

**Manitoba
Education,
Citizenship
and Youth**



Schools' Finance Branch
511-1181 Portage Avenue
Winnipeg, Manitoba
R3G 0T3

SEVEN OAKS SCHOOL DIVISION
830 POWERS STREET
WINNIPEG, MANITOBA R2V 4E7

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2006

AUDITORS' REPORT TO THE BOARD OF TRUSTEES

We have audited the statements of financial position of the operating fund and the capital fund of Seven Oaks School Division as at June 30, 2006 and the statements of revenues, expenditures and accumulated surplus of the operating fund and the reserve, equity and capital financing accounts of the capital fund for the year then ended. These financial statements have been prepared to comply with the Public Schools Act. These financial statements are the responsibility of the Division'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 Division as at June 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting described in note 1.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Trustees of Seven Oaks School Division and the Minister of Education of Manitoba for complying with the Public Schools Act. These financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in other statements and reports is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

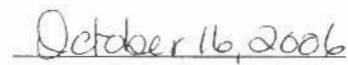
Chartered Accountants

Winnipeg, Canada

September 29, 2006

I hereby certify that the preceding report and the statements and reports referenced herein have been presented to the members of the Board of Seven Oaks School Division.


Chairperson of the Board


Date

AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF SEVEN OAKS SCHOOL DIVISION

In accordance with the provisions of Section 41(12) of the Public Schools Act we have made a study of those internal accounting control and administrative control procedures of the Seven Oaks School Division (the Division) that we considered relevant to the requirements of the Act and related regulations. Our study was made in accordance with Canadian generally accepted auditing standards, and accordingly included such tests and other procedures for the year ended June 30, 2006 as we considered necessary in the circumstances.

The administration of the Division is responsible for establishing and maintaining a system of internal accounting control. The objectives of a system are to provide the administration with reasonable, but not absolute, assurance that transactions are executed in accordance with administration's authorization and recorded properly to permit the preparation of financial statements in accordance with a described basis of accounting.

Because of inherent limitations in any system of internal accounting and administrative control, only reasonable assurance can be obtained with respect to the adequacy of such internal control procedures.

Our study and evaluation was made solely for the purposes required by the provision of Section 41(12) of The Public Schools Act, and as such may not disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Division taken as a whole.

We report that, during the year ended June 30, 2006 taken as a whole:

- (a) *in our opinion, an appropriate system of internal control existed and functioned effectively for reporting school division enrolment for the purpose of calculating provincial funding, according to the definitions and reporting requirements set out in sections 1.1 and 1.2 of the annual Enrolment Reporting Requirements document issued by the Schools' Finance Branch;*
- (b) *in our opinion, appropriate controls exist and are in use for Type A school funds as outlined in the Policy on School Funds issued by the Schools' Finance Branch on November 15, 1993;*
- (c) *in our opinion, there are no other significant matters, or irregularities or discrepancies in the administration of the school division's affairs that should be brought to the attention of the school board or the minister.*

Further, as result of our financial statement audit procedures and those procedures undertaken to allow us to report under Section 41(12) of the Public Schools Act, we report, to the best of our knowledge and belief, that the funds of the school division have been paid and disbursed only under authority granted by The Public Schools Act or a properly authorized by-law or resolution of the Division made under the authority of The Public Schools Act.

Chartered Accountants

Winnipeg, Canada

September 29, 2006

I hereby certify that the preceding report has been presented to the members of the Board of Seven Oaks School Division


Chairperson of the Board

October 16, 2006
Date

OPERATING FUND - STATEMENT OF FINANCIAL POSITION

as at June 30

	2006	2005
ASSETS		
Cash	-	-
Short Term Investments	-	-
Due From Provincial Government	955,803	1,247,962
Due From Municipal Government	14,065,113	12,792,753
Due From Federal Government	136,534	114,601
Due From Other School Divisions	21,963	22,080
Due From Other Funds	1,071,827	91,848
Accounts Receivable	480,159	60,321
Inventories	7,874	7,875
Prepaid Expenses	274,633	132,214
	<u>17,013,906</u>	<u>14,469,654</u>
LIABILITIES		
Overdrafts	3,101,826	1,194,231
Short Term Financing	-	2,984,910
Accounts Payable	1,412,319	845,079
Accrued Liabilities	531,978	450,768
Due To Provincial Government	1,262,157	150,956
Due To Municipal Government	48,985	38,606
Due To Federal Government	3,663,696	3,386,154
Due To Other School Divisions	736,604	106,491
Due To Other Funds	-	-
Unearned Revenue	2,692,927	2,689,167
Long Term Debt	-	-
	<u>13,450,492</u>	<u>11,846,362</u>
Accumulated Surplus (Deficit)	<u>3,563,414</u>	<u>2,623,292</u>
	<u>17,013,906</u>	<u>14,469,654</u>

**OPERATING FUND
STATEMENT OF REVENUES, EXPENDITURES
AND ACCUMULATED SURPLUS**

For the Year Ended June 30

	2006 Actual	2006 Budget	2005 Actual
REVENUES			
Provincial Government	48,452,966	47,035,036	43,785,282
Federal Government	11,623	10,000	18,540
Municipal Government	23,264,671	23,361,015	23,733,764
Other School Divisions	813,179	844,500	847,034
First Nations	205,929	92,000	173,524
Private Organizations and Individuals	628,461	109,370	605,850
Other Sources	110,092	553,999	61,062
	<u>73,486,921</u>	<u>72,005,920</u>	<u>69,225,056</u>
EXPENDITURES			
Regular Instruction	43,521,751	43,581,439	41,511,283
Exceptional	8,960,094	9,335,170	9,110,436
Adult Learning Centres	375,839	38,713	37,549
Community Education and Services	915,602	467,279	480,013
Divisional Administration	2,208,077	2,215,793	2,218,368
Instructional and Pupil Support Services	3,868,115	3,774,508	3,775,859
Transportation of Pupils	2,150,321	2,039,110	2,138,089
Operations and Maintenance	8,055,229	8,402,367	8,063,843
Fiscal	1,295,888	1,276,536	1,238,262
	<u>71,350,916</u>	<u>71,130,915</u>	<u>68,573,702</u>
Current Year Operating Surplus (Deficit)	2,136,005	875,005	651,354
Less: Net Transfers to Capital Fund	<u>1,195,883</u>	<u>875,005</u>	<u>702,879</u>
Net Current Year Surplus (Deficit)	940,122	0	(51,525)
Accumulated Surplus (Deficit) Beginning of Year	2,623,292		2,674,817
Adjustments: _____	-		
_____	-		0
Accumulated Surplus (Deficit) End of Year	<u>3,563,414</u>		<u>2,623,292</u>

OPERATING FUND - REVENUE DETAIL
PROVINCE OF MANITOBA

For the Year Ended June 30, 2006

Funding of Schools Program

Base Support		
Instructional Support	15,612,237	
Sparsity	-	
Curricular Materials	476,924	
Information Technology	338,844	
Library Services	779,341	
Level I Special Needs	2,270,255	
Counselling and Guidance	574,300	
Professional Development	304,960	
Occupancy	<u>3,109,117</u>	23,465,978
Categorical Support		
Transportation	906,185	
Board and Room	-	
Special Needs: Coordinator/Clinician	592,977	
Special Needs: Level II	1,439,042	
Special Needs: Level III	1,845,585	
Senior Years Technology Education	341,413	
English as a Second Language	184,125	
Aboriginal Academic Achievement	230,000	
Heritage Language	20,547	
French Language Programs	264,672	
Students at Risk	326,354	
Small Schools	-	
Enrolment Change Support	292,083	
Northern Allowance	-	
Early Behaviour Intervention	93,170	
Early Childhood Development	61,744	
Early Literacy Intervention	249,750	
Early Numeracy	<u>42,975</u>	6,890,622
Equalization		7,709,567
Additional Equalization		1,968,637
Amalgamated School Division Guarantee		-
Adjustment for Days Closed		-
Other Program Support		
School Buildings Support: "D" Projects	179,200	
Technology Education Equipment Replacement	65,400	
Technical Vocational Initiative - Equipment Upgrade	-	
Environmental Assistance Program	-	
Air Quality Program	-	
Other Minor Capital Support	-	
Prior Year Support		
Finalization of Previous Year Support	(856)	
Curricular Materials	-	
School Buildings Support: "D" Projects	-	
Technology Education Equipment	-	
Environmental Assistance Program	<u>-</u>	<u>243,744</u>
		<u><u>40,278,548</u></u>

OPERATING FUND - REVENUE DETAIL
PROVINCE OF MANITOBA (CONT'D)
 For the Year Ended June 30, 2006

Other Department of Education, Citizenship and Youth

Non-Resident	-	
Special Needs	124,739	
Institutional Programs		
Nursing Supports (URIS)	42,052	
Evening School	-	
Substitute Fees	-	
General Support Grant	1,162,296	
Education Property Tax Credit	6,261,176	
Technical Vocational Initiative Demonstration Project	-	
New Schools	-	
Class Size Fund	-	
Community Schools	45,000	
Healthy Schools Initiative	13,800	
Other:	-	
		7,649,063

Other Provincial Government Departments

English as a Second Language (Adults)	-	
Driver Training	-	
Employment Programs	1,155	
Adult Learning Centres	400,000	
Other: Healthy Child	93,750	
Light Houses	12,000	
Official Languages	18,450	
		525,355

Funding of Schools Program(previous page) 40,278,548

TOTAL PROVINCIAL GOVERNMENT REVENUE 48,452,966

**OPERATING FUND - REVENUE DETAIL
NON-PROVINCIAL GOVERNMENT SOURCES**

For the Year Ended June 30, 2006

Federal Government			
Tuition Fees		-	
Transportation of Pupils		-	
French Language Monitor		2,000	
Other: School Rentals-Election		7,830	
GST Rebate		1,793	
			11,623
Municipal Government			
Special Requirement	29,525,847		
Less: Education Property Tax Credit	(6,261,176)	23,264,671	
Other:		-	23,264,671
Other School Divisions			
Transfer Fees		789,100	
Residual Fees		24,079	
Transportation of Pupils		-	
Other:		-	
			813,179
First Nations			
Tuition Fees		205,929	
Transportation of Pupils		-	
Other:		-	
			205,929
Private Organizations and Individuals			
Regular Tuition		9,223	
International Tuition		-	
Continuing Education		24,444	
Driver Education		19,647	
Other Tuition: Summer School		49,093	
Food Service		-	
Other: Instrument Rentals		2,660	
Conference Fees		3,700	
Light House		4,566	
Parking		102,653	
Facilities Rentals		144,711	
Bussing		267,764	628,461
Other Sources			
Interest		106,735	
Donations		-	
Other: Miscellaneous		3,357	
			110,092
TOTAL NON-PROVINCIAL GOVERNMENT REVENUE			25,033,955

OPERATING FUND - EXPENDITURES BY FUNCTION AND BY OBJECT

For the Year Ended June 30

FUNCTION OBJECT	100	200	300	400	500	600	700	800	900	2006 TOTALS	2005 TOTALS
	Regular Instruction	Exceptional	Adult Learning Centres	Community Education and Services	Divisional Administration	Instructional and Pupil Support Services	Transportation	Operations and Maintenance	Fiscal		
Salaries	37,132,134	7,565,272	309,201	705,892	1,479,109	2,905,729	1,319,413	4,016,074		55,433,824	53,250,559
Employees Benefits and Allowances	2,342,299	903,955	16,074	67,029	175,185	225,181	229,540	672,594		4,632,867	4,340,585
Services	671,862	311,800	36,689	70,277	484,639	423,985	274,426	2,940,305		5,213,983	5,206,476
Supplies, Materials and Minor Equipment	2,503,120	112,527	13,875	72,404	69,144	255,480	326,942	426,256		3,790,748	3,449,634
Short Term Loan Interest and Bank Charges									66,296	66,296	61,426
Transfers	872,336	66,530	-	-	-	44,740	-		(PAYROLL TAX) 1,229,592	2,213,198	2,255,022
TOTALS	43,521,751	8,960,094	375,839	915,602	2,208,077	3,868,115	2,150,321	8,055,229	1,295,888	71,350,916	68,573,702

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 100

For the Year Ended June 30, 2006

REGULAR INSTRUCTION	10			SINGLE TRACK SCHOOLS *			80	90	TOTALS
	ADMINISTRATION	20	50	70	80	90			
CODE OBJECT \ PROGRAM	ENGLISH LANGUAGE	FRANÇAIS	FRENCH IMMERSION	DUAL TRACK SCHOOLS **	SENIOR YEARS TECHNOLOGY EDUCATION				
3XX SALARIES									
320 Executive, Managerial and Supervisory	3,527,958								3,527,958
330 Instructional - Teaching		15,833,780		660,826	13,260,720		431,668		30,186,994
350 Instructional - Other		895,393		92,452	950,618				1,938,463
360 Technical, Specialized and Service									0
370 Secretarial, Clerical and Other	1,361,454								1,361,454
390 Information Technology	117,265								117,265
Total Salaries	5,006,677	16,729,173	0	753,278	14,211,338		431,668		37,132,134
4XX EMPLOYEES BENEFITS AND ALLOWANCES	397,334	1,017,993		51,712	855,653		19,607		2,342,299
5-6XX SERVICES									
510 Professional, Technical and Specialized	28,269	56,446			8,400				93,115
520 Communications	131,100								131,100
540 Travel and Meetings	2,321	7,512							15,728
560 Tuition									17,000
570 Printing and Binding	26,087								26,087
580 Insurance and Bond Premiums									0
590 Maintenance and Repair Services		103,398		3,214	68,699		876		176,187
610 Rentals	21,845	38,992			7,056				67,893
630 Advertising									0
640 Dues and Fees		6,220			100				6,320
650 Professional and Staff Development	5,671	71			1,400				7,142
680 Information Technology Services	79,371	44,210		672	7,037				131,290
Total Services	294,664	256,849	0	3,886	92,692		23,771		671,862
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT									
710 Supplies	1,483	537,874		22,774	330,092				915,986
740 Curricular and Media Materials	171	214,056		9,183	138,956				365,669
760 Minor Equipment	567	184,894		12,086	124,310				336,764
780 Information Technology Equipment	43,072	694,335		1,072	145,117				884,701
Total Supplies, Materials and Minor Equipment	45,283	1,631,159	0	45,115	738,475		43,088		2,503,120
95X-99 TRANSFERS									
960 School Divisions		681,662		38,350	61,100				872,336
980 Organizations and Individuals									0
Total Transfers	0	681,662		38,350	61,100				872,336
TOTALS	5,743,958	20,316,836	7,608	892,341	15,959,258		601,750		43,521,751

* 90% or more of enrolment is in one of the following instructional programs: English Language, Français, French Immersion.

** includes multi-track schools.

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 200

For the Year Ended June 30, 2006

EXCEPTIONAL		10	20	30	40	50	60	TOTALS
CODE	OBJECT \ PROGRAM	ADMINISTRATION /CO-ORDINATION	GIFTED EDUCATION *	CLINICAL AND RELATED SERVICES	SPECIAL NEEDS CLASSES	STUDENTS WITH SPECIAL NEEDS IN REGULAR CLASSES	OTHER RESOURCE SERVICES	
3XX SALARIES								
320	Executive, Managerial and Supervisory	213,103		69,752				282,855
330	Instructional - Teaching			40,271	413,173		1,585,129	2,038,573
350	Instructional - Other			110,090	575,712	3,623,258		4,309,060
360	Technical, Specialized and Service							0
370	Secretarial, Clerical and Other	85,022						85,022
380	Clinician			849,762				849,762
390	Information Technology							0
	Total Salaries	298,125	0	1,059,875	988,885	3,623,258	1,585,129	7,565,272
4XX EMPLOYEES BENEFITS AND ALLOWANCES								
5-6XX	SERVICES	21,888		96,859	117,230	625,041	82,947	903,965
510	Professional, Technical and Specialized			11,022	34,675	211,272		256,969
520	Communications			22,747	1,044			23,791
540	Travel and Meetings	5,594		5,859	1,316		55	12,824
560	Tuition							0
570	Printing and Binding							0
590	Maintenance and Repair Services				5,273			5,273
610	Rentals							0
630	Advertising							0
640	Dues and Fees							0
650	Professional and Staff Development			3,484	1,741	95		5,320
680	Information Technology Services			7,623				7,623
	Total Services	5,594	0	50,735	44,049	211,367	55	311,800
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT								
710	Supplies			9,745	15,081	8,633	34	33,493
740	Curricular and Media Materials			513	14,100	1,733	3,046	19,392
760	Minor Equipment	1,369		7,913	12,053	251	1,057	22,643
780	Information Technology Equipment	2,353		11,456	23,163	27		36,999
	Total Supplies, Materials and Minor Equipment	3,722	0	29,627	64,397	10,644	4,137	112,527
95X-99 TRANSFERS								
960	School Divisions				19,470			19,470
980	Organizations and Individuals					47,060		47,060
	Total Transfers	0		0	19,470	47,060		66,530
TOTALS		329,329	0	1,207,096	1,234,031	4,517,370	1,672,268	8,960,094

* Does not include enrichment activities undertaken by the School Division.

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 300

For the Year Ended June 30, 2006

ADULT LEARNING CENTRES		10	20	TOTALS
CODE	OBJECT \ PROGRAM	ADMINISTRATION AND OTHER	INSTRUCTION	
3XX	SALARIES			
320	Executive, Managerial and Supervisory	83,373		83,373
330	Instructional - Teaching		221,895	221,895
350	Instructional - Other		0	0
360	Technical, Specialized and Service		0	0
370	Secretarial, Clerical and Other	3,933		3,933
390	Information Technology			0
	Total Salaries	87,306	221,895	309,201
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	5,023	11,051	16,074
5-6XX	SERVICES			
510	Professional, Technical and Specialized	1,000		1,000
520	Communications			0
530	Utility Services			0
540	Travel and Meetings			0
560	Tuition			0
570	Printing and Binding		24	24
580	Insurance and Bond Premiums			0
590	Maintenance and Repair Services		5,374	5,374
610	Rentals		24,500	24,500
620	Property Taxes			0
630	Advertising			0
640	Dues and Fees			0
650	Professional and Staff Development		45	45
680	Information Technology Services		5,746	5,746
	Total Services	1,000	35,689	36,689
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT			
710	Supplies		4,849	4,849
740	Curricular and Media Materials		2,696	2,696
760	Minor Equipment		660	660
780	Information Technology Equipment		5,670	5,670
	Total Supplies, Materials and Minor Equipment	0	13,875	13,875
95X-99	TRANSFERS			
960	School Divisions			0
980	Organizations and Individuals			0
999	Recharge			0
	Total Transfers	0	0	0
	TOTALS	93,329	282,510	375,839

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 400

For the Year Ended June 30, 2006

COMMUNITY EDUCATION AND SERVICES		10	20	30	40	TOTALS
CODE	OBJECT \ PROGRAM	CONTINUING EDUCATION	ENGLISH AS A SECOND LANGUAGE	COMMUNITY SERVICES AND RECREATION	PRE-KINDERGARTEN EDUCATION	
3XX	SALARIES					
320	Executive, Managerial and Supervisory			34,740	49,192	83,932
330	Instructional - Teaching			2,442	381,476	383,918
350	Instructional - Other	31,382		29,435	158,386	219,203
360	Technical, Specialized and Service					0
370	Secretarial, Clerical and Other	18,839				18,839
380	Clinician					0
390	Information Technology					0
	Total Salaries	50,221	0	66,617	589,054	705,892
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	4,663		9,111	53,255	67,029
5-6XX	SERVICES					
510	Professional, Technical and Specialized			10,985		10,985
520	Communications			364		364
540	Travel and Meetings				2,353	2,353
570	Printing and Binding	39,086				39,086
590	Maintenance and Repair Services				16,251	16,251
610	Rentals					0
630	Advertising	1,238				1,238
640	Dues and Fees					0
650	Professional and Staff Development					0
680	Information Technology Services					0
	Total Services	40,324	0	11,349	18,604	70,277
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies	1,477		8,566	58,776	68,819
740	Curricular and Media Materials				3,585	3,585
760	Minor Equipment					0
780	Information Technology Equipment					0
	Total Supplies, Materials and Minor Equipment	1,477	0	8,566	62,361	72,404
95X-99	TRANSFERS					
980	Organizations and Individuals					0
	Total Transfers	0	0	0	0	0
	TOTALS	96,685	0	95,643	723,274	915,602

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 500

For the Year Ended June 30, 2006

DIVISIONAL ADMINISTRATION		10	20	30	50	TOTALS
CODE	OBJECT \ PROGRAM	BOARD OF TRUSTEES	INSTRUCTIONAL MANAGEMENT & ADMINISTRATION	BUSINESS AND ADMINISTRATIVE SERVICES	MANAGEMENT INFORMATION SERVICES	
3XX	SALARIES					
310	Trustees Remuneration	121,431				121,431
320	Executive, Managerial and Supervisory		381,540	283,962	62,375	727,877
360	Technical, Specialized and Service				0	0
370	Secretarial, Clerical and Other		173,716	384,855	18,610	577,181
390	Information Technology				52,620	52,620
	Total Salaries	121,431	555,256	668,817	133,605	1,479,109
4XX	EMPLOYEES BENEFITS AND ALLOWANCES	12,378	40,192	102,707	19,908	175,185
5-6XX	SERVICES					
510	Professional, Technical and Specialized			140,599		140,599
520	Communications		5,894	33,879	1,722	41,495
540	Travel and Meetings	4,146	16,046	43,017	645	63,854
570	Printing and Binding		12,326	5,041		17,367
580	Insurance and Bond Premiums			32,941		32,941
590	Maintenance and Repair Services			8,871		8,871
610	Rentals		808	982		1,790
630	Advertising		13,918	786		14,704
640	Dues and Fees	57,155	5,126	3,976		66,257
650	Professional and Staff Development	16,625	1,322	10,609	3,334	31,890
680	Information Technology Services	3,588	2,281	657	58,345	64,871
	Total Services	81,514	57,721	281,358	64,046	484,639
7XX	SUPPLIES, MATERIALS AND MINOR EQUIPMENT					
710	Supplies		11,967	13,919		25,886
740	Curricular and Media Materials		44			44
760	Minor Equipment		858	5,715		6,573
780	Information Technology Equipment	9,395	9,710	9,924	7,612	36,641
	Total Supplies, Materials and Minor Equipment	9,395	22,579	29,558	7,612	69,144
95X-99	TRANSFERS					
960	School Divisions					0
980	Organizations and Individuals					0
999	Recharge					0
	Total Transfers	0	0	0	0	0
	TOTALS	224,718	675,748	1,082,440	225,171	2,208,077

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 600

For the Year Ended June 30, 2006

INSTRUCTIONAL AND PUPIL SUPPORT SERVICES		05	10	20	30	40	80	TOTALS
CODE	OBJECT \ PROGRAM	CURRICULUM CONSULTING & ADMINISTRATION	CURRICULUM CONSULTING & DEVELOPMENT	LIBRARY / MEDIA CENTRE	PROFESSIONAL AND STAFF DEVELOPMENT	COUNSELLING AND GUIDANCE	OTHER	
3XX SALARIES								
320	Executive, Managerial and Supervisory	42,971	24,028	82,146				149,145
330	Instructional - Teaching		121,550	132,207	270,440	1,398,364		1,922,561
350	Instructional - Other			566,361			128,072	794,433
360	Technical, Specialized and Service		40,590					40,590
370	Secretarial, Clerical and Other							0
390	Information Technology							0
	Total Salaries	42,971	186,168	880,714	270,440	1,398,364	128,072	2,906,729
4XX EMPLOYEES BENEFITS AND ALLOWANCES								
		1,641	11,746	124,654	15,855	66,675	5,610	226,181
5-6XX SERVICES								
510	Professional, Technical and Specialized							0
520	Communications		2,236	7,436		33		9,705
540	Travel and Meetings		7,882			373	344	8,599
570	Printing and Binding			2,002			189	2,191
580	Insurance and Bond Premiums							0
590	Maintenance and Repair Services			8,327				8,327
610	Rentals							0
630	Advertising							0
640	Dues and Fees							0
650	Professional and Staff Development			532	295,621			296,153
680	Information Technology Services			99,010				99,010
	Total Services	0	10,118	117,307	295,621	406	533	423,985
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT								
710	Supplies		1,375	22,525		106	15,459	39,465
740	Curricular and Media Materials		37	203,914		3,623	181	207,755
760	Minor Equipment		2,201	4,455				6,656
780	Information Technology Equipment		3,613	243,498	0	3,729	15,640	266,480
	Total Supplies, Materials and Minor Equipment	0	7,626	274,492	0	4,464	31,280	296,862
95X-99 TRANSFERS								
960	School Divisions						44,740	44,740
980	Organizations and Individuals						44,740	44,740
	Total Transfers						89,480	89,480
TOTALS		44,612	211,645	1,366,173	581,916	1,469,174	194,595	3,868,115

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 700

For the Year Ended June 30, 2006

TRANSPORTATION OF PUPILS		10	20	70	80	90	TOTALS
CODE	OBJECT \ PROGRAM	ADMINISTRATION	REGULAR	ALLOWANCES IN LIEU OF TRANSPORTATION	BOARDING OF STUDENTS/ DORMITORIES	FIELD TRIPS AND OTHER	
3XX SALARIES							
320	Executive, Managerial and Supervisory	61,341					61,341
350	Instructional - Other						0
360	Technical, Specialized and Service		1,174,512				1,174,512
370	Secretarial, Clerical and Other	83,560					83,560
390	Information Technology						0
	Total Salaries	144,901	1,174,512				1,319,413
4XX EMPLOYEES BENEFITS AND ALLOWANCES							
5-6XX	SERVICES	22,728	206,812		0		229,540
510	Professional, Technical and Specialized						0
520	Communications	4,942	5,794				10,736
540	Travel and Meetings	150					150
550	Transportation of Pupils			32,679			32,679
580	Insurance and Bond Premiums		95,257				95,257
590	Maintenance and Repair Services	1,188	41,705				42,893
610	Rentals	992	81,410				82,402
630	Advertising		271				271
640	Dues and Fees						0
650	Professional and Staff Development	6,185	3,852				10,037
680	Information Technology Services						0
	Total Services	13,458	228,289	32,679	0	0	274,426
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT							
710	Supplies	2,692	315,081				317,773
740	Curricular and Media Materials		245				245
760	Minor Equipment	311					311
780	Information Technology Equipment	8,613					8,613
	Total Supplies, Materials and Minor Equipment	11,616	315,326		0	0	326,942
95X-99 TRANSFERS							
960	School Divisions						0
980	Organizations and Individuals						0
999	Recharge		(156,265)				(156,265)
	Total Transfers	0	(156,265)	0	0	0	(156,265)
TOTALS		192,703	1,768,674	32,679	0	0	2,150,321

OPERATING FUND - EXPENDITURE DETAIL: FUNCTION 800

For the Year Ended June 30, 2006

OPERATIONS AND MAINTENANCE		10		20		50		70		80	
		ADMINISTRATION	SCHOOL BUILDINGS MAINTENANCE	SCHOOL BUILDINGS REPAIRS AND REPLACEMENTS	OTHER BUILDINGS	OTHER BUILDINGS	OTHER BUILDINGS	OTHER BUILDINGS	OTHER BUILDINGS	OTHER BUILDINGS	TOTALS
CODE	OBJECT \ PROGRAM										
3XX SALARIES											
320	Executive, Managerial and Supervisory	193,211									193,211
360	Technical, Specialized and Service		3,647,012	17,301				52,750		34,786	3,751,849
370	Secretarial, Clerical and Other	71,014									71,014
390	Information Technology										0
	Total Salaries	264,225	3,647,012	17,301				52,750		34,786	4,016,074
4XX EMPLOYEES BENEFITS AND ALLOWANCES											
		40,934	615,977	3,204				9,281		3,198	672,594
5-6XX SERVICES											
510	Professional, Technical and Specialized		45,260							64,956	110,216
520	Communications	9,025	18,433					2,106		29,564	29,564
530	Utility Services	980	1,477,376					90,598		1,567,974	1,567,974
540	Travel and Meetings		1,008						235		2,223
580	Insurance and Bond Premiums		111,941	9,636				5,205		126,782	126,782
590	Maintenance and Repair Services		359,827	530,141				23,977		55,146	969,091
610	Rentals	537									537
620	Property Taxes		18,486					85,835		4,942	109,263
630	Advertising										0
640	Dues and Fees	2,634									2,634
650	Professional and Staff Development	4,354	17,216								21,570
680	Information Technology Services		451								451
	Total Services	17,530	2,049,998	539,777				207,721		125,279	2,940,305
7XX SUPPLIES, MATERIALS AND MINOR EQUIPMENT											
710	Supplies	2,487	364,398	747				9,264		4,590	381,486
740	Curricular and Media Materials		30,350								30,350
760	Minor Equipment	9,581	750								10,331
780	Information Technology Equipment	4,089									4,089
	Total Supplies, Materials and Minor Equipment	16,157	395,498	747				9,264		4,590	426,256
95X-99 TRANSFERS											
999	Recharge										0
TOTALS		338,846	6,708,485	561,029				279,016		167,853	8,055,229

**OPERATING FUND - DETAIL OF TRANSFERS
TO (FROM) CAPITAL FUND**

For the Year Ended June 30, 2006

TRANSFERS TO CAPITAL FUND

Category "D" School Buildings	-	
Environmental Assistance Program Support	-	
Bus Reserve		
Bus Purchases	537,843	
Other: Johnson Controls Lease/Loan - Energy Mgt	262,920	
Board Office Debenture	137,006	
Computer Lease	42,004	
Wide Area Network/Margaret Park Boiler	154,341	
Liela North School Site	7,790	
Natural Gas Compressors	53,979	
		1,195,883

LESS: TRANSFERS FROM CAPITAL FUND

-----		0

NET TRANSFERS TO (FROM) CAPITAL FUND 1,195,883

CAPITAL FUND - STATEMENT OF FINANCIAL POSITION

as at June 30

	2006	2005
ASSETS		
Current Assets		
Cash	71,290	69,578
Short Term Investments	-	-
Due From Provincial Government	72,489	29,968
Due From Federal Government	-	-
Due From Other Funds	-	-
Accounts Receivable	62,121	68,041
	205,900	167,587
Capital Assets		
Land	4,086,020	3,854,065
Buildings	57,701,869	56,270,035
Equipment	6,292,968	5,738,928
Vehicles	2,566,050	2,298,808
	70,646,907	68,161,836
	70,852,807	68,329,423
LIABILITIES, RESERVE AND EQUITY		
Current Liabilities		
Overdrafts	-	-
Short Term Financing	-	-
Accounts Payable	401,644	402,980
Accrued Liabilities	36,615	-
Due To Provincial Government	-	-
Due To Federal Government	-	-
Due To Other Funds	1,071,827	91,849
	1,510,086	494,829
Debenture Debt	18,221,042	18,756,457
Other Long Term Debt	1,058,729	1,255,252
Total Liabilities	20,789,857	20,506,538
Reserve Accounts	815,659	654,951
Equity	49,247,291	47,167,934
	70,852,807	68,329,423

CAPITAL ASSETS
For the Year Ended June 30

	TOTAL ASSETS at June 30, 2005	ADDITIONS	DISPOSALS AT ORIGINAL COST	TOTAL ASSETS at June 30, 2006	PROCEEDS FROM SALES
Schools					
Land	3,854,065	863,187	631,232	4,086,020	720,066 (1)
Buildings	54,185,851	1,431,834		55,617,685	(1)
Equipment	4,592,352	460,281		5,052,633	
Administrative Facilities					
Land	0			0	
Buildings	1,452,557			1,452,557	
Equipment	901,245	39,780		941,025	
Residences and Dormitories					
Land	0			0	
Buildings	0			0	
Equipment	0			0	
Garages, Repair Shops and Warehouses					
Land	0			0	
Buildings	631,627			631,627	
Equipment	245,331	53,979		299,310	
Vehicles					
School Buses	2,179,473	519,080	251,838	2,446,715	27,055
Other Vehicles	119,335			119,335	
TOTALS	68,161,836	3,368,141	883,070	70,646,907	747,121

Note (1): Gross proceeds on sale of Land and School building(s)	717,034
Less transfers to Province of Manitoba	0
Net proceeds	717,034

CAPITAL FUND - RESERVE ACCOUNTS

For the Year Ended June 30, 2006

	BUSES	OTHER	TOTAL
OPENING BALANCE	365,926	289,025	654,951
Adjustments			
Transfers from Operating Fund		-	0
Other: Purchase of School Buses	(112,473)	-	(112,473)
Lease Buy Outs	(253,453)		(253,453)
			0
Proceeds from Disposition-Buses	27,055		27,055
Net Proceeds Residential Lot Sales (Note 9)		499,579	499,579
			0
			0
			0
CLOSING BALANCE	<u>27,055</u>	<u>788,604</u>	<u>815,659</u>

CAPITAL FUND - EQUITY

For the Year Ended June 30, 2006

OPENING BALANCE		47,167,934
Adjustments for prior year		-
ADDITIONS:		
Contributed by Provincial Government	2,884,507	
Contributed by Federal Government	-	
Investment Income	5,512	
Gifts or Donations		
Transfers from Operating Fund	1,195,883	
Transfers from Reserve	365,926	
Other: Proceeds from Disposition-Buses	27,055	
Residential Lot Sales (Note 9)	717,034	5,195,917
DEDUCTIONS:		
Debenture Debt Interest	1,554,352	
Disposals at Original Cost	883,070	
Transfers to Operating Fund	-	
Transfers to Reserve	526,634	
Other: Interest on Loans and Leases	152,504	
		<u>3,116,560</u>
CLOSING BALANCE		<u>49,247,291</u>

CAPITAL FUND - CAPITAL FINANCING

For the Year Ended June 30, 2006

FINANCES ACQUIRED

Current Assets as at June 30, 2005		167,587
Provincial Government		
Capital Projects	49	
Debt Servicing - Interest	1,499,112	
- Principal	1,385,346	
Other Department of Education, Training and Youth	-	
Other Provincial Government Departments	-	2,884,507
Federal Government		
Indian Affairs		
Other Federal:	-	
	-	0
Investment Income		2,479
Insurance Proceeds		-
Gifts or Donations		-
Other:		
		0
Proceeds from the sale of Capital Assets		747,121
Transfers from Operating Fund		1,195,883
Long Term Debt		
Debentures	931,700	
Other		931,700
Current Liabilities as at June 30, 2006		1,510,086
TOTAL FINANCES ACQUIRED		7,439,363

FINANCES APPLIED

Current Liabilities as at June 30, 2005		494,829
Additions to Capital Assets		3,368,141
Debt Services		
Debenture Debt Interest	1,554,352	
Debenture Debt Principal	1,467,115	
Other Long Term Debt	349,026	3,370,493
Transfers to Operating Fund		-
Current Assets as at June 30, 2006		205,900
TOTAL FINANCES APPLIED		7,439,363

**STUDENT ENROLMENTS (FRAME) AND TRANSPORTATION STATISTICS
(UNAUDITED)**

ENROLMENTS BY PROGRAM	F.T.E. Enrolment September 30, 2005
REGULAR INSTRUCTION	
English Language - Single Track	4,566.0
Francais - Single Track	-
French Immersion - Single Track	203.0
Dual Track	
- English Language	2,813.0
- Francais	-
- French Immersion	772.0
- Other Bilingual	154.0
Senior Years Technology Education	<u>110.0</u>
TOTAL REGULAR INSTRUCTION	8,618.0
EXCEPTIONAL : Special Needs Classes	<u>46.0</u>
TOTAL NUMBER OF FULL TIME EQUIVALENT K - S4 STUDENTS	<u><u>8,664.0</u></u>

TRANSPORTATION OF PUPILS	
TRANSPORTED STUDENTS	2,859
TOTAL KILOMETERS - LOG BOOK	728,731
TOTAL KILOMETERS - BUS ROUTES	515,712
LOADED KILOMETERS	384,960

FULL TIME EQUIVALENT PERSONNEL (UNAUDITED)

September 30, 2005

CODE	OBJECT \ FUNCTION	FUNCTION 100	FUNCTION 200	FUNCTION 300	FUNCTION 400	FUNCTION 500	FUNCTION 600	FUNCTION 700	FUNCTION 800	TOTALS
320	Executive, Managerial, & Supervisory	41.50	3.30	1.25	1.50	7.20	1.50	1.00	2.75	60.00
330	Instructional - Teaching	455.85	30.88	3.73	6.25		24.00			520.71
350	Instructional - Other	66.79	120.60		6.26		17.40			211.05
360	Technical, Specialized And Service									
370	Secretarial, Clerical And Other	37.21	2.00		0.50	12.50	1.00	27.63	87.50	115.13
380	Clinician		14.00							14.00
390	Information Technology	3.00				1.00				4.00
TOTALS (excluding Trustees)		604.35	170.78	4.98	14.51	20.70	43.90	30.63	92.25	982.10
310 TRUSTEES										9

**CALCULATION OF ADMINISTRATION COSTS
AS A PERCENTAGE OF TOTAL EXPENDITURES**

Administration Costs

Divisional Administration, Function 500	2,208,077
Curriculum Consulting & Development Administration, Program 605	44,612
Transportation Administration, Program 710	192,703
Operations & Maintenance Administration, Program 810	338,846
Sub-total	2,784,238
Less: Liability Insurance	33,682
Administration portion of self-funded expenditures (see below)	0 *
	2,750,556 (A)

Expenditure Base

Total Operating Expenditures	71,350,916
Plus: Transfers to Capital	1,195,883
Less: Adult Learning Centres, Function 300	375,839
	72,170,960 (B)

Percentage (A) / (B) 3.8%

Self-Funded Expenditures (fully offset by incremental revenues):

International Student Programs

Expenditures ⁽¹⁾	
Instructional	-
Administration (deducted above)	- *
Other: _____	-
_____	-
	0
Associated Revenue ⁽²⁾	-

Self-Administered Pension Plans

Expenditures ⁽¹⁾	
Administration (deducted above)	- *
Other: _____	-
_____	-
	0
Associated Revenue ⁽²⁾	-

(1) Incremental costs of the program.

(2) Tuition fees from international students or the pension plan administration fee.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements

Year ended June 30, 2006

1. Significant accounting policies:

The financial statements are prepared in accordance with Financial Reporting and Accounting in Manitoba Education (FRAME), the accounting practices prescribed by the Minister of Education, Citizenship and Youth.

Significant accounting policies of FRAME are:

(a) Fund accounting:

The Division employs the fund method of accounting whereby financial transactions are recorded in separate funds in accordance with the purpose for which the funds have been created.

(b) Capital assets:

Capital assets are recorded at historical cost. The Division's capitalization policy is as follows:

- (i) capital expenditure betterments with a cost over \$20,000, which consist of initial or additional expenditures, which increase the usefulness or extend the useful life of the asset, are considered capital expenditures;
- (ii) site and building betterments with a value in excess of \$20,000 are considered capital expenditures while all repairs and replacements are expensed in the operating fund;
- (iii) equipment with a useful life greater than three years and a unit value greater than \$20,000 is considered a capital expenditure; and
- (iii) all debentured expenditures are capitalized.
- (iv) Capital expenditures for the Swinford Park subdivision land development have been allocated on the basis disclosed in note 8.

(c) Amortization:

No amortization is provided on capital fund expenditures, which are recorded in the accounts at cost.

(d) Interest capitalized:

Interest on funds used to finance the construction of school buildings is capitalized for periods preceding the dates the assets are put into service.

(e) Debenture debt interest:

Debenture debt interest is recorded in the period in which it is paid.

(f) Revenue recognition:

The Municipal Government revenue, which is determined on a calendar basis, is allocated between fiscal periods on the basis of budgeted expenditures. In the current fiscal year, 58.7% of the 2006 calendar year revenue has been recorded (2005 – 58.1%).

Revenue from the sale of lands held for development is recognized when the contractual obligations of the Division have been completed.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements (continued)

Year ended June 30, 2006

1. Significant accounting policies (continued):

(g) Reserves:

The Division is permitted under FRAME to establish a reserve in the capital fund for future planned bus acquisitions. The reserve is established through a charge to income in the operating fund. All other reserves require approval by the Public Schools Finance Board. Such permission has been granted to establish a reserve for the West Kildonan Collegiate project.

(h) Leased capital assets:

The annual interest portion of lease payments is expensed in the year paid. The principal portion of the payment is capitalized in the year paid.

(i) Debentures:

The province grants the Division an amount equal to total debenture-servicing costs other than those debenture-servicing costs that relate to the Board Office debenture. This grant amount is recognized as revenue in the capital fund.

(j) School funds:

Schools within the Division undertake certain fundraising activities. These revenues and related expenditures are not reflected in the Division's financial statement, but are subject to independent review and reported to the Board of Trustees separately.

(k) Use of estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the year. Actual results could differ from those estimates.

2. Debenture debt:

Total installments to maturity on the Division's debenture debt at June 30, 2006 excluding the School Board Office debenture debt, amount to \$27,037,057 (2005 - \$28,559,913) of which \$9,242,204 (2005 - \$10,311,411) represents the interest component. In the year ending June 30, 2007, installments totaling \$2,959,733 are due which includes interest of \$1,419,153.

In 1990, the Division issued a \$1,100,000 debenture in order to finance the new school board office. Total installments to maturity on this debenture amount to \$548,023 of which \$121,833 represents interest. In the year ending June 30, 2007, installments totaling \$137,006 fall due, which includes interest of \$46,348.

3. Commitments:

(a) During the year ended June 30, 2005 the Division entered into a Design-Bid-Build contract with a firm to provide architect services in relation to the construction of a new high school in the Seven Oaks School Division. The architect costs will be based on 7% of construction costs plus certain out of pocket costs. At June 30, 2006 the Architects had completed 75% of their work related to the new high school and invoiced the Division in the amount of \$699,763.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements (continued)

Year ended June 30, 2006

3. Commitments (continued):

(b) The Division entered into a Land Development Agreement with the City of Winnipeg in September 2003. The development agreement was for the amount of \$725,329 excluding GST. As at June 30, 2006 \$311,216 and \$107,929 of costs have been incurred and included in cost of lots sold in relation to Swinford Park Subdivision Phase I and Phase II lot developments respectively. The remaining contract amount, \$259,689, will not be incurred until a school is constructed on the school site land.

(c) At their August 16, 2006 meeting the Public Schools Finance Board approved the contract for the construction of the new West Kildonan High School. The total project costs, excluding land purchase, will be \$17,580,349 of which the Public Schools Finance Board is supporting \$15,687,881 and the Division is supporting \$1,892,468. The construction of the new high school is set to commence on September 18, 2006. On August 29, 2006 a construction contract in the amount of \$15,713,450 was awarded in respect of the project.

(d) The Division also anticipates incurring costs of approximately \$40,000 related to the construction of a nature pond. With regard to the anticipated costs, it is estimated that \$32,000 relates to the residential development and \$8,000 to the school site.

4. Lease commitments:

The Division has contractual obligations under long-term capital lease arrangements for buses. Future years' lease obligations total \$919,809.

5. Related party transactions:

The Seven Oaks Education Foundation Inc. (the "Foundation") was incorporated on July 17, 2001 to take over the capital and administration of the Seven Oaks Scholarship Board (the "Board"). The Board had previously been established to assist students to further their education beyond the high school level. Certain trustees of the Division sit on the Foundation's Board.

During fiscal 2006, the Division provided a grant to the Foundation in the amount of \$16,000 (2005 - \$16,000) to the Board.

6. Contingencies:

The Seven Oaks School Division retained an architect firm to design and oversee extensive renovation of the West Kildonan High School. The Public School Finance Board subsequently canceled the renovation project. The architects claim to be owed an additional sum of \$293,000. The Division has recorded a liability in the amount of \$42,521. The amount, if any, of future payments is undetermined at this time. Additional payment, if any, will be recorded to operating expenditure in the year of settlement.

The Division has under its development agreement with the City of Winnipeg guarantees for material and workmanship of city infrastructure services for a period of one year or until all deficiencies are corrected, whichever is later, for underground and street works under the land development construction contract. The School Division's guarantees are supported by a bond from the construction companies to repair and or replace any works that are determined to be defective as a consequence of material or workmanship. Deficiencies in Phase 1 are still being corrected. As soon as these are accepted as complete the bond relating to these works will be released. The Phase 2 one-year guarantee period ends August 21, 2007.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements (continued)

Year ended June 30, 2006

7. Trust funds:

The Division holds funds in trust for the following organizations:

Maples Youth Activity Centre	\$ 38,797
Kildonan Youth Activity Centre	20,831
Village Project Activity Centre	38,518
Seven Oaks Parents in Support of Aboriginal Education	(109,429)
Safe Youth Program – from Federal Government Grant	50,000
	\$ 38,717

The revenues, expenditures and trust balance of these entities, are not reflected in the Division financial statements.

Each organization is governed by a Board of Directors. Their operating costs are covered by grants and fundraising activities. The Division provides banking, payroll and account payment services at no charge.

8. Land:

	Swinford Park Subdivision			Other Divisional	Total Land
	School Site	Residential Land Development			
		Phase I	Phase II		
Land, June 30, 2004	\$659,422	\$312,553 ¹	\$215,992 ¹	\$2,438,311	\$3,626,278
Additions in fiscal 2005	118,131	1,042,464 ¹	242,295 ¹	179,914	1,582,804
Dispositions – Costs of Phase I lots sold (note 9)	777,553	1,355,017	458,287	2,618,225	5,209,082
		(1,355,017)			(1,355,017)
Land, June 30, 2005	\$777,553	\$ -	\$458,287	\$2,618,225	\$3,854,065
Additions in fiscal 2006	42,421	15,702	172,945	647,821	863,187
Dispositions in fiscal 2006 (Note 9)		(15,702)	(615,530)		(631,232)
Land, June 30, 2006	\$819,974	\$ -	\$ -	\$3,266,046	\$4,086,020

¹ In June 30, 2004 Swinford Park Subdivision Phase I and Phase II land balances are disclosed net of deposits received on lot proceeds in fiscal 2004 in the amounts of \$803,867 and \$51,197 respectively. As such the Phase I and Phase II additions were grossed up in fiscal 2005 by these same amounts in order that the Phase I and Phase II costs are appropriately stated in the amount of \$1,355,017 for Phase I, prior to disposition of the lots in fiscal 2005, and in the amount of \$458,287 at June 30, 2005 for Phase II land costs.

In 2001 the Division acquired 22.5 acres of land, in the Riverbend area, at a cost of \$433,436. The land was intended to be the site of a new high school that would replace the existing West Kildonan Collegiate. Upon receiving direction from the Public School Finance Board to renovate, rather than replace, the West Kildonan Collegiate, the Division retained 10.6 acres of the land for a future K-5 school. The balance of the land was developed under a Land Development Agreement with the City of Winnipeg and 71 lots were developed for resale. Swinford Park Subdivision Phase I costs of \$1,370,719 were incurred in the years ending 2006 and Phase II costs totaling \$615,530 were incurred in the year ending 2006. The portion of the land acquisition and servicing costs allocated to the future K-5 school site amounted to \$777,553 to June 30, 2005 and \$ 42,421 was allocated in fiscal 2006.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements (continued)

Year ended June 30, 2006

8. Land (continued):

Phase I of Swinford Park Subdivision was completed in fiscal 2005 and Phase II was completed in fiscal 2006.

Since many of the costs incurred regarding the Swinford Park Subdivision were common to both the future school site and the residential development and not specifically allocated to either project segment by the respective service providers, the allocation between future school site and residential development required the use of estimates and assumptions which were made using careful judgment.

Management of the Division reviewed all of the expenditures that related to the residential development and to the future school site, in order to determine the allocation for certain costs that related to both the residential development and the future school site. Management requested that the project consultant, a third party consulting firm, prepare a report to the Division specifying an appropriate basis for cost allocation given the nature of the expenditures incurred.

The basis of the allocation as determined by the project consultant, and resultantly the Division, in allocating the expenditures between the residential development and future school site was as follows:

- Specific expenditures identified as part of development approvals, development agreement or service infrastructure required by a planned use were allocated to the development segment (residential development and future school site) benefiting from that use;
- The cost of land acquisitions was allocated based on the pro rated share of the area being utilized by the respective development segment;
- Shared servicing expenses for municipal services were allocated on the basis of the benefiting frontage;
- Shared servicing expenses for municipal service connections were allocated on the basis of the benefiting area;
- Soft service expenses were not specifically apportioned by the respective service providers. Professional fees were allocated 80 percent to the residential development and 20 percent to the future school site reflecting the detailed attention this segment of the project required from the service providers.

SEVEN OAKS SCHOOL DIVISION

Notes to Financial Statements (continued)

Year ended June 30, 2006

9. Residential lot sales:

	Fiscal 2005	Fiscal 2006	Total
Swinford Park Subdivision			
• Lot proceeds			
• Phase I- 51 lots sold including lot transfer fees	\$1,768,794		\$1,768,794
• Phase II- 20 lots sold including lot transfer fees		\$717,034	\$717,034
	\$1,768,794	\$717,034	\$2,485,828
• Cost of lots sold			
• Phase I-costs allocated to 51 lots (note 6)	\$1,355,017	\$15,702	\$1,370,719
• Phase II- costs allocated to 20 lots (note 8)		\$615,530	\$615,530
	\$1,355,017	\$631,232	\$1,986,249
Net surplus included in Capital fund reserve	\$413,777	\$85,802	\$499,579

The Division entered into three Lot Sale Agreements to sell a total of 71 residential lots in the Swinford Park subdivision for proceeds of \$2,471,628 plus \$14,200 in lot transfer fees, to two firms.

In a letter dated March 12, 2003 from the Public Schools' Finance Board, the Division was authorized to sell surplus land in the Swinford Park Subdivision and retain 100% of the net proceeds, as the Division paid for the land and has borne all associated development expenditures and received no financial assistance from the Public Schools' Finance Board.

10. Comparative Figures:

Certain of the prior year figures have been reclassified to conform to the presentation adopted in the current year.