

SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2007/2008

SCHOOL DISTRICT NUMBER 60	NAME OF SCHOOL DISTRICT Peace River North	YEAR 2007/2008
OFFICE LOCATION 10112 105 Ave		TELEPHONE NUMBER 250-262-6000
CITY / PROVINCE Fort St John, BC		POSTAL CODE V1J 4S4
WEBSITE ADDRESS http://www.prn.bc.ca		
NAME OF SUPERINTENDENT Larry Espe		NAME OF SECRETARY - TREASURER Doug Boyd

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. 60 (Peace River North) ("the Board") have been prepared by school district management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school district's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that the accounting records may be relied upon to properly reflect the school district's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

The Board's Responsibility

The ultimate responsibility for the financial statements lies with the Board. The Board has reviewed and approved the financial statements.

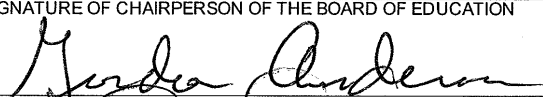


External Auditors

The Board appoints external auditors to audit the financial statements. The external auditors have full and free access to school district records, and present their report to the Board.

Declaration of Management and Board Chairperson

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position, revenue and expense 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. 60 (Peace River North) for the year ended June 30, 2008.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 08/08
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept 08/08
SIGNATURE OF SECRETARY - TREASURER 	DATE SIGNED Sept 08/08

SCHOOL DISTRICT NO. 60 (Peace River North)
2007/2008 AUDITED FINANCIAL STATEMENTS

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SCHILDS & KURJATA
CHARTERED ACCOUNTANTS LTD.

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AUDITORS' REPORT

To The Board of Education
School District 60 (Peace River North)
Fort St. John, BC

We have audited the statement of financial position of School District 60 (Peace River North) as at June 30, 2008 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 School District 60 (Peace River North) as at June 30, 2008 and the results of its operations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the School District taken as a whole. The current year's supplementary information includes Schedules A1 through C5, presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Fort St. John, BC
August 22, 2008

Schilds Kurjata Ltd.
CHARTERED ACCOUNTANTS

SCHOOL DISTRICT NO. 60 (Peace River North)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2008

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
ASSETS					
Current Assets					
Cash and Cash Equivalents	2,901,502	2,731,047		5,632,549	5,876,390
Short Term Investments				0	0
Accounts Receivable					
Due from Province - Ministry of Education	9,058			9,058	26,265
Due from Province - Other				0	0
Due from LEA / Direct Funding				0	0
Other Receivables (Note 3)	380,888			380,888	340,315
Interfund Loans			39,228		
Inventories (Note 2c)	367,310			367,310	0
Prepaid Expenses (Note 2b)	213,112			213,112	343,539
	3,871,870	2,731,047	39,228	6,602,917	6,586,509
Investments				0	0
Equity Investments				0	0
Capital Assets - Net (Note 5)			53,473,780	53,473,780	51,621,287
TOTAL ASSETS	3,871,870	2,731,047	53,513,008	60,076,697	58,207,796
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Bank Overdraft				0	0
Accounts Payable and Accrued Liabilities					
Due to Province - Ministry of Education				0	0
Due to Province - Other				0	0
Other	1,266,275			1,266,275	1,243,725
Bank Loans				0	0
Interfund Loans	39,228				
Other Current Liabilities				0	0
	1,305,503	0	0	1,266,275	1,243,725
Deferred Revenue				0	31,439
Deferred Contributions					
Ministry of Education		838,924	15,290	854,214	1,994,770
Province - Other				0	55,848
Other		1,892,123		1,892,123	1,564,802
Accrued Employee Future Benefits				0	0
Deferred Capital Contributions			38,277,200	38,277,200	36,336,285
Bank Loans				0	0
Capital Lease Obligations				0	0
Other Long Term Liabilities				0	0
TOTAL LIABILITIES	1,305,503	2,731,047	38,292,490	42,289,812	41,226,869
Fund Balances					
Invested in Capital Assets			15,183,544	15,183,544	14,556,529
Endowment				0	0
Internally Restricted (Note 7)	2,416,220		36,974	2,453,194	2,331,062
Unrestricted (Note 7)	150,147			150,147	93,336
Unfunded Accrued Employee Future Benefits and Vacation Pay				0	0
TOTAL FUND BALANCES	2,566,367	0	15,220,518	17,786,885	16,980,927
TOTAL LIABILITIES AND FUND BALANCES	3,871,870	2,731,047	53,513,008	60,076,697	58,207,796

SCHOOL DISTRICT NO. 60 (Peace River North)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2008

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
REVENUE					
Provincial Grants - Ministry of Education	50,137,288	3,225,653		53,362,941	49,845,366
Provincial Grants - Other				0	622,414
Federal Grants				0	84,364
Other Revenue	747,524	2,925,650		3,673,174	3,939,668
Rentals and Leases	67,990			67,990	63,445
Investment Income	203,146	52,394	1,386	256,926	191,772
Gain (Loss) on Equity Investment				0	0
Amortization of Deferred Capital Contributions			1,619,484	1,619,484	1,592,485
Gain (Loss) on Disposal of Capital Assets				0	0
	51,155,948	6,203,697	1,620,870	58,980,515	56,339,514
EXPENSE					
Salaries					
Teachers	20,606,042	204,085		20,810,127	20,094,387
Principals and Vice Principals	2,916,558	34,881		2,951,439	2,989,982
Educational Assistants	2,731,141	296,362		3,027,503	2,832,687
Support Staff	5,283,811	36,051		5,319,862	4,760,180
Other Professionals	1,428,359			1,428,359	1,396,525
Substitutes	996,621	50,203		1,046,824	1,178,945
	33,962,532	621,582	0	34,584,114	33,252,706
Employee Benefits	7,567,898	96,373		7,664,271	6,932,546
Services and Supplies	8,231,747	4,807,117		13,038,864	12,310,553
Amortization of Capital Assets			2,158,590	2,158,590	2,119,331
Write-off/down of Buildings and Sites				0	0
	49,762,177	5,525,072	2,158,590	57,445,839	54,615,136
NET REVENUE (EXPENSE)	1,393,771	678,625	(537,720)	1,534,676	1,724,378

SCHOOL DISTRICT NO. 60 (Peace River North)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
FUND BALANCES, BEGINNING OF YEAR	2,388,810	0	14,592,117	16,980,927	15,256,549
Changes in Accounting Policies/ Prior Period Adjustments (Note 4)					
Prior Period Adjustments	(728,718)			(728,718)	0
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	1,660,092	0	14,592,117	16,252,209	15,256,549
Changes for the Year					
Net Revenue (Expense) for the Year	1,393,771	678,625	(537,720)	1,534,676	1,724,378
Interfund Transfers (Note 8)					
Capital Assets Purchased	(545,372)	(620,749)	1,166,121	0	0
Local Capital				0	0
Other	57,876	(57,876)		0	0
Direct Increases in Fund Balances					
Endowment Contributions				0	0
Site Purchases				0	0
Comprehensive Income (Loss)				0	0
Net Changes for the Year	906,275	0	628,401	1,534,676	1,724,378
FUND BALANCES, END OF YEAR	2,566,367	0	15,220,518	17,786,885	16,980,927

SCHOOL DISTRICT NO. 60 (Peace River North)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	1,393,771	678,625	(537,720)	1,534,676	1,724,378
Changes In Non-Cash Working Capital					
Decrease (Increase)					
Accounts Receivable	(23,366)			(23,366)	3,519,701
Interfund Loans	717,373		(717,373)	0	0
Inventories	(367,310)			(367,310)	0
Prepaid Expenses	130,427			130,427	(35,456)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	266,972			266,972	(2,551,187)
Other Current Liabilities				0	0
Deferred Revenue	(31,439)			(31,439)	31,439
Deferred Contributions		(869,633)		(869,633)	873,670
Accrued Employee Future Benefits	(244,422)			(244,422)	(29,892)
Other Long Term Liabilities				0	0
Loss (Gain) on Disposal of Capital Assets				0	0
Items Not Involving Cash					
Amortization of Capital Assets			2,158,590	2,158,590	2,119,331
Amortization of Deferred Capital Contributions			(1,619,484)	(1,619,484)	(1,592,485)
Write-off/down of Buildings and Sites				0	0
Comprehensive Income (Loss)				0	0
Interfund Transfers	(487,496)	(678,625)	1,166,121	0	0
	1,354,510	(869,633)	450,134	935,011	4,059,499
FINANCING					
Bank Loan Received				0	0
Bank Loan Paid				0	0
Endowment Contributions				0	0
Increase (Decrease) Deferred Contributions - Capital			715,987	715,987	(98,122)
Proceeds from Disposal of Capital Assets				0	0
MEd Restricted Portion of Proceeds on Disposal				0	0
Increase (Decrease) in deferred capital - WIP				0	3,447,209
	0	0	715,987	715,987	3,349,087
INVESTING					
Capital Assets Purchased - Operating			(545,372)	(545,372)	(517,722)
Capital Assets Purchased - Special Purpose			(620,749)	(620,749)	(128,078)
Capital Assets Purchased - Local Capital				0	0
Decrease to Work in Process				0	(3,613,850)
Decrease (Increase) in Investments				0	0
Decrease (Increase) in Equity Investments				0	0
	0	0	(1,166,121)	(1,166,121)	(4,259,650)
NET INCREASE (DECREASE) IN CASH	1,354,510	(869,633)	0	484,877	3,148,936

SCHOOL DISTRICT NO. 60 (Peace River North)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2008	TOTAL 2007
NET INCREASE (DECREASE) IN CASH	1,354,510	(869,633)	0	484,877	3,148,936
Net Cash, Beginning of Year	2,275,710	3,600,680	0	5,876,390	2,727,454
Changes in Accounting Policies/ Prior Period Adjustments					
Correct 06/07 Vacation Pay Accrual	(728,718)			(728,718)	0
Net Cash, Beginning of Year, as Restated	1,546,992	3,600,680	0	5,147,672	2,727,454
NET CASH, END OF YEAR	2,901,502	2,731,047	0	5,632,549	5,876,390
 Cash	2,901,502	2,731,047		5,632,549	5,876,390
Cash Equivalents				0	0
Short Term Investments				0	0
Bank Overdraft				0	0
NET CASH, END OF YEAR	2,901,502	2,731,047	0	5,632,549	5,876,390

SCHOOL DISTRICT NO. 60 (Peace River North)

Schedule A1

**OPERATING FUND
SURPLUS (DEFICIT)
YEAR ENDED JUNE 30, 2008**

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
REVENUE			
Provincial Grants - Ministry of Education	50,137,288	49,328,689	48,188,627
Provincial Grants - Other	0	0	0
Federal Grants	0	0	0
Other Revenue	747,524	223,434	92,106
Rentals and Leases	67,990	64,000	63,445
Investment Income	203,146	140,000	186,035
	<u>51,155,948</u>	<u>49,756,123</u>	<u>48,530,213</u>
EXPENSE			
Salaries			
Teachers	20,606,042	20,121,895	19,470,226
Principals and Vice Principals	2,916,558	2,950,004	2,795,310
Educational Assistants	2,731,141	3,209,036	2,556,457
Support Staff	5,283,811	5,112,853	4,493,966
Other Professionals	1,428,359	1,310,389	1,339,597
Substitutes	996,621	1,013,318	1,173,932
	<u>33,962,532</u>	<u>33,717,495</u>	<u>31,829,488</u>
Employee Benefits	7,567,898	7,177,763	6,656,260
Services and Supplies	8,231,747	9,104,441	7,927,056
	<u>49,762,177</u>	<u>49,999,699</u>	<u>46,412,804</u>
NET REVENUE (EXPENSE), FOR THE YEAR	1,393,771	(243,576)	2,117,409
INTERFUND TRANSFERS			
Capital Assets Purchased	(545,372)	0	(517,722)
Local Capital	0	0	0
Other	57,876	0	(858,445)
OTHER ADJUSTMENTS TO OPERATING FUND BALANCE			
Reduce Unfunded Employee Future Benefits and Vacation Pay	0	0	0
Comprehensive Income (Loss)	0	0	0
BUDGETED ALLOCATION (RETIREMENT) OF SURPLUS (DEFICIT)		243,576	
SURPLUS (DEFICIT), FOR THE YEAR	<u>906,275</u>	<u>0</u>	<u>741,242</u>
SURPLUS (DEFICIT), BEGINNING OF YEAR	2,388,810		1,647,568
Changes in Accounting Policies/ Prior Period Adjustments			
Correct 06/07 Vacation Pay Accrual	(728,718)		
SURPLUS (DEFICIT), BEGINNING OF YEAR, AS RESTATED	<u>1,660,092</u>		<u>1,647,568</u>
SURPLUS (DEFICIT), END OF YEAR			
(Section 156 (12) of School Act)	<u>2,566,367</u>		<u>2,388,810</u>
SURPLUS (DEFICIT), END OF YEAR			
Internally Restricted	2,416,220		
Unrestricted	150,147		
	<u>2,566,367</u>		

SCHOOL DISTRICT NO. 60 (Peace River North)
OPERATING FUND
COMPARATIVE SCHEDULE OF REVENUE BY SOURCE
YEAR ENDED JUNE 30, 2008

Schedule A2

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
PROVINCIAL GRANTS - MINISTRY OF EDUCATION			
Operating Grant, Ministry of Education	49,043,658	48,246,823	47,849,013
INAC Recovery	0	0	0
Other Ministry of Education Grants			
GAAP Implementation Funding			0
Pay Equity	241,350	241,350	241,350
Funding Formula Transition	840,516	840,516	0
Student Centered Leadership	11,764	0	0
Salary Harmonization	0	0	42,663
District Based Learning Resources	0	0	55,601
	<u>50,137,288</u>	<u>49,328,689</u>	<u>48,188,627</u>
PROVINCIAL GRANTS - OTHER	0	0	0
FEDERAL GRANTS	0	0	0
OTHER REVENUE			
School Referendum Taxes	0	0	0
Other School District/Education Authorities	0	0	0
Summer School Fees	0	0	0
Continuing Education	0	0	0
Offshore Tuition Fees	198,721	173,434	72,574
LEA/Direct Funding from First Nations	0	0	0
Miscellaneous			
MISC REVENUE	128,803	50,000	19,532
DES Out of Province Tuition	420,000	0	0
	<u>747,524</u>	<u>223,434</u>	<u>92,106</u>
RENTALS AND LEASES	67,990	64,000	63,445
INVESTMENT INCOME	203,146	140,000	186,035
TOTAL OPERATING REVENUE	<u>51,155,948</u>	<u>49,756,123</u>	<u>48,530,213</u>

SCHOOL DISTRICT NO. 60 (Peace River North)
OPERATING FUND
COMPARATIVE SCHEDULE OF EXPENSE BY OBJECT
YEAR ENDED JUNE 30, 2008

Schedule A3

	2008	2008 AMENDED ANNUAL BUDGET	2007
	ACTUAL		ACTUAL
SALARIES			
Teachers	20,606,042	20,121,895	19,470,226
Principals and Vice Principals	2,916,558	2,950,004	2,795,310
Educational Assistants	2,731,141	3,209,036	2,556,457
Support Staff	5,283,811	5,112,853	4,493,966
Other Professionals	1,428,359	1,310,389	1,339,597
Substitutes	996,621	1,013,318	1,173,932
	33,962,532	33,717,495	31,829,488
EMPLOYEE BENEFITS	7,567,898	7,177,763	6,656,260
Total Salaries and Benefits	41,530,430	40,895,258	38,485,748
SERVICES AND SUPPLIES			
Services	1,282,169	936,062	988,546
Student Transportation	502,545	498,440	553,136
Professional Development and Travel	776,825	694,699	641,424
Rentals and Leases	508,042	735,607	602,655
Dues and Fees	36,468	34,000	34,096
Insurance	79,204	139,007	141,163
Interest	0	0	0
Supplies	3,927,963	4,937,977	3,731,230
Bad Debts	0	0	0
Utilities	1,118,531	1,128,649	1,234,806
Total Services and Supplies	8,231,747	9,104,441	7,927,056
TOTAL OPERATING EXPENSE	49,762,177	49,999,699	46,412,804

SCHOOL DISTRICT NO. 60 (Peace River North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008

	TEACHERS SALARIES	PRINCIPALS AND VICE PRINCIPALS SALARIES	EDUCATIONAL ASSISTANTS SALARIES	SUPPORT STAFF SALARIES	OTHER PROFESSIONALS SALARIES	SUBSTITUTES SALARIES	TOTAL SALARIES
1 INSTRUCTION							
1.02 Regular Instruction	16,326,048	1,148,878	67,761	1,308,524	41,958	702,397	19,595,566
1.03 Career Programs	175,366	144,162		35,405			354,933
1.07 Library Services	534,076	21,263		44,317		410	600,066
1.08 Counselling	588,410						588,410
1.10 Special Education	2,684,077	195,022	2,157,651	72,324	103,519	114,025	5,326,618
1.30 English as a Second Language	104,706	2,923	139,858		3,870		251,357
1.31 Aboriginal Education	183,359		365,871	33,951	62,424	7,314	662,919
1.41 School Administration		1,404,310		407,571			1,811,881
1.60 Summer School							0
1.61 Continuing Education							0
1.62 Off Shore Students							0
1.64 Other							0
1.65 Conseil Scolaire Francophone							0
Total Function 1	20,606,042	2,916,558	2,731,141	1,902,082	207,901	828,016	29,191,750
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration				19,212	496,321		515,533
4.40 School District Governance					92,368		92,368
4.41 Business Administration				93,410	411,065		504,475
4.65 Conseil Scolaire Francophone							0
Total Function 4	0	0	0	112,622	999,754	0	1,112,376
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration				38,824	146,653		185,477
5.50 Maintenance Operations				1,835,085		84,312	1,919,397
5.52 Maintenance of Grounds				258,377		4,790	263,167
5.56 Utilities							0
5.65 Conseil Scolaire Francophone							0
Total Function 5	0	0	0	2,132,286	146,653	89,102	2,368,041
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration					74,051	843	74,894
7.65 Conseil Scolaire Francophone							0
7.70 Student Transportation				1,136,811		78,660	1,215,471
7.73 Housing							0
Total Function 7	0	0	0	1,136,811	74,051	79,503	1,290,365
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans							0
9.94 Interest on Temporary Borrowing							0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	20,606,042	2,916,558	2,731,141	5,283,811	1,428,359	996,621	33,962,532

SCHOOL DISTRICT NO. 60 (Peace River North)
OPERATING FUND
EXPENSE BY FUNCTION AND PROGRAM
YEAR ENDED JUNE 30, 2008

Schedule A4.2

	TOTAL SALARIES	EMPLOYEE BENEFITS	TOTAL SALARIES AND BENEFITS	SERVICES AND SUPPLIES	2008 ACTUAL	2008 AMENDED ANNUAL BUDGET	2007 ACTUAL
1 INSTRUCTION							
1.02 Regular Instruction	19,595,566	4,478,114	24,073,680	3,746,138	27,819,818	28,101,056	26,391,506
1.03 Career Programs	354,933	79,454	434,387	28,660	481,037	538,385	300,378
1.07 Library Services	600,066	127,143	727,209	109,182	836,391	706,965	776,073
1.08 Counselling	588,410	130,929	719,339	4,470	723,809	749,989	489,454
1.10 Special Education	5,326,618	1,192,038	6,518,656	305,331	6,783,987	7,020,280	6,259,787
1.30 English as a Second Language	251,367	54,314	305,671	4,184	309,835	293,827	267,083
1.31 Aboriginal Education	682,919	155,653	838,572	156,756	975,328	997,776	876,841
1.41 School Administration	1,811,881	381,736	2,193,617	80	2,193,677	2,213,121	2,105,247
1.60 Summer School	0	0	0	0	0	0	0
1.61 Continuing Education	0	0	0	0	0	0	0
1.62 Off Shore Students	0	0	0	0	0	0	0
1.64 Other	0	0	0	0	0	0	0
1.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 1	29,191,750	6,559,381	35,751,131	4,352,751	40,103,882	40,621,399	37,467,389
4 DISTRICT ADMINISTRATION							
4.11 Educational Administration	515,533	104,881	620,414	130,771	751,185	721,764	676,746
4.40 School District Governance	92,368	1,837	94,205	115,766	209,961	162,798	169,663
4.41 Business Administration	504,475	104,389	608,864	259,137	868,001	998,317	831,608
4.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 4	1,112,376	211,107	1,323,483	505,664	1,829,147	1,882,879	1,678,017
5 OPERATIONS AND MAINTENANCE							
5.41 Operations and Maintenance Administration	185,477	51,335	236,812	50,900	287,712	358,263	317,833
5.50 Maintenance Operations	1,919,397	391,827	2,311,224	757,847	3,069,071	2,878,914	2,715,528
5.52 Maintenance of Grounds	263,167	49,614	312,781	79,667	392,448	340,627	355,494
5.56 Utilities	0	0	0	1,116,251	1,116,251	1,126,882	1,232,716
5.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
Total Function 5	2,368,041	492,776	2,860,817	2,004,665	4,865,482	4,704,886	4,621,571
7 TRANSPORTATION AND HOUSING							
7.41 Transportation and Housing Administration	74,894	34,284	109,178	8,672	117,850	108,114	102,504
7.65 Conseil Scolaire Francophone	0	0	0	0	0	0	0
7.70 Student Transportation	1,215,471	270,350	1,485,821	1,354,745	2,840,566	2,672,621	2,534,893
7.73 Housing	0	0	0	5,250	5,250	10,000	8,050
Total Function 7	1,290,365	304,634	1,594,999	1,368,667	2,963,666	2,790,735	2,645,847
9 DEBT SERVICES (OPERATING)							
9.92 Interest on Bank Loans	0	0	0	0	0	0	0
9.94 Interest on Temporary Borrowing	0	0	0	0	0	0	0
Total Function 9	0	0	0	0	0	0	0
TOTAL FUNCTIONS 1 - 9	33,962,532	7,567,898	41,530,430	8,231,747	49,762,177	49,999,699	46,412,804

SCHOOL DISTRICT NO. 60 (Peace River North)
OPERATING FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule A5

BALANCE, BEGINNING OF YEAR	0
Changes in Accounting Policies/ Prior Period Adjustments	
BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>0</u>
Changes for the Year	
Increase:	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Other Revenue	0
	<u>0</u>
Decrease:	
Allocated to Revenue	
Provincial Grants - Ministry of Education	0
Provincial Grants - Other	0
Federal Grants	0
Other Revenue	0
Investment Income	0
	<u>0</u>
Net Changes for the Year	<u>0</u>
BALANCE, END OF YEAR	<u><u>0</u></u>

SCHOOL DISTRICT NO. 60 (Peace River North)
SPECIAL PURPOSE FUNDS
SUMMARY OF CHANGES
YEAR ENDED JUNE 30, 2008

Schedule B1

	MINISTRY OF EDUCATION DESIGNATED	OTHER	SCHOOL GENERATED FUNDS	RELATED ENTITIES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,703,417	900,326	996,937	0	3,600,680
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,420,011	729,365			2,149,376
Provincial Grants - Other					0
Federal Grants					0
Other		490,320	2,569,231		3,059,551
Investment Income	52,404				52,404
Transfer to correct opening balances	(61,007)	61,007			
	1,411,408	1,290,692	2,569,231	0	5,281,331
Less: Allocated to Revenue	2,427,986	1,348,319	2,427,392		6,203,697
Recovered					0
District Entered		(72,733)			(72,733)
DEFERRED CONTRIBUTIONS, END OF YEAR	686,839	905,432	1,138,716	0	2,731,047
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	2,375,592	850,061			3,225,653
Provincial Grants - Other					0
Federal Grants					0
Other Revenue		498,258	2,427,392		2,925,650
Rentals and Leases					0
Investment Income	52,394				52,394
Gain (Loss) on Equity Investment					0
	2,427,986	1,348,319	2,427,392	0	6,203,697
EXPENSE					
Salaries					
Teachers		204,085			204,085
Principals and Vice Principals		34,881			34,881
Educational Assistants		296,362			296,362
Support Staff		36,051			36,051
Other Professionals					0
Substitutes		50,203			50,203
	0	621,582	0	0	621,582
Employee Benefits		96,373			96,373
Services and Supplies	1,807,237	572,488	2,427,392		4,807,117
	1,807,237	1,290,443	2,427,392	0	5,525,072
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	620,749	57,876	0	0	678,625
INTERFUND TRANSFERS					
Capital Assets Purchased	(620,749)				(620,749)
Other		(57,876)			(57,876)
	(620,749)	(57,876)	0	0	(678,625)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 60 (Peace River North)
SPECIAL PURPOSE FUNDS
CHANGES IN MINISTRY OF EDUCATION DESIGNATED SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

	207 Annual Facility Grant	250 Special Education Equipment	LINK	DES	TOTAL
DEFERRED CONTRIBUTIONS					
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR	1,641,882	528	55,848	5,159	1,703,417
Add: Contributions Received					
Provincial Grants - Ministry of Education	1,408,352	11,659			1,420,011
Provincial Grants - Other					0
Federal Grants					0
Other					0
Investment Income	52,404				52,404
TRF opening Balance to B3			(55,848)	(5,159)	(61,007)
	1,460,788	11,659	(55,848)	(5,159)	1,411,408
Less: Allocated to Revenue	2,418,400	9,586			2,427,986
Recovered					0
DEFERRED CONTRIBUTIONS, END OF YEAR	684,238	2,601	0	0	686,839
REVENUE AND EXPENSE					
REVENUE					
Provincial Grants - Ministry of Education	2,366,006	9,586			2,375,592
Provincial Grants - Other					0
Federal Grants					0
Other Revenue					0
Investment Income	52,394				52,394
	2,418,400	9,586	0	0	2,427,986
EXPENSE					
Salaries					
Teachers					0
Principals and Vice Principals					0
Educational Assistants					0
Support Staff					0
Other Professionals					0
Substitutes					0
Employee Benefits	0	0	0	0	0
Services and Supplies	1,797,651	9,586			1,807,237
	1,797,651	9,586	0	0	1,807,237
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	620,749	0	0	0	620,749
INTERFUND TRANSFERS					
Capital Assets Purchased	(620,749)				(620,749)
Other					0
	(620,749)	0	0	0	(620,749)
NET REVENUE (EXPENSE)	0	0	0	0	0

SCHOOL DISTRICT NO. 60 (Peace River North)
SPECIAL PURPOSE FUNDS
CHANGES IN OTHER SPECIAL PURPOSE FUNDS
YEAR ENDED JUNE 30, 2008

Schedule B3

	MISC GRANTS	FRENCH FUNDING	EMPLOYEE & FAMILY ASSISTANCE	COMMUNITY LINK	T.R.U. OPEN LEARNING	TOTAL
DEFERRED CONTRIBUTIONS						
DEFERRED CONTRIBUTIONS, BEGINNING OF YEAR						
Add: Contributions Received	782,664	80,155	37,507	0	0	900,326
Provincial Grants - Ministry of Education	132,154	88,293		507,918		729,365
Provincial Grants - Other						0
Federal Grants						0
Other	365,447		3,626	19,345	101,902	490,320
Investment Income						0
TRF Opening Balance from B2 to B3	497,601	88,293	3,626	55,848	5,159	61,007
				583,111	107,061	1,280,692
Less: Allocated to Revenue	567,594	102,517	26,628	564,744	86,836	1,348,319
Recovered						0
Transfer DES to operating					(72,733)	(72,733)
DEFERRED CONTRIBUTIONS, END OF YEAR	712,671	68,931	14,505	16,367	92,958	905,432
REVENUE AND EXPENSE						
REVENUE						
Provincial Grants - Ministry of Education	202,145	102,517		545,399		850,061
Provincial Grants - Other						0
Federal Grants						0
Other Revenue	365,449		26,628	19,345	86,836	498,258
Investment Income						0
	567,594	102,517	26,628	564,744	86,836	1,348,319
EXPENSE						
Salaries						
Teachers	60,300	47,023		26,687	70,075	204,085
Principals and Vice Principals		16,659		18,222		34,881
Educational Assistants		2,886		293,466		296,352
Support Staff				36,051		36,051
Other Professionals						0
Substitutes	49,923	280				50,203
	110,223	66,858	0	374,426	70,075	621,582
Employee Benefits	15,906	10,341		53,929	16,197	96,373
Services and Supplies	310,856	25,318	26,628	136,389	73,297	572,488
	436,985	102,517	26,628	564,744	159,569	1,290,443
NET REVENUE (EXPENSE) BEFORE INTERFUND TRANSFERS	130,609	0	0	0	(72,733)	57,876
INTERFUND TRANSFERS						
Capital Assets Purchased						0
Other	(130,609)				72,733	(57,876)
	(130,609)	0	0	0	72,733	(57,876)
NET REVENUE (EXPENSE)	0	0	0	0	0	0

SCHOOL DISTRICT NO. 60 (Peace River North)
CAPITAL FUND
CAPITAL ASSETS
YEAR ENDED JUNE 30, 2008

	SITES	BUILDINGS	FURNITURE AND EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
COST, BEGINNING OF YEAR	4,122,324	73,045,353	1,048,702	4,243,822	198,646	270,659	82,929,506
Changes in Accounting Policy/							
Prior Period Adjustments							
COST, BEGINNING OF YEAR, AS RESTATED	4,122,324	73,045,353	1,048,702	4,243,822	198,646	270,659	82,929,506
Changes for the Year							
Increase:							
Purchases from:							
Deferred Contributions - Bylaw		2,222,335	121,327	501,300			2,844,962
Deferred Contributions - Other							0
Operating Fund		188,173	70,143	291,678	25,378		545,372
Special Purpose Funds		136,081	172,517	302,398		9,753	620,749
Local Capital							0
Transferred from Work in Progress		4,162,646					4,162,646
Decrease:	0	6,679,235	363,387	1,095,376	25,378	9,753	8,173,729
Disposed of							0
Deemed Disposals			1,533	368,167		47,577	417,277
Written-off/Down During Year							0
	0	0	1,533	368,167	0	47,577	417,277
COST, END OF YEAR	4,122,324	79,724,588	1,411,156	4,971,031	224,024	232,835	90,685,958
WORK IN PROGRESS, END OF YEAR							0
COST AND WORK IN PROGRESS, END OF YEAR	4,122,324	79,724,588	1,411,156	4,971,031	224,024	232,835	90,685,958
ACCUMULATED AMORTIZATION, BEGINNING OF YEAR							
Changes in Accounting Policies/	0	33,591,466	409,741	1,290,688	53,352	125,638	35,470,865
Prior Period Adjustments							
BALANCE, BEGINNING OF YEAR, AS RESTATED	0	33,591,466	409,741	1,290,688	53,352	125,638	35,470,865
Changes for the Year							
Increase: Amortization for the Year		1,535,477	104,870	424,382	39,729	54,132	2,158,590
Decrease:							0
Disposed of							0
Deemed Disposals			1,533	368,167		47,577	417,277
Written-off During Year							0
	0	0	1,533	368,167	0	47,577	417,277
ACCUMULATED AMORTIZATION, END OF YEAR	0	35,126,943	513,078	1,946,893	93,081	132,193	37,212,178
CAPITAL ASSETS - NET	4,122,324	44,597,645	898,078	3,624,148	130,943	100,642	53,473,780

SCHOOL DISTRICT NO. 60 (Peace River North)
CAPITAL FUND
CAPITAL ASSETS - WORK IN PROGRESS
YEAR ENDED JUNE 30, 2008

WORK IN PROGRESS, BEGINNING OF YEAR

Changes in Accounting Policy/
Prior Period Adjustments

WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED

Changes for the Year

Increase:

Deferred Contributions - Bylaw
Deferred Contributions - Other
Operating Fund
Special Purpose Funds
Local Capital

Decrease:

Transferred to Capital Assets

Net Changes for the Year

WORK IN PROGRESS, END OF YEAR

BUILDINGS	FURNITURE AND EQUIPMENT	COMPUTER SOFTWARE	COMPUTER HARDWARE	TOTAL
4,162,646	0	0	0	4,162,646
4,162,646	0	0	0	4,162,646
0	0	0	0	0
4,162,646				4,162,646
4,162,646	0	0	0	4,162,646
(4,162,646)	0	0	0	(4,162,646)
0	0	0	0	0

SCHOOL DISTRICT NO. 60 (Peace River North)
CAPITAL FUND
DEFERRED CAPITAL CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

Schedule C3

	BYLAW CAPITAL (NET)	OTHER PROVINCIAL (NET)	OTHER CAPITAL (NET)	TOTAL CAPITAL
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR	32,889,076	0	0	32,889,076
Changes in Accounting Policies/ Prior Period Adjustments				
Prior Year Spent > Capital Transfers	715,437			715,437
DEFERRED CAPITAL CONTRIBUTIONS, BEGINNING OF YEAR, AS RESTATED	33,604,513	0	0	33,604,513
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Capital Additions	2,844,962			2,844,962
Transferred from Work in Progress	3,447,209			3,447,209
	6,292,171	0	0	6,292,171
Decrease:				
Amortization of Deferred Capital Contributions	1,619,484			1,619,484
Revenue Recognized on Disposal of Buildings				0
Revenue Recognized on Write-off/down of Buildings				0
	1,619,484	0	0	1,619,484
Net Changes for the Year	4,672,687	0	0	4,672,687
DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	38,277,200	0	0	38,277,200
WORK IN PROGRESS, BEGINNING OF YEAR	3,447,209	0	0	3,447,209
Changes in Accounting Policies/ Prior Period Adjustments				
WORK IN PROGRESS, BEGINNING OF YEAR, AS RESTATED	3,447,209	0	0	3,447,209
Changes for the Year				
Increase:				
Transferred from Deferred Contributions - Work in Progress				0
	0	0	0	0
Decrease:				
Transferred to Deferred Capital Contributions	3,447,209			3,447,209
	3,447,209	0	0	3,447,209
Net Changes for the Year	(3,447,209)	0	0	(3,447,209)
WORK IN PROGRESS, END OF YEAR	0	0	0	0
TOTAL DEFERRED CAPITAL CONTRIBUTIONS, END OF YEAR	38,277,200	0	0	38,277,200

SCHOOL DISTRICT NO. 60 (Peace River North)
CAPITAL FUND
CHANGES IN DEFERRED CONTRIBUTIONS
YEAR ENDED JUNE 30, 2008

	BYLAW CAPITAL	MINISTRY OF EDUCATION RESTRICTED CAPITAL	OTHER PROVINCIAL CAPITAL	LAND CAPITAL	OTHER CAPITAL	TOTAL
BALANCE, BEGINNING OF YEAR	656	14,084	0	0	0	14,740
Changes in Accounting Policies/ Prior Period Adjustments	(715,437)					(715,437)
Prior Year Spent > Capital Transfers						
BALANCE, BEGINNING OF YEAR, AS RESTATED	(714,781)	14,084	0	0	0	(700,697)
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	3,560,399					3,560,399
Provincial Grants - Other						0
Other						0
Investment Income		550				550
MEEd Restricted Portion of Proceeds on Disposal						0
	3,560,399	550	0	0	0	3,560,949
Decrease:						
Transferred to DCC - Capital Additions	2,844,962					2,844,962
Transferred to DCC - Work in Progress						0
Transferred to Invested in Capital Assets						0
- Site Purchases						0
	2,844,962	0	0	0	0	2,844,962
Net Changes for the Year	715,437	550	0	0	0	715,987
BALANCE, END OF YEAR	656	14,634	0	0	0	15,290

SCHOOL DISTRICT NO. 60 (Peace River North)

Schedule C5

**CAPITAL FUND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2008**

	INVESTED IN CAPITAL ASSETS	LOCAL CAPITAL	FUND BALANCE
BALANCE, BEGINNING OF YEAR	14,556,529	35,588	14,592,117
Changes in Accounting Policies/ Prior Period Adjustments			
BALANCE, BEGINNING OF YEAR, AS RESTATED	14,556,529	35,588	14,592,117
Changes for the Year			
Investment Income		1,386	1,386
Comprehensive Income (Loss)			0
Gain (Loss) on Disposal of Capital Assets			0
District Portion of Proceeds on Disposal			0
Write-off/down of Buildings and Sites			0
Amortization of Deferred Capital Contributions	1,619,484		1,619,484
Capital Assets Purchased from Local Capital			0
Interfund Transfers - Capital Assets Purchased	1,166,121		1,166,121
Interfund Transfers - Capital Assets WIP			0
Interfund Transfers - Local Capital			0
Amortization of Capital Assets	(2,158,590)		(2,158,590)
Transferred to Invested in Capital Assets - Site Purchases			0
Net Changes for the Year	627,015	1,386	628,401
BALANCE, END OF YEAR	15,183,544	36,974	15,220,518

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

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. 60 (Peace River North)", and operates as "School District No. 60 (Peace River North)." A board of education (Board) elected for a three-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for not-for-profit organizations. These principles are consistent with those used in prior years 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 (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. Interfund transfers and loans are recognized in each fund and eliminated in the consolidated totals.

a) Fund Accounting

Fund accounting procedures recognize external restrictions on the use of 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.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

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

b) Accounts Receivable

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

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 using the first-in-first-out method. Prepaid expenses also include prepaid corporate flight passes to be expensed as used in the coming year.

d) Inventories

This item includes costs incurred to date for the construction of the houses to be sold through the Residential Construction Program.

e) Capital Assets

The following criteria apply:

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

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

- Disposals of sites or buildings are recorded and gains/losses calculated. Proceeds from the sale of other assets are recorded as other revenue in the operating fund. Assets that are fully amortized, except buildings, are written off as deemed disposals.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

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

f) Revenue Recognition

Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

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. 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.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

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

g) Expenditures

- **Categories of Salaries**
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union 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.

h) Financial Instruments

Financial instruments consist of cash, 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.

i) Use of Estimates

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

j) Comparative data

For the purpose of providing better comparative data, certain prior year figures have been restated to correspond with current year's presentation.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2008	2007
Due from Federal Government	\$ 218,564	\$ 170,232
Due from Other School Districts	460	757
Other	161,864	169,326
Allowance for Doubtful Accounts	-	-
	<u>\$ 380,888</u>	<u>\$ 340,315</u>

NOTE 4 PRIOR PERIOD ADJUSTMENT

In the previous years' financial statements, accrued vacation payable was incorrectly recorded. This resulted in other accounts payable being understated by \$728,718 and ending operating fund surplus being overstated by the same amount. The correction to operating fund surplus has been completed in the current year.

NOTE 5 CAPITAL ASSETS

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 4,122,324	\$	\$ 4,122,324	\$ 4,122,324
Buildings	79,724,586	35,126,943	44,597,645	39,453,886
Furniture & Equipment	1,411,156	513,078	898,078	638,961
Vehicles	4,971,032	1,346,883	3,624,148	2,953,155
Computer Software	224,024	93,081	130,943	145,294
Computer Hardware	232,835	132,193	100,641	145,021
Work in Process	-	-	-	4,162,646
	<u>\$ 90,685,957</u>	<u>\$ 37,212,178</u>	<u>\$ 53,473,780</u>	<u>\$51,621,287</u>

NOTE 6 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 24,000 retired members from school districts. The Municipal Plan has about 150,000 active members, of which approximately 21,000 are from school districts.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

NOTE 6 EMPLOYEE PENSION PLANS (continued)

Every three years, an actuarial valuation is performed to assess the financial position of the plans and the adequacy of plan funding. The most recent valuation of the Teachers' Plan as at December 31, 2005 indicated a \$904 million unfunded liability for basic pension benefits. The next valuation will be as at December 31, 2008 with results available in late 2009. 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. The School District No. 60 (Peace River North) paid \$3,496,041 for employer contributions to these plans in the year ended June 30, 2008.

NOTE 7 OPERATING FUND BALANCE, END OF YEAR

Total Operating Surplus (Deficit)		\$ 2,566,367
Internally Restricted (appropriated) by Board for:		
Budget allocations for carryforward costs	\$ 64,150	
Planned Projects & Capital Costs	850,000	
Budget reserve for carry forward to 2008/09	1,502,070	
Subtotal Internally Restricted		<u>2,416,220</u>
Total Unrestricted Surplus (Deficit)		<u>\$ 150,147</u>

NOTE 8 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, 2008, transfers were as follows:

- \$545,372 transferred from the operating fund to the capital fund for capital asset purchases
- \$620,748 transferred from the special purpose fund to the capital fund for capital asset purchases
- \$72,733 transferred from the operating fund to the special purpose fund to absorb a shortfall in distance education in order to transfer the fund into operating, per 2006/07 financial statement instructions
- \$130,609 transferred from the special purpose fund to operating to redistribute revenue from the provincial learning initiative, which had been incorrectly recorded in special purpose fund in prior years. Corresponding expenses for the initiative had been recognized within the operating fund.

NOTE 9 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. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2008

NOTE 10 COMMITMENTS

School District No. 60 (Peace River North) has entered into lease agreements on photocopiers, computer equipment for the Wireless Writing Project and automotive equipment of which the risks and benefits of ownership do not transfer. These leases have varying expiry dates to June 30, 2010. Future minimum lease payments required under these agreements are:

2009	\$562,724
2010	\$361,398

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 25, 2008.

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 in accordance with Canadian GAAP for not-for-profit organizations. This contemplates continuation of the School District as a "going concern".

NOTE 13 ASSET RETIREMENT OBLIGATION

Legal Liabilities may exist for the removal or disposal of asbestos in schools that will undergo major renovations or demolition. The liability will be recognized in the period in which a reasonable estimate of fair value can be made. As at June 30, 2008, the liability is not reasonably determinable.