

SCHOOL DISTRICT
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FISCAL YEAR 2006/2007

SCHOOL DISTRICT NUMBER 64	NAME OF SCHOOL DISTRICT Gulf Islands	YEAR 2006/2007
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 consolidated 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 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. 64 (Gulf Islands) for the year ended June 30, 2007.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES Original signed by	DATE SIGNED <i>Sep 26 / 07</i>
SIGNATURE OF SUPERINTENDENT Original signed by	DATE SIGNED <i>SEP. 26 / 07</i>
SIGNATURE OF SECRETARY - TREASURER Original signed by	DATE SIGNED <i>Sept 26 / 07</i>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
2006/2007 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the statement of financial position of School District No. 64 (Gulf Islands) as at June 30, 2007 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was 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

July 27, 2007

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2007

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
ASSETS					
Current Assets					
Cash and Cash Equivalents	609,610	131,326		740,936	146,692
Short Term Investments	326,645			326,645	303,972
Accounts Receivable (Note 3)					
Due from Province - Ministry of Education	21,919			21,919	158,778
Due from Province - Other				0	834,753
Due from LEA / Direct Funding				0	0
Other Receivables	138,691	359		139,050	232,883
Interfund Loans	365,000	448,851			
Inventories	10,416			10,416	14,394
Prepaid Expenses	61,156	5,968		67,124	57,236
	<u>1,533,437</u>	<u>586,504</u>	<u>0</u>	<u>1,306,090</u>	<u>1,748,708</u>
Deferred Development Costs	200,000			200,000	302,262
Investments				0	0
Equity Investments (Note 4)				0	109,692
Capital Assets - Net (Note 5)			24,990,995	24,990,995	25,829,316
TOTAL ASSETS	<u><u>1,733,437</u></u>	<u><u>586,504</u></u>	<u><u>24,990,995</u></u>	<u><u>26,497,085</u></u>	<u><u>27,989,978</u></u>
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	736,621	10,024		746,645	889,099
Bank Loans				0	0
Interfund Loans	448,851	365,000			
Other Current Liabilities				0	465,000
	<u>1,185,472</u>	<u>375,024</u>	<u>0</u>	<u>746,645</u>	<u>1,354,099</u>
Deferred Revenue		268,962		268,962	76,325
Deferred Contributions					
Ministry of Education	120,206	277,089		397,295	299,098
Province - Other				0	0
Other	10,000	281,920		291,920	213,559
Accrued Employee Future Benefits (Note 6)	867,002			867,002	826,597
Deferred Capital Contributions			18,846,942	18,846,942	19,640,915
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	<u><u>2,182,680</u></u>	<u><u>1,202,995</u></u>	<u><u>18,846,942</u></u>	<u><u>21,418,766</u></u>	<u><u>22,410,593</u></u>
Fund Balances					
Invested in Capital Assets			6,144,053	6,144,053	6,187,499
Endowment				0	0
Internally Restricted				0	99,503
Unrestricted	12,812	(616,491)		(603,679)	(188,592)
Unfunded Accrued Employee Future Benefits (Note 8) and Vacation Pay	(462,055)			(462,055)	(519,025)
TOTAL FUND BALANCES	<u><u>(449,243)</u></u>	<u><u>(616,491)</u></u>	<u><u>6,144,053</u></u>	<u><u>5,078,319</u></u>	<u><u>5,579,385</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>1,733,437</u></u>	<u><u>586,504</u></u>	<u><u>24,990,995</u></u>	<u><u>26,497,085</u></u>	<u><u>27,989,978</u></u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2007

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
REVENUE					
Provincial Grants - Ministry of Education	14,972,973	531,506		15,504,479	15,019,921
Provincial Grants - Other				0	887,279
Federal Grants				0	0
Other Revenue	509,959	1,096,607		1,606,566	1,853,853
Rentals and Leases	13,627			13,627	11,266
Investment Income	21,395	8,315		29,710	24,231
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			793,973	793,973	853,464
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>15,517,954</u>	<u>1,636,428</u>	<u>793,973</u>	<u>17,948,355</u>	<u>18,650,014</u>
EXPENSE					
Salaries					
Teachers	5,433,650			5,433,650	5,474,318
Principals and Vice Principals	1,241,246			1,241,246	1,246,124
Educational Assistants	733,386			733,386	795,364
Support Staff	1,866,429			1,866,429	1,897,153
Other Professionals	526,246			526,246	491,094
Substitutes	436,278			436,278	437,173
	<u>10,237,235</u>	<u>0</u>	<u>0</u>	<u>10,237,235</u>	<u>10,341,226</u>
Employee Benefits	2,478,427			2,478,427	2,568,541
Services and Supplies	2,793,023	1,947,012		4,740,035	4,519,573
Amortization of Capital Assets			876,409	876,409	926,646
Write-off/down of Buildings and Sites				0	0
Loss on disposal of Equity Investment/loan		117,315		117,315	0
	<u>15,508,685</u>	<u>2,064,327</u>	<u>876,409</u>	<u>18,449,421</u>	<u>18,355,986</u>
NET REVENUE (EXPENSE)	<u>9,269</u>	<u>(427,899)</u>	<u>(82,436)</u>	<u>(501,066)</u>	<u>294,028</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
FUND BALANCES, BEGINNING OF YEAR	(419,522)	(188,592)	6,187,499	5,579,385	5,285,357
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	(419,522)	(188,592)	6,187,499	5,579,385	5,285,357
Changes for the Year					
Net Revenue (Expense) for the Year	9,269	(427,899)	(82,436)	(501,066)	294,028
Interfund Transfers					
Capital Assets Purchased	(38,990)		38,990	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
Net Changes for the Year	(29,721)	(427,899)	(43,446)	(501,066)	294,028
FUND BALANCES, END OF YEAR	(449,243)	(616,491)	6,144,053	5,078,319	5,579,385

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	9,269	(427,899)	(82,436)	(501,066)	294,028
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	1,058,189	7,256		1,065,445	(981,173)
Interfund Loans	251,275	(251,275)		0	0
Inventories	3,978			3,978	2,598
Prepaid Expenses	(10,523)	635		(9,888)	(26,337)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(109,325)	(33,129)		(142,454)	(44,179)
Other Current Liabilities	(465,000)			(465,000)	465,000
Deferred Revenue		192,637		192,637	76,325
Deferred Contributions	56,468	120,090		176,558	(43,391)
Accrued Employee Future Benefits	40,405			40,405	67,540
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			876,409	876,409	927,033
Amortization of Deferred Capital Contributions			(793,973)	(793,973)	(853,464)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Deferred Development Costs	(200,000)	200,000		0	0
Loss on disposal of Equity Investment/Loan		117,315		117,315	29,337
Amortization of Def Dev Costs		105,605		105,605	0
Interfund Transfers	(38,990)		38,990	0	0
	595,746	31,235	38,990	665,971	(86,683)
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital				0	0
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
	0	0	0	0	0
INVESTING					
Capital Assets Purchased - Operating			(38,990)	(38,990)	(85,135)
Capital Assets Purchased - Special Purpose				0	(354,928)
Capital Assets Purchased - Local Capital				0	0
Capital Assets Purchased - Computer		(2,441)		(2,441)	0
Deferred Development Costs				0	(153,591)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments		(7,623)		(7,623)	(74,891)
	0	(10,064)	(38,990)	(49,054)	(668,545)
NET INCREASE (DECREASE) IN CASH	595,746	21,171	0	616,917	(755,228)

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2007	TOTAL 2006
NET INCREASE (DECREASE) IN CASH	595,746	21,171	0	616,917	(755,228)
Net Cash, Beginning of Year	340,509	110,155	0	450,664	1,205,892
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	340,509	110,155	0	450,664	1,205,892
NET CASH, END OF YEAR	936,255	131,326	0	1,067,581	450,664
Cash	609,610	131,326		740,936	146,692
Cash Equivalents				0	0
Short Term Investments	326,645			326,645	303,972
Bank Overdraft				0	0
NET CASH, END OF YEAR	936,255	131,326	0	1,067,581	450,664

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of School Trustees of School District No. 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

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

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

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

c) Short term Investments

Short Term investments include securities with original terms to maturity of greater than three months.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

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

d) Inventories

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

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 first-in-first-out method. Textbooks and other teaching supplies are expensed as purchased.

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.
- 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

g) 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, 2007

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

h) Expenditures

- Categories of Salaries
 - Principals, Vice Principals, and Directors of Instruction employed under 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.

i) Financial Instruments

Financial instruments consist of cash, cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities and other current liabilities. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these instruments approximate their carrying values.

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 potential impairment of assets, valuation of deferred development costs, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

k) 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. (See Note 9 for additional information on the anticipated dissolution of School District No. 64 Business Company.)

l) 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, 2007

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 7.5.

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

	2007	2006
Due from Federal Government (operating)	\$ 50,096	\$ 91,760
Other receivables (operating)	88,595	133,508
Tuition receivables (related entities)	359	7,615
	\$139,050	\$232,883

NOTE 4 EQUITY INVESTMENTS

In June 2007, School District No. 64 Business Company disposed of its interest in Canadian Schools International for nominal proceeds. The resulting loss on disposition of \$117,315 is reported on Statement 2 as a Special Purpose Funds Expense.

	2007	2006
100 Shares (50% ownership) in Canadian Schools International	\$ 0	\$ 18,114
Less Equity Losses	0	(18,113)
Advances to Canadian Schools International	0	193,691
Less allowance for potential impairment	0	(84,000)
	\$ 0	\$109,692

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 5 CAPITAL ASSETS

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 4,297,169	\$ -	\$ 4,297,169	\$ 4,297,169
Buildings	34,950,033	14,769,276	20,180,757	20,964,486
Furniture & Equipment	252,311	80,474	171,837	154,179
Vehicles	543,015	201,783	341,232	404,861
Computer Hardware-Operating	-	-	-	7,719
Computer Hardware-Related Entity	-	-	-	902
	<u>\$40,042,528</u>	<u>\$ 15,051,533</u>	<u>\$24,990,995</u>	<u>\$25,829,316</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.

	2007	2006
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$863,235	\$817,277
Service Cost	66,223	62,911
Interest Cost	46,480	46,361
Benefit Payments	(114,030)	(68,896)
Actuarial Gain/Loss	31,398	5,582
Accrued Benefit Obligation – March 31	<u>\$893,306</u>	<u>\$863,235</u>
Accrued Benefit Obligation at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$893,306	\$863,235
Benefit Payments After Measurement Date	-	(41,733)
Unamortized Net Actuarial (Gain)/Loss	26,304	5,095
Accrued Benefit Obligation – June 30	<u>\$867,002</u>	<u>\$826,597</u>

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 6 EMPLOYEE FUTURE BENEFITS (Continued)

	<u>2007</u>	<u>2006</u>
Components of Net Benefit Expense		
Service Cost	66,223	\$62,911
Interest Cost	46,480	46,361
Amortization of Net Actuarial (Gain)/Loss	0	0
Net Benefit Expense (Income)	\$112,703	\$109,272

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

Discount Rate – April 1	5.25%	5.5%	
Discount Rate – March 31	5.00%	5.25%	
Long Term Salary Growth – April 1	3.25% + seniority	3.25% +	seniority
Long Term Salary Growth – March 31	3.25% + seniority	3.25% +	seniority
EARSL – March 31	7.5	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 defined pension plans. The Teachers' Pension Plan has about 48,000 active members, and approximately 24,000 retired members from school districts. The Municipal Plan has about 140,000 active members, of which approximately 21,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation of the Teacher's Pension Plan will be as at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in fiscal 2008. The actuary does not attribute portions of the unfunded liability to individual employers. School District No. 64 paid \$810,316 for employer contributions to these plans in the year ended June 30, 2007 (2006 - \$998,611).

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 six years.

Unfunded liability, as at July 1, 2006	\$	519,025
Reductions during the year		56,970
Unfunded liability, as at June 30, 2007	\$	462,055

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

NOTE 9 CONTROLLED AND RELATED ENTITIES

At June 30, 2007, the School District owned 100% of the issued share capital of School District No. 64 Business Company. In 2007, in preparation for the dissolution of this company, the District transferred the Business Company's remaining capital assets to the School District. As reported in note 2 (k), final year operations of School District No. 64 Business Company are reported in the special purpose fund and are accounted for using the consolidation method.

NOTE 10 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2007, the following transfers were made to the Capital Fund for capital purchases:

- \$38,990 from the Operating Fund

NOTE 11 RELATED PARTY TRANSACTIONS

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

NOTE 12 BUDGET FIGURES

Budget figures included in the financial statements are not audited. They were approved by the Board through the adoption of an amended annual budget on February 14, 2007.

NOTE 13 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 30th 2007, 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.

\$500,000 line of credit.

NOTE 14 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
CONSOLIDATED SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2007

Schedule A1

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	14,972,973	14,872,880	14,444,278
Provincial Grants - Other	0	0	887,279
Federal Grants	0	0	0
Other Revenue	509,959	424,132	593,160
Rentals and Leases	13,627	10,000	11,266
Investment Income	21,395	20,000	21,425
	<u>15,517,954</u>	<u>15,327,012</u>	<u>15,957,408</u>
EXPENSE			
Salaries			
Teachers	5,433,650	5,510,200	5,474,318
Principals and Vice Principals	1,241,246	1,246,000	1,246,124
Educational Assistants	733,386	718,000	795,364
Support Staff	1,866,429	1,886,900	1,897,153
Other Professionals	526,246	555,000	491,094
Substitutes	436,278	397,000	437,173
	<u>10,237,235</u>	<u>10,313,100</u>	<u>10,341,226</u>
Employee Benefits	2,478,427	2,387,000	2,568,541
Services and Supplies	2,793,023	2,513,906	3,022,439
	<u>15,508,685</u>	<u>15,214,006</u>	<u>15,932,206</u>
NET REVENUE (EXPENSE), FOR THE YEAR	9,269	113,006	25,202
INTERFUND TRANSFERS			
Capital Assets Purchased	(38,990)	(40,000)	(85,135)
Local Capital	0	0	0
Other	0	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	(56,970)	(72,905)	(29,837)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION OF SURPLUS (DEFICIT)		0	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(86,691)</u>	101	<u>(89,770)</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	99,503		189,273
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>99,503</u>		<u>189,273</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>12,812</u>		<u>99,503</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	0		
Unrestricted	<u>12,812</u>		
	<u>12,812</u>		

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
CONSOLIDATED COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2007

Schedule A2

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	13,878,368	14,367,141	13,654,042
Other Ministry of Education Grants			
GAAP Implementation Funding	97,376	97,376	97,376
Pay Equity	102,398	102,398	102,398
06/07 Compensation	525,773	0	0
Aboriginal from Def Rev	26,992	26,992	0
Misc MOE grants	94,257	46,725	395,973
Regular & Additional French	73,063	64,248	56,489
E Learning C5/1708 Fr Def Revenue	36,746	30,000	0
Community Link	138,000	138,000	138,000
	<u>14,972,973</u>	<u>14,872,880</u>	<u>14,444,278</u>
PROVINCIAL GRANTS - OTHER			
	0	0	887,279
FEDERAL GRANTS			
	0	0	0
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	0	0	0
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	220,000	200,000	295,000
LEA/Direct Funding from First Nations	0	0	0
Miscellaneous			
Misc	115,899	77,615	99,382
Instructional Cafeteria	117,835	94,000	94,141
Union Share Pro D	0	9,117	9,117
GISPA Registration & Revenue	40,227	32,000	33,361
Ace-it/Carpentry & Level 1 Cook	5,998	1,400	62,159
From Def Rev Legacies Now	10,000	10,000	0
	<u>509,959</u>	<u>424,132</u>	<u>593,160</u>
RENTALS AND LEASES			
	13,627	10,000	11,266
INVESTMENT INCOME			
	21,395	20,000	21,425
TOTAL OPERATING REVENUE			
	<u>15,517,954</u>	<u>15,327,012</u>	<u>15,957,408</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
CONSOLIDATED COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2007

Schedule A3

	2007	2007 AMENDED ANNUAL BUDGET	2006
	ACTUAL		ACTUAL
SALARIES			
Teachers	5,433,650	5,510,200	5,474,318
Principals and Vice Principals	1,241,246	1,246,000	1,246,124
Educational Assistants	733,386	718,000	795,364
Support Staff	1,866,429	1,886,900	1,897,153
Other Professionals	526,246	555,000	491,094
Substitutes	436,278	397,000	437,173
	<u>10,237,235</u>	<u>10,313,100</u>	<u>10,341,226</u>
EMPLOYEE BENEFITS			
Total Salaries and Benefits	<u>12,715,662</u>	<u>12,700,100</u>	<u>12,909,767</u>
SERVICES AND SUPPLIES			
Services	734,650	588,369	793,750
Student Transportation	533,071	512,500	523,244
Professional Development and Travel	274,461	252,675	292,586
Rentals and Leases	23,319	19,500	29,996
Dues and Fees	28,786	22,750	27,756
Insurance	37,192	37,500	34,620
Interest	0	0	0
Supplies	818,833	775,612	1,014,432
Bad Debts	5,043	0	0
Utilities	337,668	305,000	306,055
Total Services and Supplies	<u>2,793,023</u>	<u>2,513,906</u>	<u>3,022,439</u>
TOTAL OPERATING EXPENSE	<u>15,508,685</u>	<u>15,214,006</u>	<u>15,932,206</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 OPERATING FUND
 CONSOLIDATED EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2007

	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	4,443,959	436,935	66,632	66,679		293,867	5,313,072
1.03 Career Programs	13,289	33,225	109,383	216		2,148	158,261
1.07 Library Services	113,360			53,508		1,592	168,460
1.08 Counselling	171,755	9,794		33,446		904	215,899
1.10 Special Education	604,466	127,657	536,182	61,739		76,932	1,406,976
1.30 English as a Second Language	5,350						5,350
1.31 Aboriginal Education	20,393	11,506	18,189			5,149	55,237
1.41 School Administration		598,373		279,866		9,818	888,057
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students	61,078	23,756					84,834
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	5,433,650	1,241,246	733,386	487,454	0	390,410	8,296,146
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				8,743	109,250		117,993
4.40 School District Governance					73,000		73,000
4.41 Business Administration				150,658	196,815	913	348,386
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	0	0	159,401	379,065	913	539,379
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				52,538	128,692	6,416	187,646
5.50 Maintenance Operations				774,695		28,389	803,194
5.52 Maintenance of Grounds				106,546			106,546
5.56 Utilities				9,534			9,534
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	945,423	128,692	34,805	1,108,920
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				7,333	18,489		25,822
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				256,818		10,150	266,968
7.73 Housing							0
Total Function 7	0	0	0	264,151	18,489	10,150	292,790
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	5,433,650	1,241,246	733,386	1,866,429	526,246	436,278	10,237,235

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 OPERATING FUND
 CONSOLIDATED EXPENSE BY FUNCTION AND PROGRAM
 YEAR ENDED JUNE 30, 2007

	2006		2007		2007		2006	
	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2007 ACTUAL	2007 AMENDED ANNUAL BUDGET	2006 ACTUAL	2006 ANNUAL BUDGET
1 INSTRUCTION								
1.02 Regular Instruction	5,313,072	1,452,579	6,765,651	703,348	7,468,999	7,287,189	7,926,992	7,926,992
1.03 Career Programs	158,261	41,169	199,430	138,934	338,364	283,000	393,662	393,662
1.07 Library Services	168,460	36,105	204,565	20,679	225,244	219,945	210,652	210,652
1.08 Counselling	215,899	41,408	257,307	813	258,120	254,780	252,188	252,188
1.10 Special Education	1,406,976	284,893	1,691,869	264,856	1,956,725	1,955,000	1,935,887	1,935,887
1.30 English as a Second Language	5,350	692	6,042	1,216	7,258	10,000	15,110	15,110
1.31 Aboriginal Education	55,237	12,197	67,434	88,773	156,207	89,692	28,106	28,106
1.41 School Administration	888,057	185,113	1,073,170	61,043	1,134,213	1,118,100	1,148,069	1,148,069
1.60 Summer School	0	0	0	0	0	0	0	0
1.61 Continuing Education	0	0	0	0	0	0	0	0
1.62 Off Shore Students	84,834	16,119	100,953	100,953	100,953	98,400	91,596	91,596
1.64 Other	0	0	0	9,608	9,608	9,600	10,332	10,332
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	0
Total Function 1	8,296,146	2,074,275	10,370,421	1,221,836	11,592,257	11,325,706	12,012,587	12,012,587
4 DISTRICT ADMINISTRATION								
4.11 Educational Administration	117,993	24,632	142,625	46,018	188,643	191,200	192,557	192,557
4.40 School District Governance	73,000	1,196	74,196	31,506	105,702	112,800	137,544	137,544
4.41 Business Administration	348,386	70,148	418,534	108,151	526,685	519,200	482,965	482,965
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	0
Total Function 4	539,379	95,976	635,355	185,675	821,030	823,200	813,066	813,066
5 OPERATIONS AND MAINTENANCE								
5.41 Operations and Maintenance Administration	187,646	46,813	234,459	56,610	290,069	313,200	283,672	283,672
5.50 Maintenance Operations	803,194	165,648	968,842	253,234	1,222,076	1,250,900	1,273,883	1,273,883
5.52 Maintenance of Grounds	108,546	22,151	130,697	36,601	167,298	163,000	185,193	185,193
5.56 Utilities	9,534	2,401	11,935	337,688	349,623	315,000	318,803	318,803
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	0
Total Function 5	1,108,920	237,013	1,345,933	683,113	2,029,046	2,042,100	2,061,551	2,061,551
7 TRANSPORTATION AND HOUSING								
7.41 Transportation and Housing Administration	25,822	4,913	30,735	9,770	40,505	42,500	39,809	39,809
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0	0
7.70 Student Transportation	266,968	66,250	333,218	652,584	985,802	950,500	974,608	974,608
7.73 Housing	0	0	0	40,045	40,045	30,000	30,585	30,585
Total Function 7	292,790	71,163	363,953	702,399	1,066,352	1,023,000	1,045,002	1,045,002
9 DEBT SERVICES (OPERATING)								
9.92 Interest on Bank Loans	0	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	10,237,235	2,478,427	12,715,662	2,793,023	15,508,685	15,214,006	15,932,206	15,932,206

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
CONSOLIDATED CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule A5

BALANCE, BEGINNING OF YEAR	73,738
Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	73,738
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	120,206
Provincial Grants - Other	0
Other Revenue	10,000
	130,206
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	63,738
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	10,000
Investment Income	0
	73,738
Net Changes for the Year	56,468
BALANCE, END OF YEAR	130,206

SCHOOL DISTRICT NO. 64 (Gulf Islands)
SPECIAL PURPOSE FUNDS
CONSOLIDATED SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2007

MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
235,360	92,217	111,342	0	438,919
573,235				573,235
	4,380	404,050		404,050
	103,984			103,984
573,235	108,364	404,050	0	1,085,649
531,506	28,819	405,234		965,559
277,089	171,762	110,158	0	559,009

DEFERRED CONTRIBUTIONS
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR

Add: Contributions Received
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other Revenue
Investment Income
Donations

Less: Allocated to Revenue Recovered

DEFERRED CONTRIBUTIONS, END OF YEAR

REVENUE AND EXPENSE

REVENUE
Provincial Grants - Ministry of Education
Provincial Grants - Other
Federal Grants
Other Revenue
Rentals and Leases
Investment Income
Gain (Loss) on Equity Investment

EXPENSE

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

Employee Benefits
Services and Supplies

NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS

INTERFUND TRANSFERS

Capital Assets Purchased
Other

NET REVENUE (EXPENSE)

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 SPECIAL PURPOSE FUNDS
 CONSOLIDATED CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2007

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR			
Add: Contributions Received	230,914	4,446	235,360
Provincial Grants - Ministry of Education	568,757	3,478	573,235
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income			0
	<u>568,757</u>	<u>3,478</u>	<u>573,235</u>
Less: Allocated to Revenue Recovered	524,124	7,382	531,506
	<u>216,547</u>	<u>542</u>	<u>217,089</u>

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	524,124	7,382	531,506
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income			0
	<u>524,124</u>	<u>7,382</u>	<u>531,506</u>

EXPENSE			
Salaries			
Teachers	0	0	0
Principals and Vice Principals	0	0	0
Educational Assistants	0	0	0
Support Staff	0	0	0
Other Professionals	0	0	0
Substitutes	0	0	0
Employee Benefits			
Services and Supplies	524,124	7,382	531,506
	<u>524,124</u>	<u>7,382</u>	<u>531,506</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u>0</u>	<u>0</u>	<u>0</u>

INTERFUND TRANSFERS			
Capital Assets Purchased			
Other	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
NET REVENUE (EXPENSE)	<u>0</u>	<u>0</u>	<u>0</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 SPECIAL PURPOSE FUNDS
 CONSOLIDATED CHANGES IN OTHER SPECIAL PURPOSE FUNDS
 YEAR ENDED JUNE 30, 2007

	Educational Trust Fund	TOTAL
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	92,217	92,217
Add: Contributions Received		
Provincial Grants - Ministry of Education	0	0
Provincial Grants - Other	0	0
Federal Grants	0	0
Other Revenue	0	0
Investment Income	4,380	4,380
Donations	103,984	103,984
	<u>108,364</u>	<u>108,364</u>
Less: Allocated to Revenue Recovered	28,819	28,819
	<u>171,762</u>	<u>171,762</u>

DEFERRED CONTRIBUTIONS, END OF YEAR

REVENUE AND EXPENSE

REVENUE	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	28,819
Investment Income	0
	<u>28,819</u>

EXPENSE

Salaries	
Teachers	0
Principals and Vice Principals	0
Educational Assistants	0
Support Staff	0
Other Professionals	0
Substitutes	0
	<u>0</u>
Employee Benefits	0
Services and Supplies	28,819
	<u>28,819</u>
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	<u>0</u>

INTERFUND TRANSFERS

Capital Assets Purchased	0
Other	0
	<u>0</u>
NET REVENUE (EXPENSE)	<u>0</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 CAPITAL FUND
 CONSOLIDATED CAPITAL ASSETS
 YEAR ENDED JUNE 30, 2007

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	4,297,169	34,950,033	213,321	636,293	0	38,594	40,135,410
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	4,297,169	34,950,033	213,321	636,293	0	38,594	40,135,410
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund			38,990				38,990
Special Purpose Funds							0
Local Capital							0
Transferred from Work in Progress			38,990				38,990
Decrease:							
Disposed of							0
Deemed Disposals				93,278		38,594	131,872
Written-off/down During Year							0
COST, END OF YEAR	4,297,169	34,950,033	252,311	93,278	0	38,594	40,042,528
WORK IN PROGRESS, END OF YEAR				543,015	0	0	543,015
COST AND WORK IN PROGRESS, END OF YEAR	4,297,169	34,950,033	252,311	543,015	0	38,594	40,042,528
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	13,985,547	59,142	231,432	0	30,875	14,306,996
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	13,985,547	59,142	231,432	0	30,875	14,306,996
Changes for the Year							
Increase: Amortization for the Year		783,729	21,332	63,629		7,719	876,409
Decrease:							
Disposed of							0
Deemed Disposals				93,278		38,594	131,872
Written-off During Year							0
COST, END OF YEAR	0	14,769,276	80,474	201,763	0	38,594	15,061,533
ACCUMULATED AMORTIZATION, END OF YEAR	0	14,769,276	80,474	201,763	0	38,594	15,061,533
CAPITAL ASSETS - NET	4,297,169	20,180,757	171,837	341,232	0	0	24,990,995

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 CAPITAL FUND
 CONSOLIDATED CAPITAL ASSETS - WORK IN PROGRESS
 YEAR ENDED JUNE 30, 2007

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

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CAPITAL FUND
CONSOLIDATED DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2007

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	19,640,915	0	0	19,640,915
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>19,640,915</u>	<u>0</u>	<u>0</u>	<u>19,640,915</u>
Changes for the Year				
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	793,973			793,973
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>793,973</u>	<u>0</u>	<u>0</u>	<u>793,973</u>
Net Changes for the Year	<u>(793,973)</u>	<u>0</u>	<u>0</u>	<u>(793,973)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>18,846,942</u>	<u>0</u>	<u>0</u>	<u>18,846,942</u>
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Decrease:				
Transferred to Deferred Capital Contributions				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes for the Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
WORK IN PROGRESS, END OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>18,846,942</u>	<u>0</u>	<u>0</u>	<u>18,846,942</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
 CAPITAL FUND
 CONSOLIDATED CHANGES IN DEFERRED CONTRIBUTIONS
 YEAR ENDED JUNE 30, 2007

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	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
Provincial Grants - Other						0
Other						0
Investment Income						0
MEEd Restricted Portion of Proceeds on Disposal						0
Decrease:						
Transferred to DCC - Capital Additions						0
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						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
CONSOLIDATED CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	6,187,499	0	6,187,499
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>6,187,499</u>	<u>0</u>	<u>6,187,499</u>
Changes for the Year			
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	793,973		793,973
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	38,990		38,990
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(876,409)		(876,409)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	<u>(43,446)</u>	<u>0</u>	<u>(43,446)</u>
BALANCE, END OF YEAR	<u>6,144,053</u>	<u>0</u>	<u>6,144,053</u>