

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

SCHOOL DISTRICT NUMBER 71	NAME OF SCHOOL DISTRICT Comox Valley	YEAR 2007/2008
OFFICE LOCATION 607 Cumberland Rd		TELEPHONE NUMBER 250-334-5500
CITY/PROVINCE Courtenay, BC		POSTAL CODE V9N 7G5
WEBSITE ADDRESS http://sd71.bc.ca		
NAME OF SUPERINTENDENT Jordan Edward Tinney		NAME OF SECRETARY - TREASURER Leonard Paul Ibbs

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. 71 (Comox Valley) ("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.


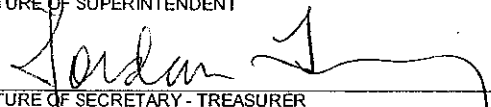

External Auditors

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. 71 (Comox Valley) for the year ended June 30, 2008.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 29/08
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sep. 26 '08
SIGNATURE OF SECRETARY - TREASURER 	DATE SIGNED

SCHOOL DISTRICT NO. 71 (Comox Valley)
2007/2008 AUDITED FINANCIAL STATEMENTS

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AUDITORS' REPORT TO THE BOARD OF EDUCATION OF SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

We have audited the statement of financial position of School District No. 71 (Comox Valley) as at June 30, 2008 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chartered Accountants

Victoria, Canada

September 4, 2008

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	17,363,609	1,453,059		18,816,668	12,820,398
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	1,339			1,339	143,115
Due from Province - Other				0	0
Due from LEA / Direct Funding	32,110			32,110	50,229
Other Receivables (Note 3)	588,563			588,563	474,555
Interfund Loans		468,022	5,611,510		
Inventories				0	0
Prepaid Expenses	488,044			488,044	549,776
	18,473,665	1,921,081	5,611,510	19,926,724	14,038,073
Long term receivables	70,798			70,798	116,825
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 4,5)			101,937,355	101,937,355	100,113,949
TOTAL ASSETS	18,544,463	1,921,081	107,548,865	121,934,877	114,268,847
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	3,849,682			3,849,682	1,997,955
Bank Loans				0	0
Interfund Loans	6,079,532				
Other Current Liabilities	1,544,168			1,544,168	1,404,708
	11,473,382	0	0	5,393,850	3,402,663
Deferred Revenue	576,000			576,000	508,800
Deferred Contributions					
Ministry of Education		137,542	3,967,976	4,105,518	(642,528)
Province - Other				0	0
Other		1,783,539		1,783,539	2,215,780
Accrued Employee Future Benefits (Note 6)	3,407,499			3,407,499	2,803,124
Deferred Capital Contributions			74,464,129	74,464,129	73,847,173
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	15,456,881	1,921,081	78,432,105	89,730,535	82,135,012
Fund Balances					
Invested in Capital Assets			27,473,227	27,473,227	26,266,777
Endowment				0	0
Internally Restricted (Note 8)	3,087,582		1,643,533	4,731,115	5,867,058
Unrestricted				0	0
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	3,087,582	0	29,116,760	32,204,342	32,133,835
TOTAL LIABILITIES AND FUND BALANCES	18,544,463	1,921,081	107,548,865	121,934,877	114,268,847

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	70,944,207	2,373,255		73,317,462	73,602,199
Provincial Grants - Other				0	0
Federal Grants				0	0
Other Revenue	1,912,204	2,603,439	22,603	4,538,246	5,302,809
Rentals and Leases	133,982			133,982	103,050
Investment Income	551,912	24,837	40,000	616,749	539,816
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			3,028,530	3,028,530	3,006,007
Gain (Loss) on Disposal of Capital Assets			581,102	581,102	1,270,999
	<u>73,542,305</u>	<u>5,001,531</u>	<u>3,672,235</u>	<u>82,216,071</u>	<u>83,824,880</u>
EXPENSE					
Salaries					
Teachers	30,479,278	70,078		30,549,356	30,222,722
Principals and Vice Principals	4,624,537			4,624,537	4,221,112
Educational Assistants	5,487,900			5,487,900	5,193,437
Support Staff	7,658,964	75,372		7,734,336	7,554,423
Other Professionals	1,542,159			1,542,159	1,468,247
Substitutes	2,409,048			2,409,048	2,136,406
	<u>52,201,886</u>	<u>145,450</u>	<u>0</u>	<u>52,347,336</u>	<u>50,796,347</u>
Employee Benefits	11,554,067	19,269		11,573,336	10,401,301
Services and Supplies	9,992,949	4,126,314	565,000	14,684,263	15,256,900
Amortization of Capital Assets			3,540,629	3,540,629	3,444,721
Write-off/down of Buildings and Sites				0	0
	<u>73,748,902</u>	<u>4,291,033</u>	<u>4,105,629</u>	<u>82,145,564</u>	<u>79,899,269</u>
NET REVENUE (EXPENSE)	<u>(206,597)</u>	<u>710,498</u>	<u>(433,394)</u>	<u>70,507</u>	<u>3,925,611</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	3,844,831	0	28,289,004	32,133,835	28,150,555
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	3,844,831	0	28,289,004	32,133,835	28,150,555
Changes for the Year					
Net Revenue (Expense) for the Year	(206,597)	710,498	(433,394)	70,507	3,925,611
Interfund Transfers (Note 9)					
Capital Assets Purchased	(370,429)	(890,721)	1,261,150	0	0
Local Capital				0	0
Other	(180,223)	180,223		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Site development				0	57,669
Net Changes for the Year	(757,249)	0	827,756	70,507	3,983,280
FUND BALANCES, END OF YEAR	3,087,582	0	29,116,760	32,204,342	32,133,835

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	(206,597)	710,498	(433,394)	70,507	3,925,611
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(49,099)	141,013		91,914	3,034,402
Interfund Loans	4,491,496	(238,199)	(4,253,297)	0	0
Inventories				0	0
Prepaid Expenses	61,732			61,732	26,691
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	1,851,727			1,851,727	(724,650)
Other Current Liabilities	139,460			139,460	(2,212,458)
Deferred Revenue	67,200			67,200	350,456
Deferred Contributions	(297,640)	(18,546)		(316,186)	(464,166)
Accrued Employee Future Benefits	604,375			604,375	250,358
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets			(581,102)	(581,102)	(1,232,950)
Items Not Involving Cash					
Amortization of Capital Assets			3,540,629	3,540,629	3,444,721
Amortization of Deferred Capital Contributions			(3,028,530)	(3,028,530)	(3,006,007)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(550,652)	(710,498)	1,261,150	0	0
	<u>6,112,002</u>	<u>(115,732)</u>	<u>(3,494,544)</u>	<u>2,501,726</u>	<u>3,392,008</u>
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			4,631,991	4,631,991	(789,578)
Proceeds from Disposal of Capital Assets			784,003	784,003	1,455,000
MEd Restricted Portion of Proceeds on Disposal				0	0
	<u>0</u>	<u>0</u>	<u>5,415,994</u>	<u>5,415,994</u>	<u>665,422</u>
INVESTING					
Capital Assets Purchased - Operating			(370,429)	(370,429)	(526,386)
Capital Assets Purchased - Special Purpose			(890,721)	(890,721)	(955,984)
Capital Assets Purchased - Local Capital			(660,300)	(660,300)	0
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	<u>0</u>	<u>0</u>	<u>(1,921,450)</u>	<u>(1,921,450)</u>	<u>(1,482,370)</u>
NET INCREASE (DECREASE) IN CASH	<u>6,112,002</u>	<u>(115,732)</u>	<u>0</u>	<u>5,996,270</u>	<u>2,575,060</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	6,112,002	(115,732)	0	5,996,270	2,575,060
Net Cash, Beginning of Year	11,251,607	1,568,791	0	12,820,398	10,245,338
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	11,251,607	1,568,791	0	12,820,398	10,245,338
NET CASH, END OF YEAR	17,363,609	1,453,059	0	18,816,668	12,820,398
Cash	17,363,609	1,453,059		18,816,668	12,820,398
Cash Equivalents				0	0
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	17,363,609	1,453,059	0	18,816,668	12,820,398

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 71 (Comox Valley)", and operates as "School District No. 71 (Comox Valley)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

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.

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

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

a) Fund Accounting

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

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - 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.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

c) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost using the first-in-first-out method. Textbooks and other teaching supplies are expensed as purchased. Other prepaid expenses include prepaid insurance and leases.

d) 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.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset.

Estimated useful life is as follows:

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

e) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received or receivable. 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 expended.
 - If the capital asset is a site, the amount expended is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount expended is recorded as a deferred capital contribution and amortized over the useful life of the asset.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

f) Expenditures

- Categories of Salaries
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendent, Assistant Superintendent, Secretary-Treasurer, 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.

g) Financial Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, long term receivable, accounts payable and accrued liabilities and other current liabilities. 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.

h) Use of Estimates

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

i) Employee Future Benefits

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

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

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (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 9.5.

The most recent valuation of the obligation was performed at March 31, 2007 and projected to June 30, 2010. The next valuation will be performed at March 31, 2010 for use at 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.

j) **Asset Retirement Obligation**

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset.

k) **Investment Income**

Investment income, which is recorded on the accrual basis, includes interest income earned on cash balances.

l) **Changes in Accounting Policy**

Effective July 1, 2007, the School District adopted the CICA Handbook Section 3855, Financial Instruments - Recognition and Measurement and related sections. The School District has designated all of its cash and cash equivalents as held for trading, and carries them at fair value with changes in fair value recognized in investment income. Accounts receivable and long term receivable are classified as loans and receivables; accounts payable and accrued liabilities are classified as other liabilities, all of which are measured at amortized cost. There was no impact to the opening fund balances or current year operations as a result of this change in accounting policy.

m) **Future Accounting Changes**

Commencing with the fiscal year beginning July 1, 2008, the School District will be adopting CICA Handbook Section 3862, *Financial Instruments – Disclosure*, HB 3863, *Financial Instruments – Presentation*, and HB 1535, *Capital Disclosures*. The impact of adoption of these standards has not been determined.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2008	2007
Due from Federal Government	\$ 139,755	\$ 152,476
Town of Comox	54,000	54,000
Other	394,808	268,079
	<u>\$ 588,563</u>	<u>\$ 474,555</u>

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

NOTE 4 CAPITAL ASSETS

	2008			2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 13,127,439	\$ -	\$ 13,127,439	\$ 12,871,840
Buildings	135,002,439	48,461,654	86,540,785	84,763,515
Furniture & Equipment	4,994,742	3,404,561	1,590,181	2,110,776
Vehicles	539,363	145,413	393,950	367,818
Computer Software	285,000	-	285,000	-
	<u>\$153,948,983</u>	<u>\$ 52,011,628</u>	<u>\$101,937,355</u>	<u>\$100,113,949</u>

Capital assets include 2008 acquisitions of \$5,566,936 (2007 - \$3,943,267)

NOTE 5 DISPOSAL OF SITES AND BUILDINGS

The following sites were disposed of during the year.

Legal Name of Site	Reason	Year of Acquisition	Adjusted Carrying Value	Date of Sale	Proceeds from Sale	Allocation of Proceeds
Lot 2, Mission Rd Courtenay, BC	Surplus	1994	\$ 200,000	April 2, 2008	\$558,024	100%-Restricted Capital
Union Bay School site 5539 Island Hwy Union Bay, BC	Surplus	1949	\$ 501	October 25, 2007	\$674,493	100%-Local Capital
Black Creek School site 2368 Ployart Rd Black Creek, BC	Surplus	1958	\$ 2,400	August 30, 2007	\$438,041	25%-Local Capital/75% - Restricted Capital

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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 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	\$ 3,599,562	\$ 2,512,901
Service Cost	473,379	184,188
Interest Cost	198,999	137,722
Benefit Payments	(129,588)	(100,447)
Actuarial (Gain)/Loss	(194,334)	865,198
Accrued Benefit Obligation – March 31	<u>\$ 3,948,018</u>	<u>\$ 3,599,562</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 3,948,018	\$ 3,599,562
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	(3,948,018)	(3,599,562)
Employer Contributions After Measurement Date	0	17,479
Unamortized Net Actuarial (Gain)/Loss	540,519	778,959
Accrued Benefit Liability – June 30	<u>\$ (3,407,499)</u>	<u>\$ (2,803,124)</u>
Components of Net Benefit Expense		
Service Cost	\$ 473,379	\$ 184,188
Interest Cost	198,999	137,722
Amortization of Net Actuarial (Gain)/Loss	44,106	0
Net Benefit Expense (Income)	<u>\$ 716,484</u>	<u>\$ 321,910</u>

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

Discount Rate – April 1	5.00%	5.25%
Discount Rate – March 31	5.50%	5.00%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSL – March 31	9.5	9.5

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

NOTE 7 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 48,000 active members from school districts, and approximately 24,000 retired members from school districts. The Municipal Plan has about 145,000 active members, of which approximately 21,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in fiscal 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The Comox Valley School District paid \$ 5,372,856 (2007-\$5,147,147) for employer contributions to these plans in the year ended June 30, 2008.

NOTE 8 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted (appropriated) by Board for:

School Supply accounts	\$ 143,000	
Distance Education	479,000	
District Programs	320,000	
Future EFB cost increases	557,000	
Future Years Budgets, 2008/09 to 10/11	<u>1,588,582</u>	
Subtotal Internally Restricted		\$ 3,087,582
Unrestricted Operating Surplus (Deficit)		<u>0</u>
Total Available for Future Operations		<u>\$ 3,087,582</u>

NOTE 9 INTERFUND TRANSFERS

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

- Capital assets (vehicles and site purchase) were purchased with operating funds (\$ 370,429)
- Capital assets (building improvements) were purchased with special purpose funds (\$ 890,721)
- Operating funds were used to fund one special purpose funds (\$ 180,223)

SCHOOL DISTRICT NO. 71 (COMOX VALLEY)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

NOTE 10 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 11 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 June 24, 2008.

NOTE 12 CONTINGENCIES

(i) The District, in conducting its usual business activities, is involved in various legal claims and litigation. In the event any unsettled claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

(ii) Certain schools in the School District contain asbestos. No amount has been recorded in these financial statements with regard to this potential liability since the fair value of future removal costs cannot be reasonably estimated due to the unknown timelines.

NOTE 13 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".

SCHOOL DISTRICT NO. 71 (Comox Valley)

Schedule A1

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

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	70,944,207	70,054,263	70,404,017
Provincial Grants - Other	0	0	0
Federal Grants	0	0	0
Other Revenue	1,912,204	1,824,780	2,035,001
Rentals and Leases	133,982	112,000	103,050
Investment Income	551,912	450,000	449,700
	<u>73,542,305</u>	<u>72,441,043</u>	<u>72,991,768</u>
EXPENSE			
Salaries			
Teachers	30,479,278	30,665,463	30,134,019
Principals and Vice Principals	4,624,537	4,758,776	4,221,112
Educational Assistants	5,487,900	5,154,945	5,193,437
Support Staff	7,658,964	7,416,358	7,394,463
Other Professionals	1,542,159	1,538,731	1,468,247
Substitutes	2,409,048	2,243,221	2,136,406
	<u>52,201,886</u>	<u>51,777,494</u>	<u>50,547,684</u>
Employee Benefits	11,554,067	11,180,966	10,374,476
Services and Supplies	9,992,949	9,662,541	9,730,992
	<u>73,748,902</u>	<u>72,621,001</u>	<u>70,653,152</u>
NET REVENUE (EXPENSE), FOR THE YEAR	(206,597)	(179,958)	2,338,616
INTERFUND TRANSFERS			
Capital Assets Purchased	(370,429)	0	(526,386)
Local Capital	0	0	0
Other	(180,223)	0	237,520
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	0	0	0
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		179,958	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(757,249)</u>	0	<u>2,049,750</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	3,844,831		1,795,081
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>3,844,831</u>		<u>1,795,081</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>3,087,582</u>		<u>3,844,831</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	3,087,582		
Unrestricted	0		
	<u>3,087,582</u>		

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	68,312,212	68,312,212	67,213,072
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			573,711
Pay Equity	451,831	451,831	338,871
Exempt Staff Labour Mkt Adj	383,576	145,000	0
Reduction for Local Education Agreement	(129,461)	(174,780)	(174,780)
French Funding	161,961	120,000	520,919
Distributed Learning-Course funded	1,237,009	1,200,000	1,608,729
Innovation Grant	61,945	0	323,495
Ready Set Learn	40,000	0	0
Various	127,494	0	0
Allocated to revenue- Airport school purchase	297,640	0	0
	<u>70,944,207</u>	<u>70,054,263</u>	<u>70,404,017</u>
PROVINCIAL GRANTS - OTHER	0	0	0
FEDERAL GRANTS	0	0	0
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	425,652	400,000	425,654
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	1,011,905	1,100,000	1,053,351
LEA/Direct Funding from First Nations	129,461	174,780	174,780
Miscellaneous			
Instructional Cafeteria	128,601	100,000	129,115
Resale of Supplies	12,924	50,000	15,152
NIDES-related Revenue	56,272	0	135,805
Other	147,389	0	101,144
	<u>1,912,204</u>	<u>1,824,780</u>	<u>2,035,001</u>
RENTALS AND LEASES	133,982	112,000	103,050
INVESTMENT INCOME	551,912	450,000	449,700
TOTAL OPERATING REVENUE	<u><u>73,542,305</u></u>	<u><u>72,441,043</u></u>	<u><u>72,991,768</u></u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
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	30,479,278	30,665,463	30,134,019
Principals and Vice Principals	4,624,537	4,758,776	4,221,112
Educational Assistants	5,487,900	5,154,945	5,193,437
Support Staff	7,658,964	7,416,358	7,394,463
Other Professionals	1,542,159	1,538,731	1,468,247
Substitutes	2,409,048	2,243,221	2,136,406
	<u>52,201,886</u>	<u>51,777,494</u>	<u>50,547,684</u>
EMPLOYEE BENEFITS			
	11,554,067	11,180,966	10,374,476
Total Salaries and Benefits	<u>63,755,953</u>	<u>62,958,460</u>	<u>60,922,160</u>
SERVICES AND SUPPLIES			
Services	1,935,935	1,484,117	2,018,641
Student Transportation	1,869,774	1,856,820	1,610,637
Professional Development and Travel	271,730	316,809	296,280
Rentals and Leases	216,804	235,169	220,818
Dues and Fees	55,094	54,925	59,693
Insurance	120,491	148,010	131,914
Interest	0	0	0
Supplies	4,272,042	4,434,424	4,370,373
Bad Debts	0	0	0
Utilities	1,251,079	1,132,267	1,022,636
Total Services and Supplies	<u>9,992,949</u>	<u>9,662,541</u>	<u>9,730,992</u>
TOTAL OPERATING EXPENSE	<u>73,748,902</u>	<u>72,621,001</u>	<u>70,653,152</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2008

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	24,747,094	1,149,918	312,853	172,656	117,447	2,305,724	28,805,692
1.03 Career Programs	37,287		186,888	4,235			228,410
1.07 Library Services	406,804	38,050		791,535	4,708		1,241,097
1.08 Counselling	1,017,927	149,898		26,776	7,325		1,202,016
1.10 Special Education	3,720,876	28,963	4,566,383	8,219	108,087	64,544	8,497,082
1.30 English as a Second Language	117,762	8,915			5,026		131,703
1.31 Aboriginal Education	241,884	84,078	339,654	1,820,898	11,699		677,315
1.41 School Administration		3,150,050	8,955		4,467		4,994,370
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students	189,644	14,575		43,557	51,758	2,146	301,680
1.64 Other			73,157	89,511		2,484	165,152
1.65 Conseil Scolaire Francophone							0
Total Function 1	30,479,278	4,624,537	5,487,900	2,957,367	277,282	2,408,123	46,234,517
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration					392,642	925	393,567
4.40 School District Governance					105,419		105,419
4.41 Business Administration				398,547	528,224		916,771
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	0	0	398,547	1,026,285	925	1,415,757
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration					172,028		172,028
5.50 Maintenance Operations				4,044,810	15,451		4,060,261
5.52 Maintenance of Grounds				216,912			216,912
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	4,261,722	187,479	0	4,449,201
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration					51,103		51,103
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				51,308			51,308
7.73 Housing							0
Total Function 7	0	0	0	51,308	51,103	0	102,411
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	30,479,278	4,624,537	5,487,900	7,658,964	1,542,159	2,408,048	52,201,856

SCHOOL DISTRICT NO. 71 (Comox Valley)
 OPERATING FUND
 EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2008

	2008		2007	
	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	AMENDED ANNUAL BUDGET	ACTUAL
1 INSTRUCTION				
1.02 Regular Instruction	28,805,682	6,320,956	35,126,648	37,646,313
1.03 Career Programs	228,410	49,347	277,757	37,863,681
1.07 Library Services	1,241,097	270,889	1,511,986	281,232
1.08 Counselling	1,202,016	261,034	1,463,050	2,283,818
1.10 Special Education	8,497,082	1,937,048	10,434,130	1,464,129
1.30 English as a Second Language	131,703	28,884	160,587	10,724,867
1.31 Aboriginal Education	677,315	141,667	818,982	162,900
1.41 School Administration	4,984,370	1,006,818	5,991,188	897,591
1.60 Summer School	0	0	0	919,962
1.61 Continuing Education	0	0	0	6,463,107
1.62 Off Shore Students	301,680	86,385	388,065	0
1.64 Other	165,152	40,109	205,261	0
1.65 Conseil Scolaire Francophone	0	0	0	783,707
Total Function 1	46,234,517	10,123,147	56,357,664	61,240,107
			4,882,443	60,834,163
4 DISTRICT ADMINISTRATION				
4.11 Educational Administration	393,567	76,233	469,800	583,334
4.40 School District Governance	105,419	7,806	113,225	199,161
4.41 Business Administration	916,771	166,857	1,083,628	1,584,131
4.65 Conseil Scolaire Francophone	0	0	0	1,546,552
Total Function 4	1,415,757	250,896	1,666,653	2,366,626
			688,973	2,272,884
5 OPERATIONS AND MAINTENANCE				
5.41 Operations and Maintenance Administration	172,028	30,589	202,627	325,837
5.50 Maintenance Operations	4,060,261	1,094,238	5,154,499	6,025,421
5.52 Maintenance of Grounds	215,912	46,108	262,020	917,922
5.56 Utilities	0	0	0	114,333
5.65 Conseil Scolaire Francophone	0	0	0	1,528,168
Total Function 5	4,448,201	1,180,945	5,610,146	8,293,779
			2,683,633	7,679,642
7 TRANSPORTATION AND HOUSING				
7.41 Transportation and Housing Administration	51,103	9,403	60,506	62,480
7.65 Conseil Scolaire Francophone	0	0	0	0
7.70 Student Transportation	51,308	9,676	60,984	1,787,884
7.73 Housing	0	0	0	1,772,032
Total Function 7	102,411	19,079	121,480	1,834,512
			1,848,390	1,675,318
9 DEBT SERVICES (OPERATING)				
9.92 Interest on Bank Loans	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0
Total Function 9	0	0	0	0
TOTAL FUNCTIONS 1 - 9	52,201,886	11,554,067	63,755,953	73,748,902
			9,992,949	72,621,001
			60,856	70,653,152

SCHOOL DISTRICT NO. 71 (Comox Valley)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule A5

BALANCE, BEGINNING OF YEAR	297,640
 Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	297,640
 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	297,640
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Investment Income	0
	297,640
 Net Changes for the Year	 (297,640)
 BALANCE, END OF YEAR	 0

SCHOOL DISTRICT NO. 71 (Comox Valley)
 SPECIAL PURPOSE FUNDS
 SUMMARY OF CHANGES
 YEAR ENDED JUNE 30, 2008

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	21,487	1,362,761	555,379	0	1,939,627
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,865,427	547,148			2,412,575
Provincial Grants - Other					0
Federal Grants		178,152	2,268,861		2,447,013
Other		24,837	78,560		103,397
Investment Income	1,885,427	750,137	2,347,421	0	4,982,985
Less: Allocated to Revenue Recovered	1,869,491	638,770	2,493,270		5,001,531
DEFERRED CONTRIBUTIONS, END OF YEAR	37,423	1,474,128	409,530	0	1,921,081
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	1,869,491	503,764			2,373,255
Provincial Grants - Other					0
Federal Grants					0
Other Revenue		110,169	2,493,270		2,603,439
Rentals and Leases					0
Investment Income		24,837			24,837
Gain (Loss) on Equity Investment					0
EXPENSE					
Salaries	1,869,491	638,770	2,493,270	0	5,001,531
Teachers		70,078			70,078
Principals and Vice Principals					0
Educational Assistants					0
Support Staff		75,372			75,372
Other Professionals					0
Substitutes					0
Employee Benefits	0	145,450	0	0	145,450
Services and Supplies	978,770	654,274	2,493,270		4,126,314
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	978,770	818,993	2,493,270	0	4,291,033
	860,721	(180,223)	0	0	710,498
INTERFUND TRANSFERS					
Capital Assets Purchased	(860,721)	180,223			(680,498)
Other					180,223
NET REVENUE (EXPENSE)	0	0	0	0	(710,498)

SCHOOL DISTRICT NO. 71 (Comox Valley)
 SPECIAL PURPOSE FUNDS
 CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2008

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
	21,487	0	21,487
	1,858,860	26,567	1,885,427
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	1,858,860	26,567	1,885,427

DEFERRED CONTRIBUTIONS
 DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR

Add: Contributions Received

Provincial Grants - Ministry of Education	1,858,860
Provincial Grants - Other	0
Federal Grants	0
Other	0
Investment Income	0
	1,858,860

Less: Allocated to Revenue Recovered

	1,854,101	15,390	1,869,491
	0	0	0
	26,246	11,177	37,423

DEFERRED CONTRIBUTIONS, END OF YEAR

REVENUE AND EXPENSE

REVENUE			
Provincial Grants - Ministry of Education	1,854,101	15,390	1,869,491
Provincial Grants - Other	0	0	0
Federal Grants	0	0	0
Other Revenue	0	0	0
Investment Income	0	0	0
	1,854,101	15,390	1,869,491

EXPENSE			
Salaries			
Teachers	0	0	0
Principals and Vice Principals	0	0	0
Educational Assistants	0	0	0
Support Staff	0	0	0
Other Professionals	0	0	0
Substitutes	0	0	0
Employee Benefits	0	0	0
Services and Supplies	963,380	15,390	978,770
	963,380	15,390	978,770
	890,721	0	890,721

NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS

INTERFUND TRANSFERS			
Capital Assets Purchased	(890,721)		(890,721)
Other	0		0
	(890,721)	0	(890,721)
	0	0	0
	0	0	0

NET REVENUE (EXPENSE)

SCHOOL DISTRICT NO. 71 (Comox Valley)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

	Bursaries	Deferred Leave	Professional Development	Social Equity	TOTAL
754,446	232,540	348,595	47,180	1,382,761	
27,944	125,937	14,716	547,148	547,148	
23,400	1,437		9,555	178,152	
51,324	127,374	14,716	555,703	750,137	
54,750	70,078	10,178	503,764	638,770	
737,040	289,335	353,133	100,119	1,474,128	

DEFERRED CONTRIBUTIONS
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR
Add: Contributions Received

Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other
Investment Income

Less: Allocated to Revenue
Recovered

DEFERRED CONTRIBUTIONS, END OF YEAR

REVENUE AND EXPENSE

REVENUE
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other Revenue
Investment Income

EXPENSE

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Other Professionals
Substitutes

Employee Benefits
Services and Supplies

NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS

INTERFUND TRANSFERS

Capital Assets Purchased
Other

NET REVENUE (EXPENSE)

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CAPITAL ASSETS
 YEAR ENDED JUNE 30, 2008

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	12,871,840	130,251,792	5,205,949	466,574	0	0	148,796,155
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	12,871,840	130,251,792	5,205,949	466,574	0	0	148,796,155
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		3,645,486					3,645,486
Deferred Contributions - Other							0
Operating Fund	297,640		890,721	72,789			370,429
Special Purpose Funds			214,440		285,000		890,721
Local Capital	160,860						660,300
Transferred from Work in Progress		4,150,647		72,789	285,000		0
Decrease:							
Disposed of	202,901						202,901
Deemed Disposals			211,207				211,207
Written-off/Down During Year							0
COST, END OF YEAR	202,901	135,002,439	4,994,742	539,363	285,000	0	153,948,393
WORK IN PROGRESS, END OF YEAR	13,127,439						0
COST AND WORK IN PROGRESS, END OF YEAR	13,127,439	135,002,439	4,994,742	539,363	285,000	0	153,948,393
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	45,488,277	3,095,173	98,756	0	0	48,662,206
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	45,488,277	3,095,173	98,756	0	0	48,662,206
Changes for the Year							
Increase: Amortization for the Year		2,973,377	520,595	48,657			3,540,629
Decrease:							
Disposed of							0
Deemed Disposals			211,207				211,207
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	48,461,654	3,404,561	145,413	0	0	52,011,628
CAPITAL ASSETS - NET	13,127,439	86,540,785	1,590,181	393,950	285,000	0	101,937,355

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2008

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	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
Decrease:					
Transferred to Capital Assets					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. 71 (Comox Valley)

Schedule C3

CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	73,847,173	0	0	73,847,173
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>73,847,173</u>	<u>0</u>	<u>0</u>	<u>73,847,173</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	3,645,486			3,645,486
Transferred from Work in Progress				0
	<u>3,645,486</u>	<u>0</u>	<u>0</u>	<u>3,645,486</u>
Decrease:				
Amortization of Deferred Capital Contributions	3,028,530			3,028,530
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>3,028,530</u>	<u>0</u>	<u>0</u>	<u>3,028,530</u>
Net Changes for the Year	<u>616,956</u>	<u>0</u>	<u>0</u>	<u>616,956</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>74,464,129</u>	<u>0</u>	<u>0</u>	<u>74,464,129</u>
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Transferred to Deferred Capital Contributions				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes for the Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
WORK IN PROGRESS, END OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>74,464,129</u>	<u>0</u>	<u>0</u>	<u>74,464,129</u>

SCHOOL DISTRICT NO. 71 (Comox Valley)
 CAPITAL FUND
 CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2008

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	(903,228)	238,213	0	0	0	(664,015)
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	(903,228)	238,213	0	0	0	(664,015)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	7,360,921					7,360,921
Provincial Grants - Other	0					0
Other	0					0
Investment Income		30,000				30,000
Med Restricted Portion of Proceeds on Disposal		886,556				886,556
Transfer for excess Bylaw	(2,704,258)	2,704,258				0
	4,656,663	3,620,814	0	0	0	8,277,477
Decrease:						
Transferred to DCC - Capital Additions	3,645,486					3,645,486
Transferred to DCC - Work in Progress	0					0
Transferred to Invested in Capital Assets - Site Purchases	3,645,486	0	0	0	0	3,645,486
	1,011,177	3,620,814	0	0	0	4,631,991
Net Changes for the Year	107,949	3,860,027	0	0	0	3,967,976
BALANCE, END OF YEAR						

SCHOOL DISTRICT NO. 71 (Comox Valley)

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	26,266,777	2,022,227	28,289,004
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>26,266,777</u>	<u>2,022,227</u>	<u>28,289,004</u>
Changes for the Year			
Investment Income		40,000	40,000
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets	1,467,657		1,467,657
District Portion of Proceeds on Disposal	(1,670,558)	784,003	(886,555)
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	3,028,530		3,028,530
Capital Assets Purchased from Local Capital	285,000	(285,000)	0
Interfund Transfers - Capital Assets Purchased	1,261,150		1,261,150
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(3,540,629)		(3,540,629)
Transferred to Invested in Capital Assets - Site Purchases			0
Sale of Misc equipment		22,603	22,603
Services and supplies purchased		(565,000)	(565,000)
School purchase local capital	375,300	(375,300)	
Net Changes for the Year	<u>1,206,450</u>	<u>(378,694)</u>	<u>827,756</u>
BALANCE, END OF YEAR	<u><u>27,473,227</u></u>	<u><u>1,643,533</u></u>	<u><u>29,116,760</u></u>