

**SCHOOL DISTRICT**  
**AUDITED FINANCIAL STATEMENTS**  
**FISCAL YEAR 2005/2006**

SCHOOL DISTRICT NUMBER 64	NAME OF SCHOOL DISTRICT Gulf Islands	YEAR 2005/2006
OFFICE LOCATION 112 Rainbow Rd	TELEPHONE NUMBER 250-537-5548	
CITY / PROVINCE Salt Spring Island, BC	POSTAL CODE V8K 2K3	
WEBSITE ADDRESS http://www.sd64.bc.ca		
NAME OF SUPERINTENDENT Jeff Hopkins	NAME OF SECRETARY - TREASURER Rod Scotvold	

**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. 64 (Gulf Islands) ("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 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 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. 64 (Gulf Islands) for the year ended June 30, 2006.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES Original signed by	DATE SIGNED <i>Sep 27/06</i>
SIGNATURE OF SUPERINTENDENT Original signed by	DATE SIGNED <i>SEPT. 27/06</i>
SIGNATURE OF SECRETARY - TREASURER Original signed by	DATE SIGNED <i>Sep 27/06</i>



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## **AUDITORS' REPORT TO THE BOARD OF SCHOOL TRUSTEES OF SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**

We have audited the financial position of School District No. 64 (Gulf Islands) as at June 30, 2006 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, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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

Chartered Accountants

Victoria, Canada

August 2, 2006

**SCHOOL DISTRICT NO. 64 (Gulf Islands)  
2005/2006 AUDITED FINANCIAL STATEMENTS**

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**SCHOOL DISTRICT NO. 64 (Gulf Islands)  
STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2006**

**Statement 1**

	<b>OPERATING FUND</b>	<b>SPECIAL PURPOSE FUNDS</b>	<b>CAPITAL FUND</b>	<b>TOTAL 2006</b>	<b>TOTAL 2005</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	36,537	110,155		146,692	905,892
Short Term Investments	303,972			303,972	300,000
Accounts Receivable					
Due from Province - Ministry of Education	158,778			158,778	0
Due from Province - Other	834,753			834,753	0
Due from LEA / Direct Funding				0	0
Other Receivables (Note 3)	225,268	7,615		232,883	245,241
Interfund Loans	495,000	327,576			
Inventories	14,394			14,394	16,992
Prepaid Expenses	50,633	6,603		57,236	30,899
	<u>2,119,335</u>	<u>451,949</u>	<u>0</u>	<u>1,748,708</u>	<u>1,499,024</u>
Deferred Development Costs		302,262		302,262	148,671
Investments				0	0
Equity Investments (Note 4)		109,692		109,692	64,138
Capital Assets - Net (Note 5)		902	25,828,414	25,829,316	26,316,286
<b>TOTAL ASSETS</b>	<u>2,119,335</u>	<u>864,805</u>	<u>25,828,414</u>	<u>27,989,978</u>	<u>28,028,119</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current Liabilities</b>					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	845,946	43,153		889,099	933,278
Bank Loans				0	0
Interfund Loans	327,576	495,000			
Other Current Liabilities	465,000	76,325		541,325	0
	<u>1,638,522</u>	<u>614,478</u>	<u>0</u>	<u>1,430,424</u>	<u>933,278</u>
Deferred Contributions					
Ministry of Education	63,738	235,360		299,098	356,181
Province - Other				0	0
Other	10,000	203,559		213,559	199,867
Accrued Employee Future Benefits (Note 6)	826,597			826,597	759,057
Deferred Capital Contributions			19,640,915	19,640,915	20,494,379
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
<b>TOTAL LIABILITIES</b>	<u>2,538,857</u>	<u>1,053,397</u>	<u>19,640,915</u>	<u>22,410,593</u>	<u>22,742,762</u>
<b>Fund Balances</b>					
Invested in Capital Assets			6,187,499	6,187,499	5,820,618
Endowment				0	0
Internally Restricted (Note 9)	99,503			99,503	189,273
Unrestricted		(188,592)		(188,592)	(175,672)
Unfunded Accrued Employee Future Benefits and Vacation Pay (Note 8)	(519,025)			(519,025)	(548,862)
<b>TOTAL FUND BALANCES</b>	<u>(419,522)</u>	<u>(188,592)</u>	<u>6,187,499</u>	<u>5,579,385</u>	<u>5,285,357</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>2,119,335</u>	<u>864,805</u>	<u>25,828,414</u>	<u>27,989,978</u>	<u>28,028,119</u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2006**

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	14,387,789	575,643		14,963,432	14,926,873
Provincial Grants - Other	887,279			887,279	0
Federal Grants	56,489			56,489	57,658
Other Revenue	593,160	1,260,693		1,853,853	1,842,836
Rentals and Leases	11,266			11,266	15,626
Investment Income	21,425	2,806		24,231	19,736
Gain (Loss) on Equity Investment				0	(72,776)
Amortization of Deferred Capital Contributions			853,464	853,464	950,834
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>15,957,408</u>	<u>1,839,142</u>	<u>853,464</u>	<u>18,650,014</u>	<u>17,740,787</u>
<b>EXPENSE</b>					
<b>Salaries</b>					
Teachers	5,474,318			5,474,318	5,298,361
Principals and Vice Principals	1,246,124			1,246,124	1,180,270
Educational Assistants	795,364			795,364	751,650
Support Staff	1,897,153			1,897,153	1,807,230
Other Professionals	491,094			491,094	452,360
Substitutes	437,173			437,173	386,256
	<u>10,341,226</u>	<u>0</u>	<u>0</u>	<u>10,341,226</u>	<u>9,876,127</u>
Employee Benefits	2,568,541			2,568,541	2,433,477
Services and Supplies	3,022,439	1,497,134		4,519,573	4,251,904
Amortization of Capital Assets			926,646	926,646	1,034,923
Write-off/down of Buildings and Sites				0	0
	<u>15,932,206</u>	<u>1,497,134</u>	<u>926,646</u>	<u>18,355,986</u>	<u>17,596,431</u>
<b>NET REVENUE (EXPENSE)</b>	<u>25,202</u>	<u>342,008</u>	<u>(73,182)</u>	<u>294,028</u>	<u>144,356</u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2006**

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>FUND BALANCES, BEGINNING OF YEAR</b>	(359,589)	(175,672)	5,820,618	5,285,357	5,141,001
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
Accrued Employee Future Benefits				0	0
Accrued Vacation Pay				0	0
Accumulated Amortization of Capital Assets				0	0
Transfer Land Capital Reserve to Deferred Contributions				0	0
Transfer Capital Reserve to Deferred Contributions				0	0
School-Generated Funds				0	0
Related Entities				0	0
<b>FUND BALANCES, BEGINNING OF YEAR, AS RESTATED</b>	(359,589)	(175,672)	5,820,618	5,285,357	5,141,001
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	25,202	342,008	(73,182)	294,028	144,356
Interfund Transfers					
Capital Assets Purchased	(85,135)	(354,928)	440,063	0	0
Local Capital				0	0
Other				0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
<b>Net Changes for the Year</b>	(59,933)	(12,920)	366,881	294,028	144,356
<b>FUND BALANCES, END OF YEAR</b>	(419,522)	(188,592)	6,187,499	5,579,385	5,285,357

**SCHOOL DISTRICT NO. 64 (Gulf Islands)  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2006**

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2006	TOTAL 2005
<b>CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATIONS</b>					
Net Revenue (Expense) for the Year	25,202	342,008	(73,182)	294,028	144,356
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(986,374)	5,201		(981,173)	(111,303)
Interfund Loans	(280,082)	280,082		0	0
Inventories	2,598			2,598	(6,770)
Prepaid Expenses	(23,063)	(3,274)		(26,337)	(14,099)
Increase (Decrease)					
Allowance for Doubtful Accounts				0	0
Accounts Payable/Accrued Liabilities	35,192	(79,371)		(44,179)	222,822
Other Current Liabilities	465,000	76,325		541,325	0
Deferred Contributions	25,197	(68,588)		(43,391)	89,090
Accrued Employee Future Benefits	67,540			67,540	759,057
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets		387	926,646	927,033	1,034,923
Amortization of Deferred Capital Contributions			(853,464)	(853,464)	(950,834)
Accounting Change - Accrued EFB				0	(779,684)
Accounting Change - Accrued Vacation Pay				0	0
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Loss on Equity Investment		29,337		29,337	72,776
Interfund Transfers	(85,135)	(354,928)	440,063	0	0
	<u>(753,925)</u>	<u>227,179</u>	<u>440,063</u>	<u>(86,683)</u>	<u>460,334</u>
<b>FINANCING</b>					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital				0	(1,192)
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
Provincial Grants - Ministry of Education					214,000
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>212,808</u>
<b>INVESTING</b>					
Capital Assets Purchased - Operating			(85,135)	(85,135)	(45,099)
Capital Assets Purchased - Special Purpose			(354,928)	(354,928)	0
Capital Assets Purchased - Local Capital				0	0
Capital Assets Purchased - Bylaw Capital					(214,000)
Capital - Spec Purpose					(149,960)
Deferred Development Costs		(153,591)		(153,591)	
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments		(74,891)		(74,891)	(136,914)
	<u>0</u>	<u>(228,482)</u>	<u>(440,063)</u>	<u>(668,545)</u>	<u>(545,973)</u>
<b>Net Increase (Decrease) in Cash</b>	<u>(753,925)</u>	<u>(1,303)</u>	<u>0</u>	<u>(755,228)</u>	<u>127,169</u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2006**

Statement 4.2

	<b>OPERATING FUND</b>	<b>SPECIAL PURPOSE FUNDS</b>	<b>CAPITAL FUND</b>	<b>TOTAL 2006</b>	<b>TOTAL 2005</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	(753,925)	(1,303)	0	(755,228)	127,169
<b>Net Cash, Beginning of Year</b>	1,094,434	111,458	0	1,205,892	1,058,074
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>					
School Generated Funds					82,758
Related Entities					(62,109)
<b>Net Cash, Beginning of Year, as Restated</b>	1,094,434	111,458	0	1,205,892	1,078,723
<b>NET CASH, END OF YEAR</b>	340,509	110,155	0	450,664	1,205,892
Cash	36,537	110,155		146,692	905,892
Short Term Investments	303,972			303,972	300,000
Bank Overdraft				0	0
<b>NET CASH, END OF YEAR</b>	340,509	110,155	0	450,664	1,205,892



**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

**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. 64 (Gulf Islands)". A board of school trustees (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These consolidated 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.

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

a) Fund Accounting

While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

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

b) Inventories

Inventories of supplies and materials held in central stores for resale are stated at acquisitions cost using the first-in-first-out method.

c) Prepaid Expenses

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

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

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

d) **Deferred Development Costs**

Costs associated with the development of the online educational delivery program have been deferred until commencement of operations, at which point such costs will be amortized over the expected life of the related product.

e) **Capital Assets**

The following criteria apply:

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

Estimated useful life is as follows:

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

f) **Revenue Recognition**

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

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.
  - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

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

g) Expenditures

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

h) Financial Instruments

Financial instruments consist of cash, short-term investments, accounts receivable, equity investments accounts payable and accrued liabilities and other current liabilities. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the equity investment is not determinable due to the lack of a secondary market for this type of investment. The fair values of the other instruments approximate their carrying values.

i) Use of Estimates

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

j) Controlled and Related Entities

School District No. 64 Business Company is 100 percent owned by the School District. The investment in School District No. 64 Business Company is reported in the special purpose fund and accounted for using the consolidation method.

k) Employee Future Benefits

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

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

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

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 8.7.

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.

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2006	2005
Due from Federal Government (operating)	\$ 91,760	\$ 93,733
Other receivables (operating)	133,508	151,508
Other receivables (related entities)	7,615	-
	\$232,883	\$245,241

**NOTE 4 EQUITY INVESTMENTS**

	2006	2005
100 Shares (50% ownership) in Canadian Schools International	\$ 18,114	\$ 18,114
Less Equity Losses	(18,113)	(18,113)
Advances to Canadian Schools International	193,691	118,800
Less allowance for potential impairment	(84,000)	(54,663)
	\$109,692	\$ 64,138

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

**NOTE 5 CAPITAL ASSETS**

	2006		2005	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 4,297,169	\$ -	\$ 4,297,169	\$ 4,285,169
Buildings	34,950,034	13,985,548	20,964,486	21,388,915
Furniture & Equipment	213,321	59,142	154,179	151,753
Vehicles	636,292	231,431	404,861	467,035
Computer Hardware-Operating	38,594	30,875	7,719	22,125
Computer Hardware-Related Entity	1,842	940	902	1,289
	<u>\$40,137,252</u>	<u>\$ 14,307,936</u>	<u>\$25,829,316</u>	<u>\$26,316,286</u>

**NOTE 6 EMPLOYEE FUTURE BENEFITS**

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for a portion of the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits on Statement 1 (Statement of Financial Position).

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2006	2005
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1 (2005 – July 1)	\$817,277	\$779,684
Service Cost	62,911	60,246
Interest Cost	46,361	46,261
Benefit Payments	(68,896)	(58,238)
Actuarial (Gain)/Loss	5,582	(10,676)
Accrued Benefit Obligation – March 31	<u>\$863,235</u>	<u>\$817,277</u>
<b>Accrued Benefit Obligation at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$863,235	\$817,277
Benefit Payments After Measurement Date	(41,733)	(68,896)
Unamortized Net Actuarial (Gain)/Loss	5,095	10,676
Accrued Benefit Obligation – June 30	<u>\$826,597</u>	<u>\$759,057</u>

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

**NOTE 6 EMPLOYEE FUTURE BENEFITS (Continued)**

<b>Components of Net Benefit Expense</b>		
Service Cost	\$62,911	\$ 60,246
Interest Cost	46,361	46,261
Amortization of Net Actuarial (Gain)/Loss	0	0
Net Benefit Expense (Income)	\$109,272	\$106,507

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

Discount Rate – April 1 (2005 – July 1)	5.50%	5.75%
Discount Rate – March 31	5.25%	5.50%
Salary Growth – April 1 (2005 – July 1)	3.25% + seniority	3.25% + seniority
Salary Growth – March 31	3.25% + seniority	3.25% + seniority
EARSL	8.7	8.7

**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 45,000 active members from school districts, and approximately 23,000 retired members from school districts. The Municipal Plan has about 130,000 active members, of which approximately 20,000 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, 2002 indicated a \$382 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2005 with results available in late 2006. 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. School District No. 64 paid \$998,611 for employer contributions to these plans in the year ended June 30, 2006 (2005 - \$991,861).

**NOTE 8 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS**

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

It is planned that the unfunded liability will be eliminated in seven years.

Unfunded liability, as at July 1, 2005	\$ 548,862
Reductions during the year	29,837
Unfunded liability, as at June 30, 2006	\$ 519,025

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2006**

**NOTE 9 OPERATING FUND BALANCE, END OF YEAR**

Internally Restricted (appropriated) by Board for:  
2006/2007 Operating Budget

\$ 99,503

**NOTE 10 CONTROLLED AND RELATED ENTITIES**

As reported in note 2 (j), the investment in School District No. 64 Business Company is reported in the special purpose fund and accounted for using the consolidation method. The School District owns 100% of the issued share capital of School District No. 64 Business Company.

**NOTE 11 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, 2006, the following transfers were made to the Capital Fund for capital purchases:

- \$85,135 from the Operating Fund
- \$354,928 from Special Purpose Funds

**NOTE 12 RELATED PARTY TRANSACTIONS**

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

**NOTE 13 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 22 2006.

**NOTE 14 CONTINGENCIES**

The nature of the School District's activities is such that there is usually litigation pending or in process at any time. With respect to unsettled claims at June 30<sup>th</sup> 2006, management believes the School District has valid defenses and appropriate insurance coverage in place. In the event any claims are successful, management believes that such claims are not expected to have a material effect on the School District's financial position.

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

**NOTE 15 COMPARATIVE FIGURES**

Certain of the prior year figures have been reclassified to conform with the presentation adopted in the current year.

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**OPERATING FUND**  
**SURPLUS (DEFICIT)**  
**YEAR ENDED JUNE 30, 2006**

Schedule A1

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL	ACTUAL	ACTUAL
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	14,387,789	14,341,699	14,531,707
Provincial Grants - Other	887,279	0	0
Federal Grants	56,489	56,489	57,658
Other Revenue	593,160	672,717	681,402
Rentals and Leases	11,266	12,000	15,626
Investment Income	21,425	23,000	17,167
	15,957,408	15,105,905	15,303,560
<b>EXPENSE</b>			
Salaries			
Teachers	5,474,318	4,995,596	5,298,361
Principals and Vice Principals	1,246,124	1,186,000	1,180,270
Educational Assistants	795,364	678,000	751,650
Support Staff	1,897,153	1,720,200	1,807,230
Other Professionals	491,094	445,000	452,360
Substitutes	437,173	342,505	386,256
	10,341,226	9,367,301	9,876,127
Employee Benefits	2,568,541	2,720,921	2,433,477
Services and Supplies	3,022,439	2,890,440	2,651,948
	15,932,206	14,978,662	14,961,552
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	25,202	127,243	342,008
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(85,135)	(64,000)	(45,099)
Local Capital	0	0	0
Other	0	0	0
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
Reduce Unfunded Employee Future Benefits and Vacation Pay	(29,837)	(63,243)	(230,822)
Comprehensive Income (Loss)	0	0	0
<b>BUDGETED ALLOCATION OF SURPLUS (DEFICIT)</b>		0	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	(89,770)	0	66,087
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	189,273		123,186
Changes in Accounting Policies/ Prior Period Adjustments			
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	189,273		123,186
<b>SURPLUS (DEFICIT), END OF YEAR</b> (Section 156 (12) of School Act)	99,503		189,273
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Internally Restricted	99,503		
Unrestricted	0		
	99,503		



**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2006**

Schedule A2

	2006 ACTUAL	2006 AMENDED ANNUAL BUDGET	2005 ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	13,654,042	13,902,882	13,991,057
Other Ministry of Education Grants			
GAAP Implementation Funding	97,376	97,376	230,822
Pay Equity	102,398	102,398	102,398
Literacy Innov Grant & ReadySetLearn C5/2432	43,247	43,247	44,471
TOC Increase/Misc	20,065	3,688	4,067
Job Action Savings	290,811		
Phy Equip Grant	8,950		
E Learning C5/1708 Fr Def Revenue	17,362	54,108	20,892
Com Link/BCESIS/District Review	153,538	138,000	138,000
	<u>14,387,789</u>	<u>14,341,699</u>	<u>14,531,707</u>
<b>PROVINCIAL GRANTS - OTHER</b>	<u>887,279</u>	<u>0</u>	<u>0</u>
<b>FEDERAL GRANTS</b>	<u>56,489</u>	<u>56,489</u>	<u>57,658</u>
<b>OTHER REVENUE</b>			
Other School District/Education Authorities	0	0	0
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	295,000	375,000	400,000
LEA/Direct Funding from First Nations	0	0	0
Miscellaneous			
Misc	99,382	114,100	146,296
Instructional Cafeteria	94,141	100,000	102,421
Union Share Pro D	9,117	9,117	9,117
GISPA Registration	33,361	34,500	23,568
ACE-IT/Cook Level 1 Registration	62,159	40,000	
	<u>593,160</u>	<u>672,717</u>	<u>681,402</u>
<b>RENTALS AND LEASES</b>	<u>11,266</u>	<u>12,000</u>	<u>15,626</u>
<b>INVESTMENT INCOME</b>	<u>21,425</u>	<u>23,000</u>	<u>17,167</u>
<b>TOTAL OPERATING REVENUE</b>	<u>15,957,408</u>	<u>15,105,905</u>	<u>15,303,560</u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2006**

Schedule A3

	2006	2006 AMENDED ANNUAL BUDGET	2005
	ACTUAL		ACTUAL
<b>SALARIES</b>			
Teachers	5,474,318	4,995,596	5,298,361
Principals and Vice Principals	1,246,124	1,186,000	1,180,270
Educational Assistants	795,364	678,000	751,650
Support Staff	1,897,153	1,720,200	1,807,230
Other Professionals	491,094	445,000	452,360
Substitutes	437,173	342,505	386,256
	<u>10,341,226</u>	<u>9,367,301</u>	<u>9,876,127</u>
<b>EMPLOYEE BENEFITS</b>			
	2,568,541	2,720,921	2,433,477
<b>Total Salaries and Benefits</b>	<u>12,909,767</u>	<u>12,088,222</u>	<u>12,309,604</u>
<b>SERVICES AND SUPPLIES</b>			
Services	793,750	634,400	602,916
Student Transportation	523,244	512,600	503,757
Professional Development and Travel	292,586	275,345	281,317
Rentals and Leases	29,996	29,100	29,269
Dues and Fees	27,756	27,250	29,671
Insurance	34,620	36,000	36,609
Interest	0	0	0
Supplies	1,014,432	1,073,745	853,523
Bad Debts	0	0	1,192
Utilities	306,055	302,000	313,694
<b>Total Services and Supplies</b>	<u>3,022,439</u>	<u>2,890,440</u>	<u>2,651,948</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>15,932,206</u>	<u>14,978,662</u>	<u>14,961,552</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 OPERATING FUND  
 EXPENSE BY FUNCTION AND PROGRAM  
 YEAR ENDED JUNE 30, 2006

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	4,596,300	419,832	97,671	69,306		285,658	5,448,767
1.03 Career Programs	52,482	29,376	107,696	336		3,881	193,751
1.07 Library Services	93,667			35,031		3,530	152,228
1.08 Counselling	168,273			35,779		1,151	205,203
1.10 Special Education	499,042	174,639	585,135	43,379		67,897	1,370,189
1.30 English as a Second Language	9,481					405	9,886
1.31 Aboriginal Education	2,328	10,348	4,862	296,735		678	19,217
1.41 School Administration		589,119				21,797	907,651
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students	52,745	22,813					75,558
1.64 Other						601	601
1.65 Conseil Scolaire Francophone							0
<b>Total Function 1</b>	<b>5,474,318</b>	<b>1,246,124</b>	<b>795,364</b>	<b>500,566</b>	<b>0</b>	<b>365,679</b>	<b>8,382,051</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration				11,021	107,183		118,204
4.40 School District Governance					73,000		73,000
4.41 Business Administration				124,124	175,593	3,325	303,042
4.65 Conseil Scolaire Francophone							0
<b>Total Function 4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,145</b>	<b>355,786</b>	<b>3,325</b>	<b>494,256</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration				56,852	116,316	7,346	180,514
5.50 Maintenance Operations				800,216		43,745	843,961
5.52 Maintenance of Grounds				114,980		3,320	118,300
5.56 Utilities				10,281			10,281
5.65 Conseil Scolaire Francophone							0
<b>Total Function 5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>982,329</b>	<b>116,316</b>	<b>54,411</b>	<b>1,153,056</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration				8,247	18,992		27,239
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				270,866		13,758	284,624
7.73 Housing							0
<b>Total Function 7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>279,113</b>	<b>18,992</b>	<b>13,758</b>	<b>311,863</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>5,474,318</b>	<b>1,246,124</b>	<b>795,364</b>	<b>1,897,153</b>	<b>491,094</b>	<b>437,173</b>	<b>10,341,226</b>

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 OPERATING FUND  
 EXPENSE BY FUNCTION AND PROGRAM  
 YEAR ENDED JUNE 30, 2006

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2006		2005
					ACTUAL	AMENDED ANNUAL BUDGET	
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	5,448,767	1,536,694	6,985,461	841,531	7,926,982	7,521,192	7,285,310
1.03 Career Programs	183,751	45,908	239,659	153,993	393,652	356,600	302,840
1.07 Library Services	152,228	33,717	185,945	24,707	210,652	200,713	200,713
1.08 Counselling	205,203	46,113	251,316	872	252,188	248,000	210,767
1.10 Special Education	1,370,189	301,122	1,671,311	264,576	1,935,887	1,735,196	1,987,973
1.30 English as a Second Language	9,886	1,874	11,760	3,350	15,110	14,000	47,759
1.31 Aboriginal Education	18,217	2,936	21,153	6,953	28,106	55,100	41,138
1.41 School Administration	907,651	184,433	1,092,084	55,985	1,148,069	1,070,329	1,058,664
1.60 Summer School			0	0	0	0	0
1.61 Continuing Education			0		0	0	0
1.62 Off Shore Students	75,558	16,041	91,599	91,599	10,332	91,000	87,634
1.64 Other	601	114	715	9,617	10,332	10,200	11,546
1.65 Conseil Scolaire Francophone			0		0	0	0
<b>Total Function 1</b>	<b>8,382,051</b>	<b>2,168,952</b>	<b>10,551,003</b>	<b>1,461,564</b>	<b>12,012,587</b>	<b>11,311,712</b>	<b>11,244,344</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	118,214	24,016	142,230	50,327	192,557	172,200	179,309
4.40 School District Governance	73,000	1,091	74,091	63,453	137,544	113,150	116,831
4.41 Business Administration	303,042	57,849	360,891	122,074	482,965	456,700	430,215
4.65 Conseil Scolaire Francophone			0		0	0	0
<b>Total Function 4</b>	<b>494,256</b>	<b>82,956</b>	<b>577,212</b>	<b>235,854</b>	<b>613,066</b>	<b>542,050</b>	<b>726,355</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	180,514	43,142	223,656	60,016	283,672	241,200	243,606
5.50 Maintenance Operations	843,961	179,163	1,023,124	250,759	1,273,883	1,209,650	1,228,242
5.52 Maintenance of Grounds	118,300	22,054	140,354	44,839	185,193	159,200	177,617
5.56 Utilities	10,287	2,467	12,754	306,055	318,803	315,000	326,913
5.65 Conseil Scolaire Francophone			0		0	0	0
<b>Total Function 5</b>	<b>1,153,066</b>	<b>246,826</b>	<b>1,399,892</b>	<b>661,669</b>	<b>2,061,551</b>	<b>1,925,050</b>	<b>1,976,279</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	27,238	5,043	32,282	7,527	39,809	42,050	36,237
7.65 Conseil Scolaire Francophone			0		0	0	0
7.70 Student Transportation	284,624	64,764	349,388	625,220	974,608	927,800	928,508
7.73 Housing			0	30,585	30,585	30,000	47,830
<b>Total Function 7</b>	<b>311,863</b>	<b>69,807</b>	<b>381,670</b>	<b>663,332</b>	<b>1,045,002</b>	<b>969,850</b>	<b>1,014,575</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
9.92 Interest on Bank Loans			0	0	0	0	0
9.94 Interest on Temporary Borrowing			0	0	0	0	0
<b>Total Function 9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>10,341,226</b>	<b>2,588,541</b>	<b>12,909,767</b>	<b>3,022,439</b>	<b>15,932,206</b>	<b>14,978,662</b>	<b>14,981,552</b>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**OPERATING FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

Schedule A5

<b>BALANCE, BEGINNING OF YEAR</b>	48,541
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>	
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>48,541</u>
<b>Changes for the Year</b>	
Increase:	
Provincial Grants - Ministry of Education	36,992
Provincial Grants - Other	0
Other Revenue	10,000
	<u>46,992</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	18,295
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	3,500
Rentals and Leases	0
Investment Income	0
	<u>21,795</u>
<b>Net Changes for the Year</b>	<u>25,197</u>
<b>BALANCE, END OF YEAR</b>	<u><u>73,738</u></u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 SPECIAL PURPOSE FUNDS  
 SUMMARY OF CHANGES  
 YEAR ENDED JUNE 30, 2006

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	311,140	101,518	94,849	0	507,507
Add: Contributions Received	499,863				499,863
Provincial Grants - Ministry of Education					0
Provincial Grants - Other					0
Federal Grants			504,547		504,547
Other Revenue					0
Rentals and Leases		2,390			2,390
Investment Income		18,456			18,456
Donations	499,863	20,846	504,547	0	1,025,256
Less: Allocated to Revenue Recovered	575,643	30,147	488,054		1,093,844
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	235,360	92,217	111,342	0	438,919
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	575,643				575,643
Provincial Grants - Other					0
Federal Grants			488,054	742,482	1,260,693
Other Revenue		30,147			0
Rentals and Leases				2,806	2,806
Investment Income					0
Gain (Loss) on Equity Investment	575,643	30,147	488,054	745,288	1,839,132
<b>EXPENSE</b>					
Salaries					0
Teachers					0
Principals and Vice Principals					0
Educational Assistants					0
Support Staff					0
Other Professionals					0
Substitutes					0
Employee Benefits	0	0	0	0	0
Services and Supplies	220,715	30,147	488,054	758,218	1,497,134
	220,715	30,147	488,054	758,218	1,497,134
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	354,928	0	0	(12,920)	342,008
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	(354,928)				(354,928)
Other					0
<b>NET REVENUE (EXPENSE)</b>	0	0	0	(12,920)	(12,920)

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 SPECIAL PURPOSE FUNDS  
 CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
 YEAR ENDED JUNE 30, 2006

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>			
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>			311,140
Add: Contributions Received	306,077	5,063	
Provincial Grants - Ministry of Education	496,175	3,688	499,863
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Rentals and Leases			0
Investment Income			0
	496,175	3,688	499,863
Less: Allocated to Revenue	571,338	4,305	575,643
Recovered			0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>230,914</b>	<b>4,146</b>	<b>235,060</b>
<b>REVENUE AND EXPENSE</b>			
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	571,338	4,305	575,643
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Rentals and Leases			0
Investment Income			0
	571,338	4,305	575,643
<b>EXPENSE</b>			
Salaries			
Teachers			0
Principals and Vice Principals			0
Educational Assistants			0
Support Staff			0
Other Professionals			0
Substitutes			0
Employee Benefits			0
Services and Supplies	216,410	4,305	220,715
	216,410	4,305	220,715
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>354,928</b>		<b>354,928</b>
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(354,928)		(354,928)
Other			0
<b>NET REVENUE (EXPENSE)</b>	<b>(354,928)</b>		<b>(354,928)</b>
			0

SCHOOL DISTRICT NO. 64 (Guif Islands)  
 SPECIAL PURPOSE FUNDS  
 CHANGES IN OTHER SPECIAL PURPOSE FUNDS  
 YEAR ENDED JUNE 30, 2006

	Educational Trust Fund	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>		
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	101,518	101,518
Add: Contributions Received		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants		0
Other Revenue		0
Rentals and Leases		0
Investment Income	2,380	2,380
Donations	18,456	18,456
	<u>20,846</u>	<u>20,846</u>
Less: Allocated to Revenue	30,147	30,147
Recovered	0	0
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<u>92,217</u>	<u>92,217</u>
<b>REVENUE AND EXPENSE</b>		
<b>REVENUE</b>		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants		0
Other Revenue	30,147	30,147
Rentals and Leases		0
Investment Income		0
	<u>30,147</u>	<u>30,147</u>
<b>EXPENSE</b>		
Salaries		0
Teachers		0
Principals and Vice Principals		0
Educational Assistants		0
Support Staff		0
Other Professionals		0
Substitutes		0
Employee Benefits		0
Services and Supplies	30,147	30,147
	<u>30,147</u>	<u>30,147</u>
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>		<b>0</b>
<b>INTERFUND TRANSFERS</b>		
Capital Assets Purchased		0
Other		0
		<u>0</u>
<b>NET REVENUE (EXPENSE)</b>		<b>0</b>



SCHOOL DISTRICT NO. 64 (Gulf Islands)  
CAPITAL FUND  
CAPITAL ASSETS  
YEAR ENDED JUNE 30, 2006

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	4,285,169	34,595,105	509,103	819,729	0	72,028	40,281,134
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	4,285,169	34,595,105	509,103	819,729	0	72,028	40,281,134
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund	12,000		53,336	19,789			85,135
Special Purpose Funds		354,928					354,928
Local Capital							0
Transferred from Work in Progress							0
Decrease:							
Disposed of							0
Deemed Disposals			349,118	203,235		33,434	585,787
Written-off/down During Year							0
COST, END OF YEAR	0	0	349,118	203,235	0	33,434	585,787
WORK IN PROGRESS, END OF YEAR	4,297,169	34,950,033	213,321	636,293	0	39,594	40,135,410
COST AND WORK IN PROGRESS, END OF YEAR	4,297,169	34,950,033	213,321	636,293	0	39,594	40,135,410
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		13,206,190	357,350	352,694	0	49,903	13,966,137
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	13,206,190	357,350	352,694	0	49,903	13,966,137
Changes for the Year							
Increase: Amortization for the Year		779,357	50,910	81,973		14,406	926,646
Decrease:							
Disposed of							0
Deemed Disposals			349,118	203,235		33,434	585,787
Written-off During Year							0
ACCUMULATED AMORTIZATION, END OF YEAR	0	13,985,547	59,142	231,432	0	30,815	14,306,936
CAPITAL ASSETS - NET	4,297,169	20,964,486	154,179	404,861	0	7,719	25,828,414

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 CAPITAL FUND  
 CAPITAL ASSETS - WORK IN PROGRESS  
 YEAR ENDED JUNE 30, 2006

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

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**CAPITAL FUND**  
**DEFERRED CAPITAL CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2006**

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	20,494,379	0	0	20,494,379
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED</b>	<u>20,494,379</u>	<u>0</u>	<u>0</u>	<u>20,494,379</u>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Capital Additions				0
Transferred from Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Amortization of Deferred Capital Contributions	853,464			853,464
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>853,464</u>	<u>0</u>	<u>0</u>	<u>853,464</u>
<b>Net Changes for the Year</b>	<u>(853,464)</u>	<u>0</u>	<u>0</u>	<u>(853,464)</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>19,640,915</u>	<u>0</u>	<u>0</u>	<u>19,640,915</u>
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	0	0	0	0
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>				
<b>WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Changes for the Year</b>				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Transferred to Deferred Capital Contributions				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Changes for the Year</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS AND WORK IN PROGRESS, END OF YEAR</b>	<u>19,640,915</u>	<u>0</u>	<u>0</u>	<u>19,640,915</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)  
 CAPITAL FUND  
 CHANGES IN DEFERRED CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2006

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

**SCHOOL DISTRICT NO. 64 (Gulf Islands)**  
**CAPITAL FUND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2006**

Schedule C5

	INVESTMENT IN CAPITAL	LOCAL CAPITAL	FUND BALANCE
<b>BALANCE, BEGINNING OF YEAR</b>	5,820,618	0	5,820,618
<b>Changes in Accounting Policies/ Prior Period Adjustments</b>			
<b>BALANCE, BEGINNING OF YEAR, AS RESTATED</b>	<u>5,820,618</u>	<u>0</u>	<u>5,820,618</u>
<b>Changes for the Year</b>			
Investment Income			0
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	853,464		853,464
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	440,063		440,063
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(926,646)		(926,646)
Transferred to Invested in Capital Assets - Site Purchases			0
<b>Net Changes for the Year</b>	<u>366,881</u>	<u>0</u>	<u>366,881</u>
<b>BALANCE, END OF YEAR</b>	<u>6,187,499</u>	<u>0</u>	<u>6,187,499</u>