

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2005/2006

SCHOOL DISTRICT NUMBER 23	NAME OF SCHOOL DISTRICT Central Okanagan	YEAR 2005/2006
OFFICE LOCATION 1940 Underhill Street		TELEPHONE NUMBER N/A
CITY / PROVINCE Kelowna, BC		POSTAL CODE V1X 5X7
WEBSITE ADDRESS http://www.sd23.bc.ca		
NAME OF SUPERINTENDENT Mike Roberts		NAME OF SECRETARY - TREASURER Larry Paul

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. 23 (Central Okanagan) ("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. 23 (Central Okanagan) for the year ended June 30, 2006.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Signature on File</div>	DATE SIGNED
SIGNATURE OF SUPERINTENDENT <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Signature on File</div>	DATE SIGNED
SIGNATURE OF SECRETARY - TREASURER <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 5px auto;">Signature on File</div>	DATE SIGNED

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Grant Thornton LLP
Chartered Accountants
Management Consultants

Auditors' Report

To the Board of School Trustees of
School District No. 23 (Central Okanagan)

We have audited the following consolidated financial statements of School District No. 23 (Central Okanagan) as at June 30, 2006 and for the year then ended:

- Statement 1 Consolidated Statement of Financial Position
- Statement 2 Consolidated Statement of Revenue and Expense
- Statement 3 Consolidated Statement of Changes in Fund Balances
- Statement 4 Consolidated Statement of Cash Flows

These consolidated financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

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

Kelowna, B.C.
August 16, 2006

Grant Thornton LLP

Chartered Accountants

SCHOOL DISTRICT NO. 23 (Central Okanagan)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2006

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
ASSETS					
Current Assets					
Cash	12,160,019	2,130,291		14,290,310	12,254,918
Short Term Investments	11,125,343			11,125,343	8,170,221
Accounts Receivable					
Due from Province - Ministry of Education	1,610,872			1,610,872	69,894
Due from Province - Other	9,330,796			9,330,796	0
Due from LEA / Direct Funding				0	452,536
Other Receivables	1,469,909			1,469,909	1,694,556
Interfund Loans		4,239,137	5,189,598		
Inventories				0	0
Prepaid Expenses	586,071			586,071	639,354
	36,283,010	6,369,428	5,189,598	38,413,301	23,281,479
Investments				0	0
Equity Investments				0	0
Capital Assets - Net			214,491,325	214,491,325	213,316,493
TOTAL ASSETS	36,283,010	6,369,428	219,680,923	252,904,626	236,597,972
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	3,520,817			3,520,817	2,101,041
Bank Loans				0	0
Interfund Loans	9,428,735				
Other Current Liabilities	11,748,036			11,748,036	5,956,213
	24,697,588	0	0	15,268,853	8,057,254
Deferred Contributions					
Ministry of Education		4,240,142	2,100,250	6,340,392	3,564,689
Province - Other		27,273	353,113	380,386	890,898
Other		2,102,013		2,102,013	1,928,000
Accrued Employee Future Benefits	5,274,150			5,274,150	4,861,796
Deferred Capital Contributions			147,638,174	147,638,174	152,356,017
Bank Loans				0	0
Capital Lease Obligations			387,584	387,584	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	29,971,738	6,369,428	150,479,121	177,391,552	171,658,654
Fund Balances					
Invested in Capital Assets			66,281,448	66,281,448	60,388,772
Endowment				0	0
Internally Restricted	4,884,427		2,920,354	7,804,781	2,191,490
Unrestricted	1,426,845			1,426,845	2,359,056
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	6,311,272	0	69,201,802	75,513,074	64,939,318
TOTAL LIABILITIES AND FUND BALANCES	36,283,010	6,369,428	219,680,923	252,904,626	236,597,972

SCHOOL DISTRICT NO. 23 (Central Okanagan)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2006

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
REVENUE					
Provincial Grants - Ministry of Education	142,439,429	5,013,718		147,453,147	144,190,715
Provincial Grants - Other	9,817,201			9,817,201	243,173
Federal Grants	288,234	31,074		319,308	290,886
Other Revenue	1,655,535	7,789,168		9,444,703	8,928,821
Rentals and Leases	243,053			243,053	223,989
Investment Income	565,258	152,529	37,713	755,500	766,730
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			6,218,367	6,218,367	6,298,639
Gain (Loss) on Disposal of Capital Assets			334,251	334,251	911,000
	<u>155,008,710</u>	<u>12,986,489</u>	<u>6,590,331</u>	<u>174,585,530</u>	<u>161,853,953</u>
EXPENSE					
Salaries					
Teachers	72,433,036	22,034		72,455,070	67,361,082
Principals and Vice Principals	6,720,001			6,720,001	6,679,294
Educational Assistants	8,426,982			8,426,982	6,968,868
Support Staff	15,884,516	30,366		15,914,882	13,949,004
Other Professionals	1,576,984	15,645		1,592,629	1,362,155
Substitutes	2,641,610			2,641,610	2,769,636
	<u>107,683,129</u>	<u>68,045</u>	<u>0</u>	<u>107,751,174</u>	<u>99,090,039</u>
Employee Benefits	21,796,776	11,490		21,808,266	21,129,664
Services and Supplies	17,013,046	8,578,802		25,591,848	23,117,617
Amortization of Capital Assets			8,860,770	8,860,770	8,906,864
Write-off/down of Buildings and Sites				0	0
	<u>146,492,951</u>	<u>8,658,337</u>	<u>8,860,770</u>	<u>164,012,058</u>	<u>152,244,184</u>
NET REVENUE (EXPENSE)	<u>8,515,759</u>	<u>4,328,152</u>	<u>(2,270,439)</u>	<u>10,573,472</u>	<u>9,609,769</u>

**SCHOOL DISTRICT NO. 23 (Central Okanagan)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2006**

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
FUND BALANCES, BEGINNING OF YEAR	3,802,056	0	61,137,262	64,939,318	176,744,425
Changes in Accounting Policies/ Prior Period Adjustments					
Accrued Employee Future Benefits				0	(2,512,282)
Accrued Vacation Pay				0	0
Accumulated Amortization of Capital Assets				0	(87,918,240)
Transfer Land Capital Reserve to Deferred Contributions				0	(323,482)
Transfer Capital Reserve to Deferred Contributions				0	(711,074)
School-Generated Funds				0	0
Related Entities				0	0
Deemed Disposals					(30,408,101)
Additional Bylaw Capital Purchase			76,826	76,826	
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	3,802,056	0	61,214,088	65,016,144	54,871,246
Changes for the Year					
Net Revenue (Expense) for the Year	8,515,759	4,328,152	(2,270,439)	10,573,472	9,609,769
Interfund Transfers					
Capital Assets Purchased	(1,427,741)	(4,235,401)	5,663,142	0	0
Local Capital	(4,253,000)		4,253,000	0	0
Other	92,751	(92,751)		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases			342,011	342,011	458,303
Comprehensive Income (Loss)	(418,553)			(418,553)	0
Net Changes for the Year	2,509,216	0	7,987,714	10,496,930	10,068,072
FUND BALANCES, END OF YEAR	6,311,272	0	69,201,802	75,513,074	64,939,318

SCHOOL DISTRICT NO. 23 (Central Okanagan)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	8,515,759	4,328,152	(2,270,439)	10,573,472	9,609,769
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(10,194,591)			(10,194,591)	(547,383)
Interfund Loans	4,755,911	(828,836)	(3,927,075)	0	0
Inventories				0	0
Prepaid Expenses	53,283			53,283	295,046
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	1,515,727		(95,951)	1,419,776	1,279,153
Other Current Liabilities	5,791,823			5,791,823	(619,374)
Deferred Contributions	(55,500)	968,617		913,117	(1,543,913)
Accrued Employee Future Benefits	412,354			412,354	3,085,899
Other Long Term Liabilities				0	(177,218)
Loss (Gain) on Disposal of Capital Assets			(334,251)	(334,251)	(911,000)
Items Not Involving Cash					
Amortization of Capital Assets			8,860,770	8,860,770	8,906,864
Amortization of Deferred Capital Contributions			(6,218,367)	(6,218,367)	(6,298,639)
Accounting Change - Accrued EFB				0	(2,512,282)
Accounting Change - Accrued Vacation Pay				0	0
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)	(418,553)			(418,553)	0
Interfund Transfers	(5,587,990)	(4,328,152)	9,916,142	0	0
	4,788,223	139,781	5,930,829	10,858,833	10,566,922
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	(1,000,000)
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			1,463,578	1,463,578	(44,771)
Proceeds from Disposal of Capital Assets			575,039	575,039	1,128,878
MEd Restricted Portion of Proceeds on Disposal				0	0
Capital Lease			387,584	387,584	
	0	0	2,426,201	2,426,201	84,107
INVESTING					
Capital Assets Purchased - Operating			(1,427,742)	(1,427,742)	(1,454,725)
Capital Assets Purchased - Special Purpose			(4,235,400)	(4,235,400)	(4,484,754)
Capital Assets Purchased - Local Capital			(2,693,888)	(2,693,888)	(1,133,143)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(8,357,030)	(8,357,030)	(7,072,622)
Net Increase (Decrease) in Cash	4,788,223	139,781	0	4,928,004	3,578,407

**SCHOOL DISTRICT NO. 23 (Central Okanagan)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2006**

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
NET INCREASE (DECREASE) IN CASH	4,788,223	139,781	0	4,928,004	3,578,407
Net Cash, Beginning of Year	18,497,139	1,928,000	0	20,425,139	14,792,732
Changes in Accounting Policies/ Prior Period Adjustments					
Correction of School Generated Funds		62,510		62,510	2,054,000
Net Cash, Beginning of Year, as Restated	18,497,139	1,990,510	0	20,487,649	16,846,732
NET CASH, END OF YEAR	23,285,362	2,130,291	0	25,415,653	20,425,139
Cash	12,160,019	2,130,291		14,290,310	12,254,918
Short Term Investments	11,125,343			11,125,343	8,170,221
Bank Overdraft				0	0
NET CASH, END OF YEAR	23,285,362	2,130,291	0	25,415,653	20,425,139

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

1. Authority

The School District operates under the authority of the School Act of British Columbia as a corporation under the name of "The Board of School Trustees of School District No. 23 (Central Okanagan)", and operates as "School District No. 23 (Central Okanagan)". A board of school trustees (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the District, and is principally funded by the Province of British Columbia through the Ministry of Education.

2. Summary of significant accounting policies

These financial statements were 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 except as disclosed as a change in accounting policy.

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

The Statement of Revenue and Expense (Statement 2), Statement of Changes in Fund Balances (Statement 3) and the Statement of Cash Flows (Statement 4) present the annual results of each fund, changes in fund balances and cash flows for the year. The Statement of Financial Position (Statement 1) presents the assets, liabilities and fund balances as at June 30, 2006. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a. Fund accounting

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

- Operating Fund reports assets, liabilities, revenues and expenses for general operations.
- Special Purpose Fund reports 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 fund;
 - Fund collected and used at the school level (i.e. school-generated funds).
 - Controlled and/or related entities.
- Capital Fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the Capital Fund.

(continued)

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

2. Summary of significant accounting policies *(continued)*

b. Prepaid expense

Materials and supplies held in central stores for use within the School District are included as a prepaid expense and are valued at cost determined principally on an average cost basis using the first-in first-out method.

c. Capital assets

The following criteria apply:

- Capital assets acquired and 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 School District to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful lives are as follows:

Buildings	40 years
Computer hardware	5 years
Computer software	5 years
Furniture and equipment	10 years
Vehicles	10 years

Disposals of sites or buildings are recorded and gains/losses calculated.

d. Capital leases

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

e. Revenue recognition

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

(continued)

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

2. Summary of significant accounting policies *(continued)*

e. Revenue recognition *(continued)*

- 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 is amortized over the useful life of the asset. Amortization commences in the year following the acquisition.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

Investment income is recognized as revenue when earned.

f. 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 any other employees excluded from union contract are categorized as Other Professionals.
- Allocation of costs
 - Operating expenditures are reported by function, program and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs such as special and aboriginal education are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries are allocated based on the time spent in each program using the full time equivalent teacher basis. 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 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.

(continued)

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

2. Summary of significant accounting policies *(continued)*

Financial instruments

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

Available-for-sale financial assets are reported at fair market value. Gains and losses arising from changes in fair values of available-for-sale financial assets are reported on the Statement of Changes in Fund Balances as "Comprehensive Income (Loss)".

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 potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

Controlled and Related Entities

School District #23 Business Company and Central Okanagan International Education Inc. are 100 percent owned by the School District. The investments in School District #23 Business Company and Central Okanagan International Education Inc. are reported in the special purpose fund and accounted for using the consolidation method.

Employee future benefits

The School District provides certain post-employment benefits including vested sick leave payouts and retiring allowances 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% 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 12.1.

For the purpose 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.

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

3. Change in accounting policy

During the current year, the School District adopted the new recommendations of the Canadian Institute of Chartered Accountants pertaining to financial instruments. This policy is summarized in note 2. As required under the recommendations, this new policy has been applied on a prospective basis without restatement of prior year amounts.

4. Other Receivables

	<u>2006</u>	<u>2005</u>
GST Receivable	\$ 213,033	\$ 234,674
Risk Management Insurance Receivable	-	19,422
Invoices Receivable	672,424	631,200
Long Term Receivable	<u>584,452</u>	<u>809,260</u>
Total other receivables	<u>\$ 1,469,909</u>	<u>\$ 1,694,556</u>

5. Capital assets

	<u>2006</u>	<u>2005</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Sites	\$ 37,320,855	\$ -	\$ 37,320,855	\$ 36,361,944
Buildings	244,152,627	84,818,112	159,334,515	160,362,265
Computer hardware	7,675,186	2,407,184	5,268,002	3,708,739
Computer software	114,964	16,625	98,339	83,123
Furniture and equipment	17,671,513	7,987,338	9,684,175	10,171,564
Vehicles	<u>3,829,365</u>	<u>1,043,926</u>	<u>2,785,439</u>	<u>2,628,858</u>
	<u>\$ 310,764,510</u>	<u>\$ 96,273,185</u>	<u>\$ 214,491,325</u>	<u>\$ 213,316,493</u>

Included in computer hardware are assets held under capital lease with a cost of \$599,272 and accumulated amortization of \$ nil.

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

6. Disposal of sites and buildings

During the year, the School District disposed of Lakeview Elementary. The site was purchased in 1954 for a cost of \$240,788. The building was constructed in 1955 for a cost of \$733,515 and was fully amortized. Details of the recording of the disposition are as follows:

	Ministry of Education	School District No. 23	Total
	<u>75%</u>	<u>25%</u>	
Proceeds	\$ 1,725,117	\$ 575,038	\$ 2,300,155
Net book value (sites only as building fully amortized)	<u>(180,591)</u>	<u>(60,197)</u>	<u>(240,788)</u>
Gain	<u>\$ 1,544,526</u>	<u>\$ 514,841</u>	<u>\$ 2,059,367</u>
Allocation of proceeds:			
Ministry of Education – deferred contribution			\$ 1,725,117
School District No. 23 – local capital			<u>575,038</u>
			<u>\$ 2,300,155</u>

7. Bank loans

The School District has a demand operating credit facility with the Royal Bank of Canada in the amount of \$5,000,000. The facility is secured by a certified copy of a resolution permitting short term borrowings up to \$5,000,000 under Section 139 of the School Act approved by the Board of School Trustees of the School District. The amounts are repayable on demand and bear interest at the bank's prime lending rate. At June 30, 2006 the balance outstanding under the credit facility was nil (2005 – \$ nil).

8. Capital leases

The School District leases computer equipment under capital leases expiring October 1, 2008. The School District is obligated to make the following minimum lease payments under its capital leases in each of the fiscal years ending:

June 30, 2007	\$ 211,686
June 30, 2008	<u>211,686</u>
Total minimum lease payments	423,372
Less: Imputed interest at interest rates of 6.1% per annum	<u>35,788</u>
Balance of obligation	<u>\$ 387,584</u>

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

9. 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.

	<u>2006</u>	<u>2005</u>
Reconciliation of accrued benefit obligation:		
Accrued benefit obligation, April 1 (2005 – July 1)	\$ 4,658,730	\$ 4,288,089
Service cost	398,018	378,775
Interest cost	271,795	260,916
Benefit payments	(190,627)	(51,490)
Actuarial (gain) loss	54,617	(217,560)
	<u>5,192,533</u>	<u>4,658,730</u>
Accrued benefit obligation, March 31	\$ 5,192,533	\$ 4,658,730
Reconciliation of funded status at end of fiscal year:		
Accrued benefit obligation, March 31	\$ 5,192,533	\$ 4,658,730
Market value of plan assets, March 31	-	-
	<u>-</u>	<u>-</u>
Funded status – deficit	(5,192,533)	(4,658,730)
Employer contributions after measurement date	81,326	14,494
Unamortized net actuarial gain	(162,943)	(217,560)
	<u>81,326</u>	<u>14,494</u>
Accrued benefit liability, June 30	\$ (5,274,150)	\$ (4,861,796)
Components of net benefit expense:		
Service cost	\$ 398,018	\$ 378,775
Interest cost	271,795	260,916
Amortization of net actuarial (gain)/loss	-	-
	<u>-</u>	<u>-</u>
Net benefit expense	\$ 669,813	\$ 639,691

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

Discount rate, April 1, 2006 (July 1, 2005)	5.50%	5.75%
Discount rate, March 31, 2006 (March 31, 2005)	5.25%	5.50%
Salary growth, April 1, 2006 (July 1, 2005)	3.25% + seniority	3.25% + seniority
Salary growth, March 31, 2006 (March 31, 2005)	3.25% + seniority	3.25% + seniority
EARSL	12.1	12.1

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

10. 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 contributors, of which approximately 20,000 are from school districts.

Every three years an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation for the Teachers' Pension Plan as at December 31, 2002, indicated a \$382 million unfunded liability for basic pension benefits. The next valuation will be as at December 2005 with results available in late 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 surplus or unfunded liabilities to individual employers. The School District paid \$17,156,411 (2005 - \$17,082,690) for employer contributions to these plans in the year ended June 30, 2006.

11. Operating Fund balance, end of the year	<u>2006</u>	<u>2005</u>
Internally restricted (appropriated) by Board for:		
Net School Surpluses	\$ 1,112,000	\$ 395,000
2005/2006 operating budget	-	430,000
2006/2007 operating budget	3,086,427	-
Aboriginal support	221,000	205,000
Centre for Leadership and Learning (C.F.L.L.)	-	22,000
French support	50,000	58,000
Technology upgrades	-	325,000
Trustee travel	10,000	8,000
BCESIS Training	140,000	-
ACE IT Program	78,000	-
Cool School Program	132,000	-
District Review Team	5,000	-
CUPE Training Fund	50,000	-
	<hr/>	<hr/>
Sub-total - internally restricted	4,884,427	1,443,000
Unrestricted operating surplus	1,426,845	2,359,056
	<hr/>	<hr/>
Total available for future operations	\$ 6,311,272	\$ 3,802,056

School District No. 23 (Central Okanagan)

Notes to the Consolidated Financial Statements

June 30, 2006

12. Trust funds

Funds in the amount of \$373,085 (2005 - \$693,960), held in trust for teachers who have contributed to self-funded leave plans, are not reflected in these financial statements.

13. Inter-fund transfers

Inter-fund transfers between 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:

- Transfers in the amount of \$4,235,401 were made from the Special Purpose Fund to the Capital Fund for capital asset purchases funded by the Special Purpose Fund.
 - Transfers in the amount of \$1,427,741 were made from the Operating Fund to the Capital Fund for capital asset purchases funded by the Operating Fund.
 - Transfers in the amount of \$4,253,000 were made from Local Capital within the Operating fund to the Capital Fund for capital asset purchases funded by Local Capital.
 - Transfers in the amount of \$92,751 were made from the Special Purpose Fund to the Operating Fund for other expenditures funded by the Special Purpose Fund.
-

14. 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.

15. 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 22, 2006.

16. 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 Canadian generally accepted accounting principles for not-for-profit organizations. This contemplates continuation of the School District as a "going concern."

SCHOOL DISTRICT NO. 23 (Central Okanagan)

Schedule A1

**OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2006**

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	142,439,429	141,661,686	138,757,541
Provincial Grants - Other	9,817,201	70,000	122,450
Federal Grants	288,234	254,000	197,248
Other Revenue	1,655,535	1,386,544	1,361,416
Rentals and Leases	243,053	185,000	223,989
Investment Income	565,258	100,000	596,352
	<u>155,008,710</u>	<u>143,657,230</u>	<u>141,258,996</u>
EXPENSE			
Salaries			
Teachers	72,433,036	66,510,434	67,340,260
Principals and Vice Principals	6,720,001	6,481,748	6,679,294
Educational Assistants	8,426,982	7,713,638	6,968,868
Support Staff	15,884,516	14,107,315	13,879,114
Other Professionals	1,576,984	1,520,902	1,362,155
Substitutes	2,641,610	2,546,546	2,769,636
	<u>107,683,129</u>	<u>98,880,583</u>	<u>98,999,327</u>
Employee Benefits	21,796,776	22,217,193	21,091,563
Services and Supplies	17,013,046	18,935,083	14,397,583
	<u>146,492,951</u>	<u>140,032,859</u>	<u>134,488,473</u>
NET REVENUE (EXPENSE), FOR THE YEAR	8,515,759	3,624,371	6,770,523
INTERFUND TRANSFERS			
Capital Assets Purchased	(1,427,741)	0	(1,454,726)
Local Capital	(4,253,000)	(4,340,000)	(775,000)
Other	92,751	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay			(2,512,282)
Comprehensive Income (Loss)	(418,553)	0	0
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		3,802,056	
SURPLUS (DEFICIT), FOR THE YEAR	<u>2,509,216</u>	<u>3,086,427</u>	<u>2,028,515</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	3,802,056		1,773,541
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>3,802,056</u>		<u>1,773,541</u>
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>6,311,272</u>		<u>3,802,056</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	4,884,427		
Unrestricted	1,426,845		
	<u>6,311,272</u>		

SCHOOL DISTRICT NO. 23 (Central Okanagan)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2006

Schedule A2

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	141,187,774	140,927,289	135,896,341
Other Ministry of Education Grants			
GAAP Implementation Funding	1,318,843	1,318,843	1,191,511
Strike Savings Recovery	(4,582,232)	(4,615,117)	
Strike Savings Grants	3,044,597	3,042,443	
Enrolment Audit Recoveries	52,853	47,047	
Reduction For Local Education Agreement	(572,953)	(611,364)	(621,833)
Pay Equity Funding	1,238,323	1,238,323	1,238,323
Literacy Innovation Grant	146,222	146,222	150,076
Miscellaneous Contracts/Billings	606,002	168,000	903,123
	<u>142,439,429</u>	<u>141,661,686</u>	<u>138,757,541</u>
PROVINCIAL GRANTS - OTHER	9,817,201	70,000	122,450
FEDERAL GRANTS	288,234	254,000	197,248
OTHER REVENUE			
Other School District/Education Authorities	198,106	154,180	250,287
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	349,300	350,000	340,409
LEA/Direct Funding from First Nations	606,554	611,364	621,833
Miscellaneous			
Industry Training Authority	93,000	37,000	
Community School Recovery	59,756	74,000	148,887
Miscellaneous	348,819	160,000	
	<u>1,655,535</u>	<u>1,386,544</u>	<u>1,361,416</u>
RENTALS AND LEASES	243,053	185,000	223,989
INVESTMENT INCOME	565,258	100,000	596,352
TOTAL OPERATING REVENUE	<u>155,008,710</u>	<u>143,657,230</u>	<u>141,258,996</u>

SCHOOL DISTRICT NO. 23 (Central Okanagan)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2006

Schedule A3

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
SALARIES			
Teachers	72,433,036	66,510,434	67,340,260
Principals and Vice Principals	6,720,001	6,481,748	6,679,294
Educational Assistants	8,426,982	7,713,638	6,968,868
Support Staff	15,884,516	14,107,315	13,879,114
Other Professionals	1,576,984	1,520,902	1,362,155
Substitutes	2,641,610	2,546,546	2,769,636
	<u>107,683,129</u>	<u>98,880,583</u>	<u>98,999,327</u>
EMPLOYEE BENEFITS			
Total Salaries and Benefits	<u>129,479,905</u>	<u>121,097,776</u>	<u>120,090,890</u>
SERVICES AND SUPPLIES			
Services	2,200,180	2,210,347	1,859,746
Student Transportation	299,839	268,179	221,577
Professional Development and Travel	1,382,622	1,047,002	918,846
Rentals and Leases	66,981	100,000	85,528
Dues and Fees	239,038	265,377	357,769
Insurance	350,388	388,531	408,940
Interest	0	0	0
Supplies	9,313,515	11,512,240	7,744,431
Bad Debts	0	0	0
Utilities	3,160,483	3,143,407	2,800,746
Total Services and Supplies	<u>17,013,046</u>	<u>18,935,083</u>	<u>14,397,583</u>
TOTAL OPERATING EXPENSE	<u><u>146,492,951</u></u>	<u><u>140,032,859</u></u>	<u><u>134,488,473</u></u>

SCHOOL DISTRICT NO. 23 (Central Okanagan)
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
1 INSTRUCTION							
1.02 Regular Instruction	60,814,378	727,969	25,925	2,014,190		1,838,372	65,420,834
1.03 Career Programs	844,999		36,654	341,507		62,371	1,285,531
1.07 Library Services	1,889,845		700,969	346,390		125,468	3,062,672
1.08 Counselling	1,667,945					66,693	1,734,638
1.10 Special Education	6,689,388		6,562,913	403,557		481,704	14,137,562
1.30 English as a Second Language	346,935					13,874	360,809
1.31 Aboriginal Education	119,500		1,100,521			8,323	1,228,344
1.41 School Administration		5,541,002		1,518,349		41,303	7,100,654
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone	60,046					2,401	62,447
Total Function 1	72,433,036	6,268,971	8,426,982	4,623,993	0	2,640,509	94,393,491
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration		262,873		59,602	389,283		711,758
4.40 School District Governance					106,329		106,329
4.41 Business Administration		188,157		509,189	501,627	958	1,199,931
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	451,030	0	568,791	997,239	958	2,018,018
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				201,801	552,374		754,175
5.50 Maintenance Operations				7,889,828	27,371	143	7,917,342
5.52 Maintenance of Grounds				618,439			618,439
5.56 Utilities				47,382			47,382
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	8,757,450	579,745	143	9,337,338
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				45,077			45,077
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,889,205			1,889,205
7.73 Housing							0
Total Function 7	0	0	0	1,934,282	0	0	1,934,282
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	72,433,036	6,720,001	8,426,982	15,884,516	1,576,984	2,641,610	107,683,129

SCHOOL DISTRICT NO. 23 (Central Okanagan)
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
1 INSTRUCTION							
1.02 Regular Instruction	65,420,834	12,567,787	77,988,621	7,276,023	85,264,644	80,902,928	80,357,562
1.03 Career Programs	1,285,531	285,056	1,570,587	140,897	1,711,484	1,713,002	1,734,330
1.07 Library Services	3,062,672	699,418	3,762,090	935,564	4,697,654	4,795,175	3,966,876
1.08 Counselling	1,734,638	358,123	2,092,761	7,163	2,099,924	2,064,279	2,118,177
1.10 Special Education	14,137,562	3,260,087	17,397,649	515,062	17,912,711	16,946,412	16,472,092
1.30 English as a Second Language	360,809	74,491	435,300	4,117	439,417	440,027	459,121
1.31 Aboriginal Education	1,228,344	286,864	1,515,208	217,734	1,732,942	1,799,381	1,408,716
1.41 School Administration	7,100,654	1,341,857	8,442,511	29,663	8,472,174	8,299,246	6,087,568
1.60 Summer School	0	0	0	0	0	0	0
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	62,447	12,892	75,339	0	75,339	75,542	75,953
Total Function 1	94,393,491	18,886,575	113,280,066	9,126,223	122,406,289	117,035,992	112,680,395
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	711,758	130,814	842,572	103,770	946,342	911,363	907,172
4.40 School District Governance	106,329	1,435	107,764	157,041	264,805	276,220	234,253
4.41 Business Administration	1,199,931	264,428	1,464,359	478,276	1,942,635	1,829,313	1,928,621
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	2,018,018	396,677	2,414,695	739,087	3,153,782	3,016,896	3,070,046
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	754,175	162,186	916,361	350,608	1,266,969	1,323,552	1,122,198
5.50 Maintenance Operations	7,917,342	1,773,178	9,690,520	2,435,820	12,126,340	11,480,599	10,954,294
5.52 Maintenance of Grounds	618,439	96,178	714,617	400,573	1,115,190	1,146,955	1,029,888
5.56 Utilities	47,382	1,236	48,618	3,181,908	3,230,526	3,220,731	2,857,846
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	9,337,338	2,032,778	11,370,116	6,368,909	17,739,025	17,171,837	15,964,226
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	45,077	9,194	54,271	1,087	55,358	60,525	52,679
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	1,889,205	471,552	2,360,757	777,740	3,138,497	2,747,609	2,721,127
7.73 Housing	0	0	0	0	0	0	0
Total Function 7	1,934,282	480,746	2,415,028	778,827	3,193,855	2,808,134	2,773,806
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	107,683,129	21,796,776	129,479,905	17,013,046	146,492,951	140,032,859	134,488,473

SCHOOL DISTRICT NO. 23 (Central Okanagan)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

Schedule A5

BALANCE, BEGINNING OF YEAR	55,500
Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>55,500</u>
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
	<u>0</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	55,500
Rentals and Leases	0
Investment Income	0
	<u>55,500</u>
Net Changes for the Year	<u>(55,500)</u>
BALANCE, END OF YEAR	<u><u>0</u></u>

**SCHOOL DISTRICT NO. 23 (Central Okanagan)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2006**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	3,385,140	25,160	1,990,511	0	5,400,811
Add: Contributions Received					
Provincial Grants - Ministry of Education	5,832,649				5,832,649
Provincial Grants - Other					0
Federal Grants	30,631	32,355			62,986
Other Revenue	109,292	21,983	7,669,857	88,540	7,889,672
Rentals and Leases					0
Investment Income	169,799				169,799
	6,142,371	54,338	7,669,857	88,540	13,955,106
Less: Allocated to Revenue	5,287,369	52,225	7,606,153	40,742	12,986,489
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	4,240,142	27,273	2,054,215	47,798	6,369,428
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	5,013,718				5,013,718
Provincial Grants - Other					0
Federal Grants		31,074			31,074
Other Revenue	121,122	21,151	7,606,153	40,742	7,789,168
Rentals and Leases					0
Investment Income	152,529				152,529
Gain (Loss) on Equity Investment					0
	5,287,369	52,225	7,606,153	40,742	12,986,489
EXPENSE					
Salaries					
Teachers	22,034				22,034
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	29,092	1,274			30,366
Other Professionals				15,645	15,645
Substitutes					0
	51,126	1,274	0	15,645	68,045
Employee Benefits	8,012	349		3,129	11,490
Services and Supplies	927,826	22,855	7,606,153	21,968	8,578,802
	986,964	24,478	7,606,153	40,742	8,658,337
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	4,300,405	27,747	0	0	4,328,152
INTERFUND TRANSFERS					
Capital Assets Purchased	(4,207,654)	(27,747)			(4,235,401)
Other	(92,751)				(92,751)
	(4,300,405)	(27,747)	0	0	(4,328,152)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 23 (Central Okanagan)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2006

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	Provincial Resource Programs	Community Link	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	2,895,925	15,157		474,058	3,385,140
Add: Contributions Received					
Provincial Grants - Ministry of Education	4,367,673	28,221	132,255	1,304,500	5,832,649
Provincial Grants - Other					0
Federal Grants	30,631				30,631
Other Revenue				109,292	109,292
Rentals and Leases					0
Investment Income	145,913			23,886	169,799
	4,544,217	28,221	132,255	1,437,678	6,142,371
Less: Allocated to Revenue	3,963,242	8,733	34,911	1,280,483	5,287,369
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	3,476,900	34,645	97,344	631,253	4,240,142
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	3,808,676	8,733	34,911	1,161,398	5,013,718
Provincial Grants - Other					0
Federal Grants					0
Other Revenue	23,780			97,342	121,122
Rentals and Leases					0
Investment Income	130,786			21,743	152,529
	3,963,242	8,733	34,911	1,280,483	5,287,369
EXPENSE					
Salaries					
Teachers			22,034		22,034
Principals and Vice Principals					0
Educational Assistants					0
Support Staff				29,092	29,092
Other Professionals					0
Substitutes					0
			22,034	29,092	51,126
Employee Benefits			5,548	2,464	8,012
Services and Supplies		202	7,329	920,295	927,826
		202	34,911	951,851	986,964
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	3,963,242	8,531		328,632	4,300,405
INTERFUND TRANSFERS					
Capital Assets Purchased	(4,113,242)	(8,531)		(85,881)	(4,207,654)
Other	150,000			(242,751)	(92,751)
	(3,963,242)	(8,531)		(328,632)	(4,300,405)
NET REVENUE (EXPENSE)					0

**SCHOOL DISTRICT NO. 23 (Central Okanagan)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2006**

Schedule B3

	Career Enhancement	TOTAL
DEFERRED CONTRIBUTIONS		
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	25,160	25,160
Add: Contributions Received		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants	32,355	32,355
Other Revenue	21,983	21,983
Rentals and Leases		0
Investment Income		0
	54,338	54,338
Less: Allocated to Revenue	52,225	52,225
Recovered		0
DEFERRED CONTRIBUTIONS, END OF YEAR	27,273	27,273
REVENUE AND EXPENSE		
REVENUE		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants	31,074	31,074
Other Revenue	21,151	21,151
Rentals and Leases		0
Investment Income		0
	52,225	52,225
EXPENSE		
Salaries		
Teachers		0
Principals and Vice Principals		0
Educational Assistants		0
Support Staff	1,274	1,274
Other Professionals		0
Substitutes		0
	1,274	1,274
Employee Benefits	349	349
Services and Supplies	22,855	22,855
	24,478	24,478
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	27,747	27,747
INTERFUND TRANSFERS		
Capital Assets Purchased	(27,747)	(27,747)
Other		0
	(27,747)	(27,747)
NET REVENUE (EXPENSE)	0	0

SCHOOL DISTRICT NO. 23 (Central Okanagan)
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	36,361,943	238,769,996	18,204,767	4,170,236	83,122	6,023,100	303,613,164
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	36,361,943	238,769,996	18,204,767	4,170,236	83,122	6,023,100	303,613,164
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw	323,491	626,576	398,555	552,219			1,900,841
Deferred Contributions - Other	18,520						18,520
Operating Fund	200,000	154,141	424,853	12,851	31,842	604,055	1,427,742
Special Purpose Funds	657,689	3,313,770	76,826	8,531		178,584	4,235,400
Local Capital		279,789	432,854			1,981,245	2,693,888
Transferred from Work in Progress		1,741,870					1,741,870
	1,199,700	6,116,146	1,333,088	573,601	31,842	2,763,884	12,018,261
Decrease:							
Disposed of	240,788	733,515					974,303
Deemed Disposals			1,866,342	914,472		1,111,798	3,892,612
Written-off/down During Year							0
	240,788	733,515	1,866,342	914,472	0	1,111,798	4,866,915
COST, END OF YEAR	37,320,855	244,152,627	17,671,513	3,829,365	114,964	7,675,186	310,764,510
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	37,320,855	244,152,627	17,671,513	3,829,365	114,964	7,675,186	310,764,510
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		80,149,602	8,033,203	1,541,375	0	2,314,362	92,038,542
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	80,149,602	8,033,203	1,541,375	0	2,314,362	92,038,542
Changes for the Year							
Increase: Amortization for the Year		5,402,025	1,820,477	417,023	16,625	1,204,620	8,860,770
Decrease:							
Disposed of		733,515					733,515
Deemed Disposals			1,866,342	914,472		1,111,798	3,892,612
Written-off During Year							0
	0	733,515	1,866,342	914,472	0	1,111,798	4,626,127
ACCUMULATED AMORTIZATION, END OF YEAR	0	84,818,112	7,987,338	1,043,926	16,625	2,407,184	96,273,185
CAPITAL ASSETS - NET	37,320,855	159,334,515	9,684,175	2,785,439	98,339	5,268,002	214,491,325

SCHOOL DISTRICT NO. 23 (Central Okanagan)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2006

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	1,741,870	0	0	0	1,741,870
Changes in Accounting Policy/ Prior Period Adjustments					
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	<u>1,741,870</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,741,870</u>
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw					0
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:					
Transferred to Capital Assets	1,741,870				1,741,870
	<u>1,741,870</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,741,870</u>
Net Changes for the Year	<u>(1,741,870)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,741,870)</u>
WORK IN PROGRESS, END OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SCHOOL DISTRICT NO. 23 (Central Okanagan)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	152,356,017	0	0	152,356,017
Changes in Accounting Policies/ Prior Period Adjustments				
District Entered	(76,826)			(76,826)
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>152,279,191</u>	<u>0</u>	<u>0</u>	<u>152,279,191</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	1,577,350			1,577,350
Transferred from Work in Progress				0
	<u>1,577,350</u>	<u>0</u>	<u>0</u>	<u>1,577,350</u>
Decrease:				
Amortization of Deferred Capital Contributions	6,218,367			6,218,367
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>6,218,367</u>	<u>0</u>	<u>0</u>	<u>6,218,367</u>
Net Changes for the Year	<u>(4,641,017)</u>	<u>0</u>	<u>0</u>	<u>(4,641,017)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>147,638,174</u>	<u>0</u>	<u>0</u>	<u>147,638,174</u>
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Transferred to Deferred Capital Contributions				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes for the Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
WORK IN PROGRESS, END OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
DEFERRED CAPITAL CONTRIBUTIONS AND WORK IN PROGRESS, END OF YEAR	<u>147,638,174</u>	<u>0</u>	<u>0</u>	<u>147,638,174</u>

SCHOOL DISTRICT NO. 23 (Central Okanagan)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2006

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	653,607	0	336,178	0	989,785
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>653,607</u>	<u>0</u>	<u>336,178</u>	<u>0</u>	<u>989,785</u>
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,595,120					1,595,120
Provincial Grants - Other						0
Other						0
Investment Income		45,767		16,935		62,702
MEd Restricted Portion of Proceeds on Disposal		1,725,117				1,725,117
	<u>1,595,120</u>	<u>1,770,884</u>	<u>0</u>	<u>16,935</u>	<u>0</u>	<u>3,382,939</u>
Decrease:						
Transferred to DCC - Capital Additions	1,577,350					1,577,350
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases	323,491	18,520				342,011
	<u>1,900,841</u>	<u>18,520</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,919,361</u>
Net Changes for the Year	<u>(305,721)</u>	<u>1,752,364</u>	<u>0</u>	<u>16,935</u>	<u>0</u>	<u>1,463,578</u>
BALANCE, END OF YEAR	<u>(305,721)</u>	<u>2,405,971</u>	<u>0</u>	<u>353,113</u>	<u>0</u>	<u>2,453,363</u>

SCHOOL DISTRICT NO. 23 (Central Okanagan)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2006

Schedule C5

	INVESTMENT IN CAPITAL	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	60,388,772	748,490	61,137,262
Changes in Accounting Policies/ Prior Period Adjustments			
Prior year asset purchase	76,826		76,826
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>60,465,598</u>	<u>748,490</u>	<u>61,214,088</u>
Changes for the Year			
Investment Income		37,713	37,713
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets	334,251		334,251
District Portion of Proceeds on Disposal	(575,039)	575,039	0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	6,218,367		6,218,367
Capital Assets Purchased from Local Capital	2,693,888	(2,693,888)	0
Interfund Transfers - Capital Assets Purchased	5,663,142		5,663,142
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		4,253,000	4,253,000
Amortization of Capital Assets	(8,860,770)		(8,860,770)
Transferred to Invested in Capital Assets - Site Purchases	342,011		342,011
Net Changes for the Year	<u>5,815,850</u>	<u>2,171,864</u>	<u>7,987,714</u>
BALANCE, END OF YEAR	<u><u>66,281,448</u></u>	<u><u>2,920,354</u></u>	<u><u>69,201,802</u></u>