

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

SCHOOL DISTRICT NUMBER 64	NAME OF SCHOOL DISTRICT Gulf Islands	YEAR 2007/2008
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 Education 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 Canadian generally accepted accounting principles for not-for-profit organizations.

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

The Board's Responsibility

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

External Auditors

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

Declaration of Management and Board Chairperson

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

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 64 (Gulf Islands) for the year ended June 30, 2008.

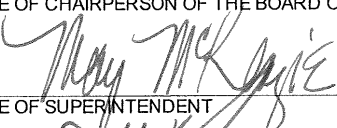


SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept. 10, 2008
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept. 10, 2008
SIGNATURE OF SECRETARY - TREASURER 	DATE SIGNED Sept. 10, 2008

TABLE OF CONTENTS

AUDITORS' REPORT

FINANCIAL STATEMENTS

Statement of Financial Position	Statement 1
Statement of Revenue and Expense	Statement 2
Statement of Changes in Fund Balances	Statement 3
Statement of Cash Flows	Statement 4

NOTES TO FINANCIAL STATEMENTS

SCHEDULES

Operating Fund	
Surplus (Deficit)	Schedule A1
Comparative Schedule of Revenue by Source	Schedule A2
Comparative Schedule of Expense by Object	Schedule A3
Expense by Function and Program	Schedule A4
Changes in Deferred Contributions	Schedule A5
Special Purpose Funds	
Summary of Changes	Schedule B1
Changes in Ministry of Education Designated Special Purpose Funds	Schedule B2
Changes in Other Special Purpose Funds	Schedule B3
Capital Fund	
Capital Assets	Schedule C1
Capital Assets - Work In Progress	Schedule C2
Deferred Capital Contributions	Schedule C3
Changes in Deferred Contributions	Schedule C4
Changes In Fund Balances	Schedule C5



KPMG LLP
Chartered Accountants
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7

Telephone (250) 480-3500
Fax (250) 480-3539
Internet www.kpmg.ca

AUDITORS' REPORT TO THE BOARD OF EDUCATION 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, 2008 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Chartered Accountants

Victoria, Canada

August 1, 2008

SCHOOL DISTRICT NO. 64 (Gulf Islands)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
ASSETS					
Current Assets					
Cash and Cash Equivalents	738,321	228,079		966,400	740,936
Short Term Investments	483,323	20,918		504,241	326,645
Accounts Receivable (Note 3)					
Due from Province - Ministry of Education	1,361			1,361	21,919
Due from Province - Other				0	0
Due from LEA / Direct Funding				0	0
Other Receivables	119,508			119,508	139,050
Interfund Loans	95,214				
Inventories	16,637			16,637	10,416
Prepaid Expenses	59,375			59,375	67,124
	1,513,739	248,997	0	1,667,522	1,306,090
Deferred Development Costs	160,000			160,000	200,000
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 4)			24,317,211	24,317,211	24,990,995
TOTAL ASSETS	1,673,739	248,997	24,317,211	26,144,733	26,497,085
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	567,348			567,348	746,645
Bank Loans				0	0
Interfund Loans		95,214			
Other Current Liabilities				0	0
	567,348	95,214	0	567,348	746,645
Deferred Revenue	379,068			379,068	268,962
Deferred Contributions					
Ministry of Education	140,130	521,277		661,407	397,295
Province - Other				0	0
Other	41,081	248,997		290,078	291,920
Accrued Employee Future Benefits (Note 5)	893,398			893,398	867,002
Deferred Capital Contributions			18,072,334	18,072,334	18,846,942
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	2,021,025	865,488	18,072,334	20,863,633	21,418,766
Fund Balances					
Invested in Capital Assets			6,244,877	6,244,877	6,144,053
Endowment				0	0
Internally Restricted				0	0
Unrestricted	45,670	(616,491)		(570,821)	(603,679)
Unfunded Accrued Employee Future Benefits (Note 7) and Vacation Pay	(392,956)			(392,956)	(462,055)
TOTAL FUND BALANCES	(347,286)	(616,491)	6,244,877	5,281,100	5,078,319
TOTAL LIABILITIES AND FUND BALANCES	1,673,739	248,997	24,317,211	26,144,733	26,497,085

SCHOOL DISTRICT NO. 64 (Gulf Islands)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2008

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
REVENUE					
Provincial Grants - Ministry of Education	15,246,604	256,335		15,502,939	15,504,479
Provincial Grants - Other				0	0
Federal Grants				0	0
Other Revenue	1,163,250	510,514		1,673,764	1,606,566
Rentals and Leases	11,912			11,912	13,627
Investment Income	50,797			50,797	29,710
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			774,608	774,608	793,973
Gain (Loss) on Disposal of Capital Assets				0	0
	<u>16,472,563</u>	<u>766,849</u>	<u>774,608</u>	<u>18,014,020</u>	<u>17,948,355</u>
EXPENSE					
Salaries					
Teachers	5,561,551			5,561,551	5,433,650
Principals and Vice Principals	1,261,652			1,261,652	1,241,246
Educational Assistants	701,748			701,748	733,386
Support Staff	1,910,359			1,910,359	1,866,429
Other Professionals	550,490			550,490	526,246
Substitutes	402,523			402,523	436,278
	<u>10,388,323</u>	<u>0</u>	<u>0</u>	<u>10,388,323</u>	<u>10,237,235</u>
Employee Benefits	2,657,465			2,657,465	2,478,427
Services and Supplies	3,246,752	659,940		3,906,692	4,740,035
Amortization of Capital Assets			858,759	858,759	876,409
Write-off/down of Buildings and Sites				0	0
Loss on disposal of Equity Investment/loan				0	117,315
	<u>16,292,540</u>	<u>659,940</u>	<u>858,759</u>	<u>17,811,239</u>	<u>18,449,421</u>
NET REVENUE (EXPENSE)	<u>180,023</u>	<u>106,909</u>	<u>(84,151)</u>	<u>202,781</u>	<u>(501,066)</u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
FUND BALANCES, BEGINNING OF YEAR	(449,243)	(616,491)	6,144,053	5,078,319	5,579,385
Changes in Accounting Policies/ Prior Period Adjustments					
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	(449,243)	(616,491)	6,144,053	5,078,319	5,579,385
Changes for the Year					
Net Revenue (Expense) for the Year	180,023	106,909	(84,151)	202,781	(501,066)
Interfund Transfers					
Capital Assets Purchased	(50,020)		50,020	0	0
Local Capital				0	0
Other	(28,046)	(106,909)	134,955	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	101,957	0	100,824	202,781	(501,066)
FUND BALANCES, END OF YEAR	(347,286)	(616,491)	6,244,877	5,281,100	5,078,319

SCHOOL DISTRICT NO. 64 (Gulf Islands)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	180,023	106,909	(84,151)	202,781	(501,066)
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	39,741	359		40,100	1,065,445
Interfund Loans	(179,065)	179,065		0	0
Inventories	(6,221)			(6,221)	3,978
Prepaid Expenses	1,781	5,968		7,749	(9,888)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(169,273)	(10,024)		(179,297)	(142,454)
Other Current Liabilities				0	(465,000)
Deferred Revenue	379,068	(268,962)		110,106	192,637
Deferred Contributions	51,005	211,265		262,270	176,558
Accrued Employee Future Benefits	26,396			26,396	40,405
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			858,759	858,759	876,409
Amortization of Deferred Capital Contributions			(774,608)	(774,608)	(793,973)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Loss on disposal of Equity Investment/Loan				0	117,315
Amortization of Def Dev Costs	40,000			40,000	105,605
Interfund Transfers	(78,066)	(106,909)	184,975	0	0
	285,389	117,671	184,975	588,035	665,971
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			(50,020)	(50,020)	(38,990)
Capital Assets Purchased - Special Purpose				0	0
Capital Assets Purchased - Local Capital				0	0
Work in progress - additions - operating			(28,046)	(28,046)	(2,441)
Work in progress - additions - Spec Pur			(106,909)	(106,909)	0
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	(7,623)
	0	0	(184,975)	(184,975)	(49,054)
NET INCREASE (DECREASE) IN CASH	285,389	117,671	0	403,060	616,917

SCHOOL DISTRICT NO. 64 (Gulf Islands)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
NET INCREASE (DECREASE) IN CASH	285,389	117,671	0	403,060	616,917
Net Cash, Beginning of Year	936,255	131,326	0	1,067,581	450,664
Changes in Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	936,255	131,326	0	1,067,581	450,664
NET CASH, END OF YEAR	1,221,644	248,997	0	1,470,641	1,067,581
Cash	738,321	228,079		966,400	740,936
Cash Equivalents				0	0
Short Term Investments	483,323	20,918		504,241	326,645
Bank Overdraft				0	0
NET CASH, END OF YEAR	1,221,644	248,997	0	1,470,641	1,067,581

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 AUTHORITY AND PURPOSE

The School District operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 64 (Gulf Islands)" and operates as "School District No. 64 (Gulf Islands)". A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations.

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

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

a) Fund Accounting

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

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

b) Cash and Cash Equivalents

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

c) Short Term Investments

Short term investments include securities with original terms to maturity of greater than three months, and less than a year.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

- d) Accounts Receivable
Accounts receivable are recorded net of allowance for doubtful accounts.
- e) Inventories
Inventories of supplies and materials held in central stores for resale are stated at acquisitions cost using the first-in-first-out method.
- f) Prepaid Expenses
Materials and supplies held in central stores for use within the district are recorded 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.
- g) Deferred Development Costs
Development costs are amortized on a straight line basis over the estimated remaining useful life of the technology. The recoverability of unamortized deferred development costs is periodically evaluated based on projected future revenues. An impairment loss is recognized when the carrying amount of the deferred development costs is not recoverable and exceeds its fair market value.
- h) 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 |
- i) Revenue Recognition
Unrestricted operating government grants are recognized as revenue when received or receivable. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

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

- 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.
- j) Investment Income
Investment income, which is recorded on the accrual basis, includes interest income, dividends, net gain on sale of securities and unrealized gains (losses).
- k) 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, Board of Education 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.
- l) Financial Instruments
Financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued 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. Cash and cash equivalents and short-term investments are carried at fair value. The fair values of the remaining instruments approximate their carrying values.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

m) Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset. At this time, the District has determined that there are no significant asset retirement obligations.

n) Use of Estimates

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

o) 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. 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 (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 7.5 years.

The most recent valuation of the obligation was performed at March 31, 2007 and projected to June 30, 2011. The next valuation will be performed at March 31, 2010 for use at June 30, 2010. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted.

p) Change in Accounting Policy

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

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

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2008	2007
Due from Federal Government	\$ 45,874	\$ 50,096
Other receivables	<u>73,634</u>	<u>88,954</u>
	<u>\$119, 508</u>	<u>\$139,050</u>

NOTE 4 CAPITAL ASSETS

	Cost	2008 Accumulated Amortization	Net Book Value	2007 Net Book Value
Sites	\$ 4,297,169	\$ -	\$ 4,297,169	\$ 4,297,169
Buildings	34,950,035	15,548,505	19,401,530	20,180,757
Furniture & Equipment	263,278	93,772	169,506	171,837
Vehicles	570,134	256,083	314,051	341,232
Work in Progress	<u>134,955</u>	<u>-</u>	<u>134,955</u>	<u>-</u>
	<u>\$40, 215,571</u>	<u>\$ 15,898,360</u>	<u>\$24,317,211</u>	<u>\$24,990,995</u>

NOTE 5 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).

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 5 EMPLOYEE FUTURE BENEFITS (Continued)

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

	2008	2007
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 893,306	\$ 863,235
Service Cost	77,935	66,223
Interest Cost	45,899	46,480
Benefit Payments	(85,208)	(114,030)
Actuarial (Gain)/Loss	(43,270)	31,398
Accrued Benefit Obligation – March 31	\$ 888,662	\$ 893,306
Accrued Benefit Obligation at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 888,662	\$ 893,306
Market Value of Plan Assets – March 31	0	0
Funded Status – Surplus/(Deficit)	(888,662)	(893,306)
Benefit Payments After Measurement Date	12,231	0
Unamortized Net Actuarial (Gain)/Loss	(16,967)	26,304
Accrued Benefit Obligation – June 30	\$ (893,398)	\$ (867,002)
Components of Net Benefit Expense		
Service Cost	\$ 77,935	\$ 66,223
Interest Cost	45,899	46,480
Amortization of Net Actuarial (Gain)/Loss	0	0
Net Benefit Expense (Income)	\$123,834	\$112,703

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

Discount Rate – April 1	5.0%	5.25%
Discount Rate – March 31	5.5%	5.0%
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	7.5

NOTE 6 EMPLOYEE PENSION PLANS

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

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 6 EMPLOYEE PENSION PLANS (Continued)

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2008 with results available in late 2009. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. School District No. 64 paid \$1,194,155 for employer contributions to these plans in the year ended June 30, 2008 (2007 - \$810,316).

NOTE 7 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS

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

Unfunded liability, as at July 1, 2007	\$ 462,055
Reductions during the year	69,099
Unfunded liability, as at June 30, 2008	<u>\$ 392,956</u>

NOTE 8 INTERFUND TRANSFERS

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

- \$78,066 from the Operating Fund
- \$25,000 from Special Purpose Funds – Annual Facility Grant
- \$81,909 from Special Purpose Funds – Educational Trust

NOTE 9 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 10 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 27, 2008.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 11 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 2008, 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.

NOTE 12 ASSET RETIREMENT OBLIGATIONS

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 13 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2008

Schedule A1

	2008	2008 AMENDED ANNUAL BUDGET	2007
	<u>ACTUAL</u>		<u>ACTUAL</u>
REVENUE			
Provincial Grants - Ministry of Education	15,246,604	15,289,425	14,972,973
Provincial Grants - Other	0	0	0
Federal Grants	0	0	0
Other Revenue	1,163,250	1,136,405	509,959
Rentals and Leases	11,912	10,000	13,627
Investment Income	50,797	26,000	21,395
	<u>16,472,563</u>	<u>16,461,830</u>	<u>15,517,954</u>
EXPENSE			
Salaries			
Teachers	5,561,551	5,470,635	5,433,650
Principals and Vice Principals	1,261,652	1,250,490	1,241,246
Educational Assistants	701,748	672,000	733,386
Support Staff	1,910,359	1,936,700	1,866,429
Other Professionals	550,490	548,500	526,246
Substitutes	402,523	408,150	436,278
	<u>10,388,323</u>	<u>10,286,475</u>	<u>10,237,235</u>
Employee Benefits	2,657,465	2,829,427	2,478,427
Services and Supplies	3,246,752	3,156,053	2,793,023
	<u>16,292,540</u>	<u>16,271,955</u>	<u>15,508,685</u>
NET REVENUE (EXPENSE), FOR THE YEAR	180,023	189,875	9,269
INTERFUND TRANSFERS			
Capital Assets Purchased	(50,020)	(50,000)	(38,990)
Local Capital	0	0	0
Other	(28,046)	0	0
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	(69,099)	(78,188)	(56,970)
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		0	
SURPLUS (DEFICIT), FOR THE YEAR	<u>32,858</u>	<u>61,687</u>	<u>(86,691)</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	12,812		99,503
Changes in Accounting Policies/ Prior Period Adjustments			
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>12,812</u>		<u>99,503</u>
SURPLUS (DEFICIT), END OF YEAR (Section 156 (12) of School Act)	<u>45,670</u>		<u>12,812</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	0		
Unrestricted	45,670		
	<u>45,670</u>		

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2008

Schedule A2

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	14,761,013	14,760,294	13,878,368
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			97,376
Pay Equity	102,398	102,398	102,398
Innov Grant C8/2410/ReadySetLearn C8/2719	20,000	23,311	0
Aboriginal from Def Rev (underspent 06/07)	0	5,671	0
Other MOE Grants	20,518	73,055	620,030
French Grants - Regular & Additional	49,537	60,577	73,063
From Deferred contributions	116,040	120,206	63,738
Community Link/CSSEA Negotiated Incr	143,913	143,913	138,000
BCESIS	13,772	0	0
Operating - Prior year funding adjustments	19,413	0	0
	15,246,604	15,289,425	14,972,973
PROVINCIAL GRANTS - OTHER			
	0	0	0
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	811,092	910,000	220,000
LEA/Direct Funding from First Nations	0	0	0
Miscellaneous			
Misc	138,466	65,000	115,899
Instructional Cafeteria	106,261	85,000	117,835
Union Share Pro D	9,405	9,405	0
GISPA Registration	34,893	30,000	40,227
ACE-IT/Cook Level 1 Registration	40,714	27,000	5,998
From Def Rev	22,419	10,000	10,000
	1,163,250	1,136,405	509,959
RENTALS AND LEASES			
	11,912	10,000	13,627
INVESTMENT INCOME			
	50,797	26,000	21,395
TOTAL OPERATING REVENUE			
	16,472,563	16,461,830	15,517,954

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
SALARIES			
Teachers	5,561,551	5,470,635	5,433,650
Principals and Vice Principals	1,261,652	1,250,490	1,241,246
Educational Assistants	701,748	672,000	733,386
Support Staff	1,910,359	1,936,700	1,866,429
Other Professionals	550,490	548,500	526,246
Substitutes	402,523	408,150	436,278
	<u>10,388,323</u>	<u>10,286,475</u>	<u>10,237,235</u>
EMPLOYEE BENEFITS			
	2,657,465	2,829,427	2,478,427
Total Salaries and Benefits	<u>13,045,788</u>	<u>13,115,902</u>	<u>12,715,662</u>
SERVICES AND SUPPLIES			
Services	1,171,651	1,094,364	734,650
Student Transportation	547,765	555,000	533,071
Professional Development and Travel	371,650	348,334	274,461
Rentals and Leases	16,444	17,000	23,319
Dues and Fees	22,995	25,445	28,786
Insurance	37,210	37,206	37,192
Interest	0	0	0
Supplies	732,785	738,704	818,833
Bad Debts	468	0	5,043
Utilities	345,784	340,000	337,668
Total Services and Supplies	<u>3,246,752</u>	<u>3,156,053</u>	<u>2,793,023</u>
TOTAL OPERATING EXPENSE	<u>16,292,540</u>	<u>16,271,955</u>	<u>15,508,685</u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	4,329,600	416,034	80,179	73,495		267,067	5,166,375
1.03 Career Programs	39,983	6,543	77,299	30,552		2,298	156,675
1.07 Library Services	100,703			55,237		1,260	157,200
1.08 Counselling	156,468	5,074		35,944			197,486
1.10 Special Education	624,844	92,287	494,570	49,484		68,145	1,329,330
1.30 English as a Second Language	16,582						16,582
1.31 Aboriginal Education	17,926	1,587	49,700		10,725	3,229	83,167
1.41 School Administration		715,540		270,175		8,911	994,626
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students	275,445	24,587		29,529			329,561
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	5,561,551	1,261,652	701,748	544,416	10,725	350,910	8,431,002
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				7,847	115,077	322	123,246
4.40 School District Governance					73,000		73,000
4.41 Business Administration				126,392	197,228	66	323,686
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	0	0	134,239	385,305	388	519,932
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				50,432	135,158	5,192	190,782
5.50 Maintenance Operations				795,395		36,813	832,208
5.52 Maintenance of Grounds				108,108			108,108
5.56 Utilities				9,948		399	10,347
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	963,883	135,158	42,404	1,141,445
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				7,632	19,302		26,934
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				260,189		8,821	269,010
7.73 Housing							0
Total Function 7	0	0	0	267,821	19,302	8,821	295,944
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	5,561,551	1,261,652	701,748	1,910,359	550,490	402,523	10,388,323

**SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2008 ACTUAL	2008 AMENDED ANNUAL BUDGET	2007 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	5,166,375	1,485,960	6,652,335	599,638	7,251,973	7,338,619	7,468,999
1.03 Career Programs	156,675	42,164	198,839	127,283	326,122	279,130	338,364
1.07 Library Services	157,200	40,824	198,024	12,932	210,956	227,310	225,244
1.08 Counselling	197,486	47,234	244,720	1,105	245,825	276,675	258,120
1.10 Special Education	1,329,330	303,111	1,632,441	226,371	1,858,812	1,722,382	1,956,725
1.30 English as a Second Language	16,582	5,615	22,197	418	22,615	24,280	7,258
1.31 Aboriginal Education	83,167	7,847	91,014	16,371	107,385	96,931	88,773
1.41 School Administration	994,626	226,258	1,220,884	56,568	1,277,452	1,259,127	1,138,213
1.60 Summer School	0		0		0	0	0
1.61 Continuing Education	0		0		0	0	0
1.62 Off Shore Students	329,561	69,647	399,208	547,739	946,947	886,000	100,953
1.64 Other	0		0	10,095	10,095	9,600	9,608
1.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 1	8,431,002	2,228,660	10,659,662	1,598,520	12,258,182	12,120,054	11,592,257
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	123,246	25,819	149,065	86,852	235,917	226,270	188,643
4.40 School District Governance	73,000	1,143	74,143	36,102	110,245	114,200	105,702
4.41 Business Administration	323,686	64,175	387,861	122,046	509,907	545,165	526,685
4.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 4	519,932	91,137	611,069	245,000	856,069	885,635	821,030
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	190,782	47,004	237,786	56,661	294,447	305,200	290,069
5.50 Maintenance Operations	832,208	185,093	1,017,301	236,928	1,254,229	1,351,201	1,222,076
5.52 Maintenance of Grounds	108,108	25,686	133,794	41,331	175,125	169,325	167,298
5.56 Utilities	10,347	2,362	12,709	345,784	358,493	352,605	349,603
5.65 Conseil Scolaire Francophone	0		0		0	0	0
Total Function 5	1,141,445	260,145	1,401,590	680,704	2,082,294	2,178,331	2,029,046
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	26,934	5,406	32,340	9,253	41,593	42,770	40,505
7.65 Conseil Scolaire Francophone	0		0		0	0	0
7.70 Student Transportation	269,010	72,117	341,127	684,035	1,025,162	1,015,165	985,802
7.73 Housing	0		0	29,240	29,240	30,000	40,045
Total Function 7	295,944	77,523	373,467	722,528	1,095,995	1,087,935	1,066,352
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans					0	0	0
9.94 Interest on Temporary Borrowing					0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	10,388,323	2,657,465	13,045,788	3,246,752	16,292,540	16,271,955	15,508,685

SCHOOL DISTRICT NO. 64 (Gulf Islands)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule A5

BALANCE, BEGINNING OF YEAR	130,206
 Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>130,206</u>
 Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	140,464
Provincial Grants - Other	0
Other Revenue	0
2010 Legacies Now	14,000
Teacher Training UBC	5,000
Community Connections/SEEC	30,000
	<u>189,464</u>
 Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	116,040
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Investment Income	0
Legacies Now	10,000
Community Connections/SEEC	12,419
	<u>138,459</u>
 Net Changes for the Year	 <u>51,005</u>
 BALANCE, END OF YEAR	 <u><u>181,211</u></u>

**SCHOOL DISTRICT NO. 64 (Gulf Islands)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	277,089	171,762	110,158	0	559,009
Add: Contributions Received					
Provincial Grants - Ministry of Education	500,523				500,523
Provincial Grants - Other					0
Federal Grants					0
Other		89,160	383,084		472,244
Investment Income		5,347			5,347
	500,523	94,507	383,084	0	978,114
Less: Allocated to Revenue	256,335	137,145	373,369		766,849
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	521,277	129,124	119,873	0	770,274
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	256,335				256,335
Provincial Grants - Other					0
Federal Grants					0
Other Revenue		137,145	373,369		510,514
Rentals and Leases					0
Investment Income					0
Gain (Loss) on Equity Investment					0
	256,335	137,145	373,369	0	766,849
EXPENSE					
Salaries					
Teachers					0
Principals and Vice Principals					0
Educational Assistants					0
Support Staff					0
Other Professionals					0
Substitutes					0
	0	0	0	0	0
Employee Benefits					0
Services and Supplies	231,335	55,236	373,369		659,940
	231,335	55,236	373,369	0	659,940
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	25,000	81,909	0	0	106,909
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other	(25,000)	(81,909)			(106,909)
	(25,000)	(81,909)	0	0	(106,909)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 64 (Gulf Islands)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	276,547	542	277,089
Add: Contributions Received			
Provincial Grants - Ministry of Education	496,026	4,497	500,523
Provincial Grants - Other			0
Federal Grants			0
Other			0
Investment Income			0
	496,026	4,497	500,523
Less: Allocated to Revenue	251,296	5,039	256,335
Recovered			0
DEFERRED CONTRIBUTIONS, END OF YEAR	521,277	0	521,277
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	251,296	5,039	256,335
Provincial Grants - Other			0
Federal Grants			0
Other Revenue			0
Investment Income			0
	251,296	5,039	256,335
EXPENSE			
Salaries			
Teachers			0
Principals and Vice Principals			0
Educational Assistants			0
Support Staff			0
Other Professionals			0
Substitutes			0
	0	0	0
Employee Benefits			0
Services and Supplies	226,296	5,039	231,335
	226,296	5,039	231,335
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	25,000	0	25,000
INTERFUND TRANSFERS			
Capital Assets Purchased			0
Other	(25,000)		(25,000)
	(25,000)	0	(25,000)
NET REVENUE (EXPENSE)	0	0	0

**SCHOOL DISTRICT NO. 64 (Gulf Islands)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008**

Schedule B3

	Educational Trust Fund	TOTAL
DEFERRED CONTRIBUTIONS		
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	171,762	171,762
Add: Contributions Received		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants		0
Other	89,160	89,160
Investment Income	5,347	5,347
	94,507	94,507
Less: Allocated to Revenue	137,145	137,145
Recovered		0
DEFERRED CONTRIBUTIONS, END OF YEAR	129,124	129,124
REVENUE AND EXPENSE		
REVENUE		
Provincial Grants - Ministry of Education		0
Provincial Grants - Other		0
Federal Grants		0
Other Revenue	137,145	137,145
Investment Income		0
	137,145	137,145
EXPENSE		
Salaries		
Teachers		0
Principals and Vice Principals		0
Educational Assistants		0
Support Staff		0
Other Professionals		0
Substitutes		0
	0	0
Employee Benefits		0
Services and Supplies	55,236	55,236
	55,236	55,236
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	81,909	81,909
INTERFUND TRANSFERS		
Capital Assets Purchased		0
Other	(81,909)	(81,909)
	(81,909)	(81,909)
NET REVENUE (EXPENSE)	0	0

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2008

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	4,297,169	34,950,033	252,311	543,015	0	0	40,042,528
Changes in Accounting Policy/ Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	4,297,169	34,950,033	252,311	543,015	0	0	40,042,528
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw							0
Deferred Contributions - Other							0
Operating Fund			22,900	27,120			50,020
Special Purpose Funds							0
Local Capital							0
Transferred from Work in Progress							0
	0	0	22,900	27,120	0	0	50,020
Decrease:							
Disposed of							0
Deemed Disposals			11,933				11,933
Written-off/down During Year							0
	0	0	11,933	0	0	0	11,933
COST, END OF YEAR	4,297,169	34,950,033	263,278	570,135	0	0	40,080,615
WORK IN PROGRESS, END OF YEAR		134,955					134,955
COST AND WORK IN PROGRESS, END OF YEAR	4,297,169	35,084,988	263,278	570,135	0	0	40,215,570
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR	0	14,769,276	80,474	201,783	0	0	15,051,533
Changes in Accounting Policies/ Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	14,769,276	80,474	201,783	0	0	15,051,533
Changes for the Year							
Increase: Amortization for the Year		779,227	25,231	54,301			858,759
Decrease:							
Disposed of							0
Deemed Disposals			11,933				11,933
Written-off During Year							0
	0	0	11,933	0	0	0	11,933
ACCUMULATED AMORTIZATION, END OF YEAR	0	15,548,503	93,772	256,084	0	0	15,898,359
CAPITAL ASSETS - NET	4,297,169	19,536,485	169,506	314,051	0	0	24,317,211

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2008

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	0	0	0	0	0
Changes in Accounting Policy/ Prior Period Adjustments					
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	0	0	0	0	0
Changes for the Year					
Increase:					
Deferred Contributions - Bylaw					0
Deferred Contributions - Other					0
Operating Fund	28,046				28,046
Special Purpose Funds	106,909				106,909
Local Capital					0
	134,955	0	0	0	134,955
Decrease:					
Transferred to Capital Assets					0
	0	0	0	0	0
Net Changes for the Year	134,955	0	0	0	134,955
WORK IN PROGRESS, END OF YEAR	134,955	0	0	0	134,955

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	18,846,942	0	0	18,846,942
Changes in Accounting Policies/ Prior Period Adjustments				
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>18,846,942</u>	<u>0</u>	<u>0</u>	<u>18,846,942</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	774,608			774,608
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	<u>774,608</u>	<u>0</u>	<u>0</u>	<u>774,608</u>
Net Changes for the Year	<u>(774,608)</u>	<u>0</u>	<u>0</u>	<u>(774,608)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>18,072,334</u>	<u>0</u>	<u>0</u>	<u>18,072,334</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><u>18,072,334</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>18,072,334</u></u>

SCHOOL DISTRICT NO. 64 (Gulf Islands)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule C4

	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
MEd Restricted Portion of Proceeds on Disposal						0
	0	0	0	0	0	0
Decrease:						
Transferred to DCC - Capital Additions						0
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets - Site Purchases						0
	0	0	0	0	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)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	6,144,053	0	6,144,053
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	6,144,053	0	6,144,053
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	774,608		774,608
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	50,020		50,020
Interfund Transfers - Capital Assets WIP	134,955		134,955
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(858,759)		(858,759)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	100,824	0	100,824
BALANCE, END OF YEAR	6,244,877	0	6,244,877