

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER 64	NAME OF SCHOOL DISTRICT Gulf Islands	YEAR 2009/2010
OFFICE LOCATION 112 Rainbow Road		TELEPHONE NUMBER 250 537 5548
CITY/PROVINCE Salt Spring Island BC		POSTAL CODE V8K 2K3
WEBSITE ADDRESS 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.


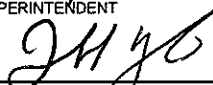
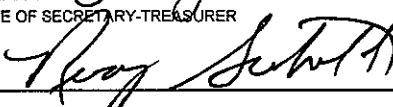
External Auditors

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, changes in fund balances, 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, 2010.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED 2010 09 29
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED 2010 10 04
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED 2010 09 29

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)
2009/2010 AUDITED FINANCIAL STATEMENTS**

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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, 2010 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, 2010 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 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 29, 2010

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 816,986	\$ 127,372		\$ 944,358	\$ 1,961,397
Short Term Investments	1,858,880	236,435		2,095,315	282,148
Accounts Receivable					
Due from Province - Ministry of Education	219			219	143,483
Other Receivables (Note 3)	119,610			119,610	229,183
Interfund Loans	-	-	653,979		
Inventories	5,147			5,147	4,309
Prepaid Expenses	56,712			56,712	65,322
	<u>2,857,554</u>	<u>363,807</u>	<u>653,979</u>	<u>3,221,361</u>	<u>2,685,842</u>
Deferred Development Costs	80,000			80,000	120,000
Investments (Note 4)	303,222			303,222	242,000
Capital Assets - Net (Note 5)			27,689,111	27,689,111	26,870,164
	<u>\$ 3,240,776</u>	<u>\$ 363,807</u>	<u>\$ 28,343,090</u>	<u>\$ 31,293,694</u>	<u>\$ 29,918,006</u>
TOTAL ASSETS					
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	973,283	-		973,283	1,506,487
Interfund Loans	395,449	258,530			
	<u>1,368,732</u>	<u>258,530</u>	<u>-</u>	<u>973,283</u>	<u>1,506,487</u>
Deferred Revenue	325,975			325,975	277,945
Deferred Contributions					
Ministry of Education (Note 6)	34,173	309,073	653,979	997,225	534,755
Province - Other (Note 6)	7,977	8,888		16,865	
Other (Note 6)	21,076	363,807		384,883	271,179
Accrued Employee Future Benefits (Note 7)	1,041,680			1,041,680	950,793
Deferred Capital Contributions (Note 8)			21,443,593	21,443,593	20,627,259
	<u>2,799,613</u>	<u>940,298</u>	<u>22,097,572</u>	<u>25,183,504</u>	<u>24,168,418</u>
TOTAL LIABILITIES					
Fund Balances					
Invested in Capital Assets			6,245,518	6,245,518	6,242,905
Unrestricted	441,163	(576,491)		(135,328)	(493,317)
	<u>441,163</u>	<u>(576,491)</u>	<u>6,245,518</u>	<u>6,110,190</u>	<u>5,749,588</u>
TOTAL FUND BALANCES					
	<u>\$ 3,240,776</u>	<u>\$ 363,807</u>	<u>\$ 28,343,090</u>	<u>\$ 31,293,694</u>	<u>\$ 29,918,006</u>
TOTAL LIABILITIES AND FUND BALANCES					

- > **Contingencies(Note13)**
- > **EconomicDependence(Note15)**

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2010

Statement 2

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2010	2009
	FUND	FUNDS	FUND	2010	2009
REVENUE					
Provincial Grants - Ministry of Education	\$ 16,207,469	\$ 474,840		\$ 16,682,309	\$ 16,277,314
Provincial Grants - Other	109,265			109,265	
Other Revenue	982,995	385,143		1,368,138	1,853,324
Rentals and Leases	20,284			20,284	15,818
Investment Income	9,965			9,965	35,405
Amortization of Deferred Capital Contributions			770,100	770,100	768,913
Gain (Loss) on Disposal of Capital Assets				-	3,446
	<u>17,329,978</u>	<u>859,983</u>	<u>770,100</u>	<u>18,960,061</u>	<u>18,954,220</u>
EXPENSE					
Salaries					
Teachers	5,946,692			5,946,692	5,823,317
Principals and Vice Principals	1,285,815			1,285,815	1,244,090
Educational Assistants	762,406			762,406	712,023
Support Staff	1,990,488			1,990,488	1,980,142
Other Professionals	755,721			755,721	646,388
Substitutes	430,388			430,388	437,440
	<u>11,171,510</u>	<u>-</u>	<u>-</u>	<u>11,171,510</u>	<u>10,843,400</u>
Employee Benefits	2,568,826			2,568,826	2,565,378
Services and Supplies	3,186,145	804,371		3,990,516	4,218,886
Amortization of Capital Assets			868,607	868,607	858,068
	<u>16,926,481</u>	<u>804,371</u>	<u>868,607</u>	<u>18,599,459</u>	<u>18,485,732</u>
NET REVENUE (EXPENSE)	<u>\$ 403,497</u>	<u>\$ 55,612</u>	<u>\$ (98,507)</u>	<u>\$ 360,602</u>	<u>\$ 468,488</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
FUND BALANCES, BEGINNING OF YEAR	\$ 103,174	\$ (596,491)	\$ 6,242,905	\$ 5,749,588	\$ 5,281,100
Changes for the Year					
Net Revenue (Expense) for the Year	403,497	55,612	(98,507)	360,602	468,488
Interfund Transfers					
Capital Assets Purchased (Note 10)	(73,554)		73,554	-	
Other (Note 10)	8,046	(35,612)	27,566	-	-
Net Changes for the Year	<u>337,989</u>	<u>20,000</u>	<u>2,613</u>	<u>360,602</u>	<u>468,488</u>
FUND BALANCES, END OF YEAR	<u>\$ 441,163</u>	<u>\$ (576,491)</u>	<u>\$ 6,245,518</u>	<u>\$ 6,110,190</u>	<u>\$ 5,749,588</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 403,497	\$ 55,612	\$ (98,507)	\$ 360,602	\$ 468,488
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	109,837		143,000	252,837	(251,797)
Interfund Loans	670,284	193,480	(863,764)	-	
Inventories	(838)			(838)	12,328
Prepaid Expenses	8,610			8,610	(5,947)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(533,204)			(533,204)	939,139
Deferred Revenue	48,030			48,030	(101,123)
Deferred Contributions	(30,185)	(97,540)		(127,725)	(78,766)
Accrued Employee Future Benefits	90,887			90,887	57,395
Loss (Gain) on Disposal of Capital Assets				-	(3,446)
Items Not Involving Cash					
Amortization of Capital Assets			868,607	868,607	858,068
Amortization of Deferred Capital Contributions			(770,100)	(770,100)	(768,913)
Amortization of Deferred Development Costs	40,000			40,000	40,000
Interfund Transfers	(65,508)	(35,612)	101,120	-	
	<u>741,410</u>	<u>115,940</u>	<u>(619,644)</u>	<u>237,706</u>	<u>1,165,426</u>
FINANCING					
Deferred Contributions Received - Capital			2,307,198	2,307,198	3,257,053
Proceeds from Disposal of Capital Assets				-	3,446
	<u>-</u>	<u>-</u>	<u>2,307,198</u>	<u>2,307,198</u>	<u>3,260,499</u>
INVESTING					
Capital Assets Purchased - Operating			(73,554)	(73,554)	(42,118)
Capital Assets Purchased - Special Purpose				-	(41,619)
Capital Assets Purchased - By Law				-	(146,446)
Work in Progress - additions			(1,614,000)	(1,614,000)	(3,180,838)
Decrease (Increase) in Short Term Investments	(1,598,733)	(214,434)		(1,813,167)	222,093
Decrease (Increase) in Investments	(61,222)			(61,222)	(242,000)
	<u>(1,659,955)</u>	<u>(214,434)</u>	<u>(1,687,554)</u>	<u>(3,561,943)</u>	<u>(3,430,928)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (918,545)</u>	<u>\$ (98,494)</u>	<u>\$ -</u>	<u>\$ (1,017,039)</u>	<u>\$ 994,997</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
NET INCREASE (DECREASE) IN CASH	\$ (918,545)	\$ (98,494)	\$ -	\$ (1,017,039)	\$ 994,997
Net Cash, Beginning of Year	1,735,531	225,866		1,961,397	966,400
NET CASH, END OF YEAR	<u>\$ 816,986</u>	<u>\$ 127,372</u>	<u>\$ -</u>	<u>\$ 944,358</u>	<u>\$ 1,961,397</u>
Cash	\$ 816,986	\$ 127,372		\$ 944,358	\$ 1,961,397
NET CASH, END OF YEAR	<u>\$ 816,986</u>	<u>\$ 127,372</u>	<u>\$ -</u>	<u>\$ 944,358</u>	<u>\$ 1,961,397</u>

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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 one year when purchased.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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

- d) Accounts Receivable
Accounts receivable are shown net of allowance for doubtful accounts.
- e) Inventories
Inventories of supplies and materials are recorded at the lower of cost and net realizable value.
- f) Prepaid Expenses
Prepaid expenses represent amounts paid for insurance and other services which are for future fiscal periods and are stated at cost. 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 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 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 or 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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

i) Revenue Recognition (Continued)

- 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 and realized and unrealized gains and losses.

k) Expenses

- 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.

l) Financial Instruments

Financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, investments 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. The fair values of those instruments approximate their carrying values.

The School District has designated all of its cash and cash equivalents, short term investments and investments as held for trading, and carries them at fair 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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

l) Financial Instruments (Continued)

The School District has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861.

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 School 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 (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 7.2 years.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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

p) Changes in Accounting Standards

Effective July 1, 2009 the School District adopted changes to Section 1000, *Financial Statement Concepts*, Section 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and EIC-123, "Reporting Revenue Gross as a Principal Versus Net as an Agent", which clarifies that revenues and expenses must be recognized on a gross basis when a not-for-profit organization (NPO) is acting as a principal in the subject transactions and may only be reported on a net basis when acting as an agent.

Section 1000 has been amended to clarify the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching revenue and expense items. Section 4400 has been amended to clarify the different treatment accorded internal and external restrictions on net assets. In addition, NPOs are no longer required to report net assets invested in capital assets as a separate component of net assets. The Accounting Standards Board (AcSB) concluded that an amount shown as net assets invested in capital assets is consistent with, and should be treated in the same manner as other net asset amounts internally restricted by NPOs and reserves of profit-oriented enterprises.

Other changes adopted add improved guidance related to the application of the GAAP hierarchy and capital assets standards, and require NPOs to apply the same standards as profit-oriented enterprises with respect to interim financial statements and statements of cash flows. The School District has elected to continue to disclose net assets invested in capital assets.

The application of these changes had no impact on the School District's financial statements.

q) Future Accounting Pronouncements

The School District is currently classified as a government not-for-profit organization. Under the direction of the Public Sector Accounting Standards Board (PSAB), the School District adheres to the standards for not-for-profit (NPO) organizations in the CICA Handbook.

PSAB proposes to incorporate into the PSA Handbook the current NPO Sections (4400 Standards) of the CICA Handbook to deal with areas not currently addressed by the PSAB framework. PSAB has decided not to make any further substantive changes to the Sections at this time. The exposure draft proposes to amend the Introduction so that the PSAB standards will be applicable to all government not-for-profit organizations for fiscal periods beginning on or after January 1, 2012.

The School District intends to continue applying the existing NPO standards and is awaiting the finalization of the new standards. Once the new standards are finalized, the School District will determine the impact on the financial statements.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2010	2009
Due from Federal Government	\$ 50,161	\$ 122,956
Other Receivables	69,449	106,227
	\$ 119,610	\$ 229,183

NOTE 4 INVESTMENTS

	2010	2009
Term deposits maturing June 2012 bearing interest at 2.8%	\$ 142,000	\$ 242,000
Provincial bonds maturing December 2013	161,222	-
	\$ 303,222	\$ 242,000

NOTE 5 CAPITAL ASSETS

	Cost	2010 Accumulated Amortization	Net Book Value	2009 Net Book Value
Sites	\$ 4,297,169	\$ -	\$ 4,297,169	\$ 4,297,169
Buildings	39,767,828	17,096,612	22,671,216	18,753,063
Furniture & Equipment	304,739	117,949	186,790	197,825
Vehicles	691,530	296,734	394,796	403,484
Computer Hardware	9,739	1,948	7,791	9,739
Work in Progress	<u>131,349</u>	<u>-</u>	<u>131,349</u>	<u>3,208,884</u>
	\$ 45,202,354	\$ 17,513,243	\$27,689,111	\$26,870,164

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 6 DEFERRED CONTRIBUTIONS

Deferred Contributions – Ministry of Education

Deferred Contributions – Ministry of Education recorded in the operating fund represent the funding provided for Literacy, Strong Start, Safe Schools, and Project Based Learning Projects; recorded in the special purpose fund represent Annual Facilities Grants for repairs and maintenance, minor renovations to existing buildings and non-structural seismic upgrades, and special education equipment; recorded in the capital fund represent government grants for the seismic upgrades and major renovations of buildings and equipment restricted in use by the Ministry of Education.

	2010				2009
	Operating Fund	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$70,099	\$531,441	\$(66,785)	\$534,755	\$ 661,407
Increases:					
Provincial grants - MEd	133,250	252,472	2,231,461	2,617,183	3,861,464
Decreases:					
Transfers to revenue	169,176	474,840		644,016	664,278
Transfers to DCC					143,000
Capital additions					3,180,838
Work in progress			1,482,651	1,482,651	
Other			28,046	28,046	
	169,176	474,840	1,510,697	2,154,713	3,988,116
Net change for the year	(35,926)	(222,368)	720,764	462,470	(126,652)
Balance, end of the year	\$34,173	\$309,073	\$653,979	\$997,225	\$ 534,755

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 6 DEFERRED CONTRIBUTIONS (Continued)

Deferred Contributions - Province – Other

Deferred Contributions – Province - Other recorded in the operating fund represent activity for the Community Connections Program funded by the Province and managed by the Union of British Columbia Municipalities; recorded in the special purpose fund represent activity for minor capital projects.

	2010			2009
	Operating Fund	Special Purpose Funds	Total	Total
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Increases:				
Provincial grants	19,296	8,888	28,184	
Decreases:				
Transfers to revenue	11,319		11,319	
Balance, end of the year	\$ 7,977	\$ 8,888	\$16,865	\$ -

Deferred Contributions - Other

Deferred Contributions – Other recorded in the operating fund represent activity for the Secondary School Apprenticeship Program; recorded in the special purpose fund represent donations and funds generated by individual schools for extra-curricular activities, and activity relating to the Gulf Islands Educational Trust.

	2010			2009
	Operating Fund	Special Purpose Funds	Total	Total
Balance, beginning of year	\$ 23,312	\$247,867	\$271,179	\$ 290,078
Increases:				
School Generated Funds		337,490	337,490	447,524
Investment income		422	422	1,908
Other revenue	34,066	163,171	197,237	101,331
	34,066	501,083	535,149	550,763
Decreases:				
Transfers to revenue	36,302	385,143	421,445	569,662
Net change for the year	(2,236)	115,940	113,704	(18,899)
Balance, end of the year	\$21,076	\$363,807	\$384,883	\$271,179

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 7 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 these benefits.

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

	2010	2009
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 844,815	\$ 888,662
Service Cost	72,241	77,712
Interest Cost	60,399	50,053
Benefit Payments	(118,996)	(12,231)
Actuarial (Gain)/Loss	(106,995)	(159,381)
Accrued Benefit Obligation – March 31	\$ 751,464	\$ 844,815
Accrued Benefit Obligation at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 751,464	\$ 844,815
Market Value of Plan Assets – March 31	0	0
Funded Status –Deficit	(751,464)	(844,815)
Benefit Payments After Measurement Date		70,369
Unamortized Net Actuarial Gain	(290,216)	(176,347)
Accrued Benefit Obligation – June 30	\$ (1,041,680)	\$ (950,793)
Components of Net Benefit Expense		
Service Cost	\$ 72,241	\$ 77,712
Interest Cost	60,399	50,053
Amortization of Net Actuarial Gain	(12,249)	
Net Benefit Expense	\$120,391	\$127,765

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

Discount Rate – April 1	7.00%	5.50%
Discount Rate – March 31	5.00%	7.00%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	3.25% + seniority
EARSL – March 31	7.2	7.5

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 8 DEFERRED CAPITAL CONTRIBUTIONS

Deferred Capital Contributions (DCC) represent the unamortized balance of externally restricted funding used to purchase or construct capital assets. These contributions will be recognized as revenue in future periods on the same basis as the amortization of the related capital assets.

	2010	2009
DCC Subject to Amortization		
Balance, beginning of year	\$17,446,421	\$18,072,334
Increases:		
Capital additions		143,000
Transfer from work in progress	4,691,535	143,000
	4,691,535	143,000
Decreases:		
Amortization	770,100	768,913
Net change for the year	3,921,435	(625,913)
Balance, end of year	\$21,367,856	\$17,446,421
 DCC - Work in Progress		
Balance, beginning of year	\$ 3,180,838	\$ -
Increases:		
Transfers from deferred contributions	1,558,388	3,180,838
Other	28,046	3,180,838
	1,586,434	3,180,838
Decrease:		
Transfer to DCC subject to amortization	4,691,535	
Net change for the year	(3,105,101)	3,180,838
Balance, end of year	\$ 75,737	\$ 3,180,838
 Total DCC balance, end of year	 \$21,443,593	 \$20,627,259

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

NOTE 9 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 27,000 retired members from school districts. The Municipal Plan has about 158,000 active members, of which approximately 23,000 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, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. 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 \$1,254,057 for employer contributions to these plans in the year ended June 30, 2010 (2009 - \$1,223,876).

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, 2010, the following transfers were made:

- \$73,554 from the Operating Fund to the Capital Fund for capital purchases
- \$55,612 from Special Purpose Funds to the Capital Fund for Work in Progress costs.
- \$20,000 from the Operating Fund to Special Purpose Funds to reduce the unfunded deficit.
- \$28,046 from the Capital Fund to the Operating Fund representing over contributed operating funds on account of capital projects.

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 24, 2010.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

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 30, 2010, 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 14 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 15 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".

NOTE 16 CAPITAL DISCLOSURES

The School District receives its principal source of capital through funding received from the Province of British Columbia through the Ministry of Education. The School District defines capital to be fund balances.

The School District's objectives when managing capital are to fund operations and capital asset additions. The School District manages the capital structure in conjunction with the Ministry of Education and makes adjustments based on available government funding and economic conditions. Budgets are developed and monitored to ensure capital is preserved in accordance with funding terms.

The School District is not subject to debt covenants or any other capital requirements with respect to operating funding. Funding received for designated purposes must be used for the purposes outlined in the funding letter. The School District has complied with the external restrictions on the funding provided.

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2010

Schedule A1

	2010		
	2010	AMENDED	2009
	ACTUAL	ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 16,207,469	\$ 16,140,899	\$ 15,822,378
Provincial Grants - Other	109,265	159,044	
Other Revenue	982,995	899,791	1,318,431
Rentals and Leases	20,284	15,000	15,818
Investment Income	9,965	2,000	35,405
	<u>17,329,978</u>	<u>17,216,734</u>	<u>17,192,032</u>
EXPENSE			
Salaries			
Teachers	5,946,692	5,812,918	5,823,317
Principals and Vice Principals	1,285,815	1,243,412	1,244,090
Educational Assistants	762,406	748,091	712,023
Support Staff	1,990,488	2,005,960	1,980,142
Other Professionals	755,721	762,840	646,388
Substitutes	430,388	372,953	437,440
	<u>11,171,510</u>	<u>10,946,174</u>	<u>10,843,400</u>
Employee Benefits	2,568,826	2,969,043	2,565,378
Services and Supplies	3,186,145	3,175,455	3,270,676
	<u>16,926,481</u>	<u>17,090,672</u>	<u>16,679,454</u>
NET REVENUE (EXPENSE), FOR THE YEAR	403,497	126,062	512,578
INTERFUND TRANSFERS			
Capital Assets Purchased	(73,554)	(30,000)	(42,118)
Other	8,046	(25,000)	(20,000)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduced Unfunded Employee Future Benefits		-	(392,956)
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)			
SURPLUS (DEFICIT), FOR THE YEAR	337,989	<u>\$ 71,062</u>	57,504
SURPLUS (DEFICIT), BEGINNING OF YEAR	103,174		45,670
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 441,163</u>		<u>\$ 103,174</u>
SURPLUS (DEFICIT), END OF YEAR			
Unrestricted	441,163		
	<u>\$ 441,163</u>		

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2010

Schedule A2

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 15,770,521	\$ 15,745,991	\$ 15,198,309
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Ready Set Learn	17,100	17,100	20,000
French Grants - Regular & Additional	71,513	72,484	66,648
Community Link	50,883	1,102	149,227
K-12 Exempt Staff Labour Adjustment		-	68,044
Strong Start		119,792	-
Other MOE Grants		22,860	8,410
Recognized from MOE Deferred Contributions	169,175	59,172	209,342
Education Guarantee	22,860		
Carbon Tax Reimbursements	2,313		
21st Century Learning	706		
	<u>16,207,469</u>	<u>16,140,899</u>	<u>15,822,378</u>
PROVINCIAL GRANTS - OTHER	<u>109,265</u>	<u>159,044</u>	
FEDERAL GRANTS			
OTHER REVENUE			
Offshore Tuition Fees	599,928	557,500	849,931
Miscellaneous			
Miscellaneous	189,222	158,105	251,884
Instructional Cafeteria	101,525	92,300	104,105
GISPA Registration	39,190	27,100	30,287
ACE-IT: Carpentry & Level 1 Cook	21,065	19,500	40,447
Recognized from Deferred Revenue	32,065	35,506	27,725
Union Share Pro D		9,780	14,052
	<u>982,995</u>	<u>899,791</u>	<u>1,318,431</u>
RENTALS AND LEASES	<u>20,284</u>	<u>15,000</u>	<u>15,818</u>
INVESTMENT INCOME	<u>9,965</u>	<u>2,000</u>	<u>35,405</u>
TOTAL OPERATING REVENUE	<u><u>\$ 17,329,978</u></u>	<u><u>\$ 17,216,734</u></u>	<u><u>\$ 17,192,032</u></u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A3

	2010		
	2010 ACTUAL	AMENDED ANNUAL BUDGET	2009 ACTUAL
SALARIES			
Teachers	\$ 5,946,692	\$ 5,812,918	\$ 5,823,317
Principals and Vice Principals	1,285,815	1,243,412	1,244,090
Educational Assistants	762,406	748,091	712,023
Support Staff	1,990,488	2,005,960	1,980,142
Other Professionals	755,721	762,840	646,388
Substitutes	430,388	372,953	437,440
	<u>11,171,510</u>	<u>10,946,174</u>	<u>10,843,400</u>
EMPLOYEE BENEFITS	<u>2,568,826</u>	<u>2,969,043</u>	<u>2,565,378</u>
TOTAL SALARIES AND BENEFITS	<u>13,740,336</u>	<u>13,915,217</u>	<u>13,408,778</u>
SERVICES AND SUPPLIES			
Services	971,972	904,080	1,157,405
Student Transportation	583,866	581,000	551,756
Professional Development and Travel	385,472	344,593	386,847
Rentals and Leases	17,737	17,832	16,699
Dues and Fees	27,267	25,359	26,848
Insurance	40,238	39,804	38,807
Supplies	800,167	917,387	743,015
Bad Debts	9,717		3,282
Utilities	349,709	345,400	346,017
TOTAL SERVICES AND SUPPLIES	<u>3,186,145</u>	<u>3,175,455</u>	<u>3,270,676</u>
TOTAL OPERATING EXPENSE	<u>\$ 16,926,481</u>	<u>\$ 17,090,672</u>	<u>\$ 16,679,454</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 4,857,858	\$ 428,408	\$ 128,820	\$ 79,108		\$ 272,937	\$ 5,767,131
1.03 Career Programs			75,109	44,407		2,785	122,301
1.07 Library Services	90,874	11,868		50,173		2,012	154,927
1.08 Counselling	167,107	8,099		36,549			211,755
1.10 Special Education	611,909	120,507	495,834	86,160		60,443	1,374,853
1.30 English as a Second Language	16,312						16,312
1.31 Aboriginal Education	18,588		62,643		12,539	1,596	95,366
1.41 School Administration		691,339		280,156		12,145	983,640
1.62 Off Shore Students	184,044	25,594		15,461	165,557	-	390,656
1.64 Other						103	103
Total Function 1	5,946,692	1,285,815	762,406	592,014	178,096	352,021	9,117,044
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				9,011	129,642		138,653
4.40 School District Governance					87,333		87,333
4.41 Business Administration				115,408	202,940	194	318,542
Total Function 4	-	-	-	124,419	419,915	194	544,528
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				52,784	135,563	6,891	195,238
5.50 Maintenance Operations				824,836		47,167	872,003
5.52 Maintenance of Grounds				108,815		7,433	116,248
5.56 Utilities				10,673		1,587	12,260
Total Function 5	-	-	-	997,108	135,563	63,078	1,195,749
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				7,746	22,147		29,893
7.70 Student Transportation				269,201		15,095	284,296
Total Function 7	-	-	-	276,947	22,147	15,095	314,189
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 5,946,692	\$ 1,285,815	\$ 762,406	\$ 1,990,488	\$ 755,721	\$ 430,388	\$ 11,171,510

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 5,767,131	\$ 1,439,466	\$ 7,206,597	\$ 728,780	\$ 7,935,377	\$ 8,109,167	\$ 7,635,903
1.03 Career Programs	122,301	32,158	154,459	119,931	274,390	272,790	281,080
1.07 Library Services	154,927	35,004	189,931	13,982	203,913	203,040	217,391
1.08 Counselling	211,755	47,466	259,221	364	259,585	262,198	271,813
1.10 Special Education	1,374,853	287,488	1,662,341	283,283	1,945,624	1,956,225	1,850,377
1.30 English as a Second Language	16,312	3,850	20,162	100	20,262	17,000	18,582
1.31 Aboriginal Education	95,366	21,614	116,980	24,568	141,548	136,940	143,281
1.41 School Administration	983,640	208,552	1,192,192	62,290	1,254,482	1,205,893	1,278,433
1.62 Off Shore Students	390,656	66,099	456,755	294,888	751,643	685,294	815,950
1.64 Other	103	21	124	6,862	6,986	7,000	11,521
Total Function 1	9,117,044	2,141,718	11,258,762	1,535,048	12,793,810	12,855,547	12,524,331
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	138,653	27,575	166,228	51,544	217,772	223,000	230,924
4.40 School District Governance	87,333	1,349	88,682	37,619	126,301	122,996	125,913
4.41 Business Administration	318,542	56,591	375,133	107,618	482,751	506,040	504,373
Total Function 4	544,528	85,515	630,043	196,781	826,824	852,036	861,210
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	195,238	45,732	240,970	52,935	293,905	336,150	331,420
5.50 Maintenance Operations	872,003	192,812	1,064,815	265,335	1,330,150	1,371,559	1,312,045
5.52 Maintenance of Grounds	116,248	22,433	138,681	39,417	178,098	192,393	202,245
5.56 Utilities	12,260	2,701	14,961	349,709	364,670	361,350	360,428
Total Function 5	1,195,749	263,678	1,459,427	707,396	2,166,823	2,261,452	2,206,138
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	29,893	5,441	35,334	8,178	43,512	44,325	38,706
7.70 Student Transportation	284,296	72,474	356,770	695,223	1,051,993	1,042,312	1,013,819
7.73 Housing	-	-	-	43,519	43,519	35,000	35,250
Total Function 7	314,189	77,915	392,104	746,920	1,139,024	1,121,637	1,087,775
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 11,171,510	\$ 2,568,826	\$ 13,740,336	\$ 3,186,145	\$ 16,926,481	\$ 17,090,672	\$ 16,679,454

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010**

Schedule A5

BALANCE, BEGINNING OF YEAR	\$	93,411
 Changes for the Year		
Increase:		
Provincial Grants - Ministry of Education		133,250
Provincial Grants - Other		19,296
Other Revenue		34,067
		186,613
Decrease:		
Allocated to Revenue		
Provincial Grants - Ministry of Education		169,175
Provincial Grants - Other		11,319
Other Revenue		36,304
		216,798
 Net Changes for the Year		 (30,185)
 BALANCE, END OF YEAR	 \$	 63,226

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2010

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 531,441	\$ 145,140	\$ 102,727		\$ 779,308
Add: Contributions Received					
Provincial Grants - Ministry of Education	252,472				252,472
Provincial Grants - Other		8,888			8,888
Other		163,171	337,490		500,661
Investment Income		422			422
	252,472	172,481	337,490	-	762,443
Less: Allocated to Revenue	474,840	54,776	330,367		859,983
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 309,073	\$ 262,845	\$ 109,850	\$ -	\$ 681,768
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 474,840				\$ 474,840
Other Revenue		54,776	330,367		385,143
	474,840	54,776	330,367	-	859,983
EXPENSE					
Salaries					
	-	-	-	-	-
Services and Supplies	419,228	54,776	330,367		804,371
	419,228	54,776	330,367	-	804,371
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	55,612	-	-	-	55,612
INTERFUND TRANSFERS					
Other	(55,612)			20,000	(35,612)
	(55,612)	-	-	20,000	(35,612)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 530,039	\$ 1,402	\$ 531,441
Add: Contributions Received			
Provincial Grants - Ministry of Education	248,106	4,366	252,472
	248,106	4,366	252,472
Less: Allocated to Revenue	469,849	4,991	474,840
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 308,296	\$ 777	\$ 309,073
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	\$ 469,849	\$ 4,991	\$ 474,840
	469,849	4,991	474,840
EXPENSE			
Salaries			
	-	-	-
Services and Supplies	414,237	4,991	419,228
	414,237	4,991	419,228
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	55,612	-	55,612
INTERFUND TRANSFERS			
Other	(55,612)		(55,612)
	(55,612)	-	(55,612)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010**

Schedule B3

	EDUCATIONAL TRUSTFUND	SEEC SITE	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 145,140	\$ -	\$ 145,140
Add: Contributions Received			
Provincial Grants - Other		8,888	8,888
Other	163,171		163,171
Investment Income	422		422
	163,593	8,888	172,481
Less: Allocated to Revenue	54,776	-	54,776
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 253,957	\$ 8,888	\$ 262,845
REVENUE AND EXPENSE			
REVENUE			
Other Revenue	54,776		54,776
	54,776	-	54,776
EXPENSE			
Salaries			
	-	-	-
Services and Supplies	54,776	-	54,776
	54,776	-	54,776
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-
INTERFUND TRANSFERS			
	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 4,297,169	\$ 35,076,293	\$ 296,217	\$ 636,563		\$ 9,739	\$ 40,315,981
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund			18,587	54,967			73,554
Transferred from Work in Progress		4,691,535					4,691,535
	-	4,691,535	18,587	54,967	-	-	4,765,089
Decrease:							
Deemed Disposals			10,065				10,065
	-	-	10,065	-	-	-	10,065
COST, END OF YEAR	4,297,169	39,767,828	304,739	691,530	-	9,739	45,071,005
WORK IN PROGRESS, END OF YEAR		131,349					131,349
COST AND WORK IN PROGRESS, END OF YEAR	\$ 4,297,169	\$ 39,899,177	\$ 304,739	\$ 691,530	\$ -	\$ 9,739	\$ 45,202,354
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 16,323,230	\$ 98,392	\$ 233,079			\$ 16,654,701
Changes for the Year							
Increase: Amortization for the Year		773,382	29,622	63,655		1,948	868,607
Decrease:							
Deemed Disposals			10,065				10,065
	-	-	10,065	-	-	-	10,065
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 17,096,612	\$ 117,949	\$ 296,734	\$ -	\$ 1,948	\$ 17,513,243
CAPITAL ASSETS - NET	\$ 4,297,169	\$ 22,802,565	\$ 186,790	\$ 394,796	\$ -	\$ 7,791	\$ 27,689,111

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2010

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 3,208,884				\$ 3,208,884
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	1,482,651				1,482,651
Deferred Contributions - Other	75,737				75,737
Special Purpose Funds	55,612				55,612
	<u>1,614,000</u>	-	-	-	<u>1,614,000</u>
Decrease					
Transferred to Capital Assets	4,691,535				4,691,535
	<u>4,691,535</u>	-	-	-	<u>4,691,535</u>
Net Changes for the Year	<u>(3,077,535)</u>	-	-	-	<u>(3,077,535)</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ 131,349</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,349</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 17,446,421			\$ 17,446,421
Changes for the Year				
Increase				
Transferred from Work in Progress	4,691,535			4,691,535
	<u>4,691,535</u>	-	-	<u>4,691,535</u>
Decrease				
Amortization of Deferred Capital Contributions	770,100			770,100
	<u>770,100</u>	-	-	<u>770,100</u>
Net Changes for the Year	<u>3,921,435</u>	-	-	<u>3,921,435</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 21,367,856</u>	\$ -	\$ -	<u>\$ 21,367,856</u>
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 3,180,838			\$ 3,180,838
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	1,482,651	75,737	-	1,558,388
Other	28,046			28,046
	<u>1,510,697</u>	<u>75,737</u>	-	<u>1,586,434</u>
Decrease				
Transferred to Deferred Capital Contributions	4,691,535	-		4,691,535
	<u>4,691,535</u>	-	-	<u>4,691,535</u>
Net Changes for the Year	<u>(3,180,838)</u>	<u>75,737</u>	-	<u>(3,105,101)</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ -</u>	<u>\$ 75,737</u>	<u>\$ -</u>	<u>\$ 75,737</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 21,367,856</u>	<u>\$ 75,737</u>	<u>\$ -</u>	<u>\$ 21,443,593</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	\$ (66,785)					\$ (66,785)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,231,461					2,231,461
Provincial Grants - Other			75,737			75,737
	2,231,461	-	75,737	-	-	2,307,198
Decrease:						
Transferred to DCC - Work in Progress	1,482,651		75,737		-	1,558,388
Other	28,046					28,046
	1,510,697	-	75,737	-	-	1,586,434
Net Changes for the Year	720,764	-	-	-	-	720,764
BALANCE, END OF YEAR	\$ 653,979	\$ -	\$ -	\$ -	\$ -	\$ 653,979

SCHOOL DISTRICT No. 64 (GULF ISLANDS)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 6,242,905		\$ 6,242,905
Changes for the Year			
Amortization of Deferred Capital Contributions	770,100		770,100
Interfund Transfers - Capital Assets Purchased	73,554		73,554
Interfund Transfers - Capital Assets WIP	55,612		55,612
Amortization of Capital Assets	(868,607)		(868,607)
Other	(28,046)		(28,046)
Net Changes for the Year	<u>2,613</u>	-	<u>2,613</u>
BALANCE, END OF YEAR	<u>\$ 6,245,518</u>	-	<u>\$ 6,245,518</u>