|
| Due from Federal Government | \$ 0 | \$ 33,712 |
| Due from Other School Districts | 8,207 | 18,247 |
| Other Receivables | <u>1,996,037</u> | <u>938,161</u> |
| | <u>\$ 2,004,244</u> | <u>\$ 990,120</u> |

4) **CAPITAL ASSETS**

| | <u>2008</u> | | | <u>2007</u> |
|-------------------------|-----------------------|-------------------------------------|---------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Sites | \$ 8,657,246 | \$ 0 | \$ 8,657,246 | \$ 8,657,246 |
| Buildings | 101,907,881 | 46,145,184 | 55,762,697 | 57,877,763 |
| Furniture and Equipment | 1,928,249 | 1,029,903 | 898,346 | 891,172 |
| Vehicles | 2,329,291 | 845,782 | 1,483,509 | 1,204,448 |
| Computer Software | 137,317 | 32,595 | 104,722 | 93,656 |
| Computer Hardware | <u>1,293,144</u> | <u>326,807</u> | <u>966,337</u> | <u>878,509</u> |
| | <u>\$ 116,253,128</u> | <u>\$ 48,380,271</u> | <u>\$ 67,872,857</u> | <u>\$69,602,794</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

5) DEFERRED CONTRIBUTIONS

a) Deferred Contributions – Ministry of Education

| | 2008 | | | | 2007 |
|------------------------------------|----------------|-----------------------|--------------|-------------|--------------|
| | Operating Fund | Special Purpose Funds | Capital Fund | Total | Total |
| Balance, beginning of year | \$ 0 | \$ 811,201 | \$43,351 | \$ 854,552 | \$ 1,119,327 |
| Increases: | | | | | |
| Provincial grants – MOE | | 2,096,398 | 403,300 | 2,499,698 | 2,083,430 |
| Investment income | | 35,178 | 4,317 | 39,495 | 18,145 |
| Other | | | | | 2,250 |
| | | 2,131,576 | 407,617 | 2,539,193 | 2,103,825 |
| Decreases: | | | | | |
| Transfers to Revenue | | 1,932,752 | | 1,932,752 | 2,309,808 |
| Transfers to DCC capital additions | | | 416,221 | 416,221 | 58,822 |
| | | 1,932,752 | 416,221 | 2,348,973 | 2,368,630 |
| Net changes for the year | | 198,824 | (8,604) | 190,220 | (264,805) |
| Balance, end of year | \$ 0 | \$1,010,025 | \$34,747 | \$1,044,772 | \$ 854,552 |

b) Deferred Contributions – Other

| | 2008 | | | | 2007 |
|----------------------------|----------------|-----------------------|--------------|-------------|--------------|
| | Operating Fund | Special Purpose Funds | Capital Fund | Total | Total |
| Balance, beginning of year | \$ 0 | \$1,274,810 | \$ 442 | \$1,275,252 | \$ 1,050,474 |
| Increases: | | | | | |
| Provincial grants – MOE | | | | | 3,100 |
| Provincial grants – Other | | 1,500 | | 1,500 | 1,500 |
| Investment income | | 50,321 | | 50,321 | 53,795 |
| Donations | | 542,733 | | 542,733 | 577,270 |
| Other revenues | | 2,242,802 | | 2,242,802 | 2,419,542 |
| | | 2,837,356 | | 2,837,356 | 3,055,207 |
| Decreases: | | | | | |
| Transfers to Revenue | | 2,825,645 | | 2,825,645 | 2,830,429 |
| Net changes for the year | | 11,711 | | 11,711 | 224,778 |
| Balance, end of year | \$ 0 | \$1,286,521 | \$ 442 | \$1,286,521 | \$ 1,275,252 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

6) DEFERRED CAPITAL CONTRIBUTIONS

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

| | 2008 | 2007 |
|--|---------------|---------------|
| Balance, beginning of year | \$ 54,730,429 | \$ 57,064,171 |
| Capital funding receipts: Ministry of Education | 416,221 | 58,822 |
| | 54,146,650 | 57,122,993 |
| Amortization for the year | (2,320,815) | (2,392,564) |
| Balance, end of year | \$ 52,825,835 | \$ 54,730,429 |

The balance consists of the following:

| | 2008 | 2007 |
|---|---------------|---------------|
| Unamortized capital contributions used to purchase capital assets | \$ 52,825,835 | \$ 54,730,429 |
| Unspent capital contributions | 0 | 0 |
| Balance, end of year | \$ 52,825,835 | \$ 54,730,429 |

7) INVESTMENT IN CAPITAL ASSETS

| | 2008 | 2007 |
|---|----------------------|----------------------|
| a) Investment in capital assets is calculated as follows: | | |
| Capital assets | \$ 68,035,571 | \$ 69,765,508 |
| Deferred capital contributions | <u>(52,825,835)</u> | <u>(54,730,429)</u> |
| | 15,047,022 | 15,035,079 |
| Other long-term liabilities | <u>(160,000)</u> | <u>(160,000)</u> |
| | <u>\$ 15,049,736</u> | <u>\$ 14,875,079</u> |
| b) Deficiency of revenue over expenses: | | |
| Investment income | \$ 276 | \$ 1,109 |
| Amortization of deferred capital contributions | 2,320,815 | 2,392,564 |
| Amortization of capital assets | <u>(2,891,282)</u> | <u>(2,799,643)</u> |
| | <u>\$ (570,191)</u> | <u>\$ (405,970)</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

7) INVESTMENT IN CAPITAL ASSETS (continued)

c) Net change in investment in capital assets:

| | | |
|---|-------------------|-------------------|
| Purchase of capital assets | \$ 1,161,345 | \$ 994,349 |
| Deferred capital contributions | (416,221) | (58,822) |
| Repayment of long-term debt | 0 | 0 |
| Interfund transfer to internally restricted | 0 | (1,109) |
| Proceeds from disposal of capital assets | 0 | 0 |
| Deficiency of revenue over expenses | (570,191) | (405,970) |
| | <u>\$ 174,657</u> | <u>\$ 528,448</u> |

8) INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2008, the transfers were as follows:

| | Operating Fund | | Special Purpose Funds | | Capital Fund | |
|--------------------------|----------------|--------------|-----------------------|------|--------------|------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Capital assets purchased | \$(560,847) | \$ (935,527) | \$(160,632) | \$ - | \$ 721,479 | \$ 935,527 |

9) 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, 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

10) EMPLOYEE FUTURE BENEFITS

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

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

| | 2008 | 2007 |
|---|-------------------|-------------------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April | \$ 2,578,499 | \$ 2,394,545 |
| Service Cost | 184,967 | 171,357 |
| Interest Cost | 131,137 | 129,535 |
| Benefit Payments April 1 to March 31 | (483,024) | (278,553) |
| Actuarial Gain (loss) | 118,311 | 161,615 |
| Accrued Benefit Obligation – March 31 | \$ 2,529,890 | \$ 2,578,499 |
| a) Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation – March 31 | \$ 2,529,890 | \$ 2,578,499 |
| Market Value of Plan Assets – March 31 | 0 | 0 |
| Funded Status – (Deficit) | (2,529,890) | (2,578,499) |
| Employer Contributions After Measurement Date- April 1 to June 30 | 34,795 | 32,178 |
| Unamortized Net Actuarial (Gain)/Loss | 353,917 | 235,606 |
| Accrued Benefit Liability - June 30 | \$(2,141,178) | \$(2,310,715) |
| b) Components of Net Benefit Expense | | |
| Service Cost | \$ 184,967 | \$ 171,357 |
| Interest Cost | 131,137 | 129,535 |
| Amortization of Net Actuarial Gain | 0 | 0 |
| Net Benefit Expense | \$ 316,014 | \$ 300,892 |
| c) Assumptions | | |
| Discount Rate – Beginning of Period | 5.00% | 5.25% |
| Discount Rate – End of Period | 5.50% | 5.00% |
| Salary Growth – Beginning of Period | 3.25% + seniority | 3.25% + seniority |
| Salary Growth – End of Period | 3.25% + seniority | 3.25% + seniority |
| EARSL | 9.5 | 9.5 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

11) EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 48,000 active members from school districts, and approximately 24,000 retired members from school districts. The Municipal Plan has about 145,000 active members, of which approximately 21,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation 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, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The School District # 22 (Vernon) paid \$5,879,715 for employer contributions to these plans in the year ended June 30, 2008.

12) OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

| | |
|--|--------------------|
| i. <u>Aboriginal Education Program</u> | 423,519 |
| ii. <u>School and Department Programs</u> | |
| - School based appropriations representing 21 schools | 566,524 |
| - Various curricular initiative appropriations | 152,514 |
| - Class size allowance reserve | 150,000 |
| - BCSTA Early Development Initiative | 116,071 |
| - Various Student Support Services appropriations | 84,811 |
| - Support staff training/ Pro-D fund | 69,192 |
| - Pro-D/Leadership/Teacher Development | 48,910 |
| iii. <u>Other District Initiatives</u> | |
| - Reserve for District Office renovations | 350,000 |
| - Reserve for Maintenance and Transportation Building renovations and equipment replacement | 150,019 |
| iv. <u>Contingency Reserves</u> | |
| - Reserve International Student Program | 49,592 |
| - Amount required to fund 2008/2009 Preliminary Operating Budget | 1,812,015 |
| Subtotal Internally Restricted | \$3,973,167 |
| Unrestricted Operating Surplus | 0 |
| Total Available for Future Operations | <u>\$3,973,167</u> |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2008

13) 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.

14) 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.

15) COMMITMENTS

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

| | |
|-----------|-----------|
| 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, 2008**

Schedule A1

| | 2008 | 2008 AMENDED ANNUAL BUDGET | 2007 |
|---|------------|-------------------------------------|------------|
| | ACTUAL | | ACTUAL |
| REVENUE | | | |
| Provincial Grants - Ministry of Education | 68,573,902 | 67,328,027 | 66,460,463 |
| Provincial Grants - Other | 162,447 | 338,023 | 116,527 |
| Federal Grants | 0 | 0 | 0 |
| Other Revenue | 5,634,175 | 5,912,260 | 4,372,084 |
| Rentals and Leases | 41,945 | 36,000 | 49,315 |
| Investment Income | 534,593 | 400,000 | 458,591 |
| | 74,947,062 | 74,014,310 | 71,456,980 |
| EXPENSE | | | |
| Salaries | | | |
| Teachers | 33,700,504 | 34,597,075 | 31,611,675 |
| Principals and Vice Principals | 4,126,503 | 4,139,715 | 4,053,374 |
| Educational Assistants | 3,128,987 | 3,017,864 | 2,855,944 |
| Support Staff | 7,857,943 | 7,583,011 | 7,404,563 |
| Other Professionals | 1,006,615 | 1,245,773 | 1,075,716 |
| Substitutes | 1,959,461 | 1,859,055 | 2,514,124 |
| | 51,780,013 | 52,442,493 | 49,515,396 |
| Employee Benefits | 11,558,056 | 11,404,911 | 10,475,549 |
| Services and Supplies | 11,105,939 | 12,888,481 | 9,059,250 |
| | 74,444,008 | 76,735,885 | 69,050,195 |
| NET REVENUE (EXPENSE), FOR THE YEAR | 503,054 | (2,721,575) | 2,406,785 |
| INTERFUND TRANSFERS | | | |
| Capital Assets Purchased | (560,847) | 0 | (935,527) |
| 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 | 0 |
| Comprehensive Income (Loss) | 0 | 0 | 0 |
| BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT) | | | |
| | | 0 | |
| SURPLUS (DEFICIT), FOR THE YEAR | (57,793) | (2,721,575) | 1,471,258 |
| SURPLUS (DEFICIT), BEGINNING OF YEAR | 4,030,960 | | 2,559,702 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | |
| SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED | 4,030,960 | | 2,559,702 |
| SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act) | 3,973,167 | | 4,030,960 |
| SURPLUS (DEFICIT), END OF YEAR | | | |
| Internally Restricted | 3,973,167 | | |
| Unrestricted | 0 | | |
| | 3,973,167 | | |

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2008

Schedule A2

| | 2008 | 2008 AMENDED ANNUAL BUDGET | 2007 |
|--|--------------------------|-------------------------------------|--------------------------|
| | ACTUAL | | ACTUAL |
| PROVINCIAL GRANTS - MINISTRY OF EDUCATION | | | |
| Operating Grant, Ministry of Education | 68,766,418 | 68,020,399 | 62,914,547 |
| INAC Recovery | (1,236,622) | (1,358,012) | (1,348,072) |
| Other Ministry of Education Grants | | | |
| GAAP Implementation Funding | | | 564,406 |
| Pay Equity Grant | 85,865 | 85,865 | 85,865 |
| Community Links | 579,775 | 579,775 | 563,000 |
| Other MOE Grants | 378,466 | 0 | 608,031 |
| 2006/2007 Compensation | 0 | 0 | 3,072,686 |
| | <u>68,573,902</u> | <u>67,328,027</u> | <u>66,460,463</u> |
| PROVINCIAL GRANTS - OTHER | <u>162,447</u> | <u>338,023</u> | <u>116,527</u> |
| FEDERAL GRANTS | <u>0</u> | <u>0</u> | <u>0</u> |
| OTHER REVENUE | | | |
| School Referendum Taxes | 0 | 0 | 0 |
| Other School District/Education Authorities | 0 | 0 | 0 |
| Summer School Fees | 0 | 0 | 7,730 |
| Continuing Education | 0 | 0 | 0 |
| Offshore Tuition Fees | 3,742,108 | 4,497,693 | 2,131,230 |
| LEA/Direct Funding from First Nations | 1,236,622 | 1,358,012 | 1,358,012 |
| Miscellaneous | | | |
| Interior Health | 59,818 | 56,555 | 67,398 |
| Cafeteria Revenue | 217,159 | 0 | 253,391 |
| Donations | 8,677 | 0 | 151,791 |
| Fees | 31,200 | 0 | 14,500 |
| Other Misc | 338,591 | 0 | 388,032 |
| | <u>5,634,175</u> | <u>5,912,260</u> | <u>4,372,084</u> |
| RENTALS AND LEASES | <u>41,945</u> | <u>36,000</u> | <u>49,315</u> |
| INVESTMENT INCOME | <u>534,593</u> | <u>400,000</u> | <u>458,591</u> |
| TOTAL OPERATING REVENUE | <u><u>74,947,062</u></u> | <u><u>74,014,310</u></u> | <u><u>71,456,980</u></u> |

SCHOOL DISTRICT NO. 22 (Vernon)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

| | 2008 | 2008 AMENDED ANNUAL BUDGET | 2007 |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | ACTUAL | | ACTUAL |
| SALARIES | | | |
| Teachers | 33,700,504 | 34,597,075 | 31,611,675 |
| Principals and Vice Principals | 4,126,503 | 4,139,715 | 4,053,374 |
| Educational Assistants | 3,128,987 | 3,017,864 | 2,855,944 |
| Support Staff | 7,857,943 | 7,583,011 | 7,404,563 |
| Other Professionals | 1,006,615 | 1,245,773 | 1,075,716 |
| Substitutes | 1,959,461 | 1,859,055 | 2,514,124 |
| | <u>51,780,013</u> | <u>52,442,493</u> | <u>49,515,396</u> |
| EMPLOYEE BENEFITS | | | |
| | 11,558,056 | 11,404,911 | 10,475,549 |
| Total Salaries and Benefits | <u>63,338,069</u> | <u>63,847,404</u> | <u>59,990,945</u> |
| SERVICES AND SUPPLIES | | | |
| Services | 3,380,448 | 3,217,153 | 2,190,095 |
| Student Transportation | 208,049 | 191,172 | 133,930 |
| Professional Development and Travel | 631,177 | 629,610 | 426,713 |
| Rentals and Leases | 137,170 | 154,221 | 127,055 |
| Dues and Fees | 463,166 | 467,020 | 280,784 |
| Insurance | 295,424 | 344,286 | 249,520 |
| Interest | 0 | 0 | 0 |
| Supplies | 4,396,615 | 6,379,529 | 4,174,730 |
| Bad Debts | 0 | 0 | 0 |
| Utilities | 1,593,890 | 1,505,490 | 1,476,423 |
| Total Services and Supplies | <u>11,105,939</u> | <u>12,888,481</u> | <u>9,059,250</u> |
| TOTAL OPERATING EXPENSE | <u>74,444,008</u> | <u>76,735,885</u> | <u>69,050,195</u> |

SCHOOL DISTRICT NO. 22 (Vernon)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2008

| | 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 | 27,016,083 | 619,161 | | 451,702 | | 1,493,866 | 29,580,782 |
| 1.03 Career Programs | 236,095 | 45,875 | | 16,137 | | | 298,107 |
| 1.07 Library Services | 671,337 | 169,471 | | 281,159 | | 2,206 | 1,124,173 |
| 1.08 Counselling | 1,046,826 | 83,227 | | | | | 1,130,053 |
| 1.10 Special Education | 3,747,683 | 207,384 | 2,845,933 | 108,152 | | 146,193 | 7,055,345 |
| 1.30 English as a Second Language | 297,542 | | | | | | 297,542 |
| 1.31 Aboriginal Education | 139,111 | 94,164 | 251,785 | 31,001 | | 4,631 | 520,692 |
| 1.41 School Administration | | 2,707,165 | | 1,546,095 | | 32,983 | 4,288,243 |
| 1.60 Summer School | 56,837 | | | | | | 56,837 |
| 1.61 Continuing Education | | | | | | | 0 |
| 1.62 Off Shore Students | 445,141 | 20,155 | 3,467 | 313,573 | | | 782,336 |
| 1.64 Other | 32,011 | | 27,802 | 58,431 | | 19 | 118,263 |
| 1.65 Conseil Scolaire Francophone | | | | | | | 0 |
| Total Function 1 | 33,688,636 | 3,946,602 | 3,128,987 | 2,808,350 | 0 | 1,679,898 | 45,252,373 |
| 4 DISTRICT ADMINISTRATION | | | | | | | |
| 4.11 Educational Administration | 9,592 | 40,686 | | 127,073 | | 84,353 | 554,680 |
| 4.40 School District Governance | | | | | | 75,975 | 75,975 |
| 4.41 Business Administration | 2,276 | 139,215 | | 472,951 | | 1,151 | 955,147 |
| 4.65 Conseil Scolaire Francophone | | | | | | | 0 |
| Total Function 4 | 11,868 | 179,901 | 0 | 600,024 | 708,505 | 85,504 | 1,585,802 |
| 5 OPERATIONS AND MAINTENANCE | | | | | | | |
| 5.41 Operations and Maintenance Administration | | | | 39,513 | 224,533 | | 264,046 |
| 5.50 Maintenance Operations | | | | 2,918,034 | | 141,355 | 3,059,389 |
| 5.52 Maintenance of Grounds | | | | 154,383 | | 190 | 154,573 |
| 5.56 Utilities | | | | | | | 0 |
| 5.65 Conseil Scolaire Francophone | | | | | | | 0 |
| Total Function 5 | 0 | 0 | 0 | 3,111,930 | 224,533 | 141,545 | 3,478,008 |
| 7 TRANSPORTATION AND HOUSING | | | | | | | |
| 7.41 Transportation and Housing Administration | | | | 40,150 | | 73,577 | 113,727 |
| 7.65 Conseil Scolaire Francophone | | | | | | | 0 |
| 7.70 Student Transportation | | | | 1,297,589 | | 52,514 | 1,350,103 |
| 7.73 Housing | | | | | | | 0 |
| Total Function 7 | 0 | 0 | 0 | 1,337,739 | 73,577 | 52,514 | 1,463,830 |
| 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 | 33,700,504 | 4,126,503 | 3,128,987 | 7,857,943 | 1,006,615 | 1,959,461 | 51,780,013 |

SCHOOL DISTRICT NO. 22 (Vernon)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2008

| | 2007 | | 2008 | | 2008 | | 2007 | |
|--|-------------------|-------------------|-----------------------------|-----------------------|-------------------|-----------------------|-------------------|--------|
| | TOTAL SALARIES | EMPLOYEE BENEFITS | TOTAL SALARIES AND BENEFITS | SERVICES AND SUPPLIES | ACTUAL | AMENDED ANNUAL BUDGET | ACTUAL | ACTUAL |
| 1 INSTRUCTION | | | | | | | | |
| 1.02 Regular Instruction | 29,580,782 | 6,620,928 | 36,201,710 | 2,430,991 | 38,632,701 | 39,303,157 | 35,682,873 | |
| 1.03 Career Programs | 298,107 | 68,908 | 367,015 | 82,844 | 449,859 | 490,417 | 443,833 | |
| 1.07 Library Services | 1,124,173 | 280,747 | 1,404,920 | 85,754 | 1,490,674 | 1,452,734 | 1,429,554 | |
| 1.08 Counselling | 1,130,053 | 248,388 | 1,378,442 | 10,604 | 1,389,046 | 1,454,901 | 1,326,483 | |
| 1.10 Special Education | 7,065,345 | 1,577,754 | 8,643,099 | 828,447 | 9,471,546 | 9,856,383 | 9,101,498 | |
| 1.30 English as a Second Language | 287,542 | 67,244 | 354,786 | 2,538 | 367,324 | 162,594 | 282,413 | |
| 1.31 Aboriginal Education | 520,692 | 122,193 | 642,885 | 113,390 | 756,275 | 1,179,794 | 900,574 | |
| 1.41 School Administration | 4,288,243 | 984,187 | 5,272,430 | 152,531 | 5,424,961 | 5,510,335 | 5,466,247 | |
| 1.60 Summer School | 56,837 | 11,399 | 68,236 | 1,290 | 69,526 | 616 | 28,114 | |
| 1.61 Continuing Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 1.62 Off Shore Students | 782,336 | 151,206 | 933,542 | 2,667,295 | 3,600,837 | 4,497,693 | 2,131,241 | |
| 1.64 Other | 118,263 | 15,653 | 133,916 | 369,931 | 503,847 | 165,897 | 461,298 | |
| 1.65 Conseil Scolaire Francophone | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Function 1 | 45,252,373 | 10,148,608 | 55,400,981 | 6,745,615 | 62,146,596 | 64,076,521 | 57,254,128 | |
| 4 DISTRICT ADMINISTRATION | | | | | | | | |
| 4.11 Educational Administration | 554,680 | 107,730 | 662,410 | 206,082 | 868,492 | 700,019 | 791,784 | |
| 4.40 School District Governance | 75,975 | 491 | 76,466 | 93,078 | 169,544 | 171,063 | 146,745 | |
| 4.41 Business Administration | 955,147 | 209,233 | 1,164,380 | 472,975 | 1,637,355 | 1,682,961 | 1,445,033 | |
| 4.65 Conseil Scolaire Francophone | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Function 4 | 1,585,802 | 317,454 | 1,903,256 | 772,135 | 2,675,391 | 2,554,043 | 2,383,562 | |
| 5 OPERATIONS AND MAINTENANCE | | | | | | | | |
| 5.41 Operations and Maintenance Administration | 284,046 | 61,416 | 345,462 | 97,615 | 423,077 | 463,534 | 449,915 | |
| 5.50 Maintenance Operations | 3,059,389 | 636,267 | 3,695,656 | 1,128,852 | 4,824,508 | 5,196,903 | 4,744,186 | |
| 5.52 Maintenance of Grounds | 154,573 | 35,448 | 190,021 | 138,152 | 328,173 | 431,941 | 384,628 | |
| 5.56 Utilities | 0 | 0 | 0 | 1,593,890 | 1,593,890 | 1,505,490 | 1,476,424 | |
| 5.65 Conseil Scolaire Francophone | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Function 5 | 3,478,008 | 733,131 | 4,211,139 | 2,958,509 | 7,169,648 | 7,599,968 | 7,055,153 | |
| 7 TRANSPORTATION AND HOUSING | | | | | | | | |
| 7.41 Transportation and Housing Administration | 113,727 | 24,692 | 138,419 | 9,130 | 147,549 | 157,801 | 147,021 | |
| 7.65 Conseil Scolaire Francophone | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7.70 Student Transportation | 1,350,103 | 334,171 | 1,684,274 | 620,550 | 2,304,824 | 2,347,652 | 2,210,331 | |
| 7.73 Housing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Function 7 | 1,463,830 | 358,863 | 1,822,693 | 629,680 | 2,452,373 | 2,505,453 | 2,357,352 | |
| 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 | 51,780,013 | 11,558,056 | 63,338,069 | 11,105,939 | 74,444,008 | 76,735,985 | 69,050,195 | |

SCHOOL DISTRICT NO. 22 (Vernon)
 OPERATING FUND
 CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2008

Schedule A5

| | |
|---|---|
| BALANCE, BEGINNING OF YEAR | 0 |
| | |
| Changes in Accounting Policies/ Prior Period Adjustments | |
| | |
| BALANCE, BEGINNING OF YEAR, AS RESTATED | 0 |
| | |
| Changes for the Year | |
| Increase: | |
| Provincial Grants - Ministry of Education | 0 |
| Provincial Grants - Other | 0 |
| Other Revenue | 0 |
| | 0 |
| | |
| Decrease: | |
| Allocated to Revenue | |
| Provincial Grants - Ministry of Education | 0 |
| Provincial Grants - Other | 0 |
| Federal Grants | 0 |
| Other Revenue | 0 |
| Investment Income | 0 |
| | 0 |
| | |
| Net Changes for the Year | 0 |
| | |
| BALANCE, END OF YEAR | 0 |

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008

| | MINISTRY OF EDUCATION DESIGNATED | OTHER | SCHOOL GENERATED FUNDS | RELATED ENTITIES | TOTAL |
|---|----------------------------------|----------------|------------------------|------------------|------------------|
| DEFERRED CONTRIBUTIONS | | | | | |
| DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR | 811,201 | 356,937 | 808,249 | 109,624 | 2,086,011 |
| Add: Contributions Received | 2,096,398 | | | | 2,096,398 |
| Provincial Grants - Ministry of Education | | | 1,500 | | 1,500 |
| Provincial Grants - Other | | | | | 0 |
| Federal Grants | | 22,670 | 2,178,681 | 41,451 | 2,242,802 |
| Other | | | | | |
| Investment Income | 35,178 | 11,680 | 33,473 | 5,168 | 85,499 |
| Donations | | 101,511 | 441,222 | | 542,733 |
| | 2,131,576 | 135,861 | 2,654,876 | 46,619 | 4,968,932 |
| Less: Allocated to Revenue | 1,932,752 | 190,006 | 2,603,025 | 32,614 | 4,758,397 |
| Recovered | | | | | 0 |
| DEFERRED CONTRIBUTIONS, END OF YEAR | 1,010,025 | 302,792 | 860,100 | 123,629 | 2,296,546 |
| REVENUE AND EXPENSE | | | | | |
| REVENUE | | | | | |
| Provincial Grants - Ministry of Education | 1,899,020 | | | | 1,899,020 |
| Provincial Grants - Other | | | 1,500 | | 1,500 |
| Federal Grants | | 20,173 | | | 20,173 |
| Other Revenue | | 158,973 | 1,781,719 | 48,649 | 1,989,341 |
| Rentals and Leases | | | 786,333 | | 786,333 |
| Investment Income | 33,732 | 10,860 | 33,473 | 5,168 | 83,233 |
| Gain (Loss) on Equity Investment | | | | | 0 |
| | 1,932,752 | 190,006 | 2,603,025 | 53,817 | 4,779,600 |
| EXPENSE | | | | | |
| Salaries | | | | | |
| Teachers | 110,122 | 776 | 22,322 | | 133,220 |
| Principals and Vice Principals | | | | | 0 |
| Educational Assistants | | | | | 0 |
| Support Staff | 317,655 | | 6,637 | | 326,292 |
| Other Professionals | | | | | 0 |
| Substitutes | 25,954 | | | | 25,954 |
| Employee Benefits | 463,731 | 776 | 30,959 | 0 | 485,466 |
| Services and Supplies | 75,443 | 149 | 4,743 | | 80,335 |
| | 1,242,946 | 189,081 | 2,567,323 | 80,700 | 4,080,050 |
| | 1,772,120 | 190,006 | 2,603,025 | 80,700 | 4,645,851 |
| NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS | 160,632 | 0 | 0 | (26,863) | 133,749 |
| INTERFUND TRANSFERS | | | | | |
| Capital Assets Purchased | (160,632) | | | | (160,632) |
| Other | | | | | 0 |
| | (160,632) | 0 | 0 | 0 | (160,632) |
| | 0 | 0 | 0 | (26,863) | (26,863) |
| NET REVENUE (EXPENSE) | | | | | (26,863) |

SCHOOL DISTRICT NO. 22 (Vernon)
 SPECIAL PURPOSE FUNDS
 CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2008

| | 207 Annual Facility Grant | 231 Aboriginal Education Technology | 250 Special Education Equipment | 302 Special Education Technology | TOTAL |
|---|------------------------------------|--|--|---|------------------|
| DEFERRED CONTRIBUTIONS | | | | | |
| DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR | | | | | |
| Add: Contributions Received | 785,734 | 35,307 | 13,223 | (23,063) | 811,201 |
| Provincial Grants - Ministry of Education | 1,684,021 | | 17,989 | 394,388 | 2,096,398 |
| Provincial Grants - Other | | | | | 0 |
| Federal Grants | | | | | 0 |
| Other | | | | | 0 |
| Investment Income | 33,217 | 1,446 | 515 | | 35,178 |
| | <u>1,717,238</u> | <u>1,446</u> | <u>18,504</u> | <u>394,388</u> | <u>2,131,576</u> |
| Less: Allocated to Revenue | 1,530,315 | | 17,737 | 384,700 | 1,932,752 |
| Recovered | | | | | 0 |
| DEFERRED CONTRIBUTIONS, END OF YEAR | <u>972,657</u> | <u>36,753</u> | <u>13,990</u> | <u>(13,376)</u> | <u>1,010,025</u> |
| REVENUE AND EXPENSE | | | | | |
| REVENUE | | | | | |
| Provincial Grants - Ministry of Education | 1,487,098 | | 17,222 | 384,700 | 1,899,020 |
| Provincial Grants - Other | | | | | 0 |
| Federal Grants | | | | | 0 |
| Other Revenue | | | | | 0 |
| Investment Income | 33,217 | | 515 | | 33,732 |
| | <u>1,530,315</u> | <u>0</u> | <u>17,737</u> | <u>384,700</u> | <u>1,932,752</u> |
| EXPENSE | | | | | |
| Salaries | | | | | |
| Teachers | | | | 110,122 | 110,122 |
| Principals and Vice Principals | | | | | 0 |
| Educational Assistants | | | | | 0 |
| Support Staff | 301,370 | | | 16,285 | 317,655 |
| Other Professionals | | | | | 0 |
| Substitutes | | | | 25,954 | 25,954 |
| Employee Benefits | 301,370 | | 0 | 152,361 | 453,731 |
| | 42,271 | | | 33,172 | 75,443 |
| Services and Supplies | 1,026,042 | | 17,737 | 199,167 | 1,242,946 |
| | <u>1,369,683</u> | <u>0</u> | <u>17,737</u> | <u>384,700</u> | <u>1,772,120</u> |
| NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS | <u>160,632</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>160,632</u> |
| INTERFUND TRANSFERS | | | | | |
| Capital Assets Purchased | (160,632) | | | | (160,632) |
| Other | | | | | 0 |
| | <u>(160,632)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(160,632)</u> |
| NET REVENUE (EXPENSE) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |

SCHOOL DISTRICT NO. 22 (Vernon)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

| | Scholarship | Student Concerts | Salmon Enhancement | TOTAL |
|---|----------------|---------------------|-----------------------|----------------|
| DEFERRED CONTRIBUTIONS | | | | |
| DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR | | | | |
| Add: Contributions Received | 330,674 | 5,272 | 20,981 | 356,937 |
| Provincial Grants - Ministry of Education | | | | 0 |
| Provincial Grants - Other | | | | 0 |
| Federal Grants | | | | 0 |
| Other | | 7,030 | 15,640 | 22,670 |
| Investment Income | 10,410 | 451 | 819 | 11,680 |
| Donations | 101,511 | | | 101,511 |
| | 111,921 | 7,481 | 16,459 | 135,861 |
| Less: Allocated to Revenue | 160,175 | 8,839 | 20,982 | 190,006 |
| Recovered | | | | 0 |
| DEFERRED CONTRIBUTIONS, END OF YEAR | 282,420 | 3,914 | 16,458 | 302,792 |
| REVENUE AND EXPENSE | | | | |
| REVENUE | | | | |
| Provincial Grants - Ministry of Education | | | | 0 |
| Provincial Grants - Other | | | | 0 |
| Federal Grants | | | 20,173 | 20,173 |
| Other Revenue | 149,766 | 8,388 | 819 | 158,973 |
| Investment Income | 10,409 | 451 | | 10,860 |
| | 160,175 | 8,839 | 20,982 | 190,006 |
| EXPENSE | | | | |
| Salaries | | | | |
| Teachers | | 776 | | 776 |
| Principals and Vice Principals | | | | 0 |
| Educational Assistants | | | | 0 |
| Support Staff | | | | 0 |
| Other Professionals | | | | 0 |
| Substitutes | | | | 0 |
| | 0 | 776 | 0 | 776 |
| Employee Benefits | | 149 | | 149 |
| Services and Supplies | 160,175 | 7,914 | 20,982 | 189,081 |
| | 160,175 | 8,839 | 20,982 | 190,006 |
| NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS | 0 | 0 | 0 | 0 |
| INTERFUND TRANSFERS | | | | |
| Capital Assets Purchased | | | | 0 |
| Other | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 |
| NET REVENUE (EXPENSE) | 0 | 0 | 0 | 0 |

SCHOOL DISTRICT NO. 22 (Vernon)
 CAPITAL FUND
 CAPITAL ASSETS
 YEAR ENDED JUNE 30, 2008

| | SITES | BUILDINGS | FURNITURE AND EQUIPMENT | VEHICLES | COMPUTER SOFTWARE | COMPUTER HARDWARE | TOTAL |
|---|-----------|-------------|-------------------------|-----------|-------------------|-------------------|-------------|
| COST, BEGINNING OF YEAR | 8,657,246 | 101,809,552 | 1,969,932 | 1,971,585 | 102,321 | 978,184 | 115,458,820 |
| Changes in Accounting Policy/ Prior Period Adjustments | | | | | | | |
| COST, BEGINNING OF YEAR, AS RESTATED | 8,657,246 | 101,809,552 | 1,969,932 | 1,971,585 | 102,321 | 978,184 | 115,458,820 |
| Changes for the Year | | | | | | | |
| Increase: | | | | | | | |
| Purchases from: | | | | | | | |
| Deferred Contributions - Bylaw | | | | 416,221 | | | 416,221 |
| Deferred Contributions - Other | | | | | | | 0 |
| Operating Fund | | 132,144 | 78,747 | | 34,956 | 314,960 | 560,847 |
| Special Purpose Funds | | 96,329 | 62,303 | | | | 160,632 |
| Local Capital | | | 23,645 | | | | 23,645 |
| Transferred from Work in Progress | | | | | | | 0 |
| Decrease: | | | | | | | |
| Disposals | | | | | | | 0 |
| Deemed Disposals | | | 289,775 | 77,262 | | | 367,037 |
| Written-off/Down During Year | | | | | | | 0 |
| COST, END OF YEAR | 8,657,246 | 101,907,881 | 1,928,249 | 2,329,291 | 137,317 | 1,283,144 | 116,253,128 |
| WORK IN PROGRESS, END OF YEAR | | | | | | | 0 |
| COST AND WORK IN PROGRESS, END OF YEAR | 8,657,246 | 101,907,881 | 1,928,249 | 2,329,291 | 137,317 | 1,283,144 | 116,253,128 |
| ACCUMULATED AMORTIZATION, BEGINNING OF YEAR | | | | | | | |
| Changes in Accounting Policies/ Prior Period Adjustments | | | | | | | |
| BALANCE, BEGINNING OF YEAR, AS RESTATED | 0 | 43,831,789 | 1,108,761 | 707,137 | 8,665 | 99,674 | 45,856,026 |
| Changes for the Year | | | | | | | |
| Increase: Amortization for the Year | | 2,213,395 | 210,917 | 215,907 | 23,930 | 227,133 | 2,891,282 |
| Decrease: | | | | | | | |
| Disposals | | | | | | | 0 |
| Deemed Disposals | | | 289,775 | 77,262 | | | 367,037 |
| Written-off During Year | | | | | | | 0 |
| ACCUMULATED AMORTIZATION, END OF YEAR | 0 | 46,145,184 | 1,029,903 | 845,782 | 32,595 | 326,807 | 48,380,271 |
| CAPITAL ASSETS - NET | 8,657,246 | 55,762,697 | 898,346 | 1,483,509 | 104,722 | 956,337 | 67,872,857 |

SCHOOL DISTRICT NO. 22 (Vernon)
 CAPITAL FUND
 CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2008

| | 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 |
| Decrease: | | | | | |
| Transferred to Capital Assets | 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, 2008

Schedule C3

| | BYLAW CAPITAL (NET) | OTHER PROVINCIAL (NET) | OTHER CAPITAL (NET) | TOTAL CAPITAL |
|---|---------------------------|------------------------------|---------------------------|--------------------|
| DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR | 54,730,429 | 0 | 0 | 54,730,429 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | | |
| DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED | <u>54,730,429</u> | <u>0</u> | <u>0</u> | <u>54,730,429</u> |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Contributions - Capital Additions | 416,221 | | | 416,221 |
| Transferred from Work in Progress | | | | 0 |
| | <u>416,221</u> | <u>0</u> | <u>0</u> | <u>416,221</u> |
| Decrease: | | | | |
| Amortization of Deferred Capital Contributions | 2,320,815 | | | 2,320,815 |
| Revenue Recognized on Disposal of Buildings | | | | 0 |
| Revenue Recognized on Write-off/down of Buildings | | | | 0 |
| | <u>2,320,815</u> | <u>0</u> | <u>0</u> | <u>2,320,815</u> |
| Net Changes for the Year | <u>(1,904,594)</u> | <u>0</u> | <u>0</u> | <u>(1,904,594)</u> |
| DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR | <u>52,825,835</u> | <u>0</u> | <u>0</u> | <u>52,825,835</u> |
| 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 | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Contributions - Work in Progress | | | | 0 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Decrease: | | | | |
| Transferred to Deferred Capital Contributions | | | | 0 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Changes for the Year | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| WORK IN PROGRESS, END OF YEAR | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR | <u>52,825,835</u> | <u>0</u> | <u>0</u> | <u>52,825,835</u> |

SCHOOL DISTRICT NO. 22 (Vernon)
 CAPITAL FUND
 CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2008

| | BY-LAW CAPITAL | MINISTRY OF EDUCATION RESTRICTED CAPITAL | OTHER PROVINCIAL CAPITAL | LAND CAPITAL | OTHER CAPITAL | TOTAL |
|---|-------------------|---|--------------------------------|-----------------|------------------|---------|
| BALANCE, BEGINNING OF YEAR | (58,822) | 102,173 | 0 | 0 | 442 | 43,793 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | | | | |
| BALANCE, BEGINNING OF YEAR, AS RESTATED | (58,822) | 102,173 | 0 | 0 | 442 | 43,793 |
| Changes for the Year | | | | | | |
| Increase: | | | | | | |
| Provincial Grants - Ministry of Education | 403,300 | | | | | 403,300 |
| Provincial Grants - Other | | | | | | 0 |
| Other | | | | | | 0 |
| Investment Income | | 4,317 | | | | 4,317 |
| MEEd Restricted Portion of Proceeds on Disposal | | | | | | 0 |
| Decrease: | | | | | | |
| Transferred to DCC - Capital Additions | 416,221 | | | | | 416,221 |
| Transferred to DCC - Work in Progress | | | | | | 0 |
| Transferred to Invested in Capital Assets - Site Purchases | 416,221 | 0 | 0 | 0 | 0 | 416,221 |
| Net Changes for the Year | (12,821) | 4,317 | 0 | 0 | 0 | (8,604) |
| BALANCE, END OF YEAR | (71,743) | 106,490 | 0 | 0 | 442 | 35,189 |

SCHOOL DISTRICT NO. 22 (Vernon)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Schedule C5

| | INVESTED IN CAPITAL ASSETS | LOCAL CAPITAL | FUND BALANCE |
|---|-------------------------------------|------------------|-----------------|
| BALANCE, BEGINNING OF YEAR | 14,872,365 | 26,146 | 14,898,511 |
| Changes in Accounting Policies/ Prior Period Adjustments | | | |
| BALANCE, BEGINNING OF YEAR, AS RESTATED | 14,872,365 | 26,146 | 14,898,511 |
| Changes for the Year | | | |
| Investment Income | | 276 | 276 |
| 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 | 2,320,815 | | 2,320,815 |
| Capital Assets Purchased from Local Capital | 23,645 | (23,645) | 0 |
| Interfund Transfers - Capital Assets Purchased | 721,479 | | 721,479 |
| Interfund Transfers - Capital Assets WIP | | | 0 |
| Interfund Transfers - Local Capital | | | 0 |
| Amortization of Capital Assets | (2,891,282) | | (2,891,282) |
| Transferred to Invested in Capital Assets - Site Purchases | | | 0 |
| Net Changes for the Year | 174,657 | (23,369) | 151,288 |
| BALANCE, END OF YEAR | 15,047,022 | 2,777 | 15,049,799 |