

# SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2010/2011

SCHOOL DISTRICT NUMBER 85	NAME OF SCHOOL DISTRICT Vancouver Island North	YEAR 2010/2011
OFFICE LOCATION 6975 Rupert Street		TELEPHONE NUMBER 250 949 6618
CITY/PROVINCE Port Hardy, BC		POSTAL CODE V0N 2P0
WEBSITE ADDRESS www.sd85.bc.ca		
NAME OF SUPERINTENDENT Scott Benwell		NAME OF SECRETARY-TREASURER John Martin

## 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. 85 (Vancouver Island North) ("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. 85 (Vancouver Island North) for the year ended June 30, 2011.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION	DATE SIGNED 12-Sep-11
SIGNATURE OF SUPERINTENDENT	DATE SIGNED 12-Sep-11
SIGNATURE OF SECRETARY-TREASURER	DATE SIGNED 12-Sep-11

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)  
2010/2011 AUDITED FINANCIAL STATEMENTS**

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C H A R T E R E D   A C C O U N T A N T S

## INDEPENDENT AUDITORS' REPORT

To: The Board of Education of  
School District No. 85 (Vancouver Island North)

We have audited the accompanying financial statements of School District No. 85 (Vancouver Island North) which comprise the statement of financial position as at June 30, 2011, and the statement of revenue and expense, statement of changes in fund balances, statement of cash flows, all schedules including A5, B1, C3 and C4 for the year then ended, and 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 for not-for-profit organizations 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.

### Auditor's 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 the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

John H. Chan Ltd.  
Shelly A. Boates Ltd.  
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers 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. 85 (Vancouver Island North) as at June 30, 2011, and of its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Chartered Accountants  
Campbell River, BC

September 12, 2011

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2011**

**Statement 1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 2,234,181	\$ 272,143		\$ 2,506,324	\$ 6,970,652
Short Term Investments (Note 5)	8,566			8,566	
Accounts Receivable					
Other Receivables (Note 4)	190,342			190,342	60,045
Interfund Loans		115,679	239,925		
Prepaid Expenses	40,253			40,253	40,247
	<u>2,473,342</u>	<u>387,822</u>	<u>239,925</u>	<u>2,745,485</u>	<u>7,070,944</u>
Investments (Note 5)	3,203,827			3,203,827	
Capital Assets - Net (Note 6)			28,090,550	28,090,550	27,728,964
	<u>5,677,169</u>	<u>387,822</u>	<u>28,330,475</u>	<u>34,039,862</u>	<u>34,799,908</u>
<b>TOTAL ASSETS</b>					
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	1,723,583			1,723,583	1,952,949
Interfund Loans	355,604				
	<u>2,079,187</u>	-	-	<u>1,723,583</u>	<u>1,952,949</u>
Deferred Contributions					
Ministry of Education		71,669	12,756	84,425	789,276
Province - Other	24,334			24,334	
Other		316,153		316,153	409,622
Accrued Employee Future Benefits (Note 7)	1,758,383			1,758,383	1,809,848
Deferred Capital Contributions			18,035,910	18,035,910	18,833,910
	<u>3,861,904</u>	<u>387,822</u>	<u>18,048,666</u>	<u>21,942,788</u>	<u>23,795,605</u>
<b>TOTAL LIABILITIES</b>					
Fund Balances					
Invested in Capital Assets			10,054,642	10,054,642	8,895,056
Internally Restricted (Note 9)	1,010,380		227,167	1,237,547	1,608,683
Unrestricted (Note 9)	804,885			804,885	500,564
	<u>1,815,265</u>	-	<u>10,281,809</u>	<u>12,097,074</u>	<u>11,004,303</u>
<b>TOTAL FUND BALANCES</b>					
<b>TOTAL LIABILITIES AND FUND BALANCES</b>					
	<u>\$ 5,677,169</u>	<u>\$ 387,822</u>	<u>\$ 28,330,475</u>	<u>\$ 34,039,862</u>	<u>\$ 34,799,908</u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2011**

**Statement 2**

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2011	2010
	FUND	FUNDS	FUND	2011	2010
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 18,678,188	\$ 1,473,477		\$ 20,151,665	\$ 20,307,145
Provincial Grants - Other	15,666			15,666	211,852
Other Revenue	114,606	475,733		590,339	540,859
Rentals and Leases	55,906			55,906	24,727
Investment Income	11,501		1,710	13,211	4,038
Amortization of Deferred Capital Contributions			951,500	951,500	963,462
	<u>18,875,867</u>	<u>1,949,210</u>	<u>953,210</u>	<u>21,778,287</u>	<u>22,052,083</u>
<b>EXPENSE</b>					
Salaries					
Teachers	6,914,549	99,838		7,014,387	7,046,801
Principals and Vice Principals	1,428,164			1,428,164	1,505,232
Educational Assistants	1,369,455	182,559		1,552,014	1,465,667
Support Staff	2,405,524			2,405,524	2,556,091
Other Professionals	544,549			544,549	548,921
Substitutes	585,941	12,280		598,221	601,106
	<u>13,248,182</u>	<u>294,677</u>	<u>-</u>	<u>13,542,859</u>	<u>13,723,818</u>
Employee Benefits	2,865,492	70,964		2,936,456	2,849,143
Services and Supplies	2,457,445	527,892		2,985,337	3,126,583
Amortization of Capital Assets			1,220,864	1,220,864	1,194,824
	<u>18,571,119</u>	<u>893,533</u>	<u>1,220,864</u>	<u>20,685,516</u>	<u>20,894,368</u>
<b>NET REVENUE (EXPENSE)</b>	<u><b>\$ 304,748</b></u>	<u><b>\$ 1,055,677</b></u>	<u><b>\$ (267,654)</b></u>	<u><b>\$ 1,092,771</b></u>	<u><b>\$ 1,157,715</b></u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED JUNE 30, 2011**

**Statement 3**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>FUND BALANCES, BEGINNING OF YEAR</b>	\$ 1,610,517		\$ 9,393,786	\$ 11,004,303	\$ 9,846,588
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	304,748	1,055,677	(267,654)	1,092,771	1,157,715
Interfund Transfers					
Capital Assets Purchased (Note 10)		(1,055,677)	1,055,677	-	
Local Capital (Note 10)	(100,000)		100,000	-	
<b>Net Changes for the Year</b>	<u>204,748</u>	<u>-</u>	<u>888,023</u>	<u>1,092,771</u>	<u>1,157,715</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><b>\$ 1,815,265</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 10,281,809</b></u>	<u><b>\$ 12,097,074</b></u>	<u><b>\$ 11,004,303</b></u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2011**

**Statement 4.1**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATIONS</b>					
Net Revenue (Expense) for the Year	\$ 304,748	\$ 1,055,677	\$ (267,654)	\$ 1,092,771	\$ 1,157,715
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	(8,566)			(8,566)	
Accounts Receivable	(130,297)			(130,297)	116,403
Interfund Loans	(1,028,586)	757,023	271,563	-	
Prepaid Expenses	(7)			(7)	(3,553)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities (Note 15 )				-	343,094
Other Current Liabilities	(229,366)			(229,366)	
Deferred Contributions	(5,936)	(768,050)		(773,986)	(1,225,367)
Accrued Employee Future Benefits (Note 15 )	(51,465)			(51,465)	10,728
Items Not Involving Cash					
Amortization of Capital Assets			1,220,864	1,220,864	1,194,824
Amortization of Deferred Capital Contributions			(951,500)	(951,500)	(963,462)
Interfund Transfers	(100,000)	(1,055,677)	1,155,677	-	
	<u>(1,249,475)</u>	<u>(11,027)</u>	<u>1,428,950</u>	<u>168,448</u>	<u>630,382</u>
<b>FINANCING</b>					
Deferred Contributions Received - Capital			153,500	153,500	
	-	-	153,500	153,500	-
<b>INVESTING</b>					
Capital Assets Purchased - Special Purpose			(1,055,677)	(1,055,677)	(1,581,156)
Capital Assets Purchased - Local Capital			(373,273)	(373,273)	(52,886)
Capital Assets Purchased - Deferred Contributions - Capital			(153,500)	(153,500)	
Decrease (Increase) in Investments	(3,203,826)			(3,203,826)	
	<u>(3,203,826)</u>	<u>-</u>	<u>(1,582,450)</u>	<u>(4,786,276)</u>	<u>(1,634,042)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b><u>\$ (4,453,301)</u></b>	<b><u>\$ (11,027)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (4,464,328)</u></b>	<b><u>\$ (1,003,660)</u></b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2011**

**Statement 4.2**

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2011	TOTAL 2010
<b>NET INCREASE (DECREASE) IN CASH</b>	\$ (4,453,301)	\$ (11,027)	\$ -	\$ (4,464,328)	\$ (1,003,660)
<b>Net Cash, Beginning of Year</b>	6,687,482	283,170		6,970,652	7,974,312
<b>NET CASH, END OF YEAR</b>	<u>\$ 2,234,181</u>	<u>\$ 272,143</u>	<u>\$ -</u>	<u>\$ 2,506,324</u>	<u>\$ 6,970,652</u>
Cash	\$ 2,234,181	\$ 272,143		\$ 2,506,324	\$ 6,970,652
<b>NET CASH, END OF YEAR</b>	<u>\$ 2,234,181</u>	<u>\$ 272,143</u>	<u>\$ -</u>	<u>\$ 2,506,324</u>	<u>\$ 6,970,652</u>



**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 1      AUTHORITY AND PURPOSE**

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

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. 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 balance 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.
  - Endowment funds.
  - Funds collected and used at the school level (i.e. school-generated funds).
  - Controlled and/or related entities.
- 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 terms to maturity of three months or less.

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

c) Investments

Short term investments include securities with terms to maturity of greater than three months and less than one year. Long term investments include securities with terms to maturity of greater than one year.

The School District's investments held on July 1, 2010 or acquired subsequently are designated as held for trading investments. Held for trading investments are recorded at fair value and any changes in fair value are recognized as investment income in the statement of revenue and expense.

d) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (see Note 4)

e) Prepaid Expenses

Prepaid expenses include payments for services such as insurance that extend beyond the current period.

f) Capital Assets

The following criteria apply:

- Capital assets acquired or constructed are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings that no longer contribute to the ability of the district to provide services are written-down to residual value.
- Buildings that are demolished or destroyed are written-off.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

Buildings	40 years
Furniture & Equipment	10 years
Vehicles	10 years
Computer Software	5 years
Computer Hardware	5 years

g) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received. 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.

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

g) Revenue Recognition (continued)

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

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

h) 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 contracts are categorized as Other Professionals.
- Allocation of Costs
  - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
  - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
  - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
  - Supplies and services are allocated based on actual identification of program.

i) Financial Instruments

Financial instruments consist of cash, cash equivalents, investments, accounts receivable, accounts payable and other 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 these financial instruments approximate their carrying values, unless otherwise noted.

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

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

j) 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.

k) Employee Future Benefits

The School District provides certain post-employment benefits including accumulated sick leave payouts, vacation pay, retirement allowances, and early retirement incentives for certain employees pursuant to certain contracts and collective agreements.

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is 10.3 years.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

**NOTE 3      FUTURE CHANGE IN ACCOUNTING POLICIES**

The June 30, 2013 financial statements and budgets of School Districts will be prepared following Public Sector Accounting Standards (PSAB) without not-for-profit provisions. The Ministry of Education is currently working on the format that will be used by school districts for both their budget and financial statement reporting. The 2013 financial statements must also present "restated" figures for June 30, 2012 as well as an opening balance sheet as at July 1, 2011 (the date of transition). The School District will review the impact of the adoption of these proposed new standards on its financial statements once finalized.

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 4      ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

a) Due from LEA/Direct Funding	<u>2011</u>	<u>2010</u>
Due from Direct Funding (2002 – 2003)	\$79,245	\$79,245
Allowance for Doubtful Accounts	<u>79,245</u>	<u>79,245</u>
	<u>\$</u>	<u>\$</u>
b) Other Receivables	<u>2011</u>	<u>2010</u>
Due from Federal Government	\$115,293	\$14,208
Due from Other School Districts	49	1,090
Other	<u>75,000</u>	<u>44,747</u>
	<u>\$190,342</u>	<u>\$60,045</u>

**NOTE 5      INVESTMENTS**

The School District has made short-term investments as follows:

Category	Term (months)	Maturity	Rate	2011	2010
CIBC GIC	60	Oct/2011	3.25%	\$ 2,500	
CIBC GIC	24	Jan/2012	1.25%	1,966	
CIBC GIC	24	Feb/2012	1.25%	<u>4,100</u>	
				<u>\$ 8,566</u>	<u>\$</u>

The School District has made long-term investments as follows:

Category	Term (months)	Maturity	Rate	2011	2010
CIBC GIC	24	Nov/2012	2.10%	\$ 600,000	
CIBC GIC	24	Jun/2013	1.50%	3,827	
CIBC GIC	36	Nov/2013	2.00%	600,000	
CIBC GIC	48	Nov/2014	2.40%	1,000,000	
CIBC GIC	60	Nov/2015	2.50%	<u>1,000,000</u>	
				<u>\$3,203,827</u>	<u>\$</u>

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 6 CAPITAL ASSETS**

	2011		2010	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$2,891,161	\$	\$2,891,161	\$2,891,161
Buildings	52,136,900	28,297,138	23,839,762	23,762,122
Furniture & Equipment	705,823	259,673	446,150	376,710
Vehicles	1,461,466	738,691	722,775	599,134
Computer Software	7,069		7,069	
Computer Hardware	279,839	96,206	183,633	99,837
	<u>\$57,482,258</u>	<u>\$29,391,708</u>	<u>\$28,090,550</u>	<u>\$27,728,964</u>

**NOTE 7 ACCRUED 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 the payment of these benefits and there are no Unfunded Accrued Employee Future Benefits identified on Statement 1 (Statement of Financial Position).

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

	2011	2010
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued Benefit Obligation – April 1	\$1,264,162	\$1,323,490
Service Cost	86,903	86,802
Interest Cost	62,765	92,260
Benefit Payments	-163,139	-170,233
Actuarial (Gain)/Loss	-10,786	-68,157
	<u>\$1,239,905</u>	<u>\$1,264,162</u>
<b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$1,239,905	\$1,264,162
Market Value of Plan Assets – March 31	0	0
Funded Status - Surplus/(Deficit)	\$-1,239,905	\$-1,264,162
Employer Contributions After Measurement Date	71,423	82,107
Unamortized Net Actuarial (Gain)/Loss	-589,901	-627,793
	<u>\$-1,758,383</u>	<u>\$-1,809,848</u>
Accrued Benefit Asset/(Liability) – June 30	<u>\$-1,758,383</u>	<u>\$-1,809,848</u>

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 7 ACCRUED EMPLOYEE FUTURE BENEFITS (Continued)**

<b>Components of Net Benefit Expense</b>	2011	2010
Service Cost	\$86,903	\$86,802
Interest Cost	62,765	92,260
Amortization of Net Actuarial (Gain)/Loss	-48,677	-48,555
Net Benefit Expense (Income)	\$100,990	\$130,507

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

Discount Rate – April 1	5.00%	7.00%
Discount Rate – March 31	4.75%	5.00%
Long Term Salary Growth – April 1	2.50% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	10.3 years	10.3 years

**NOTE 8 EMPLOYEE PENSION PLANS**

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trusted pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 47,000 active members from school districts, and approximately 29,000 retired members from school districts. The Municipal Pension Plan has about 163,000 active members, of which approximately 23,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Pension 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. The actuary does not attribute portions of the unfunded liability to individual employers. School District No. 85 (Vancouver Island North) paid \$1,518,395 for employer contributions to these plans in the year ended June 30, 2011.

**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 9      OPERATING FUND BALANCE, END OF YEAR**

Internally Restricted (appropriated) by the Board for:	
Appropriation to 2011 – 2012 Annual Budget	\$694,170
School-Based Budgets Carried Forward	181,713
Unspent Targeted Funding	77,878
Unspent Literacy Innovation Grant	29,710
Unspent French Grants	9,759
Pro-D Allocations Carried Forward	17,150
Subtotal Internally Restricted	<u>\$1,010,380</u>
Unrestricted Operating Surplus	<u>804,885</u>
Total Available for Future Operations	<u><u>\$1,815,265</u></u>

**NOTE 10      INTERFUND TRANSFERS**

Interfund transfers between the operating, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2011, transfers were as follows:

- Transfer from Operating Fund to Capital Fund      \$ 100,000
- Transfer from Special Purpose Funds to Capital Fund      1,055,677

These transfers were made in order to fund the cost of capital building programs and the acquisition costs of furniture, equipment, vehicles, computer software and computer hardware.

**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 bylaw on February 14, 2011.



**SCHOOL DISTRICT NO. 85 (VANCOUVER ISLAND NORTH)**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2011**

**NOTE 13 ASSET RETIREMENT OBLIGATION**

Legal liabilities may exist for the removal and disposal of asbestos in schools that will undergo major renovations or demolition. The existence and amount of this liability are not reasonably determinable as of June 30, 2011.

**NOTE 14 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 15 COMPARATIVE FIGURES**

The School District determined that the Statement of Cash Flows (Schedule 4.1) in 2009/10 was incorrect. The current year’s presentation of 2009/10 reports the correct amounts for accounts payable and accrued employee future benefits.

**NOTE 16 CAPITAL DISCLOSURES**

The Board considers its capital to be its operating, special purpose and capital fund balances. The internally restricted fund balances consist of amounts for current and potential commitments and amounts invested in capital assets. The Board’s objective when managing its capital is to safeguard its ability to continue as a going concern so it can continue to provide services to its students. Under the School Act the Board is not permitted to incur deficits without the approval of the Minister of Education. Annual budgets are developed and monitored to ensure the Board’s capital is maintained at an appropriate level.

**NOTE 17 RISK MANAGEMENT**

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance.

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**SURPLUS (DEFICIT)**  
**YEAR ENDED JUNE 30, 2011**

Schedule A1

	2011		
	2011 ACTUAL	AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	\$ 18,678,188	\$ 18,522,031	\$ 18,549,185
Provincial Grants - Other	15,666		
Other Revenue	114,606	23,342	53,477
Rentals and Leases	55,906	19,000	24,727
Investment Income	11,501	5,000	3,735
	<u>18,875,867</u>	<u>18,569,373</u>	<u>18,631,124</u>
<b>EXPENSE</b>			
Salaries			
Teachers	6,914,549	6,773,518	6,981,370
Principals and Vice Principals	1,428,164	1,421,098	1,505,232
Educational Assistants	1,369,455	1,630,491	1,315,758
Support Staff	2,405,524	2,279,401	2,520,789
Other Professionals	544,549	546,804	548,921
Substitutes	585,941	652,781	594,547
	<u>13,248,182</u>	<u>13,304,093</u>	<u>13,466,617</u>
Employee Benefits	2,865,492	3,189,442	2,804,984
Services and Supplies	2,457,445	3,040,791	2,551,905
	<u>18,571,119</u>	<u>19,534,326</u>	<u>18,823,506</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	304,748	(964,953)	(192,382)
<b>INTERFUND TRANSFERS</b>			
Local Capital	(100,000)	(100,000)	(100,000)
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
<b>BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)</b>		1,064,953	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	<u>204,748</u>	<u>\$ -</u>	<u>(292,382)</u>
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	1,610,517		1,902,899
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
(Section 156 (12) of School Act)	<u>\$ 1,815,265</u>		<u>\$ 1,610,517</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Internally Restricted	1,010,380		
Unrestricted	804,885		
	<u>\$ 1,815,265</u>		

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF REVENUE BY SOURCE**  
**YEAR ENDED JUNE 30, 2011**

Schedule A2

	2011 ACTUAL	2011 AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>PROVINCIAL GRANTS - MINISTRY OF EDUCATION</b>			
Operating Grant, Ministry of Education	\$ 18,510,699	\$ 18,378,215	\$ 18,378,215
Other Ministry of Education Grants			
French Grants	10,224	9,000	7,157
Pay Equity	115,216	115,216	115,216
Ready Set Learn	22,050	19,600	24,500
FSA	7,972		7,972
Carbon Tax Refund	11,473		10,185
BCeSIS Implementation			5,940
Education Guarantee	554		
	<u>18,678,188</u>	<u>18,522,031</u>	<u>18,549,185</u>
<b>PROVINCIAL GRANTS - OTHER</b>	<u>15,666</u>		
<b>FEDERAL GRANTS</b>			
<b>OTHER REVENUE</b>			
Miscellaneous			
Sale of Assets	6,726	3,162	5,989
SSEAC Apprenticeship	50,450	20,180	10,090
BCPSEA Trades Adjustment			29,139
Miscellaneous	57,430		8,259
	<u>114,606</u>	<u>23,342</u>	<u>53,477</u>
<b>RENTALS AND LEASES</b>	<u>55,906</u>	<u>19,000</u>	<u>24,727</u>
<b>INVESTMENT INCOME</b>	<u>11,501</u>	<u>5,000</u>	<u>3,735</u>
<b>TOTAL OPERATING REVENUE</b>	<u>\$ 18,875,867</u>	<u>\$ 18,569,373</u>	<u>\$ 18,631,124</u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A3

	2011		
	2011 ACTUAL	AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>SALARIES</b>			
Teachers	\$ 6,914,549	\$ 6,773,518	\$ 6,981,370
Principals and Vice Principals	1,428,164	1,421,098	1,505,232
Educational Assistants	1,369,455	1,630,491	1,315,758
Support Staff	2,405,524	2,279,401	2,520,789
Other Professionals	544,549	546,804	548,921
Substitutes	585,941	652,781	594,547
	<u>13,248,182</u>	<u>13,304,093</u>	<u>13,466,617</u>
<b>EMPLOYEE BENEFITS</b>	2,865,492	3,189,442	2,804,984
<b>TOTAL SALARIES AND BENEFITS</b>	<u>16,113,674</u>	<u>16,493,535</u>	<u>16,271,601</u>
<b>SERVICES AND SUPPLIES</b>			
Services	573,798	618,943	521,473
Student Transportation	41,475	57,985	57,220
Professional Development and Travel	302,757	347,407	266,250
Rentals and Leases	8,884	10,000	7,761
Dues and Fees	21,102	20,300	19,583
Insurance	50,970	55,363	51,939
Supplies	763,036	1,120,343	1,033,475
Utilities	695,423	810,450	594,204
<b>TOTAL SERVICES AND SUPPLIES</b>	<u>2,457,445</u>	<u>3,040,791</u>	<u>2,551,905</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>\$ 18,571,119</u>	<u>\$ 19,534,326</u>	<u>\$ 18,823,506</u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION, PROGRAM AND OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 5,282,523	\$ 467,521		\$ 72,344		\$ 274,730	\$ 6,097,118
1.07 Library Services	222,788			101,484		12,622	336,894
1.08 Counselling	200,369					9,342	209,711
1.10 Special Education	1,164,731	95,771	1,248,556	19,693	80,556	137,403	2,746,710
1.30 English as a Second Language	36,431					1,699	38,130
1.31 Aboriginal Education	7,707	47,886	120,899	14,085		8,320	198,897
1.41 School Administration		702,775		387,388		55,926	1,146,089
<b>Total Function 1</b>	6,914,549	1,313,953	1,369,455	594,994	80,556	500,042	10,773,549
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration		114,211			181,518		295,729
4.40 School District Governance					75,876		75,876
4.41 Business Administration				139,509	65,531		205,040
<b>Total Function 4</b>	-	114,211	-	139,509	322,925	-	576,645
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration				66,905	70,534	166	137,605
5.50 Maintenance Operations				1,223,775		59,791	1,283,566
5.52 Maintenance of Grounds				51,625		627	52,252
<b>Total Function 5</b>	-	-	-	1,342,305	70,534	60,584	1,473,423
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration				41,776	70,534	5,803	118,113
7.70 Student Transportation				286,940		19,512	306,452
<b>Total Function 7</b>	-	-	-	328,716	70,534	25,315	424,565
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>	-	-	-	-	-	-	-
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>\$ 6,914,549</b>	<b>\$ 1,428,164</b>	<b>\$ 1,369,455</b>	<b>\$ 2,405,524</b>	<b>\$ 544,549</b>	<b>\$ 585,941</b>	<b>\$ 13,248,182</b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**EXPENSE BY FUNCTION, PROGRAM AND OBJECT**  
**YEAR ENDED JUNE 30, 2011**

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2011 ACTUAL	2011 AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>1 INSTRUCTION</b>							
1.02 Regular Instruction	\$ 6,097,118	\$ 1,317,692	\$ 7,414,810	\$ 542,601	\$ 7,957,411	\$ 8,311,419	\$ 8,230,890
1.03 Career Programs	-	-	-	7,021	7,021	9,000	1,011
1.07 Library Services	336,894	78,392	415,286	33,797	449,083	437,685	401,094
1.08 Counselling	209,711	46,945	256,656	8,520	265,176	261,475	254,150
1.10 Special Education	2,746,710	623,757	3,370,467	126,452	3,496,919	3,802,440	3,318,465
1.30 English as a Second Language	38,130	8,581	46,711	6,855	53,566	52,044	154,017
1.31 Aboriginal Education	198,897	46,061	244,958	285,005	529,963	606,699	496,409
1.41 School Administration	1,146,089	245,269	1,391,358	43,048	1,434,406	1,477,084	1,446,967
1.64 Other	-	-	-	32,510	32,510	53,500	57,830
<b>Total Function 1</b>	<b>10,773,549</b>	<b>2,366,697</b>	<b>13,140,246</b>	<b>1,085,809</b>	<b>14,226,055</b>	<b>15,011,346</b>	<b>14,360,833</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	295,729	50,602	346,331	32,770	379,101	400,794	450,373
4.40 School District Governance	75,876	1,178	77,054	45,255	122,309	120,517	116,745
4.41 Business Administration	205,040	43,239	248,279	76,918	325,197	439,723	346,136
<b>Total Function 4</b>	<b>576,645</b>	<b>95,019</b>	<b>671,664</b>	<b>154,943</b>	<b>826,607</b>	<b>961,034</b>	<b>913,254</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	137,605	27,265	164,870	41,415	206,285	201,429	212,968
5.50 Maintenance Operations	1,283,566	268,911	1,552,477	349,854	1,902,331	1,849,224	1,988,600
5.52 Maintenance of Grounds	52,252	12,412	64,664	29,163	93,827	81,574	128,463
5.56 Utilities	-	-	-	695,423	695,423	810,450	594,204
<b>Total Function 5</b>	<b>1,473,423</b>	<b>308,588</b>	<b>1,782,011</b>	<b>1,115,855</b>	<b>2,897,866</b>	<b>2,942,677</b>	<b>2,924,235</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	118,113	20,576	138,689	5,910	144,599	95,431	142,256
7.70 Student Transportation	306,452	74,612	381,064	94,928	475,992	523,838	482,928
<b>Total Function 7</b>	<b>424,565</b>	<b>95,188</b>	<b>519,753</b>	<b>100,838</b>	<b>620,591</b>	<b>619,269</b>	<b>625,184</b>
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNCTIONS 1 - 9</b>	<b>\$ 13,248,182</b>	<b>\$ 2,865,492</b>	<b>\$ 16,113,674</b>	<b>\$ 2,457,445</b>	<b>\$ 18,571,119</b>	<b>\$ 19,534,326</b>	<b>\$ 18,823,506</b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**OPERATING FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

**Schedule A5**

<b>BALANCE, BEGINNING OF YEAR</b>	\$	30,270
<b>Changes for the Year</b>		
Increase:		
Provincial Grants - Other		<u>24,334</u>
		<u>24,334</u>
Decrease:		
Allocated to Revenue		<u>30,270</u>
Other Revenue		<u>30,270</u>
		<u>30,270</u>
<b>Net Changes for the Year</b>		<u>(5,936)</u>
<b>BALANCE, END OF YEAR</b>	<b>\$</b>	<b><u><u>24,334</u></u></b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**SPECIAL PURPOSE FUNDS**  
**SUMMARY OF CHANGES**  
**YEAR ENDED JUNE 30, 2011**

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 737,241	\$ 135,645	\$ 282,986		\$ 1,155,872
<b>Add:</b> Contributions Received					
Provincial Grants - Ministry of Education	379,906	386,553			766,459
Other		41,637	370,770		412,407
Investment Income	2,167	127			2,294
	382,073	428,317	370,770	-	1,181,160
<b>Less:</b> Allocated to Revenue	1,055,677	511,735	381,798		1,949,210
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	\$ 63,637	\$ 52,227	\$ 271,958	\$ -	\$ 387,822
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 1,055,677	\$ 417,800			\$ 1,473,477
Other Revenue		93,935	381,798		475,733
	1,055,677	511,735	381,798	-	1,949,210
<b>EXPENSE</b>					
Salaries					
Teachers		99,838			99,838
Educational Assistants		182,559			182,559
Substitutes		12,280			12,280
	-	294,677	-	-	294,677
Employee Benefits		70,964			70,964
Services and Supplies		146,094	381,798		527,892
	-	511,735	381,798	-	893,533
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	1,055,677	-	-	-	1,055,677
<b>INTERFUND TRANSFERS</b>					
Capital Assets Purchased	(1,055,677)				(1,055,677)
	(1,055,677)	-	-	-	(1,055,677)
<b>NET REVENUE (EXPENSE)</b>	\$ -	\$ -	\$ -	\$ -	\$ -



**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

Schedule B2

	207 Annual Facility Grant	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>			
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 720,785	\$ 16,456	\$ 737,241
<b>Add:</b> Contributions Received			
Provincial Grants - Ministry of Education	373,521	6,385	379,906
Investment Income	2,167		2,167
	375,688	6,385	382,073
<b>Less:</b> Allocated to Revenue	1,052,293	3,384	1,055,677
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 44,180</b>	<b>\$ 19,457</b>	<b>\$ 63,637</b>
<b>REVENUE AND EXPENSE</b>			
<b>REVENUE</b>			
Provincial Grants - Ministry of Education	\$ 1,052,293	\$ 3,384	\$ 1,055,677
	1,052,293	3,384	1,055,677
<b>EXPENSE</b>			
Salaries			
	-	-	-
	-	-	-
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	1,052,293	3,384	1,055,677
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(1,052,293)	(3,384)	(1,055,677)
	(1,052,293)	(3,384)	(1,055,677)
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**SPECIAL PURPOSE FUNDS**  
**CHANGES IN OTHER SPECIAL PURPOSE FUNDS**  
**YEAR ENDED JUNE 30, 2011**

Schedule B3

	Scholarships	Community LINK	StrongStart EarlyLearning	MWFamily Literacy	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 46,112	\$ 31,238	\$ 8,041	\$ 50,254	\$ 135,645
<b>Add:</b> Contributions Received					
Provincial Grants - Ministry of Education		296,553	90,000		386,553
Other	12,450			29,187	41,637
Investment Income	127				127
	12,577	296,553	90,000	29,187	428,317
<b>Less:</b> Allocated to Revenue	15,000	327,791	90,009	78,935	511,735
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	<b>\$ 43,689</b>	<b>\$ -</b>	<b>\$ 8,032</b>	<b>\$ 506</b>	<b>\$ 52,227</b>
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education		\$ 327,791	\$ 90,009		\$ 417,800
Other Revenue	15,000			78,935	93,935
	15,000	327,791	90,009	78,935	511,735
<b>EXPENSE</b>					
Salaries					
Teachers		99,838			99,838
Educational Assistants		139,045		43,514	182,559
Substitutes		12,280			12,280
	-	251,163	-	43,514	294,677
Employee Benefits		67,502		3,462	70,964
Services and Supplies	15,000	9,126	90,009	31,959	146,094
	15,000	327,791	90,009	78,935	511,735
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INTERFUND TRANSFERS</b>					
	-	-	-	-	-
<b>NET REVENUE (EXPENSE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**CAPITAL FUND**  
**CAPITAL ASSETS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>COST, BEGINNING OF YEAR</b>	\$ 2,891,161	\$ 51,069,607	\$ 578,530	\$ 1,350,619		\$ 191,479	\$ 56,081,396
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		15,000		138,500			153,500
Special Purpose Funds		1,052,293	3,384	120,203	7,069	122,092	1,055,677
Local Capital			123,909				373,273
	-	1,067,293	127,293	258,703	7,069	122,092	1,582,450
Decrease:							
Deemed Disposals				147,856		33,732	181,588
	-	-	-	147,856	-	33,732	181,588
<b>COST, END OF YEAR</b>	2,891,161	52,136,900	705,823	1,461,466	7,069	279,839	57,482,258
<b>WORK IN PROGRESS, END OF YEAR</b>							-
<b>COST AND WORK IN PROGRESS, END OF YEAR</b>	\$ 2,891,161	\$ 52,136,900	\$ 705,823	\$ 1,461,466	\$ 7,069	\$ 279,839	\$ 57,482,258
<b>ACCUMULATED AMORTIZATION, BEGINNING OF YEAR</b>		\$ 27,307,485	\$ 201,820	\$ 751,485		\$ 91,642	\$ 28,352,432
<b>Changes for the Year</b>							
Increase: Amortization for the Year		989,653	57,853	135,062		38,296	1,220,864
Decrease:							
Deemed Disposals				147,856		33,732	181,588
	-	-	-	147,856	-	33,732	181,588
<b>ACCUMULATED AMORTIZATION, END OF YEAR</b>	\$ -	\$ 28,297,138	\$ 259,673	\$ 738,691	\$ -	\$ 96,206	\$ 29,391,708
<b>CAPITAL ASSETS - NET</b>	\$ 2,891,161	\$ 23,839,762	\$ 446,150	\$ 722,775	\$ 7,069	\$ 183,633	\$ 28,090,550

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**CAPITAL FUND**  
**CAPITAL ASSETS - WORK IN PROGRESS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>				\$	-
<b>Changes for the Year</b>					
Increase	-	-	-	-	-
Decrease	-	-	-	-	-
<b>Net Changes for the Year</b>	-	-	-	-	-
<b>WORK IN PROGRESS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**CAPITAL FUND**  
**DEFERRED CAPITAL CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 18,833,910			\$ 18,833,910
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Capital Additions	153,500			153,500
	<u>153,500</u>	-	-	<u>153,500</u>
Decrease				
Amortization of Deferred Capital Contributions	951,500			951,500
	<u>951,500</u>	-	-	<u>951,500</u>
<b>Net Changes for the Year</b>	<u>(798,000)</u>	-	-	<u>(798,000)</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 18,035,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,035,910</u>
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>				\$ -
<b>Changes for the Year</b>				
Increase	-	-	-	-
Decrease	-	-	-	-
<b>Net Changes for the Year</b>	-	-	-	-
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 18,035,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,035,910</u>

**SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)**  
**CAPITAL FUND**  
**CHANGES IN DEFERRED CONTRIBUTIONS**  
**YEAR ENDED JUNE 30, 2011**

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>		\$ 12,756				\$ 12,756
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	153,500					153,500
	153,500	-	-	-	-	153,500
Decrease:						
Transferred to DCC - Capital Additions	153,500					153,500
	153,500	-	-	-	-	153,500
<b>Net Changes for the Year</b>	-	-	-	-	-	-
<b>BALANCE, END OF YEAR</b>	\$ -	\$ 12,756	\$ -	\$ -	\$ -	\$ 12,756

## SCHOOL DISTRICT No. 85 (VANCOUVER ISLAND NORTH)

Schedule C5

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

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 8,895,056	\$ 498,730	\$ 9,393,786
<b>Changes for the Year</b>			
Investment Income		1,710	1,710
Amortization of Deferred Capital Contributions	951,500		951,500
Capital Assets Purchased from Local Capital	373,273	(373,273)	-
Interfund Transfers - Capital Assets Purchased	1,055,677		1,055,677
Interfund Transfers - Local Capital		100,000	100,000
Amortization of Capital Assets	(1,220,864)		(1,220,864)
<b>Net Changes for the Year</b>	<u>1,159,586</u>	<u>(271,563)</u>	<u>888,023</u>
<b>BALANCE, END OF YEAR</b>	<u>\$ 10,054,642</u>	<u>\$ 227,167</u>	<u>\$ 10,281,809</u>