

**SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FISCAL YEAR 2007/2008**

SCHOOL DISTRICT NUMBER 85	NAME OF SCHOOL DISTRICT Vancouver Island North	YEAR 2007/2008
OFFICE LOCATION 6975 Rupert Street		TELEPHONE NUMBER 250-949-6618
CITY / PROVINCE Port Hardy, BC		POSTAL CODE V0N 2P0
WEBSITE ADDRESS http://www.sd85.bc.ca/		
NAME OF SUPERINTENDENT Kathy Bedard	NAME OF SECRETARY - TREASURER John R Martin	

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. 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, 2008.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED Sep. 9, 2008
SIGNATURE OF SUPERINTENDENT	DATE SIGNED Sep. 9, 2008
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED Sep. 9, 2008

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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



Chan Nowosad Boates

C H A R T E R E D A C C O U N T A N T S

John H. Chan Ltd.
Shelly A. Boates Ltd.

980 Alder Street
Campbell River, BC
V9W 2P9

Telephone (250) 286-0744
Facsimile (250) 286-1067
Toll Free 1-888-CNB-4TAX
Email cnb@channowosadboates.ca
www.channowosadboates.ca

AUDITORS' REPORT

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

We have audited the statement of financial position of The Board of Education of School District #85 (Vancouver Island North) as at June 30, 2008 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, 2008 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 29, 2008

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	8,824,562	364,397		9,188,959	8,192,618
Short Term Investments	11,462			11,462	10,980
Accounts Receivable (Note 4)					
Due from Province - Ministry of Education	2,553			2,553	2,424
Due from Province - Other				0	0
Due from LEA / Direct Funding	79,245			79,245	79,245
Other Receivables	111,157			111,157	98,379
Interfund Loans		3,491,042	253,434		
Inventories				0	0
Prepaid Expenses	38,934			38,934	50,252
	9,067,913	3,855,439	253,434	9,432,310	8,433,898
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 5)			26,586,926	26,586,926	25,645,175
TOTAL ASSETS	9,067,913	3,855,439	26,840,360	36,019,236	34,079,073
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	1,822,312			1,822,312	553,078
Bank Loans				0	0
Interfund Loans	3,744,476				
Other Current Liabilities				0	859,340
	5,566,788	0	0	1,822,312	1,412,418
Deferred Revenue				0	0
Deferred Contributions					
Ministry of Education		3,427,721	(180,715)	3,247,006	2,848,169
Province - Other		22,762		22,762	12,701
Other		404,956		404,956	317,779
Accrued Employee Future Benefits (Note 6,7)	1,853,252			1,853,252	1,863,699
Deferred Capital Contributions			20,811,697	20,811,697	19,910,799
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	7,420,040	3,855,439	20,630,982	28,161,985	26,365,565
Fund Balances					
Invested in Capital Assets			5,775,229	5,775,229	5,734,376
Endowment				0	0
Internally Restricted (Note 9)	1,647,873		434,149	2,082,022	1,374,113
Unrestricted				0	605,019
Unfunded Accrued Employee Future Benefits and Vacation Pay (Note 8)				0	0
TOTAL FUND BALANCES	1,647,873	0	6,209,378	7,857,251	7,713,508
TOTAL LIABILITIES AND FUND BALANCES	9,067,913	3,855,439	26,840,360	36,019,236	34,079,073

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	18,595,788	551,475		19,147,263	19,237,467
Provincial Grants - Other	(34,585)	68,808		34,223	39,878
Federal Grants				0	20,155
Other Revenue	41,925	418,046		459,971	543,921
Rentals and Leases	31,033			31,033	19,394
Investment Income	220,865		12,887	233,752	204,677
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			958,873	958,873	996,672
Gain (Loss) on Disposal of Capital Assets				0	0
	18,855,026	1,038,329	971,760	20,865,115	21,062,164
EXPENSE					
Salaries					
Teachers	6,820,894	114,889		6,935,783	7,116,462
Principals and Vice Principals	1,420,233			1,420,233	1,349,248
Educational Assistants	1,395,377	144,371		1,539,748	1,449,209
Support Staff	2,347,282			2,347,282	2,234,274
Other Professionals	523,972			523,972	452,028
Substitutes	477,693	3,789		481,482	411,403
	12,985,451	263,049	0	13,248,500	13,012,624
Employee Benefits	2,821,241	40,537		2,861,778	2,643,380
Services and Supplies	2,713,373	734,743		3,448,116	3,094,441
Amortization of Capital Assets			1,162,978	1,162,978	1,215,299
Write-off/down of Buildings and Sites				0	0
	18,520,065	1,038,329	1,162,978	20,721,372	19,965,744
NET REVENUE (EXPENSE)	334,961	0	(191,218)	143,743	1,096,420

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	1,412,912	0	6,300,596	7,713,508	6,617,088
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,412,912	0	6,300,596	7,713,508	6,617,088
Changes for the Year					
Net Revenue (Expense) for the Year	334,961		(191,218)	143,743	1,096,420
Interfund Transfers					
Capital Assets Purchased				0	0
Local Capital (Note 10)	(100,000)		100,000	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	234,961	0	(91,218)	143,743	1,096,420
FUND BALANCES, END OF YEAR	1,647,873	0	6,209,378	7,857,251	7,713,508

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	334,961		(191,218)	143,743	1,096,420
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(12,907)			(12,907)	1,127,521
Interfund Loans	303,342	(628,884)	325,542	0	0
Inventories				0	0
Prepaid Expenses	11,318			11,318	(673)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	1,269,234			1,269,234	(159,125)
Other Current Liabilities	(859,339)			(859,339)	(763,747)
Deferred Revenue				0	0
Deferred Contributions		689,545		689,545	583,934
Accrued Employee Future Benefits	(10,447)			(10,447)	100,995
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			1,162,978	1,162,978	1,215,299
Amortization of Deferred Capital Contributions			(958,873)	(958,873)	(996,672)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(100,000)		100,000	0	0
	936,162	60,661	438,429	1,435,252	2,203,952
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			(193,471)	(193,471)	0
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	0	0	(193,471)	(193,471)	0
INVESTING					
Capital Assets Purchased - Operating				0	0
Capital Assets Purchased - Special Purpose				0	(367,283)
Capital Assets Purchased - Local Capital			(244,958)	(244,958)	(126,892)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(244,958)	(244,958)	(494,175)
NET INCREASE (DECREASE) IN CASH	936,162	60,661	0	996,823	1,709,777

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	936,162	60,661	0	996,823	1,709,777
Net Cash, Beginning of Year	7,899,862	303,736	0	8,203,598	6,493,821
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	7,899,862	303,736	0	8,203,598	6,493,821
NET CASH, END OF YEAR	8,836,024	364,397	0	9,200,421	8,203,598
Cash	8,824,562	364,397		9,188,959	8,192,618
Cash Equivalents				0	0
Short Term Investments	11,462			11,462	10,980
Bank Overdraft				0	0
NET CASH, END OF YEAR	8,836,024	364,397	0	9,200,421	8,203,598

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 except as disclosed as a change in accounting policy in Note 3.

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. Inter-fund 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.

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 a contract of employment 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, accounts receivable, short-term investments, prepaid expenses, 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. Cash, accounts receivable, short-term investments, prepaid expenses, and accounts payable are reported at their fair values on the balance sheet. The fair values approximate the carrying values due to their short term nature.

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 allowances, and early retirement incentives 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 years.

The most recent valuation of the obligation was performed at March 31, 2008 for use at June 30, 2008 and projected to June 30, 2011. The next valuation will be performed at March 31, 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 POLICY

The School District adopted the provisions of CICA Handbook Sections 3855, Financial Instruments - Recognition and Measurement, 3865, Hedges and 1530, Comprehensive Income, on April 1, 2007 which addresses the classification, recognition and measurement of financial instruments and hedges in the financial statements and the inclusion of other comprehensive income. As a result of adopting these new standards, the School District recorded no adjustments to their financial statements.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2008	2007
Due from Federal Government	\$ 38,378	\$ 49,206
Other	72,779	49,173
	<u>\$111,157</u>	<u>\$ 98,379</u>

NOTE 5 CAPITAL ASSETS

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 2,891,161	\$	\$ 2,891,161	\$ 2,891,161
Buildings	47,730,948	25,456,500	22,274,488	21,526,838
Furniture and Equipment	653,697	223,097	430,600	327,256
Vehicles	1,346,144	499,935	846,209	709,754
Computer Software	14,624	9,667	4,957	7,882
Computer Hardware	264,416	124,865	139,551	182,284
	<u>\$52,900,990</u>	<u>\$26,314,064</u>	<u>\$26,586,926</u>	<u>\$25,645,175</u>

NOTE 6 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	\$ 1,471,788	\$ 1,813,328
Service Cost	96,060	121,208
Interest Cost	74,215	96,526
Benefit Payments	(149,752)	(117,610)
Actuarial (Gain)/Loss	(58,737)	(441,664)
Accrued Benefit Obligation – March 31	<u>\$ 1,433,574</u>	<u>\$ 1,471,788</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation March 31	\$ 1,433,574	\$ 1,471,788
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	(1,433,574)	(1,471,788)
Employer Contributions After Measurement Date	94,877	98,980
Unamortized Net Actuarial (Gain)/Loss	(514,555)	(490,891)
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (1,853,252)</u>	<u>\$ (1,863,699)</u>
Components of Net Benefit Expense		
Service Cost	\$ 96,060	\$ 121,208
Interest Cost	74,215	96,526
Amortization of Net Actuarial (Gain)/Loss	(35,073)	0
Net Benefit Expense (Income)	<u>\$ 135,202</u>	<u>\$ 217,734</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
EARSL	9.8	9.8

NOTE 7 EMPLOYEE PENSION PLANS

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, 2006 indicated a surplus 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. School District No. 85 (Vancouver Island North) paid \$1,407,719 for employer contributions to these plans in the year ended June 30, 2008.

NOTE 8 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. The School District fully funded this liability at the end of fiscal year June 30, 2007.

NOTE 9 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:	
Surplus Appropriated in approved 08-09 Budget	\$ 605,019
Surplus Appropriated for future operations (09-10)	672,283
School Supplies	240,217
School Equipment	49,828
District Literacy Plan	9,797
Literacy Innovation Grant	19,825
French Special Grant	10,864
Professional Development	40,040
	<u>1,647,873</u>
Unrestricted Operating Surplus (Deficit)	0
Total Available for Future Operations	<u>\$ 1,647,873</u>

NOTE 10 INTERFUND TRANSFERS

Inter-fund 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:

- Transfer from Operating Fund to Capital Fund \$100,000

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.

NOTE 12 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 11, 2008.

NOTE 13 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. This existence and/or amount of this liability cannot be reasonably determinable as of the date of this report.

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 in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into an agreement with Norkan Construction Ltd. to perform a seismic upgrade on Eagle View Elementary School in Port McNeill. The remaining contract amount that the School District is obligated to pay Norkan Construction Ltd. at the time of these financial statements is \$625,054. This seismic upgrade project is expected to be completed by September 2, 2008.

NOTE 16 COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform with the current year's presentation.

SCHOOL DISTRICT NO. 85 (Vancouver Island North)

Schedule A1

OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2008

	2008	2008	2007
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	18,595,788	18,436,732	18,522,642
Provincial Grants - Other	(34,585)	0	0
Federal Grants	0	0	0
Other Revenue	41,925	18,500	30,091
Rentals and Leases	31,033	25,000	19,394
Investment Income	220,865	290,023	190,732
	<u>18,855,026</u>	<u>18,770,255</u>	<u>18,762,859</u>
EXPENSE			
Salaries			
Teachers	6,820,894	6,968,559	7,003,138
Principals and Vice Principals	1,420,233	1,305,180	1,349,248
Educational Assistants	1,395,377	1,379,356	1,308,720
Support Staff	2,347,282	2,301,332	2,234,274
Other Professionals	523,972	484,832	452,028
Substitutes	477,693	801,609	402,836
	<u>12,985,451</u>	<u>13,240,868</u>	<u>12,750,244</u>
Employee Benefits	2,821,241	3,035,526	2,576,312
Services and Supplies	2,713,373	3,201,754	2,522,639
	<u>18,520,065</u>	<u>19,478,148</u>	<u>17,849,195</u>
NET REVENUE (EXPENSE), FOR THE YEAR	334,961	(707,893)	913,664
INTERFUND TRANSFERS			
Capital Assets Purchased	0	0	0
Local Capital	(100,000)	(100,000)	(300,000)
Other	0	0	20,155
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	0	0	(464,681)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		807,893	
SURPLUS (DEFICIT), FOR THE YEAR	<u>234,961</u>	<u>0</u>	<u>169,138</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	1,412,912		1,243,774
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>1,412,912</u>		<u>1,243,774</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>1,647,873</u>		<u>1,412,912</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	1,647,873		
Unrestricted	0		
	<u>1,647,873</u>		

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	18,275,516	18,275,516	18,190,727
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			118,860
	0	0	55,411
Pay Equity	115,216	115,216	115,216
Ready Set Learn	30,000	30,000	30,000
French	19,374	6,000	0
Other	8,670	0	0
Audit and Funding Adjustments	22,109	0	(19,811)
Salary Harmonization & Trades Adjustment	0	0	32,239
Literacy Innovation and Plan	47,181	10,000	0
Exempt LMA	77,722	0	0
	<u>18,595,788</u>	<u>18,436,732</u>	<u>18,522,642</u>
PROVINCIAL GRANTS - OTHER	<u>(34,585)</u>	<u>0</u>	<u>0</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	4,500	6,500	4,000
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 Assets	8,752	12,000	12,817
Skills Canada Grant	7,135	0	0
Exam Invigilation etc.	2,150	0	3,580
BCPSEA ITF SSEAC	19,388	0	9,694
	<u>41,925</u>	<u>18,500</u>	<u>30,091</u>
RENTALS AND LEASES	<u>31,033</u>	<u>25,000</u>	<u>19,394</u>
INVESTMENT INCOME	<u>220,865</u>	<u>290,023</u>	<u>190,732</u>
TOTAL OPERATING REVENUE	<u><u>18,855,026</u></u>	<u><u>18,770,255</u></u>	<u><u>18,762,859</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
SALARIES			
Teachers	6,820,894	6,968,559	7,003,138
Principals and Vice Principals	1,420,233	1,305,180	1,349,248
Educational Assistants	1,395,377	1,379,356	1,308,720
Support Staff	2,347,282	2,301,332	2,234,274
Other Professionals	523,972	484,832	452,028
Substitutes	477,693	801,609	402,836
	<u>12,985,451</u>	<u>13,240,868</u>	<u>12,750,244</u>
EMPLOYEE BENEFITS			
	2,821,241	3,035,526	2,576,312
Total Salaries and Benefits	<u>15,806,692</u>	<u>16,276,394</u>	<u>15,326,556</u>
SERVICES AND SUPPLIES			
Services	556,532	639,450	487,224
Student Transportation	78,801	75,498	64,313
Professional Development and Travel	298,947	351,175	250,801
Rentals and Leases	65,099	66,500	49,163
Dues and Fees	19,638	19,870	17,554
Insurance	48,870	51,742	42,223
Interest	0	0	0
Supplies	883,445	1,250,094	964,090
Bad Debts	0	0	0
Utilities	762,041	747,425	647,271
Total Services and Supplies	<u>2,713,373</u>	<u>3,201,754</u>	<u>2,522,639</u>
TOTAL OPERATING EXPENSE	<u>18,520,065</u>	<u>19,478,148</u>	<u>17,849,195</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008

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	5,259,856	464,390		79,958		228,415	6,032,619
1.03 Career Programs							0
1.07 Library Services	138,424			99,488		7,491	245,403
1.08 Counselling	159,667					6,672	166,339
1.10 Special Education	1,056,682	88,673	1,171,492	12,973	76,800	100,456	2,507,076
1.30 English as a Second Language	104,846					4,508	109,354
1.31 Aboriginal Education	33,578	43,837	191,654	3,262		6,711	279,042
1.41 School Administration		674,474		409,195		50,791	1,134,460
1.60 Summer School							0
1.61 Continuing Education	67,841		32,231			4,024	104,096
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	6,820,894	1,271,374	1,395,377	604,876	76,800	409,068	10,578,389
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration		148,859			166,936		315,795
4.40 School District Governance					73,000		73,000
4.41 Business Administration				112,918	69,342		182,260
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	148,859	0	112,918	309,278	0	571,055
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				57,503	68,947	1,017	127,467
5.50 Maintenance Operations				1,188,757		51,201	1,239,958
5.52 Maintenance of Grounds				73,895			73,895
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	1,320,155	68,947	52,218	1,441,320
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				29,185	68,947		98,132
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				280,146		16,407	296,555
7.73 Housing							0
Total Function 7	0	0	0	309,333	68,947	16,407	394,687
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	6,820,894	1,420,233	1,395,377	2,347,282	523,972	477,693	12,985,451

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	6,032,619	1,333,000	7,365,619	682,649	8,048,268	8,622,114	7,909,534
1.03 Career Programs	0		0	3,739	3,739	12,500	69,047
1.07 Library Services	245,403	57,330	302,733	34,197	336,930	363,589	318,934
1.08 Counselling	166,339	36,011	202,350	6,556	208,906	210,293	198,601
1.10 Special Education	2,507,076	567,602	3,074,678	173,805	3,248,483	3,397,712	3,094,391
1.30 English as a Second Language	109,354	23,655	133,009	7,242	140,251	181,923	131,768
1.31 Aboriginal Education	279,042	51,073	330,115	196,315	526,430	519,088	470,335
1.41 School Administration	1,134,460	242,679	1,377,139	29,109	1,406,248	1,409,026	1,346,164
1.60 Summer School	0		0		0	0	0
1.61 Continuing Education	104,096	24,182	128,278	42,350	170,628	181,828	201,113
1.62 Off Shore Students	0		0		0	0	0
1.64 Other	0		0	58,846	58,846	47,600	35,934
1.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 1	10,578,389	2,335,532	12,913,921	1,234,808	14,148,729	14,945,673	13,775,821
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	315,795	51,291	367,086	31,613	398,699	415,381	393,557
4.40 School District Governance	73,000	1,015	74,015	51,175	125,190	119,650	94,391
4.41 Business Administration	182,260	39,293	221,553	74,806	296,359	463,684	291,306
4.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 4	571,055	91,599	662,654	157,594	820,248	998,715	779,254
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	127,467	24,408	151,875	37,475	189,350	192,839	185,324
5.50 Maintenance Operations	1,239,958	255,721	1,495,679	357,472	1,853,151	1,851,254	1,771,170
5.52 Maintenance of Grounds	73,895	18,234	92,129	22,875	115,004	118,426	114,475
5.56 Utilities	0		0	762,041	762,041	747,425	647,271
5.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 5	1,441,320	298,363	1,739,683	1,179,863	2,919,546	2,909,944	2,718,240
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	98,132	19,892	118,024	6,041	124,065	89,769	125,406
7.65 Conseil Scolaire Francophone	0		0		0	0	0
7.70 Student Transportation	296,555	75,855	372,410	131,767	504,177	531,047	447,474
7.73 Housing	0		0	3,300	3,300	3,000	3,000
Total Function 7	394,687	95,747	490,434	141,108	631,542	623,816	575,880
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans					0	0	0
9.94 Interest on Temporary Borrowing					0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	12,985,451	2,821,241	15,806,692	2,713,373	18,520,065	19,478,148	17,849,195

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule A5

BALANCE, BEGINNING OF YEAR	0
Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>0</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
	<u>0</u>
	<u>0</u>
Net Changes for the Year	0
BALANCE, END OF YEAR	<u><u>0</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	2,547,312	314,846	303,736	0	3,165,894
Add: Contributions Received					
Provincial Grants - Ministry of Education	755,955	304,870			1,060,825
Provincial Grants - Other		78,869			78,869
Federal Grants					0
Other		37,380	472,462		509,842
Investment Income	74,773	3,565			78,338
	830,728	424,684	472,462	0	1,727,874
Less: Allocated to Revenue	116,418	510,108	411,803		1,038,329
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	3,261,622	229,422	364,395	0	3,855,439
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	116,418	435,057			551,475
Provincial Grants - Other		68,808			68,808
Federal Grants					0
Other Revenue		6,243	411,803		418,046
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	116,418	510,108	411,803	0	1,038,329
EXPENSE					
Salaries					
Teachers		114,889			114,889
Principals and Vice Principals					0
Educational Assistants		144,371			144,371
Support Staff					0
Other Professionals					0
Substitutes		3,789			3,789
	0	263,049	0	0	263,049
Employee Benefits		40,537			40,537
Services and Supplies	116,418	206,522	411,803		734,743
	116,418	510,108	411,803	0	1,038,329
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	0	0
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other					0
	0	0	0	0	0
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	2,535,593	11,719	2,547,312
Add: Contributions Received			
Provincial Grants - Ministry of Education	748,959	6,996	755,955
Provincial Grants - Other			0
Federal Grants			0
Other			0
Investment Income	74,773		74,773
	<u>823,732</u>	<u>6,996</u>	<u>830,728</u>
Less: Allocated to Revenue	111,194	5,224	116,418
Recovered			0
DEFERRED CONTRIBUTIONS, END OF YEAR	<u>3,248,131</u>	<u>13,491</u>	<u>3,261,622</u>
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	111,194	5,224	116,418
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income			0
	<u>111,194</u>	<u>5,224</u>	<u>116,418</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			0
Services and Supplies	111,194	5,224	116,418
	<u>111,194</u>	<u>5,224</u>	<u>116,418</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u>0</u>	<u>0</u>	<u>0</u>
INTERFUND TRANSFERS			
Capital Assets Purchased			0
Other			0
	<u>0</u>	<u>0</u>	<u>0</u>
NET REVENUE (EXPENSE)	<u>0</u>	<u>0</u>	<u>0</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B3

	Scholarships	Community Link	CYMH	Early Learning	Family Literacy	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	14,043	71,665	12,701	216,437	0	314,846
Add: Contributions Received						
Provincial Grants - Ministry of Education		279,270		25,600		304,870
Provincial Grants - Other			78,869			78,869
Federal Grants						0
Other	200			5,180	32,000	37,380
Investment Income	561	3,004				3,565
	<u>761</u>	<u>282,274</u>	<u>78,869</u>	<u>30,780</u>	<u>32,000</u>	<u>424,684</u>
Less: Allocated to Revenue	800	255,039	68,808	180,018	5,443	510,108
Recovered						0
DEFERRED CONTRIBUTIONS, END OF YEAR	<u>14,004</u>	<u>98,900</u>	<u>22,762</u>	<u>67,199</u>	<u>26,557</u>	<u>229,422</u>
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education		255,039		180,018		435,057
Provincial Grants - Other			68,808			68,808
Federal Grants						0
Other Revenue	800				5,443	6,243
Investment Income						0
	<u>800</u>	<u>255,039</u>	<u>68,808</u>	<u>180,018</u>	<u>5,443</u>	<u>510,108</u>
EXPENSE						
Salaries						
Teachers		69,000		45,889		114,889
Principals and Vice Principals						0
Educational Assistants		144,371				144,371
Support Staff						0
Other Professionals						0
Substitutes		3,789				3,789
	0	217,160	0	45,889	0	263,049
Employee Benefits		34,237		6,300		40,537
Services and Supplies	800	3,642	68,808	127,829	5,443	206,522
	<u>800</u>	<u>255,039</u>	<u>68,808</u>	<u>180,018</u>	<u>5,443</u>	<u>510,108</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
INTERFUND TRANSFERS						
Capital Assets Purchased						0
Other						0
	0	0	0	0	0	0
NET REVENUE (EXPENSE)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2008

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	2,891,161	46,082,477	630,412	1,281,831	14,624	339,840	51,240,345
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	<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>
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw				211,300			211,300
Deferred Contributions - Other							0
Operating Fund							0
Special Purpose Funds							0
Local Capital			166,385	53,338		25,235	244,958
Transferred from Work in Progress							0
	<u>0</u>	<u>0</u>	<u>166,385</u>	<u>264,638</u>	<u>0</u>	<u>25,235</u>	<u>456,258</u>
Decrease:							
Disposed of							0
Deemed Disposals			143,100	200,325		100,659	444,084
Written-off/down During Year							0
	<u>0</u>	<u>0</u>	<u>143,100</u>	<u>200,325</u>	<u>0</u>	<u>100,659</u>	<u>444,084</u>
COST, END OF YEAR	2,891,161	46,082,477	653,697	1,346,144	14,624	264,416	51,252,519
WORK IN PROGRESS, END OF YEAR		1,648,471					1,648,471
COST AND WORK IN PROGRESS, END OF YEAR	<u>2,891,161</u>	<u>47,730,948</u>	<u>653,697</u>	<u>1,346,144</u>	<u>14,624</u>	<u>264,416</u>	<u>52,900,990</u>
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	24,555,639	303,156	572,077	6,742	157,556	25,595,170
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	<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>
Changes for the Year							
Increase: Amortization for the Year		900,861	63,041	128,183	2,925	67,968	1,162,978
Decrease:							
Disposed of							0
Deemed Disposals			143,100	200,325		100,659	444,084
Written-off During Year							0
	<u>0</u>	<u>0</u>	<u>143,100</u>	<u>200,325</u>	<u>0</u>	<u>100,659</u>	<u>444,084</u>
ACCUMULATED AMORTIZATION, END OF YEAR	<u>0</u>	<u>25,456,500</u>	<u>223,097</u>	<u>499,935</u>	<u>9,667</u>	<u>124,865</u>	<u>26,314,064</u>
CAPITAL ASSETS - NET	<u>2,891,161</u>	<u>22,274,448</u>	<u>430,600</u>	<u>846,209</u>	<u>4,957</u>	<u>139,551</u>	<u>26,586,926</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
 CAPITAL FUND
 CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2008

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw	1,648,471				1,648,471
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>
Decrease:					
Transferred to Capital Assets					0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes for the Year	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>
WORK IN PROGRESS, END OF YEAR	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
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	19,910,799	0	0	19,910,799
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>19,910,799</u>	<u>0</u>	<u>0</u>	<u>19,910,799</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	211,300			211,300
Transferred from Work in Progress				0
	<u>211,300</u>	<u>0</u>	<u>0</u>	<u>211,300</u>
Decrease:				
Amortization of Deferred Capital Contributions	958,873			958,873
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>958,873</u>	<u>0</u>	<u>0</u>	<u>958,873</u>
Net Changes for the Year	<u>(747,573)</u>	<u>0</u>	<u>0</u>	<u>(747,573)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>19,163,226</u>	<u>0</u>	<u>0</u>	<u>19,163,226</u>
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress	1,648,471			1,648,471
	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>
Decrease:				
Transferred to Deferred Capital Contributions				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes for the Year	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>
WORK IN PROGRESS, END OF YEAR	<u>1,648,471</u>	<u>0</u>	<u>0</u>	<u>1,648,471</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u><u>20,811,697</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>20,811,697</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

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	<u>0</u>	<u>12,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,756</u>
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	1,666,300					1,666,300
Provincial Grants - Other						0
Other						0
Investment Income						0
MEd Restricted Portion of Proceeds on Disposal						0
	<u>1,666,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,666,300</u>
Decrease:						
Transferred to DCC - Capital Additions	211,300					211,300
Transferred to DCC - Work in Progress	1,648,471					1,648,471
Transferred to Invested in Capital Assets - Site Purchases						0
	<u>1,859,771</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,859,771</u>
Net Changes for the Year	<u>(193,471)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(193,471)</u>
BALANCE, END OF YEAR	<u>(193,471)</u>	<u>12,756</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(180,715)</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)

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	5,734,376	566,220	6,300,596
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	5,734,376	566,220	6,300,596
Changes for the Year			
Investment Income		12,887	12,887
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	958,873		958,873
Capital Assets Purchased from Local Capital	244,958	(244,958)	0
Interfund Transfers - Capital Assets Purchased			0
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		100,000	100,000
Amortization of Capital Assets	(1,162,978)		(1,162,978)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	40,853	(132,071)	(91,218)
BALANCE, END OF YEAR	5,775,229	434,149	6,209,378