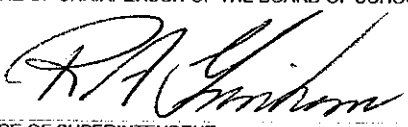
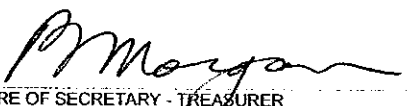
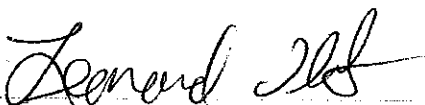


SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2004/2005

SCHOOL DISTRICT NUMBER 71	NAME OF SCHOOL DISTRICT Comox Valley	YEAR 2004/2005
OFFICE LOCATION 607 Cumberland Rd		TELEPHONE NUMBER 250-334-5500
MAILING ADDRESS		
CITY / PROVINCE Courtenay, BC		POSTAL CODE V9N 7G5
NAME OF SUPERINTENDENT Bryan Victor Morgan		TELEPHONE NUMBER 250-334-5500
NAME OF SECRETARY - TREASURER Leonard Paul Ibbs		TELEPHONE NUMBER 250-334-5521

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements for the School Year 2004/2005 for School District No. 71 (Comox Valley)

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES 	DATE SIGNED 12 Oct. 05
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED 12 Oct 05
SIGNATURE OF SECRETARY - TREASURER 	DATE SIGNED 12 OCT 05



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800 - 730 View Street
Victoria BC V8W 3Y7

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AUDITORS' REPORT TO THE BOARD OF SCHOOL TRUSTEES

We have audited the financial position of School District No. 71 (Comox Valley) as at June 30, 2005 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, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules A1 through C4 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants

Victoria, Canada

September 7, 2005

SCHOOL DISTRICT NO. 71 (Comox Valley)
2004/2005 AUDITED FINANCIAL STATEMENTS

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SCHOOL DISTRICT NO. 71 (Comox Valley)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2005

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
ASSETS					
Current Assets					
Cash	5,123,856	1,611,615		6,735,471	3,306,746
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	155,613			155,613	366,699
Due from Province - Other				0	0
Due from Canada	129,993			129,993	90,621
Due from Other School Districts				0	0
Due from LEA / Direct Funding	34,710			34,710	49,681
Other Receivables	180,638	43,946	2,352	226,936	82,266
Allowance for Doubtful Accounts				0	0
Interfund Loans		1,294,282	415,614		
Inventories				0	0
Prepaid Expenses	533,333			533,333	482,328
	6,158,143	2,949,843	417,966	7,816,056	4,378,341
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 4)			102,602,712	102,602,712	154,436,384
TOTAL ASSETS	6,158,143	2,949,843	103,020,678	110,418,768	158,814,725
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	1,509,603	2,351		1,511,954	491,981
Bank Loans				0	0
Interfund Loans	1,709,896				
Other Current Liabilities	723,572			723,572	615,102
	3,943,071	2,351	0	2,235,526	1,107,083
Deferred Contributions					
Ministry of Education		994,948	67,894	1,062,842	2,528,979
Province - Other				0	0
Other	452,792	1,952,544	131,177	2,536,513	1,595,691
Accrued Employee Future Benefits (Note 5)	2,361,079			2,361,079	0
Deferred Capital Contributions			77,352,675	77,352,675	80,584,158
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	6,756,942	2,949,843	77,551,746	85,548,635	85,815,911
Fund Balances					
Invested in Capital Assets			25,250,039	25,250,039	73,852,228
Endowment				0	0
Internally Restricted (Note 8)	373,500		218,893	592,393	297,740
Unrestricted	58,268			58,268	(1,151,154)
Unfunded Accrued Employee Future Benefits and Vacation Pay (Note 7)	(1,030,567)			(1,030,567)	0
TOTAL FUND BALANCES	(598,799)	0	25,468,932	24,870,133	72,998,814
TOTAL LIABILITIES AND FUND BALANCES	6,158,143	2,949,843	103,020,678	110,418,768	158,814,725

SCHOOL DISTRICT NO. 71 (Comox Valley)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2005

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
REVENUE					
Provincial Grants - Ministry of Education	63,929,850	8,352,233		72,282,083	64,545,578
Provincial Grants - Other				0	30,032
Federal Grants	91,270			91,270	83,207
Other Revenue	833,854	3,003,845		3,837,699	1,651,814
Rentals and Leases	120,312			120,312	67,545
Investment Income	137,524	16,998	4,796	159,318	141,672
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			3,231,483	3,231,483	3,284,112
Gain (Loss) on Disposal of Capital Assets			6,205	6,205	16,690
	<u>65,112,810</u>	<u>11,373,076</u>	<u>3,242,484</u>	<u>79,728,370</u>	<u>69,820,650</u>
EXPENSE					
Salaries					
Teachers	27,020,196	1,731,181		28,751,377	29,455,321
Principals and Vice Principals	3,998,164	160,071		4,158,235	4,165,327
Educational Assistants	4,202,603	490,368		4,692,971	4,008,969
Support Staff	6,150,117			6,150,117	6,630,431
Other Professionals	1,370,363			1,370,363	1,152,475
Substitutes	1,602,767	273,219		1,875,986	1,375,342
	<u>44,344,210</u>	<u>2,654,839</u>	<u>0</u>	<u>46,999,049</u>	<u>46,787,865</u>
Employee Benefits	9,049,412	468,877		9,518,289	9,083,457
Services and Supplies	6,291,322	8,645,982		14,937,304	8,285,124
Amortization of Capital Assets			3,673,201	3,673,201	0
Write-off/down of Buildings and Sites				0	0
	<u>59,684,944</u>	<u>11,769,698</u>	<u>3,673,201</u>	<u>75,127,843</u>	<u>64,156,446</u>
NET REVENUE (EXPENSE)	<u>5,427,866</u>	<u>(396,622)</u>	<u>(430,717)</u>	<u>4,600,527</u>	<u>5,664,204</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2005

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
FUND BALANCES, BEGINNING OF YEAR	(1,151,154)	0	74,149,968	72,998,814	63,393,874
Changes in Accounting Policies /					
Prior Period Adjustments (Note 3)					
Accrued Employee Future Benefits	(2,120,028)			(2,120,028)	0
Accrued Vacation Pay	(230,255)			(230,255)	0
Accumulated Amortization of Capital Assets			(50,311,031)	(50,311,031)	0
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions			(67,894)	(67,894)	0
School Generated Funds				0	0
Related Entities				0	0
Deferred Capital Contributions				0	5,875,079
Bylaw Capital Over (Under) Spent Beginning of Year				0	(131,178)
Prior Period Adjustments					(1,803,165)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	(3,501,437)	0	23,771,043	20,269,606	67,334,610
Changes for the Year					
Net Revenue (Expense) for the Year	5,427,866	(396,622)	(430,717)	4,600,527	5,664,204
Interfund Transfers					
Capital Assets Purchased	(127,151)	(2,001,455)	2,128,606	0	0
Local Capital				0	0
Other	(2,398,077)	2,398,077		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Net Changes for the Year	2,902,638	0	1,697,889	4,600,527	5,664,204
FUND BALANCES, END OF YEAR	(598,799)	0	25,468,932	24,870,133	72,998,814

SCHOOL DISTRICT NO. 71 (Comox Valley)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	5,427,866	(396,622)	(430,717)	4,600,527	5,664,204
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(128,059)	(39,108)	209,181	42,014	549,005
Interfund Loans	(721,792)	1,209,549	(487,757)	0	0
Inventories				0	0
Prepaid Expenses	(51,005)			(51,005)	12,185
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	697,185	(3,274)	(8,211)	685,700	(2,170,094)
Other Current Liabilities	442,744			442,744	400,332
Deferred Contributions	113,002	(1,222,563)		(1,109,561)	44,545
Accrued Employee Future Benefits	2,361,079			2,361,079	0
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	(16,690)
Items Not Involving Cash					
Amortization of Capital Assets			3,673,201	3,673,201	0
Amortization of Deferred Capital Contributions			(3,231,483)	(3,231,483)	(3,284,112)
Accounting Change - Accrued EFB	(2,120,028)			(2,120,028)	0
Accounting Change - Accrued Vacation Pay	(230,255)			(230,255)	0
Write-off/down of Buildings and Sites				0	0
Deferred Contributions prior period adjustments					494,051
Interfund Transfers	(2,525,228)	396,622	2,128,606	0	0
	3,265,509	(55,396)	1,852,820	5,062,933	1,693,426
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital				0	0
Proceeds from Disposal of Capital Assets				0	16,690
MEd Restricted Portion of Proceeds on Disposal				0	0
	0	0	0	0	16,690
INVESTING					
Capital Assets Purchased - Operating			(127,151)	(127,151)	0
Capital Assets Purchased - Special Purpose			(2,001,455)	(2,001,455)	(1,615,026)
Capital Assets Purchased - Local Capital			(21,954)	(21,954)	(56,862)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(2,150,560)	(2,150,560)	(1,671,888)
Net Increase (Decrease) in Cash	3,265,509	(55,396)	(297,740)	2,912,373	38,228

SCHOOL DISTRICT NO. 71 (Comox Valley)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2005

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2005	TOTAL 2004
NET INCREASE (DECREASE) IN CASH	3,265,509	(55,396)	(297,740)	2,912,373	38,228
Net Cash, Beginning of Year	1,858,347	1,150,659	297,740	3,306,746	5,071,683
Changes in Accounting Policies/ Prior Period Adjustments					
Opening Balance		516,352		516,352	(1,803,165)
Net Cash, Beginning of Year, as Restated	1,858,347	1,667,011	297,740	3,823,098	3,268,518
NET CASH, END OF YEAR	5,123,856	1,611,615	0	6,735,471	3,306,746
Cash	5,123,856	1,611,615		6,735,471	3,306,746
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	5,123,856	1,611,615	0	6,735,471	3,306,746

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

NOTE 1 AUTHORITY

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. 71 (Comox Valley)". 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years except as disclosed as a change in accounting policy (Note 3). In the prior years these financial statements were prepared in accordance with Sections 156 and 157 of the School Act using significant accounting policies to comply with the accounting requirements prescribed or permitted by the Ministry of Education.

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

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.
 - 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.

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 using the first-in-first-out method.

Textbooks and other teaching supplies are expenses as purchased.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

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

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.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset. 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 as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/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.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

e) Expenditures

- Categories of Salaries
 - Principals, and Vice Principals employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendent, Secretary-Treasurer, Directors of Instruction, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

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

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

g) Use of Estimates

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

h) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick and retirement 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 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 10.1.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

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

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 CHANGE IN ACCOUNTING POLICY

a) Employee Future Benefits

Effective July 1, 2004, school districts in the Province of British Columbia adopted *CICA Handbook* section 3461 on a retroactive basis. The estimated liability, based on October 2003 school district employee data, was determined from an actuarial study conducted by Mercer Human Resources Consulting. The following adjustment to equity on Statement 3 (Statement of Changes in Fund Balances) was made to adjust the liability to full accrual:

Employee future benefits actuarially estimated as at July 1, 2004	\$ 2,120,028
Less: previously accrued in the financial statements	<u>0</u>
Accrual adjustment required as at July 1, 2004	\$ <u>2,120,028</u>

b) Vacation Pay

Vacation pay is recorded on a full accrual basis commencing July 1, 2004. The following adjustment to equity on Statement 3 (Statement of Changes in Fund Balances) was made to adjust the liability to full accrual:

Vacation pay liability as at July 1, 2004	\$ 230,255
Less: previously accrued in the financial statements	<u>0</u>
Accrual adjustment required as at July 1, 2004	\$ <u>230,255</u>

c) School-Generated Funds

Funds collected and used at the school level are included in these financial statements. The opening balance of \$516,352 at July 1, 2004 is reported as a deferred contribution in the School-Generated Fund column in the special purpose fund. Contributions collected during the year are recorded as deferred contributions. These deferred contributions are recognized as revenue in the year in which the related expense is incurred.

d) Amortization of Capital Assets

Amortization of capital assets commenced July 1, 2004. The accumulated amortization as at July 1, 2004 in the amount of \$50,311,031 is reported as an adjustment to the capital fund on Statement 3 (Statement of Changes in Fund Balances).

Assets that are fully amortized, except buildings, are written-off as deemed disposals. The accumulated deemed disposal as at July 1, 2004 in the amount of \$8,968,781 is reported as an adjustment on Schedule C1 (Capital Assets – Capital Fund).

e) Reserves

The *School Act* no longer requires the use of "reserves," thus, externally restricted capital funds are recorded in accordance with Canadian GAAP. An adjustment of \$67,894 has been made in the capital fund on Statement 3 (Statement of Changes in Fund

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

NOTE 3 CHANGE IN ACCOUNTING POLICY (Continued)

Balances) to transfer the reserve balances as at July 1, 2004 to deferred contributions:

The Local Capital Reserve is now called Local Capital and remains as internally restricted in the capital fund.

NOTE 4 CAPITAL ASSETS

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Book Value
Sites	\$ 12,963,764	\$ -	\$ 12,963,764	\$ 12,963,764
Buildings	126,418,164	39,635,488	86,782,676	124,394,755
Furniture & Equipment	5,719,809	3,028,650	2,691,159	15,201,324
Vehicles	176,756	40,453	136,303	67,422
Computer Hardware	144,048	115,238	28,810	1,809,119
	<u>\$145,422,541</u>	<u>\$42,819,829</u>	<u>\$102,602,712</u>	<u>\$154,436,384</u>

NOTE 5 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.

Reconciliation of Accrued Benefit Obligation

Accrued Benefit Obligation – Beginning of Period	\$ 2,120,028
Service Cost	166,518
Interest Cost	127,949
Benefit Payments	(45,017)
Actuarial (Gain)/Loss	(83,553)
Accrued Benefit Obligation – March 31, 2005	<u>\$ 2,285,925</u>

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31, 2005	\$ 2,285,925
Market Value of Plan Assets – March 31, 2005	<u>0</u>
Funded Status - Surplus/(Deficit)	(2,285,925)
Benefit Payments After Measurement Date	8,399
Unamortized Net Actuarial (Gain)/Loss	(83,553)
Accrued Benefit Asset/(Liability)	<u>\$(2,361,079)</u>

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
Notes to Audited Financial Statements
Year ended June 30, 2005

NOTE 5 EMPLOYEE FUTURE BENEFITS (Continued)

Components of Net Benefit Expense

Service Cost	\$ 166,518
Interest Cost	127,949
Amortization of Net Actuarial (Gain)/Loss	0
Net Benefit Expense (Income)	\$ 294,467

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

Discount Rate – Beginning of Period	5.75%
Discount Rate – End of Period	5.50%
Salary Growth – Beginning of Period	3.25% + seniority
Salary Growth – End of Period	3.25% + seniority
EARSLS	10.1

NOTE 6 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 47,000 active members from school districts, and approximately 21,000 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. The Comox Valley School District paid \$4,611,644 for employer contributions to these plans in the year ended June 30, 2005.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

Notes to Audited Financial Statements

Year ended June 30, 2005

NOTE 7 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

Implementation of GAAP on July 1, 2004 required full accrual for employee future benefits and vacation pay. On Statement 1 (Statement of Financial Position), the resulting adjustment to equity was segregated in the Fund Balance section as Unfunded Accrued Employee Future Benefits and Vacation Pay.

The Ministry of Education provided funding to be used to reduce this unfunded liability. Once the unfunded liability is eliminated, this funding can be used at the discretion of the Board. It is planned that the unfunded liability will be eliminated in 2 years.

Unfunded accrued employee future benefits, as at July 1, 2004	\$	2,120,028	
Unfunded vacation pay, as at July 1, 2004		<u>230,255</u>	
Total unfunded liability, as at July 1, 2004	\$	2,350,283	
Reductions during the year		<u>1,319,716</u>	
Unfunded liability, as at June 30, 2005	\$	<u>1,030,567</u>	

NOTE 8 INTERNALLY RESTRICTED FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

School Supply Accounts	\$	318,500	
Program Surpluses		<u>55,000</u>	\$ 373,500
Internally Restricted for Local Capital			<u>218,893</u>
Subtotal Internally Restricted			\$ 592,393
Unrestricted Operating Surplus (Deficit)			<u>58,268</u>
Total Available for Future Operations			<u>\$ 650,661</u>

NOTE 9 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, 2005, transfers were as follows:

- Capital assets (vehicles and equipment) were purchased with operating funds (\$127,151)
- Capital assets (building improvements) were purchased with special purpose funds (\$2,001,455)
- Special purpose funds were used to reduce the unfunded accrued future benefits (\$515,276)
- Operating funds were used to fund two special purpose funds (\$ 2,913,353)

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
Notes to Audited Financial Statements
Year ended June 30, 2005

NOTE 10 COMPARATIVE AMOUNTS

The 2004 comparative figures have not been restated for the changes in accounting policy described in Note 3.

Amortization of Deferred Capital Contributions has been moved from Statement 3 (Statement of Changes in Fund Balances) to Statement 2 (Statement of Revenue and Expense). The 2004 comparative figure related to this item has also been moved.

NOTE 11 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an annual budget on February 22, 2005.

SCHOOL DISTRICT NO. 71 (Comox Valley)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2005

Schedule A1

	2005	2005 AMENDED ANNUAL BUDGET	2004
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	63,929,850	63,268,183	62,013,474
Provincial Grants - Other	0	0	30,032
Federal Grants	91,270	71,407	83,207
Other Revenue	833,854	1,805,816	989,646
Rentals and Leases	120,312	100,000	67,545
Investment Income	137,524	85,000	113,547
	<u>65,112,810</u>	<u>65,330,406</u>	<u>63,297,451</u>
EXPENSE			
Salaries			
Teachers	27,020,196	26,921,058	29,246,047
Principals and Vice Principals	3,998,164	3,962,286	4,165,327
Educational Assistants	4,202,603	3,802,016	4,008,969
Support Staff	6,150,117	6,575,935	6,359,022
Other Professionals	1,370,363	1,171,287	1,152,475
Substitutes	1,602,767	1,407,850	1,375,342
	<u>44,344,210</u>	<u>43,840,432</u>	<u>46,307,182</u>
Employee Benefits	9,049,412	8,783,595	9,051,045
Services and Supplies	6,291,322	7,013,150	7,124,804
	<u>59,684,944</u>	<u>59,637,177</u>	<u>62,483,031</u>
NET REVENUE (EXPENSE), FOR THE YEAR	5,427,866	5,693,229	814,420
INTERFUND TRANSFERS			
Capital Assets Purchased	(127,151)	0	0
Local Capital	0	0	(101,565)
Other	(2,398,077)	(3,624,876)	0
REDUCTION OF UNFUNDED LIABILITY			
Employee Future Benefits and Vacation Pay	(1,319,717)	(917,199)	
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		0	
SURPLUS (DEFICIT), FOR THE YEAR	<u>1,582,921</u>	<u>1,151,154</u>	<u>712,855</u>
SURPLUS (DEFICIT) BEGINNING OF YEAR	(1,151,153)		(1,864,009)
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>(1,151,153)</u>	0	<u>(1,864,009)</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>431,768</u>	<u>1,151,154</u>	<u>(1,151,154)</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	373,500		
Unrestricted	58,268		
	<u>431,768</u>		

SCHOOL DISTRICT NO. 71 (Comox Valley)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2005

Schedule A2

	2005	2005 AMENDED ANNUAL BUDGET	2004
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	62,406,243	62,406,243	60,693,628
Other Ministry of Education Grants			
GAAP Implementation	815,236	573,711	
Pay Equity	451,831	453,831	451,831
Leases			39,874
Reduction for Local Education Agreement	(165,602)	(165,602)	(165,602)
Miscellaneous	168,094		993,743
Alberta Learning Resource Grant	134,416		
Literacy Grant	74,632		
Ready Set Learn	45,000		
	<u>63,929,850</u>	<u>63,268,183</u>	<u>62,013,474</u>
PROVINCIAL GRANTS - OTHER	0	0	30,032
FEDERAL GRANTS	91,270	71,407	83,207
OTHER REVENUE			
Other School District/Education Authorities	391,904	341,000	274,836
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	117,206	50,000	58,565
LEA/Direct Funding from First Nations	155,828	165,602	117,603
Miscellaneous			
Instructional Cafeteria	112,394	98,000	115,529
Resale of Supplies	28,928	30,000	40,440
NIDES-related Revenue		1,121,214	323,725
Other	27,594		58,948
	<u>833,854</u>	<u>1,805,816</u>	<u>989,646</u>
RENTALS AND LEASES	120,312	100,000	67,545
INVESTMENT INCOME	137,524	85,000	113,547
TOTAL OPERATING REVENUE	<u>65,112,810</u>	<u>65,330,406</u>	<u>63,297,451</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2005

Schedule A3

	2005	2005 AMENDED ANNUAL BUDGET	2004
	ACTUAL		ACTUAL
SALARIES			
Teachers	27,020,196	26,921,058	29,246,047
Principals and Vice Principals	3,998,164	3,962,286	4,165,327
Educational Assistants	4,202,603	3,802,016	4,008,969
Support Staff	6,150,117	6,575,935	6,359,022
Other Professionals	1,370,363	1,171,287	1,152,475
Substitutes	1,602,767	1,407,850	1,375,342
	<u>44,344,210</u>	<u>43,840,432</u>	<u>46,307,182</u>
EMPLOYEE BENEFITS			
	9,049,412	8,783,595	9,051,045
Total Salaries and Benefits	<u>53,393,622</u>	<u>52,624,027</u>	<u>55,358,227</u>
SERVICES AND SUPPLIES			
Services	1,049,915	957,417	1,848,154
Student Transportation	1,547,509	1,655,801	1,838,776
Professional Development and Travel	312,988	304,080	278,969
Rentals and Leases	56,260	0	125,908
Dues and Fees	47,581	44,225	44,442
Insurance	117,882	108,010	122,018
Interest	0	0	0
Supplies	1,984,063	2,870,550	1,923,746
Bad Debts	0	0	0
Utilities	1,175,124	1,073,067	942,791
Total Services and Supplies	<u>6,291,322</u>	<u>7,013,150</u>	<u>7,124,804</u>
TOTAL OPERATING EXPENSE	<u>59,684,944</u>	<u>59,637,177</u>	<u>62,483,031</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2005

	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	22,113,080	1,125,870	221,372	95,453	49,065	1,303,906	24,908,746
1.03 Career Programs	48,181		141,500				189,681
1.07 Library Services	421,617	4,800		762,633		16,485	1,205,535
1.08 Counselling	961,166	80,069		16,150		807	1,060,192
1.10 Special Education	3,039,059	5,835	3,440,978		50,620	146,231	6,682,723
1.30 English as a Second Language	178,313						178,313
1.31 Aboriginal Education	194,236	39,810	345,278	13,009		6,930	599,263
1.41 School Administration	21,093	2,741,780		1,365,924		27,402	4,146,199
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other	43,451		53,475	116,776		1,602	171,853
1.65 Conseil Scolaire Francophone				4,361		82	47,894
Total Function 1	27,020,196	3,898,164	4,202,603	2,366,306	99,685	1,503,445	38,190,399
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration					562,870		562,870
4.40 School District Governance					67,995		67,995
4.41 Business Administration				393,999	433,050		827,049
4.65 Conseil Scolaire Francophone	0	0	0	393,999	1,063,915	0	1,457,914
Total Function 4	0	0	0	393,999	1,063,915	0	1,457,914
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				54,822	173,595	899	229,316
5.50 Maintenance Operations				3,038,923	11,000	96,364	3,146,287
5.52 Maintenance of Grounds				247,678			247,678
5.56 Utilities							0
5.65 Conseil Scolaire Francophone	0	0	0	3,341,423	184,595	95,263	3,625,281
Total Function 5	0	0	0	3,341,423	184,595	95,263	3,625,281
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration					22,168		22,168
7.65 Conseil Scolaire Francophone				48,389		59	48,448
7.70 Student Transportation							0
7.73 Housing							0
Total Function 7	0	0	0	48,389	22,168	59	70,616
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	27,020,196	3,898,164	4,202,603	6,150,117	1,370,363	1,602,767	44,344,210

SCHOOL DISTRICT NO. 71 (Comox Valley)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2005

	2004		2005		2005		2005	
	TOTAL SALARIES	TOTAL SALARIES AND BENEFITS	EMPLOYEE BENEFITS	SALARIES AND BENEFITS	SERVICES AND SUPPLIES	AMENDED ANNUAL BUDGET	ACTUAL	ACTUAL
1 INSTRUCTION								
1.02 Regular Instruction	24,908,746	30,101,435	5,192,689	1,400,986	31,532,431	31,423,453	33,769,917	
1.03 Career Programs	189,681	225,792	36,111	5,309	231,101	220,829	245,164	
1.07 Library Services	1,205,535	1,448,498	242,951	368,114	1,806,610	1,755,427	1,661,105	
1.08 Counselling	1,060,192	1,301,002	240,810	3,585	1,304,597	1,368,639	1,575,036	
1.10 Special Education	6,682,723	8,016,089	1,333,366	224,251	8,240,340	8,467,582	8,278,789	
1.30 English as a Second Language	178,313	217,516	39,203	1,342	218,858	163,978	66,084	
1.31 Aboriginal Education	599,263	718,373	119,110	57,857	776,230	714,393	725,582	
1.41 School Administration	4,146,188	4,944,948	798,749	149,015	5,093,963	4,936,912	5,619,293	
1.60 Summer School	0	0	0	0	0	0	103,870	
1.81 Continuing Education	0	0	0	0	0	0	0	
1.62 Off Shore Students	0	0	0	0	0	0	53,639	
1.64 Other	171,853	201,342	29,489	185,612	386,854	242,036	392,373	
1.65 Conseil Scolaire Francophone	47,894	57,897	10,003	57,897	57,897	41,300	24,938	
Total Function 1	38,190,389	47,232,890	8,042,491	2,386,051	49,618,981	49,334,549	52,507,780	
4 DISTRICT ADMINISTRATION								
4.11 Educational Administration	582,870	683,376	120,506	11,047	694,423	434,516	449,408	
4.40 School District Governance	67,995	69,026	1,031	61,780	130,806	105,429	124,421	
4.41 Business Administration	827,049	863,761	136,702	313,922	1,277,673	1,219,937	1,357,292	
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	
Total Function 4	1,457,914	1,716,163	258,239	386,749	2,102,902	1,759,882	1,931,121	
5 OPERATIONS AND MAINTENANCE								
5.41 Operations and Maintenance Administration	229,316	265,285	35,979	148,799	414,094	404,746	367,476	
5.50 Maintenance Operations	3,148,287	3,806,519	660,232	630,940	4,439,469	4,802,204	4,251,270	
5.52 Maintenance of Grounds	247,878	289,568	41,890	117,773	407,341	413,645	438,328	
5.56 Utilities	0	0	0	1,175,124	1,175,124	1,289,837	1,162,122	
5.65 Conseil Scolaire Francophone	3,625,281	4,363,382	738,101	2,072,636	6,436,018	6,910,432	6,248,196	
Total Function 5	7,050,762	8,524,754	1,476,000	4,068,272	13,482,046	14,419,664	12,807,312	
7 TRANSPORTATION AND HOUSING								
7.41 Transportation and Housing Administration	22,168	25,576	3,408	1,775	27,351	27,131	22,320	
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	
7.70 Student Transportation	48,448	56,621	7,173	1,444,071	1,499,692	1,605,183	1,772,614	
7.73 Housing	0	0	0	0	0	0	0	
Total Function 7	70,616	81,197	10,581	1,445,846	1,527,043	1,632,314	1,794,934	
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	44,344,210	53,393,622	9,049,412	6,291,372	59,684,944	59,637,177	62,483,031	

SCHOOL DISTRICT NO. 71 (Comox Valley)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2005

Schedule A5

BALANCE, BEGINNING OF YEAR	339,790
Changes in Accounting Policies / Prior Period Adjustments	
 BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>339,790</u>
 Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
Offshore Tuition	121,486
Navigator Program	33,666
	<u>155,152</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	42,150
Rentals and Leases	0
Investment Income	0
	<u>42,150</u>
 Net Changes for the Year	<u>113,002</u>
 BALANCE, END OF YEAR	<u><u>452,792</u></u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2005

	MINISTRY OF EDUCATION SPECIAL PURPOSE FUNDS	OTHER SPECIAL PURPOSE FUNDS	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR					
Add: Contributions Received	2,397,802	1,255,901	516,352	0	4,170,055
Provincial Grants - Ministry of Education	6,428,171	528,000			6,956,171
Provincial Grants - Other					0
Federal Grants					0
Other Revenue	231,134	287,331	2,877,452		3,175,917
Rentals and Leases	1,427	16,998			0
Investment Income	6,660,732	812,329	2,677,452	0	18,425
					10,150,513
Less: Allocated to Revenue Recovered	7,989,052	705,985	2,668,039		11,373,076
	1,059,482	1,382,246	525,785	0	2,967,482
DEFERRED CONTRIBUTIONS, END OF YEAR					
	7,989,052	705,985	2,668,039	0	11,373,076
REVENUE					
Provincial Grants - Ministry of Education	7,932,452	519,781			8,352,233
Provincial Grants - Other					0
Federal Grants					0
Other Revenue	166,600	159,206	2,668,039		3,003,845
Rentals and Leases					0
Investment Income		16,998			16,998
Gain (Loss) on Equity Investment					0
	7,999,052	705,985	2,668,039	0	11,373,076
EXPENSE					
Salaries					
Teachers	1,621,065	110,126			1,731,181
Principals and Vice Principals	180,071				180,071
Educational Assistants	302,440	187,928			490,368
Support Staff					0
Other Professionals					0
Substitutes	271,663	1,556			273,219
	2,355,229	299,610	0		2,654,839
Employee Benefits	440,336	27,941			468,877
Services and Supplies	5,503,365	474,578	2,668,039		8,545,982
	8,299,530	802,129	2,668,039	0	11,769,698
	(300,478)	(96,144)	0	0	(396,622)
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS					
INTERFUND TRANSFERS					
Capital Assets Purchased	(2,001,455)				(2,001,455)
Other	2,301,933	96,144			2,398,077
	300,478	96,144	0	0	396,622
	0	0	0	0	0
NET REVENUE (EXPENSE)					

SCHOOL DISTRICT NO. 71 (Comox Valley)
 SPECIAL PURPOSE FUNDS
 CHANGES IN MINISTRY OF EDUCATION SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2005

	207 Annual Facility Grant	210 Distance Education School	231 Aboriginal Education Technology	250 Special Education Equipment	255 Special Education Training	295 One Time GAAP Grant	TOTAL
DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,916,088		27,483	28,891	10,064	515,276	2,397,802
Add: Contributions Received							
Provincial Grants - Ministry of Education	5,483,787	923,784		20,600			6,428,171
Provincial Grants - Other							0
Federal Grants		231,134					231,134
Other Revenue	1,427						1,427
Rentals and Leases							0
Investment Income	5,485,214	1,154,918		20,600			6,660,732
Less: Allocated to Revenue Recovered	6,344,181	1,090,384	27,483	11,664	10,064	515,276	7,999,062
DEFERRED CONTRIBUTIONS, END OF YEAR	957,121	64,534	37,827				1,058,482
REVENUE AND EXPENSE							
REVENUE							
Provincial Grants - Ministry of Education	6,344,181	923,784	27,483	11,664	10,064	515,276	7,832,452
Provincial Grants - Other							0
Federal Grants							0
Other Revenue	166,600						166,600
Rentals and Leases							0
Investment Income	6,344,181	1,090,384	27,483	11,664	10,064	515,276	7,999,052
EXPENSE							
Salaries							
Teachers	1,621,055						1,621,055
Principals and Vice Principals	160,071						160,071
Educational Assistants	302,440						302,440
Support Staff							0
Other Professionals							0
Substitutes	271,663						271,663
Employee Benefits	2,355,229						2,355,229
Services and Supplies	440,936						440,936
	4,342,726	1,111,428	27,483	11,664	10,064		5,503,365
	4,342,726	3,907,593	27,483	11,664	10,064		8,299,530
	2,001,465	(2,817,209)				515,276	(300,478)
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS							
INTERFUND TRANSFERS							
Capital Assets Purchased	(2,001,455)	2,817,209					(2,001,455)
Other						(515,276)	2,301,933
NET REVENUE (EXPENSE)							300,478
							0

SCHOOL DISTRICT NO. 71 (Comox Valley)
 SPECIAL PURPOSE FUNDS
 CHANGES IN OTHER SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2005

DEFERRED CONTRIBUTIONS	Bursaries	Tribune Bay	Deferred Leave	Fine Arts	Community Schools	Professional Development	Social Equity	TOTAL
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	768,700	(6,824)	257,038	16,788	15,300	162,414	41,485	1,255,901
Add: Contributions Received								
Provincial Grants - Ministry of Education								
Provincial Grants - Other								
Federal Grants	20,841	6,824	142,878	3,190		93,998		267,331
Other Revenue								
Rentals and Leases	16,343		305	350				16,998
Investment Income	37,184	6,824	143,183	3,540		93,593		812,329
Less: Allocated to Revenue Recovered	48,950		110,126	20,328	6,800			705,985
DEFERRED CONTRIBUTIONS, END OF YEAR	757,934	(6,824)	290,095	20,328	8,800	256,012	43,704	1,362,245

REVENUE AND EXPENSE	Salaries	Teachers	Principals and Vice Principals	Educational Assistants	Support Staff	Other Professionals	Substitutes	Employee Benefits	Services and Supplies	NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS
REVENUE										
Provincial Grants - Ministry of Education										
Federal Grants										
Other Revenue	32,607									32,607
Rentals and Leases										
Investment Income	16,343									16,343
EXPENSE										
Salaries	48,950									48,950
Teachers		110,126								110,126
Principals and Vice Principals										
Educational Assistants										
Support Staff					98,317					98,317
Other Professionals										
Substitutes							1,556			1,556
Employee Benefits								99,873		99,873
Services and Supplies									3,790	3,790
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS										118,800
INTERFUND TRANSFERS										
Capital Assets Purchased										
Other										
NET REVENUE (EXPENSE)										(96,144)

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CAPITAL ASSETS
 YEAR ENDED JUNE 30, 2005

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	12,963,764	124,394,755	15,201,324	67,422	0	1,809,119	154,436,384
Changes in Accounting Policy / Prior Period Adjustments							
Deemed Disposals			(7,563,308)			(1,405,473)	(8,968,781)
COST, BEGINNING OF YEAR, AS RESTATED	12,963,764	124,394,755	7,638,016	67,422	0	403,646	145,487,603
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - By/Law							0
Deferred Contributions - Other							0
Operating Fund			17,817	109,334			127,151
Special Purpose Funds		2,001,455					2,001,455
Local Capital		21,954					21,954
Transferred from Work in Progress							0
Capital Leases							0
Decrease:							
Disposed Of	0	2,023,409	17,817	109,334	0	0	2,150,560
Deemed Disposals			1,936,024			259,598	2,195,622
Written-off/down During Year							0
COST, END OF YEAR	12,963,764	126,418,164	5,719,809	176,756	0	259,598	2,195,622
WORK IN PROGRESS, END OF YEAR							145,422,541
COST AND WORK IN PROGRESS, END OF YEAR	12,963,764	126,418,164	5,719,809	176,756	0	144,048	145,422,541
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	0	0	0	0	0	0
Change in Accounting Policies/ Prior Period Adjustments							
Accumulated Amortization		36,813,560	11,764,180	33,711		1,699,580	50,311,031
Deemed Disposals			(7,563,308)			(1,405,473)	(8,968,761)
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	36,813,560	4,200,872	33,711	0	294,107	41,342,250
Changes for the Year							
Increase: Amortization for the Year		2,821,928	763,802	6,742		80,729	3,673,201
Decrease:							
Disposed of							0
Deemed Disposals			1,936,024			259,598	2,195,622
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	39,635,488	3,028,660	40,453	0	269,598	2,195,622
CAPITAL ASSETS - NET	12,963,764	86,782,676	2,691,159	136,303	0	28,810	102,602,712

SCHOOL DISTRICT NO. 71 (Comox Valley)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2005

Schedule C2

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	80,584,158	0	0	80,584,158
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>80,584,158</u>	<u>0</u>	<u>0</u>	<u>80,584,158</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions				0
Transferred from Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Amortization of Deferred Capital Contributions	3,231,483			3,231,483
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>3,231,483</u>	<u>0</u>	<u>0</u>	<u>3,231,483</u>
Net Changes for the Year	<u>(3,231,483)</u>	<u>0</u>	<u>0</u>	<u>(3,231,483)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>77,352,675</u>	<u>0</u>	<u>0</u>	<u>77,352,675</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>77,352,675</u>	<u>0</u>	<u>0</u>	<u>77,352,675</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2005

	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	131,177	0	0	0	131,177
Changes in Accounting Policies / Prior Period Adjustments					
Transfer from Reserves	67,894				67,894
BALANCE, BEGINNING OF YEAR, AS RESTATED	131,177	0	0	0	131,177
Changes for the Year					
Increase:					
Provincial Grants - Ministry of Education	0				0
Provincial Grants - Other	0				0
Other	0				0
Investment Income	0				0
MED Restricted Portion of Proceeds on Disposal	0				0
Decrease:					
Transferred to DCC - Capital Additions	0				0
Transferred to DCC - Work in Progress	0				0
Transferred to Net Assets - Site Purchases	0				0
Net Changes for the Year	0	0	0	0	0
BALANCE, END OF YEAR	131,177	0	0	0	131,177

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2005

	FUND BALANCE	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	CAPITAL RESERVE	LAND CAPITAL RESERVE	TOTAL
BALANCE, BEGINNING OF YEAR	74,149,968	73,852,228	229,846	67,894	0	297,740
Changes in Accounting Policies/ Prior Period Adjustments	(50,311,031)	(50,311,031)				0
Accumulated Amortization of Capital Assets						0
Transfer Land Capital Reserve to Deferred Contributions	(67,894)			(67,894)		(67,894)
Transfer Capital Reserve to Deferred Contributions						0
BALANCE, BEGINNING OF YEAR, AS RESTATED	23,771,043	23,541,197	229,846	0	0	229,846
Changes for the Year						
Investment Income	4,796		4,796			4,796
Gain (Loss) on Disposal of Capital Assets						0
District Portion of Proceeds on Disposal	6,205		6,205			6,205
Write-off/down of Buildings and Sites						0
Amortization of Deferred Capital Contributions	3,231,483	3,231,483				0
Capital Assets Purchased from Local Capital	2,128,606	21,954	(21,954)			(21,954)
Interfund Transfers - Capital Assets Purchased		2,128,606				0
Interfund Transfers - Local Capital	(3,673,201)	(3,673,201)				0
Amortization of Capital Assets						0
Transferred to Net Assets - Site Purchases	1,687,889	1,708,842	(10,953)	0	0	(10,953)
Net Changes for the Year	25,468,932	25,250,039	218,893	0	0	218,893
BALANCE, END OF YEAR						
	25,468,932	25,250,039	218,893	0	0	218,893