

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER 72	NAME OF SCHOOL DISTRICT Campbell River	YEAR 2009/2010
OFFICE LOCATION 425 Pinecrest Rd		TELEPHONE NUMBER 250-830-2300
CITY/PROVINCE Campbell River		POSTAL CODE V9W 3P2
WEBSITE ADDRESS www.sd72.bc.ca		
NAME OF SUPERINTENDENT Tom Longridge		NAME OF SECRETARY-TREASURER Peter Neale

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. 72 (Campbell River) ("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.


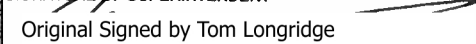
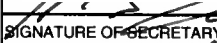
External Auditors

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. 72 (Campbell River) for the year ended June 30, 2010.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION Original Signed by Helen Moats 	DATE SIGNED 14 SEP 2010
SIGNATURE OF SUPERINTENDENT Original Signed by Tom Longridge 	DATE SIGNED SEP 14 / 2010
SIGNATURE OF SECRETARY-TREASURER Original Signed by Peter Neale 	DATE SIGNED 14 SEP 2010

**SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
2009/2010 AUDITED FINANCIAL STATEMENTS**

TABLE OF CONTENTS

AUDITORS' REPORT

FINANCIAL STATEMENTS

Statement of Financial Position	Statement 1
Statement of Revenue and Expense	Statement 2
Statement of Changes in Fund Balances	Statement 3
Statement of Cash Flows	Statement 4.1
Statement of Cash Flows	Statement 4.2

NOTES TO FINANCIAL STATEMENTS

SCHEDULES

Operating Fund

Surplus (Deficit)	Schedule A1
Comparative Schedule of Revenue by Source	Schedule A2
Comparative Schedule of Expense by Object	Schedule A3
Expense by Function, Program and Object	Schedule A4.1
Expense by Function, Program and Object	Schedule A4.2
Changes in Deferred Contributions	Schedule A5

Special Purpose Funds

Summary of Changes	Schedule B1
Changes in Ministry of Education Designated Special Purpose Funds	Schedule B2
Changes in Other Special Purpose Funds	Schedule B3

Capital Fund

Capital Assets	Schedule C1
Capital Assets - Work In Progress	Schedule C2
Deferred Capital Contributions	Schedule C3
Changes in Deferred Contributions	Schedule C4
Changes in Fund Balances	Schedule C5



MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Education of School District No. 72 (Campbell River):

We have audited the statement of financial position of School District No. 72 (Campbell River) as at June 30, 2010 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the School District's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Campbell River, British Columbia

August 26, 2010

Meyers Norris Penny LLP

Chartered Accountants

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 8,409,400	\$ 1,008,128		\$ 9,417,528	\$ 12,048,367
Accounts Receivable					
Due from Province - Ministry of Education	49,825			49,825	48,024
Due from LEA/Direct Funding	199,910			199,910	571,862
Other Receivables	494,506	66,588	25,917	587,011	468,161
Interfund Loans		1,464,584	1,239,126		
Prepaid Expenses	63,077			63,077	58,253
	9,216,718	2,539,300	1,265,043	10,317,351	13,194,667
Capital Assets - Net			87,948,746	87,948,746	84,504,499
TOTAL ASSETS	\$ 9,216,718	\$ 2,539,300	\$ 89,213,789	\$ 98,266,097	\$ 97,699,166
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	2,599,341	937	163,007	2,763,285	3,064,362
Bank Loans - Current Portion			1,000,000	1,000,000	1,000,000
Interfund Loans	2,703,710				
	5,303,051	937	1,163,007	3,763,285	4,064,362
Deferred Revenue	106,640			106,640	68,500
Deferred Contributions					
Ministry of Education	57,190	1,032,084	(446,641)	642,633	2,790,683
Other	14,711	1,506,279		1,520,990	1,498,504
Accrued Employee Future Benefits	1,252,465			1,252,465	1,302,666
Deferred Capital Contributions			65,427,729	65,427,729	61,179,395
TOTAL LIABILITIES	6,734,057	2,539,300	66,144,095	72,713,742	70,904,110
Fund Balances					
Invested in Capital Assets			22,383,860	22,383,860	22,851,882
Internally Restricted	1,890,916		685,834	2,576,750	2,753,768
Unrestricted	591,745			591,745	1,189,406
TOTAL FUND BALANCES	2,482,661	-	23,069,694	25,552,355	26,795,056
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,216,718	\$ 2,539,300	\$ 89,213,789	\$ 98,266,097	\$ 97,699,166

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2010

Statement 2

	OPERATING	SPECIAL	CAPITAL	TOTAL	TOTAL
	FUND	PURPOSE	FUND	2010	2009
		FUNDS			
REVENUE					
Provincial Grants - Ministry of Education	\$ 48,049,988	\$ 657,876		\$ 48,707,864	\$ 51,098,058
Provincial Grants - Other		329,800		329,800	
Other Revenue	2,848,163	2,212,671		5,060,834	5,185,964
Rentals and Leases	175,823			175,823	198,037
Investment Income	44,692	2,900	4,438	52,030	188,752
Amortization of Deferred Capital Contributions			2,335,348	2,335,348	2,192,439
Gain (Loss) on Disposal of Capital Assets				-	(11,951)
	<u>51,118,666</u>	<u>3,203,247</u>	<u>2,339,786</u>	<u>56,661,699</u>	<u>58,851,299</u>
EXPENSE					
Salaries					
Teachers	22,210,126	342,468		22,552,594	22,591,050
Principals and Vice Principals	3,317,708			3,317,708	3,221,564
Educational Assistants	4,088,674	191,174		4,279,848	4,213,842
Support Staff	6,182,074	141,996		6,324,070	6,033,187
Other Professionals	1,145,477	18,987		1,164,464	1,242,603
Substitutes	947,917	2,060		949,977	1,058,223
	<u>37,891,976</u>	<u>696,685</u>	<u>-</u>	<u>38,588,661</u>	<u>38,360,469</u>
Employee Benefits	8,066,288	131,170		8,197,458	7,997,762
Services and Supplies	5,739,521	2,364,202	49,216	8,152,939	9,420,657
Amortization of Capital Assets			2,965,342	2,965,342	2,763,909
	<u>51,697,785</u>	<u>3,192,057</u>	<u>3,014,558</u>	<u>57,904,400</u>	<u>58,542,797</u>
NET REVENUE (EXPENSE)	\$ (579,119)	\$ 11,190	\$ (674,772)	\$ (1,242,701)	\$ 308,502

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
FUND BALANCES, BEGINNING OF YEAR	\$ 3,286,780	\$ -	\$ 23,844,341	\$ 27,131,121	\$ 26,822,619
Changes in Accounting Policies/ Prior Period Adjustments					
Tr MOE Restricted Capital to cover 08/09 AFG Deficit			(336,065)	(336,065)	
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	3,286,780	-	23,508,276	26,795,056	26,822,619
Changes for the Year					
Net Revenue (Expense) for the Year	(579,119)	11,190	(674,772)	(1,242,701)	308,502
Interfund Transfers					
Capital Assets Purchased		(11,190)	11,190	-	(336,065)
Local Capital	(225,000)		225,000	-	
Net Changes for the Year	(804,119)	-	(438,582)	(1,242,701)	(27,563)
FUND BALANCES, END OF YEAR	<u>\$ 2,482,661</u>	<u>\$ -</u>	<u>\$ 23,069,694</u>	<u>\$ 25,552,355</u>	<u>\$ 26,795,056</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ (579,119)	\$ 11,190	\$ (674,772)	\$ (1,242,701)	\$ 308,502
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	334,966	(57,925)	(25,738)	251,303	281,331
Interfund Loans	(2,294,676)	(772,487)	3,030,169	(36,994)	
Prepaid Expenses	(4,826)			(4,826)	1,400
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	38,748	(6,076)	(333,749)	(301,077)	(618,003)
Deferred Revenue	38,140			38,140	68,500
Deferred Contributions	(3,289)	950,906		947,617	(1,422,985)
Accrued Employee Future Benefits	(50,201)			(50,201)	(11,844)
Loss (Gain) on Disposal of Capital Assets				-	11,951
Items Not Involving Cash					
Amortization of Capital Assets			2,965,342	2,965,342	2,763,909
Amortization of Deferred Capital Contributions			(2,335,348)	(2,335,348)	(2,192,439)
Interfund Transfers	(225,000)	(11,190)	236,190	-	
	<u>(2,745,257)</u>	<u>114,418</u>	<u>2,862,094</u>	<u>231,255</u>	<u>(809,678)</u>
FINANCING					
Deferred Contributions Received - Capital			3,883,560	3,883,560	7,512,654
Proceeds from Disposal of Capital Assets				-	1,678,986
MEd Restricted Portion of Proceeds on Disposal				-	(1,678,986)
	<u>-</u>	<u>-</u>	<u>3,883,560</u>	<u>3,883,560</u>	<u>7,512,654</u>
INVESTING					
Capital Assets Purchased - Special Purpose			(11,190)	(11,190)	(1,467,152)
Capital Assets Purchased - Local Capital			(150,782)	(150,782)	(154,543)
Capital Assets Purchased - Deferred Contributions - Capital			(2,693,329)	(2,693,329)	(4,066,348)
Capital Assets Purchased - Deferred Contributions - Other			(3,554,288)	(3,554,288)	(425,513)
	<u>-</u>	<u>-</u>	<u>(6,409,589)</u>	<u>(6,409,589)</u>	<u>(6,113,556)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ (2,745,257)</u>	<u>\$ 114,418</u>	<u>\$ 336,065</u>	<u>\$ (2,294,774)</u>	<u>\$ 589,420</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2010

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
NET INCREASE (DECREASE) IN CASH	\$ (2,745,257)	\$ 114,418	\$ 336,065	\$ (2,294,774)	\$ 589,420
Net Cash, Beginning of Year	11,154,657	893,710	-	12,048,367	11,458,947
Changes in Accounting Policies/ Prior Period Adjustments					
MOE Restricted Fund 08/09 AFG deficit			(336,065)	(336,065)	
Net Cash, Beginning of Year, as Restated	11,154,657	893,710	(336,065)	11,712,302	11,458,947
NET CASH, END OF YEAR	\$ 8,409,400	\$ 1,008,128	\$ -	\$ 9,417,528	\$ 12,048,367
Cash	\$ 8,409,400	\$ 1,008,128	\$ -	\$ 9,417,528	\$ 12,048,367
NET CASH, END OF YEAR	\$ 8,409,400	\$ 1,008,128	\$ -	\$ 9,417,528	\$ 12,048,367

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

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. 72 (Campbell River)", and operates as "School District No. 72 (Campbell River)." 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. The School District is exempt from tax.

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 except as disclosed as a change in accounting policy.

The deferral method of accounting for contributions, which includes government grants, is used. Results are reported in the operating fund, special purpose 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 4.1 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances as at June 30th. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

The resources and operations of the School District are segregated into various funds for accounting and financial reporting purposes based on the types of restrictions on the use of contributions by governments or other granting agencies, and appropriations or other internal restrictions by the Board. While separate accounts are maintained for each fund, for financial reporting purposes, funds with similar characteristics are grouped together:

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Endowment funds.
 - 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.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

**NOTE 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) Prepaid Expenses

Materials and supplies held in central stores for use within the district are included as a prepaid expense and stated at acquisition cost.

d) 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.
- Work-in-progress is not amortized until after the asset has been completed or put into use.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset and commences the year following acquisition. Estimated useful life is as follows:

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

e) Revenue Recognition

Unrestricted operating government grants are recognized 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.

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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

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

- 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. Amortization commences in the year following acquisition.
- Donated capital assets are recorded at fair market value and treated as a deferred capital contribution.
- Endowment contributions and matching contributions are reported as direct increases to net assets held as endowment principal.
- Investment income earned on endowment principal is recognized as a direct increase to net assets (endowment) to the extent required or agreed by donors. The remaining investment income earned on endowment principal is recorded as a deferred contribution and recognized as revenue in the year related expenses are incurred.

f) 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

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

g) Financial Instruments

- Held for trading

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments – Recognition and Measurement*, even if that instrument would not otherwise satisfy the definition of held for trading. The School District has classified cash and cash equivalents and bank loans as held for trading. These instruments are initially recognized at their fair value determined by published price quotations in an active market.

Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value are recognized immediately in net revenue (expense).

- Loans and receivables

The School District has classified accounts receivable as loans and receivables. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in net revenue (expense). Total interest income, calculated using the effective interest rate method, is recognized in net revenue (expense).

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- Other financial liabilities

The School District has classified accounts payable and accrued liabilities and accrued employee future benefits as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in net revenue (expense).

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

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

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in net revenue (expense) upon derecognition or impairment.

- **Financial asset impairment**

The School District assesses impairment of all its financial assets, except those classified as held for trading. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in net revenue (expense).

h) Use of Estimates

Preparation of financial statements in accordance with 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 impairment of assets, rates for amortization, employee incentive bonuses and estimated employee future benefits. Actual results could differ from those estimates.

i) Employee Future Benefits

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

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 10.1.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

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

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use June 30, 2014. 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 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2010	2009
Due from Federal Government	\$ 63,361	\$ 80,963
Due from Other School Districts	21,932	17,500
Due from North Island College	146,263	65,013
Due from Royal Bank	5,227	4,447
Due from CRDTA	80,090	8,265
Due from CUPE	3,723	7,316
Due from Edaus School	163,300	74,750
Due from Industry Training Authority	12,000	16,000
Due from other	91,115	193,907
	<u>\$ 587,011</u>	<u>\$468,161</u>

NOTE 4 CAPITAL ASSETS

	2010		2009
	Cost	Accumulated Amortization	Net Book Value
Sites	\$ 8,258,061	\$ -	\$ 8,258,061
Buildings	126,238,619	(49,058,068)	77,180,551
Furniture & Equipment	1,853,976	(1,128,846)	725,130
Vehicles	1,669,307	(288,609)	1,380,698
Computer Hardware	596,501	(192,195)	404,306
	<u>\$138,616,464</u>	<u>\$(50,667,718)</u>	<u>\$87,948,746</u>
			<u>\$84,504,499</u>

The Campbellton Elementary school site is currently for sale. The historical cost for the land is \$132,858. The building is fully amortized at a cost of \$344,699.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 5 CAPITAL BANK LOANS PAYABLE

The following loans approved under Section 144 of the *School Act* are outstanding:

Approval Date	Amount Authorized	Interest Rate	Term of Years	Amount Borrowed	Amount Paid	Balance O/S
June 29, 2004	3,000,000	0.5 % below prime	demand loan	3,000,000	2,000,000	1,000,000

The above loan is a demand loan secured by the assets of the School District.

NOTE 6 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 have not been provided for is identified as Unfunded Accrued Employee Future Benefits and Vacation Pay on Statement 1 (Statement of Financial Position).

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

	2010	2009
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 877,178	\$ 907,520
Service Cost	68,060	74,609
Interest Cost	63,620	51,772
Benefit Payments	(136,162)	(115,415)
Actuarial (Gain)/Loss	(512,109)	(41,308)
Accrued Benefit Obligation – March 31	\$ 360,587	\$ 877,178

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 360,587	\$ 877,178
Market Value of Plan Assets – March 31		
Funded Status - Surplus/(Deficit)	(360,587)	(877,178)
Employer Contributions After Measurement Date	26,957	19,215
Unamortized Net Actuarial (Gain)/Loss	(915,835)	(444,703)
Accrued Benefit Asset/(Liability) – June 30	\$ (1,252,465)	\$ (1,302,666)

Components of Net Benefit Expense		
Service Cost	\$ 68,060	\$ 74,609
Interest Cost	63,620	51,772
Amortization of Net Actuarial (Gain)/Loss	(37,977)	(37,219)
Net Benefit Expense (Income)	\$ 93,703	\$ 89,162

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 6 EMPLOYEE FUTURE BENEFITS (Continued)

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

	2010	2009
Discount Rate – April 1	7.00%	5.50%
Discount Rate – March 31	5.00%	7.00%
Long Term Salary Growth – April 1	3.25% + seniority	3.25% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	3.25% + seniority
EARSL – March 31	10.1	9.4

NOTE 7 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The Teachers' Pension Plan has about 48,000 active members from school districts, and approximately 27,000 retired members from school districts. The Municipal Plan has about 158,000 active members, of which approximately 23,000 are from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2008 indicated a \$291 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in late 2012. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated an unfunded liability of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers.

The School District No. 72 (Campbell River) paid \$4,359,717 for employer contributions to these plans for the year ended June 30, 2010 and \$4,247,104 for the year ended June 30, 2009.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 8 OPERATING FUND BALANCE - END OF YEAR

Internally Restricted (appropriated) by the Board for:

Board Instructional Support	46,000	
Distance Learning	108,953	
Electronic Record Conversion	18,584	
Human Resources Consulting	20,737	
Implementation Training	31,468	
International Program	43,000	
Landscaping Improvements	78,271	
Learning Resources	216,571	
Professional Development	427,528	
School Supply Accounts	406,139	
Surplus Required to Balance Budget	328,301	
Teacher Leadership/Succession	45,100	
Technology Training	19,875	
Aboriginal Education	100,389	
	Subtotal Internally Restricted	\$1,890,916
	Unrestricted Operating Surplus	591,745
	Total Available for Future Operations	<u>\$2,482,661</u>

NOTE 9 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, 2010 transfers were as follows:

- A transfer in the amount of \$225,000 was made from the operating fund to the capital fund for the purchase of capital assets.
- A transfer in the amount of \$11,190 was made from the special purpose fund to the capital fund for the purchase of capital assets.

NOTE 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.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 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 23, 2010.

NOTE 12 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 under the assumption that the School District operates as a “going concern”.

NOTE 13 FINANCIAL INSTRUMENTS

All significant financial assets, financial liabilities and equity instruments of the School District are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

- **Credit Rate Risk**

Financial instruments that potentially subject the School District to concentrations of credit risk consist primarily of other receivables. The maximum credit risk exposure is \$587,011 (2009 – \$468,161).

However, the School District believes that there is minimal risk associated with the collection of these amounts as they consist primarily of receivables from the Federal and Provincial Government organizations. The School District manages its credit risk by performing regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

- **Interest Rate Risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 13 FINANCIAL INSTRUMENTS (Continued)

The School District is not exposed to significant interest rate risk because the Ministry of Education reimburses them for interest paid on the School District bank loans.

- **Liquidity Risk**

Liquidity risk is the risk that the School District will encounter difficulty in meeting obligations associated with financial liabilities. The School District enters into transactions to purchase goods and services on credit for which repayment is required at various dates. Liquidity risk is measured by reviewing the School District's future net cash flows for the possibility of a negative net cash flow.

- **Other Price Risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The School District does not enter into transactions for which the market price fluctuates and therefore feels that their risk is limited.

- **Foreign Currency Risk**

The School District maintains a U.S. bank account and enters into transactions with vendors for supplies denominated in U.S. currency for which the related expenses and accounts payable balances are subject to exchange rate fluctuations. As at June 30, 2010 there was an insignificant balance maintained in the U.S. dollar bank account.

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In seeking to manage the risks from foreign exchange rate fluctuations, the School District does not hold significant funds in U.S. dollars in order to reduce their risk against adverse movements in the foreign exchange rates.

- **Financial Asset Impairment**

At each year-end date, the School District is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the School District has compared the carrying value of each of these financial assets to its fair value as at June 30, 2010. No provision for impairment was recorded in the current year, as the fair value of all financial assets tested exceeded their carrying value.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 13 FINANCIAL INSTRUMENTS (Continued)

- **Fair Values of Financial Instruments**

The carrying amount of cash, accounts receivable and accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The carrying amount of the School District's bank loan approximates its fair value because interest charges under the terms of the debt are based upon current Canadian bank prime rates.

The carrying amount of the accrued employee future benefits approximates its fair value because the liability amount is determined using future oriented information.

- **Risk Management Policy**

The School District, as part of its operations, has established objectives (i.e. hedging of risk exposures and avoidance of undue concentrations of risk) to mitigate credit risk as risk management objectives. In seeking to meet these objectives, the School District follows a risk management policy approved by its Board of Trustees.

NOTE 14 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. The School District is not aware of any other asset retirement obligations. No provision has been made in these financial statements to fund future asset retirement obligations.

NOTE 15 CAPITAL MANAGEMENT

The School District's objective when managing capital is to hold sufficient unrestricted net assets to enable it to withstand negative unexpected financial events in order to maintain stability in the financial structure. The School District maintains sufficient liquidity to meet its short-term obligations as they come due. However, the School District performs regular analysis to assess the need and ability to set aside internally restricted funds for future expenditure. Funding of post-retirement benefits is made in accordance with related regulations and actuarial recommendations.

SCHOOL DISTRICT NO.72 (CAMPBELL RIVER)
NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2010

NOTE 15 CAPITAL MANAGEMENT (Continued)

The School District manages the following as capital:

	2010	2009
Invested in capital assets	\$22,383,860	\$22,851,882
Internally restricted	2,576,750	2,753,768
Unrestricted	591,745	1,189,406
Accrued employee future benefits	1,252,465	1,302,666
	<u>\$26,804,820</u>	<u>\$28,097,722</u>

There are no external restrictions on the School District's capital.

The School District does not have a formal capital management policy.

NOTE 16 PRIOR PERIOD ADJUSTMENT

During the year, the Board of Education was approved to use \$336,065 of Ministry of Education Restricted Capital to fund the June 30, 2009 Annual Facility Grant Deficit. On the Statement of Financial Position, this change has resulted in an increase in Invested in Capital Assets and a reduction of Deferred Contributions – Ministry of Education for \$336,065.



MEYERS NORRIS PENNY LLP

Comments on Supplementary Financial Information

To the Board of Education of School District No. 72 (Campbell River):

We have audited and reported separately on the basic financial statements of School District No. 72 (Campbell River) as at and for the year ended June 30, 2010. Our audit was conducted for the purpose of forming an opinion on these financial statements.

The attached supplementary information included in Schedules A1 to A5, B1 to B3 and C1 to C5 is presented for the purposes of additional analysis and is not a required part of the basic financial statements.

Such supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Campbell River, British Columbia

August 26, 2010

Meyers Norris Penny LLP

Chartered Accountants

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2010

Schedule A1

	2010		
	2010	AMENDED	2009
	ACTUAL	ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 48,049,988	\$ 47,839,842	\$ 47,765,137
Other Revenue	2,848,163	2,724,533	2,862,568
Rentals and Leases	175,823	185,000	198,037
Investment Income	44,692	60,000	169,830
	<u>51,118,666</u>	<u>50,809,375</u>	<u>50,995,572</u>
EXPENSE			
Salaries			
Teachers	22,210,126	22,343,689	22,251,133
Principals and Vice Principals	3,317,708	3,409,914	3,221,564
Educational Assistants	4,088,674	4,157,323	3,999,879
Support Staff	6,182,074	6,169,138	5,936,385
Other Professionals	1,145,477	1,125,054	1,221,784
Substitutes	947,917	1,072,227	1,016,184
	<u>37,891,976</u>	<u>38,277,345</u>	<u>37,646,929</u>
Employee Benefits	8,066,288	7,772,310	7,854,692
Services and Supplies	5,739,521	7,148,353	6,058,109
	<u>51,697,785</u>	<u>53,198,008</u>	<u>51,559,730</u>
NET REVENUE (EXPENSE), FOR THE YEAR	(579,119)	(2,388,633)	(564,158)
INTERFUND TRANSFERS			
Local Capital	(225,000)	(225,000)	(185,000)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		2,613,633	
SURPLUS (DEFICIT), FOR THE YEAR	(804,119)	\$ -	(749,158)
SURPLUS (DEFICIT), BEGINNING OF YEAR	3,286,780		4,035,938
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 2,482,661</u>		<u>\$ 3,286,780</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	1,890,916		
Unrestricted	591,745		
	<u>\$ 2,482,661</u>		

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2010

Schedule A2

	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 48,992,440	\$ 48,923,755	\$ 48,751,099
INAC/LEA Recovery	(1,442,716)	(1,499,810)	(1,499,810)
Other Ministry of Education Grants			
Pay Equity	75,322	75,322	75,322
Ready Set Learn	34,300	34,300	30,000
OLEP	126,547	160,000	129,450
Distance Learning	146,275	146,275	
FSA Grant	8,696		7,200
Exempt Staff LMA			170,320
Carbon Tax Reimbursement	34,319		7,400
School District Supported Project - Leadership			9,000
Ab Ed Improvement - recognize deferred revenue			84,737
BC 150 Calendar			419
Education Guarantee	74,805		
	<u>48,049,988</u>	<u>47,839,842</u>	<u>47,765,137</u>
PROVINCIAL GRANTS - OTHER			
FEDERAL GRANTS			
OTHER REVENUE			
Other School District/Education Authorities	653,838	572,779	706,583
Continuing Education	10,000	10,000	40,000
Offshore Tuition Fees	337,673	350,000	494,711
LEA/Direct Funding from First Nations	1,442,716	1,499,810	1,499,810
Miscellaneous			
BCPSEA Trades Adjustment	95,622	95,622	81,961
BC Hydro Power Smart Initiative	100,000	100,000	
SSEAC Grant	74,040	38,667	
Transcripts/SBO Misc Revenue	130,985	57,655	27,346
BCSTA/UBCM Community Connection			10,157
Vancouver Foundation KELP Grant	3,289		2,000
	<u>2,848,163</u>	<u>2,724,533</u>	<u>2,862,568</u>
RENTALS AND LEASES	<u>175,823</u>	<u>185,000</u>	<u>198,037</u>
INVESTMENT INCOME	<u>44,692</u>	<u>60,000</u>	<u>169,830</u>
TOTAL OPERATING REVENUE	<u>\$ 51,118,666</u>	<u>\$ 50,809,375</u>	<u>\$ 50,995,572</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A3

	2010			2009
	2010	AMENDED		2009
	ACTUAL	ANNUAL BUDGET		ACTUAL
SALARIES				
Teachers	\$ 22,210,126	\$ 22,343,689	\$	22,251,133
Principals and Vice Principals	3,317,708	3,409,914		3,221,564
Educational Assistants	4,088,674	4,157,323		3,999,879
Support Staff	6,182,074	6,169,138		5,936,385
Other Professionals	1,145,477	1,125,054		1,221,784
Substitutes	947,917	1,072,227		1,016,184
	<u>37,891,976</u>	<u>38,277,345</u>		<u>37,646,929</u>
EMPLOYEE BENEFITS	<u>8,066,288</u>	<u>7,772,310</u>		<u>7,854,692</u>
TOTAL SALARIES AND BENEFITS	<u>45,958,264</u>	<u>46,049,655</u>		<u>45,501,621</u>
SERVICES AND SUPPLIES				
Services	535,711	525,715		234,458
Student Transportation	29,291	43,300		22,738
Professional Development and Travel	596,549	938,613		643,611
Rentals and Leases	189,961	208,668		193,712
Dues and Fees	52,423	43,436		45,264
Insurance	121,094	120,000		120,985
Supplies	2,726,982	3,701,525		3,252,847
Utilities	1,487,510	1,567,096		1,544,494
TOTAL SERVICES AND SUPPLIES	<u>5,739,521</u>	<u>7,148,353</u>		<u>6,058,109</u>
TOTAL OPERATING EXPENSE	<u>\$ 51,697,785</u>	<u>\$ 53,198,008</u>	<u>\$</u>	<u>51,559,730</u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.1

	TEACHERS SALARIES	PRINCIPALS & VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	\$ 18,144,967	\$ 768,493	\$ 242,854	\$ 616,979	\$ 23,039	\$ 916,092	\$ 20,712,424
1.03 Career Programs	35,677					749	36,426
1.07 Library Services	392,168	122,459		188,445			703,072
1.08 Counselling	505,697			42,315		1,663	549,675
1.10 Special Education	2,595,087	99,544	3,455,458	94,975		18,198	6,263,262
1.30 English as a Second Language	247,251	10,698				755	258,704
1.31 Aboriginal Education	235,614	99,352	390,362	24,217		265	749,810
1.41 School Administration		2,181,368		469,073			2,650,441
1.60 Summer School	53,665						53,665
Total Function 1	22,210,126	3,281,914	4,088,674	1,436,004	23,039	937,722	31,977,479
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				27,435	358,155		385,590
4.40 School District Governance					70,577		70,577
4.41 Business Administration		35,794		315,209	452,879	10,195	814,077
Total Function 4	-	35,794	-	342,644	881,611	10,195	1,270,244
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				130,409	55,928		186,337
5.50 Maintenance Operations				3,315,499	148,249		3,463,748
5.52 Maintenance of Grounds				359,709			359,709
Total Function 5	-	-	-	3,805,617	204,177	-	4,009,794
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation				597,809	36,650		634,459
Total Function 7	-	-	-	597,809	36,650	-	634,459
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 22,210,126	\$ 3,317,708	\$ 4,088,674	\$ 6,182,074	\$ 1,145,477	\$ 947,917	\$ 37,891,976

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
EXPENSE BY FUNCTION, PROGRAM AND OBJECT
YEAR ENDED JUNE 30, 2010

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2010 ACTUAL	2010 AMENDED ANNUAL BUDGET	2009 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	\$ 20,712,424	\$ 4,443,488	\$ 25,155,912	\$ 1,345,214	\$ 26,501,126	\$ 27,042,727	\$ 26,617,361
1.03 Career Programs	36,426	14,268	50,694	21,733	72,427	118,884	157,485
1.07 Library Services	703,072	140,136	843,208	255,924	1,099,132	1,619,586	1,073,423
1.08 Counselling	549,675	104,960	654,635		654,635	842,744	662,280
1.10 Special Education	6,263,262	1,392,760	7,656,022	173,036	7,829,058	7,703,720	7,672,910
1.30 English as a Second Language	258,704	49,466	308,170	5,268	313,438	327,342	340,715
1.31 Aboriginal Education	749,810	144,624	894,434	72,412	966,846	1,067,235	1,147,599
1.41 School Administration	2,650,441	530,178	3,180,619	237,371	3,417,990	3,612,570	3,205,175
1.60 Summer School	53,665	9,890	63,555	2,739	66,294	61,755	33,828
Total Function 1	31,977,479	6,829,770	38,807,249	2,113,697	40,920,946	42,396,563	40,910,776
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	385,590	64,187	449,777	68,664	518,441	552,360	575,589
4.40 School District Governance	70,577	826	71,403	64,564	135,967	158,414	194,033
4.41 Business Administration	814,077	153,732	967,809	321,800	1,289,609	1,340,063	1,399,550
Total Function 4	1,270,244	218,745	1,488,989	455,028	1,944,017	2,050,837	2,169,172
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	186,337	36,890	223,227	120,662	343,889	334,960	296,112
5.50 Maintenance Operations	3,463,748	751,975	4,215,723	1,026,893	5,242,616	5,088,475	4,824,848
5.52 Maintenance of Grounds	359,709	74,965	434,674	150,779	585,453	634,713	552,188
5.56 Utilities	-	-	-	1,553,263	1,553,263	1,567,096	1,593,565
Total Function 5	4,009,794	863,830	4,873,624	2,851,597	7,725,221	7,625,244	7,266,513
7 TRANSPORTATION AND HOUSING							
7.70 Student Transportation	634,459	153,943	788,402	273,090	1,061,492	1,078,364	1,188,016
7.73 Housing	-	-	-	38,675	38,675	47,000	25,253
Total Function 7	634,459	153,943	788,402	311,765	1,100,167	1,125,364	1,213,269
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	-	-	-	7,434	7,434	-	-
Total Function 9	-	-	-	7,434	7,434	-	-
TOTAL FUNCTIONS 1 - 9	\$ 37,891,976	\$ 8,066,288	\$ 45,958,264	\$ 5,739,521	\$ 51,697,785	\$ 53,198,008	\$ 51,559,730

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule A5

BALANCE, BEGINNING OF YEAR	\$ 75,190
Changes for the Year	
Increase:	<u> </u>
	<u> </u>
Decrease:	
Allocated to Revenue	<u>3,289</u>
Other Revenue	<u>3,289</u>
	<u> </u>
Net Changes for the Year	<u>(3,289)</u>
BALANCE, END OF YEAR	<u><u>\$ 71,901</u></u>

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2010

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ (270,863)	\$ 1,089,964	\$ 768,356		\$ 1,587,457
Add: Contributions Received					
Provincial Grants - Ministry of Education	902,074	385,429			1,287,503
Provincial Grants - Other		329,800			329,800
Other	11,997	320,008	1,883,165		2,215,170
Investment Income	1,353	4,262			5,615
Prior Period Adjustment-transfer MOE Restricted Capital to Inv Cap Assets	336,065				336,065
	1,251,489	1,019,499	1,883,165	-	4,154,153
Less: Allocated to Revenue	241,275	1,180,303	1,781,669		3,203,247
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 739,351	\$ 929,160	\$ 869,852	\$ -	\$ 2,538,363
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 241,275	\$ 416,601			\$ 657,876
Provincial Grants - Other		329,800			329,800
Other Revenue		431,002	1,781,669		2,212,671
Investment Income		2,900			2,900
	241,275	1,180,303	1,781,669	-	3,203,247
EXPENSE					
Salaries					
Teachers	136,848	205,620			342,468
Educational Assistants		191,174			191,174
Support Staff	5,359	136,637			141,996
Other Professionals	18,987				18,987
Substitutes	1,900	160			2,060
	163,094	533,591	-		696,685
Employee Benefits	27,959	103,211			131,170
Services and Supplies	39,032	543,501	1,781,669		2,364,202
	230,085	1,180,303	1,781,669	-	3,192,057
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	11,190	-	-	-	11,190
INTERFUND TRANSFERS					
Capital Assets Purchased	(11,190)				(11,190)
	(11,190)	-	-	-	(11,190)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

Schedule B2

	207 Annual Facility Grant	231 Aboriginal Education Technology	250 Special Education Equipment	290 Debt Services	Oasis PRP	Headstart PRP	TOTAL
DEFERRED CONTRIBUTIONS							
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ (336,065)	\$ 10,040	\$ 39,798	\$ 15,364	\$ -	\$ -	\$ (270,863)
Add: Contributions Received							
Provincial Grants - Ministry of Education	679,971		20,794		88,625	112,684	902,074
Other	11,997						11,997
Investment Income	1,012	60	281				1,353
Prior Period Adjustment- transfer from MOE Restricted Capital	336,065						336,065
	1,029,045	60	21,075	-	88,625	112,684	1,251,489
Less: Allocated to Revenue	11,190	-	13,412	15,364	88,625	112,684	241,275
	681,790	10,100	47,461	-	-	-	739,351
DEFERRED CONTRIBUTIONS, END OF YEAR							
REVENUE AND EXPENSE							
REVENUE							
Provincial Grants - Ministry of Education	11,190		13,412	15,364	88,625	112,684	241,275
	11,190	-	13,412	15,364	88,625	112,684	241,275
EXPENSE							
Salaries							
Teachers					54,886	81,962	136,848
Support Staff					3,076	2,283	5,359
Other Professionals					10,640	8,347	18,987
Substitutes					1,900		1,900
					70,502	92,592	163,094
Employee Benefits					12,995	14,964	27,959
Services and Supplies					5,128	5,128	39,032
					88,625	112,684	230,085
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	11,190	-	-	-	-	-	11,190
INTERFUND TRANSFERS							
Capital Assets Purchased	(11,190)						(11,190)
	(11,190)	-	-	-	-	-	(11,190)
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

Schedule B3

	Community Link	French Secretary of State	Provincial Literacy	Drug & Alcohol VIHA	District Trust Funds	District Scholarships	Strong Start	TOTAL
DEFERRED CONTRIBUTIONS								
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 93,506	\$ 15,381	\$ 82,712	\$ 23,827	\$ 698,170	\$ 125,354	\$ 51,014	\$ 1,089,364
Add:								
Contributions Received	177,388	39,791			15,000		133,250	365,429
Provincial Grants - Ministry of Education	329,800							329,800
Provincial Grants - Other					252,243	13,000		320,008
Other			491	54,765	2,900	373	200	4,262
Investment Income	239			59				
	507,427	39,791	491	54,824	270,143	13,373	133,450	1,019,499
Less:								
Allocated to Revenue	562,779	24,754	-	68,730	369,722	10,450	143,868	1,180,303
	38,154	30,418	83,203	9,921	598,591	128,277	40,596	929,160
DEFERRED CONTRIBUTIONS, END OF YEAR								
REVENUE AND EXPENSE								
REVENUE								
Provincial Grants - Ministry of Education	\$ 232,979	\$ 24,754			\$ 15,000		\$ 143,868	\$ 416,601
Provincial Grants - Other	329,800							329,800
Other Revenue				68,730	351,822	10,450		431,002
Investment Income					2,900			2,900
	562,779	24,754	-	68,730	369,722	10,450	143,868	1,180,303
EXPENSE								
Salaries								
Teachers	15,653	5,175		52,253	132,539			205,620
Educational Assistants	191,174							191,174
Support Staff					20,400		116,237	136,637
Substitutes	160							160
	206,987	5,175	-	52,253	152,939	-	116,237	533,591
Employee Benefits	50,354	942		10,181	23,717		18,017	103,211
Services and Supplies	305,438	18,637		6,296	193,066	10,450	9,614	543,501
	562,779	24,754	-	68,730	369,722	10,450	143,868	1,180,303
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS								
INTERFUND TRANSFERS								
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
\$	8,258,061	\$ 116,850,646	\$ 2,288,018	\$ 1,105,143	\$	465,902	\$ 128,967,770
		729,928		569,225		34,006	569,225
		11,190					763,934
			54,189			96,593	11,190
		4,987,927					150,782
		5,729,045	54,189	569,225	-	130,599	4,987,927
							6,483,058
			488,231	5,061			493,292
			488,231	5,061			493,292
	8,258,061	122,579,691	1,853,976	1,669,307		596,501	134,957,536
		3,658,928					3,658,928
\$	8,258,061	\$ 126,238,619	\$ 1,853,976	\$ 1,669,307	\$	596,501	\$ 138,616,464
	\$	46,525,222	\$ 1,388,275	\$ 183,156	\$	99,015	\$ 48,195,668
		2,532,846	228,802	110,514		93,180	2,965,342
			488,231	5,061			493,292
			488,231	5,061			493,292
\$	-	\$ 49,058,068	\$ 1,128,846	\$ 288,609	\$	192,195	\$ 50,667,718
\$	8,258,061	\$ 77,180,551	\$ 725,130	\$ 1,380,698	\$	404,306	\$ 87,948,746

COST, BEGINNING OF YEAR
Changes for the Year

Increase:
Purchases from:
Deferred Contributions - Bylaw
Deferred Contributions - Other
Special Purpose Funds
Local Capital
Transferred from Work in Progress

Decrease:
Deemed Disposals

COST, END OF YEAR
WORK IN PROGRESS, END OF YEAR
COST AND WORK IN PROGRESS, END OF YEAR

ACCUMULATED AMORTIZATION, BEGINNING OF YEAR
Changes for the Year

Increase: Amortization for the Year
Decrease:
Deemed Disposals

ACCUMULATED AMORTIZATION, END OF YEAR

CAPITAL ASSETS - NET

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2010

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
\$	3,732,397				\$ 3,732,397
	2,124,104				2,124,104
	2,790,354				2,790,354
	4,914,458	-	-	-	4,914,458
	4,987,927				4,987,927
	4,987,927	-	-	-	4,987,927
	(73,469)	-	-	-	(73,469)
\$	3,658,928	\$ -	\$ -	\$ -	\$ 3,658,928

WORK IN PROGRESS, BEGINNING OF YEAR

Changes for the Year

Increase
Deferred Contributions - Bylaw
Deferred Contributions - Other

Decrease
Transferred to Capital Assets

Net Changes for the Year

WORK IN PROGRESS, END OF YEAR

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule C3

	BYLAW CAPITAL	OTHER PROVINCIAL	OTHER CAPITAL	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	\$ 55,077,891	\$ 2,369,108		\$ 57,446,999
Changes in Accounting Policies/ Prior Period Adjustments				
Tfr MOE Restricted Capital to cover 08/09 AFG Deficit		336,065		336,065
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	<u>55,077,891</u>	<u>2,705,173</u>	<u>-</u>	<u>57,783,064</u>
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Capital Additions	569,225	763,934		1,333,159
Transferred from Work in Progress	<u>4,603,473</u>	<u>384,454</u>		<u>4,987,927</u>
	<u>5,172,698</u>	<u>1,148,388</u>	<u>-</u>	<u>6,321,086</u>
Decrease				
Amortization of Deferred Capital Contributions	<u>2,262,916</u>	<u>72,432</u>		<u>2,335,348</u>
	<u>2,262,916</u>	<u>72,432</u>	<u>-</u>	<u>2,335,348</u>
Net Changes for the Year	<u>2,909,782</u>	<u>1,075,956</u>	<u>-</u>	<u>3,985,738</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 57,987,673</u>	<u>\$ 3,781,129</u>	<u>\$ -</u>	<u>\$ 61,768,802</u>
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 3,306,883	\$ 425,513		\$ 3,732,396
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	<u>2,124,104</u>	<u>2,790,354</u>		<u>4,914,458</u>
	<u>2,124,104</u>	<u>2,790,354</u>	<u>-</u>	<u>4,914,458</u>
Decrease				
Transferred to Deferred Capital Contributions	<u>4,603,473</u>	<u>384,454</u>		<u>4,987,927</u>
	<u>4,603,473</u>	<u>384,454</u>	<u>-</u>	<u>4,987,927</u>
Net Changes for the Year	<u>(2,479,369)</u>	<u>2,405,900</u>	<u>-</u>	<u>(73,469)</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ 827,514</u>	<u>\$ 2,831,413</u>	<u>\$ -</u>	<u>\$ 3,658,927</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 58,815,187</u>	<u>\$ 6,612,542</u>	<u>\$ -</u>	<u>\$ 65,427,729</u>

BALANCE, BEGINNING OF YEAR

**Changes in Accounting Policies/
Prior Period Adjustments**
 Trf MOE Restricted Capital to cover 08/09 AFG Deficit

BALANCE, BEGINNING OF YEAR, AS RESTATED

Changes for the Year

Increase:

- Provincial Grants - Ministry of Education
- Transfer Southgate Seismic surplus to MOE Restricted

Decrease:

- Transferred to DCC - Capital Additions
- Transferred to DCC - Work in Progress
- Campbellton Legal Fees

Net Changes for the Year

BALANCE, END OF YEAR

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule C4

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
\$	(71,898)	\$ 2,362,373				\$ 2,290,475
		(336,065)				(336,065)
	(71,898)	2,026,308	-	-	-	1,954,410
	3,883,560					3,883,560
	(1,199,087)	1,199,087				-
	2,684,473	1,199,087	-	-	-	3,883,560
	569,225	763,934				1,333,159
	2,124,104	2,790,354				4,914,458
		36,994				36,994
	2,693,329	3,591,282	-	-	-	6,284,611
	(8,856)	(2,392,195)	-	-	-	(2,401,051)
\$	(80,754)	\$ (365,887)	\$ -	\$ -	\$ -	\$ (446,641)

SCHOOL DISTRICT No. 72 (CAMPBELL RIVER)

Schedule C5

CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2010

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 23,187,947	\$ 656,394	\$ 23,844,341
Changes in Accounting Policies/ Prior Period Adjustments			
Tfr MOE Restricted Capital to cover 08/09 AFG Deficit	(336,065)		(336,065)
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>22,851,882</u>	<u>656,394</u>	<u>23,508,276</u>
Changes for the Year			
Investment Income		4,438	4,438
Amortization of Deferred Capital Contributions	2,335,348		2,335,348
Capital Assets Purchased from Local Capital	150,782	(150,782)	-
Interfund Transfers - Capital Assets Purchased	11,190		11,190
Interfund Transfers - Local Capital		225,000	225,000
Amortization of Capital Assets	(2,965,342)		(2,965,342)
Capital Expense		(49,216)	(49,216)
Net Changes for the Year	<u>(468,022)</u>	<u>29,440</u>	<u>(438,582)</u>
BALANCE, END OF YEAR	<u>\$ 22,383,860</u>	<u>\$ 685,834</u>	<u>\$ 23,069,694</u>