



Consolidated Financial Statements

School District No. 36 (Surrey)

June 30, 2008

SCHOOL DISTRICT

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

SCHOOL DISTRICT NUMBER 36	NAME OF SCHOOL DISTRICT Surrey	YEAR 2007/2008
OFFICE LOCATION 14225 56th Ave		TELEPHONE NUMBER 604-596-7733
CITY / PROVINCE Surrey, BC		POSTAL CODE V3X 3A3
WEBSITE ADDRESS http://www.sd36.bc.ca		
NAME OF SUPERINTENDENT Michael McKay	NAME OF SECRETARY - TREASURER Wayne Noye	

DECLARATION AND SIGNATURES

SCHOOL DISTRICT MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements and supporting schedules of The Board of Education of School District No. 36 (Surrey) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The consolidated 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 consolidated financial statements lies with the Board. The Board has reviewed and approved the consolidated financial statements.

External Auditors

The Board appoints external auditors to audit the consolidated 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 consolidated 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 Consolidated Financial Statements of School District No. 36 (Surrey) for the year ended June 30, 2008.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED

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Auditors' report

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To the Board of Education
School District No. 36 (Surrey)

We have audited the consolidated statement of financial position of School District No. 36 (Surrey) as at June 30, 2008 and the consolidated 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 the 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 A through C is presented for purposes of additional analysis. 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.

Grant Thornton LLP

Vancouver, Canada

August 15, 2008

Chartered accountants

SCHOOL DISTRICT NO. 36 (Surrey)
CONSOLIDATED 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	72,791,821	17,747,697	72,160,805	162,700,323	137,615,706
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	2,105,937	151,271		2,257,208	2,240,975
Due from Province - Other	91,031			91,031	0
Due from LEA / Direct Funding				0	0
Other Receivables (Note 4)	1,864,465	19,715	2,089,681	3,973,861	3,863,495
Interfund Loans					
Inventories				0	0
Prepaid Expenses	1,092,610			1,092,610	967,501
	77,945,864	17,918,683	74,250,486	170,115,033	144,687,677
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 5)			739,862,158	739,862,158	735,148,786
TOTAL ASSETS	77,945,864	17,918,683	814,112,644	909,977,191	879,836,463
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	2,033,009
Other	8,685,422	283,222	1,801,111	10,769,755	7,253,133
Bank Loans				0	0
Interfund Loans					
Other Current Liabilities (Note 7)	30,966,470			30,966,470	25,873,244
	39,651,892	283,222	1,801,111	41,736,225	35,159,386
Deferred Revenue	8,672,196			8,672,196	10,461,378
Deferred Contributions					
Ministry of Education		10,504,390	9,843,975	20,348,365	17,417,667
Province - Other				0	120,988
Other		7,184,195	13,525,458	20,709,653	16,612,163
Accrued Employee Future Benefits (Note 8)	19,203,037			19,203,037	18,746,606
Deferred Capital Contributions			491,637,284	491,637,284	494,276,135
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	67,527,125	17,971,807	516,807,828	602,306,760	592,794,323
Fund Balances					
Invested in Capital Assets			248,224,873	248,224,873	240,872,650
Endowment				0	0
Internally Restricted (Note 10)	8,485,434	(53,124)	49,079,943	57,512,253	41,508,783
Unrestricted	1,933,305			1,933,305	4,660,707
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	10,418,739	(53,124)	297,304,816	307,670,431	287,042,140
TOTAL LIABILITIES AND FUND BALANCES	77,945,864	17,918,683	814,112,644	909,977,191	879,836,463

SCHOOL DISTRICT NO. 36 (Surrey)
CONSOLIDATED 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	483,087,642	14,988,415		498,076,057	474,648,295
Provincial Grants - Other	1,884,358	120,988		2,005,346	489,089
Federal Grants	40,625	143,441		184,066	202,571
Other Revenue	17,416,338	16,528,236	54,989	33,999,563	35,213,973
Rentals and Leases	1,377,264			1,377,264	1,250,966
Investment Income	4,021,953	209,443	1,440,059	5,671,455	5,084,881
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			19,583,212	19,583,212	18,334,136
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>507,828,180</u>	<u>31,990,523</u>	<u>21,078,260</u>	<u>560,896,963</u>	<u>535,223,911</u>
EXPENSE					
Salaries					
Teachers	240,146,033	1,178,885		241,324,918	234,760,001
Principals and Vice Principals	23,236,693	304		23,236,997	22,147,496
Educational Assistants	28,996,683	340,524		29,337,207	26,808,036
Support Staff	44,480,318	424,880		44,905,198	43,478,110
Other Professionals	7,527,276	309,897		7,837,173	7,325,257
Substitutes	17,609,912	51,661		17,661,573	16,160,727
	<u>361,996,915</u>	<u>2,306,151</u>	<u>0</u>	<u>364,303,066</u>	<u>350,679,627</u>
Employee Benefits	77,051,970	485,388		77,537,358	70,534,937
Services and Supplies	50,446,083	22,945,174		73,391,257	69,574,242
Amortization of Capital Assets			25,217,131	25,217,131	22,939,507
Write-off/down of Buildings and Sites				0	0
	<u>489,494,968</u>	<u>25,736,713</u>	<u>25,217,131</u>	<u>540,448,812</u>	<u>513,728,313</u>
NET REVENUE (EXPENSE)	<u>18,333,212</u>	<u>6,253,810</u>	<u>(4,138,871)</u>	<u>20,448,151</u>	<u>21,495,598</u>

SCHOOL DISTRICT NO. 36 (Surrey)
CONSOLIDATED 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	11,318,284	(64,742)	275,788,598	287,042,140	252,582,774
Changes in Accounting Policies/ Prior Period Adjustments					
Reclassify MOE Restricted Capital				0	(1,000,000)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	11,318,284	(64,742)	275,788,598	287,042,140	251,582,774
Changes for the Year					
Net Revenue (Expense) for the Year	18,333,212	6,253,810	(4,138,871)	20,448,151	21,495,598
Interfund Transfers (Note 14)					
Capital Assets Purchased	(1,459,657)	(5,323,885)	6,783,542	0	0
Local Capital	(17,773,100)		17,773,100	0	0
Other		(918,307)	918,307	0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases			180,140	180,140	7,145,326
Comprehensive Income (Loss)				0	0
Transfer from Bylaw Capital to LCR				0	6,818,442
Net Changes for the Year	(899,545)	11,618	21,516,218	20,628,291	35,459,366
FUND BALANCES, END OF YEAR	10,418,739	(53,124)	297,304,816	307,670,431	287,042,140

SCHOOL DISTRICT NO. 36 (Surrey)
CONSOLIDATED 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	18,333,212	6,253,810	(4,138,871)	20,448,151	21,495,598
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(698,425)	(49,723)	530,518	(217,630)	28,944,463
Interfund Loans				0	0
Inventories				0	0
Prepaid Expenses	(125,109)			(125,109)	(115,730)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	1,843,032	116,740	(476,162)	1,483,610	(3,493,840)
Other Current Liabilities	5,093,229			5,093,229	(24,495,207)
Deferred Revenue	(1,789,182)			(1,789,182)	(558,115)
Deferred Contributions		2,095,833		2,095,833	2,344,466
Accrued Employee Future Benefits	456,431			456,431	1,068,035
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			25,217,131	25,217,131	22,939,507
Amortization of Deferred Capital Contributions			(19,583,212)	(19,583,212)	(18,334,136)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Transfer from Bylaw Capital				0	6,818,442
Interfund Transfers	(19,232,757)	(6,242,192)	25,474,949	0	0
	3,880,431	2,174,468	27,024,353	33,079,252	36,613,483
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			4,811,367	4,811,367	1,441,397
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
Deferred Capital Contributions Utilized			3,958,806	3,958,806	15,013,626
	0	0	8,770,173	8,770,173	16,455,023
INVESTING					
Capital Assets Purchased - Operating			(1,459,657)	(1,459,657)	(1,693,210)
Capital Assets Purchased - Special Purpose			(5,323,885)	(5,323,885)	(5,458,038)
Capital Assets Purchased - Local Capital			(3,766,590)	(3,766,590)	(11,438,908)
Local Capital - Work in Progress			(1,337,563)	(1,337,563)	0
Annual Facility Grant - Work in Progress			(918,307)	(918,307)	(698,054)
Capital Assets Purchased - Bylaw Capital			(3,958,806)	(3,958,806)	(15,013,626)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(16,764,808)	(16,764,808)	(34,301,836)
NET INCREASE (DECREASE) IN CASH	3,880,431	2,174,468	19,029,718	25,084,617	18,766,670

SCHOOL DISTRICT NO. 36 (Surrey)
CONSOLIDATED 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	3,880,431	2,174,468	19,029,718	25,084,617	18,766,670
Net Cash, Beginning of Year	68,911,390	15,573,229	53,131,087	137,615,706	118,849,036
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	68,911,390	15,573,229	53,131,087	137,615,706	118,849,036
NET CASH, END OF YEAR	72,791,821	17,747,697	72,160,805	162,700,323	137,615,706
Cash	70,791,821	17,747,697	72,160,805	160,700,323	133,615,706
Cash Equivalents	2,000,000			2,000,000	4,000,000
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	72,791,821	17,747,697	72,160,805	162,700,323	137,615,706

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

1. Authority

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. 36 (Surrey)", and operates as "School District No. 36 (Surrey)". A board of education ("the Board") is elected for a three-year term and governs the School District. The School District provides educational programs to students enrolled in its schools in the cities of Surrey and White Rock, and is principally funded by the Province of British Columbia through the Ministry of Education.

2. Significant accounting policies and reporting practices

General

These financial statements were prepared in accordance with Canadian generally accepted accounting principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in the prior year.

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.

The Statement of Revenue and Expense (Statement 2), Statement of Changes in Fund Balances (Statement 3) and the Statement of Cash Flows (Statement 4) present the annual results of each fund, the change in fund balances and the cash flows for the year. The Statement of Financial Position (Statement 1) presents the assets, liabilities and fund balances at June 30, 2008. Inter-fund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund accounting

Fund accounting procedures recognize external restrictions on the use of resources 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, revenue and expense for general operations.
- Special Purpose Funds report assets, liabilities, revenue and expense for:
 - Contributions restricted in use by School Act or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Related entities.
 - School-Generated Funds, funds collected and used at the school level.
- Capital Fund reports assets, liabilities, revenues and expenses for capital. Resources of other funds used for capital purposes are transferred to the capital fund. This fund also includes amounts designated as capital reserves and restricted in use by the School Act or Ministry of Education.

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

2. Significant accounting policies and reporting practices (Continued)

b) Fund balances

Fund balances are classified as Invested in Capital Assets, Internally Restricted (by the Board), and Unrestricted – Operating (available for use at the discretion of the Board).

c) Financial instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and 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.

The Canadian Institute of Chartered Accountants has issued CICA Handbook Sections 3855, "Financial Instruments – Recognition and Measurement" and 3861, "Financial Instruments – Disclosure and Presentation", which are to be adopted by public sector organizations for fiscal years commencing on or after October 1, 2006.

These new accounting standards establish guidance for recognizing and measuring financial instruments and the related financial statement disclosures. These new standards require that, amongst other things, financial instruments initially be recognized at fair value and subsequently be accounted for based on their classification as either (i) financial assets that are held for trading, available-for-sale, held-to-maturity, or loans and receivables; and (ii) financial liabilities that are held for trading or other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired, their characteristics and choice where applicable.

The School District has classified their financial instruments as follows:

- cash as held for trading (measured at fair value)
- receivables as loans and receivables (measured at amortized cost)
- payables and accruals as other financial liabilities (measured at amortized cost)

Fair values are based on quoted market values where available from active markets, otherwise fair values are estimated using a variety of valuation techniques and models.

The adoption of these new standards did not result in any changes in accounting treatment to the opening fund balances.

d) Cash and cash equivalents

Cash and cash equivalents include cash and GIC's with original terms to maturity of three months or less when purchased. Interest earned is recognized in the statement of revenue and expense.

e) Prepaid expenses

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

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

2. Significant accounting policies and reporting practices (Continued)

f) Capital assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion at which time amortization commences.
- Sites and buildings that no longer contribute to the ability of the School 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 and equipment	10 years
Vehicles	10 years
Computer software	5 years
Computer hardware	5 years

g) Capital leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of property to the School District are considered capital leases. These are accounted for as an asset and an obligation.

h) Revenue recognition

Unrestricted operating government grants are recognized 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 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 to capital fund equity (investment in capital assets).
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

2. Significant accounting policies and reporting practices (Continued)

h) Revenue recognition (Continued)

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

i) Expenditures

Categories of salaries

- Superintendent, secretary-treasurer, assistant superintendents, directors of instruction, trustees and any other employees excluded from union contract are categorized as other professionals.
- Principals, vice-principals and district principals employed under an administrative officer contract are categorized as principals and vice-principals.

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 assigned to 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 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.

j) 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 impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

2. Significant accounting policies and reporting practices (Continued)

k) Controlled and related entities

School District No. 36 Business Company ("SD36BC") was incorporated under the Business Corporations Act on May 5, 2005 and is wholly owned by the School District. The investment in SD36BC is reported in the special purpose fund and accounted for using the consolidation method (see Note 13).

l) Employee future benefits

The School District provides certain post-employment benefits including accumulated sick and vacation 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-rated 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 most recent valuation of the obligation was performed at March 31, 2007 for use at June 30, 2007 and projected to June 30, 2011. 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 has been adopted.

m) School generated funds

Contributions collected during the year are recorded as deferred contributions. These are recognized as revenue in the year in which the related expense is incurred.

n) Comparative figures

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

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

3. Future change in accounting policies

Section 3862 "Financial Instruments - Disclosures" and Section 3863 "Financial Instruments - Presentation" are effective for fiscal periods beginning on or after October 1, 2007. Section 3862 requires disclosure on the significance of financial instruments for the School District's financial position and performance and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date and how the entity manages those risks. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

The new Section 1506, effective for fiscal years beginning on or after January 1, 2007, sets out the criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. It also applies to changes required by an accounting pronouncement in the unusual instance that the pronouncement does not include specific transition provisions.

4. Accounts receivable - other receivables	2008	2007
Operating fund		
Due from Federal government - GST	\$ 701,922	\$ 617,232
Trade accounts receivable	952,861	272,842
Payroll accounts receivable	37,764	43,814
Other accounts receivable	<u>171,918</u>	<u>306,878</u>
	1,864,465	1,240,766
Special purpose fund		
Other account receivable	19,715	2,530
Capital fund		
School site acquisition charges	<u>2,089,681</u>	<u>2,620,199</u>
	\$ 3,973,861	\$ 3,863,495

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

5. Capital assets		2008		2007	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Sites	\$ 163,142,510	\$ -	\$ 163,142,510	\$ 161,082,606	
Buildings	788,147,849	257,020,942	531,126,907	540,912,415	
Buildings - WIP	17,737,774	-	17,737,774	3,107,396	
Furniture and equipment	41,034,238	20,880,980	20,153,258	21,890,767	
Vehicles	3,653,953	831,645	2,822,308	2,473,859	
Computer software	4,040,334	1,763,564	2,276,770	2,694,751	
Computer hardware	<u>5,148,652</u>	<u>2,546,021</u>	<u>2,602,631</u>	<u>2,986,992</u>	
	<u>\$ 1,022,905,310</u>	<u>\$ 283,043,152</u>	<u>\$ 739,862,158</u>	<u>\$ 735,148,786</u>	

6. Asset retirement obligation

Legal liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The fair value of the liability for asbestos removal or disposal will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. As at June 30, 2008 the liability is not reasonably determinable.

7. Vacation pay and banked overtime

Vacation pay and banked overtime are recognized as an expense at the time the entitlement is earned through service. At June 30, 2008 the balance of \$7,079,000 (2007: \$6,300,000) is included in other current liabilities.

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

8. 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	\$ 15,749,838	\$ 17,822,172
Service cost	889,527	1,171,471
Interest cost	795,566	967,176
Benefit payments	(1,117,798)	(946,791)
Actuarial gain	<u>(775,339)</u>	<u>(3,264,190)</u>
Accrued benefit obligation, March 31	<u>\$ 15,541,794</u>	<u>\$ 15,749,838</u>
Reconciliation of funded status		
Accrued benefit obligation, March 31	\$ (15,541,794)	\$ (15,749,838)
School District contribution after measurement date	161,319	217,755
Unamortized net actuarial gain	<u>(3,822,562)</u>	<u>(3,214,523)</u>
Accrued benefit liability, June 30	<u>\$ (19,203,037)</u>	<u>\$ (18,746,606)</u>
Components of net benefit expense		
Service cost	\$ 889,527	\$ 1,111,173
Interest cost	795,566	967,176
Amortization of net actuarial gain	<u>(167,300)</u>	<u>-</u>
Net benefit expense	<u>\$ 1,517,793</u>	<u>\$ 2,078,349</u>

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

	2008	2007
Discount rate - March 31	5.50%	5.00%
Salary growth - March 31	3.25% plus seniority	3.25% plus seniority
EARSL - March 31	9.8 years	9.8 years

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

9. Pension liabilities

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 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated an unfunded liability of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010.

The Joint Trust Agreements specify how surplus assets can be used and how unfunded liabilities are to be funded. The actuary does not attribute portions of the surplus unfunded liability to individual employers.

The School District's employer contributions to the plans in the fiscal year ended June 30, 2008 were \$41,956,257 (2007: \$35,787,000).

10. Operating fund balance, end of year	2008	2007
Total operating fund balance, end of year	\$ 10,418,739	\$ <u>11,318,284</u>
Less: internally restricted by the Board for:		
2008/2009 operating budget	3,264,270	-
Technology	1,642,300	2,554,981
Utilities	700,000	-
Settlement Workers in Schools	604,968	-
Learning resources	524,527	1,477,808
Net school operating surplus	495,690	561,946
Early learning initiatives	470,586	629,000
Food services	257,099	276,835
Aboriginal education target funds	254,108	58,135
Education administration	68,917	551,502
Facilities	66,502	64,317
Business development	43,711	21,177
Operations and maintenance	42,301	142,301
Ready, Set, Learn	30,809	-
Instructional trades equipment	19,646	215,000
Safe schools	-	104,575
	<u>8,485,434</u>	<u>6,657,577</u>
Subtotal, internally restricted	<u>8,485,434</u>	<u>6,657,577</u>
Unrestricted operating surplus	\$ <u>1,933,305</u>	\$ <u>4,660,707</u>

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

11. Restricted and committed funds

Special Purpose funds are restricted by the terms and conditions established by the external fund provider.

Ministry of Education Restricted Capital and Land Capital funds are restricted to expenditures on projects approved by the provincial government and are recorded as deferred contributions.

The cost to complete construction contracts at June 30, 2008 is \$9,538,600 (2007: \$9,540,000).

12. Operating lease obligations

The School District has operating lease agreements for facilities that require payments over the next three fiscal years ending June 30 as follows:

2009	\$	679,000
2010		473,000
2011		109,000

13. Controlled and/or related entities

School District No. 36 Business Company ("SD36BC") was created to explore in-district, out-of-district and global educational possibilities. SD36BC issued, and the School District owns, one (1) common voting share. SD36BC commenced active operations during the year ended June 30, 2008 and has net income of \$10,081 for the year then ended.

On June 16, 2005, to provide start-up operating funds, the School District approved a shareholder loan to SD36BC in the amount of \$100,000 with annual interest charged at bank prime.

To assist with the operations of SD36BC, the School District provided services and supplies at an exchange amount of \$11,618 (2007: \$23,511) as agreed upon by the related parties. Intercompany transactions are eliminated through the consolidation and recording of the SD36BC in the Special Purposes Funds (Schedule B1).

School District No. 36 (Surrey)

Notes to the Consolidated Financial Statements

June 30, 2008

14. Interfund transfers

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

- Transfers of \$1,459,657 (2007: \$1,693,210) from the operating fund and \$5,323,885 (2007: \$5,458,038) from the special purpose fund, totalling \$6,783,542 (2007: \$7,151,248) to the capital fund, were made to purchase capital assets;
- Transfers of \$17,773,100 (2007: \$13,389,655) from the operating fund to the capital fund's local capital were made for: site improvements \$2,000,000, purchase of furniture and equipment \$1,129,100, purchase of vehicles \$644,000, and building reserve \$14,000,000;
- Transfers of \$918,307 (2007: \$61,543) were made from the special purpose fund to the capital fund for recognition of work in progress projects funded from the Annual Facilities Grant.

15. 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.

16. 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 14, 2008.

17. Contingencies

In the ordinary course of operations, the School District has legal proceedings brought against it and provisions have been included in liabilities where appropriate. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

SCHOOL DISTRICT NO. 36 (Surrey)
OPERATING FUND
CONSOLIDATED SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2008

Schedule A1

	2008	2008 AMENDED ANNUAL BUDGET	2007
	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUE			
Provincial Grants - Ministry of Education	483,087,642	481,291,560	461,160,716
Provincial Grants - Other	1,884,358	1,850,621	468,077
Federal Grants	40,625	40,625	105,230
Other Revenue	17,416,338	17,164,780	18,427,525
Rentals and Leases	1,377,264	1,304,500	1,250,966
Investment Income	4,021,953	4,000,000	3,736,317
	<u>507,828,180</u>	<u>505,652,086</u>	<u>485,148,831</u>
EXPENSE			
Salaries			
Teachers	240,146,033	244,840,391	233,732,798
Principals and Vice Principals	23,236,693	23,058,265	22,131,178
Educational Assistants	28,996,683	30,031,799	26,493,060
Support Staff	44,480,318	45,894,053	43,114,676
Other Professionals	7,527,276	7,985,532	7,235,284
Substitutes	17,609,912	18,085,166	16,140,123
	<u>361,996,915</u>	<u>369,895,206</u>	<u>348,847,119</u>
Employee Benefits	77,051,970	81,847,065	70,242,346
Services and Supplies	50,446,083	56,562,148	47,538,008
	<u>489,494,968</u>	<u>508,304,419</u>	<u>466,627,473</u>
NET REVENUE (EXPENSE), FOR THE YEAR	18,333,212	(2,652,333)	18,521,358
INTERFUND TRANSFERS			
Capital Assets Purchased	(1,459,657)	(1,912,851)	(1,693,210)
Local Capital	(17,773,100)	(6,753,100)	(13,389,655)
Other	0	0	26,307
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)		11,318,284	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(899,545)</u>	<u>0</u>	<u>3,464,800</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	11,318,284		7,853,484
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>11,318,284</u>		<u>7,853,484</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>10,418,739</u>		<u>11,318,284</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	8,485,434		
Unrestricted	1,933,305		
	<u>10,418,739</u>		

SCHOOL DISTRICT NO. 36 (Surrey)
OPERATING FUND
CONSOLIDATED 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	470,947,174	470,947,174	422,885,324
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			3,711,941
Pay Equity	6,861,222	6,861,222	6,861,222
Community Link	887,850	887,850	887,850
DEL Continuous enrolment count funding	2,525,729	1,787,467	1,637,883
Ready Set Learn Grant	247,500	247,500	245,000
Labour Settlement funding	0	0	23,624,914
Other Miscellaneous	1,099,121	622,202	1,368,437
LEA Anticipated Reduction from Grant	(57,256)	(61,855)	(61,855)
Summer School	576,302	0	0
	<u>483,087,642</u>	<u>481,291,560</u>	<u>461,160,716</u>
PROVINCIAL GRANTS - OTHER	<u>1,884,358</u>	<u>1,850,621</u>	<u>468,077</u>
FEDERAL GRANTS	<u>40,625</u>	<u>40,625</u>	<u>105,230</u>
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	0	0	0
Summer School Fees	253,122	251,017	1,010,664
Continuing Education	2,534,269	2,456,250	2,679,194
Offshore Tuition Fees	11,745,980	11,990,000	12,778,056
LEA/Direct Funding from First Nations	57,256	61,855	61,855
Miscellaneous			
Teaching Kitchen Revenue	973,605	1,003,090	999,761
Industry Training Autho.	466,875	400,000	634,976
BCPSEA	285,121	275,585	0
Business Development	142,322	133,600	159,781
Canteen	105,076	95,142	103,238
Other Miscellaneous	852,712	498,241	0
	<u>17,416,338</u>	<u>17,164,780</u>	<u>18,427,525</u>
RENTALS AND LEASES	<u>1,377,264</u>	<u>1,304,500</u>	<u>1,250,966</u>
INVESTMENT INCOME	<u>4,021,953</u>	<u>4,000,000</u>	<u>3,736,317</u>
TOTAL OPERATING REVENUE	<u><u>507,828,180</u></u>	<u><u>505,652,086</u></u>	<u><u>485,148,831</u></u>

SCHOOL DISTRICT NO. 36 (Surrey)
OPERATING FUND
CONSOLIDATED COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
SALARIES			
Teachers	240,146,033	244,840,391	233,732,798
Principals and Vice Principals	23,236,693	23,058,265	22,131,178
Educational Assistants	28,996,683	30,031,799	26,493,060
Support Staff	44,480,318	45,894,053	43,114,676
Other Professionals	7,527,276	7,985,532	7,235,284
Substitutes	17,609,912	18,085,166	16,140,123
	<u>361,996,915</u>	<u>369,895,206</u>	<u>348,847,119</u>
EMPLOYEE BENEFITS			
	77,051,970	81,847,065	70,242,346
Total Salaries and Benefits	<u>439,048,885</u>	<u>451,742,271</u>	<u>419,089,465</u>
SERVICES AND SUPPLIES			
Services	11,633,458	11,265,996	11,526,481
Student Transportation	2,780,490	2,696,076	1,926,356
Professional Development and Travel	1,753,142	1,939,121	1,633,608
Rentals and Leases	1,853,341	1,822,750	1,749,178
Dues and Fees	798,978	919,453	776,934
Insurance	961,326	1,042,500	975,179
Interest	0	0	0
Supplies	21,484,289	26,642,752	20,367,437
Bad Debts	0	0	0
Utilities	9,181,059	10,233,500	8,582,835
Total Services and Supplies	<u>50,446,083</u>	<u>56,562,148</u>	<u>47,538,008</u>
TOTAL OPERATING EXPENSE	<u>489,494,968</u>	<u>508,304,419</u>	<u>466,627,473</u>

SCHOOL DISTRICT NO. 36 (Surrey)
 OPERATING FUND
 CONSOLIDATED 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	178,225,107	3,838,345	5,156	4,869,024	570,060	9,698,614	197,206,326
1.03 Career Programs	3,021,402	160,983		1,214,578		219,548	4,616,511
1.07 Library Services	5,929,224	19,697		480,848	69,877	319,843	6,819,489
1.08 Counselling	6,592,341	181,209				350,415	7,123,966
1.10 Special Education	30,036,066	823,321	27,024,992	402,690		3,898,549	62,185,618
1.30 English as a Second Language	11,415,498		397,965			599,147	12,412,610
1.31 Aboriginal Education	794,481	108,918	977,615	61,406		32,544	1,974,964
1.41 School Administration	150	17,185,412		11,112,617		424,148	28,722,327
1.60 Summer School	455,564	55,000	13,332	84,826			608,722
1.61 Continuing Education	392,909	157,712		315,286	86,923	188	953,018
1.62 Off Shore Students	3,105,499	277,904	87,226	733,326	259,172	195,026	4,658,153
1.64 Other	4,760		482,022	51,854	68,543	7,738	614,917
1.65 Conseil Scolaire Francophone							0
Total Function 1	239,973,001	22,808,501	28,988,308	19,326,455	1,054,695	15,745,760	327,896,620
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	111,957			234,984	1,723,228		2,070,169
4.40 School District Governance	3,500			46,590	286,693		336,783
4.41 Business Administration	16,048	428,192		2,205,871	2,395,741	14,098	5,059,950
4.65 Conseil Scolaire Francophone							0
Total Function 4	131,505	428,192	0	2,487,445	4,405,662	14,098	7,466,902
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	36,997		8,375	761,977	892,846	19,022	1,719,217
5.50 Maintenance Operations	4,530			19,752,653	955,591	1,771,614	22,484,388
5.52 Maintenance of Grounds				1,826,251	85,838	34,975	1,947,064
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	41,527	0	8,375	22,340,881	1,934,275	1,825,611	26,150,689
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				80,193	132,744	15,140	228,077
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				245,344		9,303	254,647
7.73 Housing							0
Total Function 7	0	0	0	325,537	132,744	24,443	482,724
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	240,146,033	23,236,693	28,996,683	44,480,318	7,527,276	17,609,912	361,996,915

SCHOOL DISTRICT NO. 36 (Surrey)
 OPERATING FUND
 CONSOLIDATED EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2008

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2008 ACTUAL	2008 AMENDED ANNUAL BUDGET	2007 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	197,206,326	41,482,329	238,688,655	10,016,870	248,705,525	258,180,353	240,087,815
1.03 Career Programs	4,616,511	995,182	5,611,693	1,568,838	7,180,531	7,531,203	6,519,309
1.07 Library Services	6,819,489	1,454,772	8,274,261	6,236,291	14,510,552	15,274,486	13,191,134
1.08 Counselling	7,123,965	1,524,086	8,648,051	38,356	8,686,407	8,895,214	8,201,740
1.10 Special Education	62,185,618	13,830,976	76,016,594	795,954	76,812,248	78,163,329	70,565,249
1.30 English as a Second Language	12,412,610	2,652,582	15,065,192	446,164	15,511,356	15,862,486	14,483,100
1.31 Aboriginal Education	1,974,964	390,397	2,365,361	138,528	2,503,889	2,835,655	2,653,203
1.41 School Administration	28,722,327	6,200,537	34,922,864	146,089	35,068,953	35,748,688	34,312,379
1.60 Summer School	608,722	107,413	716,135	140,807	856,942	679,241	774,887
1.61 Continuing Education	953,018	129,742	1,082,760	1,403,879	2,486,639	2,427,273	2,150,486
1.62 Off Shore Students	4,688,153	971,576	5,629,729	2,857,262	8,486,991	8,879,189	8,860,863
1.64 Other	614,917	84,556	699,473	416,761	1,116,224	1,660,621	0
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	327,886,620	69,824,148	397,720,768	24,205,499	421,926,267	438,137,738	401,800,175
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	2,070,169	397,207	2,467,376	424,809	2,892,185	3,095,422	2,577,603
4.40 School District Governance	336,783	25,504	362,287	210,101	572,388	658,984	588,429
4.41 Business Administration	5,059,950	1,005,621	6,065,571	1,325,077	7,390,648	8,133,996	7,207,428
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	7,466,902	1,428,332	8,895,234	1,959,987	10,855,221	11,888,392	10,373,460
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	1,719,217	273,994	1,993,211	2,033,325	4,026,536	4,482,391	3,823,367
5.50 Maintenance Operations	22,484,388	4,988,945	27,443,333	9,490,900	36,934,233	39,231,256	36,215,864
5.52 Maintenance of Grounds	1,947,064	460,398	2,407,462	743,183	3,150,645	3,105,332	3,239,751
5.56 Utilities	0	0	0	9,186,346	9,186,346	10,243,500	8,569,742
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	26,150,669	5,683,337	31,834,006	21,453,754	53,297,760	57,062,479	51,868,724
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	228,077	45,867	273,944	6,526	280,470	277,176	248,423
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	254,647	60,286	314,933	2,820,317	3,135,250	2,938,634	2,336,691
7.73 Housing	0	0	0	0	0	0	0
Total Function 7	482,724	106,153	588,877	2,826,843	3,415,720	3,215,810	2,585,114
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	361,996,915	77,051,970	439,048,885	50,446,083	489,494,968	506,304,419	466,627,473

**SCHOOL DISTRICT NO. 36 (Surrey)
 OPERATING FUND
 CONSOLIDATED CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2008**

Schedule A5

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

**SCHOOL DISTRICT NO. 36 (Surrey)
SPECIAL PURPOSE FUNDS
CONSOLIDATED SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	6,320,055	3,717,022	5,555,675	0	15,592,752
Add: Contributions Received					
Provincial Grants - Ministry of Education	14,286,214	2,933,853			17,220,067
Provincial Grants - Other		147,533			147,533
Federal Grants		2,362,416	14,033,282	113,615	16,509,313
Other		14,840			14,840
Investment Income	194,603				194,603
	14,480,817	5,458,642	14,033,282	113,615	34,086,356
Less: Allocated to Revenue	12,058,517	5,543,214	14,306,857	81,935	31,990,523
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	8,742,355	3,632,450	5,282,100	31,680	17,688,585
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	11,863,914	3,124,501			14,988,415
Provincial Grants - Other		120,988			120,988
Federal Grants		143,441			143,441
Other Revenue		2,139,444	14,306,857	81,935	16,528,236
Rentals and Leases					0
Investment Income	194,603	14,840			209,443
Gain (Loss) on Equity Investment					0
	12,058,517	5,543,214	14,306,857	81,935	31,990,523
EXPENSE					
Salaries					
Teachers	321,679	857,206			1,178,885
Principals and Vice Principals		304			304
Educational Assistants	56,255	284,269			340,524
Support Staff	18,086	406,794			424,880
Other Professionals		309,897			309,897
Substitutes	36,577	15,084			51,661
Employee Benefits	432,597	1,873,554	0	0	2,306,151
Services and Supplies	215,464	269,924			485,388
	5,850,329	2,717,671	14,306,857	70,317	22,945,174
	6,498,390	4,861,149	14,306,857	70,317	25,736,713
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	5,560,127	682,065	0	11,618	6,253,810
INTERFUND TRANSFERS					
Capital Assets Purchased	(4,641,820)	(682,065)			(5,323,885)
Other	(918,307)				(918,307)
	(5,560,127)	(682,065)	0	0	(6,242,192)
NET REVENUE (EXPENSE)	0	0	0	11,618	11,618

**SCHOOL DISTRICT NO. 36 (Surrey)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008**

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	305 Daughters & Sisters P.L.E.A. Program	385 Adolescent Day Treatment Program	390 Adolescent Psychiatric Unit	353 Waypoint Substance House	TOTAL
DEFERRED CONTRIBUTIONS								
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR								
Add: Contributions Received	6,144,892	6,123	131,199	22,282	0	0	15,569	6,320,055
Provincial Grants - Ministry of Education	13,624,599		114,428	69,632	265,869	124,856	86,830	14,286,214
Provincial Grants - Other								0
Federal Grants								0
Other								0
Investment Income	194,603							194,603
	13,819,202	0	114,428	69,632	265,869	124,856	86,830	14,480,817
Less: Allocated to Revenue	11,283,345	4,397	207,209	77,054	259,267	124,856	102,389	12,068,517
Recovered	8,680,749	1,726	38,418	14,860	6,602	0	0	8,742,355
DEFERRED CONTRIBUTIONS, END OF YEAR								
REVENUE AND EXPENSE								
REVENUE								
Provincial Grants - Ministry of Education	11,088,742	4,397	207,209	77,054	259,267	124,856	102,389	11,863,914
Provincial Grants - Other								0
Federal Grants								0
Other Revenue								0
Investment Income	194,603							194,603
	11,283,345	4,397	207,209	77,054	259,267	124,856	102,389	12,068,517
EXPENSE								
Salaries								
Teachers				47,212	139,447	74,953	60,067	321,679
Principals and Vice Principals								0
Educational Assistants					38,259	17,996		56,255
Support Staff	18,086							18,086
Other Professionals								0
Substitutes				2,089	17,136	3,923	13,429	36,577
	18,086	0	0	49,301	194,842	96,872	73,496	432,597
Employee Benefits	125,629			12,415	43,010	19,957	14,453	215,464
Services and Supplies	5,579,503	4,397	207,209	15,538	21,415	8,027	14,440	5,850,329
	5,723,218	4,397	207,209	77,054	259,267	124,856	102,389	6,498,390
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	5,560,127	0	0	0	0	0	0	5,560,127
INTERFUND TRANSFERS								
Capital Assets Purchased	(4,641,820)							(4,641,820)
Other	(918,307)							(918,307)
	(5,560,127)	0	0	0	0	0	0	(5,560,127)
NET REVENUE (EXPENSE)	0	0	0	0	0	0	0	0

**SCHOOL DISTRICT NO. 36 (Surrey)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008**

Schedule B3

	648 Strong Start Centre	601 Community Schools Holly/Hjorth	602 Inner City Schools	603 Healthy School Initiatives	604 Explorations Summer Program	758 Community Schools Partnership	IR3	645 Intensive Core French
DEFERRED CONTRIBUTIONS								
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR								
Add: Contributions Received	87,586	93,043	402,025	2,721	64,448	90,000	0	89,061
Provincial Grants - Ministry of Education	2,600	298,025	416,081	37,500	43,900			45,400
Provincial Grants - Other							98,033	
Federal Grants		228,663			50,000			3,850
Other								
Investment Income								
	2,600	526,688	416,081	37,500	93,900	0	98,033	49,250
Less: Allocated to Revenue	67,267	264,525	631,517	32,045	90,659	90,000	98,033	72,648
Recovered	22,919	355,206	186,589	8,176	67,689	0	0	65,663
DEFERRED CONTRIBUTIONS, END OF YEAR								
REVENUE AND EXPENSE								
REVENUE								
Provincial Grants - Ministry of Education	67,267	93,983	631,517	32,045	43,900	90,000		72,648
Provincial Grants - Other								
Federal Grants		170,542			46,759		98,033	
Other Revenue								
Investment Income	67,267	264,525	631,517	32,045	90,659	90,000	98,033	72,648
EXPENSE								
Salaries								
Teachers		431	174,959		5,000			29,022
Principals and Vice Principals			304					
Educational Assistants			284,269					
Support Staff	1,521	31,174	26		69,361		31,966	
Other Professionals		248,608						
Substitutes			4,059					
	1,521	280,213	463,617	0	74,361	0	31,966	29,022
Employee Benefits	212	48,962	95,791		4,261		4,239	166
Services and Supplies	65,534	30,350	72,109	32,045	12,037		61,798	43,460
	67,267	359,525	631,517	32,045	90,659	0	98,033	72,648
	0	(95,000)	0	0	0	90,000	0	0
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS								
INTERFUND TRANSFERS								
Capital Assets Purchased								
Other		95,000				(90,000)		
	0	95,000	0	0	0	(90,000)	0	0
	0	0	0	0	0	0	0	0
NET REVENUE (EXPENSE)								

**SCHOOL DISTRICT NO. 36 (Surrey)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008**

Schedule B3

	IPALS	640 Literacy Innovation	600 School Meals	Straight Talk	641 French	649 Early Childhood Development	650 Donations	651 PAC Contributions
DEFERRED CONTRIBUTIONS								
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	0	722,046	401,276	0	154,932	150,482	1,072,059	371,727
Add: Contributions Received								
Provincial Grants - Ministry of Education		394,632	1,100,000		595,715			
Provincial Grants - Other				49,500	300	15,000	1,004,640	809,793
Federal Grants	16,250		215,450				14,840	
Other								
Investment Income	16,250	394,632	1,315,450	49,500	596,015	15,000	1,019,480	809,793
Less: Allocated to Revenue	6,093	442,157	1,416,048	45,408	450,686	165,016	987,256	656,527
Recovered	10,157	674,521	300,678	4,092	300,261	466	1,104,283	524,993
DEFERRED CONTRIBUTIONS, END OF YEAR								
REVENUE AND EXPENSE								
REVENUE								
Provincial Grants - Ministry of Education		442,157	1,200,598		450,386			
Provincial Grants - Other				45,408		120,988		
Federal Grants	6,093		215,450		300	44,028	972,416	656,527
Other Revenue							14,840	
Investment Income	6,093	442,157	1,416,048	45,408	450,686	165,016	987,256	656,527
EXPENSE								
Salaries								
Teachers	4,765	413,942			205,689		19,000	4,398
Principals and Vice Principals								
Educational Assistants								
Support Staff			271,748		457		511	
Other Professionals			61,289					
Substitutes			11,025					
Employee Benefits	4,765	413,942	344,062	0	206,146	0	19,511	4,398
Services and Supplies	1,328	989	80,674		34,066		564	
		27,226	991,312	45,408	210,474	160,016	699,792	237,453
	6,093	442,157	1,416,048	45,408	450,686	160,016	719,857	241,851
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	0	0	5,000	267,389	414,676
INTERFUND TRANSFERS								
Capital Assets Purchased							(267,389)	(414,676)
Other						(5,000)		
	0	0	0	0	0	(5,000)	(267,389)	(414,676)
NET REVENUE (EXPENSE)	0	0	0	0	0	0	0	0

SCHOOL DISTRICT NO. 36 (Surrey)
SPECIAL PURPOSE FUNDS
CONSOLIDATED CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B3

	652 CKNW Orphans Fund	656 Business Ed. Authors	659 Fine Arts Cultural	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	0	15,616	0	3,717,022
Add: Contributions Received				
Provincial Grants - Ministry of Education				2,933,853
Provincial Grants - Other			0	0
Federal Grants			17,500	147,533
Other	970			2,362,416
Investment Income	970	0	17,500	14,840
				5,458,842
Less: Allocated to Revenue	970	8,859	17,500	5,543,214
Recovered				0
DEFERRED CONTRIBUTIONS, END OF YEAR	0	6,757	0	3,632,450
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education				3,124,501
Provincial Grants - Other				120,988
Federal Grants				143,441
Other Revenue	970	8,859	17,500	2,139,444
Investment Income	970	8,859	17,500	14,840
				5,543,214
EXPENSE				
Salaries				857,206
Teachers				304
Principals and Vice Principals				284,269
Educational Assistants				406,794
Support Staff				309,897
Other Professionals				15,084
Substitutes	0	0	0	1,873,554
Employee Benefits				269,924
Services and Supplies	970	8,859	17,500	2,717,671
	970	8,859	17,500	4,861,149
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0	662,065
INTERFUND TRANSFERS				
Capital Assets Purchased				(662,065)
Other				0
	0	0	0	(662,065)
NET REVENUE (EXPENSE)	0	0	0	0

**SCHOOL DISTRICT NO. 36 (Surrey)
CAPITAL FUND
CONSOLIDATED CAPITAL ASSETS
YEAR ENDED JUNE 30, 2008**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	161,062,606	779,315,099	41,154,154	3,004,507	3,685,709	5,822,092	994,064,167
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	161,062,606	779,315,099	41,154,154	3,004,507	3,685,709	5,822,092	994,064,167
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw	180,140	3,471,039	95,582	103,512		108,533	3,968,806
Deferred Contributions - Other							0
Operating Fund	734,381	4,487,143	441,956		338,999	676,702	1,469,657
Special Purpose Funds	1,145,383	83,381	47,208	579,542	15,626	55,153	5,323,885
Local Capital		791,187	1,918,314			24,344	3,766,590
Transferred from Work in Progress	2,089,904	8,832,790	2,503,060	683,054	354,625	866,792	791,187
Decrease:							15,300,125
Disposed of							0
Deemed Disposals			2,622,976	33,608		1,540,172	4,196,756
Written-off/down During Year	0	0	2,622,976	33,608	0	1,540,172	4,196,756
COST, END OF YEAR	163,142,510	788,147,849	41,034,238	3,653,953	4,040,334	5,148,652	1,005,167,536
WORK IN PROGRESS, END OF YEAR		17,737,774					17,737,774
COST AND WORK IN PROGRESS, END OF YEAR	163,142,510	805,885,623	41,034,238	3,653,953	4,040,334	5,148,652	1,022,905,310
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	238,402,684	19,263,387	530,648	990,958	2,835,100	262,022,777
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	238,402,684	19,263,387	530,648	990,958	2,835,100	262,022,777
Changes for the Year							
Increase: Amortization for the Year		18,618,258	4,240,569	334,605	772,606	1,251,093	25,217,131
Decrease:							0
Disposed of							0
Deemed Disposals			2,622,976	33,608		1,540,172	4,196,756
Written-off During Year	0	0	2,622,976	33,608	0	1,540,172	4,196,756
ACCUMULATED AMORTIZATION, END OF YEAR	0	257,020,942	20,880,980	831,645	1,763,564	2,546,021	283,043,152
CAPITAL ASSETS - NET	163,142,510	548,864,681	20,153,258	2,822,308	2,276,770	2,602,631	739,862,158

SCHOOL DISTRICT NO. 36 (Surrey)
 CAPITAL FUND
 CONSOLIDATED CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2008

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	3,107,396	0	0	0	3,107,396
Changes in Accounting Policy/ Prior Period Adjustments					
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	3,107,396	0	0	0	3,107,396
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw	13,165,695				13,165,695
Deferred Contributions - Other					0
Operating Fund	918,307				918,307
Special Purpose Funds	1,337,563				1,337,563
Local Capital	15,421,565	0	0	0	15,421,565
Decrease:					
Transferred to Capital Assets	791,187				791,187
	791,187	0	0	0	791,187
Net Changes for the Year	14,630,378	0	0	0	14,630,378
WORK IN PROGRESS, END OF YEAR	17,737,774	0	0	0	17,737,774

SCHOOL DISTRICT NO. 36 (Surrey)
CAPITAL FUND
CONSOLIDATED DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	491,312,648	1,000,000	0	492,312,648
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	491,312,648	1,000,000	0	492,312,648
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	3,778,666			3,778,666
Transferred from Work in Progress				0
	3,778,666	0	0	3,778,666
Decrease:				
Amortization of Deferred Capital Contributions	19,583,212			19,583,212
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	19,583,212	0	0	19,583,212
Net Changes for the Year	(15,804,546)	0	0	(15,804,546)
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	475,508,102	1,000,000	0	476,508,102
WORK IN PROGRESS, BEGINNING OF YEAR	1,963,487	0	0	1,963,487
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	1,963,487	0	0	1,963,487
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress	13,165,695			13,165,695
	13,165,695	0	0	13,165,695
Decrease:				
Transferred to Deferred Capital Contributions				0
	0	0	0	0
Net Changes for the Year	13,165,695	0	0	13,165,695
WORK IN PROGRESS, END OF YEAR	15,129,182	0	0	15,129,182
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	490,637,284	1,000,000	0	491,637,284

SCHOOL DISTRICT NO. 36 (Surrey)
 CAPITAL FUND
 CONSOLIDATED 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	4,520,969	4,623,953	0	9,413,144	0	18,558,066
Changes in Accounting Policies/ Prior Period Adjustments						
BALANCE, BEGINNING OF YEAR, AS RESTATED	4,520,969	4,623,953	0	9,413,144	0	18,558,066
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	17,639,510					17,639,510
Provincial Grants - Other	0					0
Other	0					0
Investment Income		184,044		408,901		592,945
Med Restricted Portion of Proceeds on Disposal						0
Local Government Site Fees	17,639,510	184,044	0	3,703,413		3,703,413
				4,112,314	0	21,935,888
Decrease:						
Transferred to DCC - Capital Additions	3,778,666					3,778,666
Transferred to DCC - Work in Progress	13,165,695					13,165,695
Transferred to Invested in Capital Assets - Site Purchases	180,140					180,140
	17,124,501	0	0	0	0	17,124,501
Net Changes for the Year	515,009	184,044	0	4,112,314	0	4,811,367
BALANCE, END OF YEAR	5,035,978	4,807,997	0	13,525,458	0	23,369,433

SCHOOL DISTRICT NO. 36 (Surrey)
CAPITAL FUND
CONSOLIDATED CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	240,872,650	34,915,948	275,788,598
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	240,872,650	34,915,948	275,788,598
Changes for the Year			
Investment Income		1,440,059	1,440,059
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	19,583,212		19,583,212
Capital Assets Purchased from Local Capital	3,766,590	(3,766,590)	0
Interfund Transfers - Capital Assets Purchased	6,783,542		6,783,542
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital		17,773,100	17,773,100
Amortization of Capital Assets	(25,217,131)		(25,217,131)
Transferred to Invested in Capital Assets			
- Site Purchases			0
Annual Facility Grant - WIP	918,307		918,307
Local Capital Reserve - Work in Progress	1,337,563	(1,337,563)	
Site Purchase from Deferred Contributions	180,140		180,140
Capital Improvement Fee		54,989	54,989
Net Changes for the Year	7,352,223	14,163,995	21,516,218
BALANCE, END OF YEAR	248,224,873	49,079,943	297,304,816



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