

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2009/2010

SCHOOL DISTRICT NUMBER 46	NAME OF SCHOOL DISTRICT Sunshine Coast	YEAR 2009/2010
OFFICE LOCATION 494 South Fletcher		TELEPHONE NUMBER 604-886-4485
CITY/PROVINCE Gibsons, B.C.		POSTAL CODE V0N-1V0
WEBSITE ADDRESS www.sd46.bc.ca		
NAME OF SUPERINTENDENT Deborah Palmer		NAME OF SECRETARY-TREASURER Diane Ready

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. 46 (Sunshine Coast) ("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.

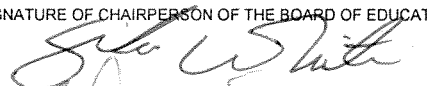
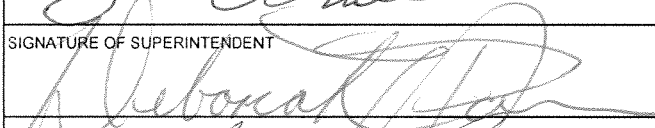
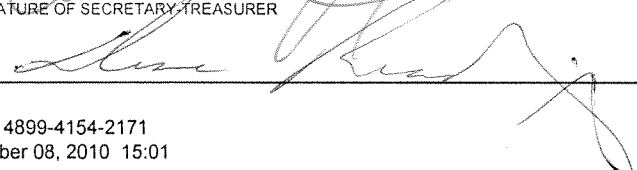
External Auditors

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. 46 (Sunshine Coast) for the year ended June 30, 2010.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 14/10
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept 15/10
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED Sept 15, 2010

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
2009/2010 AUDITED FINANCIAL STATEMENTS

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August 24, 2010

School District No. 46 (Sunshine Coast)
P.O. Box 220
Gibsons, BC V0N 1V0

To the Board of School Trustees:

Our review of the financial operations of School District No. 46 (Sunshine Coast) leading up to the issuance of our Auditor's report for the year ended June 30, 2010, has identified certain matters which may be of interest to the Board and to management.

The purpose of this letter is to bring to your attention certain matters that were encountered in the course of our work, and to offer our comments and recommendations. These comments, by their nature, are critical as they relate solely to weaknesses and do not address the many strong features and controls within the organization's systems.

In order to meet our audit objective of obtaining reasonable assurance that the financial statements are free of material misstatement, we have examined internal control to the extent we considered necessary to evaluate the systems as required by generally accepted auditing standards. Internal controls are policies and procedures maintained by management to assist in achieving its objectives of ensuring the orderly and efficient conduct of the School District's business. Internal controls optimize the use of resources, safeguard assets, prevent and detect fraud and maintain reliable, accurate and timely reporting systems. The responsibility for ensuring adequate internal control is part of management's overall responsibility for the ongoing activities of the School District.

School Based Funds:

As noted in the prior year, funds being collected and paid at the individual school level, known as school based funds, continue to be an area of concern. In our opinion the risk of misappropriation of these assets is high.

These assets are primarily cash, which is highly susceptible to theft or misuse. There is a lack of segregation of duty, a limited number of personnel involved in accounting for these funds, and inadequate management review at both the school and board level related to the school based funds.

School based funds at an individual school level are typically not significant or material, but when reported in aggregate, the funds become a significant part of the School District's financial statements. Any misappropriation of school based funds would be detrimental to the integrity of the staff, management, and board of the School District.

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We strongly suggest the implementation of procedures and controls that will address the identified risk associated with the school based funds.

We would like to thank Diane Ready, John Pritchard, and the School District #46 staff for the high level of co-operation and assistance we received during the course of our audit. Your records are well organized and the staff is competent, making our audit work much easier. It is a pleasure working with all those at School District #46.

Please feel free to contact our office should you have any questions or comments on the matters addressed in this letter or on any other subjects.

Yours truly,

WHITE KENNEDY



per
H. Jon Milligan, B.Com., C.A.
HJM/cwl

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
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	\$ 6,433,488	\$ 436,679		\$ 6,870,167	\$ 7,519,480
Accounts Receivable					
Due from Province - Ministry of Education	4,737			4,737	4,543
Other Receivables (Note 3)	606,672			606,672	293,658
Interfund Loans		993,986	16,058		
	<u>7,044,897</u>	<u>1,430,665</u>	<u>16,058</u>	<u>7,481,576</u>	<u>7,817,681</u>
Capital Assets - Net (Note 4)			37,942,982	37,942,982	38,076,881
TOTAL ASSETS	\$ 7,044,897	\$ 1,430,665	\$ 37,959,040	\$ 45,424,558	\$ 45,894,562
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	2,868,383			2,868,383	2,322,329
Interfund Loans	1,010,044				
	<u>3,878,427</u>	<u>-</u>	<u>-</u>	<u>2,868,383</u>	<u>2,322,329</u>
Deferred Revenue	13,931			13,931	19,945
Deferred Contributions					
Ministry of Education (Note 11)	34,478	329,212	16,058	379,748	739,907
Other (Note 11)	13,577	851,453		865,030	714,882
Accrued Employee Future Benefits (Note 9)	1,888,446			1,888,446	1,976,691
Deferred Capital Contributions			28,826,722	28,826,722	28,573,933
TOTAL LIABILITIES	5,828,859	1,180,665	28,842,780	34,842,260	34,347,687
Fund Balances					
Invested in Capital Assets			9,116,260	9,116,260	9,502,948
Endowment (Note 12)		250,000		250,000	250,000
Internally Restricted (Note 7)	1,112,965			1,112,965	1,527,403
Unrestricted (Note 7)	928,486			928,486	1,091,937
Unfunded Accrued Employee Future Benefits (Note 8)	(825,413)			(825,413)	(825,413)
TOTAL FUND BALANCES	1,216,038	250,000	9,116,260	10,582,298	11,546,875
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,044,897	\$ 1,430,665	\$ 37,959,040	\$ 45,424,558	\$ 45,894,562

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2010

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2010	TOTAL 2009
REVENUE					
Provincial Grants - Ministry of Education	\$ 34,612,264	\$ 761,042		\$ 35,373,306	\$ 36,113,212
Provincial Grants - Other	395,277			395,277	80,246
Other Revenue	538,150	1,012,886		1,551,036	1,439,860
Rentals and Leases	36,988			36,988	41,325
Investment Income	30,395	3,203		33,598	154,428
Amortization of Deferred Capital Contributions			1,246,535	1,246,535	1,257,043
	<u>35,613,074</u>	<u>1,777,131</u>	<u>1,246,535</u>	<u>38,636,740</u>	<u>39,086,114</u>
EXPENSE					
Salaries					
Teachers	14,362,087			14,362,087	14,208,798
Principals and Vice Principals	2,106,912			2,106,912	1,993,380
Educational Assistants	2,389,455			2,389,455	2,337,338
Support Staff	3,899,752	112,690		4,012,442	4,054,502
Other Professionals	990,923			990,923	991,655
Substitutes	1,779,406			1,779,406	1,987,471
	<u>25,528,535</u>	<u>112,690</u>	<u>-</u>	<u>25,641,225</u>	<u>25,573,144</u>
Employee Benefits	5,477,047	32,164		5,509,211	5,561,112
Services and Supplies	5,133,041	1,632,277		6,765,318	6,671,521
Amortization of Capital Assets			1,685,563	1,685,563	1,640,334
	<u>36,138,623</u>	<u>1,777,131</u>	<u>1,685,563</u>	<u>39,601,317</u>	<u>39,446,111</u>
NET REVENUE (EXPENSE)	<u>\$ (525,549)</u>	<u>\$ -</u>	<u>\$ (439,028)</u>	<u>\$ (964,577)</u>	<u>\$ (359,997)</u>

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	\$ 1,793,927	\$ 250,000	\$ 9,502,948	\$ 11,546,875	\$ 11,906,872
Changes for the Year					
Net Revenue (Expense) for the Year	(525,549)		(439,028)	(964,577)	(359,997)
Interfund Transfers					
Capital Assets Purchased (Note 13)	(52,340)		52,340	-	
Net Changes for the Year	<u>(577,889)</u>	<u>-</u>	<u>(386,688)</u>	<u>(964,577)</u>	<u>(359,997)</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,216,038</u>	<u>\$ 250,000</u>	<u>\$ 9,116,260</u>	<u>\$ 10,582,298</u>	<u>\$ 11,546,875</u>

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
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	\$ (525,549)		\$ (439,028)	\$ (964,577)	\$ (359,997)
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(313,208)			(313,208)	(73,900)
Interfund Loans	(184,737)	119,119	65,618	-	-
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	546,054			546,054	(23,544)
Deferred Revenue	(6,014)			(6,014)	15,615
Deferred Contributions	(31,697)	(112,696)		(144,393)	(492,563)
Accrued Employee Future Benefits	(88,245)			(88,245)	137,344
Other Long Term Liabilities				-	(488,087)
Items Not Involving Cash					
Amortization of Capital Assets			1,685,563	1,685,563	1,640,334
Amortization of Deferred Capital Contributions			(1,246,535)	(1,246,535)	(1,257,043)
Interfund Transfers	(52,340)		52,340	-	-
	<u>(655,736)</u>	<u>6,423</u>	<u>117,958</u>	<u>(531,355)</u>	<u>(901,841)</u>
FINANCING					
Deferred Contributions Received - Capital			499,324	499,324	1,000,000
			<u>499,324</u>	<u>499,324</u>	<u>1,000,000</u>
INVESTING					
Capital Assets Purchased - Operating			(52,340)	(52,340)	(265,684)
Capital Assets Purchased - Special Purpose				-	(439,765)
Capital Assets Purchased - Deferred Contributions - Capital			(564,942)	(564,942)	(934,382)
			<u>(617,282)</u>	<u>(617,282)</u>	<u>(1,639,831)</u>
NET INCREASE (DECREASE) IN CASH	\$ (655,736)	\$ 6,423	\$ -	\$ (649,313)	\$ (1,541,672)

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	\$ (655,736)	\$ 6,423	\$ -	\$ (649,313)	\$ (1,541,672)
Net Cash, Beginning of Year	7,089,224	430,256	-	7,519,480	9,061,152
NET CASH, END OF YEAR	\$ 6,433,488	\$ 436,679	\$ -	\$ 6,870,167	\$ 7,519,480
Cash	\$ 6,433,488	\$ 436,679		\$ 6,870,167	\$ 7,519,480
NET CASH, END OF YEAR	\$ 6,433,488	\$ 436,679	\$ -	\$ 6,870,167	\$ 7,519,480

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	\$ 13,954,648	\$ 2,735,429	\$ 16,690,077	\$ 1,351,194	\$ 18,041,271	\$ 18,512,454	\$ 17,313,471
1.03 Career Programs	164,731	39,124	203,855	998	204,853	203,855	199,600
1.07 Library Services	430,653	100,637	531,290	105,620	636,910	701,153	553,675
1.08 Counselling	406,964	97,667	504,631	1,204	505,835	471,313	515,541
1.10 Special Education	5,032,233	1,187,073	6,219,306	263,424	6,482,730	6,759,862	6,786,697
1.30 English as a Second Language	86,472	20,538	107,010	6,195	113,205	174,936	60,253
1.31 Aboriginal Education	348,234	92,191	440,425	72,366	512,791	581,020	611,646
1.41 School Administration	1,601,990	344,834	1,946,824	121,201	2,068,025	2,210,173	2,262,851
1.62 Off Shore Students	9,858	1,946	11,804	121	11,925	20,198	16,660
1.64 Other	115,803	23,926	139,729	286,268	425,997	364,074	393,500
Total Function 1	22,151,586	4,643,365	26,794,951	2,208,591	29,003,542	29,999,038	28,713,894
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	344,428	70,226	414,654	18,272	432,926	419,439	441,492
4.40 School District Governance	80,839	907	81,746	94,257	176,003	168,500	202,900
4.41 Business Administration	583,677	125,087	708,764	313,054	1,021,818	1,023,310	901,687
Total Function 4	1,008,944	196,220	1,205,164	425,583	1,630,747	1,611,249	1,546,079
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	113,146	25,920	139,066	66,932	205,998	226,922	245,733
5.50 Maintenance Operations	2,031,042	555,970	2,587,012	663,093	3,250,105	3,294,838	3,418,439
5.52 Maintenance of Grounds	190,842	46,461	237,303	66,703	304,006	284,322	224,250
5.56 Utilities	-	-	-	748,652	748,652	735,000	762,726
Total Function 5	2,335,030	628,351	2,963,381	1,545,380	4,508,761	4,541,082	4,651,148
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	17,308	3,805	21,113	-	21,113	22,721	27,876
7.70 Student Transportation	15,667	5,306	20,973	953,487	974,460	1,036,413	1,055,601
Total Function 7	32,975	9,111	42,086	953,487	995,573	1,059,134	1,083,477
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 25,528,535	\$ 5,477,047	\$ 31,005,582	\$ 5,133,041	\$ 36,138,623	\$ 37,210,503	\$ 35,994,598

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 OPERATING FUND
 SURPLUS (DEFICIT)
 YEAR ENDED JUNE 30, 2010

Schedule A1

	2010	2010	2009
	ACTUAL	AMENDED ANNUAL BUDGET	ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	\$ 34,612,264	\$ 34,618,390	\$ 34,848,771
Provincial Grants - Other	395,277		80,246
Other Revenue	538,150	575,744	453,357
Rentals and Leases	36,988	35,000	41,325
Investment Income	30,395	30,000	154,428
	<u>35,613,074</u>	<u>35,259,134</u>	<u>35,578,127</u>
EXPENSE			
Salaries			
Teachers	14,362,087	14,475,902	14,208,798
Principals and Vice Principals	2,106,912	2,037,609	1,993,380
Educational Assistants	2,389,455	2,307,316	2,337,338
Support Staff	3,899,752	3,898,862	3,889,406
Other Professionals	990,923	971,571	991,655
Substitutes	1,779,406	1,889,659	1,987,471
	<u>25,528,535</u>	<u>25,580,919</u>	<u>25,408,048</u>
Employee Benefits	5,477,047	5,452,454	5,518,132
Services and Supplies	5,133,041	6,177,130	5,068,418
	<u>36,138,623</u>	<u>37,210,503</u>	<u>35,994,598</u>
NET REVENUE (EXPENSE), FOR THE YEAR	(525,549)	(1,951,369)	(416,471)
INTERFUND TRANSFERS			
Capital Assets Purchased	(52,340)		(265,684)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduced Unfunded Employee Future Benefits			(84,143)
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		1,951,369	
SURPLUS (DEFICIT), FOR THE YEAR	<u>(577,889)</u>	<u>\$ -</u>	<u>(766,298)</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	2,619,340		3,385,638
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>\$ 2,041,451</u>		<u>\$ 2,619,340</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	1,112,965		
Unrestricted	928,486		
	<u>\$ 2,041,451</u>		

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2010

Schedule A2

	2010		
	2010 ACTUAL	AMENDED ANNUAL BUDGET	2009 ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	\$ 33,649,303	\$ 33,327,422	\$ 33,451,202
Other Ministry of Education Grants			
FSA Scorer Funds	8,696		7,200
Pay Equity	510,381	510,381	510,381
Literacy Innovation	31,697	66,175	64,736
Community Link	165,778	483,623	483,623
Strong Start	176,500	190,000	110,000
Ready Set Learn	24,500	25,000	25,000
Labour Market Adjustment		-	177,400
French	15,789	15,789	15,142
Carbon Tax Reimbursement	13,272		3,198
Education Guarantee	16,348		889
	<u>34,612,264</u>	<u>34,618,390</u>	<u>34,848,771</u>
PROVINCIAL GRANTS - OTHER	<u>395,277</u>		<u>80,246</u>
FEDERAL GRANTS			
OTHER REVENUE			
Other School District/Education Authorities	326,413	334,682	347,765
Offshore Tuition Fees	72,985	100,000	63,830
Miscellaneous			
Arts Start Grant	4,300	6,610	-
Trades Adjustment	35,633	41,489	
Skills Enhancement	98,819	92,963	
Other			41,762
	<u>538,150</u>	<u>575,744</u>	<u>453,357</u>
RENTALS AND LEASES	<u>36,988</u>	<u>35,000</u>	<u>41,325</u>
INVESTMENT INCOME	<u>30,395</u>	<u>30,000</u>	<u>154,428</u>
TOTAL OPERATING REVENUE	<u>\$ 35,613,074</u>	<u>\$ 35,259,134</u>	<u>\$ 35,578,127</u>

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 OPERATING FUND
 COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
 YEAR ENDED JUNE 30, 2010

Schedule A3

	2010		
	2010 ACTUAL	AMENDED ANNUAL BUDGET	2009 ACTUAL
SALARIES			
Teachers	\$ 14,362,087	\$ 14,475,902	\$ 14,208,798
Principals and Vice Principals	2,106,912	2,037,609	1,993,380
Educational Assistants	2,389,455	2,307,316	2,337,338
Support Staff	3,899,752	3,898,862	3,889,406
Other Professionals	990,923	971,571	991,655
Substitutes	1,779,406	1,889,659	1,987,471
	<u>25,528,535</u>	<u>25,580,919</u>	<u>25,408,048</u>
EMPLOYEE BENEFITS	<u>5,477,047</u>	<u>5,452,454</u>	<u>5,518,132</u>
TOTAL SALARIES AND BENEFITS	<u>31,005,582</u>	<u>31,033,373</u>	<u>30,926,180</u>
SERVICES AND SUPPLIES			
Services	734,501	777,475	841,577
Student Transportation	955,550	1,010,550	1,029,090
Professional Development and Travel	154,361	160,572	128,418
Rentals and Leases	102,939	113,000	66,934
Dues and Fees	53,052	42,500	47,736
Insurance	64,289	70,000	64,877
Supplies	2,319,697	3,268,033	2,127,060
Utilities	748,652	735,000	762,726
TOTAL SERVICES AND SUPPLIES	<u>5,133,041</u>	<u>6,177,130</u>	<u>5,068,418</u>
TOTAL OPERATING EXPENSE	<u>\$ 36,138,623</u>	<u>\$ 37,210,503</u>	<u>\$ 35,994,598</u>

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	\$ 11,264,544	\$ 461,572	\$ 15,497	\$ 557,293	\$ -	\$ 1,655,742	\$ 13,954,648
1.03 Career Programs	164,731						164,731
1.07 Library Services	327,845			94,690		8,118	430,653
1.08 Counselling	319,156			87,808			406,964
1.10 Special Education	1,863,417	434,894	2,373,958	243,538	22,022	94,404	5,032,233
1.30 English as a Second Language	86,472						86,472
1.31 Aboriginal Education	254,433	88,718		5,083			348,234
1.41 School Administration		1,111,870		477,214	12,906		1,601,990
1.62 Off Shore Students		9,858					9,858
1.64 Other	81,489			34,314			115,803
Total Function 1	14,362,087	2,106,912	2,389,455	1,499,940	34,928	1,758,264	22,151,586
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				2,808	341,620		344,428
4.40 School District Governance					80,839		80,839
4.41 Business Administration				117,304	446,601	19,772	583,677
Total Function 4	-	-	-	120,112	869,060	19,772	1,008,944
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				42,149	69,627	1,370	113,146
5.50 Maintenance Operations				2,031,042			2,031,042
5.52 Maintenance of Grounds				190,842			190,842
Total Function 5	-	-	-	2,264,033	69,627	1,370	2,335,030
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration					17,308		17,308
7.70 Student Transportation				15,667			15,667
Total Function 7	-	-	-	15,667	17,308	-	32,975
9 DEBT SERVICES (OPERATING)							
Total Function 9	-	-	-	-	-	-	-
TOTAL FUNCTIONS 1 - 9	\$ 14,362,087	\$ 2,106,912	\$ 2,389,455	\$ 3,899,752	\$ 990,923	\$ 1,779,406	\$ 25,528,535

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2010

Schedule A5

BALANCE, BEGINNING OF YEAR	\$	79,752
Changes for the Year		
Increase:		-
Decrease:		
Allocated to Revenue		31,697
Provincial Grants - Ministry of Education		31,697
Net Changes for the Year		(31,697)
BALANCE, END OF YEAR	\$	48,055

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
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	\$ 592,056	\$ 271,049	\$ 430,256		\$ 1,293,361
Add: Contributions Received					
Provincial Grants - Ministry of Education	486,795	6,000			492,795
Other	106,400	234,706	827,331		1,168,437
Investment Income		3,203			3,203
	593,195	243,909	827,331	-	1,664,435
Less: Allocated to Revenue	856,039	100,183	820,909		1,777,131
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 329,212	\$ 414,775	\$ 436,678	\$ -	\$ 1,180,665
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	\$ 749,639	\$ 11,403			\$ 761,042
Other Revenue	106,400	85,577	820,909		1,012,886
Investment Income		3,203			3,203
	856,039	100,183	820,909	-	1,777,131
EXPENSE					
Salaries					
Support Staff	112,690				112,690
	112,690	-	-	-	112,690
Employee Benefits	32,164				32,164
Services and Supplies	711,185	100,183	820,909		1,632,277
	856,039	100,183	820,909	-	1,777,131
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-	-
INTERFUND TRANSFERS					
	-	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 546,373	\$ 10,118	\$ 35,565	\$ 592,056
Add: Contributions Received				
Provincial Grants - Ministry of Education	470,663		16,132	486,795
Other	106,400			106,400
	577,063	-	16,132	593,195
Less: Allocated to Revenue	849,045	-	6,994	856,039
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 274,391	\$ 10,118	\$ 44,703	\$ 329,212
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education	\$ 742,645		\$ 6,994	\$ 749,639
Other Revenue	106,400			106,400
	849,045	-	6,994	856,039
EXPENSE				
Salaries				
Support Staff	112,690			112,690
	112,690	-	-	112,690
Employee Benefits	32,164			32,164
Services and Supplies	704,191		6,994	711,185
	849,045	-	6,994	856,039
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-
INTERFUND TRANSFERS				
	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2010

Schedule B3

	Scholarships and Bursaries	Community Connections	Playground Equipment	TOTAL
DEFERRED CONTRIBUTIONS				
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	\$ 266,242	\$ 4,306	\$ 501	\$ 271,049
Add: Contributions Received				
Provincial Grants - Ministry of Education		6,000		6,000
Other	233,287	1,419		234,706
Investment Income	3,203			3,203
	236,490	7,419	-	243,909
Less: Allocated to Revenue	87,361	12,822	-	100,183
DEFERRED CONTRIBUTIONS, END OF YEAR	\$ 415,371	\$ (1,097)	\$ 501	\$ 414,775
REVENUE AND EXPENSE				
REVENUE				
Provincial Grants - Ministry of Education		\$ 11,403		\$ 11,403
Other Revenue	84,158	1,419		85,577
Investment Income	3,203			3,203
	87,361	12,822	-	100,183
EXPENSE				
Salaries				
	-	-	-	-
Services and Supplies	87,361	12,822		100,183
	87,361	12,822	-	100,183
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	-	-	-	-
INTERFUND TRANSFERS				
	-	-	-	-
NET REVENUE (EXPENSE)	\$ -	\$ -	\$ -	\$ -

**SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2010**

Schedule C1

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	\$ 3,051,972	\$ 58,612,897	\$ 2,589,598	\$ 921,512		\$ 483,384	\$ 65,659,363
Changes for the Year							
Increase:							
Purchases from:							
Operating Fund			16,362	29,200	-	6,778	52,340
Transferred from Work in Progress		1,499,324					1,499,324
	-	1,499,324	16,362	29,200	-	6,778	1,551,664
Decrease:							
Deemed Disposals			265,706			114,115	379,821
			265,706	-	-	114,115	379,821
COST, END OF YEAR	3,051,972	60,112,221	2,340,254	950,712	-	376,047	66,831,206
WORK IN PROGRESS, END OF YEAR							-
COST AND WORK IN PROGRESS, END OF YEAR	\$ 3,051,972	\$ 60,112,221	\$ 2,340,254	\$ 950,712	\$ -	\$ 376,047	\$ 66,831,206
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR		\$ 26,156,945	\$ 969,492	\$ 290,648		\$ 165,397	\$ 27,582,482
Changes for the Year							
Increase: Amortization for the Year		1,237,775	258,960	92,151		96,677	1,685,563
Decrease:							
Deemed Disposals			265,706			114,115	379,821
			265,706	-	-	114,115	379,821
ACCUMULATED AMORTIZATION, END OF YEAR	\$ -	\$ 27,394,720	\$ 962,746	\$ 382,799	\$ -	\$ 147,959	\$ 28,888,224
CAPITAL ASSETS - NET	\$ 3,051,972	\$ 32,717,501	\$ 1,377,508	\$ 567,913	\$ -	\$ 228,088	\$ 37,942,982

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2010

Schedule C2

	BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 934,382				\$ 934,382
Changes for the Year					
Increase					
Deferred Contributions - Bylaw	564,942				564,942
	564,942	-	-	-	564,942
Decrease					
Transferred to Capital Assets	1,499,324				1,499,324
	1,499,324	-	-	-	1,499,324
Net Changes for the Year	(934,382)	-	-	-	(934,382)
WORK IN PROGRESS, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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	\$ 28,402,511		\$ 171,422	\$ 28,573,933
Changes for the Year				
Increase				
Transferred from Work in Progress	1,499,324			1,499,324
	<u>1,499,324</u>	-	-	<u>1,499,324</u>
Decrease				
Amortization of Deferred Capital Contributions	1,225,107		21,428	1,246,535
	<u>1,225,107</u>	-	<u>21,428</u>	<u>1,246,535</u>
Net Changes for the Year	<u>274,217</u>	-	<u>(21,428)</u>	<u>252,789</u>
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 28,676,728</u>	\$ -	<u>\$ 149,994</u>	<u>\$ 28,826,722</u>
WORK IN PROGRESS, BEGINNING OF YEAR	\$ 934,382			\$ 934,382
Changes for the Year				
Increase				
Transferred from Deferred Contributions - Work in Progress	564,942			564,942
	<u>564,942</u>	-	-	<u>564,942</u>
Decrease				
Transferred to Deferred Capital Contributions	1,499,324			1,499,324
	<u>1,499,324</u>	-	-	<u>1,499,324</u>
Net Changes for the Year	<u>(934,382)</u>	-	-	<u>(934,382)</u>
WORK IN PROGRESS, END OF YEAR	<u>\$ -</u>	\$ -	<u>\$ -</u>	<u>\$ -</u>
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	<u>\$ 28,676,728</u>	\$ -	<u>\$ 149,994</u>	<u>\$ 28,826,722</u>

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 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
BALANCE, BEGINNING OF YEAR	\$ 65,618	\$ 16,058				\$ 81,676
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	499,324					499,324
	499,324	-	-	-	-	499,324
Decrease:						
Transferred to DCC - Work in Progress	564,942					564,942
	564,942	-	-	-	-	564,942
Net Changes for the Year	(65,618)	-	-	-	-	(65,618)
BALANCE, END OF YEAR	\$ -	\$ 16,058	\$ -	\$ -	\$ -	\$ 16,058

SCHOOL DISTRICT No. 46 (SUNSHINE COAST)
 CAPITAL FUND
 CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2010

Schedule C5

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	\$ 9,502,948		\$ 9,502,948
Changes for the Year			
Amortization of Deferred Capital Contributions	1,246,535		1,246,535
Interfund Transfers - Capital Assets Purchased	52,340		52,340
Amortization of Capital Assets	(1,685,563)		(1,685,563)
Net Changes for the Year	(386,688)	-	(386,688)
BALANCE, END OF YEAR	\$ 9,116,260	\$ -	\$ 9,116,260



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 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. 46 (Sunshine Coast)", and operates as "School District No. 46 (Sunshine Coast)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

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

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years.

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

Statement 2 (Statement of Revenue and Expense), Statement 3 (Statement of Changes in Fund Balances) and Statement 4 (Statement of Cash Flows) present annual results of each fund, changes in fund balances and cash flows for the year. Statement 1 (Statement of Financial Position) presents the assets, liabilities and fund balances as at June 30th. Interfund transfers (see Note 11) and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

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

- Operating fund reports assets, liabilities, revenues and expenses for general operations.
- Special purpose funds report assets, liabilities, revenues and expenses for:
 - Contributions restricted in use by the *School Act* or Ministry of Education.
 - Contributions restricted in use by other external bodies.
 - Endowment funds.
 - Funds collected and used at the school level (i.e. school-generated funds).
 - Controlled and/or related entities.
- Capital fund reports assets, liabilities, revenues and expenses for capital. Contributions of other funds used for capital purposes are transferred to the capital fund.



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 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) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts. (see Note 3)

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.
- Amortization is recorded on a straight-line basis over the estimated useful life of the asset. Estimated useful life is as follows:

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

e) 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.

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.



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

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

Revenue Recognition con't

- Endowment contributions are reported as direct increases to net assets which are 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 and Vice Principals 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.

g) Financial Instruments

Financial instruments consist of cash, cash equivalents, accounts receivable, accounts payable, accrued liabilities and other current 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.



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

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

h) Use of Estimates

Preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that impact reported amounts for assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

i) Employee Future Benefits

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

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

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan. The EARS� for employees of the School District is 7.8 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.

j) Fund Balances

Fund balances are classified as invested in capital assets, internally restricted (by the Board) and unrestricted - operating (available for use at the discretion of the Board).



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	<u>2010</u>	<u>2009</u>
Due from Federal Government (GST)	\$96,433	\$140,213
PAC Refund for PST	4,426	21,838
Due from Other School Districts	326,413	
Due from Other Agency – Energy Conservation grant	106,400	
Other	73,000	131,607
Total	<u>\$606,672</u>	<u>\$293,658</u>

NOTE 4 CAPITAL ASSETS

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Sites	\$ 3,051,972	\$ -0-	\$ 3,051,972	\$ 3,051,972
Buildings	60,112,221	27,394,720	32,717,501	32,455,952
Furniture & Equipment	2,340,254	962,746	1,377,508	1,620,106
Vehicles	950,712	382,799	567,913	630,864
Computer Hardware	376,047	147,959	228,088	317,987
	<u>\$66,831,206</u>	<u>\$28,888,224</u>	<u>\$37,942,982</u>	<u>\$38,076,881</u>

NOTE 5 CAPITAL MANAGEMENT

The capital structure of the School District consists of net assets invested in property and equipment, restricted funds, and unrestricted net assets. The primary objective of the School District's capital management is to provide educational programs to students enrolled in schools in the district.

Net assets invested in property and equipment represents the amount of net assets that are not available for other purposes because they have been invested. Unrestricted net assets are funds available for future operations and are preserved so the School District can have financial flexibility should opportunities arise in the future. For the year ended June 30, 2010, the School District has complied with all externally imposed capital restrictions.



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 6 ASSET RETIREMENT OBLIGATION

Legal liabilities may exist for the removal/disposal of asbestos in schools that will undergo major renovations or demolition. As at June 30, 2010 the liability is not reasonably determined.

NOTE 7 OPERATING FUND BALANCE, END OF YEAR

Internally Restricted Surplus appropriated by Board for:	2009/10	2008/09
School Surpluses (School based budgeting allows carry forward)	\$541,137	\$1,010,378
Union Contractual Obligations (Professional development funds)	181,518	226,232
Aboriginal Education	73,332	69,718
Fine Arts		4,972
District Programs:		
English as a Second Language	61,731	34,126
Strong Start	39,837	30,012
Special Education	115,455	49,876
Earthquake Preparedness		100,000
Property Information Report	93,988	0
French	5,967	2,089
Subtotal Internally Restricted	<u>\$1,112,965</u>	<u>\$1,527,403</u>
Unrestricted Operating Surplus	928,486	1,091,937
Total Available for Future Operations	<u>\$2,041,451</u>	<u>\$2,619,340</u>

NOTE 8 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

It is planned that the unfunded liability for accrued employee future benefits will be eliminated in eight (8) years.

Unfunded liability, as at July 1, 2009	<u>\$825,413</u>
Reductions during the year	<u>0</u>
Unfunded liability, as at June 30, 2010	<u>\$825,413</u>



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 9 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.

Fiscal Year	2010	2009
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$1,616,847	\$1,696,396
Service Cost	121,255	131,388
Interest Cost	115,540	95,401
Benefit Payments	(255,440)	(84,143)
Actuarial (Gain)/Loss	(134,836)	(222,195)
Accrued Benefit Obligation – March 31	<u>\$1,463,366</u>	<u>\$1,616,847</u>
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$1,463,366	\$1,616,847
Market Value of Plan Assets - March 31	0	0
Funded Status - Surplus/(Deficit)	(1,463,366)	(\$1,616,847)
Employer Contributions After Measurement Date	58,147	15,219
Unamortized Net Actuarial (Gain)/Loss	(483,227)	(375,063)
Accrued Benefit Asset/(Liability) - June 30	<u>(\$1,888,446)</u>	<u>(\$1,976,691)</u>
Components of Net Benefit Expense		
Service Cost	\$121,255	\$131,388
Interest Cost	115,540	95,401
Amortization of Net Actuarial (Gain)/Loss	(26,672)	0
Net Benefit Expense (Income)	<u>\$210,123</u>	<u>\$226,789</u>

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

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	7.8 years	8.0 years



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 10 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 a surplus 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. School District No. 46 (Sunshine Coast) paid \$2,814,837 for employer contributions to these plans in the year ended June 30, 2010.

NOTE 11 DEFERRED CONTRIBUTIONS

Deferred Contributions - Ministry of Education:

	2010			2009
	Operating Fund (Literacy Innovation)	Special Purpose Fund	Capital Fund	
			Total	Total
Balance, beginning of year	\$66,175		\$66,175	\$83,093
Increases:				
Provincial grants - MEd				47,818
MEd Restricted Portion of Proceeds				
Investment income				
Other (specify)				
Decreases:				
Transfers to Revenue	31,697		31,697	64,736
Transfers to DCC - capital additions				
Transfer to invested in capital assets - sites				
Other (specify)				
Net Changes for the year	(31,697)		(31,697)	(16,918)
Balance, end of the year	\$34,478		\$34,478	\$ 66,175



**THE BOARD OF EDUCATION OF
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NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 11 DEFERRED CONTRIBUTIONS con't

Deferred Contributions - Other

	2010			2009
	Operating Fund (Job Security)	Special Purpose Fund	Capital Fund	Total
Balance, beginning of year	\$13,577			\$13,577
Increases:				
Provincial grants - MEd				
MEd Restricted Portion of Proceeds				
Investment income				
Other (specify)				
Decreases:				
Transfers to Revenue				
Transfers to DCC - capital additions				
Transfer to invested in capital assets - sites				
Other (specify)				
Net Changes for the year				
Balance, end of the year	\$13,577			\$13,577

NOTE 12 ENDOWMENT FUNDS

Name of Endowment	Balance Beginning of Year	Contributions During Year	Earnings for the Year	Available for Disbursement	Balance End of Year
Len Van Egmond Fund	\$250,000	\$ 0	\$3,203	\$3,203	\$250,000
Total	\$250,000	\$ 0	\$3,203	\$3,203	\$250,000



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 13 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:

Capital Asset Purchases:

• Furniture and Equipment Additions transferred from Operating	\$16,362
• Vehicle Additions transferred from Operating	29,200
• Computer Hardware transferred from Operating	<u>6,778</u>
Total	<u><u>\$52,340</u></u>

NOTE 14 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are generally considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTRACTUAL OBLIGATIONS

The future minimum lease payments for office and technology equipment are as follows:

2011	\$156,000
2012	\$156,000
2013	\$114,000
2014	\$84,000
2015	\$84,000

NOTE 16 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 12, 2010.



**THE BOARD OF EDUCATION OF
SCHOOL DISTRICT NO. 46 (SUNSHINE COAST)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010**

NOTE 17 CONTINGENCIES

There is one outstanding legal action against the School District originating prior to 1989 for negligence, brought by parents of children who were allegedly abused by a former employee of the School District. The outcome of this dispute and possible amounts of loss cannot be determined. The School District's insurer is involved in the legal process and is expected to provide coverage in this case.

NOTE 18 ECONOMIC DEPENDENCE

Operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

NOTE 19 COMPARATIVE FIGURES

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

NOTE 20 RISK MANAGEMENT

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