

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 64	NAME OF SCHOOL DISTRICT Gulf Islands	YEAR 2011/2012
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.


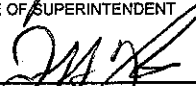
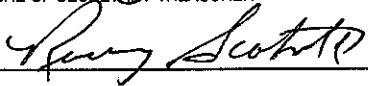
External Auditors

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, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 26/12
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept 26/12
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED Sept 26/12

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)
2011/2012 AUDITED FINANCIAL STATEMENTS**

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INDEPENDENT AUDITORS' REPORT

To the Board of Education and
To the Minister of Education, Province of British Columbia

We have audited the accompanying financial statements of School District No. 64 (Gulf Islands), which comprise the statement of financial position as at June 30, 2012, the statements of revenue and expense, changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 64 (Gulf Islands) as at June 30, 2012, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Other Matter

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that underlines the text.

Chartered Accountants

September 12, 2012

Victoria, Canada

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 2,144,828	\$ 214,935		\$ 2,359,763	\$ 2,135,519
Short Term Investments				-	142,222
Accounts Receivable					
Due from Province - Ministry of Education	1,457			1,457	1,370
Other Receivables (Note 3)	196,425			196,425	211,981
Interfund Loans			653,614		
Inventories				-	663
Prepaid Expenses	70,238			70,238	49,715
	<u>2,412,948</u>	<u>214,935</u>	<u>653,614</u>	<u>2,627,883</u>	<u>2,541,470</u>
Deferred Development Costs				-	40,000
Investments (Note 4)	538,434	157,700		696,134	528,313
Capital Assets - Net (Note 5)			26,428,982	26,428,982	27,385,382
	<u>\$ 2,951,382</u>	<u>\$ 372,635</u>	<u>\$ 27,082,596</u>	<u>\$ 29,752,999</u>	<u>\$ 30,495,165</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	1,067,813			1,067,813	963,703
Interfund Loans	209,147	444,467			
	<u>1,276,960</u>	<u>444,467</u>	<u>-</u>	<u>1,067,813</u>	<u>963,703</u>
Deferred Revenue	221,555			221,555	207,860
Deferred Contributions					
Ministry of Education (Note 6)	32,693	55,732	653,614	742,039	703,410
Province - Other (Note 6)				-	17,571
Other (Note 6)	16,383	398,927		415,310	396,504
Accrued Employee Future Benefits (Note 7)	993,450			993,450	1,067,696
Deferred Capital Contributions (Note 8)			20,026,979	20,026,979	20,851,727
	<u>2,541,041</u>	<u>899,126</u>	<u>20,680,593</u>	<u>23,467,146</u>	<u>24,208,471</u>
Fund Balances					
Invested in Capital Assets			6,402,003	6,402,003	6,533,655
Unrestricted	410,341	(526,491)		(116,150)	(246,961)
	<u>410,341</u>	<u>(526,491)</u>	<u>6,402,003</u>	<u>6,285,853</u>	<u>6,286,694</u>
	<u>\$ 2,951,382</u>	<u>\$ 372,635</u>	<u>\$ 27,082,596</u>	<u>\$ 29,752,999</u>	<u>\$ 30,495,165</u>

- > **Contingencies (Note 13)**
- > **Commitments (Note 14)**

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 18,222,218	\$ 115,084	\$ 300,133	\$ 18,637,435	\$ 17,125,700
Provincial Grants - Other				-	4,156
Other Revenue	868,224	454,504		1,322,728	1,464,616
Rentals and Leases	16,261			16,261	13,487
Investment Income	19,218			19,218	18,778
Amortization of Deferred Capital Contributions			884,748	884,748	882,887
Gain (Loss) on Disposal of Capital Assets (Note 17)			(189,516)	(189,516)	
	<u>19,125,921</u>	<u>569,588</u>	<u>995,365</u>	<u>20,690,874</u>	<u>19,509,624</u>
EXPENSE					
Salaries					
Teachers	6,677,847			6,677,847	6,283,283
Principals and Vice Principals	1,467,439			1,467,439	1,214,135
Educational Assistants	880,847			880,847	812,348
Support Staff	2,086,820			2,086,820	2,042,615
Other Professionals	811,953			811,953	770,743
Substitutes	566,671			566,671	459,178
	<u>12,491,577</u>	<u>-</u>	<u>-</u>	<u>12,491,577</u>	<u>11,582,302</u>
Employee Benefits	2,967,530			2,967,530	2,765,301
Services and Supplies	3,355,460	569,588	300,133	4,225,181	3,997,773
Amortization of Capital Assets			1,007,427	1,007,427	987,744
	<u>18,814,567</u>	<u>569,588</u>	<u>1,307,560</u>	<u>20,691,715</u>	<u>19,333,120</u>
NET REVENUE (EXPENSE)	<u>\$ 311,354</u>	<u>\$ -</u>	<u>\$ (312,195)</u>	<u>\$ (841)</u>	<u>\$ 176,504</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 304,530	\$ (551,491)	\$ 6,533,655	\$ 6,286,694	\$ 6,110,190
Changes for the Year					
Net Revenue (Expense) for the Year	311,354		(312,195)	(841)	176,504
Interfund Transfers					
Capital Assets Purchased (Note 10)	(56,476)		56,476	-	
Other (Note 10)	(149,067)	25,000	124,067	-	
Net Changes for the Year	<u>105,811</u>	<u>25,000</u>	<u>(131,652)</u>	<u>(841)</u>	<u>176,504</u>
FUND BALANCES, END OF YEAR	<u>\$ 410,341</u>	<u>\$ (526,491)</u>	<u>\$ 6,402,003</u>	<u>\$ 6,285,853</u>	<u>\$ 6,286,694</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 311,354		\$ (312,195)	\$ (841)	\$ 176,504
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	15,469			15,469	(93,522)
Interfund Loans	59,313	(59,313)		-	
Inventories	663			663	4,484
Prepaid Expenses	(20,523)			(20,523)	6,997
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	104,110			104,110	(9,580)
Deferred Revenue	13,695			13,695	(118,115)
Deferred Contributions	(12,133)	51,997		39,864	(281,123)
Accrued Employee Future Benefits	(74,246)			(74,246)	26,016
Loss (Gain) on Disposal of Capital Assets			189,516	189,516	
Items Not Involving Cash					
Amortization of Capital Assets			1,007,427	1,007,427	987,744
Amortization of Deferred Capital Contributions			(884,748)	(884,748)	(882,887)
Amortization of Deferred Development Costs	40,000			40,000	40,000
Deferred Contributions Transferred to Revenue			(300,133)	(300,133)	
Interfund Transfers	(205,543)	25,000	180,543	-	
	<u>232,159</u>	<u>17,684</u>	<u>(119,590)</u>	<u>130,253</u>	<u>(143,482)</u>
FINANCING					
Deferred Contributions Received - Capital			360,133	360,133	1,039,270
Proceeds from Disposal of Capital Assets				-	(748,614)
	<u>-</u>	<u>-</u>	<u>360,133</u>	<u>360,133</u>	<u>290,656</u>
INVESTING					
Capital Assets Purchased - Operating			(56,476)	(56,476)	(76,722)
Capital Assets Purchased - Special Purpose				-	(284,265)
Capital Assets Purchased - Deferred Contributions - Capital			(60,000)	(60,000)	(254,508)
Work in Progress Additions			(124,067)	(124,067)	(68,520)
Decrease (Increase) in Short Term Investments	142,222			142,222	302,128
Decrease (Increase) in Investments	(156,121)	(11,700)		(167,821)	(225,091)
	<u>(13,899)</u>	<u>(11,700)</u>	<u>(240,543)</u>	<u>(266,142)</u>	<u>(606,978)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 218,260</u>	<u>\$ 5,984</u>	<u>\$ -</u>	<u>\$ 224,244</u>	<u>\$ (459,804)</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	\$ 218,260	\$ 5,984	\$ -	\$ 224,244	\$ (459,804)
Net Cash, Beginning of Year	1,926,568	208,951		2,135,519	2,595,323
NET CASH, END OF YEAR	\$ 2,144,828	\$ 214,935	\$ -	\$ 2,359,763	\$ 2,135,519
Cash	\$ 2,049,097	\$ 142,420		\$ 2,191,517	\$ 1,577,939
Cash Equivalents	95,731	72,515		168,246	557,580
NET CASH, END OF YEAR	\$ 2,144,828	\$ 214,935	\$ -	\$ 2,359,763	\$ 2,135,519

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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.

c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

- d) Inventories
Inventories of supplies and materials are recorded at the lower of cost and net realizable value.
- e) 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.
- f) Investments
Investments include securities with terms to maturity of greater than one year.
- g) 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 School 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 |
- h) 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.

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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

h) Revenue Recognition (Continued)

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

i) Investment Income

Investment income, which is recorded on the accrual basis, includes interest income and realized and unrealized gains and losses.

j) 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.

k) 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.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

l) 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.

m) 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.

n) Employee Future Benefits

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

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 7.2 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 has been adopted.

o) Future Change in Accounting Framework

Under the revised Public Sector Accounting Board (PSAB) framework, beginning with the 2012/13 fiscal year, school districts will be required to follow Public Sector Accounting (PSA) standards with or without the not-for-profit organization standards (i.e., PS 4200 series). In September 2010, the Province of British Columbia Treasury Board directed, through Government Organization Accounting Standards Regulation 257/2010, that all school districts adopt PSA standards without the PS 4200 series from their first fiscal year commencing after January 1, 2012.

The first fiscal year of full implementation without the PS 4200 series will be the year ended June 30, 2013.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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

o) Future Change in Accounting Framework (Continued)

The adoption of PSA standards is to be accounted for by retroactive application with restatement of prior periods unless an exemption is permitted. Comparative figures at June 30, 2012 and July 1, 2011 will be restated. The financial statements will also include the presentation of budget figures prepared in accordance with PSA standards for the year ended June 30, 2013.

While the School District, in consultation with the Office of the Comptroller General and the Ministry of Education, has begun assessing the impact of the change in accounting framework on its financial statements, the financial impact cannot be reasonably estimated at this time. Implementing PSA standards will also have an impact on accounting financial reporting and supporting information technology systems and processes.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2012	2011
Due from Federal Government	\$ 143,744	\$ 119,173
Other Receivables	52,681	92,808
	\$ 196,425	\$ 211,981

NOTE 4 INVESTMENTS

	2012	2011
GIC maturing in 2014 bearing interest at 2.35%	\$ 100,000	\$ 146,000
Provincial bonds maturing in 2014 and 2015	577,249	382,313
Other	18,885	
	\$ 696,134	\$ 528,313

NOTE 5 CAPITAL ASSETS

	2012		2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 4,107,653	\$ -	\$ 4,107,653	\$ 4,297,169
Buildings	40,639,192	18,879,429	21,759,763	22,384,231
Furniture & Equipment	393,078	173,478	219,600	186,112
Vehicles	674,983	416,838	258,145	325,643
Computer Hardware	98,090	14,269	83,821	47,969
Work in Progress				144,258
	\$ 45,912,996	\$19,484,014	\$26,428,982	\$27,385,382

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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 funds 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.

	2012				2011
	Operating Fund	Special Purpose Funds	Capital Fund	Total	Total
Balance, beginning of year	\$ 27,085	\$ 22,711	\$653,614	\$703,410	\$997,225
Increases:					
Provincial grants - MEd	128,000	148,105	360,166	636,238	674,115
Decreases:					
Transfers to revenue	122,392	115,084	300,133	537,609	713,422
Transfers to DCC			60,000	60,000	
Capital Additions					254,508
	122,392	115,084	360,133	597,609	967,930
Net change for the year	5,608	33,021	-	38,629	(293,815)
Balance, end of the year	\$ 32,693	\$ 55,732	\$653,614	\$742,039	\$703,410

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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.

	2012	2011
Balance, beginning of year	\$ 17,571	\$ 16,865
Increases:		
Provincial grants	12,500	11,750
Decreases:		
Transfer to revenue	30,071	2,156
Transfer to Capital Fund		8,888
Net change for the year	17,571	706
Balance, end of the year	\$ -	\$ 17,571

Deferred Contributions - Other

Deferred Contributions – Other recorded in the operating fund represent activity for the Secondary School Apprenticeship Program; recorded in the special purpose funds 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.

	2012			2011
	Operating Fund	Special Purpose Funds	Total	Total
Balance, beginning of year	\$ 16,553	\$379,951	\$396,504	\$384,883
Increases:				
School Generated Funds		341,665	341,665	399,006
Investment income		6,550	6,550	3,521
Other revenue	27,500	125,265	152,765	154,179
	27,500	473,480	500,980	556,706
Decreases:				
Transfers to revenue	27,670	454,504	482,174	545,085
Net change for the year	(170)	18,976	18,806	11,621
Balance, end of the year	\$16,383	\$398,927	\$415,310	\$396,504

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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.

	2012	2011
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 731,166	\$ 751,464
Service Cost	62,327	59,813
Interest Cost	35,282	37,445
Benefit Payments	(70,114)	(12,083)
Actuarial Gain	(17,216)	(105,473)
Accrued Benefit Obligation – March 31	\$ 741,445	\$ 731,166
Accrued Benefit Obligation at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 741,445	\$ 731,166
Market Value of Plan Assets – March 31	0	0
Funded Status – Deficit	(741,445)	(731,166)
Benefit Payments After Measurement Date	90,376	29,288
Unamortized Net Actuarial Gain	(342,381)	(365,818)
Accrued Benefit Obligation – June 30	\$ (993,450)	\$ (1,067,696)
Components of Net Benefit Expense		
Service Cost	\$ 62,327	\$ 59,813
Interest Cost	35,282	37,445
Amortization of Net Actuarial Gain	(40,653)	(29,871)
Net Benefit Expense	\$ 56,956	\$ 67,387

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

Discount Rate – April 1	4.75%	5.00%
Discount Rate – March 31	4.25%	4.75%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + 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, 2012

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.

	2012	2011
DCC Subject to Amortization		
Balance, beginning of year	\$ 20,739,477	\$ 21,367,856
Increases:		
Capital additions	60,000	254,508
Transfer from work in progress	112,250	
	172,250	254,508
Decreases:		
Amortization	884,748	882,887
	(712,498)	(628,379)
Net change for the year	(712,498)	(628,379)
Balance, end of year	\$ 20,026,979	\$ 20,739,477
 DCC - Work in Progress		
Balance, beginning of year	\$ 112,250	\$ 75,737
Increases:		
Transfers from deferred contributions		36,513
Decrease:		
Transfer to DCC subject to amortization	(112,250)	
	(112,250)	36,513
Net change for the year	(112,250)	36,513
Balance, end of year	\$ -	\$ 112,250
 Total DCC balance, end of year	 \$ 20,026,979	 \$ 20,851,727

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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 46,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Pension Plan has about 173,000 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 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. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. School District No. 64 paid \$1,521,442 for employer contributions to these plans in the year ended June 30, 2012 (2011 - \$1,369,552).

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, 2012, the following transfers were made:

- \$56,476 from the Operating Fund to the Capital Fund for capital purchases.
- \$124,067 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.

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 27, 2012.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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, 2012, 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 COMMITMENTS

The School District leases premises from School District No. 44 (North Vancouver) to operate the Windsor House School in North Vancouver, British Columbia. This lease expired June 30, 2012 and an extension of this lease for a further one year period is being negotiated. During the year the School District paid \$80,000 in lease and rental fees to School District No. 44 (North Vancouver).

The School District has also entered into an agreement for the provision of water taxi services. Future minimum payments under the agreement are \$655,760 for the 2013 year.

NOTE 15 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 16 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 17 TRANSFER OF LAND

The District received approval from the Ministry of Education to transfer an unused section of land to the Capital Regional District to be used for affordable housing. The District received no proceeds and incurred no costs associated with the transfer of this land. The loss on disposition represents the original acquisition cost of \$189,516.

SCHOOL DISTRICT NO. 64 (GULF ISLANDS)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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, 2012

Schedule A1

	2012		
	2012	AMENDED	2011
	ACTUAL	ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 18,222,218	\$ 18,252,344	\$ 16,539,366
Provincial Grants - Other			4,156
Other Revenue	868,224	940,943	961,554
Rentals and Leases	16,261	12,000	13,487
Investment Income	19,218	17,500	18,778
	<u>19,125,921</u>	<u>19,222,787</u>	<u>17,537,341</u>
EXPENSE			
Salaries			
Teachers	6,677,847	6,774,100	6,283,283
Principals and Vice Principals	1,467,439	1,474,810	1,214,135
Educational Assistants	880,847	876,500	812,348
Support Staff	2,086,820	2,078,346	2,042,615
Other Professionals	811,953	814,107	770,743
Substitutes	566,671	430,626	459,178
	<u>12,491,577</u>	<u>12,448,489</u>	<u>11,582,302</u>
Employee Benefits	2,967,530	3,059,458	2,765,301
Services and Supplies	3,355,460	3,518,922	3,192,642
	<u>18,814,567</u>	<u>19,026,869</u>	<u>17,540,245</u>
NET REVENUE (EXPENSE), FOR THE YEAR	311,354	195,918	(2,904)
INTERFUND TRANSFERS			
Capital Assets Purchased	(56,476)	(155,000)	(76,722)
Other - WIP Purchases and Related Entity	(149,067)	(25,000)	(57,007)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)			
SURPLUS (DEFICIT), FOR THE YEAR	105,811	\$ 15,918	(136,633)
SURPLUS (DEFICIT), BEGINNING OF YEAR	304,530		441,163
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	\$ 410,341		\$ 304,530
SURPLUS (DEFICIT), END OF YEAR			
Unrestricted	410,341		
	\$ 410,341		

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2012

Schedule A2

	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 17,696,920	\$ 17,739,785	\$ 16,024,201
Other Ministry of Education Grants			
Pay Equity	102,398	102,398	102,398
Ready Set Learn	22,050	15,435	14,700
OLEP French - Regular and Additional	72,484	72,484	72,484
Community Link	160,311	160,311	160,311
FSA & Exam Allocation	7,972	7,972	7,972
Education Guarantee	29,903	29,903	20,489
Carbon Tax Reimbursements	7,589		4,040
CSSEA			5,683
11/12 Smart Tool Reimbursement	199		
Recognized from MOE Deferred Contributions	122,392	124,056	127,088
	<u>18,222,218</u>	<u>18,252,344</u>	<u>16,539,366</u>
PROVINCIAL GRANTS - OTHER			
			<u>4,156</u>
FEDERAL GRANTS			
OTHER REVENUE			
Offshore Tuition Fees	540,670	635,000	617,545
Miscellaneous			
Miscellaneous	106,978	138,500	139,860
Instructional Cafeteria	80,004	80,000	102,856
GISPA Registration	54,081	43,000	41,943
ACE-IT Carpentry & Level 1 Cook	27,750	16,200	17,327
Recognized from Deferred Revenue	58,741	28,243	42,023
	<u>868,224</u>	<u>940,943</u>	<u>961,554</u>
RENTALS AND LEASES			
	<u>16,261</u>	<u>12,000</u>	<u>13,487</u>
INVESTMENT INCOME			
	<u>19,218</u>	<u>17,500</u>	<u>18,778</u>
TOTAL OPERATING REVENUE			
	<u>\$ 19,125,921</u>	<u>\$ 19,222,787</u>	<u>\$ 17,537,341</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A3

	2012	2012	2011
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
SALARIES			
Teachers	\$ 6,677,847	\$ 6,774,100	\$ 6,283,283
Principals and Vice Principals	1,467,439	1,474,810	1,214,135
Educational Assistants	880,847	876,500	812,348
Support Staff	2,086,820	2,078,346	2,042,615
Other Professionals	811,953	814,107	770,743
Substitutes	566,671	430,626	459,178
	<u>12,491,577</u>	<u>12,448,489</u>	<u>11,582,302</u>
EMPLOYEE BENEFITS	<u>2,967,530</u>	<u>3,059,458</u>	<u>2,765,301</u>
TOTAL SALARIES AND BENEFITS	<u>15,459,107</u>	<u>15,507,947</u>	<u>14,347,603</u>
SERVICES AND SUPPLIES			
Services	968,576	989,452	1,024,621
Student Transportation	780,415	807,000	621,176
Professional Development and Travel	411,105	381,782	401,660
Rentals and Leases	86,155	87,100	8,519
Dues and Fees	41,591	28,120	29,444
Insurance	40,411	56,702	57,636
Supplies	658,429	823,766	696,397
Bad Debts	7,564		1,584
Utilities	361,214	345,000	351,605
TOTAL SERVICES AND SUPPLIES	<u>3,355,460</u>	<u>3,518,922</u>	<u>3,192,642</u>
TOTAL OPERATING EXPENSE	<u>\$ 18,814,567</u>	<u>\$ 19,026,869</u>	<u>\$ 17,540,245</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

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	\$ 5,540,193	\$ 566,725	\$ 144,623	\$ 73,827		\$ 384,935	\$ 6,710,303
1.03 Career Programs	4,096		73,376	15,285	41,868	4,849	139,474
1.07 Library Services	59,482			53,694		2,796	115,972
1.08 Counselling	262,219						262,219
1.10 Special Education	617,565	124,004	604,646	54,343		76,553	1,477,111
1.30 English as a Second Language	36,329						36,329
1.31 Aboriginal Education	-	22,396	58,202		11,869	2,259	94,726
1.41 School Administration		753,229		346,357		21,959	1,121,545
1.62 Off Shore Students	157,963	1,085		14,875	161,538		335,461
1.64 Other						410	410
Total Function 1	6,677,847	1,467,439	880,847	558,381	215,275	493,761	10,293,550
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				13,023	125,459		138,482
4.40 School District Governance					91,507		91,507
4.41 Business Administration				149,254	192,348	1,069	342,671
Total Function 4	-	-	-	162,277	409,314	1,069	572,660
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				53,220	165,237	5,034	223,491
5.50 Maintenance Operations				888,416		51,951	940,367
5.52 Maintenance of Grounds				134,335		349	134,684
5.56 Utilities				11,163		942	12,105
Total Function 5	-	-	-	1,087,134	165,237	58,276	1,310,647
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				7,724	22,127		29,851
7.70 Student Transportation				271,304		13,565	284,869
Total Function 7	-	-	-	279,028	22,127	13,565	314,720
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 6,677,847	\$ 1,467,439	\$ 880,847	\$ 2,086,820	\$ 811,953	\$ 566,671	\$ 12,491,577

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2012

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2012 ACTUAL	2012 AMENDED ANNUAL BUDGET	2011 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 6,710,303	\$ 1,647,740	\$ 8,358,043	\$ 704,644	\$ 9,062,687	\$ 9,100,841	\$ 8,262,692
1.03 Career Programs	139,474	37,692	177,166	108,057	285,223	317,573	328,969
1.07 Library Services	115,972	28,130	144,102	18,581	162,683	164,290	183,648
1.08 Counselling	262,219	60,985	323,204		323,204	341,800	198,404
1.10 Special Education	1,477,111	352,267	1,829,378	267,080	2,096,458	2,228,061	2,047,908
1.30 English as a Second Language	36,329	7,133	43,462	1,407	44,869	33,400	25,135
1.31 Aboriginal Education	94,726	22,469	117,195	15,975	133,170	127,646	156,757
1.41 School Administration	1,121,545	262,303	1,383,848	67,115	1,450,963	1,414,927	1,300,878
1.62 Off Shore Students	335,461	51,959	387,420	266,301	653,721	688,750	715,962
1.64 Other	410	40	450	5,451	5,901	6,000	7,402
Total Function 1	10,293,550	2,470,718	12,764,268	1,454,611	14,218,879	14,423,288	13,227,755
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	138,482	29,893	168,375	62,900	231,275	230,566	238,477
4.40 School District Governance	91,507	1,649	93,156	55,987	149,143	148,168	130,640
4.41 Business Administration	342,671	67,629	410,300	111,257	521,557	522,715	486,849
Total Function 4	572,660	99,171	671,831	230,144	901,975	901,449	855,966
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	223,491	53,597	277,088	60,784	337,872	369,550	362,118
5.50 Maintenance Operations	940,367	221,698	1,162,065	268,011	1,430,076	1,417,968	1,314,629
5.52 Maintenance of Grounds	134,684	33,627	168,311	34,564	202,875	203,462	206,968
5.56 Utilities	12,105	3,017	15,122	361,214	376,336	362,500	372,242
Total Function 5	1,310,647	311,939	1,622,586	724,573	2,347,159	2,353,480	2,255,957
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	29,851	6,027	35,878	9,877	45,755	44,830	42,742
7.70 Student Transportation	284,869	79,675	364,544	892,635	1,257,179	1,258,822	1,113,161
7.73 Housing	-	-	-	43,620	43,620	45,000	44,664
Total Function 7	314,720	85,702	400,422	946,132	1,346,554	1,348,652	1,200,567
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 12,491,577	\$ 2,967,530	\$ 15,459,107	\$ 3,355,460	\$ 18,814,567	\$ 19,026,869	\$ 17,540,245

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule A5

BALANCE, BEGINNING OF YEAR	\$	61,209
Changes for the Year		
Increase:		
Provincial Grants - Ministry of Education		128,000
Provincial Grants - Other		12,500
Other Revenue		27,500
		<u>168,000</u>
Decrease:		
Allocated to Revenue		
Provincial Grants - Ministry of Education		122,392
Provincial Grants - Other		30,071
Other Revenue		27,670
		<u>180,133</u>
Net Changes for the Year		<u>(12,133)</u>
BALANCE, END OF YEAR	\$	<u>49,076</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2012

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 22,711	\$ 281,364	\$ 98,587		\$ 402,662
Add: Contributions Received					
Provincial Grants - Ministry of Education	148,105				148,105
Other		125,265	341,665		466,930
Investment Income		6,550			6,550
	148,105	131,815	341,665	-	621,585
Less: Allocated to Revenue	115,084	132,970	321,534		569,588
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 55,732	\$ 280,209	\$ 118,718	\$ -	\$ 454,659
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 115,084				\$ 115,084
Other Revenue		132,970	321,534		454,504
	115,084	132,970	321,534	-	569,588
EXPENSE					
Salaries					
	-	-	-	-	-
Services and Supplies	115,084	132,970	321,534		569,588
	115,084	132,970	321,534	-	569,588
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-	-
INTERFUND TRANSFERS					
Other				25,000	25,000
	-	-	-	25,000	25,000
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ 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, 2012

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 20,123	\$ 2,588	\$ 22,711
Add: Contributions Received			
Provincial Grants - Ministry of Education	143,928	4,177	148,105
	143,928	4,177	148,105
Less: Allocated to Revenue	114,080	1,004	115,084
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 49,971	\$ 5,761	\$ 55,732
REVENUE AND EXPENSE			
REVENUE			
Provincial Grants - Ministry of Education	\$ 114,080	\$ 1,004	\$ 115,084
	114,080	1,004	115,084
EXPENSE			
Salaries			
	-	-	-
Services and Supplies	114,080	1,004	115,084
	114,080	1,004	115,084
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-
INTERFUND TRANSFERS			
	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 64 (GULF ISLANDS)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2012**

Schedule B3

	EDUCATIONAL TRUSTFUND	DRAKEROAD TRANSFER	TOTAL
DEFERRED CONTRIBUTIONS			
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 256,364	\$ 25,000	\$ 281,364
Add: Contributions Received			
Other	110,015	15,250	125,265
Investment Income	6,550		6,550
	116,565	15,250	131,815
Less: Allocated to Revenue	119,012	13,958	132,970
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 253,917	\$ 26,292	\$ 280,209
REVENUE AND EXPENSE			
REVENUE			
Other Revenue	119,012	13,958	132,970
	119,012	13,958	132,970
EXPENSE			
Salaries			
	-	-	-
Services and Supplies	119,012	13,958	132,970
	119,012	13,958	132,970
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, 2012

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 4,297,169	\$ 40,367,012	\$ 329,078	\$ 674,983		\$ 51,865	\$ 45,720,107
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		3,855	56,145				60,000
Operating Fund			10,251			46,225	56,476
Transferred from Work in Progress		268,325					268,325
	-	272,180	66,396	-	-	46,225	384,801
Decrease:							
Disposed of	189,516						189,516
Deemed Disposals			2,396				2,396
	189,516	-	2,396	-	-	-	191,912
COST, END OF YEAR	4,107,653	40,639,192	393,078	674,983	-	98,090	45,912,996
WORK IN PROGRESS, END OF YEAR							-
COST AND WORK IN PROGRESS, END OF YEAR	\$ 4,107,653	\$ 40,639,192	\$ 393,078	\$ 674,983	\$ -	\$ 98,090	\$ 45,912,996
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 17,982,781	\$ 142,966	\$ 349,340		\$ 3,896	\$ 18,478,983
Changes for the Year							
Increase: Amortization for the Year		896,648	32,908	67,498		10,373	1,007,427
Decrease:							
Deemed Disposals			2,396				2,396
	-	-	2,396	-	-	-	2,396
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 18,879,429	\$ 173,478	\$ 416,838	\$ -	\$ 14,269	\$ 19,484,014
CAPITAL ASSETS - NET	\$ 4,107,653	\$ 21,759,763	\$ 219,600	\$ 258,145	\$ -	\$ 83,821	\$ 26,428,982

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2012

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 144,258				\$ 144,258
Changes for the Year					
Increase					
Operating Fund	124,067				124,067
	124,067	-	-	-	124,067
Decrease					
Transferred to Capital Assets	268,325				268,325
	268,325	-	-	-	268,325
Net Changes for the Year	(144,258)	-	-	-	(144,258)
WORK IN PROGRESS, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 20,644,477	\$ 95,000		\$ 20,739,477
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	60,000			60,000
Transferred from Work in Progress		112,250		112,250
	<u>60,000</u>	<u>112,250</u>	<u>-</u>	<u>172,250</u>
Decrease				
Amortization of Deferred Capital Contributions	882,373	2,375		884,748
	<u>882,373</u>	<u>2,375</u>	<u>-</u>	<u>884,748</u>
Net Changes for the Year	<u>(822,373)</u>	<u>109,875</u>	<u>-</u>	<u>(712,498)</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 19,822,104</u>	<u>\$ 204,875</u>	<u>\$ -</u>	<u>\$ 20,026,979</u>
WORK IN PROGRESS, BEGINNING OF YEAR				
		\$ 112,250		\$ 112,250
Changes for the Year				
Increase				
	-	-	-	-
Decrease				
Transferred to Deferred Capital Contributions		112,250		112,250
	<u>-</u>	<u>112,250</u>	<u>-</u>	<u>112,250</u>
Net Changes for the Year	<u>-</u>	<u>(112,250)</u>	<u>-</u>	<u>(112,250)</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 19,822,104</u>	<u>\$ 204,875</u>	<u>\$ -</u>	<u>\$ 20,026,979</u>

SCHOOL DISTRICT No. 64 (GULF ISLANDS)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2012

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR		\$ 653,614				\$ 653,614
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	360,133					360,133
	360,133	-	-	-	-	360,133
Decrease:						
Transferred to DCC - Capital Additions		60,000				60,000
Transferred to Revenue	300,133					300,133
	360,133	-	-	-	-	360,133
Net Changes for the Year	-	-	-	-	-	-
BALANCE, END OF YEAR	\$ -	\$ 653,614	\$ -	\$ -	\$ -	\$ 653,614

SCHOOL DISTRICT No. 64 (GULF ISLANDS)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 6,533,655		\$ 6,533,655
Changes for the Year			
Gain (Loss) on Disposal of Capital Assets	(189,516)		(189,516)
Amortization of Deferred Capital Contributions	884,748		884,748
Interfund Transfers - Capital Assets Purchased	56,476		56,476
Interfund Transfers - Capital Assets WIP	124,067		124,067
Amortization of Capital Assets	(1,007,427)		(1,007,427)
Net Changes for the Year	(131,652)	-	(131,652)
BALANCE, END OF YEAR	\$ 6,402,003	\$ -	\$ 6,402,003