

# SCHOOL DISTRICT

## AUDITED FINANCIAL STATEMENTS

### FISCAL YEAR 2005/2006

SCHOOL DISTRICT NUMBER <b>72</b>	NAME OF SCHOOL DISTRICT <b>Campbell River</b>	YEAR <b>2005/2006</b>
OFFICE LOCATION <b>425 Pinecrest Rd</b>		TELEPHONE NUMBER <b>250-830-2300</b>
CITY / PROVINCE <b>Campbell River, BC</b>		POSTAL CODE <b>V9W 3P2</b>
WEBSITE ADDRESS <b>http://www.sd72.bc.ca</b>		
NAME OF SUPERINTENDENT <b>John W. Spry</b>		NAME OF SECRETARY - TREASURER <b>Lyle J. Boyce</b>

#### DECLARATION AND SIGNATURES

#### SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of School Trustees of School District No. 72 (Campbell River) ("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 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.



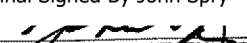
#### External Auditors

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 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. 72 (Campbell River) for the year ended June 30, 2006.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES  Original Signed By George MacLagan	DATE SIGNED <b>2006 Sep 26</b>
SIGNATURE OF SUPERINTENDENT  Original Signed By John Spry	DATE SIGNED <b>Sep 28, 2006</b>
SIGNATURE OF SECRETARY - TREASURER  Original Signed By Lyle Boyce	DATE SIGNED <b>Sep 26/06</b>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**2005/2006 AUDITED FINANCIAL STATEMENTS**

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MEYERS NORRIS PENNY LLP

## Auditors' Report

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To the Board of School Trustees  
of School District No. 72 (Campbell River):

We have audited the statement of financial position of School District No. 72 (Campbell River) as at June 30, 2006 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in schedules A1 to C5 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Meyers Norris Penny LLP*

Chartered Accountants

Campbell River, British Columbia

August 18, 2006

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2006**

**Statement 1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>ASSETS</b>					
Current Assets					
Cash	9,390,739	703,475		10,094,214	9,536,596
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	3,181,877			3,181,877	98,855
Due from Province - Other				0	15,000
Due from LEA / Direct Funding	590,394			590,394	769,522
Other Receivables	438,964	2,070		441,034	308,672
Interfund Loans		2,633,174	472,209		
Inventories				0	0
Prepaid Expenses	16,279			16,279	0
	13,618,253	3,338,719	472,209	14,323,798	10,728,645
Investments				0	0
Equity Investments				0	0
Capital Assets - Net			76,280,474	76,280,474	74,714,080
<b>TOTAL ASSETS</b>	<b>13,618,253</b>	<b>3,338,719</b>	<b>76,752,683</b>	<b>90,604,272</b>	<b>85,442,725</b>
<b>LIABILITIES AND FUND BALANCES</b>					
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	5,369,793			5,369,793	2,726,601
Bank Loans			1,000,000	1,000,000	2,000,000
Interfund Loans	3,105,383				
Other Current Liabilities				0	0
	8,475,176	0	1,000,000	6,369,793	4,726,601
Deferred Contributions					
Ministry of Education	141,927	1,904,763	(664,799)	1,381,891	2,299,075
Province - Other				0	0
Other		1,433,956		1,433,956	1,298,987
Accrued Employee Future Benefits	1,250,845			1,250,845	1,186,961
Deferred Capital Contributions			56,506,293	56,506,293	56,495,767
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
<b>TOTAL LIABILITIES</b>	<b>9,867,948</b>	<b>3,338,719</b>	<b>56,841,494</b>	<b>66,942,778</b>	<b>66,007,391</b>
Fund Balances					
Invested in Capital Assets			19,637,026	19,637,026	16,270,909
Endowment				0	0
Internally Restricted	1,948,792		274,163	2,222,955	1,748,693
Unrestricted	1,801,513			1,801,513	1,415,732
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
<b>TOTAL FUND BALANCES</b>	<b>3,750,305</b>	<b>0</b>	<b>19,911,189</b>	<b>23,661,494</b>	<b>19,435,334</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>13,618,253</b>	<b>3,338,719</b>	<b>76,752,683</b>	<b>90,604,272</b>	<b>85,442,725</b>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2006**

**Statement 2**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	47,193,801	3,468,243		50,662,044	46,850,870
Provincial Grants - Other	232,559			232,559	296,000
Federal Grants	139,775	19,316		159,091	90,698
Other Revenue	2,973,303	1,752,085		4,725,388	3,823,406
Rentals and Leases	149,245			149,245	140,249
Investment Income	273,000		40,810	313,810	198,955
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,443,615	2,443,615	2,509,260
Gain (Loss) on Disposal of Capital Assets			438,749	438,749	54,408
	<u>50,961,683</u>	<u>5,239,644</u>	<u>2,923,174</u>	<u>59,124,501</u>	<u>53,963,846</u>
<b>EXPENSE</b>					
Salaries					
Teachers	21,291,842	130,412		21,422,254	20,569,607
Principals and Vice Principals	3,035,779			3,035,779	2,795,160
Educational Assistants	4,005,083			4,005,083	3,456,282
Support Staff	5,877,663	5,704		5,883,367	5,641,131
Other Professionals	968,346	14,984		983,330	836,117
Substitutes	1,007,565	15,708		1,023,273	901,062
	<u>36,186,278</u>	<u>166,808</u>	<u>0</u>	<u>36,353,086</u>	<u>34,199,359</u>
Employee Benefits	7,085,488	31,650		7,117,138	6,803,872
Services and Supplies	6,512,882	2,040,741		8,553,623	6,696,664
Amortization of Capital Assets			2,874,494	2,874,494	2,920,116
Write-off/down of Buildings and Sites				0	0
	<u>49,784,648</u>	<u>2,239,199</u>	<u>2,874,494</u>	<u>54,898,341</u>	<u>50,620,011</u>
<b>NET REVENUE (EXPENSE)</b>	<u>1,177,035</u>	<u>3,000,445</u>	<u>48,680</u>	<u>4,226,160</u>	<u>3,343,835</u>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2006**

**Statement 3**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>FUND BALANCES, BEGINNING OF YEAR</b>	2,758,270	0	16,677,064	19,435,334	16,091,499
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
Accrued Employee Future Benefits				0	0
Accrued Vacation Pay				0	0
Accumulated Amortization of Capital Assets				0	0
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions				0	0
School-Generated Funds				0	0
Related Entities				0	0
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	2,758,270	0	16,677,064	19,435,334	16,091,499
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	1,177,035	3,000,445	48,680	4,226,160	3,343,835
Interfund Transfers					
Capital Assets Purchased		(3,000,445)	3,000,445	0	0
Local Capital	(185,000)		185,000	0	0
Other				0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
<b>Net Changes for the Year</b>	992,035	0	3,234,125	4,226,160	3,343,835
<b>FUND BALANCES, END OF YEAR</b>	3,750,305	0	19,911,189	23,661,494	19,435,334

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2006**

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATIONS</b>					
Net Revenue (Expense) for the Year	1,177,035	3,000,445	48,680	4,226,160	3,343,835
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(3,113,344)	(1,630)	93,721	(3,021,253)	(649,670)
Interfund Loans	(35,433)	(217,023)	252,456	0	0
Inventories				0	0
Prepaid Expenses	(16,279)			(16,279)	0
Increase (Decrease)				0	0
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	2,670,191	(27,000)		2,643,191	201,501
Other Current Liabilities				0	0
Deferred Contributions	(25,534)	267,751		242,217	(156,387)
Accrued Employee Future Benefits	63,884			63,884	1,186,961
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets			(438,749)	(438,749)	(54,408)
Items Not Involving Cash					
Amortization of Capital Assets			2,874,494	2,874,494	2,920,116
Amortization of Deferred Capital Contributions			(2,443,615)	(2,443,615)	(2,509,260)
Accounting Change - Accrued EFB				0	(1,109,546)
Accounting Change - Accrued Vacation Pay				0	0
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(185,000)	(3,000,445)	3,185,445	0	0
	535,520	22,098	3,572,432	4,130,050	3,173,142
<b>FINANCING</b>					
Bank Loan Received			1,000,000	1,000,000	2,000,000
Bank Loan Paid			(2,000,000)	(2,000,000)	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			785,814	785,814	390,109
Proceeds from Disposal of Capital Assets			2,035,421	2,035,421	250,000
MEd Restricted Portion of Proceeds on Disposal			(1,526,566)	(1,526,566)	(2,134,902)
	0	0	294,669	294,669	505,207
<b>INVESTING</b>					
Capital Assets Purchased - Operating				0	0
Capital Assets Purchased - Special Purpose			(3,000,445)	(3,000,445)	(1,894,104)
Capital Assets Purchased - Local Capital			(81,769)	(81,769)	(137,563)
Loc Cap - WIP Purchase			(784,887)	(784,887)	
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(3,867,101)	(3,867,101)	(2,031,667)
<b>Net Increase (Decrease) in Cash</b>	535,520	22,098	0	557,618	1,646,682

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2006**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>NET INCREASE (DECREASE) IN CASH</b>	535,520	22,098	0	557,618	1,646,682
<b>Net Cash, Beginning of Year</b>	8,855,219	681,377	0	9,536,596	7,889,914
Changes in Accounting Policies/ Prior Period Adjustments					
<b>Net Cash, Beginning of Year, as Restated</b>	8,855,219	681,377	0	9,536,596	7,889,914
<b>NET CASH, END OF YEAR</b>	9,390,739	703,475	0	10,094,214	9,536,596
Cash	9,390,739	703,475		10,094,214	9,536,596
Short Term Investments				0	0
Bank Overdraft				0	0
<b>NET CASH, END OF YEAR</b>	9,390,739	703,475	0	10,094,214	9,536,596



**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 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. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." 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 School District is exempt from tax.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations (except as disclosed in Note 2(b) and 13). These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose 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 annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

**a) Fund Accounting**

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

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
  - Contributions restricted in use by the *School Act* or Ministry of Education.
  - Contributions restricted in use by other external bodies.
  - Endowment funds.
  - Funds collected and used at the school level (i.e. school-generated funds).
- Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND  
REPORTING PRACTICES (Continued)**

b) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost.

c) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Work-in-progress is not amortized until after the asset has been completed or put into use.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Hardware	5 years

d) Revenue Recognition

Unrestricted operating government grants, are recognized when service are provided. 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/products are reported as revenue when services are provided or products 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:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
  - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
  - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. Amortization commences in the year following acquisition.
  - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

- 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 recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.
- e) Expenditures
  - Categories of Salaries
    - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
    - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.
  - Allocation of Costs
    - 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.
    - 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.
    - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
    - Supplies and services are allocated based on actual identification of program.
- f) Financial Instruments

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

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

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND  
REPORTING PRACTICES (Continued)**

h) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick pay and retirement allowance for certain employees pursuant to certain contracts and union 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 and using management's best estimate of expected salary escalation, termination and 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 11.1.

For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 has been adopted for all periods subsequent to July 1, 2004.

**NOTE 3      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<u>2006</u>	<u>2005</u>
Due from Federal Government	\$ 98,167	\$ 146,911
Due from Other School Districts	9,999	2,565
Due from North Island College	142,283	32,712
Due from Simon Fraser University	16,679	9,116
Due from Royal Bank	40,868	0
Due from CRDTA	69,525	0
Due from CUPE	20,252	0
Other	43,261	117,368
	<u>\$ 438,964</u>	<u>\$ 308,672</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 4 CAPITAL ASSETS**

	2006			2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 8,270,011	\$ -	\$ 8,270,011	\$ 7,344,437
Buildings	105,762,779	(40,056,651)	65,706,128	60,503,984
Furniture & Equipment	5,800,356	(3,869,486)	1,930,870	2,398,203
Vehicles	748,390	(428,816)	319,574	235,678
Computer Hardware	67,296	(13,405)	53,891	38,835
Work in Progress	-	-	-	4,192,943
	<u>\$120,648,832</u>	<u>\$(44,368,358)</u>	<u>\$76,280,474</u>	<u>\$74,714,080</u>

The Campbellton Elementary school site is currently for sale. The historical cost for the land is \$132,857.79 and building accumulated amortization is \$344,699.

**NOTE 5 DISPOSAL OF SITES AND BUILDINGS**

The Continuing Education, Sayward and Squirrel Cove properties were disposed of in fiscal year 2006 in the amount of \$2,035,421. A net gain of \$438,749 was recorded as capital revenue.

**NOTE 6 CAPITAL BANK LOANS PAYABLE**

The following loans approved under Section 144 of the *School Act* are outstanding:

Approval Date	Amount Authorized	Interest Rate	Term of Years	Amount Borrowed	Amount Paid	Balance O/S
June 29, 2004	3,000,000	0.5 % below prime	3	3,000,000	2,000,000	1,000,000

The above loan is a demand loan secured by the assets of School District 72.

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 7      EMPLOYEE FUTURE BENEFITS**

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and Vacation Pay on Statement 1 (Statement of Financial Position).

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

	2006	2005
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1 (2005 – July 1)	\$ 1,174,626	\$ 1,109,544
Service Cost	93,946	89,686
Interest Cost	67,170	66,321
Benefit Payments	(91,400)	(78,590)
Actuarial (Gain)/Loss	14,830	(12,335)
Accrued Benefit Obligation – March 31	<u>\$ 1,259,172</u>	<u>\$ 1,174,626</u>

<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 1,259,172	\$ 1,174,626
Market Value of Plan Assets – March 31		
Funded Status - Surplus/(Deficit)	(1,259,172)	(1,174,626)
Employer Contributions After Measurement Date	5,832	
Unamortized Net Actuarial (Gain)/Loss	2,495	(12,335)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (1,250,845)</u>	<u>\$ (1,186,961)</u>

<b>Components of Net Benefit Expense</b>		
Service Cost	\$ 93,946	\$ 89,686
Interest Cost	67,170	66,321
Amortization of Net Actuarial (Gain)/Loss		
Net Benefit Expense (Income)	<u>\$ 161,116</u>	<u>\$ 156,007</u>

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

Discount Rate – April 1 (2005 – July 1)	5.50%	5.75%
Discount Rate – March 31	5.25%	5.50%
Salary Growth – April 1 (2005 – July 1)	3.25% + seniority	3.25% + seniority
Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSL	11.1	11.1

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE8      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 45,000 active members from school districts, and approximately 23,000 retired members from school districts. The Municipal Plan has about 130,000 active members, of which approximately 20,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2002 indicated a \$382 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2005 with results available in 2006. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. For the year ended June 30, 2005, the School District No. 72 (Campbell River) paid \$3,417,434 for employer contributions to these plans. The School District No. 72 (Campbell River) paid \$3,309,845 for employer contributions to these plans for the year ended June 30, 2006.

**NOTE9      OPERATING FUND BALANCE - END OF YEAR**

Internally Restricted (appropriated) by Board for:

Professional Development	\$ 463,269	
School Supply Accounts	295,232	
Implementation Training	225,000	
Learning Resources	225,000	
Aboriginal Programs	120,291	
Instructional Equipment Support	100,000	
French Immersion Support	20,000	
Computers for Teachers in the Workplace	175,000	
Board Instructional Support	175,000	
Technology	150,000	
Subtotal Internally Restricted		\$1,948,792
Unrestricted Operating Surplus		1,801,513
Total Available for Future Operations		<u>\$3,750,305</u>

**SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)**  
**NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2006**

**NOTE 10      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, 2006, transfers were as follows:

- A transfer in the amount of \$185,000 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$3,000,445 was made from the special purpose fund to the capital fund for the purchase of capital assets.

**NOTE 11      RELATED PARTY TRANSACTIONS**

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

**NOTE 12      COMPARITIVE AMOUNTS**

Certain comparative figures have been reclassified to conform with current year presentation. The restatement moved \$1,810,246 from Ministry of Education Restricted Capital deferred contributions to Other Provincial deferred capital contributions.

**NOTE 13      BUDGET FIGURES**

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 1, 2006.

**NOTE 14      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 under the assumption that the School District operates as a "going concern".



**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**SURPLUS (DEFICIT)**  
**YEAR ENDED JUNE 30, 2006**

Schedule A1

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	47,193,801	44,180,167	44,161,752
Provincial Grants - Other	232,559	296,000	296,000
Federal Grants	139,775	121,774	90,698
Other Revenue	2,973,303	2,844,103	2,328,009
Rentals and Leases	149,245	126,268	140,249
Investment Income	273,000	220,000	195,410
	<u>50,961,683</u>	<u>47,788,312</u>	<u>47,212,118</u>
<b>EXPENSE</b>			
Salaries			
Teachers	21,291,842	19,973,456	20,367,352
Principals and Vice Principals	3,035,779	2,935,302	2,795,160
Educational Assistants	4,005,083	3,704,415	3,456,282
Support Staff	5,877,663	5,258,443	5,641,131
Other Professionals	968,346	943,427	799,337
Substitutes	1,007,565	884,373	900,360
	<u>36,186,278</u>	<u>33,699,416</u>	<u>33,959,622</u>
Employee Benefits	7,085,488	7,216,584	6,767,668
Services and Supplies	6,512,882	7,822,011	5,032,577
	<u>49,784,648</u>	<u>48,738,011</u>	<u>45,759,867</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	1,177,035	(949,699)	1,452,251
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	0	0	0
Local Capital	(185,000)	(185,000)	(185,000)
Other	0	0	353,928
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
Reduce Unfunded Employee Future Benefits and Vacation Pay			(1,109,544)
Comprehensive Income (Loss)	0	0	0
<b>BUDGETED ALLOCATION OF SURPLUS (DEFICIT)</b>		1,134,699	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	<u>992,035</u>	<u>0</u>	<u>511,635</u>
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	2,758,270		2,246,635
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	<u>2,758,270</u>		<u>2,246,635</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b> (Section 156 (12) of School Act)	<u>3,750,305</u>		<u>2,758,270</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Internally Restricted	1,948,792		
Unrestricted	1,801,513		
	<u>3,750,305</u>		

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2006**

Schedule A2

	2006	2006	2005
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	44,394,722	44,278,294	44,638,312
Other Ministry of Education Grants			
GAAP Implementation Funding	386,631	386,631	552,527
Reduction for Local Education Agreements	(1,475,848)	(1,435,534)	(1,435,534)
Pay Equity	75,322	75,322	75,322
Ready Set Learn/Accountability Contract Review	40,000	40,000	39,750
Incentive/TOC Reimb/Grid Harm	2,874,319		
Audit Adjustments/Debt Services Recovery	653	15,481	105,999
Strike Savings/Class Composition Grant	898,002	819,973	
Ab Ed Imp/BCRC/ALRC Grant			185,376
	<u>47,193,801</u>	<u>44,180,167</u>	<u>44,161,752</u>
<b>PROVINCIAL GRANTS - OTHER</b>	<u>232,559</u>	<u>296,000</u>	<u>296,000</u>
<b>FEDERAL GRANTS</b>	<u>139,775</u>	<u>121,774</u>	<u>90,698</u>
<b>OTHER REVENUE</b>			
Other School District/Education Authorities	712,304	619,632	754,458
Summer School Fees	28,000	29,158	37,925
Continuing Education	0	20,000	20,000
Offshore Tuition Fees	576,474	585,590	63,529
LEA/Direct Funding from First Nations	1,475,849	1,435,534	1,435,534
Miscellaneous			
Legacies Now		15,000	
Secondment Reimbursement from Ministry	142,138	138,992	
Transcripts/SBO Misc Revenue	38,538	197	16,563
	<u>2,973,303</u>	<u>2,844,103</u>	<u>2,328,009</u>
<b>RENTALS AND LEASES</b>	<u>149,245</u>	<u>126,268</u>	<u>140,249</u>
<b>INVESTMENT INCOME</b>	<u>273,000</u>	<u>220,000</u>	<u>195,410</u>
<b>TOTAL OPERATING REVENUE</b>	<u><u>50,961,683</u></u>	<u><u>47,788,312</u></u>	<u><u>47,212,118</u></u>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2006**

Schedule A3

	2006	2006	2005
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
<b>SALARIES</b>			
Teachers	21,291,842	19,973,456	20,367,352
Principals and Vice Principals	3,035,779	2,935,302	2,795,160
Educational Assistants	4,005,083	3,704,415	3,456,282
Support Staff	5,877,663	5,258,443	5,641,131
Other Professionals	968,346	943,427	799,337
Substitutes	1,007,565	884,373	900,360
	<u>36,186,278</u>	<u>33,699,416</u>	<u>33,959,622</u>
<b>EMPLOYEE BENEFITS</b>	7,085,488	7,216,584	6,767,668
<b>Total Salaries and Benefits</b>	<u>43,271,766</u>	<u>40,916,000</u>	<u>40,727,290</u>
<b>SERVICES AND SUPPLIES</b>			
Services	475,988	867,087	892,130
Student Transportation	20,347	43,300	21,514
Professional Development and Travel	532,626	916,537	529,996
Rentals and Leases	188,898	208,668	181,568
Dues and Fees	42,696	43,436	44,210
Insurance	105,698	120,000	110,896
Interest	729	0	721
Supplies	3,921,564	4,411,062	2,115,085
Bad Debts	0	0	0
Utilities	1,224,336	1,211,921	1,136,457
<b>Total Services and Supplies</b>	<u>6,512,882</u>	<u>7,822,011</u>	<u>5,032,577</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>49,784,648</u>	<u>48,738,011</u>	<u>45,759,867</u>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION AND PROGRAM**  
**YEAR ENDED JUNE 30, 2006**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	16,754,753	810,088	274,952	560,600	20,878	966,887	19,388,158
1.03 Career Programs	259,790					1,116	260,906
1.07 Library Services	485,982			219,182	81,563		786,727
1.08 Counseling	570,872			77,540		1,549	649,961
1.10 Special Education	2,502,717	81,691	3,374,311	84,140		17,856	6,060,515
1.30 English as a Second Language	418,235					533	416,768
1.31 Aboriginal Education	272,379	89,310	355,820	15,547		4,551	737,607
1.41 School Administration		2,023,029		565,470			2,588,499
1.60 Summer School	29,104			589			29,693
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
<b>Total Function 1</b>	<b>21,291,842</b>	<b>3,004,118</b>	<b>4,005,083</b>	<b>1,523,088</b>	<b>102,441</b>	<b>992,292</b>	<b>30,918,844</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration				36,137	285,696		321,833
4.40 School District Governance					60,562		60,562
4.41 Business Administration		31,661		230,619	351,354	15,273	628,907
4.65 Conseil Scolaire Francophone							0
<b>Total Function 4</b>	<b>0</b>	<b>31,661</b>	<b>0</b>	<b>266,756</b>	<b>687,612</b>	<b>15,273</b>	<b>1,011,302</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration				69,191	69,825		139,016
5.50 Maintenance Operations				3,091,359	66,802		3,159,961
5.52 Maintenance of Grounds				285,600			285,600
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
<b>Total Function 5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,448,150</b>	<b>138,427</b>	<b>0</b>	<b>3,584,577</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration							0
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				641,889	29,866		671,555
7.73 Housing							0
<b>Total Function 7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>641,889</b>	<b>29,866</b>	<b>0</b>	<b>671,555</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>21,291,842</b>	<b>3,035,779</b>	<b>4,005,083</b>	<b>5,877,863</b>	<b>968,346</b>	<b>1,007,565</b>	<b>36,186,278</b>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION AND PROGRAM**  
**YEAR ENDED JUNE 30, 2006**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	19,388,158	3,619,141	23,007,299	1,499,441	24,706,740	24,401,717	23,197,270
1.03 Career Programs	260,906	53,322	314,228	19,934	334,162	414,993	408,790
1.07 Library Services	766,737	148,986	935,723	857,844	1,793,567	2,035,148	1,415,019
1.08 Counselling	649,961	114,787	764,748		764,748	716,247	683,863
1.10 Special Education	6,060,515	1,214,876	7,275,391	158,740	7,434,131	7,159,763	6,660,728
1.30 English as a Second Language	416,768	74,678	491,446	10,280	501,726	446,327	447,500
1.31 Aboriginal Education	737,807	135,163	872,770	124,429	997,199	1,343,743	891,392
1.41 School Administration	2,588,499	450,293	3,038,792	239,892	3,278,684	3,276,669	3,241,879
1.60 Summer School	29,693	5,190	34,883	1,413	36,296	41,835	34,672
1.61 Continuing Education	0	0	0	0	0	0	0
1.62 Off Shore Students	0	0	0	0	0	0	0
1.64 Other	0	0	0	0	0	0	0
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
<b>Total Function 1</b>	<b>30,918,844</b>	<b>6,016,436</b>	<b>36,935,280</b>	<b>2,911,973</b>	<b>39,847,253</b>	<b>39,836,242</b>	<b>37,001,113</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	321,833	65,138	386,971	89,546	475,519	489,530	375,757
4.40 School District Governance	60,562	579	61,141	96,555	159,696	159,187	128,786
4.41 Business Administration	628,907	105,002	733,909	353,011	1,086,920	1,025,517	949,633
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
<b>Total Function 4</b>	<b>1,011,302</b>	<b>170,719</b>	<b>1,182,021</b>	<b>540,114</b>	<b>1,722,135</b>	<b>1,654,234</b>	<b>1,454,176</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	139,016	27,634	166,650	93,152	259,802	285,698	236,045
5.50 Maintenance Operations	3,159,961	669,538	3,829,499	1,218,085	5,047,584	4,310,810	4,272,034
5.52 Maintenance of Grounds	285,600	57,375	342,975	71,829	414,804	418,156	510,392
5.56 Utilities	0	0	0	1,287,216	1,287,216	1,211,921	1,199,687
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
<b>Total Function 5</b>	<b>3,584,577</b>	<b>754,547</b>	<b>4,339,124</b>	<b>2,670,082</b>	<b>7,009,206</b>	<b>6,226,595</b>	<b>6,218,148</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	0	0	0	2,419	2,419	0	2,419
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	671,555	143,786	815,341	353,405	1,168,746	973,950	1,046,890
7.73 Housing	0	0	0	34,160	34,160	47,000	36,400
<b>Total Function 7</b>	<b>671,555</b>	<b>143,786</b>	<b>815,341</b>	<b>389,964</b>	<b>1,205,325</b>	<b>1,020,950</b>	<b>1,085,709</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans	0	0	0	729	729	0	721
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>729</b>	<b>729</b>	<b>0</b>	<b>721</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>36,186,278</b>	<b>7,085,486</b>	<b>43,271,766</b>	<b>6,512,882</b>	<b>49,764,848</b>	<b>48,738,011</b>	<b>45,759,867</b>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**OPERATING FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

**Schedule A5**

<b>BALANCE, BEGINNING OF YEAR</b>	167,461
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>	
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>167,461</u>
<b>Changes for the Year</b>	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
	<u>0</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Rentals and Leases	0
Investment Income	0
Offshore Tuition Fees	25,534
	<u>25,534</u>
<b>Net Changes for the Year</b>	<u>(25,534)</u>
<b>BALANCE, END OF YEAR</b>	<u><u>141,927</u></u>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**SPECIAL PURPOSE FUNDS**  
**SUMMARY OF CHANGES**  
**YEAR ENDED JUNE 30, 2006**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	1,709,828	775,364	585,776	0	3,070,968
Add: Contributions Received					
Provincial Grants - Ministry of Education	3,250,773	355,118			3,605,891
Provincial Grants - Other					0
Federal Grants		19,000			19,000
Other Revenue		84,624	1,713,632		1,778,256
Rentals and Leases					0
Investment Income	67,623	36,625			104,248
	3,318,396	475,367	1,713,632	0	5,507,395
Less: Allocated to Revenue	3,269,993	267,686	1,701,965		5,239,644
Recovered					0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	1,758,231	983,045	597,443	0	3,338,719
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	3,269,993	198,250			3,468,243
Provincial Grants - Other					0
Federal Grants		19,316			19,316
Other Revenue		50,120	1,701,965		1,752,085
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	3,269,993	267,686	1,701,965	0	5,239,644
<b>EXPENSE</b>					
Salaries					
Teachers	76,205	54,207			130,412
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	5,704				5,704
Other Professionals	14,984				14,984
Substitutes	4,564	11,144			15,708
Employee Benefits	101,457	65,351	0	0	166,808
Services and Supplies	17,267	14,383			31,650
	150,804	187,972	1,701,965		2,040,741
	268,548	267,686	1,701,965	0	2,239,199
	3,000,445	0	0	0	3,000,445
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>					
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	(3,000,445)				(3,000,445)
Other					0
		0	0	0	0
<b>NET REVENUE (EXPENSE)</b>					
	(3,000,445)	0	0	0	(3,000,445)
	0	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)  
SPECIAL PURPOSE FUNDS  
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2006

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	290 Debt Services
<b>DEFERRED CONTRIBUTIONS</b>				
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>				
Add: Contributions Received	1,633,674	18,877	12,718	44,486
Provincial Grants - Ministry of Education	2,946,924		16,933	84,212
Provincial Grants - Other				
Federal Grants				
Other Revenue				
Rentals and Leases	63,206	569	788	
Investment Income	3,010,130	569	17,721	84,212
Less: Allocated to Revenue Recovered	3,000,445	4,637	9,936	128,698
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>1,643,359</b>	<b>14,809</b>	<b>20,503</b>	
<b>REVENUE AND EXPENSE</b>				
<b>REVENUE</b>				
Provincial Grants - Ministry of Education	3,000,445	4,637	9,936	128,698
Provincial Grants - Other				
Federal Grants				
Other Revenue				
Rentals and Leases				
Investment Income				
<b>EXPENSE</b>				
Salaries	3,000,445	4,637	9,936	128,698
Teachers				
Principals and Vice Principals				
Educational Assistants				
Support Staff				
Other Professionals				
Substitutes				
Employee Benefits				
Services and Supplies		4,637	9,936	128,698
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>3,000,445</b>	<b>4,637</b>	<b>9,936</b>	<b>128,698</b>
<b>INTERFUND TRANSFERS</b>				
Capital Assets Purchased	(3,000,445)			
Other				
<b>NET REVENUE (EXPENSE)</b>	<b>(3,000,445)</b>			



SCHOOL DISTRICT NO. 72 (Campbell River)  
SPECIAL PURPOSE FUNDS  
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2006

	PRP-Woodside	Headstart
<b>DEFERRED CONTRIBUTIONS</b>		
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	42	31
Add: Contributions Received		
Provincial Grants - Ministry of Education	105,349	97,355
Provincial Grants - Other		
Federal Grants		
Other Revenue		
Rentals and Leases	1,289	1,771
Investment Income	105,638	99,128
Less: Allocated to Revenue	73,169	53,108
Recovered		
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>33,511</b>	<b>46,049</b>
<b>REVENUE AND EXPENSE</b>		
<b>REVENUE</b>		
Provincial Grants - Ministry of Education	73,169	53,108
Provincial Grants - Other		
Federal Grants		
Other Revenue		
Rentals and Leases		
Investment Income	73,169	53,108
<b>EXPENSE</b>		
Salaries		
Teachers	45,022	31,183
Principals and Vice Principals		
Educational Assistants		
Support Staff	2,852	2,852
Other Professionals	7,788	7,196
Substitutes	3,289	1,265
Employee Benefits	58,981	42,496
Services and Supplies	10,711	6,576
	3,487	4,036
	73,169	53,108
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>		
<b>INTERFUND TRANSFERS</b>		
Capital Assets Purchased		
Other		
<b>NET REVENUE (EXPENSE)</b>		

SCHOOL DISTRICT NO. 72 (Campbell River)  
SPECIAL PURPOSE FUNDS  
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2006

	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>	
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	1,709,828
Add: Contributions Received	
Provincial Grants - Ministry of Education	3,250,773
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Rentals and Leases	0
Investment Income	67,823
	3,318,396
Less: Allocated to Revenue	3,269,993
Recovered	0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>1,758,231</b>
<b>REVENUE AND EXPENSE</b>	
<b>REVENUE</b>	
Provincial Grants - Ministry of Education	3,269,993
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Rentals and Leases	0
Investment Income	0
	3,269,993
<b>EXPENSE</b>	
Salaries	
Teachers	76,205
Principals and Vice Principals	0
Educational Assistants	0
Support Staff	5,704
Other Professionals	14,984
Substitutes	4,564
	101,457
Employee Benefits	17,287
Services and Supplies	150,804
	269,548
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>3,000,445</b>
<b>INTERFUND TRANSFERS</b>	
Capital Assets Purchased	(3,000,445)
Other	0
	(3,000,445)
<b>NET REVENUE (EXPENSE)</b>	<b>0</b>

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B3

	Alexander Drdul Memorial	Career Development	SD72 Scholarships	Logger Bill Ellis	Pacific Rim Exchange	Weyerhaeuser Bursary	Dorothy Silkens Memorial	Marion Davis Francis Scholarship
<b>DEFERRED CONTRIBUTIONS</b>								
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	5,377	1,572	30,839	3,522	8,874	1,448	3,126	6,599
Add: Contributions Received								
Provincial Grants - Ministry of Education								
Provincial Grants - Other								
Federal Grants			12,548					
Other Revenue								
Rentals and Leases	160	47	964	98	264	43	92	196
Investment Income	160	47	13,512	98	264	43	92	196
Less: Allocated to Revenue			6,700	250			63	
Recovered								
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	5,537	1,619	37,651	3,370	9,138	1,491	3,155	6,795
<b>REVENUE AND EXPENSE</b>								
<b>REVENUE</b>								
Provincial Grants - Ministry of Education								
Provincial Grants - Other								
Federal Grants			6,700	250			63	
Other Revenue								
Rentals and Leases								
Investment Income			6,700	250			63	
<b>EXPENSE</b>								
Salaries								
Teachers								
Principals and Vice Principals								
Educational Assistants								
Support Staff								
Other Professionals								
Substitutes								
Employee Benefits								
Services and Supplies			6,700	250			63	
			6,700	250			63	
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>								
<b>INTERFUND TRANSFERS</b>								
Capital Assets Purchased								
Other								
<b>NET REVENUE (EXPENSE)</b>								

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B3

	Jim Reid Memorial	Mt Washington	Bank of Montreal	Campbellton Bursary	Daybreak Rotary	Joan Bunting Scholarship	Drug and Alcohol	Community Pro-D Fund
<b>DEFERRED CONTRIBUTIONS</b>								
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	12,217	6	20	351	1	21,147	14,488	8,392
Add: Contributions Received								
Provincial Grants - Ministry of Education								
Provincial Grants - Other								
Federal Grants						5,000	47,076	
Other Revenue								
Rentals and Leases	347			10	10	659	858	335
Investment Income	347			10		5,659	47,934	335
Less: Allocated to Revenue	1,000					2,000	40,107	
Recovered								
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	11,564	6	20	361	1	24,808	22,315	8,717
<b>REVENUE AND EXPENSE</b>								
<b>REVENUE</b>								
Provincial Grants - Ministry of Education								
Provincial Grants - Other								
Federal Grants								
Other Revenue	1,000					2,000	40,107	
Rentals and Leases								
Investment Income	1,000					2,000	40,107	
<b>EXPENSE</b>								
Salaries								
Teachers							28,642	
Principals and Vice Principals								
Educational Assistants								
Support Staff								
Other Professionals								
Substitutes								
Employee Benefits							28,642	
Services and Supplies	1,000					2,000	9,542	
	1,000					2,000	1,923	
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>							40,107	
<b>INTERFUND TRANSFERS</b>								
Capital Assets Purchased								
Other								
<b>NET REVENUE (EXPENSE)</b>								

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B3

	Community Services Co-Op Ed	Community Links Program Trust	Healthy Schools	Regional Implementation K-12 Fund	CTC Training Centre	ICT Integration 6-9	Special Ed Staff Fund	Learning Outcomes
<b>DEFERRED CONTRIBUTIONS</b>								
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	76,023	272,179	5,317	54,818	194	3,147	2,134	1,243
Add: Contributions Received								
Provincial Grants - Ministry of Education		126,441						
Provincial Grants - Other								
Federal Grants								
Other Revenue								
Rentals and Leases	2,937	13,611	193	1,556	7	126	85	50
Investment Income	2,937	140,052	193	1,556	7	126	85	50
Less: Allocated to Revenue Recovered	2,608	58,349	492	15,923			0	0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	76,352	353,982	5,018	40,451	201	3,273	2,219	1,293
<b>REVENUE AND EXPENSE</b>								
<b>REVENUE</b>								
Provincial Grants - Ministry of Education	2,608	58,349	492	15,923				
Provincial Grants - Other								
Federal Grants								
Other Revenue								
Rentals and Leases								
Investment Income								
	2,608	58,349	492	15,923				
<b>EXPENSE</b>								
Salaries								
Teachers		19,565						
Principals and Vice Principals								
Educational Assistants								
Support Staff								
Other Professionals								
Substitutes								
		19,565						
Employee Benefits								
Services and Supplies	2,608	38,784	492	15,923				
	2,608	58,349	492	15,923				
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>								
<b>INTERFUND TRANSFERS</b>								
Capital Assets Purchased								
Other								
<b>NET REVENUE (EXPENSE)</b>								

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

Schedule B3

	French Secretary of State	AVID	E-Learning	Connected Learners	Literacy/Numeracy	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>						
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	15,301	23,101	42,567		88,648	775,364
Add: Contributions Received						
Provincial Grants - Ministry of Education		78,153	10,000	73,900	66,624	355,118
Provincial Grants - Other	19,000					0
Federal Grants					19,000	19,000
Other Revenue						64,624
Rentals and Leases						0
Investment Income	599	116	1,731	2,920	4,917	36,625
	19,599	78,269	11,731	76,820	71,541	475,367
Less: Allocated to Revenue	19,316	98,347	9,290	889	12,352	287,686
Recovered						0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	15,584	3,023	45,008	76,931	127,837	983,045
<b>REVENUE AND EXPENSE</b>						
<b>REVENUE</b>						
Provincial Grants - Ministry of Education		98,347	9,290	889	12,352	198,250
Provincial Grants - Other						0
Federal Grants	19,316					19,316
Other Revenue						50,120
Rentals and Leases						0
Investment Income						0
	19,316	98,347	9,290	889	12,352	287,686
<b>EXPENSE</b>						
Salaries						
Teachers			6,000			54,207
Principals and Vice Principals						0
Educational Assistants						0
Support Staff						0
Other Professionals						0
Substitutes	11,144					11,144
	11,144		6,000			65,351
Employee Benefits	1,531		3,290			14,363
Services and Supplies	6,641	98,347		889	12,352	187,972
	19,316	98,347	9,290	889	12,352	287,686
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>						0
<b>INTERFUND TRANSFERS</b>						
Capital Assets Purchased						0
Other						0
						0
<b>NET REVENUE (EXPENSE)</b>						0

SCHOOL DISTRICT NO. 72 (Campbell River)  
CAPITAL FUND  
CAPITAL ASSETS  
YEAR ENDED JUNE 30, 2006

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	7,344,437	99,426,210	8,304,162	604,085	0	149,493	113,828,387
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	7,344,437	99,426,210	8,304,162	604,085	0	149,493	113,828,387
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw				122,800			122,800
Deferred Contributions - Other							0
Operating Fund							0
Special Purpose Funds		2,955,490				44,955	3,000,445
Local Capital			60,264	21,505		81,769	995,680
Transferred from WIP	995,680	4,630,282	102,819				4,733,101
Transferred from Work in Progress	995,680	7,585,772	163,083	144,305	0	44,955	8,933,795
Decrease:							
Disposed of	70,106	1,249,203					1,319,309
Deemed Disposals			666,889			127,152	794,041
Written-off/down During Year							0
COST, END OF YEAR	70,106	1,249,203	666,889	0	0	127,152	2,113,350
WORK IN PROGRESS, END OF YEAR	8,270,011	105,762,779	5,800,356	748,390	0	67,296	120,648,832
COST AND WORK IN PROGRESS, END OF YEAR	8,270,011	105,762,779	5,800,356	748,390	0	67,296	120,648,832
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR							
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	38,922,226	3,905,959	368,407	0	110,658	43,307,250
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Disposed of		1,019,345					1,019,345
Deemed Disposals			666,889			127,152	794,041
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	1,019,345	666,889	0	0	127,152	1,813,386
CAPITAL ASSETS - NET	8,270,011	65,706,128	1,930,870	319,574	0	53,891	76,280,474

SCHOOL DISTRICT NO. 72 (Campbell River)  
CAPITAL FUND  
CAPITAL ASSETS - WORK IN PROGRESS  
YEAR ENDED JUNE 30, 2006

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
	4,188,622	4,320	0	0	4,192,942
	4,188,622	4,320	0	0	4,192,942
	750,952				750,952
	686,388	98,499			784,887
	1,437,340	98,499	0	0	1,535,839
	4,830,282	102,819			4,933,101
	995,680				995,680
	5,825,962	102,819	0	0	5,928,781
	(4,188,622)	(4,320)	0	0	(4,192,942)
	0	0	0	0	0

WORK IN PROGRESS, BEGINNING OF YEAR

Changes in Accounting Policy/

Prior Period Adjustments

WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED

Changes for the Year

Increase:

Deferred Contributions - Bylaw

Deferred Contributions - Other

Operating Fund

Special Purpose Funds

Local Capital

Decrease:

Transferred to Capital Assets

Transfer to Site

Net Changes for the Year

WORK IN PROGRESS, END OF YEAR



**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**CAPITAL FUND**  
**DEFERRED CAPITAL CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

**Schedule C3**

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	54,250,226	0	0	54,250,226
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
Restate MOE Restricted DC		1,810,246		1,810,246
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED</b>	54,250,226	1,810,246	0	56,060,472
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Capital Additions	122,800	750,952		873,752
Transferred from Work in Progress	2,245,541			2,245,541
	2,368,341	750,952	0	3,119,293
Decrease:				
Amortization of Deferred Capital Contributions	2,443,615			2,443,615
Revenue Recognized on Disposal of Buildings	229,857			229,857
Revenue Recognized on Write-off/down of Buildings				0
	2,673,472	0	0	2,673,472
<b>Net Changes for the Year</b>	(305,131)	750,952	0	445,821
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	53,945,095	2,561,198	0	56,506,293
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	2,245,541	0	0	2,245,541
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
<b>WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED</b>	2,245,541	0	0	2,245,541
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	0	0	0	0
Decrease:				
Transferred to Deferred Capital Contributions	2,245,541			2,245,541
	2,245,541	0	0	2,245,541
<b>Net Changes for the Year</b>	(2,245,541)	0	0	(2,245,541)
<b>WORK IN PROGRESS, END OF YEAR</b>	0	0	0	0
<b>DEFERRED CAPITAL CONTRIBUTIONS AND WORK IN PROGRESS, END OF YEAR</b>	53,945,095	2,561,198	0	56,506,293

**SCHOOL DISTRICT NO. 72 (Campbell River)**  
**CAPITAL FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	0	359,633	0	0	0	359,633
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>						(1,810,246)
Restate MOE Restricted DC						(1,810,246)
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	0	(1,450,613)	0	0	0	(1,450,613)
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	133,000					133,000
Provincial Grants - Other						0
Other						0
Investment Income						0
MEd Restricted Portion of Proceeds on Disposal						0
Sayward- 897 Sayward Rd		117,371				117,371
Squirrel Cove		59,257				59,257
Continuing Ed-1480 Dogwood St.		1,349,938				1,349,938
	133,000	1,526,566	0	0	0	1,659,566
Decrease:						
Transferred to DCC - Capital Additions	122,800	750,952				873,752
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets						0
- Site Purchases						0
	122,800	750,952	0	0	0	873,752
<b>Net Changes for the Year</b>	10,200	775,614	0	0	0	785,814
<b>BALANCE, END OF YEAR</b>	10,200	(674,999)	0	0	0	(664,799)

**SCHOOL DISTRICT NO. 72 (Campbell River)**

**Schedule C5**

**CAPITAL FUND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2006**

	<b>INVESTMENT IN CAPITAL</b>	<b>LOCAL CAPITAL</b>	<b>FUND BALANCE</b>
<b>BALANCE, BEGINNING OF YEAR</b>	16,270,909	406,155	16,677,064
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	16,270,909	406,155	16,677,064
<b>Changes for the Year</b>			
Investment Income		40,809	40,809
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets	438,750		438,750
District Portion of Proceeds on Disposal	(508,854)	508,854	0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	2,443,615		2,443,615
Capital Assets Purchased from Local Capital	866,655	(866,655)	0
Interfund Transfers - Capital Assets Purchased	3,000,445		3,000,445
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		185,000	185,000
Amortization of Capital Assets	(2,874,494)		(2,874,494)
Transferred to Invested in Capital Assets			
- Site Purchases			0
<b>Net Changes for the Year</b>	3,366,117	(131,992)	3,234,125
<b>BALANCE, END OF YEAR</b>	19,637,026	274,163	19,911,189

