

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2006/2007

SCHOOL DISTRICT NUMBER	NAME OF SCHOOL DISTRICT	YEAR
85	Vancouver Island North	2006/2007
OFFICE LOCATION		TELEPHONE NUMBER
6975 Rupert Street		250-949-6618
CITY / PROVINCE		POSTAL CODE
Port Hardy, BC		V0N 2P0
WEBSITE ADDRESS		
http://www.sd85.bc.ca/		
NAME OF SUPERINTENDENT	NAME OF SECRETARY - TREASURER	
Dan Boudreault	John R. Martin	

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules of The Board of School Trustees of School District No. 85 (Vancouver Island North) ("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. 85 (Vancouver Island North) for the year ended June 30, 2007.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	DATE SIGNED
<i>Original Signed By</i>	SEP 19 2007
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
<i>Original Signed By</i>	SEP 19 2007
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED
<i>Original Signed By</i>	SEP 19 2007

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
2006/2007 AUDITED FINANCIAL STATEMENTS

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AUDITORS' REPORT

To: Board of School Trustees of School District
#85 (Vancouver Island North)

We have audited the statement of financial position of The Board of School Trustees of School District #85 (Vancouver Island North) as at June 30, 2007 and the statements of revenue and expense, changes in fund balances, cash flows and schedules A5, B1, C3 and C4 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 School District #85 (Vancouver Island North) as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Campbell River, BC

August 31, 2007

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
ASSETS					
Current Assets					
Cash and Cash Equivalents	7,888,882	303,736		8,192,618	6,479,839
Short Term Investments	10,980			10,980	13,982
Accounts Receivable					
Due from Province - Ministry of Education	2,424			2,424	235,693
Due from Province - Other				0	897,163
Due from LEA / Direct Funding	79,245			79,245	79,245
Other Receivables	98,379			98,379	95,468
Interfund Loans		2,862,157	578,976		
Inventories				0	0
Prepaid Expenses	50,252			50,252	49,579
	8,130,162	3,165,893	578,976	8,433,898	7,850,969
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 3)			25,645,175	25,645,175	26,366,299
TOTAL ASSETS	8,130,162	3,165,893	26,224,151	34,079,073	34,217,268
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	553,078			553,078	712,203
Bank Loans				0	0
Interfund Loans	3,441,133				
Other Current Liabilities	859,340			859,340	1,623,087
	4,853,551	0	0	1,412,418	2,335,290
Deferred Revenue				0	0
Deferred Contributions					
Ministry of Education		2,547,311	12,756	2,560,067	2,096,281
Province - Other				0	0
Other		618,582		618,582	498,434
Accrued Employee Future Benefits (Note 4)	1,863,699			1,863,699	1,762,704
Deferred Capital Contributions			19,910,799	19,910,799	20,907,471
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	6,717,250	3,165,893	19,923,555	26,365,565	27,600,180
Fund Balances					
Invested in Capital Assets			5,734,376	5,734,376	5,458,828
Endowment				0	0
Internally Restricted (Note 7)	807,893		566,220	1,374,113	992,970
Unrestricted (Note 7)	605,019			605,019	629,971
Unfunded Accrued Employee Future Benefits (Note 6) and Vacation Pay				0	(464,681)
TOTAL FUND BALANCES	1,412,912	0	6,300,596	7,713,508	6,617,088
TOTAL LIABILITIES AND FUND BALANCES	8,130,162	3,165,893	26,224,151	34,079,073	34,217,268

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2007

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
REVENUE					
Provincial Grants - Ministry of Education	18,522,642	714,825		19,237,467	18,418,811
Provincial Grants - Other		39,878		39,878	981,460
Federal Grants		20,155		20,155	10,729
Other Revenue	30,091	513,830		543,921	502,377
Rentals and Leases	19,394			19,394	21,541
Investment Income	190,732		13,945	204,677	108,479
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			996,672	996,672	1,012,228
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>18,762,859</u>	<u>1,288,688</u>	<u>1,010,617</u>	<u>21,062,164</u>	<u>21,055,625</u>
EXPENSE					
Salaries					
Teachers	7,003,138	113,324		7,116,462	6,488,496
Principals and Vice Principals	1,349,248			1,349,248	1,365,222
Educational Assistants	1,308,720	140,489		1,449,209	1,356,253
Support Staff	2,234,274			2,234,274	2,467,553
Other Professionals	452,028			452,028	456,622
Substitutes	402,836	8,567		411,403	554,751
	<u>12,750,244</u>	<u>262,380</u>	<u>0</u>	<u>13,012,624</u>	<u>12,688,897</u>
Employee Benefits	2,576,312	67,068		2,643,380	2,667,582
Services and Supplies	2,522,639	571,802		3,094,441	3,269,871
Amortization of Capital Assets			1,215,299	1,215,299	1,233,815
Write-off/down of Buildings and Sites				0	0
	<u>17,849,195</u>	<u>901,250</u>	<u>1,215,299</u>	<u>19,965,744</u>	<u>19,860,165</u>
NET REVENUE (EXPENSE)	<u>913,664</u>	<u>387,438</u>	<u>(204,682)</u>	<u>1,096,420</u>	<u>1,195,460</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
FUND BALANCES, BEGINNING OF YEAR	779,093	0	5,837,995	6,617,088	5,397,417
Changes in Accounting Policies/ Prior Period Adjustments (Note 12)					
Correction to DCC Amort. from v3.2 of A.Tool				0	22,300
Correction of asset values from v3.2 of A.Tool				0	2,151
Correction of F.A. Amort. from v3.2 of A.Tool				0	(245)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	779,093	0	5,837,995	6,617,088	5,421,623
Changes for the Year					
Net Revenue (Expense) for the Year	913,664	387,438	(204,682)	1,096,420	1,195,460
Interfund Transfers					
Capital Assets Purchased		(367,283)	367,283	0	0
Local Capital (Note 8)	(300,000)		300,000	0	0
Other (Note 8)	20,155	(20,155)		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Correct cumulative rounding error				0	5
Net Changes for the Year	633,819	0	462,601	1,096,420	1,195,465
FUND BALANCES, END OF YEAR	1,412,912	0	6,300,596	7,713,508	6,617,088

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	913,664	387,438	(204,682)	1,096,420	1,195,460
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	1,127,521			1,127,521	(856,625)
Interfund Loans	799,129	(612,076)	(187,053)	0	0
Inventories				0	0
Prepaid Expenses	(673)			(673)	(10,520)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(159,125)			(159,125)	334,167
Other Current Liabilities	(763,747)			(763,747)	799,635
Deferred Revenue				0	0
Deferred Contributions		583,934		583,934	690,059
Accrued Employee Future Benefits	100,995			100,995	111,831
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			1,215,299	1,215,299	1,233,815
Amortization of Deferred Capital Contributions			(996,672)	(996,672)	(1,012,228)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(279,845)	(387,438)	667,283	0	0
	<u>1,737,919</u>	<u>(28,142)</u>	<u>494,175</u>	<u>2,203,952</u>	<u>2,485,594</u>
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital				0	0
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
INVESTING					
Capital Assets Purchased - Operating				0	0
Capital Assets Purchased - Special Purpose			(367,283)	(367,283)	(36,747)
Capital Assets Purchased - Local Capital			(126,892)	(126,892)	(225,517)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	<u>0</u>	<u>0</u>	<u>(494,175)</u>	<u>(494,175)</u>	<u>(262,264)</u>
NET INCREASE (DECREASE) IN CASH	<u>1,737,919</u>	<u>(28,142)</u>	<u>0</u>	<u>1,709,777</u>	<u>2,223,330</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
NET INCREASE (DECREASE) IN CASH	1,737,919	(28,142)	0	1,709,777	2,223,330
Net Cash, Beginning of Year	6,161,943	331,878	0	6,493,821	4,270,491
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	6,161,943	331,878	0	6,493,821	4,270,491
NET CASH, END OF YEAR	7,899,862	303,736	0	8,203,598	6,493,821
Cash	7,888,882	303,736		8,192,618	6,479,839
Cash Equivalents				0	0
Short Term Investments	10,980			10,980	13,982
Bank Overdraft				0	0
NET CASH, END OF YEAR	7,899,862	303,736	0	8,203,598	6,493,821

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. 85 (Vancouver Island North)", and operates as "School District No. 85 (Vancouver Island North)." A board of school trustees (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements 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.

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 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.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

c) Short Term Investments

Short Term investments include securities with original terms to maturity of greater than three months and less than one year when purchased.

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

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

e) 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. Prepaid expenses also include such payments that extend beyond the current period such as insurance and property taxes.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

Buildings	40 years
Furniture and Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

g) Revenue Recognition

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

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. 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.

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

h) 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.

i) Financial Instruments

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

j) Use of Estimates

Preparation of financial statements in accordance with Canadian 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 potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

k) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick and vacation pay, retirement allowance, and life insurance 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.

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

k) Employee Future Benefits (continued)

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 9.8.

The most recent valuation of the obligation was performed at March 31, 2007 for use at June 30, 2007 and projected to 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 CAPITAL ASSETS

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 2,891,161	\$	\$ 2,891,161	\$ 2,891,161
Buildings	46,082,477	24,555,639	21,526,838	22,063,197
Furniture and Equipment	630,412	303,156	327,256	390,757
Vehicles	1,281,831	572,077	709,754	833,460
Computer Software	14,624	6,742	7,882	10,806
Computer Hardware	339,840	157,556	182,284	176,918
	<u>\$51,240,345</u>	<u>\$25,595,170</u>	<u>\$25,645,175</u>	<u>\$26,366,299</u>

NOTE 4 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.

	2007	2006
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,813,328	\$ 1,718,619
Service Cost	121,208	114,778
Interest Cost	96,526	96,904
Benefit Payments	(117,610)	(201,332)
Actuarial (Gain)/Loss	(441,664)	84,359
Accrued Benefit Obligation – March 31	<u>\$ 1,471,788</u>	<u>\$ 1,813,328</u>

NOTE 4 EMPLOYEE FUTURE BENEFITS (Continued)

Reconciliation of Funded Status at End of Fiscal Year

Accrued Benefit Obligation – March 31	\$ 1,471,788	\$ 1,813,328
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	(1,471,788)	(1,813,328)
Employer Contributions After Measurement Date	96,980	99,851
Unamortized Net Actuarial (Gain)/Loss	(490,891)	(49,227)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (1,863,699)</u>	<u>\$ (1,762,704)</u>

Components of Net Benefit Expense

Service Cost	\$ 121,208	\$ 114,778
Interest Cost	96,526	96,904
Amortization of Net Actuarial (Gain)/Loss	0	0
Net Benefit Expense (Income)	<u>\$ 217,734</u>	<u>\$ 211,682</u>

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

Discount Rate – April 1	5.25%	5.50%
Discount Rate – March 31	5.00%	5.25%
Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSLS	9.8	10.5

NOTE 5 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 140,000 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, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. The School District No. 85 (Vancouver Island North) paid \$1,235,809 for employer contributions to these plans in the year ended June 30, 2007.

NOTE 6 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

The Ministry of Education provided funding to be used to reduce the unfunded liability for accrued employee future benefits and vacation pay. Once this unfunded liability is eliminated, Ministry funding can be used at the discretion of the Board.

It is planned that the unfunded liability will be eliminated in the current year.

Unfunded liability, as at July 1, 2006	\$ 464,681
Reductions during the year	<u>(464,681)</u>
Unfunded liability, as at June 30, 2007	<u>\$ nil</u>

NOTE 7 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:		
Surplus Appropriated in approved 07-08 Budget	\$ 487,682	
School Supplies	186,054	
Learning Resources	18,864	
School Equipment	77,622	
Other	<u>37,671</u>	
		807,893
Unrestricted Operating Surplus (Deficit)		605,019
Total Available for Future Operations		<u>\$ 1,412,912</u>

NOTE 8 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, 2007, transfers were as follows:

- Transfer from Operating Fund to Capital Fund \$300,000
- Transfer from Special Purpose Fund #14 Community Access (HRDC) to Operating Fund \$20,155

NOTE 9 RELATED PARTY TRANSACTIONS

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

NOTE 10 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 12, 2007.

NOTE 11 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a “going concern”.

NOTE 12 CORRECTION OF PRIOR ERROR

In 2006, the year the District discovered that in the previous year (2005) the deferred capital contributions, asset values and amortization of assets were calculated incorrectly. The effect of the corrections in 2006 was as follows:

	\$
Decrease in opening balance of deferred capital contributions	22,300
Increase in opening balance of capital assets	2,151
Increase in opening balance of accumulated amortization of assets	<u>(245)</u>
Increase in opening balance of investment in capital assets	<u>24,206</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2007

Schedule A1

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	18,522,642	18,490,854	17,985,246
Provincial Grants - Other	0	0	981,460
Federal Grants	0	8,076	10,729
Other Revenue	30,091	16,000	22,456
Rentals and Leases	19,394	29,237	21,541
Investment Income	190,732	89,238	99,668
	<u>18,762,859</u>	<u>18,633,405</u>	<u>19,121,100</u>
EXPENSE			
Salaries			
Teachers	7,003,138	6,965,105	6,488,496
Principals and Vice Principals	1,349,248	1,282,530	1,365,222
Educational Assistants	1,308,720	1,391,152	1,219,983
Support Staff	2,234,274	2,254,704	2,467,553
Other Professionals	452,028	456,507	456,622
Substitutes	402,836	797,489	550,471
	<u>12,750,244</u>	<u>13,147,487</u>	<u>12,548,347</u>
Employee Benefits	2,576,312	2,888,086	2,626,793
Services and Supplies	2,522,639	3,076,925	2,525,571
	<u>17,849,195</u>	<u>19,112,498</u>	<u>17,700,711</u>
NET REVENUE (EXPENSE), FOR THE YEAR	913,664	(479,093)	1,420,389
INTERFUND TRANSFERS			
Capital Assets Purchased	0	0	0
Local Capital	(300,000)	(300,000)	(300,000)
Other	20,155	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	(464,681)	(464,681)	(507,029)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		1,243,774	
SURPLUS (DEFICIT), FOR THE YEAR	<u>169,138</u>	<u>0</u>	<u>613,360</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,243,774		630,414
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>1,243,774</u>		<u>630,414</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>1,412,912</u>		<u>1,243,774</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	807,893		
Unrestricted	605,019		
	<u>1,412,912</u>		

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2007

Schedule A2

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	18,190,727	18,180,656	17,377,136
Other Ministry of Education Grants			
GAAP Implementation Funding	118,860	118,860	118,860
Literacy projects ASL	55,411	0	0
Pay Equity	115,216	115,216	115,216
Ready Set Learn	30,000	30,000	30,000
Class Size and Composition Grant	0	0	253,247
One Time Grant from Strike Savings	0	0	58,872
Audit Adjustments	(19,811)	4,189	0
Salary Harmonization	32,239	41,933	31,915
	<u>18,522,642</u>	<u>18,490,854</u>	<u>17,985,246</u>
PROVINCIAL GRANTS - OTHER			
	0	0	981,460
FEDERAL GRANTS			
	0	8,076	10,729
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	4,000	4,000	5,600
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	0	0	0
LEA/Direct Funding from First Nations	0	0	0
Miscellaneous			
Sale of Assests	0	12,000	0
Resale of Supplies	12,817	0	8,535
Miscellaneous	3,580	0	8,321
Grants from BCPSEA	9,694	0	0
	<u>30,091</u>	<u>16,000</u>	<u>22,456</u>
RENTALS AND LEASES			
	19,394	29,237	21,541
INVESTMENT INCOME			
	190,732	89,238	99,668
TOTAL OPERATING REVENUE			
	<u>18,762,859</u>	<u>18,633,405</u>	<u>19,121,100</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2007

Schedule A3

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
SALARIES			
Teachers	7,003,138	6,965,105	6,488,496
Principals and Vice Principals	1,349,248	1,282,530	1,365,222
Educational Assistants	1,308,720	1,391,152	1,219,983
Support Staff	2,234,274	2,254,704	2,467,553
Other Professionals	452,028	456,507	456,622
Substitutes	402,836	797,489	550,471
	<u>12,750,244</u>	<u>13,147,487</u>	<u>12,548,347</u>
EMPLOYEE BENEFITS	2,576,312	2,888,086	2,626,793
Total Salaries and Benefits	<u>15,326,556</u>	<u>16,035,573</u>	<u>15,175,140</u>
SERVICES AND SUPPLIES			
Services	487,224	600,315	508,938
Student Transportation	64,313	75,752	65,645
Professional Development and Travel	250,801	331,867	217,095
Rentals and Leases	49,163	90,500	59,453
Dues and Fees	17,554	19,870	21,086
Insurance	42,223	53,076	55,249
Interest	0	0	0
Supplies	964,090	1,213,120	936,362
Bad Debts	0	0	0
Utilities	647,271	692,425	661,743
Total Services and Supplies	<u>2,522,639</u>	<u>3,076,925</u>	<u>2,525,571</u>
TOTAL OPERATING EXPENSE	<u>17,849,195</u>	<u>19,112,498</u>	<u>17,700,711</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	5,374,815	441,210		79,406		166,354	6,061,785
1.03 Career Programs	46,484					1,515	47,999
1.07 Library Services	122,107			96,744		8,530	227,381
1.08 Counselling	157,490					5,132	162,622
1.10 Special Education	1,064,966	85,881	1,107,127	11,245	71,400	94,805	2,435,424
1.30 English as a Second Language	103,375					3,369	106,744
1.31 Aboriginal Education	33,302	41,960	170,305	12,448		7,703	265,718
1.41 School Administration		639,994		393,852		36,693	1,070,539
1.60 Summer School							0
1.61 Continuing Education	100,599		31,288			3,278	135,165
1.62 Off Shore Students							0
1.64 Other						138	138
1.65 Conseil Scolaire Francophone							0
Total Function 1	7,003,138	1,209,045	1,308,720	593,695	71,400	327,517	10,513,515
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration		140,203		2,474	154,891		297,568
4.40 School District Governance					52,750		52,750
4.41 Business Administration				111,501	60,514		172,015
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	140,203	0	113,975	268,155	0	522,333
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				59,093	56,237	8,080	123,410
5.50 Maintenance Operations				1,101,323		52,856	1,154,179
5.52 Maintenance of Grounds				71,061			71,061
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	1,231,477	56,237	60,936	1,348,650
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				43,956	56,236		100,192
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				251,171		14,383	265,554
7.73 Housing							0
Total Function 7	0	0	0	295,127	56,236	14,383	365,746
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	7,003,138	1,349,248	1,308,720	2,234,274	452,028	402,836	12,750,244

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2007 ACTUAL	2007 AMENDED ANNUAL BUDGET	2006 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	6,061,785	1,162,426	7,224,211	685,323	7,909,534	8,404,374	7,895,335
1.03 Career Programs	47,999	9,260	57,259	11,788	69,047	70,224	72,345
1.07 Library Services	227,381	47,015	274,396	44,538	318,934	338,331	342,436
1.08 Counselling	162,622	31,374	193,996	4,605	198,601	202,016	176,977
1.10 Special Education	2,435,424	517,809	2,953,233	141,158	3,094,391	3,324,632	2,814,808
1.30 English as a Second Language	106,744	20,593	127,337	4,431	131,768	169,498	93,718
1.31 Aboriginal Education	265,718	52,322	318,040	152,295	470,335	507,957	499,991
1.41 School Administration	1,070,539	234,166	1,304,705	41,459	1,346,164	1,396,606	1,389,822
1.60 Summer School	0	0	0	0	0	0	29,645
1.61 Continuing Education	135,165	20,237	155,402	45,711	201,113	243,863	173,409
1.62 Off Shore Students	0	0	0	0	0	0	0
1.64 Other	138	23	161	35,773	35,934	32,600	23,619
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	10,513,515	2,095,225	12,608,740	1,167,081	13,775,821	14,690,101	13,512,105
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	297,568	56,475	354,043	39,514	393,557	404,275	394,922
4.40 School District Governance	52,750	582	53,332	41,059	94,391	95,865	98,281
4.41 Business Administration	172,015	36,213	208,228	83,078	291,306	441,378	312,221
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	522,333	93,270	615,603	163,651	779,254	941,518	805,424
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	123,410	24,701	148,111	37,213	185,324	192,950	173,754
5.50 Maintenance Operations	1,154,179	258,614	1,412,793	358,377	1,771,170	1,869,651	1,841,478
5.52 Maintenance of Grounds	71,061	18,420	89,481	24,994	114,475	118,451	111,163
5.56 Utilities	0	0	0	647,271	647,271	692,425	661,743
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	1,348,650	301,735	1,650,385	1,067,855	2,718,240	2,873,477	2,788,138
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	100,192	19,218	119,410	5,996	125,406	89,251	116,680
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	265,554	66,864	332,418	115,056	447,474	515,151	475,677
7.73 Housing	0	0	0	3,000	3,000	3,000	2,687
Total Function 7	365,746	86,082	451,828	124,052	575,880	607,402	595,044
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	12,750,244	2,576,312	15,326,556	2,522,639	17,849,195	19,112,498	17,700,711

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule A5

BALANCE, BEGINNING OF YEAR		0
Changes in Accounting Policies/ Prior Period Adjustments		
BALANCE, BEGINNING OF YEAR, AS RESTATED		0
Changes for the Year		
Increase:		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Other Revenue		0
		0
Decrease:		
Allocated to Revenue		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants		0
Other Revenue		0
Investment Income		0
		0
Net Changes for the Year		0
BALANCE, END OF YEAR		0

**SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2007**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	2,083,525	166,556	331,878	0	2,581,959
Add: Contributions Received					
Provincial Grants - Ministry of Education	777,503	485,437			1,262,940
Provincial Grants - Other		52,579			52,579
Federal Grants					0
Other Revenue		1,200	484,088		485,288
Investment Income	68,519	3,296			71,815
	<u>846,022</u>	<u>542,512</u>	<u>484,088</u>	<u>0</u>	<u>1,872,622</u>
Less: Allocated to Revenue	382,236	394,222	512,230		1,288,688
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	<u>2,547,311</u>	<u>314,846</u>	<u>303,736</u>	<u>0</u>	<u>3,165,893</u>
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	382,236	332,589			714,825
Provincial Grants - Other		39,878			39,878
Federal Grants		20,155			20,155
Other Revenue		1,600	512,230		513,830
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	<u>382,236</u>	<u>394,222</u>	<u>512,230</u>	<u>0</u>	<u>1,288,688</u>
EXPENSE					
Salaries					
Teachers		113,324			113,324
Principals and Vice Principals					0
Educational Assistants		140,489			140,489
Support Staff					0
Other Professionals					0
Substitutes		8,567			8,567
	<u>0</u>	<u>262,380</u>	<u>0</u>	<u>0</u>	<u>262,380</u>
Employee Benefits		67,068			67,068
Services and Supplies	14,953	44,619	512,230		571,802
	<u>14,953</u>	<u>374,067</u>	<u>512,230</u>	<u>0</u>	<u>901,250</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u>367,283</u>	<u>20,155</u>	<u>0</u>	<u>0</u>	<u>387,438</u>
INTERFUND TRANSFERS					
Capital Assets Purchased	(367,283)				(367,283)
Other		(20,155)			(20,155)
	<u>(367,283)</u>	<u>(20,155)</u>	<u>0</u>	<u>0</u>	<u>(387,438)</u>
NET REVENUE (EXPENSE)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	2,075,844	7,681	2,083,525
Add: Contributions Received			
Provincial Grants - Ministry of Education	770,837	6,666	777,503
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income	68,519		68,519
	<u>839,356</u>	<u>6,666</u>	<u>846,022</u>
Less: Allocated to Revenue	379,607	2,629	382,236
Recovered			0
DEFERRED CONTRIBUTIONS, END OF YEAR	<u><u>2,535,593</u></u>	<u><u>11,718</u></u>	<u><u>2,547,311</u></u>
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	379,607	2,629	382,236
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income			0
	<u>379,607</u>	<u>2,629</u>	<u>382,236</u>
EXPENSE			
Salaries			
Teachers			0
Principals and Vice Principals			0
Educational Assistants			0
Support Staff			0
Other Professionals			0
Substitutes			0
	<u>0</u>	<u>0</u>	<u>0</u>
Employee Benefits			
Services and Supplies	12,324	2,629	14,953
	<u>12,324</u>	<u>2,629</u>	<u>14,953</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u><u>367,283</u></u>	<u><u>0</u></u>	<u><u>367,283</u></u>
INTERFUND TRANSFERS			
Capital Assets Purchased	(367,283)		(367,283)
Other			0
	<u>(367,283)</u>	<u>0</u>	<u>(367,283)</u>
NET REVENUE (EXPENSE)	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B3

	HRDC	Scholarships	Community Link	CYMH	Early Learning	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	20,155	14,022	132,379	0	0	166,556
Add: Contributions Received						
Provincial Grants - Ministry of Education			269,000		216,437	485,437
Provincial Grants - Other				52,579		52,579
Federal Grants						0
Other Revenue		1,200				1,200
Investment Income		421	2,875			3,296
	0	1,621	271,875	52,579	216,437	542,512
Less: Allocated to Revenue	20,155	1,600	332,589	39,878		394,222
Recovered						0
DEFERRED CONTRIBUTIONS, END OF YEAR	0	14,043	71,665	12,701	216,437	314,846
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education			332,589			332,589
Provincial Grants - Other				39,878		39,878
Federal Grants	20,155					20,155
Other Revenue		1,600				1,600
Investment Income						0
	20,155	1,600	332,589	39,878	0	394,222
EXPENSE						
Salaries						
Teachers			113,324			113,324
Principals and Vice Principals						0
Educational Assistants			140,489			140,489
Support Staff						0
Other Professionals						0
Substitutes			8,567			8,567
	0	0	262,380	0	0	262,380
Employee Benefits			67,068			67,068
Services and Supplies		1,600	3,141	39,878		44,619
	0	1,600	332,589	39,878	0	374,067
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	20,155	0	0	0	0	20,155
INTERFUND TRANSFERS						
Capital Assets Purchased						0
Other	(20,155)					(20,155)
	(20,155)	0	0	0	0	(20,155)
NET REVENUE (EXPENSE)	0	0	0	0	0	0

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2007

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	2,891,161	45,715,194	917,952	1,368,791	14,624	400,298	51,308,020
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	<u>2,891,161</u>	<u>45,715,194</u>	<u>917,952</u>	<u>1,368,791</u>	<u>14,624</u>	<u>400,298</u>	<u>51,308,020</u>
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund							0
Special Purpose Funds		367,283					367,283
Local Capital			28,294	13,174		85,424	126,892
Transferred from Work in Progress							0
	<u>0</u>	<u>367,283</u>	<u>28,294</u>	<u>13,174</u>	<u>0</u>	<u>85,424</u>	<u>494,175</u>
Decrease:							
Disposed of							0
Deemed Disposals			315,834	100,134		145,882	561,850
Written-off/down During Year							0
	<u>0</u>	<u>0</u>	<u>315,834</u>	<u>100,134</u>	<u>0</u>	<u>145,882</u>	<u>561,850</u>
COST, END OF YEAR	<u>2,891,161</u>	<u>46,082,477</u>	<u>630,412</u>	<u>1,281,831</u>	<u>14,624</u>	<u>339,840</u>	<u>51,240,345</u>
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	<u>2,891,161</u>	<u>46,082,477</u>	<u>630,412</u>	<u>1,281,831</u>	<u>14,624</u>	<u>339,840</u>	<u>51,240,345</u>
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	23,651,998	527,195	535,332	3,817	223,379	24,941,721
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>23,651,998</u>	<u>527,195</u>	<u>535,332</u>	<u>3,817</u>	<u>223,379</u>	<u>24,941,721</u>
Changes for the Year							
Increase: Amortization for the Year		903,641	91,795	136,879	2,925	80,059	1,215,299
Decrease:							
Disposed of							0
Deemed Disposals			315,834	100,134		145,882	561,850
Written-off During Year							0
	<u>0</u>	<u>0</u>	<u>315,834</u>	<u>100,134</u>	<u>0</u>	<u>145,882</u>	<u>561,850</u>
ACCUMULATED AMORTIZATION, END OF YEAR	<u>0</u>	<u>24,555,639</u>	<u>303,156</u>	<u>572,077</u>	<u>6,742</u>	<u>157,556</u>	<u>25,595,170</u>
CAPITAL ASSETS - NET	<u>2,891,161</u>	<u>21,526,838</u>	<u>327,256</u>	<u>709,754</u>	<u>7,882</u>	<u>182,284</u>	<u>25,645,175</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
 CAPITAL FUND
 CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2007

Schedule C2

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

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	20,907,471	0	0	20,907,471
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	20,907,471	0	0	20,907,471
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions				0
Transferred from Work in Progress				0
	0	0	0	0
Decrease:				
Amortization of Deferred Capital Contributions	996,672			996,672
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	996,672	0	0	996,672
Net Changes for the Year	(996,672)	0	0	(996,672)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	19,910,799	0	0	19,910,799
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	0	0	0	0
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	0	0	0	0
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
Net Changes for the Year	0	0	0	0
WORK IN PROGRESS, END OF YEAR	0	0	0	0
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	19,910,799	0	0	19,910,799

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
 CAPITAL FUND
 CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2007

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	12,756	0	0	0	12,756
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	12,756	0	0	0	12,756
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education						0
Provincial Grants - Other						0
Other						0
Investment Income						0
MEd Restricted Portion of Proceeds on Disposal						0
	0	0	0	0	0	0
Decrease:						
Transferred to DCC - Capital Additions						0
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						0
	0	0	0	0	0	0
Net Changes for the Year	0	0	0	0	0	0
BALANCE, END OF YEAR	0	12,756	0	0	0	12,756

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	5,458,828	379,167	5,837,995
Changes in Accounting Policies/ Prior Period Adjustments			
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	996,672		996,672
Capital Assets Purchased from Local Capital	126,892	(126,892)	0
Interfund Transfers - Capital Assets Purchased	367,283		367,283
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		300,000	300,000
Amortization of Capital Assets	(1,215,299)		(1,215,299)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	<u>275,548</u>	<u>187,053</u>	<u>462,601</u>
BALANCE, END OF YEAR	<u>5,734,376</u>	<u>566,220</u>	<u>6,300,596</u>