

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2006/2007

SCHOOL DISTRICT NUMBER 72	NAME OF SCHOOL DISTRICT Campbell River	YEAR 2006/2007
OFFICE LOCATION 425 Pinecrest Rd		TELEPHONE NUMBER 250-830-2300
CITY / PROVINCE Campbell River, BC		POSTAL CODE V9W 3P2
WEBSITE ADDRESS http://www.sd72.bc.ca		
NAME OF SUPERINTENDENT Julie M. MacRae		NAME OF SECRETARY - TREASURER Lyle J. Boyce

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

The Board's Responsibility

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


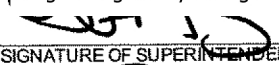
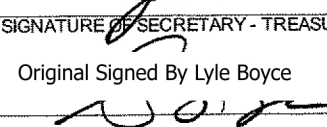
External Auditors

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

Declaration of Management and Board Chairperson

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

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 72 (Campbell River) for the year ended June 30, 2007.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES  Original Signed By George MacLagan	DATE SIGNED 2007 Sep 25th
SIGNATURE OF SUPERINTENDENT  Original Signed By Julie MacRae	DATE SIGNED 2007 Sep 25th
SIGNATURE OF SECRETARY - TREASURER  Original Signed By Lyle Boyce	DATE SIGNED Sept 25, 2007

SCHOOL DISTRICT NO. 72 (Campbell River)
2006/2007 AUDITED FINANCIAL STATEMENTS

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MEYERS NORRIS PENNY LLP

Auditors' Report

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

We have audited the statement of financial position of School District No. 72 (Campbell River) as at June 30, 2007 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Meyers Norris Penny LLP

Chartered Accountants

Campbell River, British Columbia

August 16, 2007

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
ASSETS					
Current Assets					
Cash and Cash Equivalents	10,309,184	842,339		11,151,523	10,094,214
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	83,041			83,041	3,181,877
Due from Province - Other				0	0
Due from LEA / Direct Funding	683,868			683,868	590,394
Other Receivables	677,020			677,020	441,034
Interfund Loans		2,486,413	723,436		
Inventories				0	0
Prepaid Expenses	18,218			18,218	16,279
	11,771,331	3,328,752	723,436	12,613,670	14,323,798
				0	0
Investments				0	0
Equity Investments					
Capital Assets - Net			75,194,397	75,194,397	76,280,474
TOTAL ASSETS	11,771,331	3,328,752	75,917,833	87,808,067	90,604,272
LIABILITIES AND FUND BALANCES					
Current Liabilities				0	0
Bank Overdraft					
Accounts Payable and Accrued Liabilities				0	0
Due to Province - Ministry of Education				0	0
Due to Province - Other					
Other	2,551,912			2,551,912	5,369,793
Bank Loans			1,000,000	1,000,000	1,000,000
Interfund Loans	3,209,849				
Other Current Liabilities				0	0
	5,761,761	0	1,000,000	3,551,912	6,369,793
				0	0
Deferred Revenue					
Deferred Contributions					
Ministry of Education	255,158	1,532,335	(661,592)	1,125,901	1,381,891
Province - Other				0	0
Other	182,927	1,796,417		1,979,344	1,433,956
Accrued Employee Future Benefits	1,331,745			1,331,745	1,250,845
Deferred Capital Contributions			54,453,586	54,453,586	56,506,293
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	7,531,591	3,328,752	54,791,994	62,442,488	66,942,778
Fund Balances					
Invested in Capital Assets			20,603,656	20,603,656	19,637,026
Endowment				0	0
Internally Restricted	2,675,218		522,183	3,197,401	2,222,955
Unrestricted	1,564,522			1,564,522	1,801,513
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	4,239,740	0	21,125,839	25,365,579	23,661,494
TOTAL LIABILITIES AND FUND BALANCES	11,771,331	3,328,752	75,917,833	87,808,067	90,604,272

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2007

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
REVENUE					
Provincial Grants - Ministry of Education	46,990,351	2,097,700		49,088,051	50,662,044
Provincial Grants - Other	261,545			261,545	232,559
Federal Grants	151,747			151,747	159,091
Other Revenue	3,239,862	1,686,030		4,925,892	4,725,388
Rentals and Leases	241,920			241,920	149,245
Investment Income	220,013		168,042	388,055	313,810
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			2,499,500	2,499,500	2,443,615
Gain (Loss) on Disposal of Capital Assets				0	438,749
	51,105,438	3,783,730	2,667,542	57,556,710	59,124,501
EXPENSE					
Salaries					
Teachers	22,232,736	304,441		22,537,177	21,422,254
Principals and Vice Principals	2,974,121			2,974,121	3,035,779
Educational Assistants	4,040,427			4,040,427	4,005,083
Support Staff	5,839,747	41,413		5,881,160	5,883,367
Other Professionals	1,123,572	4,092		1,127,664	983,330
Substitutes	1,023,150	19,473		1,042,623	1,023,273
	37,233,753	369,419	0	37,603,172	36,353,086
Employee Benefits	7,206,620	65,956		7,272,576	7,117,138
Services and Supplies	5,945,630	2,065,233		8,010,863	8,553,623
Amortization of Capital Assets			2,966,014	2,966,014	2,874,494
Write-off/down of Buildings and Sites				0	0
	50,386,003	2,500,608	2,966,014	55,852,625	54,898,341
NET REVENUE (EXPENSE)	719,435	1,283,122	(298,472)	1,704,085	4,226,160

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
FUND BALANCES, BEGINNING OF YEAR	3,750,305	0	19,911,189	23,661,494	19,435,334
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	3,750,305	0	19,911,189	23,661,494	19,435,334
Changes for the Year					
Net Revenue (Expense) for the Year	719,435	1,283,122	(298,472)	1,704,085	4,226,160
Interfund Transfers					
Capital Assets Purchased		(1,283,122)	1,283,122	0	0
Local Capital	(230,000)		230,000	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	489,435	0	1,214,650	1,704,085	4,226,160
FUND BALANCES, END OF YEAR	4,239,740	0	21,125,839	25,365,579	23,661,494

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	719,435	1,283,122	(298,472)	1,704,085	4,226,160
Changes In Non-Cash Working Capital					
Decrease (Increase)				2,769,375	(3,021,253)
Accounts Receivable	2,767,305	2,070		0	0
Interfund Loans	104,466	146,761	(251,227)	0	0
Inventories				(1,939)	(16,279)
Prepaid Expenses	(1,939)				
Increase (Decrease)				(2,817,880)	2,643,191
Accounts Payable/Accrued Liabilities	(2,817,880)			0	0
Other Current Liabilities				0	0
Deferred Revenue				286,191	242,217
Deferred Contributions	296,158	(9,967)		80,900	63,884
Accrued Employee Future Benefits	80,900			0	0
Other Long Term Liabilities				0	(438,749)
Loss (Gain) on Disposal of Capital Assets					
Items Not Involving Cash					
Amortization of Capital Assets			2,966,014	2,966,014	2,874,494
Amortization of Deferred Capital Contributions			(2,499,500)	(2,499,500)	(2,443,615)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(230,000)	(1,283,122)	1,513,122		
	918,445	138,864	1,429,937	2,487,246	4,130,050
FINANCING					
Bank Loan Received				0	1,000,000
Bank Loan Paid				0	(2,000,000)
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			3,207	3,207	785,814
Proceeds from Disposal of Capital Assets				0	2,035,421
MEd Restricted Portion of Proceeds on Disposal				0	(1,526,566)
	0	0	3,207	3,207	294,669
INVESTING					
Capital Assets Purchased - Operating				0	0
Capital Assets Purchased - Special Purpose			(1,283,122)	(1,283,122)	(3,000,445)
Capital Assets Purchased - Local Capital			(150,022)	(150,022)	(81,769)
Loc Cap - WIP Purchase				0	(784,887)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(1,433,144)	(1,433,144)	(3,867,101)
NET INCREASE (DECREASE) IN CASH	918,445	138,864	0	1,057,309	557,618

SCHOOL DISTRICT NO. 72 (Campbell River)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
NET INCREASE (DECREASE) IN CASH	918,445	138,864	0	1,057,309	557,618
Net Cash, Beginning of Year	9,390,739	703,475	0	10,094,214	9,536,596
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	9,390,739	703,475	0	10,094,214	9,536,596
NET CASH, END OF YEAR	10,309,184	842,339	0	11,151,523	10,094,214
Cash	10,309,184	842,339		11,151,523	10,094,214
Cash Equivalents				0	0
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	10,309,184	842,339	0	11,151,523	10,094,214

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2007

Schedule A1

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	46,990,351	46,789,123	47,193,801
Provincial Grants - Other	261,545	323,320	232,559
Federal Grants	151,747	121,774	139,775
Other Revenue	3,239,862	2,895,470	2,973,303
Rentals and Leases	241,920	191,161	149,245
Investment Income	220,013	220,000	273,000
	<u>51,105,438</u>	<u>50,540,848</u>	<u>50,961,683</u>
EXPENSE			
Salaries			
Teachers	22,232,736	22,257,458	21,291,842
Principals and Vice Principals	2,974,121	2,986,165	3,035,779
Educational Assistants	4,040,427	3,964,674	4,005,083
Support Staff	5,839,747	5,695,809	5,877,663
Other Professionals	1,123,572	1,064,560	968,346
Substitutes	1,023,150	953,266	1,007,565
	<u>37,233,753</u>	<u>36,921,932</u>	<u>36,186,278</u>
Employee Benefits	7,206,620	7,560,048	7,085,488
Services and Supplies	5,945,630	7,468,278	6,512,882
	<u>50,386,003</u>	<u>51,950,258</u>	<u>49,784,648</u>
NET REVENUE (EXPENSE), FOR THE YEAR	719,435	(1,409,410)	1,177,035
INTERFUND TRANSFERS			
Capital Assets Purchased	0	0	0
Local Capital	(230,000)	(205,000)	(185,000)
Other	0	0	0
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 OF SURPLUS (DEFICIT)		1,614,410	
SURPLUS (DEFICIT), FOR THE YEAR	<u>489,435</u>	<u>0</u>	<u>992,035</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	3,750,305		2,758,270
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>3,750,305</u>		<u>2,758,270</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>4,239,740</u>		<u>3,750,305</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,675,218		
Unrestricted	1,564,522		
	<u>4,239,740</u>		

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2007

Schedule A2

	2007	2007	2006
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	48,033,346	47,765,588	44,394,722
Other Ministry of Education Grants			
GAAP Implementation Funding	386,631	386,631	386,631
Reduction for Local Education Agreements	(1,578,448)	(1,475,918)	(1,475,848)
Pay Equity	75,322	75,322	75,322
Ready Set Learn/Accountability Contract Review	37,500	37,500	40,000
Incentive/TOC Reimb/Grid Harm	0	0	2,874,319
Audit Adjustments/Debt Service Recovery	16,000	0	653
Strike Savings	0	0	898,002
Technology Review	20,000	0	0
	<u>46,990,351</u>	<u>46,789,123</u>	<u>47,193,801</u>
PROVINCIAL GRANTS - OTHER	<u>261,545</u>	<u>323,320</u>	<u>232,559</u>
FEDERAL GRANTS	<u>151,747</u>	<u>121,774</u>	<u>139,775</u>
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	704,732	592,552	712,304
Summer School Fees	900	0	28,000
Continuing Education	0	10,000	0
Offshore Tuition Fees	825,736	800,000	576,474
LEA/Direct Funding from First Nations	1,578,448	1,475,918	1,475,849
Miscellaneous			
Secondment Reimbursement from Ministry	0	0	142,138
Transcripts/SBO Misc Revenue	130,046	17,000	38,538
	<u>3,239,862</u>	<u>2,895,470</u>	<u>2,973,303</u>
RENTALS AND LEASES	<u>241,920</u>	<u>191,161</u>	<u>149,245</u>
INVESTMENT INCOME	<u>220,013</u>	<u>220,000</u>	<u>273,000</u>
TOTAL OPERATING REVENUE	<u><u>51,105,438</u></u>	<u><u>50,540,848</u></u>	<u><u>50,961,683</u></u>

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2007

Schedule A3

	2007	2007	2006
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	22,232,736	22,257,458	21,291,842
Principals and Vice Principals	2,974,121	2,986,165	3,035,779
Educational Assistants	4,040,427	3,964,674	4,005,083
Support Staff	5,839,747	5,695,809	5,877,663
Other Professionals	1,123,572	1,064,560	968,346
Substitutes	1,023,150	953,266	1,007,565
	<u>37,233,753</u>	<u>36,921,932</u>	<u>36,186,278</u>
EMPLOYEE BENEFITS	7,206,620	7,560,048	7,085,488
Total Salaries and Benefits	<u>44,440,373</u>	<u>44,481,980</u>	<u>43,271,766</u>
SERVICES AND SUPPLIES			
Services	580,754	714,875	475,988
Student Transportation	29,728	43,300	20,347
Professional Development and Travel	567,537	905,981	532,626
Rentals and Leases	183,071	208,668	188,898
Dues and Fees	40,921	43,436	42,696
Insurance	108,323	120,000	105,698
Interest	14,722	0	729
Supplies	3,134,027	4,080,097	3,921,564
Bad Debts	0	0	0
Utilities	1,286,547	1,351,921	1,224,336
Total Services and Supplies	<u>5,945,630</u>	<u>7,468,278</u>	<u>6,512,882</u>
TOTAL OPERATING EXPENSE	<u>50,386,003</u>	<u>51,950,258</u>	<u>49,784,648</u>

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	17,521,080	705,511	272,379	597,594	18,790	966,903	20,072,667
1.03 Career Programs	235,504					3,509	239,013
1.07 Library Services	494,725			224,072	78,424		797,221
1.08 Counselling	497,943			62,020		1,088	561,051
1.10 Special Education	2,716,630	108,511	3,415,131	68,415		41,591	6,349,278
1.30 English as a Second Language	442,200					618	442,818
1.31 Aboriginal Education	268,439	85,439	352,917	23,478		548	731,821
1.41 School Administration		2,042,880		491,586		313	2,534,779
1.60 Summer School	55,205			4,924			60,129
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	22,232,736	2,943,341	4,040,427	1,470,489	97,214	1,004,570	31,788,777
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				27,445	319,186		346,631
4.40 School District Governance					61,152		61,152
4.41 Business Administration		30,780		219,310	418,478	18,580	685,148
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	30,780	0	246,755	796,816	18,580	1,092,931
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				71,821	67,466		139,287
5.50 Maintenance Operations				3,086,246	135,221		3,221,467
5.52 Maintenance of Grounds				325,578			325,578
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	3,483,645	202,687	0	3,686,332
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration							0
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				638,858	26,855		665,713
7.73 Housing							0
Total Function 7	0	0	0	638,858	26,855	0	665,713
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	22,232,736	2,974,121	4,040,427	5,639,747	1,123,572	1,023,150	37,233,753

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2007

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2007 ACTUAL	2007 AMENDED ANNUAL BUDGET	2006 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	20,072,667	3,918,660	23,991,357	1,514,976	25,506,333	26,479,013	24,706,740
1.03 Career Programs	239,013	42,982	281,995	28,824	310,819	387,462	334,162
1.07 Library Services	797,221	153,432	950,653	361,954	1,312,607	1,465,469	1,793,567
1.08 Counselling	561,051	103,793	664,834		664,834	730,601	764,749
1.10 Special Education	6,346,278	1,303,002	7,652,280	134,751	7,787,031	8,042,570	7,434,131
1.30 English as a Second Language	442,818	79,833	522,651	7,257	529,908	571,362	501,726
1.31 Aboriginal Education	731,821	147,172	878,993	149,442	1,028,435	1,346,333	997,199
1.41 School Administration	2,534,779	442,779	2,977,558	223,295	3,200,853	3,330,467	3,278,684
1.60 Summer School	60,129	10,081	70,210	1,328	71,538	41,755	36,296
1.61 Continuing Education	0	0	0	0	0	0	0
1.62 Off Shore Students	0	0	0	0	0	0	0
1.64 Other	0	0	0	0	0	0	0
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	31,788,777	6,201,764	37,990,531	2,421,827	40,412,359	42,375,032	39,847,253
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	346,631	56,049	402,680	73,229	475,909	489,152	475,519
4.40 School District Governance	61,152	602	61,754	79,716	141,472	134,962	159,696
4.41 Business Administration	685,146	113,604	798,752	357,139	1,155,891	1,114,203	1,086,920
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	1,092,931	170,255	1,263,186	510,086	1,773,272	1,738,317	1,722,135
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	139,287	26,202	165,489	82,300	250,789	255,475	259,802
5.50 Maintenance Operations	3,221,467	602,146	3,823,613	1,083,303	4,906,916	4,574,201	5,047,584
5.52 Maintenance of Grounds	325,576	61,199	386,777	140,049	526,826	508,026	414,604
5.56 Utilities	0	0	0	1,350,171	1,350,171	1,351,921	1,287,216
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	3,686,332	689,547	4,375,879	2,655,823	7,034,102	6,689,623	7,009,206
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	0	0	0	0	0	0	2,419
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	665,713	142,064	807,777	314,423	1,122,200	1,110,286	1,163,746
7.73 Housing	0	0	0	25,358	25,358	37,000	34,160
Total Function 7	665,713	142,064	807,777	339,781	1,147,558	1,147,286	1,205,325
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	18,113	18,113	0	729
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	18,113	18,113	0	729
TOTAL FUNCTIONS 1 - 9	37,233,763	7,206,620	44,440,373	5,945,630	50,386,003	51,960,258	49,784,648

SCHOOL DISTRICT NO. 72 (Campbell River)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule A5

BALANCE, BEGINNING OF YEAR	141,927
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Changes in Accounting Policies/
Prior Period Adjustments

BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>141,927</u>
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Changes for the Year

Increase:

Provincial Grants - Ministry of Education	255,158
Provincial Grants - Other	0
Other Revenue	0
2010 Legacies Now Society	15,000
Vancouver Fdn Early Learners	26,000
	<u>296,158</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>

Net Changes for the Year	<u>296,158</u>
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BALANCE, END OF YEAR	<u><u>438,085</u></u>
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SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2007

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,758,231	983,045	597,443	0	3,338,719
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,727,805	235,336			1,962,941
Provincial Grants - Other		85,181			85,181
Federal Grants	8,966	225,744	1,477,821		1,713,561
Other Revenue	49,914	41,725			91,639
Investment Income	1,786,515	598,988	1,477,821	0	3,863,322
Less: Allocated to Revenue	1,932,852	502,864	1,347,914		3,783,730
Recovered	79,559				79,559
DEFERRED CONTRIBUTIONS, END OF YEAR	1,532,335	1,069,067	727,350	0	3,328,752
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	1,923,856	173,844			2,097,700
Provincial Grants - Other					0
Federal Grants	8,966	329,120	1,347,914		1,686,030
Other Revenue					0
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	1,932,852	502,964	1,347,914	0	3,783,730
EXPENSE					
Salaries					
Teachers	130,343	174,068			304,411
Principals and Vice Principals					0
Educational Assistants					0
Support Staff	5,798	35,615			41,413
Other Professionals	4,092				4,092
Substitutes	4,012	15,461			19,473
	144,245	225,174	0	0	369,419
Employee Benefits	26,282	39,884			66,166
Services and Supplies	479,223	238,096	1,347,914		2,065,233
	649,730	502,984	1,347,914	0	2,500,608
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,283,122	0	0	0	1,283,122
INTERFUND TRANSFERS					
Capital Assets Purchased	(1,283,122)				(1,283,122)
Other					0
	(1,283,122)	0	0	0	(1,283,122)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	290 Debt Services
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR				
Add: Contributions Received	1,643,359	14,909	20,503	0
Provincial Grants - Ministry of Education	1,472,151		19,562	46,004
Provincial Grants - Other				
Federal Grants				8,996
Other Revenue	48,385	800	942	
Investment Income	1,520,516	800	20,504	55,000
Less: Allocated to Revenue	1,671,313		16,814	55,000
Recovered				
DEFERRED CONTRIBUTIONS, END OF YEAR	1,492,562	15,409	24,193	0
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education	1,671,313		16,814	46,004
Provincial Grants - Other				
Federal Grants				
Other Revenue				8,996
Investment Income				
EXPENSE	1,671,313	0	16,814	55,000
Salaries				
Teachers				
Principals and Vice Principals				
Educational Assistants				
Support Staff				
Other Professionals				
Substitutes				
	0	0	0	0
Employee Benefits				
Services and Supplies	388,191		16,814	55,000
	388,191	0	16,814	55,000
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,283,122	0	0	0
INTERFUND TRANSFERS				
Capital Assets Purchased	(1,283,122)			
Other				
	(1,283,122)	0	0	0
NET REVENUE (EXPENSE)	0	0	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

DEFERRED CONTRIBUTIONS	Oasis	Headstart
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR		
Add: Contributions Received	33,510	46,050
Provincial Grants - Ministry of Education		
Provincial Grants - Other	89,843	100,045
Federal Grants		
Other Revenue		
Investment Income	7	
	89,850	100,045
Less: Allocated to Revenue	89,679	100,046
Recovered	33,510	46,049
DEFERRED CONTRIBUTIONS, END OF YEAR	171	0
REVENUE AND EXPENSE		
REVENUE		
Provincial Grants - Ministry of Education	89,679	100,046
Provincial Grants - Other		
Federal Grants		
Other Revenue		
Investment Income	89,679	100,046
EXPENSE		
Salaries		
Teachers	59,072	71,271
Principals and Vice Principals		
Educational Assistants		
Support Staff	2,899	2,899
Other Professionals	4,052	
Substitutes	600	3,412
Employee Benefits	66,663	77,582
Services and Supplies	11,547	14,715
	11,469	7,749
	89,679	100,046
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0
INTERFUND TRANSFERS		
Capital Assets Purchased		
Other		
NET REVENUE (EXPENSE)	0	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

DEFERRED CONTRIBUTIONS	TOTAL
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,758,231
Add: Contributions Received	
Provincial Grants - Ministry of Education	1,727,505
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	8,996
Investment Income	49,914
	1,786,515
Less: Allocated to Revenue	1,932,852
Recovered	79,559
DEFERRED CONTRIBUTIONS, END OF YEAR	1,532,335
REVENUE AND EXPENSE	
REVENUE	
Provincial Grants - Ministry of Education	1,923,856
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	8,996
Investment Income	0
	1,932,852
EXPENSE	
Salaries	
Teachers	130,343
Principals and Vice Principals	0
Educational Assistants	0
Support Staff	5,798
Other Professionals	4,092
Substitutes	4,012
	144,245
Employee Benefits	26,282
Services and Supplies	479,223
	649,730
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	1,283,122
INTERFUND TRANSFERS	
Capital Assets Purchased	(1,283,122)
Other	0
	(1,283,122)
NET REVENUE (EXPENSE)	0

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B3

	Community Link	French Secretary of State	Provincial Literacy	Drug & Alcohol VIHA	District Trust Funds	District Scholarships
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR						
Add: Contributions Received	353,882	15,584	0	22,315	485,235	106,029
Provincial Grants - Ministry of Education	126,712	32,000	66,624		10,000	
Provincial Grants - Other					85,181	
Federal Grants						
Other Revenue	13,803	548	2,698	68,855	143,453	14,436
Investment Income	140,515	32,548	69,322	68,716	19,226	4,589
					257,860	19,025
Less: Allocated to Revenue Recovered	139,788	34,056		69,901	249,153	10,066
DEFERRED CONTRIBUTIONS, END OF YEAR	354,809	14,076	69,322	22,130	489,342	114,988
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education	139,788	34,056				
Provincial Grants - Other						
Federal Grants						
Other Revenue				69,901	249,153	10,066
Investment Income	139,788	34,056	0	69,901	249,153	10,066
EXPENSE						
Salaries						
Teachers	26,641			57,905	89,552	
Principals and Vice Principals						
Educational Assistants						
Support Staff					35,615	
Other Professionals						
Substitutes		15,461				
Employee Benefits	26,641	15,461	0	57,905	125,167	0
Services and Supplies	4,765	1,524		10,716	22,689	
	108,382	17,071		1,280	101,297	10,066
	139,788	34,056	0	69,901	249,153	10,066
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	0	0	0
INTERFUND TRANSFERS						
Capital Assets Purchased						
Other						
	0	0	0	0	0	0
	0	0	0	0	0	0
NET REVENUE (EXPENSE)						

SCHOOL DISTRICT NO. 72 (Campbell River)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2007

Schedule B3

DEFERRED CONTRIBUTIONS	TOTAL
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	963,045
Add: Contributions Received	
Provincial Grants - Ministry of Education	235,336
Provincial Grants - Other	85,181
Federal Grants	0
Other Revenue	226,744
Investment Income	41,725
	<u>588,986</u>
Less: Allocated to Revenue	502,364
Recovered	0
DEFERRED CONTRIBUTIONS, END OF YEAR	<u>1,089,067</u>
REVENUE AND EXPENSE	
REVENUE	
Provincial Grants - Ministry of Education	173,844
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	329,120
Investment Income	0
	<u>502,964</u>
EXPENSE	
Salaries	
Teachers	174,098
Principals and Vice Principals	0
Educational Assistants	0
Support Staff	35,615
Other Professionals	0
Substitutes	15,461
	<u>225,174</u>
Employee Benefits	39,694
Services and Supplies	238,096
	<u>502,964</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0
INTERFUND TRANSFERS	
Capital Assets Purchased	0
Other	0
NET REVENUE (EXPENSE)	<u>0</u>

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2007

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	8,270,011	105,762,779	5,800,356	748,390	0	67,296	120,648,832
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	8,270,011	105,762,779	5,800,356	748,390	0	67,296	120,648,832
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund		1,216,931				66,191	1,283,122
Special Purpose Funds			118,451	31,571			150,022
Local Capital							0
Transferred from Work in Progress	0	1,216,931	118,451	31,571	0	66,191	1,433,144
Decrease:							
Disposed of							0
Deemed Disposals			719,319	166,431			885,751
Written-off/down During Year							0
COST, END OF YEAR	8,270,011	106,979,710	5,919,488	813,530	0	133,486	121,196,225
WORK IN PROGRESS, END OF YEAR		446,793					446,793
COST AND WORK IN PROGRESS, END OF YEAR	8,270,011	107,426,503	5,919,488	813,530	0	133,486	121,643,018
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	40,096,651	3,889,486	428,816	0	13,405	44,388,358
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	40,096,651	3,889,486	428,816	0	13,405	44,388,358
Changes for the Year							
Increase: Amortization for the Year		2,297,680	580,036	74,639		13,459	2,966,014
Decrease:							
Disposed of							0
Deemed Disposals			719,319	166,431			885,751
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	42,394,331	3,730,203	337,224	0	26,863	46,448,621
CAPITAL ASSETS - NET	8,270,011	65,072,172	1,489,285	276,306	0	106,623	75,194,397

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2007

	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	446,793				446,793
Deferred Contributions - Other					0
Operating Fund					0
Special Purpose Funds					0
Local Capital					0
	446,793	0	0	0	446,793
Decrease:					
Transferred to Capital Assets	0	0	0	0	0
Net Changes for the Year	446,793	0	0	0	446,793
WORK IN PROGRESS, END OF YEAR	446,793	0	0	0	446,793

SCHOOL DISTRICT NO. 72 (Campbell River)

Schedule C3

CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	53,945,095	2,561,198	0	56,506,293
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	53,945,095	2,561,198	0	56,506,293
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions				0
Transferred from Work in Progress				0
	0	0	0	0
Decrease:				
Amortization of Deferred Capital Contributions	2,435,470	64,030		2,499,500
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	2,435,470	64,030	0	2,499,500
Net Changes for the Year	(2,435,470)	(64,030)	0	(2,499,500)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	51,509,625	2,497,168	0	54,006,793
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	0	0	0	0
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress	446,793			446,793
	446,793	0	0	446,793
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
Net Changes for the Year	446,793	0	0	446,793
WORK IN PROGRESS, END OF YEAR	446,793	0	0	446,793
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	51,956,418	2,497,168	0	54,453,586

SCHOOL DISTRICT NO. 72 (Campbell River)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	10,200	(674,999)	0	0	0	(664,799)
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	10,200	(674,999)	0	0	0	(664,799)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	450,000					450,000
Provincial Grants - Other						0
Other						0
Investment Income						0
MEEd Restricted Portion of Proceeds on Disposal						0
	450,000	0	0	0	0	450,000
Decrease:						
Transferred to DCC - Capital Additions						0
Transferred to DCC - Work in Progress	446,793					446,793
Transferred to Invested in Capital Assets - Site Purchases						0
	446,793	0	0	0	0	446,793
Net Changes for the Year	3,207	0	0	0	0	3,207
BALANCE, END OF YEAR	13,407	(674,999)	0	0	0	(661,592)

SCHOOL DISTRICT NO. 72 (Campbell River)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	19,637,026	274,163	19,911,189
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	19,637,026	274,163	19,911,189
Changes for the Year			
Investment Income		168,042	168,042
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	2,499,500		2,499,500
Capital Assets Purchased from Local Capital	150,022	(150,022)	0
Interfund Transfers - Capital Assets Purchased	1,283,122		1,283,122
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		230,000	230,000
Amortization of Capital Assets	(2,966,014)		(2,966,014)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	966,630	248,020	1,214,650
BALANCE, END OF YEAR	20,603,656	522,183	21,125,839

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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 School Trustees of School District No. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." 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. The School District is exempt from tax.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations (except as disclosed in Note 2(b) and 13). These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

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

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

a) Fund Accounting

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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

b) Prepaid Expenses

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

c) Capital Assets

The following criteria apply:

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

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

d) Revenue Recognition

Unrestricted operating government grants, are recognized when service are provided. 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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

- Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.

e) Expenditures

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

f) Financial Instruments

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

g) Use of Estimates

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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

h) Employee Future Benefits

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

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

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

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2007</u>	<u>2006</u>
Due from Federal Government	\$ 87,378	\$ 98,167
Due from Other School Districts	9,111	9,999
Due from North Island College	109,982	142,283
Due from Simon Fraser University	17,413	16,679
Due from Royal Bank	38,986	40,868
Due from CRDTA	84,662	69,525
Due from CUPE	13,116	20,252
Due from Edaus School	276,600	-
Due from other	39,772	43,261
	<u>\$ 677,020</u>	<u>\$ 441,034</u>

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

NOTE 4 CAPITAL ASSETS

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 8,270,011	\$ -	\$ 8,270,011	\$ 8,270,011
Buildings	107,426,503	(42,354,331)	65,072,172	65,706,128
Furniture & Equipment	5,199,488	(3,730,203)	1,469,285	1,930,870
Vehicles	613,530	(337,224)	276,306	319,574
Computer Hardware	133,486	(26,863)	106,623	53,891
	<u>\$121,643,018</u>	<u>\$(46,448,621)</u>	<u>\$75,194,397</u>	<u>\$76,280,474</u>

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

NOTE 5 CAPITAL BANK LOANS PAYABLE

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

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

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

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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 (EARS�) of active employees.

	2007	2006
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 1,259,172	\$ 1,174,626
Service Cost	99,214	93,946
Interest Cost	68,674	67,170
Benefit Payments	(92,820)	(91,400)
Actuarial (Gain)/Loss	(441,532)	14,830
Accrued Benefit Obligation – March 31	<u>\$ 892,708</u>	<u>\$ 1,259,172</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 892,708	\$ 1,259,172
Market Value of Plan Assets – March 31		
Funded Status - Surplus/(Deficit)	(892,708)	(1,259,172)
Employer Contributions After Measurement Date	-	5,832
Unamortized Net Actuarial (Gain)/Loss	(439,037)	2,495
Accrued Benefit Asset/(Liability) – June 30	<u>\$ (1,331,745)</u>	<u>\$ (1,250,845)</u>

Components of Net Benefit Expense		
Service Cost	\$ 93,946	\$ 93,946
Interest Cost	67,170	67,170
Amortization of Net Actuarial (Gain)/Loss	-	-
Net Benefit Expense (Income)	<u>\$ 161,116</u>	<u>\$ 161,116</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%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARS� – March 31	9.4	11.1

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

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 140,000 active members, of which approximately 21,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers.

The School District No. 72 (Campbell River) paid \$3,593,334 for employer contributions to these plans for the year ended June 30, 2007 and \$3,309,845 for the year ended June 30, 2006.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

NOTE 8 OPERATING FUND BALANCE - END OF YEAR

Internally Restricted (appropriated) by the Board for:

Professional Development	\$ 413,965	
School Supply Accounts	249,073	
Implementation Training	225,000	
Learning Resources	225,000	
Aboriginal Programs	105,981	
Instructional Equipment Support	100,000	
French Immersion/Transition Support	30,000	
Computers for Teachers in the Workplace	5,782	
Board Instructional Support	111,000	
Technology	150,000	
Technology Training	43,482	
Support Staff Training	80,000	
Teacher Leadership/Succession	80,000	
Grounds Equipment	75,000	
Human Resources Consulting	45,000	
Electronic Record Conversion	75,000	
Landscaping Improvements	100,000	
VISTA Planning	5,000	
Surplus Required to Balance 07/08 Budget	555,935	
Subtotal Internally Restricted		\$2,675,218
Unrestricted Operating Surplus		1,564,522
Total Available for Future Operations		<u>\$4,239,740</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, 2007, transfers were as follows:

- A transfer in the amount of \$230,000 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$1,283,122 was made from the special purpose fund to the capital fund for the purchase of capital assets.

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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

NOTE 11 COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform with current year presentation. On Schedule B.3 Other Special Purpose funds totaling \$983,045 were consolidated to the following:

Community Link	\$353,882
French Sec of State	15,584
Drug & Alcohol VIHA	22,315
District Trust Funds	485,235
District Scholarships	106,029
Total	<u>\$983,045</u>

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 20, 2007.

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 under the assumption that the School District operates as a “going concern”.

NOTE 14 RECENT ACCOUNTING PRONOUNCEMENTS

In January 2005, the Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2006. Section 3855 Financial Instruments – Recognition and Measurement establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Section 3861 Financial Instruments – Disclosure and Presentation discusses the presentation and disclosure of these items. The application of hedge accounting is covered in Section 3865 Hedges. Section 1530 Comprehensive Income establishes standards for reporting and displaying certain gains and losses, such as unrealized gains and losses related to hedges or other derivative instruments, outside of net income, in a statement of comprehensive income. Section 3251 Equity establishes standards for the presentation of equity and changes in equity, including changes arising from those items recorded in comprehensive income. There have also been numerous consequential amendments made to other Sections.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2007

NOTE 14 RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In December 2006, the Canadian Institute of Chartered Accountants issued Section 3862 Financial Instruments – Disclosures and Section 3863 Financial Instruments – Presentation to replace Section 3861 Financial Instruments – Disclosure and Presentation. These new Sections are effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2007, but may be adopted in place of Section 3861, before that date.