

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2003/2004

SCHOOL DISTRICT NUMBER 85	NAME OF SCHOOL DISTRICT Vancouver Island North	YEAR 2003/2004
OFFICE LOCATION 6975 Rupert Street		TELEPHONE NUMBER 250-949-6618
MAILING ADDRESS P.O. Box 90		
CITY / PROVINCE Port Hardy, British Columbia		POSTAL CODE V0N 2P0
NAME OF SUPERINTENDENT Gilles Joubert		TELEPHONE NUMBER 250-949-6618
NAME OF SECRETARY - TREASURER John R Martin		TELEPHONE NUMBER 250-949-6618

DECLARATION AND SIGNATURES

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements for the School District Fiscal Year 2003/2004 for School District No. 85 (Vancouver Island North)

SIGNATURE OF CHAIRPERSON OF THE BOARD OF SCHOOL TRUSTEES	DATE SIGNED
SIGNATURE OF SUPERINTENDENT	DATE SIGNED
SIGNATURE OF SECRETARY - TREASURER	DATE SIGNED

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
2003/2004 AUDITED FINANCIAL STATEMENTS

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SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2004

Statement 1

ASSETS	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
Current Assets					
Cash	3,116,825		161,028	3,277,853	2,082,795
Short Term Investments	15,982			15,982	10,982
Accounts Receivable					
Due from Province - Ministry of Education					
Due from Province - Other					
Due from Canada	1,865			1,865	31,028
Due from Other School Districts					
Due from LEA / Direct Funding	163,107			163,107	247,207
Other Receivables	71,898			71,898	101,379
Allowance for Doubtful Accounts					
Interfund Loans		1,123,710	141,275		
Inventories	22,493			22,493	23,141
Prepaid Expenses	30,922			30,922	27,753
	<u>3,423,092</u>	<u>1,123,710</u>	<u>302,303</u>	<u>3,584,120</u>	<u>2,524,285</u>
Investments					
Equity Investments					
Capital Assets - Net			58,888,715	58,888,715	58,439,682
	<u>3,423,092</u>	<u>1,123,710</u>	<u>59,191,018</u>	<u>62,472,835</u>	<u>60,963,967</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft					
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education					
Due to Province - Other					
Other	602,936			602,936	478,821
Bank Loans					
Interfund Loan	1,264,985				
Other Current Liabilities	870,175			870,175	580,885
	<u>2,738,096</u>	<u>0</u>	<u>0</u>	<u>1,473,111</u>	<u>1,059,706</u>
Deferred Contributions					
Ministry of Education		1,053,158		1,053,158	524,569
Province, Other		40,416		40,416	
Other	11,000	30,136		41,136	173,395
Accrued Employee Future Benefits	200,000			200,000	
Deferred Capital Contributions			22,728,210	22,728,210	21,386,549
Bank Loans					
Capital Lease Obligations					
Other Long Term Liabilities					
	<u>2,949,096</u>	<u>1,123,710</u>	<u>22,728,210</u>	<u>25,536,031</u>	<u>23,144,219</u>
Fund Balances					
Invested In Capital Assets			36,160,504	36,160,504	37,150,810
Reserves			302,304	302,304	367,822
Endowment					
Internally Restricted	227,303			227,303	188,417
Unrestricted	246,693			246,693	112,699
	<u>473,996</u>	<u>0</u>	<u>36,462,808</u>	<u>36,936,804</u>	<u>37,819,748</u>
	<u>3,423,092</u>	<u>1,123,710</u>	<u>59,191,018</u>	<u>62,472,835</u>	<u>60,963,967</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2004

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
REVENUE					
Provincial Grants - Ministry of Education	17,730,431	341,903		18,072,334	19,851,527
Provincial Grants - Other		203,584		203,584	220,590
Federal Grants	7,177	24,513		31,690	40,875
Other Revenue	308,932	1,713		310,645	475,509
Rentals and Leases	11,077	5,599		16,676	25,206
Investment Income	62,296	412	3,226	65,934	65,820
Gain (Loss) on Equity Investment					
Gain (Loss) on Disposal of Capital Assets					
	<u>18,119,913</u>	<u>577,724</u>	<u>3,226</u>	<u>18,700,863</u>	<u>20,679,527</u>
EXPENSE					
Salaries					
Teachers	7,292,453	51,319		7,343,772	7,859,859
Principals and Vice Principals	1,273,364			1,273,364	1,576,145
Educational Assistants	1,025,127	122,842		1,147,969	1,189,775
Support Staff	2,393,360			2,393,360	2,697,178
Other Professionals	504,980			504,980	542,878
Substitutes	644,817	7,139		651,956	581,167
	<u>13,134,101</u>	<u>181,300</u>	<u>0</u>	<u>13,315,401</u>	<u>14,447,002</u>
Employee Benefits	2,566,288	25,800		2,592,088	2,925,782
Services and Supplies	2,146,644	313,335		2,459,979	2,573,510
	<u>17,847,033</u>	<u>520,435</u>	<u>0</u>	<u>18,367,468</u>	<u>19,946,294</u>
NET REVENUE (EXPENSE)	<u>272,880</u>	<u>57,289</u>	<u>3,226</u>	<u>333,395</u>	<u>733,233</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
FUND BALANCES, BEGINNING OF YEAR	301,116	0	37,518,632	37,819,748	36,783,849
Changes in Accounting Policies /					
Prior Period Adjustments					
Deferred Capital Contributions			(2,149,954)	(2,149,954)	
Bylaw Capital Over/(Under) Spent Beginning of Year			(97,678)	(97,678)	
Deferred Contributions					(712,937)
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	301,116	0	35,271,000	35,572,116	36,070,912
Changes for the Year					
Net Revenue (Expense) for the Year	272,880	57,289	3,226	333,395	733,233
Interfund Transfers					
Capital Assets Purchased		(57,289)	57,289		
Local Capital	(100,000)		100,000		
Direct Increases in Fund Balances					
Amortization of Deferred Capital Contributions			1,031,293	1,031,293	1,015,603
Net Changes for the Year	172,880	0	1,191,808	1,364,688	1,748,836
FUND BALANCES, END OF YEAR	473,996	0	36,462,808	36,936,804	37,819,748

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2004

Statement 4

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2004	TOTAL 2003
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	272,880	57,289	3,226	333,395	733,233
Changes In Non-Cash Operating Working Capital					
Decrease (Increase)					
Accounts Receivable	142,744			142,744	(168,231)
Interfund Loans	374,538	(540,962)	166,424		(17)
Inventories	648			648	9,572
Prepaid Expenses	(3,169)			(3,169)	
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	124,115			124,115	(385,183)
Other Current Liabilities	289,290			289,290	(15,584)
Deferred Contributions	(104,216)	540,962	(97,678)	339,068	(130,189)
Accrued Employee Future Benefits	200,000			200,000	
Interfund Transfers	(100,000)	(57,289)	157,289		
	1,196,830	0	229,261	1,426,091	43,601
FINANCING					
Proceeds from Disposal of Capital Assets			4,020	4,020	8,695
Deferred Capital Contributions Received			223,000	223,000	362,169
	0	0	227,020	227,020	370,864
INVESTING					
Capital Assets Purchased - Special Purpose			(57,289)	(57,289)	(92,374)
Capital Assets Purchased - Capital Reserves			(172,764)	(172,764)	(13,559)
Capital Assets Purchased - Bylaw Capital			(223,000)	(223,000)	(345,235)
	0	0	(453,053)	(453,053)	(451,168)
Net Increase (Decrease) In Cash	1,196,830	0	3,228	1,200,058	(36,703)
Net Cash, Beginning of Year	1,935,977		157,800	2,093,777	2,130,480
Changes In Accounting Policies/ Prior Period Adjustments					
Net Cash, Beginning of Year, as Restated	1,935,977	0	157,800	2,093,777	2,130,480
NET CASH, END OF YEAR	3,132,807	0	161,028	3,293,835	2,093,777
Cash	3,116,825		161,028	3,277,853	2,082,795
Short Term Investments	15,982			15,982	10,982
Bank Overdraft					
NET CASH, END OF YEAR	3,132,807		161,028	3,293,835	2,093,777

NOTE 1 AUTHORITY

The school district operates under authority of the School Act of British Columbia as a corporation under the name of “The Board of School Trustees of School District No. 85 (Vancouver Island North)”. A board of school trustees (Board) elected for a three-year term governs the school district. The school district provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared in accordance with sections 156 and 157 of the School Act using significant accounting policies as set out below to comply with the accounting requirements prescribed or permitted by the Ministry of Education. These principles are consistent with those used in prior years except as disclosed as a change in accounting policy.

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

The Statement of Revenue and Expense, Statement of Changes in Fund Balances and the Statement of Cash Flows present the annual results of each fund, the change in fund balances and the cash flows for the year. The Statement of Financial Position presents the assets, liabilities and fund balances. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

Fund accounting procedures recognize external restrictions on the use of resources 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 fund reports assets, liabilities, revenue and expense for:
 - Trust funds with contributions restricted in use by the School Act or Ministry of Education.
 - Trust funds with contributions restricted in use by other external bodies.
- Capital fund reports assets, liabilities, revenues and expenses for capital. Resources of other funds used for capital purposes are transferred to the capital fund. This fund also includes amounts designated as capital reserves and restricted in use by the School Act or Ministry of Education.

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

b) Fund Balances

Fund Balances are classified as Invested in Capital Assets, Reserves, Endowment, Internally Restricted (by the Board), and Unrestricted (for use at Board discretion).

c) Inventories

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

d) Prepaid Expenses

Materials and supplies held in central stores for use within the school district are included as a prepaid expense and stated at acquisition cost using the first-in-first-out method.

e) Capital Assets

Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation. No provision is made for amortization.

Disposals of sites or buildings are recorded and gains/losses calculated. Proceeds from the sale of other assets are recorded as a gain on disposal.

f) Revenue Recognition

Operating government grants not restricted in use are recognized as revenue when received or receivable. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

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

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Funds advanced by the Province for approved capital projects (bylaw capital) are recorded as outlined in note 7.
- Capital contributions that by the School Act must be recorded as a reserve are recorded as revenue when received.
- Other 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 to capital fund equity (Investment in Capital Assets). Amortization commences in the year following acquisition.
 - Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.

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

g) Expenditures

- Categories of salaries
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendents, Assistant Superintendents, Secretary Treasurers, Trustees and other employees excluded from union contract are categorized as Other Professionals.
- Allocation of costs
 - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs such as special and aboriginal education are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual identification of program.

NOTE 3 CHANGE IN ACCOUNTING POLICY

Reporting for deferred capital contributions and deferred contributions was revised (note 7).

Externally restricted trust funds are included with other special purpose funds.

NOTE 4 VACATION PAY

Vacation pay is recorded on an accrual basis. The amount owing at June 30, 2004 was \$281,122. This entire amount has been accrued in the financial statements.

NOTE 5 EMPLOYEE FUTURE BENEFITS

Employee future benefits include benefits that may be paid to employees retiring or terminating. These costs are for benefits such as vested sick leave payouts and retiring allowances. The estimated liability for these benefits, based on October 2003 school district employee data was determined by an actuarial study conducted by Mercer Human Resources Consulting Limited in accordance with section 3461 of the Canadian Institute of Chartered Accountant's handbook.

Employee future benefits are recorded as an expense in the year payments are made. The amount of employee future benefits actuarially estimated at June 30, 2004 was \$1,645,791. Of this amount, \$200,000 has been accrued in the financial statements.

NOTE 6 UNFUNDED PENSION LIABILITY

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 contributors from school districts and the Municipal Plan has about 123,000 active contributors, of which approximately 20,000 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, 2002 indicated a \$382 million unfunded liability for basic pension benefits. The next valuation will be as at December 2005. The most recent valuation for the Municipal Pension Plan as at December 31, 2000 indicated a funding surplus of \$436 million for basic pension benefits. The next valuation will be as at December 31, 2003 with results available in 2004. The Joint Trust Agreements specify how surplus assets can be used. The actuary does not attribute portions of the surplus/unfunded liability to individual employers. Employer contributions to the plans in the fiscal year ended June 30, 2004 were \$663,427.

NOTE 7 DEFERRED CAPITAL CONTRIBUTIONS

Prior to July 1, 2003 funds advanced by the Province for approved capital projects were recorded as deferred capital contributions. These funds included a portion for site purchases. Deferred Capital Contributions – Province of British Columbia was recognized by amortizing to capital fund equity (Investment in Capital Assets). The amortization period was 32 years.

Effective July 1, 2003, an adjustment was made to remove the portion for site purchases and revise the 32 year amortization period to the capital asset rates.

	Deferred Capital Contributions	Accumulated Amortization	Unamortized Deferred Capital Contributions
Balance June 30, 2003	31,699,364	10,312,815	21,386,549
Adjustment	13,842,020	11,692,066	2,149,954
Balance July 1, 2003	<u>45,541,384</u>	<u>22,004,881</u>	<u>23,536,503</u>

For the 2003/04 fiscal year, funds advanced by the Province for approved capital projects were 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 to capital fund equity (Investment in Capital Assets).
- Amortization commences in the year following acquisition, thus the amortization amount is based on assets acquired prior to July 1, 2003.

NOTE 8 OPERATING FUND BALANCE, END OF YEAR

Unrestricted Operating Surplus (Deficit)	\$473,996
Internally Restricted (appropriated) by Board for:	
First Nations Unspent Targeted Funding	\$ 4,794
School-Based Budget Carryovers	\$174,495
Other Carryovers	<u>\$ 48,014</u>
Subtotal Internally Restricted	<u>\$227,303</u>
Total Available for Future Operations	<u>\$246,693</u>

NOTE 9 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3.

NOTE 10 SCHOOL-GENERATED FUNDS

Funds collected and used at the school level are not included in these statements.

NOTE 11 USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

NOTE 12 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the current year's presentation.

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2004

Schedule A1

	2004	2004 AMENDED ANNUAL BUDGET	2003
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	17,730,431	17,693,664	19,172,106
Provincial Grants - Other		244,000	120,590
Federal Grants	7,177	7,589	9,345
Other Revenue	308,932	292,000	422,855
Rentals and Leases	11,077	10,000	18,864
Investment Income	62,296	30,000	61,298
	<u>18,119,913</u>	<u>18,277,253</u>	<u>19,805,058</u>
EXPENSE			
Salaries			
Teachers	7,292,453	7,058,647	7,859,859
Principals and Vice Principals	1,273,364	1,254,210	1,576,145
Educational Assistants	1,025,127	1,257,036	1,189,775
Support Staff	2,393,360	2,409,705	2,681,905
Other Professionals	504,980	435,960	542,878
Substitutes	644,817	647,519	581,167
	<u>13,134,101</u>	<u>13,063,077</u>	<u>14,431,729</u>
Employee Benefits	2,566,288	2,692,221	2,924,576
Services and Supplies	2,146,644	2,610,372	2,070,830
	<u>17,847,033</u>	<u>18,365,670</u>	<u>19,427,135</u>
NET REVENUE (EXPENSE) FOR THE YEAR	272,880	(88,417)	377,923
INTERFUND TRANSFERS			
Capital Assets Purchased			
Local Capital	(100,000)	(100,000)	(165,000)
Other			159,347
Budgeted Allocation of Surplus (Deficit)		188,417	
Surplus (Deficit) Beginning of Year	301,116		(71,154)
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>473,996</u>	0	<u>301,116</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	227,303		
Unrestricted	246,693		
	<u>473,996</u>		

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2004

Schedule A2

	2004	2004 AMENDED ANNUAL BUDGET	2003
	ACTUAL		ACTUAL
PROVINCIAL GRANTS, MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	17,822,992	17,822,992	19,013,774
Other Ministry of Education Grants			
Other Grants	186,979	140,672	560,443
Reduction for FN Direct Funding	(279,540)	(270,000)	(402,111)
	<u>17,730,431</u>	<u>17,693,664</u>	<u>19,172,106</u>
PROVINCIAL GRANTS, OTHER		244,000	120,590
FEDERAL GRANTS	<u>7,177</u>	<u>7,589</u>	<u>9,345</u>
OTHER REVENUE			
School Referendum Taxes			
Other School District/Education Authorities			
Summer School Fees			
Continuing Education			
Offshore Tuition Fees	22,000	22,000	8,000
LEA/Direct Funding from First Nations	279,540	270,000	405,029
Miscellaneous			
Central Stores	5,816		7,881
Miscellaneous	1,576		1,945
	<u>308,932</u>	<u>292,000</u>	<u>422,855</u>
RENTALS AND LEASES	<u>11,077</u>	<u>10,000</u>	<u>18,864</u>
INVESTMENT INCOME	<u>62,296</u>	<u>30,000</u>	<u>61,298</u>
TOTAL OPERATING REVENUE	<u><u>18,119,913</u></u>	<u><u>18,277,253</u></u>	<u><u>19,805,058</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2004

Schedule A3

	2004	2004 AMENDED ANNUAL BUDGET	2003
	ACTUAL		ACTUAL
SALARIES			
Teachers	7,292,453	7,058,647	7,859,859
Principals and Vice Principals	1,273,364	1,254,210	1,576,145
Educational Assistants	1,025,127	1,257,036	1,189,775
Support Staff	2,393,360	2,409,705	2,681,905
Other Professionals	504,980	435,960	542,878
Substitutes	644,817	647,519	581,167
	<u>13,134,101</u>	<u>13,063,077</u>	<u>14,431,729</u>
EMPLOYEE BENEFITS			
	2,566,288	2,692,221	2,924,576
Total Salaries and Benefits	<u>15,700,389</u>	<u>15,755,298</u>	<u>17,356,305</u>
SERVICES AND SUPPLIES			
Services	492,339	558,435	579,926
Student Transportation	83,621	88,513	67,343
Professional Development and Travel	195,290	246,940	85,379
Rentals and Leases	90,775	84,260	25,837
Dues and Fees	21,310	25,830	44,357
Insurance	48,239	56,872	58,201
Interest			
Supplies	564,542	804,166	540,751
Bad Debts			
Furniture and Equipment Replacement	40,223	104,356	39,613
Computer Equipment Replacement			412
Utilities	610,305	641,000	629,011
Total Services and Supplies	<u>2,146,644</u>	<u>2,610,372</u>	<u>2,070,830</u>
TOTAL OPERATING EXPENSE	<u>17,847,033</u>	<u>18,365,670</u>	<u>19,427,135</u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2004

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	5,783,569	409,202		84,048		272,891	6,549,710
1.03 Career Programs	68,270					3,350	71,620
1.07 Library Services	175,551			136,135		21,481	333,167
1.08 Counselling	168,585					8,273	176,858
1.10 Special Education	968,299	80,533	862,547	5,920	56,960	122,772	2,097,031
1.30 English as a Second Language							0
1.31 Aboriginal Education	32,044	80,614	131,687	9,641		9,737	263,723
1.41 School Administration		608,927		368,199		35,710	1,012,836
1.60 Summer School							0
1.61 Continuing Education	96,135		30,893			6,491	133,519
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	7,292,453	1,179,276	1,025,127	603,943	56,960	480,705	10,638,464
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration		94,088		696	191,580		286,364
4.40 School District Governance					52,750		52,750
4.41 Business Administration				141,062	76,787	123	217,972
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	94,088	0	141,758	321,117	123	557,086
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				55,878	63,133	1,101	120,112
5.50 Maintenance Operations				1,219,286		124,876	1,344,162
5.52 Maintenance of Grounds				60,072		2,272	62,344
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	1,335,236	63,133	128,249	1,526,618
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration				40,160	63,770		103,930
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				272,263		35,740	308,003
7.73 Housing							0
Total Function 7	0	0	0	312,423	63,770	35,740	411,933
9 DEBT SERVICES (OPERATING)							
9.92 Interest On Bank Loans							
9.94 Interest On Temporary Borrowing							
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	7,292,453	1,273,364	1,025,127	2,393,360	504,980	644,817	13,134,101

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2004

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2004 ACTUAL	2004 AMENDED ANNUAL BUDGET	2003 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	6,549,710	1,241,859	7,791,569	493,083	8,284,652	8,279,510	8,986,063
1.03 Career Programs	71,620	13,399	85,019	13,336	98,355	102,622	156,584
1.07 Library Services	333,167	65,695	398,862	32,712	431,574	425,835	525,905
1.08 Counselling	176,858	33,088	209,946	6,182	216,128	209,295	318,589
1.10 Special Education	2,097,031	444,975	2,542,006	74,732	2,616,738	2,947,736	2,806,643
1.30 English as a Second Language	0		0		0	1,000	
1.31 Aboriginal Education	263,723	55,103	318,826	157,590	476,416	533,193	564,819
1.41 School Administration	1,012,836	195,117	1,207,953	29,682	1,237,635	1,355,217	1,247,131
1.60 Summer School	0		0		0		
1.61 Continuing Education	133,519	27,234	160,753	74,847	235,600	223,443	328,329
1.62 Off Shore Students	0		0		0		
1.64 Other	0		0	21,222	21,222	30,000	26,015
1.65 Conseil Scolaire Francophone	0		0		0		
Total Function 1	10,638,464	2,076,470	12,714,934	903,386	13,618,320	14,107,851	14,960,078
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	286,364	43,739	330,103	23,640	353,743	327,107	306,010
4.40 School District Governance	52,750	1,398	54,148	30,090	84,238	97,423	88,093
4.41 Business Administration	217,972	44,021	261,993	93,100	355,093	343,667	448,642
4.65 Conseil Scolaire Francophone	0		0		0		
Total Function 4	557,086	89,158	646,244	146,830	793,074	768,197	842,745
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	120,112	20,681	140,793	36,882	177,675	185,377	138,723
5.50 Maintenance Operations	1,344,162	268,259	1,612,421	305,947	1,918,368	1,930,791	2,012,776
5.52 Maintenance of Grounds	62,344	16,298	78,642	28,396	107,038	110,583	105,392
5.56 Utilities	0		0	610,305	610,305	641,000	629,012
5.65 Conseil Scolaire Francophone	0		0		0		
Total Function 5	1,526,618	305,238	1,831,856	981,530	2,813,386	2,867,751	2,885,903
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	103,930	16,574	120,504	5,566	126,070	115,738	142,095
7.65 Conseil Scolaire Francophone	0		0		0		
7.70 Student Transportation	308,003	78,848	386,851	106,432	493,283	503,133	593,249
7.73 Housing	0		0	2,900	2,900	3,000	3,065
Total Function 7	411,933	95,422	507,355	114,898	622,253	621,871	738,409
9 DEBT SERVICES (OPERATING)							
9.92 Interest On Bank Loans							
9.94 Interest On Temporary Borrowing							
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	13,134,101	2,566,288	15,700,389	2,146,644	17,847,033	18,365,670	19,427,135

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

Schedule A5

BALANCE, BEGINNING OF YEAR	115,216
Changes in Accounting Policies / Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	115,216
Changes for the Year	
Increase:	
2003/04 GAAP Grant	11,000
	11,000
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	115,216
	115,216
Net Changes for the Year	(104,216)
BALANCE, END OF YEAR	11,000

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2004

Schedule B1

	MINISTRY OF EDUCATION TRUST FUNDS	OTHER TRUST FUNDS	SCHOOL GENERATED FUNDS	RELATED PARTIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	540,326	42,422	0	0	582,748
Add: Contributions Received					
Provincial Grants - Ministry of Education	750,540				750,540
Provincial Grants - Other		244,000			244,000
Federal Grants		8,915			8,915
Other Revenue		5,025			5,025
Rentals and Leases	12,116				12,116
Investment Income		412			412
District Entered	97,678				97,678
	860,334	258,352	0	0	1,118,686
Less: Allocated to Revenue	347,502	230,222			577,724
Recovered					0
Transfer Unspent Seismic Grant to ACG					0
DEFERRED CONTRIBUTIONS, END OF YEAR	1,053,158	70,552	0	0	1,123,710
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	341,903				341,903
Provincial Grants - Other		203,584			203,584
Federal Grants		24,513			24,513
Other Revenue		1,713			1,713
Rentals and Leases	5,599				5,599
Investment Income		412			412
Gain (Loss) on Equity Investment					0
	347,502	230,222	0	0	577,724
EXPENSE					
Salaries					
Teachers		51,319			51,319
Principals and Vice Principals					0
Educational Assistants		122,842			122,842
Support Staff					0
Other Professionals					0
Substitutes	6,959	180			7,139
	6,959	174,341	0	0	181,300
Employee Benefits	411	25,389			25,800
Services and Supplies	282,843	30,492			313,335
	290,213	230,222	0	0	520,435
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	57,289	0	0	0	57,289
INTERFUND TRANSFERS					
Capital Assets Purchased	(57,289)				(57,289)
Other					0
	(57,289)	0	0	0	(57,289)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION TRUST FUNDS
YEAR ENDED JUNE 30, 2004

Schedule B2

	207 Annual Capital Grant	295 One Time GAAP Grant	231 Aboriginal Education Technology	250 Special Education Equipment	260 Employee Housing	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	455,581		62,003	6,983	15,759	540,326
Add: Contributions Received						
Provincial Grants - Ministry of Education	636,046	109,144		5,350		750,540
Provincial Grants - Other						0
Federal Grants						0
Other Revenue						0
Rentals and Leases					12,116	12,116
Investment Income						0
District Entered	97,678					97,678
	733,724	109,144		5,350	12,116	860,334
Less: Allocated to Revenue	274,322		61,768	5,813	5,599	347,502
Recovered						0
Transfer Unspent Seismic Grant to ACG						0
DEFERRED CONTRIBUTIONS, END OF YEAR	914,983	109,144	235	6,520	22,276	1,053,158
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education	274,322		61,768	5,813		341,903
Provincial Grants - Other						0
Federal Grants						0
Other Revenue						0
Rentals and Leases					5,599	5,599
Investment Income						0
	274,322		61,768	5,813	5,599	347,502
EXPENSE						
Salaries						
Teachers						0
Principals and Vice Principals						0
Educational Assistants						0
Support Staff						0
Other Professionals						0
Substitutes	6,567		392			6,959
	6,567		392			6,959
Employee Benefits	404		7			411
Services and Supplies	267,351		4,080	5,813	5,599	282,843
	274,322		4,479	5,813	5,599	290,213
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS			57,289			57,289
INTERFUND TRANSFERS						
Capital Assets Purchased			(57,289)			(57,289)
Other						0
			(57,289)			(57,289)
NET REVENUE (EXPENSE)						0

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER TRUST FUNDS
YEAR ENDED JUNE 30, 2004

Schedule B3

	CommunityLINK 602	401 SCHOLARSHIPS	402 MACMILLAN FUND	601 HRDC	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR		10,050	1,483	30,889	42,422
Add: Contributions Received					
Provincial Grants - Ministry of Education					0
Provincial Grants - Other	244,000				244,000
Federal Grants				8,915	8,915
Other Revenue		5,025			5,025
Rentals and Leases					0
Investment Income		412			412
District Entered					0
	244,000	5,437		8,915	258,352
Less: Allocated to Revenue	203,584	2,125		24,513	230,222
Recovered					0
Transfer Unspent Seismic Grant to ACG					0
DEFERRED CONTRIBUTIONS, END OF YEAR	40,416	13,362	1,483	15,291	70,552
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education					0
Provincial Grants - Other	203,584				203,584
Federal Grants				24,513	24,513
Other Revenue		1,713			1,713
Rentals and Leases					0
Investment Income		412			412
	203,584	2,125	0	24,513	230,222
EXPENSE					
Salaries					
Teachers	51,319				51,319
Principals and Vice Principals					0
Educational Assistants	122,842				122,842
Support Staff					0
Other Professionals					0
Substitutes	180				180
	174,341	0	0	0	174,341
Employee Benefits	25,389				25,389
Services and Supplies	3,854	2,125		24,513	30,492
	203,584	2,125	0	24,513	230,222
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	0	0	0		0
INTERFUND TRANSFERS					
Capital Assets Purchased					0
Other					0
	0	0	0	0	0
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2004

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
BALANCE, BEGINNING OF YEAR	2,891,161	45,678,446	6,662,385	2,180,656	0	1,027,034	58,439,682
Changes in Accounting Policy / Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	2,891,161	45,678,446	6,662,385	2,180,656	0	1,027,034	58,439,682
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions				223,000			223,000
Operating Fund							0
Special Purpose Funds			6,750		4,459	46,080	57,289
Capital Reserves			102,753	4,724		65,287	172,764
Capital Leases	0	0	109,503	227,724	4,459	111,367	453,053
	0	0	109,503	227,724	4,459	111,367	453,053
Decrease:							
Disposed Of			20	4,000			4,020
District Entered							0
	0	0	20	4,000	0	0	4,020
Net Changes for the Year	0	0	109,483	223,724	4,459	111,367	449,033
BALANCE, END OF YEAR	2,891,161	45,678,446	6,771,868	2,404,380	4,459	1,138,401	58,888,715
WORK IN PROGRESS							
CAPITAL ASSETS - NET	2,891,161	45,678,446	6,771,868	2,404,380	4,459	1,138,401	58,888,715

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

Schedule C2

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
BALANCE, BEGINNING OF YEAR	21,386,549			21,386,549
Changes in Accounting Policy/ Prior Period Adjustments				
Adjust Opening Deferred Capital Contributions	2,149,954			2,149,954
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>23,536,503</u>	0	0	<u>23,536,503</u>
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	223,000			223,000
	<u>223,000</u>	0	0	<u>223,000</u>
Decrease:				
Amortization of Deferred Capital Contributions	1,031,293			1,031,293
	<u>1,031,293</u>	0	0	<u>1,031,293</u>
Net Changes for the Year	<u>(808,293)</u>	0	0	<u>(808,293)</u>
BALANCE, END OF YEAR	<u><u>22,728,210</u></u>	0	0	<u><u>22,728,210</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2004

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	0	0	0	0
Changes in Accounting Policies /				
Prior Period Adjustments				
Bylaw Capital (Over)/Under Spent Beginning of Year	97,678			97,678
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>97,678</u>	<u>0</u>	<u>0</u>	<u>97,678</u>
Changes for the Year				
Increase:				
Provincial Grants - Ministry of Education	223,000			223,000
	<u>223,000</u>	<u>0</u>	<u>0</u>	<u>223,000</u>
Decrease:				
Transferred to DCC - Capital Additions	223,000			223,000
Transfer Unspent Seismic Grant to ACG	97,678			97,678
	<u>320,678</u>	<u>0</u>	<u>0</u>	<u>320,678</u>
Net Changes for the Year	<u>(97,678)</u>	<u>0</u>	<u>0</u>	<u>(97,678)</u>
BALANCE, END OF YEAR	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

SCHOOL DISTRICT NO. 85 (Vancouver Island North)
CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2004

Schedule C4

	FUND BALANCE	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL RESERVE	CAPITAL RESERVE	LAND CAPITAL RESERVE	TOTAL RESERVES
BALANCE, BEGINNING OF YEAR	37,518,632	37,150,810	355,187	12,635		367,822
Changes in Accounting Policies/ Prior Period Adjustments						
Deferred Capital Contributions	(13,842,020)	(13,842,020)				0
Bylaw Capital Over/(Under) Spent Beginning of Year	(97,678)	(97,678)				0
District Entered	11,692,066	11,692,066				0
BALANCE, BEGINNING OF YEAR, AS RESTATED	35,271,000	34,903,178	355,187	12,635	0	367,822
Changes for the Year						
Local Government Site Fees						0
Investment Income	3,226		3,105	121		3,226
Gain (Loss) on Disposal of Capital Assets						0
Proceeds from Sale of Assets		(4,020)	4,020			4,020
Amortization of Deferred Capital Contributions	1,031,293	1,031,293				0
Capital Assets Purchased from Reserves		172,764	(172,764)			(172,764)
Interfund Transfers - Capital Assets Purchased	57,289	57,289				0
Interfund Transfers - Local Capital	100,000		100,000			100,000
Net Changes for the Year	1,191,808	1,257,326	(65,639)	121	0	(65,518)
BALANCE, END OF YEAR	36,462,808	36,160,504	289,548	12,756	0	302,304