

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
72	Campbell River	2007/2008
OFFICE LOCATION		TELEPHONE NUMBER
425 Pinecrest Rd		250-830-2300
CITY / PROVINCE		POSTAL CODE
Campbell River, BC		V9W 3P2
WEBSITE ADDRESS		
http://www.sd72.bc.ca		
NAME OF SUPERINTENDENT	NAME OF SECRETARY - TREASURER	
John W. Spry	Lyle J. Boyce	

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of Education of School District No. 72 (Campbell River) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

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

The Board's Responsibility

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

External Auditors

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

Declaration of Management and Board Chairperson

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

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 72 (Campbell River) for the year ended June 30, 2008.

Original Signed By George MacLagan

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION

Original Signed By John Spry

SIGNATURE OF SUPERINTENDENT

Original Signed By Lyle Boyce

SIGNATURE OF SECRETARY - TREASURER

2008 Sep 23
DATE SIGNED

Sep 23, 2008
DATE SIGNED

Sep 23, 2008
DATE SIGNED



MEYERS NORRIS PENNY LLP

Auditors' Report

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

We have audited the statement of financial position of School District No. 72 (Campbell River) as at June 30, 2008 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Meyers Norris Penny LLP

Chartered Accountants

Campbell River, British Columbia

August 21, 2008

SCHOOL DISTRICT NO. 72 (Campbell River)
2007/2008 AUDITED FINANCIAL STATEMENTS

TABLE OF CONTENTS

AUDITORS' REPORT

FINANCIAL STATEMENTS

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

NOTES TO FINANCIAL STATEMENTS

SCHEDULES

Operating Fund	
Surplus (Deficit)	Schedule A1
Comparative Schedule of Revenue by Source	Schedule A2
Comparative Schedule of Expense by Object	Schedule A3
Expense by Function and Program	Schedule A4
Changes in Deferred Contributions	Schedule A5
Special Purpose Funds	
Summary of Changes	Schedule B1
Changes in Ministry of Education Designated Special Purpose Funds	Schedule B2
Changes in Other Special Purpose Funds	Schedule B3
Capital Fund	
Capital Assets	Schedule C1
Capital Assets - Work In Progress	Schedule C2
Deferred Capital Contributions	Schedule C3
Changes in Deferred Contributions	Schedule C4
Changes In Fund Balances	Schedule C5

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
ASSETS					
Current Assets					
Cash and Cash Equivalents	10,548,027	910,920		11,458,947	11,151,523
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	41,796			41,796	83,041
Due from Province - Other				0	0
Due from LEA / Direct Funding	407,294			407,294	683,868
Other Receivables	920,288			920,288	677,020
Interfund Loans		2,012,785	1,408,751		
Inventories				0	0
Prepaid Expenses	59,653			59,653	18,218
	11,977,058	2,923,705	1,408,751	12,887,978	12,613,670
Investments				0	0
Equity Investments				0	0
Capital Assets - Net			81,166,802	81,166,802	75,194,397
TOTAL ASSETS	11,977,058	2,923,705	82,575,553	94,054,780	87,808,067
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	3,043,147		639,217	3,682,364	2,551,912
Bank Loans			1,000,000	1,000,000	1,000,000
Interfund Loans	3,421,536				
Other Current Liabilities				0	0
	6,464,683	0	1,639,217	4,682,364	3,551,912
Deferred Revenue				0	0
Deferred Contributions					
Ministry of Education		1,469,436	(730,318)	739,118	1,125,901
Province - Other				0	0
Other	161,927	1,454,269		1,616,196	1,979,344
Accrued Employee Future Benefits	1,314,510			1,314,510	1,331,745
Deferred Capital Contributions			58,879,973	58,879,973	54,453,586
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	7,941,120	2,923,705	59,788,872	67,232,161	62,442,488
Fund Balances					
Invested in Capital Assets			22,149,675	22,149,675	20,603,656
Endowment				0	0
Internally Restricted	2,547,406		637,006	3,184,412	3,197,401
Unrestricted	1,488,532			1,488,532	1,564,522
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	4,035,938	0	22,786,681	26,822,619	25,365,579
TOTAL LIABILITIES AND FUND BALANCES	11,977,058	2,923,705	82,575,553	94,054,780	87,808,067

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2008

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
REVENUE					
Provincial Grants - Ministry of Education	48,047,194	3,028,424		51,075,618	49,239,798
Provincial Grants - Other		4,974		4,974	261,545
Federal Grants				0	0
Other Revenue	3,032,932	2,304,996		5,337,928	4,925,892
Rentals and Leases	228,722			228,722	241,920
Investment Income	398,612		24,500	423,112	388,055
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,430,708	2,430,708	2,499,500
Gain (Loss) on Disposal of Capital Assets				0	0
	51,707,460	5,338,394	2,455,208	59,501,062	57,556,710
EXPENSE					
Salaries					
Teachers	22,092,552	286,854		22,379,406	22,537,177
Principals and Vice Principals	3,261,280			3,261,280	2,974,121
Educational Assistants	4,052,399	21,993		4,074,392	4,040,427
Support Staff	5,932,082	171,125		6,103,207	5,881,160
Other Professionals	1,139,150	23,814		1,162,964	1,127,664
Substitutes	995,766	21,976		1,017,742	1,042,623
	37,473,229	525,762	0	37,998,991	37,603,172
Employee Benefits	7,850,108	99,433		7,949,541	7,272,576
Services and Supplies	6,277,925	2,899,399		9,177,324	8,010,863
Amortization of Capital Assets			2,918,166	2,918,166	2,966,014
Write-off/down of Buildings and Sites				0	0
	51,601,262	3,524,594	2,918,166	58,044,022	55,852,625
NET REVENUE (EXPENSE)	106,198	1,813,800	(462,958)	1,457,040	1,704,085

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
FUND BALANCES, BEGINNING OF YEAR	4,239,740	0	21,125,839	25,365,579	23,661,494
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	4,239,740	0	21,125,839	25,365,579	23,661,494
Changes for the Year					
Net Revenue (Expense) for the Year	106,198	1,813,800	(462,958)	1,457,040	1,704,085
Interfund Transfers					
Capital Assets Purchased		(1,813,800)	1,813,800	0	0
Local Capital	(310,000)		310,000	0	0
Other				0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Net Changes for the Year	(203,802)	0	1,660,842	1,457,040	1,704,085
FUND BALANCES, END OF YEAR	4,035,938	0	22,786,681	26,822,619	25,365,579

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	106,198	1,813,800	(462,958)	1,457,040	1,704,085
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	74,551			74,551	2,769,375
Interfund Loans	211,687	473,628	(685,315)	0	0
Inventories				0	0
Prepaid Expenses	(41,435)			(41,435)	(1,939)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	491,235		639,217	1,130,452	(2,817,880)
Other Current Liabilities				0	0
Deferred Revenue				0	0
Deferred Contributions	(21,000)	(405,047)		(426,047)	286,191
Accrued Employee Future Benefits	(17,235)			(17,235)	80,900
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			2,918,166	2,918,166	2,966,014
Amortization of Deferred Capital Contributions			(2,430,708)	(2,430,708)	(2,499,500)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Tfr Str Str/Erly Lrn to SPF	(255,158)			(255,158)	0
Interfund Transfers	(310,000)	(1,813,800)	2,123,800	0	0
	238,843	68,581	2,102,202	2,409,626	2,487,246
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			(68,726)	(68,726)	3,207
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	0	0	(68,726)	(68,726)	3,207
INVESTING					
Capital Assets Purchased - Operating				0	0
Capital Assets Purchased - Special Purpose			(1,813,800)	(1,813,800)	(1,283,122)
Capital Assets Purchased - Local Capital			(219,676)	(219,676)	(150,022)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(2,033,476)	(2,033,476)	(1,433,144)
NET INCREASE (DECREASE) IN CASH	238,843	68,581	0	307,424	1,057,309

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
NET INCREASE (DECREASE) IN CASH	238,843	68,581	0	307,424	1,057,309
Net Cash, Beginning of Year	10,309,184	842,339	0	11,151,523	10,094,214
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	10,309,184	842,339	0	11,151,523	10,094,214
NET CASH, END OF YEAR	10,548,027	910,920	0	11,458,947	11,151,523
Cash	10,548,027	910,920		11,458,947	11,151,523
Cash Equivalents				0	0
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	10,548,027	910,920	0	11,458,947	11,151,523

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education. The School District is exempt from tax.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

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

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

a) Fund Accounting

The resources and operations of the School District are segregated into various funds for accounting and financial reporting purposes based on the types of restrictions on the use of contributions by governments or other granting agencies, and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

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

b) Prepaid Expenses

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

c) Capital Assets

The following criteria apply:

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

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

d) Revenue Recognition

Unrestricted operating government grants are recognized when 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

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

- If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. Amortization commences in the year following acquisition.
- Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.
- Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.

e) Expenditures

- Categories of Salaries
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.
- Allocation of Costs
 - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual identification of program.

f) Financial Instruments

- Held for trading

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments – Recognition and Measurement*, even if that instrument would not otherwise satisfy the definition of held for trading. The School District has classified cash and cash equivalents and bank loans as held for

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

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

trading. These instruments are initially recognized at their fair value determined by published price quotations in an active market.

Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in net revenue (expense).

- **Loans and receivables**

The School District has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in net revenue (expense). Total interest income, calculated using the effective interest rate method, is recognized in net revenue (expense).

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- **Other financial liabilities**

The School District has classified accounts payable and accrued liabilities and accrued employee future benefits as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

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

difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- Financial asset impairment

The School District assesses impairment of all its financial assets, except those classified as held for trading. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in net revenue (expense).

g) Use of Estimates

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

h) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick pay and retirement allowance for certain employees pursuant to certain contracts and union agreements.

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 9.4.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

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

The most recent valuation of the obligation was performed at March 31, 2007 and projected to June 30, 2011. The next valuation will be performed at March 31, 2010 for use June 30, 2010. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

NOTE 3 CHANGE IN ACCOUNTING POLICIES

Financial Instruments

Effective July 1, 2008 the School District adopted the Canadian Institute of Chartered Accountants' new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards.

CICA 1530 *Comprehensive Income* establishes standards for reporting and displaying certain gains and losses, such as unrealized gains and losses related to cash flow hedges or available-for-sale financial assets, outside of net income, in a statement of comprehensive income (loss). Comprehensive income (loss) is defined as the change in equity of the School District arising from transactions and other events and circumstances, except those resulting from owner investment and distribution. Accumulated comprehensive income (loss) is separately disclosed as a component of fund balances. The School District has no financial instruments which result in other comprehensive income.

Transitional provisions require that any cumulative gains and losses arising from translation of a self-sustaining foreign operation, appraisal increase credits and donations from non-owners, be reclassified as accumulated other comprehensive income, and that prior year comparative figures be restated. The School District had no items requiring reclassification to accumulated other comprehensive income.

Although the requirements of CICA 1530 *Comprehensive Income* are not applicable for not-for-profit organizations, amendments to CICA 4400 *Not-For-Profit Organizations* require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in fund balances.

The application of hedge accounting is covered in CICA 3865. The School District does not have any transactions which qualify for hedge accounting.

CICA 3855 *Financial Instruments – Recognition and Measurement* establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. CICA 3862 *Financial Instruments - Disclosures* and CICA 3863 *Financial Instruments - Presentation* discuss the presentation and disclosure of these items. Financial instruments are defined as a contractual right to either receive or deliver cash or another financial instrument to another party.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 3 CHANGE IN ACCOUNTING POLICIES (Continued)

Pursuant to the requirements of these financial instruments standards, the School District now classifies and recognizes its financial assets and liabilities as described in Significant Accounting Policies, Note 2. Upon adoption, the School District re-measured its held for trading financial instruments at their fair value, and its loans and receivables and other financial liabilities at their amortized cost. There was no impact from this change in accounting policy.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2008	2007
Due from Federal Government	\$ 100,204	\$ 87,378
Due from Other School Districts	147,426	9,111
Due from North Island College	227,760	109,982
Due from Simon Fraser University	-	17,413
Due from Royal Bank	26,989	38,986
Due from CRDTA	84,562	84,662
Due from CUPE	16,432	13,116
Due from Edaus School	179,550	276,600
Due from other	137,365	39,772
	<u>\$ 920,288</u>	<u>\$ 677,020</u>

NOTE 5 CAPITAL ASSETS

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 8,270,011	\$ -	\$ 8,270,011	\$ 8,270,011
Buildings	115,153,613	(44,664,498)	70,489,115	65,072,172
Furniture & Equipment	2,466,632	(1,373,600)	1,093,032	1,469,285
Vehicles	1,175,723	(168,833)	1,006,890	276,306
Computer Hardware	338,974	(31,220)	307,754	106,623
	<u>\$127,404,953</u>	<u>\$(46,238,151)</u>	<u>\$81,166,802</u>	<u>\$75,194,397</u>

The Campbellton Elementary school site is currently for sale. The historical cost for the land is \$132,858 and building accumulated amortization is \$344,699.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 6 CAPITAL BANK LOANS PAYABLE

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

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

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

NOTE 7 EMPLOYEE FUTURE BENEFITS

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

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

	2008	2007
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 892,708	\$ 1,259,172
Service Cost	75,367	99,214
Interest Cost	46,421	68,674
Benefit Payments	0	(92,820)
Actuarial (Gain)/Loss	(106,976)	(441,532)
Accrued Benefit Obligation – March 31	<u>\$ 907,520</u>	<u>\$ 892,708</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 907,520	\$ 892,708
Market Value of Plan Assets – March 31		
Funded Status - Surplus/(Deficit)	(907,520)	(892,708)
Employer Contributions After Measurement Date	33,624	-
Unamortized Net Actuarial (Gain)/Loss	(440,614)	(439,037)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (1,314,510)</u>	<u>\$ (1,331,745)</u>

Components of Net Benefit Expense		
Service Cost	\$ 75,367	\$ 99,214
Interest Cost	46,421	68,674
Amortization of Net Actuarial (Gain)/Loss	(37,209)	-
Net Benefit Expense (Income)	<u>\$ 84,579</u>	<u>\$ 167,888</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 7 EMPLOYEE FUTURE BENEFITS (Continued)

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

	2008	2007
Discount Rate – April 1	5.00%	5.25%
Discount Rate – March 31	5.50%	5.00%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSL – March 31	9.4	9.4

NOTE 8 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 48,000 active members from school districts, and approximately 24,000 retired members from school districts. The Municipal Plan has about 145,000 active members, of which approximately 21,000 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, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated an unfunded liability of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers.

The School District No. 72 (Campbell River) paid \$4,185,396 for employer contributions to these plans for the year ended June 30, 2008 and \$3,593,334 for the year ended June 30, 2007.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 9 OPERATING FUND BALANCE - END OF YEAR

Internally Restricted (appropriated) by the Board for:

Professional Development	\$ 379,017	
School Supply Accounts	356,523	
Implementation Training	191,497	
Learning Resources	194,893	
Aboriginal Programs	16,443	
Instructional Equipment Support	19,424	
Board Instructional Support	111,000	
Technology Training	38,401	
Support Staff Training	19,212	
Teacher Leadership/Succession	62,794	
Human Resources Consulting	18,584	
Electronic Record Conversion	20,737	
Landscaping Improvements	200,000	
Superintendent Executive Search	50,000	
Distance Learning	186,917	
Surplus required to balance the 2008/09 budget	681,964	
Subtotal Internally Restricted		\$2,547,406
Unrestricted Operating Surplus		1,488,532
Total Available for Future Operations		<u>\$4,035,938</u>

NOTE 10 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2008 transfers were as follows:

- A transfer in the amount of \$310,000 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$1,813,800 was made from the special purpose fund to the capital fund for the purchase of capital assets.

NOTE 11 RELATED PARTY TRANSACTIONS

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 12 COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform with current year presentation. On Statement 2, Schedule A1 and A2 the 2007 French Grants of \$151,747 was moved from Federal Grants to Provincial Grants - Ministry of Education. On Schedule A5 prior year Provincial Grants – Ministry of Education totaling \$255,158 were transferred to Schedule B3 in the amount of \$100,000 to Strong Start and \$155,158 to District Trust Funds.

NOTE 13 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 29, 2008.

NOTE 14 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared under the assumption that the School District operates as a “going concern”.

NOTE 15 FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Rate Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$920,288 (2007 – \$677,020).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 15 FINANCIAL INSTRUMENTS (Continued)

The School District is not exposed to significant interest rate risk because the Ministry of Education reimburses them for interest paid on the School District bank loans.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities. The School District enters into transactions to purchase goods and services on credit for which repayment is required at various dates. Liquidity risk is measured by reviewing the School District's future net cash flows for the possibility of a negative net cash flow.

- **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The School District does not enter into transactions for which the market price fluctuates and therefore feels that their risk is limited.

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2008 there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2008. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2008

NOTE 15 FINANCIAL INSTRUMENTS (Continued)

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The carrying amount of the School District's bank loan approximates its fair value because interest charges under the terms of the debt are based upon current Canadian bank prime rates.

The carrying amount of the accrued employee future benefits approximates its fair value because the liability amount is determined using future oriented information.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

SCHOOL DISTRICT NO. 72 (Campbell River)

Schedule A1

OPERATING FUND

SURPLUS (DEFICIT)

YEAR ENDED JUNE 30, 2008

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	48,047,194	47,629,776	47,142,098
Provincial Grants - Other	0	0	261,545
Federal Grants	0	0	0
Other Revenue	3,032,932	2,911,755	3,239,862
Rentals and Leases	228,722	250,000	241,920
Investment Income	398,612	220,000	220,013
	<u>51,707,460</u>	<u>51,011,531</u>	<u>51,105,438</u>
EXPENSE			
Salaries			
Teachers	22,092,552	22,109,058	22,232,736
Principals and Vice Principals	3,261,280	3,343,473	2,974,121
Educational Assistants	4,052,399	4,022,962	4,040,427
Support Staff	5,932,082	6,058,913	5,839,747
Other Professionals	1,139,150	1,027,914	1,123,572
Substitutes	995,766	1,054,491	1,023,150
	<u>37,473,229</u>	<u>37,616,811</u>	<u>37,233,753</u>
Employee Benefits	7,850,108	7,884,286	7,206,620
Services and Supplies	6,277,925	7,660,249	5,945,630
	<u>51,601,262</u>	<u>53,161,346</u>	<u>50,386,003</u>
NET REVENUE (EXPENSE), FOR THE YEAR	106,198	(2,149,815)	719,435
INTERFUND TRANSFERS			
Capital Assets Purchased	0	0	0
Local Capital	(310,000)	(310,000)	(230,000)
Other	0	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employees Future Benefits and Vacation Pay	0	0	0
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		0	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(203,802)</u>	<u>(2,459,815)</u>	<u>489,435</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	4,239,740		3,750,305
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>4,239,740</u>		<u>3,750,305</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>4,035,938</u>		<u>4,239,740</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,547,406		
Unrestricted	1,488,532		
	<u>4,035,938</u>		

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2008

Schedule A2

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	49,152,619	48,794,045	48,033,346
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			386,631
Reduction for Local Education Agreements	(1,558,530)	(1,591,042)	(1,578,448)
Pay Equity	75,322	75,322	75,322
Ready Set Learn	37,500	37,500	37,500
Early Learning	2,000	0	0
FSA grant	6,000	5,000	0
Exempt Staff LMA	197,389	174,790	0
OLEP	134,894	134,161	151,747
Audit Adjustment/Debt Services Recovery	0	0	16,000
Technology Review	0	0	20,000
	<u>48,047,194</u>	<u>47,629,776</u>	<u>47,142,098</u>
PROVINCIAL GRANTS - OTHER	<u>0</u>	<u>0</u>	<u>261,545</u>
FEDERAL GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	672,363	607,422	704,732
Summer School Fees	250	0	900
Continuing Education	10,000	10,000	0
Offshore Tuition Fees	624,605	600,000	825,736
LEAD/Direct Funding from First Nations	1,558,530	1,591,042	1,578,448
Miscellaneous			
BCPSEA Trades Adjustment	54,641	54,641	0
Transcripts/SBO Misc Revenue	28,876	9,983	130,046
BCSTA/UBCM Community Connections	30,000	0	0
2010 Legacies Now	15,000	0	0
SSEAC	38,667	38,667	0
	<u>3,032,932</u>	<u>2,911,755</u>	<u>3,239,862</u>
RENTALS AND LEASES	<u>228,722</u>	<u>250,000</u>	<u>241,920</u>
INVESTMENT INCOME	<u>398,612</u>	<u>220,000</u>	<u>220,013</u>
TOTAL OPERATING REVENUE	<u><u>51,707,460</u></u>	<u><u>51,011,531</u></u>	<u><u>51,105,438</u></u>

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

	2008	2008	2007
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	22,092,552	22,109,058	22,232,736
Principals and Vice Principals	3,261,280	3,343,473	2,974,121
Educational Assistants	4,052,399	4,022,962	4,040,427
Support Staff	5,932,082	6,058,913	5,839,747
Other Professionals	1,139,150	1,027,914	1,123,572
Substitutes	995,766	1,054,491	1,023,150
	<u>37,473,229</u>	<u>37,616,811</u>	<u>37,233,753</u>
EMPLOYEE BENEFITS	7,850,108	7,884,286	7,206,620
Total Salaries and Benefits	<u>45,323,337</u>	<u>45,501,097</u>	<u>44,440,373</u>
SERVICES AND SUPPLIES			
Services	636,417	504,824	580,754
Student Transportation	31,193	43,300	29,728
Professional Development and Travel	623,857	984,049	567,537
Rentals and Leases	189,948	208,668	183,071
Dues and Fees	51,493	43,436	40,921
Insurance	121,560	120,000	108,323
Interest	0	0	14,722
Supplies	3,172,941	4,304,051	3,134,027
Bad Debts	0	0	0
Utilities	1,450,516	1,451,921	1,286,547
Total Services and Supplies	<u>6,277,925</u>	<u>7,660,249</u>	<u>5,945,630</u>
TOTAL OPERATING EXPENSE	<u>51,601,262</u>	<u>53,161,346</u>	<u>50,386,003</u>

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008

	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	17,695,642	972,198	275,555	569,648	20,065	907,861	20,434,969
1.03 Career Programs	169,780					5,361	175,141
1.07 Library Services	449,038			213,872	28,220		691,130
1.08 Counselling	528,199			71,060		701	599,960
1.10 Special Education	2,534,608	100,857	3,405,984	72,145		68,512	6,182,106
1.30 English as a Second Language	335,539					135	335,674
1.31 Aboriginal Education	318,528	112,111	370,860	24,081		519	826,089
1.41 School Administration		2,036,537		482,118			2,518,655
1.60 Summer School	61,218	5,500		160			66,878
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	22,092,552	3,227,203	4,052,399	1,433,084	48,285	977,089	31,830,612
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				37,767	332,694		370,461
4.40 School District Governance					65,529		65,529
4.41 Business Administration		34,077		330,369	437,084	18,677	820,207
4.65 Conseil Scolaire Francophone	0	34,077	0	368,136	835,307	18,677	1,256,197
Total Function 4	0	34,077	0	368,136	835,307	18,677	1,256,197
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				71,853	65,965		137,818
5.50 Maintenance Operations				3,098,338	157,808		3,255,944
5.52 Maintenance of Grounds				329,076			329,076
5.56 Utilities							0
5.65 Conseil Scolaire Francophone	0	0	0	0	223,571	0	3,722,838
Total Function 5	0	0	0	3,498,267	223,571	0	3,722,838
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration							0
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				631,595	31,987		663,582
7.73 Housing	0	0	0	631,595	31,987	0	663,582
Total Function 7	0	0	0	631,595	31,987	0	663,582
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	22,092,552	3,261,280	4,052,399	5,932,082	1,138,150	995,766	37,473,229

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2008 ACTUAL	2008 AMENDED ANNUAL BUDGET	2007 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	20,434,989	4,377,715	24,812,684	1,587,949	26,400,633	27,037,666	25,506,333
1.03 Career Programs	175,141	31,750	206,891	26,300	233,191	180,456	310,819
1.07 Library Services	891,130	133,392	824,522	309,418	1,133,940	1,440,067	1,312,607
1.08 Counselling	599,960	119,455	719,415		719,415	793,620	664,864
1.10 Special Education	6,182,106	1,334,116	7,516,222	134,947	7,651,169	7,887,446	7,787,031
1.30 English as a Second Language	335,674	75,435	411,109	5,480	416,589	521,538	529,908
1.31 Aboriginal Education	826,099	165,247	991,346	145,653	1,136,999	1,150,113	1,028,435
1.41 School Administration	2,518,655	494,460	3,013,115	228,411	3,241,526	3,609,408	3,200,853
1.60 Summer School	66,878	12,506	79,384	3,983	83,367	61,755	71,538
1.61 Continuing Education	0	0	0	0	0	0	0
1.62 Off Shore Students	0	0	0	0	0	0	0
1.64 Other	0	0	0	0	0	0	0
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	31,830,612	6,744,076	38,574,688	2,442,141	41,016,829	42,882,069	40,412,368
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	370,461	68,370	438,831	94,798	533,629	505,574	475,909
4.40 School District Governance	65,529	751	66,280	82,554	148,834	157,129	141,472
4.41 Business Administration	820,207	141,874	962,081	345,418	1,307,499	1,309,439	1,155,881
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	1,256,197	210,995	1,467,192	522,770	1,990,962	1,972,142	1,773,272
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	137,818	28,333	166,151	101,903	267,954	263,282	250,789
5.50 Maintenance Operations	3,255,944	637,341	3,893,285	1,204,941	5,098,226	4,940,535	4,906,916
5.52 Maintenance of Grounds	328,076	71,688	400,764	138,007	538,771	684,766	526,826
5.56 Utilities	0	0	0	1,517,453	1,517,453	1,451,921	1,350,171
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	3,722,838	737,362	4,460,200	2,962,204	7,422,404	7,340,504	7,034,702
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	0	0	0	2,724	2,724	0	0
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	663,582	157,675	821,257	325,789	1,147,046	1,128,631	1,122,200
7.73 Housing	0	0	0	21,228	21,228	37,000	25,358
Total Function 7	663,582	157,675	821,257	349,741	1,170,998	1,166,631	1,147,558
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	1,069	1,069	0	18,113
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	1,069	1,069	0	18,113
TOTAL FUNCTIONS 1 - 9	37,473,229	7,850,108	45,323,337	6,277,925	51,801,262	53,161,346	50,396,003

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule A5

BALANCE, BEGINNING OF YEAR	438,085
Changes in Accounting Policies/ Prior Period Adjustments	
Tfr Str Strt/Erly Lrn to SPF	(255,158)
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>182,927</u>
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
	<u>0</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Investment Income	0
Vancouver Foundation Early Learning	6,000
2010 Legacies Now Camp	15,000
	<u>21,000</u>
Net Changes for the Year	<u>(21,000)</u>
BALANCE, END OF YEAR	<u><u>161,927</u></u>

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR					
Add: Contributions Received	1,532,335	1,069,067	727,350	0	3,328,752
Provincial Grants - Ministry of Education	1,636,829	619,820			2,256,649
Provincial Grants - Other		25,000			25,000
Federal Grants					0
Other		248,927	2,095,197		2,344,124
Investment Income	19,401	33,015			52,416
District Entered		255,158			255,158
	1,655,230	1,181,920	2,095,197	0	4,933,347
Less: Allocated to Revenue	2,316,908	985,419	2,036,067		5,338,394
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	877,657	1,285,508	785,480	0	2,923,705
REVENUE					
Provincial Grants - Ministry of Education	2,316,908	711,516			3,028,424
Provincial Grants - Other		4,974			4,974
Federal Grants					0
Other Revenue		288,929	2,036,067		2,304,996
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	2,316,908	985,419	2,036,067	0	5,338,394
EXPENSE					
Salaries					
Teachers	129,512	157,342			286,854
Principals and Vice Principals					0
Educational Assistants		21,993			21,993
Support Staff		171,125			171,125
Other Professionals	15,544	8,270			23,814
Substitutes	9,522	12,454			21,976
Employee Benefits	154,578	371,184	0	0	525,762
Services and Supplies	26,614	72,819			99,433
	321,916	541,416	2,036,067		2,899,399
	503,108	985,419	2,036,067	0	3,524,594
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,813,800	0	0	0	1,813,800
INTERFUND TRANSFERS					
Capital Assets Purchased	(1,813,800)				(1,813,800)
Other					0
	(1,813,800)	0	0	0	(1,813,800)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

DEFERRED CONTRIBUTIONS		207	231	250	290	Oasis	Headstart	TOTAL
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR		Annual Facility Grant	Aboriginal Education Technology	Special Education Equipment	Debt Services			
Add: Contributions Received		1,492,562	15,409	24,193	0	171	0	1,532,335
Provincial Grants - Ministry of Education		1,349,668		22,319	55,000	104,921	104,921	1,636,829
Federal Grants								0
Other								0
Investment Income		17,467	431	909	60	534		19,401
		1,367,135	431	23,228	55,060	105,455	104,921	1,656,230
Less: Allocated to Revenue								
Recovered		2,059,093		14,030	52,842	86,022	104,921	2,316,908
		807,804	15,840	33,391	2,218	19,534	0	877,857
DEFERRED CONTRIBUTIONS, END OF YEAR								
REVENUE AND EXPENSE								
REVENUE								
Provincial Grants - Ministry of Education		2,059,093		14,030	52,842	86,022	104,921	2,316,908
Federal Grants								0
Other Revenue								0
Investment Income								0
EXPENSE								
Salaries		2,059,093	0	14,030	52,842	86,022	104,921	2,316,908
Teachers								
Principals and Vice Principals						55,408	74,104	129,512
Educational Assistants								0
Support Staff								0
Other Professionals								0
Substitutes		0	0	0	0	7,772	7,772	15,544
						3,689	5,833	9,522
Employee Benefits						66,869	87,709	154,578
Services and Supplies		245,293		14,030	52,842	13,420	13,194	26,614
		245,293	0	14,030	52,842	5,733	4,018	321,916
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS		1,813,800	0	0	0	86,022	104,921	503,108
						0	0	1,813,800
INTERFUND TRANSFERS								
Capital Assets Purchased		(1,813,800)						(1,813,800)
Other								0
NET REVENUE (EXPENSE)		(1,813,800)	0	0	0	0	0	(1,813,800)
		0	0	0	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B3

DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR							
Add: Contributions Received							
Provincial Grants - Ministry of Education							
Provincial Grants - Other							
Federal Grants							
Other							
Investment Income							
Tfr Str Strt & Erly Lrn frim Def Rev							
Community Link	French Secretary of State	Provincial Literacy	Drug & Alcohol VIHA	District Trust Funds	District Scholarships	Strong Start	TOTAL
354,609	14,076	69,322	22,130	493,942	114,988	0	1,089,067
482,312	29,000	10,000		98,208		300	619,820
				25,000			25,000
7,717	430	2,221	52,965	175,459	20,503		248,927
			601	17,521	3,196	1,329	33,015
				155,158		100,000	255,158
480,029	29,430	12,221	53,966	471,348	23,699	101,629	1,181,920
561,311	27,720		53,640	275,657	14,247	52,844	985,419
283,327	15,786	81,543	22,056	889,831	124,240	48,785	1,265,568
REVENUE AND EXPENSE							
REVENUE							
Provincial Grants - Ministry of Education							
561,311	27,720			69,641		52,844	711,516
				4,974			4,974
Federal Grants							0
Other Revenue			53,640	201,042	14,247		268,929
Investment Income							0
561,311	27,720	0	53,640	275,657	14,247	52,844	985,419
EXPENSE							
Salaries							
Teachers							
18,154			42,359	96,829			157,342
Principals and Vice Principals							
						21,993	21,993
Educational Assistants							
155,334				15,791			171,125
				7,122		1,148	8,270
Other Professionals							
Substitutes	12,454						12,454
173,488	12,454	0	42,359	119,742	0	23,141	371,184
41,301	1,156		8,216	20,597		1,549	72,819
346,522	14,110		3,065	135,318	14,247	28,154	541,416
561,311	27,720	0	53,640	275,657	14,247	52,844	985,419
0	0	0	0	0	0	0	0
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS							
INTERFUND TRANSFERS							
Capital Assets Purchased							
Other							
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
NET REVENUE (EXPENSE)							
0	0	0	0	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2008

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	8,270,011	108,979,710	5,189,488	613,530	0	133,486	121,196,225
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	8,270,011	108,979,710	5,189,488	613,530	0	133,486	121,196,225
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - By/Law							
Deferred Contributions - Other				715,957			715,957
Operating Fund							0
Special Purpose Funds		1,585,972					0
Local Capital			143,686	75,980		227,828	1,813,800
Transferred from Work in Progress							219,676
Decrease:	0	1,585,972	143,686	791,337	0	227,828	0
Disposed of							2,749,433
Deemed Disposals			2,876,552	229,744		22,340	0
Written-off/down During Year							3,128,636
COST, END OF YEAR	0	0	2,876,552	229,744	0	22,340	3,128,636
WORK IN PROGRESS, END OF YEAR	8,270,011	108,565,882	2,468,632	1,175,723	0	338,974	120,817,022
COST AND WORK IN PROGRESS, END OF YEAR	8,270,011	115,153,613	2,468,632	1,175,723	0	338,974	6,587,931
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR							127,404,953
Changes in Accounting Policies/ Prior Period Adjustments	0	42,354,331	3,730,203	337,224	0	26,863	46,448,621
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	42,354,331	3,730,203	337,224	0	26,863	46,448,621
Changes for the Year							
Increase: Amortization for the Year		2,310,167	519,949	61,363		26,697	2,918,166
Decrease:							
Disposed of							0
Deemed Disposals			2,876,552	229,744		22,340	3,128,636
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	0	2,876,552	229,744	0	22,340	3,128,636
	0	44,664,498	1,373,600	168,833	0	31,220	46,238,151
CAPITAL ASSETS - NET	8,270,011	70,489,115	1,093,032	1,006,880	0	307,754	81,166,802

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2008

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	446,793	0	0	0	446,793
Changes in Accounting Policy/ Prior Period Adjustments					
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	446,793	0	0	0	446,793
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw	6,141,138				6,141,138
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
Decrease:					
Transferred to Capital Assets					0
Net Changes for the Year	6,141,138	0	0	0	6,141,138
WORK IN PROGRESS, END OF YEAR	6,587,931	0	0	0	6,587,931

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	51,509,625	2,497,168	0	54,006,793
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	51,509,625	2,497,168	0	54,006,793
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	715,957			715,957
Transferred from Work in Progress				0
	715,957	0	0	715,957
Decrease:				
Amortization of Deferred Capital Contributions	2,366,678	64,030		2,430,708
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	2,366,678	64,030	0	2,430,708
Net Changes for the Year	(1,650,721)	(64,030)	0	(1,714,751)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	49,858,904	2,433,138	0	52,292,042
WORK IN PROGRESS, BEGINNING OF YEAR	446,793	0	0	446,793
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	446,793	0	0	446,793
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress	6,141,138			6,141,138
	6,141,138	0	0	6,141,138
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
Net Changes for the Year	6,141,138	0	0	6,141,138
WORK IN PROGRESS, END OF YEAR	6,587,931	0	0	6,587,931
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	56,446,835	2,433,138	0	58,879,973

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	13,407	(674,999)	0	0	0	(661,592)
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	13,407	(674,999)	0	0	0	(661,592)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	6,788,369					6,788,369
Provincial Grants - Other						0
Other						0
Investment Income						0
MED Restricted Portion of Proceeds on Disposal						0
Decrease:						
Transferred to DCC - Capital Additions	715,957					715,957
Transferred to DCC - Work in Progress	6,141,138					6,141,138
Transferred to Invested in Capital Assets						0
- Site Purchases						0
Net Changes for the Year	(68,726)	0	0	0	0	(68,726)
BALANCE, END OF YEAR	(55,319)	(674,999)	0	0	0	(730,318)

SCHOOL DISTRICT NO. 72 (Campbell River)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	20,603,656	522,183	21,125,839
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	20,603,656	522,183	21,125,839
Changes for the Year			
Investment Income		24,500	24,500
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	2,430,708		2,430,708
Capital Assets Purchased from Local Capital	219,677	(219,677)	0
Interfund Transfers - Capital Assets Purchased	1,813,800		1,813,800
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		310,000	310,000
Amortization of Capital Assets	(2,918,166)		(2,918,166)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	1,546,019	114,823	1,660,842
BALANCE, END OF YEAR	22,149,675	637,006	22,786,681