

# SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2010/2011

SCHOOL DISTRICT NUMBER <b>64</b>	NAME OF SCHOOL DISTRICT <b>Gulf Islands</b>	YEAR <b>2010/2011</b>
OFFICE LOCATION <b>112 Rainbow Road</b>		TELEPHONE NUMBER <b>250 537 5548</b>
CITY/PROVINCE <b>Salt Spring Island BC</b>		POSTAL CODE <b>V8K 2K3</b>
WEBSITE ADDRESS <b>www.sd64.bc.ca</b>		
NAME OF SUPERINTENDENT <b>Jeff Hopkins</b>		NAME OF SECRETARY-TREASURER <b>Rod Scotvold</b>

## 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.

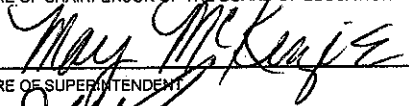

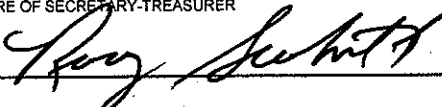
#### ***External Auditors***

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, 2011.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED <b>SEP. 20/11</b>
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED <b>SEPT. 20/11</b>
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED <b>Sept 20/11</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)  
2010/2011 AUDITED FINANCIAL STATEMENTS**

**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 4.1
Statement of Cash Flows	Statement 4.2

**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, Program and Object	Schedule A4.1
Expense by Function, Program and Object	Schedule A4.2
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

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2011**

**Statement 1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 1,926,568	\$ 208,951		\$ 2,135,519	\$ 2,595,323
Short Term Investments	142,222			142,222	444,350
Accounts Receivable					
Due from Province - Ministry of Education	1,370			1,370	219
Other Receivables (Note 3)	211,981			211,981	119,610
Interfund Loans			653,614		
Inventories	663			663	5,147
Prepaid Expenses	49,715			49,715	56,712
	<u>2,332,519</u>	<u>208,951</u>	<u>653,614</u>	<u>2,541,470</u>	<u>3,221,361</u>
Deferred Development Costs	40,000			40,000	80,000
Investments (Note 4)	382,313	146,000		528,313	303,222
Capital Assets - Net (Note 5)			27,385,382	27,385,382	27,689,111
	<u>\$ 2,754,832</u>	<u>\$ 354,951</u>	<u>\$ 28,038,996</u>	<u>\$ 30,495,165</u>	<u>\$ 31,293,694</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	963,703			963,703	973,283
Interfund Loans	149,834	503,780			
	<u>1,113,537</u>	<u>503,780</u>	<u>-</u>	<u>963,703</u>	<u>973,283</u>
Deferred Revenue	207,860			207,860	325,975
Deferred Contributions					
Ministry of Education (Note 6)	27,085	22,711	653,614	703,410	997,225
Province - Other (Note 6)	17,571			17,571	16,865
Other (Note 6)	16,553	379,951		396,504	384,883
Accrued Employee Future Benefits (Note 7)	1,067,696			1,067,696	1,041,680
Deferred Capital Contributions (Note 8)			20,851,727	20,851,727	21,443,593
	<u>2,450,302</u>	<u>906,442</u>	<u>21,505,341</u>	<u>24,208,471</u>	<u>25,183,504</u>
<b>TOTAL LIABILITIES</b>					
Fund Balances					
Invested in Capital Assets			6,533,655	6,533,655	6,245,518
Unrestricted	304,530	- 551,491		- 246,961	- 135,328
	<u>304,530</u>	<u>- 551,491</u>	<u>6,533,655</u>	<u>6,286,694</u>	<u>6,110,190</u>
	<u>\$ 2,754,832</u>	<u>\$ 354,951</u>	<u>\$ 28,038,996</u>	<u>\$ 30,495,165</u>	<u>\$ 31,293,694</u>

- > Contingencies(note13)
- > SubsequentEvents(note16)

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2011**

**Statement 2**

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2011	2010
	FUND	FUNDS	FUND	2011	2010
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 16,539,366	\$ 586,334		\$ 17,125,700	\$ 16,682,309
Provincial Grants - Other	4,156			4,156	109,265
Other Revenue	961,554	503,062		1,464,616	1,368,138
Rentals and Leases	13,487			13,487	20,284
Investment Income	18,778			18,778	9,965
Amortization of Deferred Capital Contributions				882,887	770,100
	<u>17,537,341</u>	<u>1,089,396</u>	<u>882,887</u>	<u>19,509,624</u>	<u>18,960,061</u>
<b>EXPENSE</b>					
Salaries					
Teachers	6,283,283			6,283,283	5,946,692
Principals and Vice Principals	1,214,135			1,214,135	1,285,815
Educational Assistants	812,348			812,348	762,406
Support Staff	2,042,615			2,042,615	1,990,488
Other Professionals	770,743			770,743	755,721
Substitutes	459,178			459,178	430,388
	<u>11,582,302</u>	<u>-</u>	<u>-</u>	<u>11,582,302</u>	<u>11,171,510</u>
Employee Benefits	2,765,301			2,765,301	2,568,826
Services and Supplies	3,192,642	805,131		3,997,773	3,990,516
Amortization of Capital Assets				987,744	868,607
	<u>17,540,245</u>	<u>805,131</u>	<u>987,744</u>	<u>19,333,120</u>	<u>18,599,459</u>
<b>NET REVENUE (EXPENSE)</b>	<b><u>-\$ 2,904</u></b>	<b><u>\$ 284,265</u></b>	<b><u>-\$ 104,857</u></b>	<b><u>\$ 176,504</u></b>	<b><u>\$ 360,602</u></b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2011**

**Statement 3**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>FUND BALANCES, BEGINNING OF YEAR</b>	\$ 441,163	-\$ 576,491	\$ 6,245,518	\$ 6,110,190	\$ 5,749,588
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	-	2,904	-	104,857	176,504
Interfund Transfers					360,602
Capital Assets Purchased	-	76,722	-	284,265	360,987
Other	-	57,007	-	25,000	32,007
<b>Net Changes for the Year</b>	<u>-</u>	<u>136,633</u>	<u>-</u>	<u>288,137</u>	<u>176,504</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 304,530</u>	<u>-\$ 551,491</u>	<u>\$ 6,533,655</u>	<u>\$ 6,286,694</u>	<u>\$ 6,110,190</u>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2011**

**Statement 4.1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATIONS</b>					
Net Revenue (Expense) for the Year	-\$ 2,904	\$ 284,265	-\$ 104,857	\$ 176,504	\$ 360,602
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	-	93,522	-	93,522	252,837
Interfund Loans	-	245,615	245,250	365	-
Inventories	-	4,484	-	4,484	838
Prepaid Expenses	-	6,997	-	6,997	8,610
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	-	9,580	-	9,580	533,204
Deferred Revenue	-	118,115	-	118,115	48,030
Deferred Contributions	-	2,017	- 279,106	-	127,725
Accrued Employee Future Benefits	-	26,016	-	26,016	90,887
Items Not Involving Cash					
Amortization of Capital Assets			987,744	987,744	868,607
Amortization of Deferred Capital Contributions			882,887	882,887	770,100
Amortization of Deferred Development Costs	40,000			40,000	40,000
Interfund Transfers	-	133,729	-	-	-
	-	259,265	392,994	-	-
	-	527,985	-	8,856	393,359
	-	-	-	143,482	237,706
<b>FINANCING</b>					
Deferred Contributions Received - Capital			1,039,270	1,039,270	2,307,198
Less Restricted Capital Fund - non cash transaction			-	748,614	-
			-	-	290,656
			-	290,656	2,307,198
<b>INVESTING</b>					
Capital Assets Purchased - Operating			-	76,722	-
Capital Assets Purchased - Special Purpose			-	284,265	-
Capital Assets Purchased - Deferred Contributions - Capital			-	254,508	-
Work in Progress - additions			-	68,520	-
Decrease (Increase) in Short Term Investments	65,693	236,435		302,128	-
Decrease (Increase) in Investments	-	79,091	-	146,000	-
	-	13,398	-	90,435	-
	-	-	-	684,015	-
	-	-	-	606,978	-
	-	-	-	-	1,910,978
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>-\$ 541,383</b>	<b>\$ 81,579</b>	<b>\$ -</b>	<b>-\$ 459,804</b>	<b>\$ 633,926</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2011**

**Statement 4.2**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>NET INCREASE (DECREASE) IN CASH</b>	-\$ 541,383	\$ 81,579	\$ -	-\$ 459,804	\$ 633,926
<b>Net Cash, Beginning of Year</b>	2,467,951	127,372		2,595,323	1,961,397
<b>NET CASH, END OF YEAR</b>	<b>\$ 1,926,568</b>	<b>\$ 208,951</b>	<b>\$ -</b>	<b>\$ 2,135,519</b>	<b>\$ 2,595,323</b>
Cash	\$ 1,482,176	\$ 95,763		\$ 1,577,939	\$ 944,358
Cash Equivalents	444,392	113,188		557,580	1,650,965
<b>NET CASH, END OF YEAR</b>	<b>\$ 1,926,568</b>	<b>\$ 208,951</b>	<b>\$ -</b>	<b>\$ 2,135,519</b>	<b>\$ 2,595,323</b>

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**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). These principles are consistent with those used in prior years.

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.



**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

- 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.
- 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.

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

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

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
  
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
  - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
  - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset.
  - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

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, expenses 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.

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

l) Financial Instruments

Financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, investments and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of 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.

The School District has elected to continue to apply the financial instruments disclosure and presentation standards in accordance with Section 3861 of the Canadian Institute of Chartered Accountants Handbook.

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.

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

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.

p) Future Changes in Accounting Standards

The School District will be required to adopt, on a retrospective basis, Public Sector Accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants for the year beginning July 1, 2012. The impact of adoption of these standards is being evaluated and is not known or reasonably estimable at this time.

**NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	2011	2010
Due from Federal Government	\$ 119,173	\$ 50,161
Other Receivables	92,808	69,449
	\$ 211,981	\$ 119,610

**NOTE 4 INVESTMENTS**

	2011	2010
Term deposits maturing in 2012 and 2013 bearing interest at 2.35%	\$ 146,000	\$ 142,000
Provincial bonds maturing in 2013 and 2014	382,313	161,222
	\$ 528,313	\$ 303,222

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 5 CAPITAL ASSETS**

	Cost	2011 Accumulated Amortization	Net Book Value	2010 Net Book Value
Sites	\$ 4,297,169	\$ -	\$ 4,297,169	\$ 4,297,169
Buildings	40,367,012	17,982,781	22,384,231	22,671,216
Furniture & Equipment	329,078	142,966	186,112	186,790
Vehicles	674,983	349,340	325,643	394,796
Computer Hardware	51,865	3,896	47,969	7,791
Work in Progress	144,258		144,258	131,349
	<u>\$ 45,864,365</u>	<u>\$ 18,478,983</u>	<u>\$27,385,382</u>	<u>\$27,689,111</u>

**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 and Strong Start; recorded in the special purpose fund represent Annual Facilities Grants for repairs and maintenance, minor renovations to existing buildings 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.

	2011				2010
	Operating Fund	Special Purpose Fund	Capital Fund	Total	Total
Balance, beginning of year	\$34,173	\$309,073	\$653,979	\$997,225	\$534,755
Increases:					
Provincial grants - MEd	120,000	299,972	254,143	674,115	2,617,183
Decreases:					
Transfers to revenue	127,088	586,334		713,422	644,016
Transfers to DCC					
Capital Additions			254,508	254,508	1,482,651
Other					28,046
	<u>127,088</u>	<u>586,334</u>	<u>254,508</u>	<u>967,930</u>	<u>2,154,713</u>
Net change for the year	<u>(7,088)</u>	<u>(286,362)</u>	<u>(365)</u>	<u>(293,815)</u>	<u>462,470</u>
Balance, end of the year	<u>\$27,085</u>	<u>\$22,711</u>	<u>\$653,614</u>	<u>\$703,410</u>	<u>\$997,225</u>

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**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.

	2011			2010
	Operating Fund	Special Purpose Fund	Total	Total
Balance, beginning of year	\$ 7,977	\$ 8,888	\$16,865	\$ -
Increases:				
Provincial grants	11,750		11,750	28,184
Decreases:				
Transfer to revenue	2,156		2,156	11,319
Transfer to Capital Fund		8,888	8,888	
Net change for the year	9,594	(8,888)	706	16,865
Balance, end of the year	\$ 17,571	\$ -	\$17,571	\$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, activity relating to the Gulf Islands Educational Trust and activity related to minor capital projects.

	2011			2010
	Operating Fund	Special Purpose Fund	Total	Total
Balance, beginning of year	\$ 21,076	\$363,807	\$384,883	\$271,179
Increases:				
School Generated Funds		399,006	399,006	337,490
Investment income		3,521	3,521	422
Other revenue	37,500	116,679	154,179	197,237
	37,500	519,206	556,706	535,149
Decreases:				
Transfers to revenue	42,023	503,062	545,085	421,445
Net change for the year	(4,523)	16,144		113,704

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

Balance, end of the year \$16,553   \$379,951   \$396,504   \$384,883

**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.

	2011	2010
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$ 751,464	\$ 844,815
Service Cost	59,813	72,241
Interest Cost	37,445	60,399
Benefit Payments	(12,083)	(99,873)
Actuarial Gain	(105,473)	(126,118)
Accrued Benefit Obligation – March 31	\$ 731,166	\$ 751,464
 <b>Accrued Benefit Obligation at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 731,166	\$ 751,464
Market Value of Plan Assets – March 31	0	0
Funded Status –Deficit	(731,166)	(751,464)
Benefit Payments After Measurement Date	29,288	
Unamortized Net Actuarial Gain	(365,818)	(290,216)
Accrued Benefit Obligation – June 30	\$ (1,067,696)	\$ (1,041,680)
 <b>Components of Net Benefit Expense</b>		
Service Cost	\$ 59,813	\$ 72,241
Interest Cost	37,445	60,399
Amortization of Net Actuarial Gain	(29,871)	(12,249)
Net Benefit Expense	\$ 67,387	\$120,391

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

Discount Rate – April 1	5.00%	7.00%
Discount Rate – March 31	4.75%	5.00%
Long Term Salary Growth – April 1	2.50% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	7.2	7.2

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**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.

	<u>2011</u>	<u>2010</u>
<b>DCC Subject to Amortization</b>		
Balance, beginning of year	<u>\$21,367,856</u>	<u>\$17,446,421</u>
Increases:		
Capital additions	254,508	
Transfer from work in progress		4,691,535
	<u>254,508</u>	<u>4,691,535</u>
Decreases:		
Amortization	<u>882,887</u>	<u>770,100</u>
Net change for the year	<u>(628,379)</u>	<u>3,921,435</u>
Balance, end of year	<u>\$20,739,477</u>	<u>\$21,367,856</u>
 <b>DCC - Work in Progress</b>		
Balance, beginning of year	<u>\$ 75,737</u>	<u>\$ 3,180,838</u>
Increases:		
Transfers from deferred contributions	36,513	1,558,388
Other		28,046
	<u>36,513</u>	<u>1,586,434</u>
Decrease:		
Transfer to DCC subject to amortization		<u>4,691,535</u>
Net change for the year	<u>36,513</u>	<u>(3,105,101)</u>
Balance, end of year	<u>\$ 112,250</u>	<u>\$ 75,737</u>
 <b>Total DCC balance, end of year</b>	 <u><u>\$20,851,727</u></u>	 <u><u>\$21,443,593</u></u>



**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**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 47,000 active members from school districts, and approximately 29,000 retired members from school districts. The Municipal Pension Plan has about 163,000 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, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. School District No. 64 paid \$1,369,552 for employer contributions to these plans in the year ended June 30, 2011 (2010 - \$1,254,057).

**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, 2011, the following transfers were made:

- \$76,722 from the Operating Fund to the Capital Fund for capital purchases.
- \$32,007 from the Operating Fund to the Capital Fund for Work in Progress costs.
- \$25,000 from the Operating Fund to Special Purpose Funds to reduce the unfunded deficit.
- \$284,265 from Special Purpose Funds to the Capital Fund for capital purchases.

**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 23, 2011.

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**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, 2011, 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      SUBSEQUENT EVENTS**

The District has received approval from the Ministry of Education to transfer land to the Capital Regional District. The District would receive no proceeds and incur no costs associated with the transfer of the land, which is recorded in these financial statements at cost of approximately \$137,000. While there is no signed agreement, the transfer is expected to be completed in the 2012 fiscal year.

In addition, the District is in negotiations to operate the Windsor House Secondary School in Vancouver, BC starting with the 2011-2012 school year. Under the terms of the agreement, the District will incorporate the school and its students into its education program. This agreement is expected to be finalized in September 2011 and to result in additional funding of \$910,000 received from the Province of BC and expenses of approximately \$900,000 for the 2011-2012 school year.

**NOTE 17      COMPARATIVE FIGURES**

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

**SCHOOL DISTRICT NO. 64 (GULF ISLANDS)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 18      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, 2011**

Schedule A1

	2011		
	2011 ACTUAL	AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	\$ 16,539,366	\$ 16,435,208	\$ 16,207,469
Provincial Grants - Other	4,156		109,265
Other Revenue	961,554	976,101	982,995
Rentals and Leases	13,487	12,000	20,284
Investment Income	18,778	12,000	9,965
	<u>17,537,341</u>	<u>17,435,309</u>	<u>17,329,978</u>
<b>EXPENSE</b>			
Salaries			
Teachers	6,283,283	6,183,305	5,946,692
Principals and Vice Principals	1,214,135	1,217,271	1,285,815
Educational Assistants	812,348	767,135	762,406
Support Staff	2,042,615	2,055,125	1,990,488
Other Professionals	770,743	757,309	755,721
Substitutes	459,178	346,239	430,388
	<u>11,582,302</u>	<u>11,326,384</u>	<u>11,171,510</u>
Employee Benefits	2,765,301	2,818,936	2,568,826
Services and Supplies	3,192,642	3,179,208	3,186,145
	<u>17,540,245</u>	<u>17,324,528</u>	<u>16,926,481</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	-	2,904	110,781
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	-	76,722	-
Other WIP Purchases and Related Entity	-	57,007	-
		76,000	73,554
		25,000	8,046
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
<b>BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)</b>			
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	-	136,633	\$ 9,781
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>		441,163	103,174
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
(Section 156 (12) of School Act)	<u>\$ 304,530</u>		<u>\$ 441,163</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Unrestricted	<u>304,530</u>		
	<u>\$ 304,530</u>		

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2011**

Schedule A2

	2011 ACTUAL	2011 AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	\$ 16,024,201	\$ 15,954,447	\$ 15,770,521
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Ready Set Learn	14,700	8,820	17,100
OLEP French Grants - Regular & Additional	72,484	72,484	71,513
Community Link	160,311	160,311	50,883
FSA & Exam Allocation	7,972	7,972	7,972
Education Guarantee	20,489	10,000	14,888
Carbon Tax Reimbursements	4,040		2,313
21st Century Learning			706
Recognized from MOE Deferred Contributions	127,088	118,776	169,175
CSSEA	5,683		
	<u>16,539,366</u>	<u>16,435,208</u>	<u>16,207,469</u>
<b>PROVINCIAL GRANTS - OTHER</b>	<u>4,156</u>		<u>109,265</u>
<b>FEDERAL GRANTS</b>			
<b>OTHER REVENUE</b>			
Offshore Tuition Fees	617,545	632,000	599,928
Miscellaneous			
Miscellaneous	139,860	165,000	189,222
Instructional Cafeteria	102,856	90,000	101,525
GISPA Registration	41,943	30,000	39,190
ACE-IT: Carpentry & Level 1 Cook	17,327	21,000	21,065
Recognized from Deferred Revenue	42,023	38,101	32,065
	<u>961,554</u>	<u>976,101</u>	<u>982,995</u>
<b>RENTALS AND LEASES</b>	<u>13,487</u>	<u>12,000</u>	<u>20,284</u>
<b>INVESTMENT INCOME</b>	<u>18,778</u>	<u>12,000</u>	<u>9,965</u>
<b>TOTAL OPERATING REVENUE</b>	<u><u>\$ 17,537,341</u></u>	<u><u>\$ 17,435,309</u></u>	<u><u>\$ 17,329,978</u></u>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A3

	2011	2011	2010
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
<b>SALARIES</b>			
Teachers	\$ 6,283,283	\$ 6,183,305	\$ 5,946,692
Principals and Vice Principals	1,214,135	1,217,271	1,285,815
Educational Assistants	812,348	767,135	762,406
Support Staff	2,042,615	2,055,125	1,990,488
Other Professionals	770,743	757,309	755,721
Substitutes	459,178	346,239	430,388
	<u>11,582,302</u>	<u>11,326,384</u>	<u>11,171,510</u>
<b>EMPLOYEE BENEFITS</b>	<u>2,765,301</u>	<u>2,818,936</u>	<u>2,568,826</u>
<b>TOTAL SALARIES AND BENEFITS</b>	<u>14,347,603</u>	<u>14,145,320</u>	<u>13,740,336</u>
<b>SERVICES AND SUPPLIES</b>			
Services	1,024,621	944,024	971,972
Student Transportation	621,176	623,000	583,866
Professional Development and Travel	401,660	347,827	385,472
Rentals and Leases	8,519	8,500	17,737
Dues and Fees	29,444	20,950	27,267
Insurance	57,636	40,943	40,238
Supplies	696,397	853,364	800,167
Bad Debts	1,584		9,717
Utilities	351,605	340,600	349,709
<b>TOTAL SERVICES AND SUPPLIES</b>	<u>3,192,642</u>	<u>3,179,208</u>	<u>3,186,145</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>\$ 17,540,245</u>	<u>\$ 17,324,528</u>	<u>\$ 16,926,481</u>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION, PROGRAM AND OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 5,164,299	\$ 423,452	\$ 138,492	\$ 81,037		\$ 296,144	\$ 6,103,424
1.03 Career Programs			73,349	47,162		5,239	125,750
1.07 Library Services	79,152			53,376		776	133,304
1.08 Counselling	154,814			3,003			157,817
1.10 Special Education	689,051	93,391	525,784	59,449		66,769	1,434,444
1.30 English as a Second Language	20,800						20,800
1.31 Aboriginal Education	7,465	14,930	74,723		12,800	2,391	112,309
1.41 School Administration		670,173		318,027		14,988	1,003,188
1.62 Off Shore Students	167,702	12,189		14,229	163,527		357,647
<b>Total Function 1</b>	<b>6,283,283</b>	<b>1,214,135</b>	<b>812,348</b>	<b>576,283</b>	<b>176,327</b>	<b>386,307</b>	<b>9,448,683</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration				10,676	132,028		142,704
4.40 School District Governance					88,709		88,709
4.41 Business Administration				121,468	191,605	1,665	314,738
<b>Total Function 4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>132,144</b>	<b>412,342</b>	<b>1,665</b>	<b>546,151</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration				61,703	160,306	8,790	230,799
5.50 Maintenance Operations				843,059		45,130	888,189
5.52 Maintenance of Grounds				134,321		1,021	135,342
5.56 Utilities				15,669		1,238	16,907
<b>Total Function 5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,054,752</b>	<b>160,306</b>	<b>56,179</b>	<b>1,271,237</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration				7,522	21,768		29,290
7.70 Student Transportation				271,914		15,027	286,941
<b>Total Function 7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279,436</b>	<b>21,768</b>	<b>15,027</b>	<b>316,231</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>\$ 6,283,283</b>	<b>\$ 1,214,135</b>	<b>\$ 812,348</b>	<b>\$ 2,042,615</b>	<b>\$ 770,743</b>	<b>\$ 459,178</b>	<b>\$ 11,582,302</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION, PROGRAM AND OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2011 ACTUAL	2011 AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 6,103,424	\$ 1,571,236	\$ 7,674,660	\$ 588,032	\$ 8,262,692	\$ 8,148,327	\$ 7,935,377
1.03 Career Programs	125,750	34,244	159,994	168,975	328,969	282,745	274,390
1.07 Library Services	133,304	31,474	164,778	18,870	183,648	186,162	203,913
1.08 Counselling	157,817	38,920	196,737	1,667	198,404	204,000	259,585
1.10 Special Education	1,434,444	315,129	1,749,573	298,335	2,047,908	2,073,572	1,945,624
1.30 English as a Second Language	20,800	4,217	25,017	118	25,135	23,500	20,262
1.31 Aboriginal Education	112,309	25,024	137,333	19,424	156,757	143,600	141,548
1.41 School Administration	1,003,188	223,498	1,226,686	74,192	1,300,878	1,241,983	1,254,482
1.62 Off Shore Students	357,647	58,867	416,514	299,448	715,962	685,182	751,643
1.64 Other	-	-	-	7,402	7,402	7,400	6,986
<b>Total Function 1</b>	<b>9,448,683</b>	<b>2,302,609</b>	<b>11,751,292</b>	<b>1,476,463</b>	<b>13,227,755</b>	<b>12,996,471</b>	<b>12,793,810</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	142,704	29,714	172,418	66,059	238,477	222,275	217,772
4.40 School District Governance	88,709	1,414	90,123	40,517	130,640	126,223	126,301
4.41 Business Administration	314,738	59,878	374,616	112,233	486,849	509,140	482,751
<b>Total Function 4</b>	<b>546,151</b>	<b>91,006</b>	<b>637,157</b>	<b>218,809</b>	<b>855,966</b>	<b>857,638</b>	<b>826,824</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	230,799	53,793	284,592	77,526	362,118	347,515	293,905
5.50 Maintenance Operations	888,189	204,946	1,093,135	221,494	1,314,629	1,394,491	1,330,150
5.52 Maintenance of Grounds	135,342	30,029	165,371	41,597	206,968	204,300	178,098
5.56 Utilities	16,907	3,730	20,637	351,605	372,242	360,780	364,670
<b>Total Function 5</b>	<b>1,271,237</b>	<b>292,498</b>	<b>1,563,735</b>	<b>692,222</b>	<b>2,255,957</b>	<b>2,307,086</b>	<b>2,166,823</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	29,290	5,502	34,792	7,950	42,742	43,870	43,512
7.70 Student Transportation	286,941	73,686	360,627	752,534	1,113,161	1,079,463	1,051,993
7.73 Housing	-	-	-	44,664	44,664	40,000	43,519
<b>Total Function 7</b>	<b>316,231</b>	<b>79,188</b>	<b>395,419</b>	<b>805,148</b>	<b>1,200,567</b>	<b>1,163,333</b>	<b>1,139,024</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>\$ 11,582,302</b>	<b>\$ 2,765,301</b>	<b>\$ 14,347,603</b>	<b>\$ 3,192,642</b>	<b>\$ 17,540,245</b>	<b>\$ 17,324,528</b>	<b>\$ 16,926,481</b>



**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**OPERATING FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

**Schedule A5**

<b>BALANCE, BEGINNING OF YEAR</b>	\$	63,226
 <b>Changes for the Year</b>		
Increase:		
Provincial Grants - Ministry of Education		120,000
Provincial Grants - Other		11,750
Other Revenue		37,500
		169,250
Decrease:		
Allocated to Revenue		
Provincial Grants - Ministry of Education		127,088
Provincial Grants - Other		2,156
Other Revenue		42,023
		171,267
 <b>Net Changes for the Year</b>	 -	 2,017
 <b>BALANCE, END OF YEAR</b>	 \$	 <b>61,209</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**SPECIAL PURPOSE FUNDS**  
**SUMMARY OF CHANGES**  
**YEAR ENDED JUNE 30, 2011**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 309,073	\$ 262,845	\$ 109,850		\$ 681,768
<b>Add:</b> Contributions Received					
Provincial Grants - Ministry of Education	299,972				299,972
Other		116,679	399,006		515,685
Investment Income		3,521			3,521
	299,972	120,200	399,006	-	819,178
<b>Less:</b> Allocated to Revenue	586,334	92,793	410,269		1,089,396
Allocated to Deferred Contributions Schedule C4		8,888			8,888
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	\$ 22,711	\$ 281,364	\$ 98,587	\$ -	\$ 402,662
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 586,334				\$ 586,334
Other Revenue		92,793	410,269		503,062
	586,334	92,793	410,269	-	1,089,396
<b>EXPENSE</b>					
Salaries					
	-	-	-	-	-
Services and Supplies	302,069	92,793	410,269		805,131
	302,069	92,793	410,269	-	805,131
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	284,265	-	-	-	284,265
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	- 284,265				- 284,265
Other				25,000	25,000
	- 284,265	-	-	25,000	- 259,265
<b>NET REVENUE (EXPENSE)</b>	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>			
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 308,296	\$ 777	\$ 309,073
<b>Add:</b> Contributions Received			
Provincial Grants - Ministry of Education	295,955	4,017	299,972
	295,955	4,017	299,972
<b>Less:</b> Allocated to Revenue	584,128	2,206	586,334
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 20,123</b>	<b>\$ 2,588</b>	<b>\$ 22,711</b>
<b>REVENUE AND EXPENSE</b>			
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	\$ 584,128	\$ 2,206	\$ 586,334
	584,128	2,206	586,334
<b>EXPENSE</b>			
Salaries			
	-	-	-
Services and Supplies	299,863	2,206	302,069
	299,863	2,206	302,069
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	284,265	-	284,265
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	-	284,265	-
	284,265	-	284,265
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)  
SPECIAL PURPOSE FUNDS  
CHANGES IN OTHER SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2011**

Schedule B3

	EDUCATIONAL TRUSTFUND	SEEC SITE	DRAKEROAD TRANSFER	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>				
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 253,957	\$ 8,888	\$ -	\$ 262,845
<b>Add:</b> Contributions Received				
Other	91,679		25,000	116,679
Investment Income	3,521			3,521
	95,200	-	25,000	120,200
<b>Less:</b> Allocated to Revenue	92,793	-	-	92,793
Allocated to Deferred Contributions Schedule C4		8,888		8,888
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 256,364</b>	<b>\$ -</b>	<b>\$ 25,000</b>	<b>\$ 281,364</b>
<b>REVENUE AND EXPENSE</b>				
<b>REVENUE</b>				
Other Revenue	92,793			92,793
	92,793	-	-	92,793
<b>EXPENSE</b>				
Salaries				
	-	-	-	-
Services and Supplies	92,793			92,793
	92,793	-	-	92,793
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INTERFUND TRANSFERS</b>				
	-	-	-	-
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**CAPITAL FUND**  
**CAPITAL ASSETS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>COST, BEGINNING OF YEAR</b>	\$ 4,297,169	\$ 39,767,828	\$ 304,739	\$ 691,530		\$ 9,739	\$ 45,071,005
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		159,508					159,508
Deferred Contributions - Other		95,000					95,000
Operating Fund		4,800	29,796			42,126	76,722
Special Purpose Funds		284,265					284,265
Transferred from Work in Progress		55,611					55,611
	-	599,184	29,796	-	-	42,126	671,106
Decrease:							
Deemed Disposals			5,457	16,547			22,004
	-	-	5,457	16,547	-	-	22,004
<b>COST, END OF YEAR</b>	4,297,169	40,367,012	329,078	674,983	-	51,865	45,720,107
<b>WORK IN PROGRESS, END OF YEAR</b>		144,258					144,258
<b>COST AND WORK IN PROGRESS, END OF YEAR</b>	\$ 4,297,169	\$ 40,511,270	\$ 329,078	\$ 674,983	\$ -	\$ 51,865	\$ 45,864,365
<b>ACCUMULATED AMORTIZATION, BEGINNING OF YEAR</b>		\$ 17,096,612	\$ 117,949	\$ 296,734		\$ 1,948	\$ 17,513,243
<b>Changes for the Year</b>							
Increase: Amortization for the Year		886,169	30,474	69,153		1,948	987,744
Decrease:							
Deemed Disposals			5,457	16,547			22,004
	-	-	5,457	16,547	-	-	22,004
<b>ACCUMULATED AMORTIZATION, END OF YEAR</b>	\$ -	\$ 17,982,781	\$ 142,966	\$ 349,340	\$ -	\$ 3,896	\$ 18,478,983
<b>CAPITAL ASSETS - NET</b>	\$ 4,297,169	\$ 22,528,489	\$ 186,112	\$ 325,643	\$ -	\$ 47,969	\$ 27,385,382

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**CAPITAL FUND**  
**CAPITAL ASSETS - WORK IN PROGRESS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	\$ 131,349				\$ 131,349
<b>Changes for the Year</b>					
Increase					
Deferred Contributions - Other	36,513				36,513
Operating Fund	32,007				32,007
	<u>68,520</u>	-	-	-	<u>68,520</u>
Decrease					
Transferred to Capital Assets	55,611				55,611
	<u>55,611</u>	-	-	-	<u>55,611</u>
<b>Net Changes for the Year</b>	<u>12,909</u>	-	-	-	<u>12,909</u>
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>\$ 144,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,258</u>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**CAPITAL FUND**  
**DEFERRED CAPITAL CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

**Schedule C3**

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 21,367,856	\$ -		\$ 21,367,856
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Capital Additions	159,508	95,000		254,508
	<u>159,508</u>	<u>95,000</u>	-	<u>254,508</u>
Decrease				
Amortization of Deferred Capital Contributions	882,887			882,887
	<u>882,887</u>	-	-	<u>882,887</u>
<b>Net Changes for the Year</b>	- 723,379	95,000	- -	628,379
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 20,644,477</u>	<u>\$ 95,000</u>	<u>\$ -</u>	<u>\$ 20,739,477</u>
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>				
		\$ 75,737		\$ 75,737
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Work in Progress		36,513		36,513
	-	<u>36,513</u>	-	<u>36,513</u>
Decrease				
	-	-	-	-
<b>Net Changes for the Year</b>	-	36,513	-	36,513
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 112,250</u>	<u>\$ -</u>	<u>\$ 112,250</u>
<b>TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 20,644,477</u>	<u>\$ 207,250</u>	<u>\$ -</u>	<u>\$ 20,851,727</u>

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)**  
**CAPITAL FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 653,979					\$ 653,979
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	254,143					254,143
Provincial Grants - Other			27,625			27,625
Ministry Approved Transfer from Bylaw Capital		748,614				748,614
From Deferred Contributions Schedule B3			8,888			8,888
	<u>254,143</u>	<u>748,614</u>	<u>36,513</u>	<u>-</u>	<u>-</u>	<u>1,039,270</u>
Decrease:						
Transferred to DCC - Capital Additions	159,508	95,000	-			254,508
Transferred to DCC - Work in Progress			36,513			36,513
Transferred to Restricted Capital Fund	748,614					748,614
	<u>908,122</u>	<u>95,000</u>	<u>36,513</u>	<u>-</u>	<u>-</u>	<u>1,039,635</u>
<b>Net Changes for the Year</b>	- 653,979	653,614	-	-	-	365
<b>BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ 653,614</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 653,614</u>



SCHOOL DISTRICT No. 64 (GULF ISLANDS)

Schedule C5

**CAPITAL FUND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2011**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 6,245,518		\$ 6,245,518
<b>Changes for the Year</b>			
Amortization of Deferred Capital Contributions	882,887		882,887
Interfund Transfers - Capital Assets Purchased	360,987		360,987
Interfund Transfers - Capital Assets WIP	32,007		32,007
Amortization of Capital Assets	- 987,744		- 987,744
<b>Net Changes for the Year</b>	<u>288,137</u>	-	<u>288,137</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 6,533,655</u>	\$ -	<u>\$ 6,533,655</u>