

Audited Financial Statements of

School District No. 60 (Peace River North)

June 30, 2013, June 30, 2012 and July 1, 2011

School District No. 60 (Peace River North)

June 30, 2013, June 30, 2012 and July 1, 2011

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School District No. 60 (Peace River North)

MANAGEMENT REPORT

Version: 3855-3110-1127

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 60 (Peace River North) have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

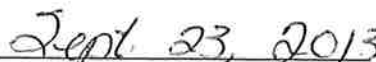
The Board of Education of School District No. 60 (Peace River North) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly.

The external auditors, Sander Rose Bone Grindle LLP Chartered Accountants, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 60 (Peace River North) and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

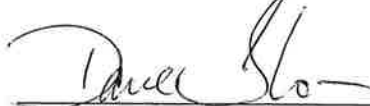
On behalf of School District No. 60 (Peace River North)



Signature of the Chairperson of the Board of Education



Date Signed



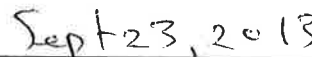
Signature of the Superintendent



Date Signed



Signature of the Secretary Treasurer



Date Signed

CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCA
- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.
- * Donald G. Smith, C.A. (Retired)

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Independent Auditor's Report

To the Board of Education of School District No. 60 (Peace River North) and the Minister of Education of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of School District No. 60 (Peace River North), which comprise the statement of financial position as at June 30, 2013 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation", and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of School District No. 60 (Peace River North) as at June 30, 2013 and its financial performance and its cash flows for the year then ended in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation".

(continues)



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

Independent Auditor's Report (continued)

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 2 and 3 to the financial statements which describe the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards. Notes 2 and 3 to the financial statements discloses the impact of these differences.

Comparative Information

Without modifying our opinion we draw attention to Notes 2 and 3 to the financial statements which describes that School District No. 60 (Peace River North) adopted Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation", on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at June 30, 2012 and July 1, 2011 and the statements of operations, changes in net financial assets (debt) and cash flows for the year ended June 30, 2012 and related disclosures. We were not engaged to report on the restated comparative information and as such the comparative information has not been audited as to its compliance in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, which requires Canadian public sector accounting standards (PSAS) modified by BC Regulation 198/2011, "Restricted Contributions Regulation".

Fort St. John, BC
September 23, 2013

Sander Rose Bone Grindle LLP
Chartered Accountants

School District No. 60 (Peace River North)

Statement 1

Statement of Financial Position

As at June 30, 2013, June 30, 2012 and July 1, 2011

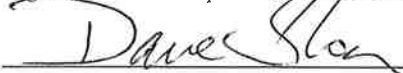
	June 30, 2013	June 30, 2012 (Restated-Note 2)	July 1, 2011 (Restated-Note 2)
	\$	\$	\$
Financial Assets			
Cash and Cash Equivalents	6,731,695	7,280,940	4,307,107
Accounts Receivable			
Due from Province - Ministry of Education	410,959	4,265	34,549
Due from Province - Other	1,764	39,458	32,785
Other (Note 4)	474,950	652,040	768,480
Portfolio Investments (Note 5)	1,550,134	1,540,620	2,141,569
Inventories for Resale	145,153	88,035	277,255
Total Financial Assets	9,314,655	9,605,358	7,561,745
Liabilities			
Accounts Payable and Accrued Liabilities			
Other (Note 6)	3,652,578	3,498,062	2,584,110
Unearned Revenue (Note 7)	88,512	159,160	75,280
Deferred Revenue (Note 8)	2,240,919	2,049,042	2,025,085
Deferred Capital Revenue (Note 9)	40,542,202	40,105,502	36,923,889
Employee Future Benefits (Note 10)	294,067	286,067	273,978
Total Liabilities	46,818,278	46,097,833	41,882,342
Net Financial Assets (Debt)	(37,503,623)	(36,492,475)	(34,320,597)
Non-Financial Assets			
Tangible Capital Assets (Note 11)	55,547,820	55,158,093	51,979,195
Prepaid Expenses	135,943	172,118	230,059
Total Non-Financial Assets	55,683,763	55,330,211	52,209,254
Accumulated Surplus (Deficit) (Note 2 & 19)	18,180,140	18,837,736	17,888,657

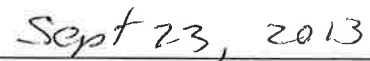
Contractual Obligations and Contingencies (Note 15 & 22)

Approved by the Board

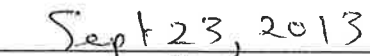

Signature of the Chairperson of the Board of Education


Date Signed


Signature of the Superintendent


Date Signed


Signature of the Secretary Treasurer


Date Signed

School District No. 60 (Peace River North)

Statement 2

Statement of Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited-Note 16)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	54,413,095	54,647,265	54,961,146
Other	190,665	340,504	275,167
Tuition	419,100	378,137	306,844
Other Revenue	2,304,850	3,010,170	3,088,485
Rentals and Leases	10,000	8,993	9,858
Investment Income	50,310	79,321	76,934
Amortization of Deferred Capital Revenue	1,973,939	1,970,987	1,810,474
Total Revenue	59,361,959	60,435,377	60,528,908
Expenses			
Instruction	48,104,406	47,928,579	46,546,816
District Administration	1,909,827	1,793,857	1,871,625
Operations and Maintenance	7,917,646	7,789,237	7,525,465
Transportation and Housing	3,558,353	3,581,300	3,635,923
Total Expense	61,490,232	61,092,973	59,579,829
Surplus (Deficit) for the year	(2,128,273)	(657,596)	949,079
Accumulated Surplus (Deficit) from Operations, beginning of year		18,837,736	17,888,657
Accumulated Surplus (Deficit) from Operations, end of year		18,180,140	18,837,736

School District No. 60 (Peace River North)

Statement 4

Statement of Changes in Net Financial Assets (Debt)

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget (Unaudited-Note 16)	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(2,128,273)</u>	<u>(657,596)</u>	<u>949,079</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(1,853,985)	(3,037,655)	(5,597,615)
Amortization of Tangible Capital Assets	2,582,199	2,647,928	2,418,717
Total Effect of change in Tangible Capital Assets	<u>728,214</u>	<u>(389,727)</u>	<u>(3,178,898)</u>
Acquisition of Prepaid Expenses		(208,765)	(302,456)
Use of Prepaid Expenses		244,940	360,397
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>36,175</u>	<u>57,941</u>
(Increase) Decrease in Net Financial Assets (Debt), before Net Remeasurement Gains (Losses)	<u>(1,400,059)</u>	<u>(1,011,148)</u>	<u>(2,171,878)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Financial Assets (Debt)		<u>(1,011,148)</u>	<u>(2,171,878)</u>
Net Financial Assets (Debt), beginning of year		<u>(36,492,475)</u>	<u>(34,320,597)</u>
Net Financial Assets (Debt), end of year		<u>(37,503,623)</u>	<u>(36,492,475)</u>

School District No. 60 (Peace River North)

Statement 5

Statement of Cash Flows

Years Ending June 30, 2013 and June 30, 2012

	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(657,596)	949,079
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(191,910)	140,051
Inventories for Resale	(57,118)	189,220
Supplies Inventories	-	
Prepaid Expenses	36,175	57,941
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	154,516	913,952
Unearned Revenue	(70,648)	83,880
Deferred Revenue	191,877	23,957
Employee Future Benefits	8,000	12,089
Amortization of Tangible Capital Assets	2,647,928	2,418,717
Amortization of Deferred Capital Revenue	(1,970,987)	(1,810,474)
Total Operating Transactions	90,237	2,978,412
Capital Transactions		
Tangible Capital Assets Purchased	(2,687,952)	(5,597,615)
Tangible Capital Assets -WIP Purchased	(349,703)	-
Total Capital Transactions	(3,037,655)	(5,597,615)
Financing Transactions		
Capital Revenue Received	2,407,687	4,992,087
Total Financing Transactions	2,407,687	4,992,087
Investing Transactions		
Proceeds on Disposal of Portfolio Investments		600,949
Investments in Portfolio Investments	(9,514)	
Total Investing Transactions	(9,514)	600,949
Net Increase (Decrease) in Cash and Cash Equivalents	(549,245)	2,973,833
Cash and Cash Equivalents, beginning of year	7,280,940	4,307,107
Cash and Cash Equivalents, end of year	6,731,695	7,280,940
Cash and Cash Equivalents, end of year, is made up of:		
Cash	6,731,695	7,280,940
	6,731,695	7,280,940

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12th, 1946 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. School District No. 60 (Peace River North) is exempt from federal and provincial corporate income taxes.

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2012/13 fiscal year, the School District has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions except as described in Note 3 (a). These financial statements are the first financial statements for which the School District has applied PSA standards.

The School District has elected to use the following exemptions available as of July 1, 2011, the date of transition to the new accounting framework:

- Retirement and post-employment benefits:
 - a. The School District has elected to delay the application of Sections PS 3250 and 3255 relative to the discount rate used until June 30, 2013 (to coincide with the March 31, 2013 valuation) or within three years of the transition date to PSA standards, whichever is sooner;
- Tangible capital asset impairment:
 - a. The School District has elected to apply Section PS 3150 on a prospective basis from the date of transition.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

Key adjustments on the School District's financial statements resulting from the adoption of these accounting standards are as follows:

- Previously, the School District was not required to record an accrued benefit obligation related to sick leave benefits as the benefits do not vest. PSA standards require that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the School District in return for the benefits. An adjustment was made to recognize a liability and an expense related to accumulated sick leave entitlements. The adjustment to the liability for employee future benefits at July 1, 2011 was \$257,058 resulting in a revised liability of \$273,978. An additional expense of \$7,304 was recognized in the 2012 fiscal year resulting in a revised liability for employee future benefits at June 30, 2012 of \$286,067 related to the accrual for accumulated sick leave entitlements, determined by an actuarial valuation.
- An adjustment was made from deferred revenue to deferred capital revenue of \$24,780 at July 1, 2011 and \$396,257 at June 30, 2012 to record unspent bylaw capital. At July 1, 2011 an adjustment of \$213,809 from the Apple Warranty Credit Program and \$97,412 from other programs was made from deferred revenue to the operating fund. An adjustment of \$256,301 from the Apple Warranty Credit Program and \$96,610 from other programs was made from deferred revenue to the operating fund in the 2012 fiscal year.

	Previously stated July 1, 2011	Adjustment July 1, 2011	Restated July 1, 2011
	\$	\$	\$
Deferred Capital Revenue (formerly Deferred Capital Contributions)	36,899,109	24,780	36,923,889
Deferred Revenue (formerly Deferred Contribution)	2,361,086	(336,001)	2,025,085
Employee Future Benefits	16,920	257,058	273,978

	Previously stated June 30, 2012	Adjustment June 30, 2012	Restated June 30, 2012
	\$	\$	\$
Deferred Capital Revenue (formerly Deferred Capital Contributions)	39,709,245	396,257	40,105,502
Deferred Revenue (formerly Deferred Contribution)	2,798,210	(749,168)	2,049,042
Employee Future Benefits	21,705	264,362	286,067

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 2 CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS
(Continued)

The impact of the conversion to PSA standards on the accumulated surplus (deficit) at July 1, 2011 and the comparative annual surplus is presented below. These accounting changes have been applied retrospectively with restatement of prior periods.

Accumulated surplus (deficit) as originally reported, July 1, 2011	\$ 17,834,494
Adjustments to accumulated surplus (deficit)	
Add non-vested benefits to Employee Future Benefits	(257,058)
Reclassify Deferred Contributions	311,221
Accumulated surplus (deficit) as restated, July 1, 2011	<u>\$ 17,888,657</u>
Annual surplus (deficit) as originally reported for the year ended June 30, 2012	\$ 18,749,187
Adjustments to annual surplus (deficit) for the year	
Employee Future Benefits amortization expense/revenue	(7,304)
Reclassify Deferred Contributions to revenue	41,690
Annual surplus (deficit) for the year as restated for the year ended June 30, 2012	<u>18,783,573</u>
Accumulated surplus (deficit), end of year as restated, June 30, 2012	<u><u>\$ 18,837,736</u></u>

Changes in Accumulated Surplus	2013 Actual	2012 Actual Restated
Accumulated Surplus (Deficit), beginning of year	\$ 18,837,736	\$ 17,834,494
Change in Accounting Policies/Prior Period Adjustments:		
Add non-vested benefits to Employee Future Benefits		(257,058)
Reclassify Deferred Contributions		311,221
Accumulated Surplus (Deficit), beginning of year, as restated	<u>\$ 18,837,736</u>	<u>\$ 17,888,657</u>
Changes for the year:		
Surplus (Deficit) for the year	(657,596)	949,079
Net Changes for the year	<u>(657,596)</u>	<u>949,079</u>
Accumulated Surplus (Deficit), end of year	<u><u>\$ 18,180,140</u></u>	<u><u>\$ 18,837,736</u></u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires Canadian Public Sector Accounting Standards (PSAS) modified by BC regulation 198/2011, "Restricted Contributions Regulation." This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 3(g), 3(h) and 3(m).

In September 2010, the Province of British Columbia Treasury Board ("Treasury Board") provided directive through Government Organization Accounting Standards Regulation 257/2010 requiring all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sector to adopt PSA standards of the Canadian Institute of Chartered Accountants ("CICA") without not-for-profit provisions from their first fiscal year commencing after January 1, 2012. In March 2011, PSAB released a new Section PS 3410 "Government Transfers". In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect. The Treasury Board direction on the accounting treatment of restricted contributions is as described in Notes 3(g), 3(h) and 3(m).

Detailed information on the impact of conversion to the new accounting framework is provided in Note 2.

As noted in notes 3 (h) and 3 (m), Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense. As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require these grants to be fully recognized into revenue. The impact of this difference on the financial statements of the School District is as follows:

July 1, 2011 - increase in accumulated surplus and decrease in deferred contributions by \$ 34,113,262

Year-ended June 30, 2012 - increase in annual surplus by \$5,595,983

June 30, 2012 - increase in accumulated surplus and decrease in deferred contributions by \$39,709,245

Year-ended June 30, 2013 – increase in annual surplus by \$129,256

June 30, 2013 – increase in accumulated surplus and decrease in deferred contributions by \$39,838,499

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Inventories for Resale

Inventories for resale include houses to be sold through the Residential Construction Program and are measured at lower of cost and net realizable value. Cost includes all costs incurred to build the homes and get them ready for sale. Net realizable value is the expected selling price in the ordinary course of business.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

e) Portfolio Investments

The School District has investments in GIC's that have a maturity of greater than 3 months at the time of acquisition. GIC's, term deposits, bonds and other investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are realized on disposal. Upon disposal, any accumulated remeasurement gains or losses associated with the portfolio investments are reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

Detailed information regarding portfolio investments is disclosed in Note 5.

f) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

g) Deferred Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 3 (m).

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

h) Deferred Capital Revenue

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 3(a) for the impact of this policy on these financial statements.

i) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing except as per the election described in note 2.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2013 and projected to June 30, 2016. The next valuation will be performed at March 31, 2016 for use at June 30, 2016. 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.

The School district and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
 - The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. No amortization is recorded in the year the tangible capital asset is recorded. Estimated useful life is as follows:

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

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

k) Prepaid Expenses

Prepaid insurance, annual software licenses, subscriptions, membership fees and travel expenses are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

l) Funds and Reserves

Certain amounts, as approved by the Board are set aside in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Notes 13 – Interfund Transfers and Note 19 – Internally Restricted Surplus).

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

m) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions other than sites are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets other than sites are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished. See note 3(a) for the impact of this policy on these financial statements.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

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 related 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 program identification.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank overdraft, accounts payable and accrued liabilities, long term debt and other liabilities.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to July 1, 2012 are not reversed and, therefore, the financial statements of prior periods, including comparative information, have not been restated.

As at June 30, 2013 and for the year then ended, financial instruments are accounted for prospectively in accordance with public sector accounting standards as described above.

As at July 1, 2011, June 30, 2012 and for the year ended June 30, 2012, financial instruments were accounted for in accordance with Part V of the CICA Handbook. There were no changes in the recognition and measurement of financial instruments upon conversion to public sector accounting standards.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in note 3 a) requires management to make estimates and assumptions that impact reported amounts of 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, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

NOTE 4 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	June 30, 2013	June 30, 2012	July 1, 2011
Due from Federal Government	\$ 520,564	\$ 744,187	\$ 846,053
Other	198,073	151,540	166,114
Allowance for Doubtful Accounts	(243,687)	(243,687)	(243,687)
	<u>\$ 474,950</u>	<u>\$ 652,040</u>	<u>\$ 768,480</u>

NOTE 5 PORTFOLIO INVESTMENTS

	June 30, 2013	Cost June 30, 2012	July 1, 2011
Investments in the cost and amortized cost category:			
GIC's	\$1,550,134	\$1,540,620	\$2,141,569
	<u>\$1,550,134</u>	<u>\$1,540,620</u>	<u>\$2,141,569</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	June 30, 2013	June 30, 2012	July 1, 2011
Trade payables	\$ 878,892	\$ 710,519	\$ 398,233
Salaries and benefits payable	2,486,250	2,462,941	1,828,559
Accrued vacation pay	287,436	324,602	357,318
	<u>\$ 3,652,578</u>	<u>\$ 3,498,062</u>	<u>\$2,584,110</u>

NOTE 7 UNEARNED REVENUE

	June 30, 2013	June 30, 2012
Balance, beginning of year	\$ 159,160	\$ 75,280
Changes for the year:		
Increase:		
Tuition fees	88,512	159,160
Decrease:		
Tuition fees	159,160	75,280
Net changes for the year	88,512	159,160
Balance, end of year	<u>\$ 88,512</u>	<u>\$ 159,160</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 8 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled. Detailed information about the changes in deferred revenue is below.

	June 30, 2013	June 30, 2012
Balance, beginning of year	\$2,049,042	\$2,025,085
Add: Restricted Grants		
Provincial Grants – Ministry of Education	1,744,920	1,575,837
Provincial Grants – Other	320,534	264,049
Other	2,251,631	2,057,801
Investment Income	-	537
	<u>4,317,085</u>	<u>3,898,224</u>
Less:		
Amount allocated to revenue	4,125,208	3,874,267
	<u>191,877</u>	<u>23,957</u>
Net changes for the year		
Balance, end of year	<u>\$2,240,919</u>	<u>\$2,049,042</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 9 DEFERRED CAPITAL REVENUE

Deferred capital revenue includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired. Detailed information about the changes in deferred capital revenue is included below.

Deferred Capital Revenue	June 30, 2013	June 30, 2012
Deferred Capital Revenue, beginning of year	\$39,709,245	\$34,113,262
Changes for the Year:		
Increase:		
Transferred from Deferred Revenue – Capital Additions	2,100,241	4,620,610
Transferred from Work in Progress	-	2,785,847
	<u>2,100,241</u>	<u>7,406,457</u>
Decrease:		
Amortization of Deferred Capital Contributions	1,970,987	1,810,474
	<u>1,970,987</u>	<u>1,810,474</u>
Net changes for the year	129,254	5,595,983
Deferred Capital Revenue, end of year	<u>\$39,838,499</u>	<u>\$39,709,245</u>
Work in Progress, Beginning of Year	\$ -	\$2,785,847
Changes for the Year:		
Increase:		
Transferred from Deferred Revenue – Work in Progress	349,703	-
Decrease:		
Transferred to Deferred Capital Revenue	-	2,785,847
	<u>-</u>	<u>2,785,847</u>
Net changes for the year	349,703	(2,785,847)
Work in Progress, end of year	<u>\$ 349,703</u>	<u>-</u>
Total Deferred Capital Revenue before Unspent Deferred Capital Revenue	<u>\$40,188,202</u>	<u>\$39,709,245</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 9 DEFERRED CAPITAL REVENUE (continued)

Changes in Unspent Deferred Capital Revenue	June 30, 2013	June 30, 2012
Balance, beginning of year	\$ 396,257	\$ 24,780
Changes for the Year:		
Increase:		
Provincial Grants – Ministry of Education	2,407,509	4,991,906
Investment Income	178	181
	<u>2,407,687</u>	<u>4,992,087</u>
Decrease:		
Transferred to DCR – Capital Additions	2,100,241	4,620,610
Transferred to DCR – Work in Progress	349,703	-
	<u>2,449,944</u>	<u>4,620,610</u>
Net changes for the year	<u>(42,257)</u>	<u>371,477</u>
Balance, end of year	\$ 354,000	\$396,257
Total Deferred Capital Revenue, end of year	\$40,542,202	\$40,105,502

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

	June 30, 2013	June 30, 2012
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation – April 1	\$ 297,091	\$ 16,920
Non-vested Benefit Obligation – July 1, 2011	-	257,058
Service Cost	21,873	19,988
Interest Cost	12,897	13,448
Benefit Payments	(30,658)	(21,347)
Increase (Decrease) in obligation due to Plan Amendment	2,992	
Actuarial (Gain) Loss	129,253	11,024
Accrued Benefit Obligation – March 31	<u>\$ 433,448</u>	<u>\$ 297,091</u>

Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation – March 31	\$ 433,448	\$ 297,091
Funded Status – Surplus (Deficit)	(433,448)	(297,091)
Unamortized Net Actuarial (Gain) Loss	139,381	11,024
Accrued Benefit Asset (Liability) – June 30	<u>\$(294,067)</u>	<u>\$(286,067)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability – July 1	\$ 286,067	\$ 16,920
Recognize Non-Vested Benefits – July 1, 2011	-	257,058
Recognize Unamortized (Gains) Losses – July 1, 2011	-	-
Accrued Benefit Liability – July 1 (restated)	286,067	273,978
Net expense for Fiscal Year	38,658	33,436
Employer Contributions	(30,658)	(21,347)
Accrued Benefit Liability – June 30	<u>\$ 294,067</u>	<u>\$286,067</u>

	June 30, 2013	June 30, 2012
Components of Net Benefit Expense		
Service Cost	\$ 21,873	\$ 19,988
Interest Cost	12,897	13,448
Immediate Recognition of Plan Amendment	2,992	-
Amortization of Net Actuarial (Gain)/Loss	896	-
Net Benefit Expense (Income)	<u>\$ 38,658</u>	<u>\$ 33,436</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 10 EMPLOYEE FUTURE BENEFITS (continued)

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

	June 30, 2013	June 30, 2012
Discount Rate – April 1	4.25%	4.75%
Discount Rate – March 31	3.00%	4.25%
Long Term Salary Growth – April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth – March 31	2.50% + seniority	2.50% + seniority
EARSL – March 31	11.7	12.3

NOTE 11 TANGIBLE CAPITAL ASSETS

June 30, 2013

Cost:	Balance at July 1, 2012	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2013
Sites	\$ 4,122,324	\$ -	\$ -	\$ -	\$ 4,122,324
Buildings	88,790,565	1,158,131	-	-	89,948,696
Buildings – work in progress	-	349,703	-	-	349,703
Furniture & Equipment	1,492,637	459,296	(174,504)	-	1,777,429
Vehicles	5,571,014	954,755	(485,923)	-	6,039,846
Computer Software	51,278	58,907	(25,378)	-	84,807
Computer Hardware	357,013	56,863	(9,753)	-	404,123
Total	\$100,384,831	\$3,037,655	\$ (695,558)	\$ -	\$102,726,928

Accumulated Amortization:	Balance at July 1, 2012	Additions	Disposals	Balance at June 30, 2013
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	41,840,364	1,859,904	-	43,700,268
Furniture & Equipment	589,309	149,264	(174,504)	564,069
Vehicles	2,728,745	557,101	(485,923)	2,799,923
Computer Software	33,323	10,256	(25,378)	18,201
Computer Hardware	34,997	71,403	(9,753)	96,647
Total	\$45,226,738	\$2,647,928	\$ (695,558)	\$47,179,108

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2012

Cost:	Balance at July 1, 2011	Additions	Disposals	Transfers (WIP)	Balance at June 30, 2012
Sites	\$ 4,122,324	\$ -	\$ -	\$ -	\$ 4,122,324
Buildings	80,593,174	5,028,916	-	3,168,475	88,790,565
Buildings – work in progress	3,168,475	-	-	(3,168,475)	-
Furniture & Equipment	1,537,471	259,283	(307,117)	3,000	1,492,637
Furniture & Equipment – WIP	3,000	-	-	(3,000)	-
Vehicles	5,727,767	108,818	(265,571)	-	5,571,014
Computer Software	51,278	-	-	-	51,278
Computer Hardware	65,637	200,598	-	90,778	357,013
Computer Hardware - WIP	90,778	-	-	(90,778)	-
Total	\$95,359,904	\$5,597,615	\$ (572,688)	\$ -	\$100,384,831

Accumulated Amortization:	Balance at July 1, 2011	Additions	Disposals	Balance at June 30, 2012
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	40,171,554	1,668,810	-	41,840,364
Furniture & Equipment	742,679	153,747	(307,117)	589,309
Vehicles	2,421,539	572,777	(265,571)	2,728,745
Computer Software	23,067	10,256	-	33,323
Computer Hardware	21,870	13,127	-	34,997
Total	\$ 43,380,709	\$ 2,418,717	\$ (572,688)	\$45,226,738

Net Book Value:

	Net Book Value June 30, 2013	Net Book Value June 30, 2012	Net Book Value July 1, 2011
Sites	\$ 4,122,324	\$ 4,122,324	\$ 4,122,324
Buildings	46,248,428	46,950,201	40,421,620
Buildings – work in progress	349,703	-	3,168,475
Furniture & Equipment	1,213,360	903,328	794,792
Furniture & Equipment – work in progress	-	-	3,000
Vehicles	3,239,923	2,842,269	3,306,228
Computer Software	66,606	17,955	28,211
Computer Hardware	307,476	322,016	43,767
Computer Hardware – work in progress	-	-	90,778
Total	\$55,547,820	\$55,158,093	\$51,979,195

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 11 TANGIBLE CAPITAL ASSETS *(Continued)*

- Buildings – work in progress having a value of \$ 349,703 (2012: \$0) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- Included in the June 30, 2013 building amount is leasehold improvements to the Energetic Learning Campus with a cost of \$4,933,528 and accumulated amortization of \$121,497. At June 30, 2012 the leasehold improvement cost was \$4,859,887 with an accumulated amortization of \$0.

NOTE 12 EMPLOYEE PENSION PLANS

The school district and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans represents plan members and employers and is 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 based on a formula. The Teachers' Pension Plan has about 46,000 active members from school districts, and approximately 31,000 retired members from school districts. The Municipal Pension Plan has about 178,000 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 actuarial valuation of the Teachers' Pension Plan as at December 31, 2011 indicated an \$855 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2014 with results available in 2015. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1,024 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan. School District 60 (Peace River North) paid \$4,687,733 for employer contributions to these plans in the year ended June 30, 2013.

NOTE 13 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2013, were as follows:

- \$326,799 transferred from the operating fund to the capital fund for capital asset purchases
- \$260,912 transferred from the special purpose fund to the capital fund for capital asset purchases

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

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 considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 15 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the delivery of services and the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

Contractual obligations	2014
Apple Lease (Wireless Writing Program)	\$ 308,370
	<u>\$ 308,370</u>

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 annual budget on June 26, 2012.

NOTE 17 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, 2013, the liability is not reasonably determinable.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 18 EXPENSE BY OBJECT

	June 30, 2013	June 30, 2012
Salaries and benefits	\$ 48,558,737	\$ 47,122,062
Services and supplies	9,886,308	10,039,050
Amortization	2,647,928	2,418,717
	<u>\$ 61,092,973</u>	<u>\$ 59,579,829</u>

NOTE 19 ACCUMULATED SURPLUS

Operating Fund:		
Internally Restricted (appropriated) by Board for:		
Budget reserve for carry forward to 2013/14	\$ 1,512,962	
Aboriginal Education Surplus	25,973	
Educational Initiative	327,523	
Planned Projects & Staffing Contingencies	520,000	
Subtotal Internally Restricted		<u>2,386,458</u>
Unrestricted Operating Surplus (Deficit)		<u>407,622</u>
Total Operating Fund Surplus:		<u>\$ 2,794,080</u>
Capital Fund:		
Invested in Tangible Capital Assets	\$ 15,359,619	
Local Capital Reserve	26,441	
Total Capital Fund Surplus:		<u>\$ 15,386,060</u>
Accumulated Surplus		<u>\$ 18,180,140</u>

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 20 ECONOMIC DEPENDENCE

The 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 on a going concern basis.

NOTE 21 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a borrower. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates.

b) Market risk :

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest solely in guaranteed investment certificates that have a maturity date of no more than 3 years.

SCHOOL DISTRICT. 60 (PEACE RIVER NORTH)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2013 and JUNE 30, 2012

NOTE 21 RISK MANAGEMENT *(Continued)*

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

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

NOTE 22 CONTINGENT LIABILITY

The Province of British Columbia is currently in negotiations with both the support staff and teacher unions. The impact of these negotiations on the financial statements is not determinable at this time.

CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., FCA
- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.
- * Donald G. Smith, C.A. (Retired)

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INDEPENDENT AUDITOR'S COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

To the Board of Education of School District No. 60 (Peace River North) and the Minister of Education of British Columbia

We have audited and reported separately herein on the financial statements of the School District No. 60 (Peace River North) for the year ended June 30, 2013.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the District taken as a whole. The current year's supplementary information included in Schedule 1 through Schedule 4D is presented for the purposes of additional analysis. Such supplementary information has not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly, we express no opinion on it.

Fort St. John, BC
September 23, 2013

Sander Rose Bone Grindle LLP
Chartered Accountants

School District No. 60 (Peace River North)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Years Ending June 30, 2013 and June 30, 2012

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year					
Change in Accounting Policies/Prior Period Adjustments	3,362,708		15,475,028	18,837,736	17,834,494
Add non-vested benefits to Employee Future Benefits					(257,058)
Reclassify Deferred Contributions					311,221
Accumulated Surplus (Deficit), beginning of year, as restated	3,362,708	-	15,475,028	18,837,736	17,888,657
Changes for the year					
Surplus (Deficit) for the year	(241,829)	260,912	(676,679)	(657,596)	949,079
Interfund Transfers					
Tangible Capital Assets Purchased	(326,799)	(260,912)	587,711	-	
Net Changes for the year	(568,628)	-	(88,968)	(657,596)	949,079
Accumulated Surplus (Deficit), end of year - Statement 2	2,794,080	-	15,386,060	18,180,140	18,837,736

School District No. 60 (Peace River North)**Schedule 2 (Unaudited)**

Schedule of Operating Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget \$	2013 Actual \$	2012 Actual (Restated-Note 2) \$
Revenues			
Provincial Grants			
Ministry of Education	52,516,713	53,018,421	53,310,194
Tuition	419,100	378,137	306,844
Other Revenue	408,500	854,310	1,140,874
Rentals and Leases	10,000	8,993	9,858
Investment Income	50,000	79,059	76,077
Total Revenue	53,404,313	54,338,920	54,843,847
Expenses			
Instruction	44,478,892	44,212,581	43,628,210
District Administration	1,909,827	1,793,857	1,871,625
Operations and Maintenance	5,682,300	5,550,112	5,405,533
Transportation and Housing	3,011,500	3,024,199	3,063,146
Total Expense	55,082,519	54,580,749	53,968,514
Operating Surplus (Deficit) for the year	(1,678,206)	(241,829)	875,333
Budgeted Appropriation (Retirement) of Surplus (Deficit)	1,678,206		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(326,799)	(295,336)
Total Net Transfers	-	(326,799)	(295,336)
Total Operating Surplus (Deficit), for the year	-	(568,628)	579,997
Operating Surplus (Deficit), beginning of year		3,362,708	2,728,548
Change in Accounting Policies/Prior Period Adjustments			
Add non-vested benefits to Employee Future Benefits			(257,058)
Recognize unamortized gain (loss) on Employee Future Benefits			-
Reclassify Deferred Contributions			311,221
Operating Surplus (Deficit), beginning of year, as restated		3,362,708	2,782,711
Operating Surplus (Deficit), end of year		2,794,080	3,362,708
Operating Surplus (Deficit), end of year			
Internally Restricted		2,386,458	3,008,458
Unrestricted		407,622	354,250
Unfunded Accrued Employee Future Benefits			-
Total Operating Surplus (Deficit), end of year		2,794,080	3,362,708

School District No. 60 (Peace River North)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Provincial Grants - Ministry of Education			
Operating Grant, Ministry of Education	52,182,823	52,623,853	52,931,237
Other Ministry of Education Grants			
Pay Equity	241,350	241,350	241,350
FSA Funding	8,696	8,696	8,696
Carbon Tax Reimbursement	70,000	109,878	86,080
Education Guarantee	13,844	24,644	42,085
11/12 Smart Tools Reimbursement			746
Teacher Quality		10,000	
Total Provincial Grants - Ministry of Education	52,516,713	53,018,421	53,310,194
Tuition			
Offshore Tuition Fees	419,100	378,137	306,844
Total Tuition	419,100	378,137	306,844
Other Revenues			
Miscellaneous			
Distributed Learning 3rd Party Billings	180,000	201,267	200,503
Alberta Students Attending BC Schools	104,500	131,283	118,516
Net Misc Revenue	74,000	64,514	97,670
Apple Warranty Credits	50,000	50,499	42,491
Sale of Residential Construction House		406,747	660,539
Trade and Apprenticeship Funding			21,155
Total Other Revenue	408,500	854,310	1,140,874
Rentals and Leases	10,000	8,993	9,858
Investment Income	50,000	79,059	76,077
Total Operating Revenue	53,404,313	54,338,920	54,843,847

School District No. 60 (Peace River North)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
 Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Salaries			
Teachers	22,773,425	23,057,684	22,371,800
Principals and Vice Principals	3,613,396	3,562,017	3,641,942
Educational Assistants	3,058,574	2,832,115	2,773,691
Support Staff	5,963,699	5,838,393	5,830,903
Other Professionals	1,486,241	1,411,134	1,437,686
Substitutes	1,345,793	1,331,948	1,326,473
Total Salaries	38,241,128	38,033,291	37,382,495
Employee Benefits	9,030,180	9,053,067	8,857,898
Total Salaries and Benefits	47,271,308	47,086,358	46,240,393
Services and Supplies			
Services	473,105	391,062	479,795
Student Transportation	277,940	285,541	284,778
Professional Development and Travel	962,976	900,766	797,204
Rentals and Leases	297,640	267,420	289,347
Dues and Fees	50,000	40,820	48,780
Insurance	204,032	195,591	205,093
Supplies	4,117,017	4,119,823	4,395,845
Utilities	1,428,501	1,293,368	1,227,279
Total Services and Supplies	7,811,211	7,494,391	7,728,121
Total Operating Expense	55,082,519	54,580,749	53,968,514

School District No. 60 (Peace River North)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

Schedule 2C (Unaudited)

	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	18,394,985	1,580,123	18,071	1,477,074	111,272	932,847	22,514,372
1.03 Career Programs	211,414	65,122		37,637			314,173
1.07 Library Services	523,048			46,386			569,434
1.08 Counselling	730,204						730,204
1.10 Special Education	2,831,407	166,268	2,326,688	73,157		187,263	5,584,783
1.30 English Language Learning	152,284	9,868	78,333				240,485
1.31 Aboriginal Education	214,342	92,383	409,023	41,508		43,823	801,079
1.41 School Administration		1,648,253		404,126			2,052,379
Total Function 1	23,057,684	3,562,017	2,832,115	2,079,888	111,272	1,163,933	32,806,909
4 District Administration							
4.11 Educational Administration				26,837	473,361		500,198
4.40 School District Governance					91,558		91,558
4.41 Business Administration				93,478	457,159		550,637
Total Function 4	-	-	-	120,315	1,022,078	-	1,142,393
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				22,326	196,008		218,334
5.50 Maintenance Operations				2,106,538		93,526	2,200,064
5.52 Maintenance of Grounds				235,301			235,301
5.56 Utilities							-
Total Function 5	-	-	-	2,364,165	196,008	93,526	2,653,699
7 Transportation and Housing							
7.41 Transportation and Housing Administration				3,770	81,776		85,546
7.70 Student Transportation				1,270,255		74,489	1,344,744
7.73 Housing							-
Total Function 7	-	-	-	1,274,025	81,776	74,489	1,430,290
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	23,057,684	3,562,017	2,832,115	5,838,393	1,411,134	1,331,948	38,033,291

School District No. 60 (Peace River North)

Operating Expense by Function, Program and Object

Year Ended June 30, 2013

Schedule 2C (Unaudited)

2012

Actual

(Restated-Note 2)

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2013 Actual	2013 Budget	2012 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	22,514,372	5,427,276	27,941,648	2,877,155	30,818,803	30,769,016	30,710,557
1.03 Career Programs	314,173	71,367	385,540	27,075	412,615	413,882	418,350
1.07 Library Services	569,434	129,836	699,270	126,205	825,475	824,142	796,701
1.08 Counselling	730,204	165,625	895,829	2,164	897,993	904,683	857,584
1.10 Special Education	5,584,783	1,316,597	6,901,380	280,926	7,182,306	7,535,448	6,834,064
1.30 English Language Learning	240,485	59,826	300,311	2,464	302,775	326,746	322,281
1.31 Aboriginal Education	801,079	193,692	994,771	258,851	1,253,622	1,148,400	1,121,096
1.41 School Administration	2,052,379	466,613	2,518,992	-	2,518,992	2,556,575	2,567,577
Total Function 1	32,806,909	7,830,832	40,637,741	3,574,840	44,212,581	44,478,892	43,628,210
4 District Administration							
4.11 Educational Administration	500,198	109,311	609,509	117,231	726,740	777,032	769,986
4.40 School District Governance	91,558	1,597	93,155	81,839	174,994	186,844	185,373
4.41 Business Administration	550,637	124,226	674,863	217,260	892,123	945,951	916,266
Total Function 4	1,142,393	235,134	1,377,527	416,330	1,793,857	1,909,827	1,871,625
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	218,334	50,307	268,641	142,892	411,533	492,092	384,876
5.50 Maintenance Operations	2,200,064	505,681	2,705,745	634,675	3,340,420	3,350,464	3,378,679
5.52 Maintenance of Grounds	235,301	57,559	292,860	211,946	504,806	413,543	415,214
5.56 Utilities	-	-	-	1,293,353	1,293,353	1,426,201	1,226,764
Total Function 5	2,653,699	613,547	3,267,246	2,282,866	5,550,112	5,682,300	5,405,533
7 Transportation and Housing							
7.41 Transportation and Housing Administration	85,546	18,837	104,383	3,508	107,891	115,670	114,145
7.70 Student Transportation	1,344,744	354,717	1,699,461	1,215,097	2,914,558	2,890,830	2,943,751
7.73 Housing	-	-	-	1,750	1,750	5,000	5,250
Total Function 7	1,430,290	373,554	1,803,844	1,220,355	3,024,199	3,011,500	3,063,146
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	38,033,291	9,053,067	47,086,358	7,494,391	54,580,749	55,082,519	53,968,514

School District No. 60 (Peace River North)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Years Ending June 30, 2013 and June 30, 2012

	2013 Budget	2013 Actual	2012 Actual (Restated-Note 2)
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education	1,896,382	1,628,844	1,650,952
Other	190,665	340,504	275,167
Other Revenue	1,896,350	2,155,860	1,947,611
Investment Income			537
Total Revenue	<u>3,983,397</u>	<u>4,125,208</u>	<u>3,874,267</u>
Expenses			
Instruction	3,625,514	3,715,998	2,918,606
Operations and Maintenance	200,000	148,298	273,992
Total Expense	<u>3,825,514</u>	<u>3,864,296</u>	<u>3,192,598</u>
Special Purpose Surplus (Deficit) for the year	<u>157,883</u>	<u>260,912</u>	<u>681,669</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(157,883)	(260,912)	(681,669)
Total Net Transfers	<u>(157,883)</u>	<u>(260,912)</u>	<u>(681,669)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), end of year			
Total Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2013

Schedule 3A (Unaudited)

Deferred Revenue, beginning of year
Transfer (to) from Operating Surplus - as at July 1, 2011
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012
Deferred Revenue, beginning of year, as restated

Add: Restricted Grants
Provincial Grants - Ministry of Education
Provincial Grants - Other
Other

Less: Allocated to Revenue
Deferred Revenue, end of year

Revenues

Provincial Grants - Ministry of Education
Provincial Grants - Other
Other Revenue

Expenses

Salaries
Teachers
Principals and Vice Principals
Educational Assistants
Support Staff
Substitutes

Employee Benefits
Services and Supplies

Net Revenue (Expense) before Interfund Transfers

Interfund Transfers

Tangible Capital Assets Purchased

Net Revenue (Expense)

Additional Expenses funded by, and reported in, the Operating Fund

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Annual Facility Grant	Learning Improvement Fund	Special Education Equipment	School Generated Funds	Strong Start	Ready, Set, Learn
\$	\$	\$	\$	\$	\$
-	-	9,038	1,194,918	84,672	31,805
198,498	670,519	10,479		160,000	41,650
198,498	670,519	10,479	1,958,977	160,000	41,650
198,498	625,004	17,980	1,851,657	138,975	29,444
-	45,515	1,537	1,302,238	105,697	44,011
198,498	625,004	17,980		138,975	29,444
198,498	625,004	17,980	1,851,657	138,975	29,444
-	54,383	-	1,252	14,312	
-	504,609	-	-	94,906	14,312
138,207	104,871			25,986	3,727
138,207	15,524	17,980	1,851,657	18,083	11,405
138,207	625,004	17,980	1,851,657	138,975	29,444
60,291	-	-	-	-	-
(60,291)					
(60,291)	-	-	-	-	-
-	-	-	-	-	-

School District No. 60 (Peace River North)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2013

Schedule 3A (Unaudited)

	OLEP	Community- LINK	SWIS	EFAP	Miscellaneous	Playgrounds
	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	76,383	99,766	22,396	28,302	731,781	122,892
Transfer (to) from Operating Surplus - as at July 1, 2011					(311,221)	
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012					(41,690)	
Deferred Revenue, beginning of year, as restated	76,383	99,766	22,396	28,302	378,870	122,892
Add: Restricted Grants						
Provincial Grants - Ministry of Education	128,261	535,513			112,250	
Provincial Grants - Other			208,284		77,842	164,468
Other		32,034		18,310		
	128,261	567,547	208,284	18,310	190,092	164,468
Less: Allocated to Revenue	97,009	553,968	182,115	15,022	249,632	165,904
Deferred Revenue, end of year	107,635	113,345	48,565	31,590	319,330	121,456
Revenues						
Provincial Grants - Ministry of Education	97,009	521,934			158,389	
Provincial Grants - Other			182,115		91,243	165,904
Other Revenue	97,009	553,968	182,115	15,022	249,632	165,904
Expenses						
Salaries						
Teachers						
Principals and Vice Principals	26,850	16,076	26,625		12,598	
Educational Assistants		19,700	32,804		20,000	
Support Staff		254,817	62,704		43,031	
Substitutes	10,553	50,652	9,596		1,449	
	37,403	294				
		341,539	131,729	-	77,078	-
Employee Benefits	5,755	78,563	32,382		19,519	
Services and Supplies	53,851	133,866	18,004	15,022	108,227	10,091
	97,009	553,968	182,115	15,022	204,824	10,091
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	44,808	155,813
Interfund Transfers						
Tangible Capital Assets Purchased					(44,808)	(155,813)
	-	-	-	-	(44,808)	(155,813)
Net Revenue (Expense)	-	-	-	-	-	-
Additional Expenses funded by, and reported in, the Operating Fund				15,022		

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School District No. 60 (Peace River North)

Schedule 3A (Unaudited)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2013

	TOTAL
	\$
Deferred Revenue, beginning of year	2,401,953
Transfer (to) from Operating Surplus - as at July 1, 2011	(311,221)
Transfer to/from Operating Revenue/Expense - year ended June 30, 2012	(41,690)
Deferred Revenue, beginning of year, as restated	2,049,042
Add: Restricted Grants	
Provincial Grants - Ministry of Education	1,744,920
Provincial Grants - Other	320,534
Other	2,251,631
	4,317,085
Less: Allocated to Revenue	4,125,208
Deferred Revenue, end of year	<u>2,240,919</u>
Revenues	
Provincial Grants - Ministry of Education	1,628,844
Provincial Grants - Other	340,504
Other Revenue	2,155,860
	<u>4,125,208</u>
Expenses	
Salaries	
Teachers	306,974
Principals and Vice Principals	72,504
Educational Assistants	693,919
Support Staff	60,248
Substitutes	67,931
	<u>1,201,576</u>
Employee Benefits	270,803
Services and Supplies	2,391,917
	<u>3,864,296</u>
Net Revenue (Expense) before Interfund Transfers	<u>260,912</u>
Interfund Transfers	
Tangible Capital Assets Purchased	(260,912)
	<u>(260,912)</u>
Net Revenue (Expense)	<u>-</u>
Additional Expenses funded by, and reported in, the Operating Fund	<u>15,022</u>

School District No. 60 (Peace River North)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Years Ending June 30, 2013 and June 30, 2012

	2013	2013 Actual			2012
	Budget	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual (Restated-Note 2)
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Investment Income	310		262	262	320
Amortization of Deferred Capital Revenue	1,973,939	1,970,987		1,970,987	1,810,474
Total Revenue	<u>1,974,249</u>	<u>1,970,987</u>	<u>262</u>	<u>1,971,249</u>	<u>1,810,794</u>
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	2,035,346	2,090,827		2,090,827	1,845,940
Transportation and Housing	546,853	557,101		557,101	572,777
Total Expense	<u>2,582,199</u>	<u>2,647,928</u>	<u>-</u>	<u>2,647,928</u>	<u>2,418,717</u>
Capital Surplus (Deficit) for the year	<u>(607,950)</u>	<u>(676,941)</u>	<u>262</u>	<u>(676,679)</u>	<u>(607,923)</u>
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	157,883	587,711		587,711	977,005
Total Net Transfers	<u>157,883</u>	<u>587,711</u>	<u>-</u>	<u>587,711</u>	<u>977,005</u>
Total Capital Surplus (Deficit) for the year	<u>(450,067)</u>	<u>(89,230)</u>	<u>262</u>	<u>(88,968)</u>	<u>369,082</u>
Capital Surplus (Deficit), beginning of year		15,448,849	26,179	15,475,028	15,105,946
Capital Surplus (Deficit), end of year		<u>15,359,619</u>	<u>26,441</u>	<u>15,386,060</u>	<u>15,475,028</u>

School District No. 60 (Peace River North)

Tangible Capital Assets
Year Ended June 30, 2013

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	4,122,324	88,790,565	1,492,637	5,571,014	51,278	357,013	100,384,831
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		1,097,840	100,000	902,401			2,100,241
Operating Fund			158,675	52,354	58,907	56,863	326,799
Special Purpose Funds		60,291	200,621				260,912
Decrease:							
Deemed Disposals			174,504	485,923	25,378	9,753	695,558
Cost, end of year			174,504	485,923	25,378	9,753	695,558
Work in Progress, end of year	4,122,324	89,948,696	1,777,429	6,039,846	84,807	404,123	102,377,225
Cost and Work in Progress, end of year	4,122,324	90,298,399	1,777,429	6,039,846	84,807	404,123	102,726,928
Accumulated Amortization, beginning of year			589,309	2,728,745	33,323	34,997	45,226,738
Changes for the Year							
Increase: Amortization for the Year		1,859,904	149,264	557,101	10,256	71,403	2,647,928
Decrease:							
Deemed Disposals			174,504	485,923	25,378	9,753	695,558
Accumulated Amortization, end of year			174,504	485,923	25,378	9,753	695,558
		43,700,268	564,069	2,799,923	18,201	96,647	47,179,108
Tangible Capital Assets - Net	4,122,324	46,598,131	1,213,360	3,239,923	66,606	307,476	55,547,820

School District No. 60 (Peace River North)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2013

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	-	-	-	-	-
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	349,703				349,703
	349,703	-	-	-	349,703
Net Changes for the Year	349,703	-	-	-	349,703
Work in Progress, end of year	349,703	-	-	-	349,703

School District No. 60 (Peace River North)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2013

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	39,709,245			39,709,245
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	2,100,241			2,100,241
	2,100,241	-	-	2,100,241
Decrease:				
Amortization of Deferred Capital Revenue	1,970,987			1,970,987
	1,970,987	-	-	1,970,987
Net Changes for the Year	129,254	-	-	129,254
Deferred Capital Revenue, end of year	39,838,499	-	-	39,838,499
Work in Progress, beginning of year				-
Changes for the Year				
Increase				
Transferred from Deferred Revenue - Work in Progress	349,703			349,703
	349,703	-	-	349,703
Net Changes for the Year	349,703	-	-	349,703
Work in Progress, end of year	349,703	-	-	349,703
Total Deferred Capital Revenue, end of year	40,188,202	-	-	40,188,202

School District No. 60 (Peace River North)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2013

Schedule 4D (Unaudited)

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	377,623	18,634				396,257
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	2,407,509	178				2,407,509
Investment Income	2,407,509	178				2,407,687
Decrease:						
Transferred to DCR - Capital Additions	2,100,241					2,100,241
Transferred to DCR - Work in Progress	349,703					349,703
Transferred to MEd Restricted Capital	335,188	(335,188)				-
	2,785,132	(335,188)				2,449,944
Net Changes for the Year	(377,623)	335,366				(42,257)
Balance, end of year	-	354,000				354,000

