

# SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2010/2011

SCHOOL DISTRICT NUMBER 69	NAME OF SCHOOL DISTRICT Qualicum	YEAR 2010/2011
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CITY/PROVINCE Parksville, BC		POSTAL CODE V9P 2G5
WEBSITE ADDRESS www.sd69.bc.ca		
NAME OF SUPERINTENDENT Jim Ansell		NAME OF SECRETARY-TREASURER Bernice Hannam

## 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. 69 (Qualicum) ("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. 69 (Qualicum) for the year ended June 30, 2011.

*Signed Copy on File*

SCHOOL DISTRICT No. 69 (QUALICUM)  
2010/2011 AUDITED FINANCIAL STATEMENTS

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**INDEPENDENT AUDITORS' REPORT**

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To the Board of Education of School District No. 69 (Qualicum)

**Report on Financial Statements**

We have audited the accompanying statement of financial position of School District No. 69 (Qualicum) as at June 30, 2011 and the statements of revenue and expense, changes in fund balances and cash flows 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, 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 the 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 the auditors' 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.

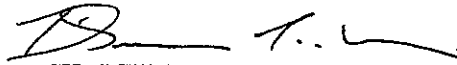
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2011 and the results of its operations, changes in fund balances and 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 basic financial statements of the School District taken as a whole. The current year's supplementary information included in Schedules A1 through C5 is presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
CHARTERED ACCOUNTANTS

Parksville, Canada  
September 27, 2011

**SCHOOL DISTRICT No. 69 (QUALICUM)**  
**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	\$ 7,658,080	\$ 772,347		\$ 8,430,427	\$ 7,943,213
Short Term Investments				-	2,402
Accounts Receivable					
Due from Province - Ministry of Education	43,958			43,958	31,772
Other Receivables (Note 3)	550,671			550,671	198,284
Interfund Loans		783,988	229,336		
Prepaid Expenses	22,679			22,679	23,070
	<u>8,275,388</u>	<u>1,556,335</u>	<u>229,336</u>	<u>9,047,735</u>	<u>8,198,741</u>
Capital Assets - Net (Note 4)			64,830,359	64,830,359	65,414,112
<b>TOTAL ASSETS</b>	<b>\$ 8,275,388</b>	<b>\$ 1,556,335</b>	<b>\$ 65,059,695</b>	<b>\$ 73,878,094</b>	<b>\$ 73,612,853</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	2,615,739			2,615,739	2,842,399
Interfund Loans	1,013,324				
	<u>3,629,063</u>	<u>-</u>	<u>-</u>	<u>2,615,739</u>	<u>2,842,399</u>
Deferred Revenue	510,375			510,375	392,684
Deferred Contributions					
Ministry of Education		783,988	1,091,509	1,875,497	1,592,409
Other	52,475	772,347	184,048	1,008,870	1,040,469
Accrued Employee Future Benefits (Note 6)	4,985,935			4,985,935	4,640,408
Deferred Capital Contributions			47,937,017	47,937,017	49,052,855
<b>TOTAL LIABILITIES</b>	<b>9,177,848</b>	<b>1,556,335</b>	<b>49,212,574</b>	<b>58,933,433</b>	<b>59,561,224</b>
Fund Balances					
Invested in Capital Assets			16,043,342	16,043,342	15,511,257
Internally Restricted			(196,221)	(196,221)	385,773
Unrestricted	864,418			864,418	91,477
Unfunded Accrued Employee Future Benefits (Note 7)	(1,766,878)			(1,766,878)	(1,936,878)
<b>TOTAL FUND BALANCES</b>	<b>(902,460)</b>	<b>-</b>	<b>15,847,121</b>	<b>14,944,661</b>	<b>14,051,629</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 8,275,388</b>	<b>\$ 1,556,335</b>	<b>\$ 65,059,695</b>	<b>\$ 73,878,094</b>	<b>\$ 73,612,853</b>

**SCHOOL DISTRICT No. 69 (QUALICUM)**  
**STATEMENT OF REVENUE AND EXPENSE**  
**YEAR ENDED JUNE 30, 2011**

**Statement 2**

	OPERATING	SPECIAL PURPOSE	CAPITAL	TOTAL	TOTAL
	FUND	FUNDS	FUND	2011	2010
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	\$ 41,966,743	\$ 261,201	\$ 30,246	\$ 42,258,190	\$ 42,367,348
Provincial Grants - Other	80,550			80,550	267,009
Other Revenue	1,984,783	1,354,079		3,338,862	3,700,981
Rentals and Leases	73,697			73,697	78,018
Investment Income	56,649	6,932	1,652	65,233	43,882
Amortization of Deferred Capital Contributions			2,164,485	2,164,485	2,129,208
Gain (Loss) on Disposal of Capital Assets			95,000	95,000	
	<u>44,162,422</u>	<u>1,622,212</u>	<u>2,291,383</u>	<u>48,076,017</u>	<u>48,586,446</u>
<b>EXPENSE</b>					
Salaries					
Teachers	17,695,569			17,695,569	18,019,757
Principals and Vice Principals	2,832,536			2,832,536	3,025,387
Educational Assistants	3,077,809			3,077,809	3,326,424
Support Staff	4,854,506			4,854,506	4,941,805
Other Professionals	1,033,134			1,033,134	1,111,923
Substitutes	1,143,085			1,143,085	1,186,782
	<u>30,636,639</u>	<u>-</u>	<u>-</u>	<u>30,636,639</u>	<u>31,612,078</u>
Employee Benefits	7,696,051			7,696,051	7,608,299
Services and Supplies	4,628,063	1,622,212	88,940	6,339,215	6,581,280
Amortization of Capital Assets			2,511,080	2,511,080	2,439,011
	<u>42,960,753</u>	<u>1,622,212</u>	<u>2,600,020</u>	<u>47,182,985</u>	<u>48,240,668</u>
<b>NET REVENUE (EXPENSE)</b>	<u>\$ 1,201,669</u>	<u>\$ -</u>	<u>\$ (308,637)</u>	<u>\$ 893,032</u>	<u>\$ 345,778</u>

**SCHOOL DISTRICT No. 69 (QUALICUM)**  
**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>	\$ (1,845,401)		\$ 15,897,030	\$ 14,051,629	\$ 13,705,851
<b>Changes for the Year</b>					
Net Revenue (Expense) for the Year	1,201,669		(308,637)	893,032	345,778
Interfund Transfers					
Capital Assets Purchased	(81,163)		81,163	-	
Local Capital	(177,565)		177,565	-	
<b>Net Changes for the Year</b>	<u>942,941</u>	<u>-</u>	<u>(49,909)</u>	<u>893,032</u>	<u>345,778</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ (902,460)</u>	<u>\$ -</u>	<u>\$ 15,847,121</u>	<u>\$ 14,944,661</u>	<u>\$ 14,051,629</u>

**SCHOOL DISTRICT NO. 69 (QUALICUM)  
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) OPERATIONS</b>					
Net Revenue (Expense) for the Year	\$ 1,201,669		\$ (308,637)	\$ 893,032	\$ 345,778
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	2,402			2,402	2,223
Accounts Receivable	(364,573)			(364,573)	326,539
Interfund Loans	(296,743)	(169,017)	465,760	-	
Prepaid Expenses	391			391	(47)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	(226,660)			(226,660)	86,770
Deferred Revenue	117,691			117,691	(96,416)
Deferred Contributions	18,150	117,105		135,255	(397,744)
Accrued Employee Future Benefits	345,527			345,527	89,632
Loss (Gain) on Disposal of Capital Assets			(95,000)	(95,000)	
Items Not Involving Cash					
Amortization of Capital Assets			2,511,080	2,511,080	2,439,011
Amortization of Deferred Capital Contributions			(2,164,485)	(2,164,485)	(2,129,208)
Interfund Transfers	(258,728)		258,728	-	
	<u>539,126</u>	<u>(51,912)</u>	<u>667,446</u>	<u>1,154,660</u>	<u>666,538</u>
<b>FINANCING</b>					
Deferred Contributions Received - Capital			1,195,127	1,195,127	2,316,198
Proceeds from Disposal of Capital Assets			190,000	190,000	
MEd Restricted Portion of Proceeds on Disposal			(95,000)	(95,000)	
	<u>-</u>	<u>-</u>	<u>1,290,127</u>	<u>1,290,127</u>	<u>2,316,198</u>
<b>INVESTING</b>					
Capital Assets Purchased - Operating			(81,163)	(81,163)	(12,674)
Capital Assets Purchased - Special Purpose				-	(536,998)
Capital Assets Purchased - Local Capital			(797,517)	(797,517)	(1,310,934)
Capital Assets Purchased - Deferred Contributions - Capital			(102,854)	(102,854)	(3,112,173)
Work in Progress - Deferred Contributions - Capital			(945,793)	(945,793)	(379,635)
Transfer Bylaw Capital Surpluses				-	(18,131)
Services and supplies purchased with bylaw capital			(30,246)	(30,246)	
	<u>-</u>	<u>-</u>	<u>(1,957,573)</u>	<u>(1,957,573)</u>	<u>(5,370,545)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ 539,126</b>	<b>\$ (51,912)</b>	<b>\$ -</b>	<b>\$ 487,214</b>	<b>\$ (2,387,809)</b>

**SCHOOL DISTRICT No. 69 (QUALICUM)**  
**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>	\$ 539,126	\$ (51,912)	\$ -	\$ 487,214	\$ (2,387,809)
<b>Net Cash, Beginning of Year</b>	7,118,954	824,259		7,943,213	10,331,022
<b>NET CASH, END OF YEAR</b>	<u>\$ 7,658,080</u>	<u>\$ 772,347</u>	<u>\$ -</u>	<u>\$ 8,430,427</u>	<u>\$ 7,943,213</u>
Cash	\$ 7,658,080	\$ 772,347		\$ 8,430,427	\$ 7,943,213
<b>NET CASH, END OF YEAR</b>	<u>\$ 7,658,080</u>	<u>\$ 772,347</u>	<u>\$ -</u>	<u>\$ 8,430,427</u>	<u>\$ 7,943,213</u>



# SCHOOL DISTRICT NO. 69 (QUALICUM)

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

### 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. 69 (Qualicum)", and operates as "School District No. 69 (Qualicum)". 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been 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 the 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 fund reports 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; and
  - 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

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

- 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.
- d) Prepaid Expenses  
Payments for insurance, licenses and maintenance contracts for use within the district in a future period are included as a prepaid expense and stated at cost. Textbooks and other teaching supplies are expensed as purchased.
- e) 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. Amortization is not recorded in the year of acquisition. Estimated useful life is as follows:

Buildings	40 years
Furniture and equipment	10 years
Vehicles	10 years
Computer hardware	5 years

f) 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. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

f) 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.

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 expenditures 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.

SCHOOL DISTRICT NO. 69 (QUALICUM)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2011

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

g) Expenditures (continued)

Allocation of costs (continued)

- 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 the program.

h) Financial Instruments

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

i) 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 may differ from those estimates.

j) Employee Future Benefits

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

**SCHOOL DISTRICT NO. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

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

j) Employee Future Benefits (continued)

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 10.1 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.

**3. ACCOUNTS RECEIVABLE – OTHER RECEIVABLES**

	<u>2011</u>	<u>2010</u>
Receivable from Federal Government	\$ 173,002	\$ 17,749
Mount Arrowsmith Teachers Association	72,589	44,198
Other	<u>305,080</u>	<u>136,337</u>
	<u>\$ 550,671</u>	<u>\$ 198,284</u>

**4. CAPITAL ASSETS**

	<u>2011</u>		<u>2010</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Sites	\$ 11,803,828	\$ -	\$11,803,828	\$11,686,874
Buildings	89,593,153	39,499,110	50,094,043	51,426,743
Work in progress – buildings	1,325,429	-	1,325,429	379,635
Furniture and equipment	2,580,025	1,892,039	687,986	832,198
Vehicles	2,433,761	1,539,260	894,501	1,072,304
Computer hardware	<u>42,028</u>	<u>17,456</u>	<u>24,572</u>	<u>16,358</u>
	<u>\$107,778,224</u>	<u>\$42,947,865</u>	<u>\$64,830,359</u>	<u>\$65,414,112</u>

**SCHOOL DISTRICT NO. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**5. DISPOSAL OF SITES AND BUILDINGS**

The District sold their interest in the Parksville Civic and Technology public works yard for \$190,000. The interest in the public works yard was acquired as part of the Parksville Civic and Technology Joint Venture agreement where a portion of land that was originally purchased in 1951 was exchanged for a one-third interest. The original cost of the land exchanged was nominal. The 1951 purchase was funded 50% by the Ministry of Education and 50% by the District; accordingly, the sale proceeds were allocated 50% to the Ministry of Education restricted capital and 50% to local capital.

The District transferred their one-third interest in the Parksville Community and Civic Centre to the City of Parksville for \$1. The cost of the property was nominal.

**6. 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. The portion of these benefits that has not been provided for is identified as Unfunded Accrued Employee Future Benefits on Statement 1 (Statement of Financial Position).

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

<b>Reconciliation of Accrued Benefit Obligation</b>	<u>2011</u>	<u>2010</u>
Accrued Benefit Obligation – April 1	\$ 4,862,348	\$ 3,884,396
Service Cost	314,067	273,970
Interest Cost	245,943	272,162
Benefit Payments	(383,465)	(264,285)
Actuarial (Gain)/Loss	<u>(42,827)</u>	<u>696,105</u>
 Accrued Benefit Obligation – March 31	 <u>\$ 4,996,066</u>	 <u>\$ 4,862,348</u>
 <b>Reconciliation of Funded Status at End of Fiscal Year</b>		
Accrued Benefit Obligation – March 31	\$ 4,996,066	\$ 4,862,348
Market Value of Plan Assets – March 31	<u>-</u>	<u>-</u>
 Funded Status – Deficit	 (4,996,066)	 (4,862,348)
Employer Contributions after Measurement Date	-	1,738
Unamortized Net Actuarial Loss	<u>10,131</u>	<u>52,958</u>
 Accrued Benefit Liability – June 30	 <u>\$ (4,985,935)</u>	 <u>\$ (4,640,408)</u>

**SCHOOL DISTRICT NO. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**6. ACCRUED EMPLOYEE FUTURE BENEFITS (continued)**

<b>Components of Net Benefit Expense</b>	<u>2011</u>	<u>2010</u>
Service Cost	\$ 314,067	\$ 273,970
Interest Cost	245,943	272,162
Amortization of Net Actuarial Gain	<u>          -</u>	<u>(24,971)</u>
 Net Benefit Expense	 <u>\$ 560,010</u>	 <u>\$ 521,161</u>

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

	<u>2011</u>	<u>2010</u>
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	10.1 years	10.1 years

**7. UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS**

It is planned that the unfunded liability will be eliminated in 11 years. The amount of \$80,000 has been budgeted against the unfunded accrued employee benefits for 2012.

	<u>2011</u>	<u>2010</u>
Unfunded accrued employee future benefits, as at July 1, 2010	\$1,936,878	\$1,936,878
Reduction during the year	<u>170,000</u>	<u>          -</u>
 Unfunded liability, as at June 30, 2011	 <u>\$1,766,878</u>	 <u>\$1,936,878</u>

**8. 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 the 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 Plan has about 163,000 active members, of which approximately 23,000 are from school districts.

**SCHOOL DISTRICT NO. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**8. EMPLOYEE PENSION PLANS (continued)**

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 for the Teachers' Plan as at December 31, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2009 indicated an unfunded deficit 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. 69 (Qualicum) paid \$3,753,590 for employer contributions to these plans in the year ended June 30, 2011.

**9. INTERFUND TRANSFERS**

Interfund transfers between the operation, special purpose and capital funds are reported on Statement 3 (Statement of Changes in Fund Balances). For the year ended June 30, 2011, there was a transfer from the operating fund to the capital fund in the amount of \$258,728.

**10. 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.

**11. 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 22, 2011.

**12. COMMITMENTS AND CONTINGENCIES**

As at June 30, 2011, there existed outstanding claims and labour grievances against the School District. These issues have been referred to legal counsel and/or to the School Protection Program. It is not possible to determine the School District's potential liability, if any, with respect to these matters.



**SCHOOL DISTRICT NO. 69 (QUALICUM)**

**NOTES TO FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2011**

**13. ASSET RETIREMENT OBLIGATION**

Certain schools in the School District contain asbestos. Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. 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 the unknown timelines.

**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".

**15. CAPITAL MANAGEMENT**

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 by the funding party. The School District has complied with the external restrictions on the funding provided.

**16. COMPARATIVE FIGURES**

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

**SCHOOL DISTRICT No. 69 (QUALICUM)  
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	\$ 41,966,743	\$ 41,500,853	\$ 41,472,770
Provincial Grants - Other	80,550	58,200	267,009
Other Revenue	1,984,783	1,824,110	2,228,621
Rentals and Leases	73,697	57,000	78,018
Investment Income	56,649	30,000	35,049
	<u>44,162,422</u>	<u>43,470,163</u>	<u>44,081,467</u>
<b>EXPENSE</b>			
Salaries			
Teachers	17,695,569	17,765,731	18,019,757
Principals and Vice Principals	2,832,536	2,844,897	3,025,387
Educational Assistants	3,077,809	2,987,884	3,326,424
Support Staff	4,854,506	5,197,777	4,941,805
Other Professionals	1,033,134	1,047,723	1,111,923
Substitutes	1,143,085	928,517	1,186,782
	<u>30,636,639</u>	<u>30,772,529</u>	<u>31,612,078</u>
Employee Benefits	7,696,051	7,628,617	7,608,299
Services and Supplies	4,628,063	4,934,019	4,661,694
	<u>42,960,753</u>	<u>43,335,165</u>	<u>43,882,071</u>
<b>NET REVENUE (EXPENSE), FOR THE YEAR</b>	1,201,669	134,998	199,396
<b>INTERFUND TRANSFERS</b>			
Capital Assets Purchased	(81,163)		(12,674)
Local Capital	(177,565)	(154,400)	(127,567)
<b>OTHER ADJUSTMENTS TO OPERATING FUND BALANCE</b>			
Reduced Unfunded Employee Future Benefits	(170,000)	(72,000)	
<b>BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)</b>			
		91,402	
<b>SURPLUS (DEFICIT), FOR THE YEAR</b>	<u>772,941</u>	<u>\$ -</u>	<u>59,155</u>
<b>SURPLUS (DEFICIT), BEGINNING OF YEAR</b>	91,477		32,322
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
(Section 156 (12) of School Act)	<u>\$ 864,418</u>		<u>\$ 91,477</u>
<b>SURPLUS (DEFICIT), END OF YEAR</b>			
Unrestricted	<u>864,418</u>		
	<u>\$ 864,418</u>		

**SCHOOL DISTRICT No. 69 (QUALICUM)**  
**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	\$ 40,455,704	\$ 40,188,158	\$ 40,340,543
Other Ministry of Education Grants			
Pay Equity	936,176	936,496	745,573
Community Link	348,742	348,742	127,576
Language Funding - French	95,407	95,407	92,026
Strong Start	90,000	90,000	90,000
Ready Set Learn	22,050	22,050	22,050
FSA Monitoring	8,696		8,696
Education guarantee	9,968		18,019
Other			28,287
Holdback for subsequent enrollment		(180,000)	
	<u>41,966,743</u>	<u>41,500,853</u>	<u>41,472,770</u>
<b>PROVINCIAL GRANTS - OTHER</b>			
	<u>80,550</u>	<u>58,200</u>	<u>267,009</u>
<b>FEDERAL GRANTS</b>			
<b>OTHER REVENUE</b>			
Offshore Tuition Fees	1,811,170	1,716,510	1,744,464
Miscellaneous			
Other grants	48,234		350,062
Transportation fees	72,545	71,110	72,647
Workshop fees	13,253		4,038
Vancouver Foundation	5,000	5,000	5,700
Other	34,581	31,490	51,710
	<u>1,984,783</u>	<u>1,824,110</u>	<u>2,228,621</u>
<b>RENTALS AND LEASES</b>			
	<u>73,697</u>	<u>57,000</u>	<u>78,018</u>
<b>INVESTMENT INCOME</b>			
	<u>56,649</u>	<u>30,000</u>	<u>35,049</u>
<b>TOTAL OPERATING REVENUE</b>	<u><b>\$ 44,162,422</b></u>	<u><b>\$ 43,470,163</b></u>	<u><b>\$ 44,081,467</b></u>

**SCHOOL DISTRICT No. 69 (QUALICUM)  
OPERATING FUND  
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT  
YEAR ENDED JUNE 30, 2011**

Schedule A3

	2011 ACTUAL	2011 AMENDED ANNUAL BUDGET	2010 ACTUAL
<b>SALARIES</b>			
Teachers	\$ 17,695,569	\$ 17,765,731	\$ 18,019,757
Principals and Vice Principals	2,832,536	2,844,897	3,025,387
Educational Assistants	3,077,809	2,987,884	3,326,424
Support Staff	4,854,506	5,197,777	4,941,805
Other Professionals	1,033,134	1,047,723	1,111,923
Substitutes	1,143,085	928,517	1,186,782
	<u>30,636,639</u>	<u>30,772,529</u>	<u>31,612,078</u>
<b>EMPLOYEE BENEFITS</b>	7,696,051	7,628,617	7,608,299
<b>TOTAL SALARIES AND BENEFITS</b>	<u>38,332,690</u>	<u>38,401,146</u>	<u>39,220,377</u>
<b>SERVICES AND SUPPLIES</b>			
Services	813,440	829,368	824,574
Student Transportation	612,074	649,684	556,039
Professional Development and Travel	412,368	362,669	373,652
Rentals and Leases	89,315	82,689	83,937
Dues and Fees	49,003	49,790	91,262
Insurance	136,380	106,438	116,985
Supplies	1,537,327	1,863,037	1,594,090
Utilities	978,156	990,344	1,021,155
<b>TOTAL SERVICES AND SUPPLIES</b>	<u>4,628,063</u>	<u>4,934,019</u>	<u>4,661,694</u>
<b>TOTAL OPERATING EXPENSE</b>	<u>\$ 42,960,753</u>	<u>\$ 43,335,165</u>	<u>\$ 43,882,071</u>

SCHOOL DISTRICT No. 69 (QUALICUM)  
 OPERATING FUND  
 EXPENSE BY FUNCTION, PROGRAM AND OBJECT  
 YEAR ENDED JUNE 30, 2011

	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	\$ 14,843,379	\$ 596,615	\$ 13,100	\$ 5,013		\$ 718,449	\$ 15,976,556
1.03 Career Programs	184,433	401,294		57,814		335	242,582
1.07 Library Services	401,294	40,283		224,649		11,500	877,726
1.08 Counselling	551,819	29,147					580,966
1.10 Special Education	1,612,672	290,478	2,888,007	38,746		196,700	5,026,603
1.30 English as a Second Language	60,579	108,735		8,756			60,579
1.31 Aboriginal Education	17,739	1,672,211	176,702	1,171,456		27,635	309,932
1.41 School Administration	20,780	97,067		47,561			2,871,302
1.61 Continuing Education	114,540				39,788		20,780
1.62 Off Shore Students	88,334						298,956
1.64 Other	17,695,589	2,832,538	3,077,809	1,553,985	39,788	954,619	88,334
<b>Total Function 1</b>							26,154,316
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration					333,925		333,925
4.40 School District Governance					62,487		62,487
4.41 Business Administration				238,041	392,943	5,598	636,582
<b>Total Function 4</b>				238,041	789,355	5,598	1,032,984
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration				88,109	127,136	2,759	218,004
5.50 Maintenance Operations				1,836,314		86,691	1,923,005
5.52 Maintenance of Grounds				231,368			231,368
<b>Total Function 5</b>				2,155,791	127,136	89,450	2,372,377
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration				43,091	76,855		119,946
7.70 Student Transportation				863,588		93,418	957,006
<b>Total Function 7</b>				906,679	76,855	93,418	1,076,952
<b>9 DEBT SERVICES (OPERATING)</b>							
<b>Total Function 9</b>							
<b>TOTAL FUNCTIONS 1 - 9</b>	\$ 17,695,589	\$ 2,832,538	\$ 3,077,809	\$ 4,854,505	\$ 1,033,134	\$ 1,143,085	\$ 30,636,839

SCHOOL DISTRICT No. 69 (QUALICUM)  
 OPERATING FUND  
 EXPENSE BY FUNCTION, PROGRAM AND OBJECT  
 YEAR ENDED JUNE 30, 2011

	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	\$ 15,976,556	3,976,492	19,953,048	724,024	20,677,072	20,825,900	20,763,693
1.03 Career Programs	242,582	57,911	300,493	130,918	431,411	381,250	286,190
1.07 Library Services	677,728	172,810	850,536	33,505	884,041	860,213	872,037
1.08 Counselling	580,986	131,779	712,745		712,745	710,726	754,405
1.10 Special Education	5,026,603	1,346,643	6,373,446	86,815	6,460,261	6,381,746	6,994,966
1.30 English as a Second Language	80,579	14,929	95,508		95,508	74,517	127,341
1.31 Aboriginal Education	309,932	69,935	379,867	67,218	447,085	423,411	435,319
1.41 School Administration	2,871,302	715,656	3,586,958	146,726	3,735,684	3,776,275	3,789,597
1.61 Continuing Education	20,780	4,528	25,308		25,308	24,737	41,662
1.62 Off Shore Students	298,956	67,446	366,402	950,527	1,316,929	1,491,643	1,419,213
1.64 Other	88,354	18,600	106,954	189,933	275,867	296,587	310,972
<b>Total Function 1</b>	<b>26,154,316</b>	<b>6,576,629</b>	<b>32,730,945</b>	<b>2,310,666</b>	<b>35,041,611</b>	<b>35,247,005</b>	<b>35,795,395</b>
<b>4 DISTRICT ADMINISTRATION</b>							
4.11 Educational Administration	333,925	72,296	406,221	73,834	480,055	445,296	473,896
4.40 School District Governance	62,487	1,487	63,974	79,012	142,986	151,760	144,236
4.41 Business Administration	636,582	142,679	779,261	131,673	910,934	968,197	967,367
<b>Total Function 4</b>	<b>1,032,994</b>	<b>216,462</b>	<b>1,249,456</b>	<b>284,519</b>	<b>1,533,975</b>	<b>1,565,253</b>	<b>1,585,499</b>
<b>5 OPERATIONS AND MAINTENANCE</b>							
5.41 Operations and Maintenance Administration	218,004	36,799	254,803	149,353	404,156	421,803	509,805
5.50 Maintenance Operations	1,923,005	486,589	2,411,604	405,341	2,816,945	2,876,310	2,818,487
5.52 Maintenance of Grounds	231,368	54,279	285,647	130,111	415,758	384,383	390,795
5.56 Utilities	-	-	-	978,156	978,156	990,344	1,021,156
<b>Total Function 5</b>	<b>2,372,377</b>	<b>579,677</b>	<b>2,952,054</b>	<b>1,662,961</b>	<b>4,615,015</b>	<b>4,672,840</b>	<b>4,740,243</b>
<b>7 TRANSPORTATION AND HOUSING</b>							
7.41 Transportation and Housing Administration	119,946	27,293	147,239	11,856	159,095	171,874	170,863
7.70 Student Transportation	957,006	295,990	1,252,996	338,121	1,591,117	1,656,503	1,569,211
7.73 Housing	-	-	-	19,940	19,940	21,890	20,840
<b>Total Function 7</b>	<b>1,076,952</b>	<b>323,283</b>	<b>1,400,235</b>	<b>369,917</b>	<b>1,770,152</b>	<b>1,850,067</b>	<b>1,760,934</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>\$ 30,636,639</b>	<b>\$ 7,695,051</b>	<b>\$ 38,332,690</b>	<b>\$ 4,828,063</b>	<b>\$ 42,960,753</b>	<b>\$ 43,335,165</b>	<b>\$ 43,882,071</b>

**SCHOOL DISTRICT No. 69 (QUALICUM)  
OPERATING FUND  
CHANGES IN DEFERRED CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2011**

**Schedule A5**

<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 34,325</b>
<b>Changes for the Year</b>	
Increase:	
Other Revenue	<u>52,475</u>
	<u>52,475</u>
Decrease:	
Allocated to Revenue	<u>34,325</u>
Other Revenue	<u>34,325</u>
	<u>34,325</u>
<b>Net Changes for the Year</b>	<u>18,150</u>
<b>BALANCE, END OF YEAR</b>	<u><u>\$ 52,475</u></u>

SCHOOL DISTRICT No. 69 (QUALICUM)  
 SPECIAL PURPOSE FUNDS  
 SUMMARY OF CHANGES  
 YEAR ENDED JUNE 30, 2011

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>					
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 614,971		\$ 824,259		\$ 1,439,230
Add: Contributions Received					
Provincial Grants - Ministry of Education	430,218		1,302,167		430,218
Other	6,932				1,302,167
Investment Income	437,150		1,302,167		1,739,317
Less: Allocated to Revenue	268,133		1,354,079		1,622,212
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	\$ 783,988	\$ -	\$ 772,347	\$ -	\$ 1,556,335
<b>REVENUE AND EXPENSE</b>					
<b>REVENUE</b>					
Provincial Grants - Ministry of Education	261,201				261,201
Other Revenue			1,354,079		1,354,079
Investment Income	6,932				6,932
Leases	268,133		1,354,079		1,622,212
<b>EXPENSE</b>					
Salaries					
Services and Supplies					
Leases	268,133		1,354,079		1,622,212
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>					
<b>INTERFUND TRANSFERS</b>					
<b>NET REVENUE (EXPENSE)</b>	\$ -	\$ -	\$ -	\$ -	\$ -



**SCHOOL DISTRICT No. 69 (QUALICUM)  
SPECIAL PURPOSE FUNDS  
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS  
YEAR ENDED JUNE 30, 2011**

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>				
<b>DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 586,796	\$ 2,165	\$ 26,010	\$ 614,971
Add: Contributions Received				
Provincial Grants - Ministry of Education	418,022		12,196	430,218
Investment Income	6,932			6,932
	424,954		12,196	437,150
Less: Allocated to Revenue	246,548		21,585	268,133
<b>DEFERRED CONTRIBUTIONS, END OF YEAR</b>	\$ 785,202	\$ 2,165	\$ 16,621	\$ 783,988
<b>REVENUE AND EXPENSE</b>				
<b>REVENUE</b>				
Provincial Grants - Ministry of Education	239,616		21,585	261,201
Investment Income	6,932			6,932
	246,548		21,585	268,133
<b>EXPENSE</b>				
Salaries				
Services and Supplies	246,548		21,585	268,133
	246,548		21,585	268,133
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>				
<b>INTERFUND TRANSFERS</b>				
<b>NET REVENUE (EXPENSE)</b>	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 69 (QUALICUM)  
 SPECIAL PURPOSE FUNDS  
 CHANGES IN OTHER SPECIAL PURPOSE FUNDS  
 YEAR ENDED JUNE 30, 2011

	TOTAL
<b>DEFERRED CONTRIBUTIONS</b>	
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ -
Add: Contributions Received	-
	-
Less: Allocated to Revenue	-
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ -
<b>REVENUE AND EXPENSE</b>	
<b>REVENUE</b>	
<b>EXPENSE</b>	
Salaries	
<b>NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS</b>	
<b>INTERFUND TRANSFERS</b>	
<b>NET REVENUE (EXPENSE)</b>	\$ -

SCHOOL DISTRICT No. 69 (QUALICUM)  
 CAPITAL FUND  
 CAPITAL ASSETS  
 YEAR ENDED JUNE 30, 2011

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>COST, BEGINNING OF YEAR</b>	\$ 11,686,874	\$ 88,977,521	\$ 2,764,555	\$ 2,806,564		\$ 28,178	\$ 106,263,692
<b>Changes for the Year</b>							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		39,032	42,131	102,854			102,854
Operating Fund	116,955	576,600	90,112			13,850	81,163
Local Capital	116,955	615,632	132,243	102,854		13,850	797,517
Decrease:							
Deemed Disposals	-	-	316,773	475,657			792,430
			316,773	475,657			792,430
<b>COST, END OF YEAR</b>	11,803,829	89,593,153	2,580,025	2,433,761		42,028	106,452,796
<b>WORK IN PROGRESS, END OF YEAR</b>		1,325,428					1,325,428
<b>COST AND WORK IN PROGRESS, END OF YEAR</b>	\$ 11,803,829	\$ 90,918,581	\$ 2,580,025	\$ 2,433,761	\$ -	\$ 42,028	\$ 107,778,224
<b>ACCUMULATED AMORTIZATION, BEGINNING OF YEAR</b>	\$ -	\$ 37,550,778	\$ 1,932,357	\$ 1,734,260		\$ 11,820	\$ 41,229,215
<b>Changes for the Year</b>							
Increase: Amortization for the Year		1,948,332	276,455	280,657		5,636	2,511,080
Decrease:							
Deemed Disposals			316,773	475,657			792,430
			316,773	475,657			792,430
<b>ACCUMULATED AMORTIZATION, END OF YEAR</b>	\$ -	\$ 39,499,110	\$ 1,892,039	\$ 1,539,260	\$ -	\$ 17,456	\$ 42,947,865
<b>CAPITAL ASSETS - NET</b>	\$ 11,803,829	\$ 51,419,471	\$ 687,986	\$ 894,501	\$ -	\$ 24,572	\$ 64,830,359

SCHOOL DISTRICT No. 69 (QUALICUM)  
 CAPITAL FUND  
 CAPITAL ASSETS - WORK IN PROGRESS  
 YEAR ENDED JUNE 30, 2011

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	\$ 379,635				\$ 379,635
<b>Changes for the Year</b>					
Increase					
Deferred Contributions - Bylaw	945,793				945,793
	945,793				945,793
Decrease					
<b>Net Changes for the Year</b>	945,793				945,793
<b>WORK IN PROGRESS, END OF YEAR</b>	\$ 1,325,428				\$ 1,325,428

**SCHOOL DISTRICT No. 69 (QUALICUM)  
CAPITAL FUND  
DEFERRED CAPITAL CONTRIBUTIONS  
YEAR ENDED JUNE 30, 2011**

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	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
<b>DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR</b>	\$ 47,596,961	\$ 1,076,259		\$ 48,673,220
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Capital Additions	102,854			102,854
	<u>102,854</u>	<u>-</u>	<u>-</u>	<u>102,854</u>
Decrease				
Amortization of Deferred Capital Contributions	2,136,316	28,169		2,164,485
	<u>2,136,316</u>	<u>28,169</u>	<u>-</u>	<u>2,164,485</u>
<b>Net Changes for the Year</b>	<u>(2,033,462)</u>	<u>(28,169)</u>	<u>-</u>	<u>(2,061,631)</u>
<b>DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 45,563,499</u>	<u>\$ 1,048,090</u>	<u>\$ -</u>	<u>\$ 46,611,589</u>
<b>WORK IN PROGRESS, BEGINNING OF YEAR</b>	\$ 379,635			\$ 379,635
<b>Changes for the Year</b>				
Increase				
Transferred from Deferred Contributions - Work in Progress	945,793			945,793
	<u>945,793</u>	<u>-</u>	<u>-</u>	<u>945,793</u>
Decrease				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes for the Year</b>	<u>945,793</u>	<u>-</u>	<u>-</u>	<u>945,793</u>
<b>WORK IN PROGRESS, END OF YEAR</b>	<u>\$ 1,325,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,325,428</u>
<b>TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR</b>	<u>\$ 46,888,927</u>	<u>\$ 1,048,090</u>	<u>\$ -</u>	<u>\$ 47,937,017</u>

SCHOOL DISTRICT No. 69 (QUALICUM)  
 CAPITAL FUND  
 CHANGES IN DEFERRED CONTRIBUTIONS  
 YEAR ENDED JUNE 30, 2011

	BY-LAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 952,898	\$ 24,540	\$ -	\$ 181,885	\$ -	\$ 1,159,323
<b>Changes for the Year</b>						
Increase:						
Provincial Grants - Ministry of Education	1,097,000	964		2,163		1,097,000
Investment Income		95,000				3,127
MED Restricted Portion of Proceeds on Disposal	1,097,000	95,964	-	2,163	-	95,000
						1,195,127
Decrease:						
Transferred to DCC - Capital Additions	102,854					102,854
Transferred to DCC - Work in Progress	945,793					945,793
Purchase of Supplies	30,246					30,246
	1,078,893	-	-	-	-	1,078,893
<b>Net Changes for the Year</b>	18,107	95,964	-	2,163	-	116,234
<b>BALANCE, END OF YEAR</b>	\$ 971,005	\$ 120,504	\$ -	\$ 184,048	\$ -	\$ 1,275,557

**BALANCE, BEGINNING OF YEAR**

**Changes for the Year**

Increase:

- Provincial Grants - Ministry of Education
- Investment Income
- MED Restricted Portion of Proceeds on Disposal

Decrease:

- Transferred to DCC - Capital Additions
- Transferred to DCC - Work in Progress
- Purchase of Supplies

**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>	\$ 15,511,257	\$ 385,773	\$ 15,897,030
<b>Changes for the Year</b>			
Investment Income		1,652	1,652
Gain (Loss) on Disposal of Capital Assets	95,000		95,000
District Portion of Proceeds on Disposal	(95,000)	95,000	-
Amortization of Deferred Capital Contributions	2,164,485		2,164,485
Capital Assets Purchased from Local Capital	797,517	(797,517)	-
Interfund Transfers - Capital Assets Purchased	81,163		81,163
Interfund Transfers - Local Capital		177,565	177,565
Amortization of Capital Assets	(2,511,080)		(2,511,080)
Services and Supplies		(58,694)	(58,694)
<b>Net Changes for the Year</b>	<b>532,085</b>	<b>(581,994)</b>	<b>(49,909)</b>
<b>BALANCE, END OF YEAR</b>	<b>\$ 16,043,342</b>	<b>\$ (196,221)</b>	<b>\$ 15,847,121</b>