

SCHOOL DISTRICT AUDITED CONSOLIDATED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 22	NAME OF SCHOOL DISTRICT Vernon	YEAR 2011/2012
OFFICE LOCATION 1401 15th street		TELEPHONE NUMBER 250-542-3331
CITY/PROVINCE Vernon, British Columbia		POSTAL CODE V1T 8S8
WEBSITE ADDRESS www.sd22.bc.ca		
NAME OF SUPERINTENDENT Bev Rundell	NAME OF SECRETARY-TREASURER Randy Hoffman	

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and supporting schedules of The Board of Education of School District No. 22 (Vernon) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The consolidated financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the consolidated financial statements lies with the Board. The Board has reviewed and approved the consolidated financial statements.

External Auditors

The Board appoints external auditors to audit the consolidated financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these consolidated financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense, changes in fund balances, and cash flows for the year in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Consolidated Financial Statements of School District No. 22 (Vernon) for the year ended June 30, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION Original Signed by the Chairperson	DATE SIGNED
SIGNATURE OF SUPERINTENDENT Original Signed by the Superintendent	DATE SIGNED
SIGNATURE OF SECRETARY-TREASURER Original Signed by the Secretary-Treasurer	DATE SIGNED

**SCHOOL DISTRICT No. 22 (VERNON)
2011/2012 AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

To the Board of Education and
To the Minister of Education, Province of British Columbia

We have audited the accompanying consolidated financial statements of School District No. 22 (Vernon), which comprise the statement of financial position as at June 30, 2012, the statements of revenue and expense, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of School District No. 22 (Vernon) as at June 30, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'KPMG LLP'.

Chartered Accountants

September 26, 2012
Vernon, Canada

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 15,010,862	\$ 1,357,274	\$ 116,156	\$ 16,484,292	\$ 13,285,662
Accounts Receivable					
Due from Province - Ministry of Education (Note 3)	5,063	-	1,185,047	1,190,110	1,149,323
Due from Province - Other (Note 3)	7,042	-	-	7,042	10,576
Due from LEA/Direct Funding (Note 3)	303,518	-	-	303,518	171,910
Other Receivables (Note 3)	476,246	16,376	-	492,622	982,384
Interfund Loans	1,321,167	-	-	-	-
Prepaid Expenses	152,406	-	-	152,406	197,716
	<u>17,276,304</u>	<u>1,373,650</u>	<u>1,301,203</u>	<u>18,629,990</u>	<u>15,797,571</u>
Capital Assets - Net (Note 4)		162,714	97,648,726	97,811,440	83,700,154
TOTAL ASSETS	<u>\$ 17,276,304</u>	<u>\$ 1,536,364</u>	<u>\$ 98,949,929</u>	<u>\$ 116,441,430</u>	<u>\$ 99,497,725</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	1,780,463	-	-	1,780,463	1,046,614
Interfund Loans	-	140,000	1,181,167	-	-
Other Current Liabilities	4,789,557	24,747	-	4,814,304	4,703,611
	<u>6,570,020</u>	<u>164,747</u>	<u>1,181,167</u>	<u>6,594,767</u>	<u>5,750,225</u>
Deferred Revenue	1,645,047			1,645,047	2,092,577
Deferred Contributions					
Ministry of Education (Note 5a)	-	144,798	116,157	260,955	304,436
Other (Note 5b)	-	1,224,105	962	1,225,067	1,092,688
Accrued Employee Future Benefits (Note 10)	2,657,478			2,657,478	2,554,508
Deferred Capital Contributions (Note 6)			81,075,156	81,075,156	67,022,426
TOTAL LIABILITIES	<u>10,872,545</u>	<u>1,533,650</u>	<u>82,373,442</u>	<u>93,458,470</u>	<u>78,816,860</u>
Fund Balances					
Invested in Capital Assets (Note 7)		2,714	16,573,569	16,576,283	16,517,727
Internally Restricted (Note 12)	6,403,759	-	2,918	6,406,677	4,163,138
TOTAL FUND BALANCES	<u>6,403,759</u>	<u>2,714</u>	<u>16,576,487</u>	<u>22,982,960</u>	<u>20,680,865</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,276,304</u>	<u>\$ 1,536,364</u>	<u>\$ 98,949,929</u>	<u>\$ 116,441,430</u>	<u>\$ 99,497,725</u>

> **Commitments (Note 14)**

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 70,987,571	\$ 863,751	\$ -	\$ 71,851,322	\$ 73,053,375
Provincial Grants - Other	223,900		-	223,900	285,190
Other Revenue	6,167,078	2,064,454	-	8,231,532	8,155,144
Rentals and Leases	91,068		-	91,068	108,355
Investment Income	118,712	19,507	38	138,257	103,721
Amortization of Deferred Capital Contributions		-	2,661,360	2,661,360	2,455,481
	<u>77,588,329</u>	<u>2,947,712</u>	<u>2,661,398</u>	<u>83,197,439</u>	<u>84,161,266</u>
EXPENSE					
Salaries					
Teachers	33,911,435	104,045		34,015,480	35,031,731
Principals and Vice Principals	4,362,083			4,362,083	4,521,546
Educational Assistants	3,798,248	120		3,798,368	3,951,194
Support Staff	7,320,971	265,950		7,586,921	7,343,471
Other Professionals	949,759			949,759	893,358
Substitutes	1,823,960			1,823,960	1,843,836
	<u>52,166,456</u>	<u>370,115</u>	<u>-</u>	<u>52,536,571</u>	<u>53,585,136</u>
Employee Benefits	12,763,691	69,176		12,832,867	12,684,421
Services and Supplies	9,761,286	2,374,098		12,135,384	12,942,805
Amortization of Capital Assets		-	3,390,522	3,390,522	3,198,310
	<u>74,691,433</u>	<u>2,813,389</u>	<u>3,390,522</u>	<u>80,895,344</u>	<u>82,410,672</u>
NET REVENUE (EXPENSE)	<u>\$ 2,896,896</u>	<u>\$ 134,323</u>	<u>\$ (729,124)</u>	<u>\$ 2,302,095</u>	<u>\$ 1,750,594</u>

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 4,160,258	\$ 2,714	\$ 16,517,893	\$ 20,680,865	\$ 18,930,271
Changes for the Year					
Net Revenue (Expense) for the Year	2,896,896	134,323	(729,124)	2,302,095	1,750,594
Interfund Transfers					
Capital Assets Purchased (Note 8)	(653,395)	(134,323)	787,718	-	
Net Changes for the Year	<u>2,243,501</u>	<u>-</u>	<u>58,594</u>	<u>2,302,095</u>	<u>1,750,594</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 6,403,759</u></u>	<u><u>\$ 2,714</u></u>	<u><u>\$ 16,576,487</u></u>	<u><u>\$ 22,982,960</u></u>	<u><u>\$ 20,680,865</u></u>

SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 2,896,896	\$ 134,323	\$ (729,124)	\$ 2,302,095	\$ 1,750,594
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	371,274	(13,633)	(36,740)	320,901	459,160
Interfund Loans	(16,702)	(20,000)	36,702	-	-
Prepaid Expenses	45,310	-	-	45,310	(126,315)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	733,849	-	-	733,849	91,679
Other Current Liabilities	102,915	7,778	-	110,693	(379,294)
Deferred Revenue	(447,530)	-	-	(447,530)	(54,513)
Deferred Contributions	-	87,383	-	87,383	(276,640)
Accrued Employee Future Benefits	102,970	-	-	102,970	112,583
Items Not Involving Cash					
Amortization of Capital Assets		-	3,390,522	3,390,522	3,198,310
Amortization of Deferred Capital Contributions		-	(2,661,360)	(2,661,360)	(2,455,481)
Interfund Transfers	(653,395)	(134,323)	787,718	-	-
	<u>3,135,587</u>	<u>61,528</u>	<u>787,718</u>	<u>3,984,833</u>	<u>2,320,083</u>
FINANCING					
Deferred Contributions Received - Capital			16,715,605	16,715,605	11,815,201
	-	-	<u>16,715,605</u>	<u>16,715,605</u>	<u>11,815,201</u>
INVESTING					
Capital Assets Purchased - Operating			(653,395)	(653,395)	(251,568)
Capital Assets Purchased - Special Purpose			(134,323)	(134,323)	(735,903)
Capital Assets Purchased - Deferred Contributions - Capital			(1,717,189)	(1,717,189)	(6,371,693)
Capital Assets Purchased - Deferred Cont - Work In progress	-	-	(14,996,901)	(14,996,901)	(5,294,579)
	-	-	<u>(17,501,808)</u>	<u>(17,501,808)</u>	<u>(12,653,743)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 3,135,587</u>	<u>\$ 61,528</u>	<u>\$ 1,515</u>	<u>\$ 3,198,630</u>	<u>\$ 1,481,541</u>

**SCHOOL DISTRICT No. 22 (VERNON)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	\$ 3,135,587	\$ 61,528	\$ 1,515	\$ 3,198,630	\$ 1,481,541
Net Cash, Beginning of Year	11,875,275	1,295,746	114,641	13,285,662	11,804,121
NET CASH, END OF YEAR	\$ 15,010,862	\$ 1,357,274	\$ 116,156	\$ 16,484,292	\$ 13,285,662
Cash	\$ 15,010,862	\$ 1,357,274	\$ 116,156	\$ 16,484,292	\$ 13,285,662
NET CASH, END OF YEAR	\$ 15,010,862	\$ 1,357,274	\$ 116,156	\$ 16,484,292	\$ 13,285,662

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

1) AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No.22 (Vernon)", and operates as "School District #22 (Vernon)". A Board of Education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

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

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

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

a) Fund Accounting

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

- 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, 2012.

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Capital Assets

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

The following criteria apply:

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

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

e) Prepaid Expenses

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

f) Revenue Recognition

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

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

f) Revenue Recognition (continued)

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

- i) Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- ii) Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - (1) If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - (2) If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - (3) Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- iii) Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.
- iv) Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recognized as a deferred contribution and recognized as revenue in the year related expenses are incurred.

g) Financial Instruments

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

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Board has elected to defer applying Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3862, Financial Instruments – Disclosure and 3863, Financial Instruments – Presentation. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Board has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

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

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

i) Use of Estimates

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

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

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 with inter-entity balances eliminated upon consolidation.

l) Employee Future Benefits

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

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

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

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. For the purposes of determining the financial position of the plans, and employee future benefit costs, a measurement date of March 31 has been adopted for all periods subsequent to July 1, 2004.

k) Future Change in Accounting Framework

Under the revised Public Sector Accounting Board (PSAB) framework, beginning with the 2012/13 fiscal year, school districts will be required to follow Public Sector Accounting (PSA) standards with or without the not-for-profit organization standards (i.e., PS 4200 series). In September 2010, the Province of British Columbia Treasury Board directed through Government Organization Accounting Standards Regulation 257/2010 requiring all school districts to adopt PSA standards without the PS 4200 series from their first fiscal year commencing after January 1, 2012.

The first fiscal year of full implementation without the PS 4200 series will be the year ended June 30, 2013. The adoption of PSA standards is to be accounted for by retroactive application with restatement of prior periods unless an exemption is permitted. Comparative figures at June 30, 2012 and July 1, 2011 will be restated. The financial statements will also include the presentation of budget figures prepared in accordance with PSA standards for the year ended June 30, 2013.

While the School District, in consultation with the Office of the Comptroller General and the Ministry of Education, has begun assessing the impact of the change in accounting framework on its financial statements, the financial impact cannot be reasonably estimated at this time. Implementing PSA standards will also have an impact on accounting financial reporting and supporting information technology systems and processes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

3) ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
Due from Ministry of Education	\$ 1,190,110	\$ 1,149,323
Due from Province – Other	7,042	10,576
Due from LEA/Direct Funding	303,518	171,910
Other Receivables	<u>492,622</u>	<u>982,384</u>
	<u>\$ 1,993,292</u>	<u>\$ 2,314,193</u>

4) CAPITAL ASSETS

	<u>2012</u>			<u>2011</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Sites	\$ 8,657,246	\$ -	\$ 8,657,246	\$ 8,657,246
Buildings	118,521,508	55,484,407	63,037,101	63,806,151
Furniture and Equipment	1,437,058	559,232	877,826	860,400
Vehicles	3,439,679	1,414,700	2,024,979	2,223,040
Computer Software	224,117	97,860	126,257	90,073
Computer Hardware	<u>1,093,332</u>	<u>577,901</u>	<u>515,431</u>	<u>487,545</u>
Sub -Total	<u>\$ 133,372,940</u>	<u>\$ 58,134,100</u>	<u>\$ 75,238,840</u>	<u>\$ 76,124,455</u>
Work in Progress			\$ 22,409,886	\$ 7,412,985
Net Capital Assets – Special Purpose Funds			<u>162,714</u>	<u>162,714</u>
Total Net Capital Assets			<u>\$ 97,811,440</u>	<u>\$ 83,700,154</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

5) DEFERRED CONTRIBUTIONS

(a) Deferred Contributions – Ministry of Education:

	2012			2011
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$ 189,794	\$ 114,642	\$ 304,436	\$ 369,798
Increases:				
Provincial Grants-MOE	818,253	16,714,090	17,532,343	13,211,441
Investment income	4,067	1,515	5,582	3,844
	<u>822,320</u>	<u>16,715,605</u>	<u>17,537,925</u>	<u>13,215,285</u>
Decreases:				
Transfers to Revenue	867,316	-	867,316	1,614,375
Transfers to DCC:				
Capital additions	-	1,717,189	1,717,189	6,371,693
Work in progress	-	14,996,901	14,996,901	5,294,579
	<u>867,316</u>	<u>16,714,090</u>	<u>17,581,406</u>	<u>13,280,647</u>
Net changes for the year	(44,996)	1,515	(43,481)	(65,362)
Balance, end of year	<u>\$ 144,798</u>	<u>\$ 116,157</u>	<u>\$ 260,955</u>	<u>\$ 304,436</u>

(b) Deferred Contributions - Other

	2012			2011
	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$ 1,091,726	\$ 962	\$ 1,092,688	\$ 1,155,037
Increases:				
Provincial grants – MOE	-	-	-	2,840
Other special grants	2,195,646	-	2,195,646	2,394,753
Investment income	16,008	-	16,008	14,954
Miscellaneous	1,121	-	1,121	-
	<u>2,212,775</u>	<u>-</u>	<u>2,212,775</u>	<u>2,412,547</u>
Decreases:				
Transfers to Revenue	2,080,396	-	2,080,396	2,474,896
	<u>2,080,396</u>	<u>-</u>	<u>2,080,396</u>	<u>2,474,896</u>
Net changes for the year	132,379	-	132,379	(62,349)
Balance, end of year	<u>\$ 1,224,105</u>	<u>\$ 962</u>	<u>\$ 1,225,067</u>	<u>\$ 1,092,688</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

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.

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 67,022,426	\$ 57,811,635
Changes to Work in Progress	14,996,901	(1,413,882)
Capital funding receipts:		
Ministry of Education	1,717,189	13,080,154
	<u>83,736,516</u>	<u>69,477,907</u>
Amortization for the year	(2,661,360)	(2,455,481)
	<u>\$ 81,075,156</u>	<u>\$ 67,022,426</u>

7) INVESTMENT IN CAPITAL ASSETS

a) Investment in capital assets is calculated as follows:

	<u>2012</u>	<u>2011</u>
Capital assets	\$ 97,811,440	\$ 83,700,154
Deferred capital contributions	(81,075,156)	(67,022,426)
	<u>\$ 16,736,284</u>	<u>\$ 16,677,728</u>
Less capital assets in related entities	(162,714)	(162,714)
	<u>\$ 16,573,570</u>	<u>\$ 16,515,014</u>

b) Deficiency of revenue over expenses:

Investment income	\$ 38	\$ 36
Revenue received	-	-
Amortization of deferred capital contributions	2,661,360	2,455,481
Amortization of capital assets	(3,390,522)	(3,198,310)
	<u>\$ (729,124)</u>	<u>\$ (742,793)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

7) INVESTMENT IN CAPITAL ASSETS (continued)

c) Net change in investment in capital assets:

	2012	2011
Purchase of capital assets	\$ 2,504,907	\$ 14,067,625
Deferred capital contributions	(1,717,189)	(13,080,154)
Deficiency of revenue over expenses	(729,124)	(742,793)
	<u>\$ 58,594</u>	<u>\$ 244,678</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, the transfers were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2012	2011	2012	2011	2012	2011
Capital assets purchased	\$(653,395)	\$ (251,568)	\$(134,323)	\$ (735,903)	\$ 787,718	\$ 987,471

9) ASSET RETIREMENT OBLIGATION

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

10) EMPLOYEE FUTURE BENEFITS

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

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

a) Reconciliation of Accrued Benefit Obligation

	<u>2012</u>	<u>2011</u>
Accrued Benefit Obligation – April 1	\$ 2,394,145	\$ 2,447,500
Service Cost	176,900	168,664
Interest Cost	117,533	121,264
Benefit Payments April 1 to March 31	(131,858)	(160,143)
Actuarial (Gain) Loss	18,797	(183,140)
	<u>\$ 2,575,517</u>	<u>\$ 2,394,145</u>

b) Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 2,575,517	\$ 2,394,145
Market Value of Plan Assets – March 31	-	-
Funded Status – (Deficit)	<u>(2,575,517)</u>	<u>(2,394,145)</u>
Employer Contributions after Measurement Date April 1 to June 30	122,317	62,712
Unamortized Net Actuarial Loss (Gain)	<u>(204,278)</u>	<u>(223,072)</u>
Accrued Benefit Liability - June 30	<u>\$ (2,657,478)</u>	<u>\$ (2,554,508)</u>

c) Components of Net Benefit Expense

Service Cost	\$ 176,900	\$ 168,664
Interest Cost	117,533	121,264
Amortization of Net Actuarial Gain	-	-
Net Benefit Expense	<u>\$ 294,433</u>	<u>\$ 289,928</u>

d) Assumptions

Discount Rate – Beginning of Period	4.75%	5.00%
Discount Rate – End of Period	4.25%	4.75%
Salary Growth – Beginning of Period	2.50% + seniority	2.50% + seniority
Salary Growth – End of Period	2.50% + seniority	2.50% + seniority
EARSL	9.5 years	9.5 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

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 47,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Plan has about 175,000 active members, of which approximately 23,000 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, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation was at December 31, 2011 with results available in September 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2009 indicated a deficit of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The School District paid \$6,509,701 for employer contributions to these plans in the year ended June 30, 2012 (2011 - \$6,505,795).

12) OPERATING FUND BALANCE, END OF YEAR

<i>Internally Restricted by Board for:</i>	2012	2011
i. Provincial Education Program		
- Targeted funds	\$ 580,979	\$ 543,059
- Language programs	107,092	116,516
ii. School and Department Programs		
- School based appropriations representing 21 schools	599,126	495,418
- Various curricular initiative appropriations	44,700	92,633
- Various Student Support Services appropriations	77,238	97,806
- Support staff training/ pro-d fund surplus	110,804	82,162
- Various Maintenance appropriations	217,405	238,552
- Various education leadership appropriations	73,161	105,183
- Computer replacement – schools	232,876	234,894
- Full Day Kindergarten initiative	49,767	39,806
iii. Other District Initiatives		
- Reserve for District Office renovations	350,000	350,000
- Reserve for District Office emergent facility upgrades	300,000	300,000
- International Student Program Initiative	2,096,724	940,857
- Provincial Labour Market Adjustments – targeted funds	62,065	62,780
- Teacher Grid 5+ Allowance	125,000	125,000
iv. Appropriation to fund 2012/2013 Budget	592,429	0
v. Contingency Reserve	784,393	335,592
Total Available for Future Operations	6,403,759	4,160,258

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SCHOOL DISTRICT #22 (VERNON)

YEAR ENDED JUNE 30, 2012.

13) RELATED PARTY TRANSACTIONS

The School District is related through common control of Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

14) COMMITMENTS

a) Operating Leases:

The School District has committed to a 3 year operating lease agreement for copiers at various locations. The lease agreement expires in September 1, 2013. Future minimum lease payments are as follows:

2012/2013	\$98,000
2013/2014	\$25,000

b) Capital Commitments:

The School District has one capital construction project in progress, being Vernon Secondary School, with a total budgeted cost of \$38,194,142. The total costs incurred to date relating to this project are \$22,409,886. The District has a letter of guarantee for this project totaling \$683,325 as required by the City of Vernon which will expire by the end of the project.

15) ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

16) CAPITAL DISCLOSURES

The School District considers its capital to be its fund balances, operating, special purpose and capital. The internally restricted fund balances consist of amounts for future commitments (see note 12 and 14). The board's objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide services to its students. Under the School Act the School District is not permitted to incur deficits without the approval of the Minister of Education. Annual budgets are developed and monitored to ensure the School District's capital is maintained at an appropriate level.

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

**SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2012**

Schedule A1

	2012		
	2012 ACTUAL	AMENDED ANNUAL BUDGET	2011 ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 70,987,571	\$ 70,948,063	\$ 71,438,156
Provincial Grants - Other	223,900	177,690	284,190
Other Revenue	6,167,078	4,557,878	5,699,042
Rentals and Leases	91,068	65,000	108,355
Investment Income	118,712	65,000	86,735
	<u>77,588,329</u>	<u>75,813,631</u>	<u>77,616,478</u>
EXPENSE			
Salaries			
Teachers	33,911,435	34,693,948	34,894,838
Principals and Vice Principals	4,362,083	4,468,328	4,521,546
Educational Assistants	3,798,248	3,874,860	3,934,623
Support Staff	7,320,971	7,294,426	6,977,888
Other Professionals	949,759	910,248	893,358
Substitutes	1,823,960	1,644,223	1,843,836
	<u>52,166,456</u>	<u>52,886,033</u>	<u>53,066,089</u>
Employee Benefits	12,763,691	12,434,570	12,603,412
Services and Supplies	9,761,286	14,653,286	10,189,493
	<u>74,691,433</u>	<u>79,973,889</u>	<u>75,858,994</u>
NET REVENUE (EXPENSE), FOR THE YEAR	2,896,896	(4,160,258)	1,757,484
INTERFUND TRANSFERS			
Capital Assets Purchased	(653,395)	-	(251,568)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		4,160,258	
SURPLUS (DEFICIT), FOR THE YEAR	<u>2,243,501</u>	<u>\$ -</u>	<u>1,505,916</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	4,160,258		2,654,342
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 6,403,759</u>		<u>\$ 4,160,258</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	6,403,759		
	<u>\$ 6,403,759</u>		

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2012

Schedule A2

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 70,883,214	\$ 70,840,181	\$ 71,290,098
AANDC/LEA Recovery	(1,114,621)	(1,054,268)	(1,054,268)
Other Ministry of Education Grants			
Pay Equity	85,865	85,865	85,865
Community Links	644,240	644,240	644,240
Strong Start	128,000	128,000	120,000
Ready, Set, Learn	34,300	34,300	34,300
French languages Program	178,171	178,171	178,171
FSA	13,769	13,769	13,769
Education Guarantee	62,021	26,580	74,756
Carbon Trust Reimbursement	71,520	51,225	51,225
Smart Tools	1,092	-	-
	<u>70,987,571</u>	<u>70,948,063</u>	<u>71,438,156</u>
PROVINCIAL GRANTS - OTHER	<u>223,900</u>	<u>177,690</u>	<u>284,190</u>
FEDERAL GRANTS			
OTHER REVENUE			
Summer School Fees	6,450	-	2,422
Offshore Tuition Fees	4,708,307	3,115,610	4,284,770
LEA/Direct Funding from First Nations	1,035,796	1,054,268	1,054,268
Miscellaneous			
Cafeteria Revenue	139,803	170,000	135,600
Donations	9,373	-	7,136
Fees	139,902	-	113,884
Misc	112,291	110,000	100,962
ITA	-	95,500	-
Meals (Local Revenue)	15,156	12,500	-
	<u>6,167,078</u>	<u>4,557,878</u>	<u>5,699,042</u>
RENTALS AND LEASES	<u>91,068</u>	<u>65,000</u>	<u>108,355</u>
INVESTMENT INCOME	<u>118,712</u>	<u>65,000</u>	<u>86,735</u>
TOTAL OPERATING REVENUE	<u>\$ 77,588,329</u>	<u>\$ 75,813,631</u>	<u>\$ 77,616,478</u>

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A3

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
SALARIES			
Teachers	\$ 33,911,435	\$ 34,693,948	\$ 34,894,838
Principals and Vice Principals	4,362,083	4,468,328	4,521,546
Educational Assistants	3,798,248	3,874,860	3,934,623
Support Staff	7,320,971	7,294,426	6,977,888
Other Professionals	949,759	910,248	893,358
Substitutes	1,823,960	1,644,223	1,843,836
	<u>52,166,456</u>	<u>52,886,033</u>	<u>53,066,089</u>
EMPLOYEE BENEFITS	<u>12,763,691</u>	<u>12,434,570</u>	<u>12,603,412</u>
TOTAL SALARIES AND BENEFITS	<u>64,930,147</u>	<u>65,320,603</u>	<u>65,669,501</u>
SERVICES AND SUPPLIES			
Services	3,792,543	3,552,128	3,701,284
Student Transportation	135,463	172,270	158,189
Professional Development and Travel	478,823	602,027	661,393
Rentals and Leases	56,229	127,721	129,347
Dues and Fees	475,273	537,435	367,622
Insurance	303,998	294,967	300,799
Supplies	2,977,584	7,603,585	3,393,397
Utilities	1,541,373	1,763,153	1,477,462
TOTAL SERVICES AND SUPPLIES	<u>9,761,286</u>	<u>14,653,286</u>	<u>10,189,493</u>
TOTAL OPERATING EXPENSE	<u>\$ 74,691,433</u>	<u>\$ 79,973,889</u>	<u>\$ 75,858,994</u>

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 27,523,011	\$ 767,912	\$ 70,859	\$ 450,438	\$ -	\$ 1,378,637	\$ 30,190,857
1.03 Career Programs	187,135	-	7,483	14,229	-	-	208,847
1.07 Library Services	619,545	219,027	-	248,382	-	596	1,087,550
1.08 Counselling	1,063,760	-	-	-	-	-	1,063,760
1.10 Special Education	3,619,741	387,936	3,396,125	59,901	-	215,966	7,679,669
1.30 English as a Second Language	67,990	-	-	-	-	-	67,990
1.31 Aboriginal Education	217,497	98,470	323,781	44,783	-	610	685,141
1.41 School Administration	-	2,503,688	-	1,600,232	1,890	96,114	4,201,924
1.60 Summer School	81,693	-	-	-	-	-	81,693
1.62 Off Shore Students	513,451	108,565	-	141,138	3,510	-	766,664
1.64 Other	6,955	-	-	17,210	-	375	24,540
Total Function 1	33,900,778	4,085,598	3,798,248	2,576,313	5,400	1,692,298	46,058,635
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	6,198	147,663	-	70,327	217,737	31,719	473,644
4.40 School District Governance	-	-	-	-	79,800	-	79,800
4.41 Business Administration	4,459	128,822	-	428,018	303,125	1,620	866,044
Total Function 4	10,657	276,485	-	498,345	600,662	33,339	1,419,488
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	-	-	-	45,408	255,798	-	301,206
5.50 Maintenance Operations	-	-	-	2,915,004	-	85,837	3,000,841
5.52 Maintenance of Grounds	-	-	-	159,872	-	130	160,002
Total Function 5	-	-	-	3,120,284	255,798	85,967	3,462,049
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	-	-	-	42,112	87,899	-	130,011
7.70 Student Transportation	-	-	-	1,083,917	-	12,356	1,096,273
Total Function 7	-	-	-	1,126,029	87,899	12,356	1,226,284
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 33,911,435	\$ 4,362,083	\$ 3,798,248	\$ 7,320,971	\$ 949,759	\$ 1,823,960	\$ 52,166,456

SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 30,190,857	\$ 7,129,157	\$ 37,320,014	\$ 1,639,251	\$ 38,959,265	\$ 41,643,348	\$ 39,251,404
1.03 Career Programs	208,847	47,369	256,216	134,397	390,613	358,177	348,653
1.07 Library Services	1,087,550	303,036	1,390,586	60,868	1,451,454	1,534,999	1,362,943
1.08 Counselling	1,063,760	242,686	1,306,446	6,467	1,312,913	1,333,723	1,370,933
1.10 Special Education	7,679,669	2,018,811	9,698,480	896,465	10,594,945	10,771,357	11,117,623
1.30 English as a Second Language	67,990	16,032	84,022	139	84,161	24,374	211,019
1.31 Aboriginal Education	685,141	176,243	861,384	324,310	1,185,694	1,734,379	1,211,450
1.41 School Administration	4,201,924	1,088,913	5,290,837	165,412	5,456,249	5,471,246	5,616,234
1.60 Summer School	81,693	16,794	98,487	2,409	100,896	73,989	77,806
1.62 Off Shore Students	766,664	177,808	944,472	2,485,791	3,430,263	3,133,762	3,271,923
1.64 Other	24,540	4,394	28,934	404,371	433,305	362,513	423,367
Total Function 1	46,058,635	11,221,243	57,279,878	6,119,880	63,399,758	66,441,867	64,263,355
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	473,644	111,131	584,775	100,080	684,855	708,310	706,313
4.40 School District Governance	79,800	1,076	80,876	102,687	183,563	185,635	173,524
4.41 Business Administration	866,044	208,562	1,074,606	364,032	1,438,638	1,824,134	1,740,252
Total Function 4	1,419,488	320,769	1,740,257	566,799	2,307,056	2,718,079	2,620,089
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	301,206	60,747	361,953	110,500	472,453	488,000	468,474
5.50 Maintenance Operations	3,000,841	741,683	3,742,524	876,103	4,618,627	5,963,914	4,640,448
5.52 Maintenance of Grounds	160,002	37,513	197,515	79,568	277,083	384,950	240,314
5.56 Utilities	-	-	-	1,540,918	1,540,918	1,763,153	1,477,462
Total Function 5	3,462,049	839,943	4,301,992	2,607,089	6,909,081	8,600,017	6,826,698
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	130,011	33,397	163,408	5,525	168,933	171,471	192,007
7.70 Student Transportation	1,096,273	348,339	1,444,612	461,993	1,906,605	2,042,455	1,956,845
Total Function 7	1,226,284	381,736	1,608,020	467,518	2,075,538	2,213,926	2,148,852
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 52,166,456	\$ 12,763,691	\$ 64,930,147	\$ 9,761,286	\$ 74,691,433	\$ 79,973,889	\$ 75,858,994

**SCHOOL DISTRICT No. 22 (VERNON)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012**

Schedule A5

BALANCE, BEGINNING OF YEAR

Changes for the Year

Increase:

_____ -

Decrease:

_____ -

Net Changes for the Year

_____ -

BALANCE, END OF YEAR

\$ -

**SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2012**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 189,794	\$ 282,941	\$ 771,287	\$ 37,498	\$ 1,281,520
Add: Contributions Received					
Provincial Grants - Ministry of Education	818,253		-	-	818,253
Other		157,381	1,797,004	241,261	2,195,646
Investment Income	4,067	3,588	11,194	1,226	20,075
Prior Revenue Adjustment done post year end			-	1,121	1,121
	822,320	160,969	1,808,198	243,608	3,035,095
Less: Allocated to Revenue	867,316	114,182	1,845,670	120,544	2,947,712
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 144,798	\$ 329,728	\$ 733,815	\$ 160,562	\$ 1,368,903
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 863,751		\$ -	\$ -	\$ 863,751
Other Revenue		110,660	1,834,476	119,318	2,064,454
Investment Income	3,565	3,522	11,194	1,226	19,507
	867,316	114,182	1,845,670	120,544	2,947,712
EXPENSE					
Salaries					
Teachers	80,424		23,621	-	104,045
Educational Assistants			120	-	120
Support Staff	265,950		-	-	265,950
	346,374	-	23,741	-	370,115
Employee Benefits	64,708		4,468	-	69,176
Services and Supplies	321,911	114,182	1,817,461	120,544	2,374,098
	732,993	114,182	1,845,670	120,544	2,813,389
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	134,323	-	-	-	134,323
INTERFUND TRANSFERS					
Capital Assets Purchased	(134,323)		-	-	(134,323)
	(134,323)	-	-	-	(134,323)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	302 Special Education Technology	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 135,162	\$ 38,108	\$ 12,734	\$ 3,790	\$ 189,794
Add: Contributions Received					
Provincial Grants - Ministry of Education	400,147	-	17,489	400,617	818,253
Investment Income	2,695	502	149	721	4,067
	402,842	502	17,638	401,338	822,320
Less: Allocated to Revenue	474,828	-	21,066	371,422	867,316
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 63,176	\$ 38,610	\$ 9,306	\$ 33,706	\$ 144,798
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 472,133	\$ -	\$ 20,917	\$ 370,701	\$ 863,751
Investment Income	2,695	-	149	721	3,565
	474,828	-	21,066	371,422	867,316
EXPENSE					
Salaries					
Teachers	-	-	-	80,424	80,424
Support Staff	248,813	-	-	17,137	265,950
	248,813	-	-	97,561	346,374
Employee Benefits	41,961	-	-	22,747	64,708
Services and Supplies	49,731	-	21,066	251,114	321,911
	340,505	-	21,066	371,422	732,993
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	134,323	-	-	-	134,323
INTERFUND TRANSFERS					
Capital Assets Purchased	(134,323)	-	-	-	(134,323)
	(134,323)	-	-	-	(134,323)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 22 (VERNON)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012**

Schedule B3

	Scholarship	Student Concerts	Salmon Enhancement	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 273,265	\$ 4,677	\$ 4,999	\$ 282,941
Add: Contributions Received				
Other	152,981	4,400		157,381
Investment Income	3,441	81	66	3,588
	156,422	4,481	66	160,969
Less: Allocated to Revenue	111,752	2,430	-	114,182
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 317,935	\$ 6,728	\$ 5,065	\$ 329,728
REVENUE AND EXPENSE				
REVENUE				
Other Revenue	108,311	2,349		110,660
Investment Income	3,441	81		3,522
	111,752	2,430	-	114,182
EXPENSE				
Salaries				
	-	-	-	-
Services and Supplies	111,752	2,430		114,182
	111,752	2,430	-	114,182
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-
INTERFUND TRANSFERS				
	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2012**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 8,657,246	\$ 116,746,227	\$ 1,339,913	\$ 3,549,969	\$ 198,742	\$ 1,303,604	\$ 131,795,701
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw	-	1,663,007	52,295	-	189	1,698	1,717,189
Operating Fund	-	-	85,042	165,196	84,180	318,977	653,395
Special Purpose Funds	-	112,274	22,049	-	-	-	134,323
	-	1,775,281	159,386	165,196	84,369	320,675	2,504,907
Decrease:							
Deemed Disposals			62,241	275,486	58,994	530,947	927,668
	-	-	62,241	275,486	58,994	530,947	927,668
COST, END OF YEAR	8,657,246	118,521,508	1,437,058	3,439,679	224,117	1,093,332	133,372,940
WORK IN PROGRESS, END OF YEAR		22,409,886					22,409,886
COST AND WORK IN PROGRESS, END OF YEAR	\$ 8,657,246	\$ 140,931,394	\$ 1,437,058	\$ 3,439,679	\$ 224,117	\$ 1,093,332	\$ 155,782,826
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 52,940,076	\$ 479,513	\$ 1,326,929	\$ 108,669	\$ 816,059	\$ 55,671,246
Changes for the Year							
Increase: Amortization for the Year		2,544,331	141,960	363,257	48,185	292,789	3,390,522
Decrease:							
Deemed Disposals			62,241	275,486	58,994	530,947	927,668
	-	-	62,241	275,486	58,994	530,947	927,668
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 55,484,407	\$ 559,232	\$ 1,414,700	\$ 97,860	\$ 577,901	\$ 58,134,100
CAPITAL ASSETS - NET	\$ 8,657,246	\$ 85,446,987	\$ 877,826	\$ 2,024,979	\$ 126,257	\$ 515,431	\$ 97,648,726

**SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2012**

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 7,412,985	\$ -	\$ -	\$ -	\$ 7,412,985
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	14,996,901	-	-	-	14,996,901
	14,996,901	-	-	-	14,996,901
Decrease					
	-	-	-	-	-
Net Changes for the Year	14,996,901	-	-	-	14,996,901
WORK IN PROGRESS, END OF YEAR	\$ 22,409,886	\$ -	\$ -	\$ -	\$ 22,409,886

**SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012**

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 59,592,212	\$ -	\$ 17,229	\$ 59,609,441
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	1,717,189	-	-	1,717,189
	<u>1,717,189</u>	<u>-</u>	<u>-</u>	<u>1,717,189</u>
Decrease				
Amortization of Deferred Capital Contributions	2,659,333	-	2,027	2,661,360
	<u>2,659,333</u>	<u>-</u>	<u>2,027</u>	<u>2,661,360</u>
Net Changes for the Year	<u>(942,144)</u>	<u>-</u>	<u>(2,027)</u>	<u>(944,171)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 58,650,068</u>	<u>\$ -</u>	<u>\$ 15,202</u>	<u>\$ 58,665,270</u>
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 7,412,985	\$ -	\$ -	\$ 7,412,985
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	14,996,901	-	-	14,996,901
	<u>14,996,901</u>	<u>-</u>	<u>-</u>	<u>14,996,901</u>
Decrease	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes for the Year	<u>14,996,901</u>	<u>-</u>	<u>-</u>	<u>14,996,901</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ 22,409,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,409,886</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 81,059,954</u>	<u>\$ -</u>	<u>\$ 15,202</u>	<u>\$ 81,075,156</u>

**SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012**

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	\$ 1	\$ 114,641	\$ -	\$ -	\$ 962	\$ 115,604
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	16,714,090					16,714,090
Investment Income	-	1,515	-	-	-	1,515
	16,714,090	1,515	-	-	-	16,715,605
Decrease:						
Transferred to DCC - Capital Additions	1,717,189	-	-	-	-	1,717,189
Transferred to DCC - Work in Progress	14,996,901	-	-	-	-	14,996,901
	16,714,090	-	-	-	-	16,714,090
Net Changes for the Year	-	1,515	-	-	-	1,515
BALANCE, END OF YEAR	\$ 1	\$ 116,156	\$ -	\$ -	\$ 962	\$ 117,119

SCHOOL DISTRICT No. 22 (VERNON)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 16,515,013	\$ 2,880	\$ 16,517,893
Changes for the Year			
Investment Income		38	38
Amortization of Deferred Capital Contributions	2,661,360		2,661,360
Interfund Transfers - Capital Assets Purchased	787,718		787,718
Amortization of Capital Assets	(3,390,522)		(3,390,522)
Net Changes for the Year	58,556	38	58,594
BALANCE, END OF YEAR	\$ 16,573,569	\$ 2,918	\$ 16,576,487