

SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2011/2012

SCHOOL DISTRICT NUMBER 60	NAME OF SCHOOL DISTRICT Peace River North	YEAR 2011/2012
OFFICE LOCATION 10112 105 Avenue		TELEPHONE NUMBER 250-262-6000
CITY/PROVINCE Fort St. John		POSTAL CODE V1J-4S4
WEBSITE ADDRESS 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.

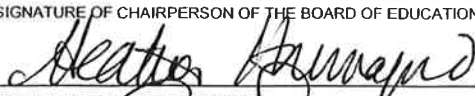


External Auditors

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, changes in fund balances, and cash flows for the year in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

We, the undersigned, certify that the attached is a correct and true copy of the Audited Financial Statements of School District No. 60 (Peace River North) for the year ended June 30, 2012.

SIGNATURE OF CHAIRPERSON OF THE BOARD OF EDUCATION 	DATE SIGNED Sept 17 2012
SIGNATURE OF SUPERINTENDENT 	DATE SIGNED Sept 17 2012
SIGNATURE OF SECRETARY-TREASURER 	DATE SIGNED Sept 17, 2012

**SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
2011/2012 AUDITED FINANCIAL STATEMENTS**

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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.
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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 the School District No. 60 (Peace River North), which comprise the statement of financial position as at June 30, 2012 and the statements of revenue and expense, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 auditors consider 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 the School District No. 60 (Peace River North) as at June 30, 2012 and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

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INDEPENDENT AUDITOR'S REPORT (continued)

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

Fort St. John, BC
September 17, 2012

Sander Rose Bone Grindle LLP
CHARTERED ACCOUNTANTS

SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2012

Statement 1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
ASSETS					
Current Assets					
Cash and Cash Equivalents (Note 2b)	\$ 4,878,987	\$ 2,401,953		\$ 7,280,940	\$ 4,307,107
Short Term Investments (Note 2c)	609,900			609,900	1,210,849
Accounts Receivable					
Due from Province - Ministry of Education (Note 2d)	4,265			4,265	34,549
Due from Province - Other (Note 2d)	39,458			39,458	32,785
Other Receivables (Note 3)	652,040			652,040	768,480
Interfund Loans			422,437		
Inventories (Note 2e)	88,035			88,035	277,255
Prepaid Expenses (Note 2f)	172,118			172,118	230,059
	6,444,803	2,401,953	422,437	8,846,756	6,861,084
Investments (Note 4)	930,720			930,720	930,720
Capital Assets - Net (Note 5)			55,158,093	55,158,093	51,979,195
TOTAL ASSETS	\$ 7,375,523	\$ 2,401,953	\$ 55,580,530	\$ 64,935,569	\$ 59,770,999
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts Payable and Accrued Liabilities					
Other	3,498,062			3,498,062	2,584,110
Interfund Loans	422,437				
	3,920,499	-	-	3,498,062	2,584,110
Deferred Revenue	159,160			159,160	75,280
Deferred Contributions					
Ministry of Education		300,376	396,257	696,633	400,271
Province - Other		22,396		22,396	20,685
Other		2,079,181		2,079,181	1,940,130
Accrued Employee Future Benefits (Note 7)	21,705			21,705	16,920
Deferred Capital Contributions			39,709,245	39,709,245	36,899,109
TOTAL LIABILITIES	4,101,364	2,401,953	40,105,502	46,186,382	41,936,505
Fund Balances					
Invested in Capital Assets			15,448,849	15,448,849	15,080,087
Internally Restricted (Note 8)	3,008,458		26,179	3,034,637	2,448,449
Unrestricted	265,701			265,701	305,958
TOTAL FUND BALANCES	3,274,159	-	15,475,028	18,749,187	17,834,494
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,375,523	\$ 2,401,953	\$ 55,580,530	\$ 64,935,569	\$ 59,770,999

SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
STATEMENT OF REVENUE AND EXPENSE
YEAR ENDED JUNE 30, 2012

Statement 2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
REVENUE					
Provincial Grants - Ministry of Education	\$ 53,310,194	\$ 1,650,952		\$ 54,961,146	\$ 55,545,244
Provincial Grants - Other		181,838		181,838	138,707
Other Revenue	1,405,227	2,041,741		3,446,968	2,727,015
Rentals and Leases	9,858			9,858	11,400
Investment Income	76,077	537	320	76,934	65,325
Amortization of Deferred Capital Contributions			1,810,474	1,810,474	1,772,543
	<u>54,801,356</u>	<u>3,875,068</u>	<u>1,810,794</u>	<u>60,487,218</u>	<u>60,260,234</u>
EXPENSE					
Salaries					
Teachers	22,371,800	123,633		22,495,433	22,869,056
Principals and Vice Principals	3,641,942	42,487		3,684,429	3,681,771
Educational Assistants	2,773,691	461,878		3,235,569	3,114,799
Support Staff	5,830,903	59,718		5,890,621	6,007,616
Other Professionals	1,437,686			1,437,686	1,398,543
Substitutes	1,326,473	9,650		1,336,123	1,205,294
	<u>37,382,495</u>	<u>697,366</u>	-	<u>38,079,861</u>	<u>38,277,079</u>
Employee Benefits	8,850,594	184,303		9,034,897	9,007,069
Services and Supplies	7,727,320	2,311,730		10,039,050	9,873,731
Amortization of Capital Assets			2,418,717	2,418,717	2,411,694
	<u>53,960,409</u>	<u>3,193,399</u>	<u>2,418,717</u>	<u>59,572,525</u>	<u>59,569,573</u>
NET REVENUE (EXPENSE)	<u>\$ 840,947</u>	<u>\$ 681,669</u>	<u>\$ (607,923)</u>	<u>\$ 914,693</u>	<u>\$ 690,661</u>

SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

Statement 3

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
FUND BALANCES, BEGINNING OF YEAR	\$ 2,728,548		\$ 15,105,946	\$ 17,834,494	\$ 17,143,833
Changes for the Year					
Net Revenue (Expense) for the Year	840,947	681,669	(607,923)	914,693	690,661
Interfund Transfers					
Capital Assets Purchased (Note 9)	(295,336)	(681,669)	977,005	-	
Net Changes for the Year	545,611	-	369,082	914,693	690,661
FUND BALANCES, END OF YEAR	\$ 3,274,159	\$ -	\$ 15,475,028	\$ 18,749,187	\$ 17,834,494

SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.1

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
CASH PROVIDED BY (USED FOR)					
OPERATIONS					
Net Revenue (Expense) for the Year	\$ 840,947	\$ 681,669	\$ (607,923)	\$ 914,693	\$ 690,661
Changes in Non-Cash Working Capital					
Decrease (Increase)					
Short Term Investments	600,949			600,949	(608,893)
Accounts Receivable	105,502		34,549	140,051	(468,017)
Interfund Loans	406,346		(406,346)	-	-
Inventories	189,220			189,220	(277,255)
Prepaid Expenses	57,941			57,941	(167,955)
Increase (Decrease)					
Accounts Payable/Accrued Liabilities	913,952			913,952	502,313
Deferred Revenue	83,880			83,880	28,102
Deferred Contributions		65,647		65,647	(261,681)
Accrued Employee Future Benefits	4,785			4,785	4,324
Items Not Involving Cash					
Amortization of Capital Assets			2,418,717	2,418,717	2,411,694
Amortization of Deferred Capital Contributions			(1,810,474)	(1,810,474)	(1,772,543)
Interfund Transfers	(295,336)	(681,669)	977,005	-	-
	<u>2,908,186</u>	<u>65,647</u>	<u>605,528</u>	<u>3,579,361</u>	<u>80,750</u>
FINANCING					
Deferred Contributions Received - Capital			4,992,087	4,992,087	3,465,438
	-	-	4,992,087	4,992,087	3,465,438
INVESTING					
Capital Assets Purchased - Operating			(295,336)	(295,336)	(42,783)
Capital Assets Purchased - Special Purpose			(681,669)	(681,669)	(434,091)
Capital Assets Purchased - Deferred Contributions - Capital			(4,620,610)	(4,620,610)	(694,352)
Increase in Work in Process				-	(3,262,253)
Decrease (Increase) in Investments				-	(930,720)
	-	-	(5,597,615)	(5,597,615)	(5,364,199)
NET INCREASE (DECREASE) IN CASH	<u>\$ 2,908,186</u>	<u>\$ 65,647</u>	<u>\$ -</u>	<u>\$ 2,973,833</u>	<u>\$ (1,818,011)</u>

SCHOOL DISTRICT No. 60 (PEACE RIVER NORTH)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2012

Statement 4.2

	OPERATING FUND	SPECIAL PURPOSE FUNDS	CAPITAL FUND	TOTAL 2012	TOTAL 2011
NET INCREASE (DECREASE) IN CASH	\$ 2,908,186	\$ 65,647	\$ -	\$ 2,973,833	\$ (1,818,011)
Net Cash, Beginning of Year	1,970,801	2,336,306	-	4,307,107	6,125,118
NET CASH, END OF YEAR	<u>\$ 4,878,987</u>	<u>\$ 2,401,953</u>	<u>\$ -</u>	<u>\$ 7,280,940</u>	<u>\$ 4,307,107</u>
Cash	\$ 4,878,987	\$ 2,401,953		\$ 7,280,940	\$ 4,307,107
NET CASH, END OF YEAR	<u>\$ 4,878,987</u>	<u>\$ 2,401,953</u>	<u>\$ -</u>	<u>\$ 7,280,940</u>	<u>\$ 4,307,107</u>

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

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

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

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

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less when purchased.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

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

- c) **Short Term Investments**
Short Term investments include securities with terms to maturity of greater than three months and less than one year.
- d) **Accounts Receivable**
Accounts receivable are shown net of allowance for doubtful accounts. (See Note 3)
- e) **Inventories**
Inventories include costs incurred to date for the construction of houses to be sold through the Residential Construction Program.
- f) **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.
- g) **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.
- h) **Revenue Recognition**
Unrestricted operating government grants, are recognized as revenue when received. Such grants, if contributed for a future period, are deferred and reported as deferred contributions until that future period. Other unrestricted revenue, including tuition fees and sales of services/products are reported as revenue when services are provided or products delivered.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

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

Externally restricted contributions, grants, and donations are reported as revenue depending on the nature of restrictions imposed on the use of the funds by the contributors:

- Non-capital contributions for specific purposes are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in capital assets.
 - If the capital asset is a site, the amount invested is recorded as a direct increase to net assets invested in capital assets.
 - If the capital asset is not a site, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset. 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 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.

i) Expenditures

- Categories of Salaries
 - Principals, Vice Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice Principals.
 - Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.
- Allocation of Costs
 - Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and aboriginal education, are allocated to these programs. All other costs are allocated to regular programs.
 - Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
 - Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
 - Supplies and services are allocated based on actual identification of program.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

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

j) Financial Instruments

Financial instruments consist of cash, cash equivalents, investments, 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.

k) Use of Estimates

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

l) Employee Future Benefits

The School District provides certain post-employment benefits including banked sick leave for certain employees pursuant to certain contracts and union agreements.

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

Due to the minimal dollar value relating to these obligations, the cumulative unrecognized actuarial gains (losses) of the accrued benefit obligation is recognized in the current year.

The most recent valuation of the obligation was performed at March 31, 2010 and projected to June 30, 2014. The next valuation will be performed at March 31, 2013 for use at June 30, 2013. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

m) Future Change in Accounting Framework

Under the revised Public Sector Accounting Board (PSAB) framework, beginning with the 2012/13 fiscal year, school districts will be required to follow Public Sector Accounting (PSA) standards with or without the not-for-profit organization standards (i.e., PS 4200 series). In September 2010, the Province of British Columbia Treasury Board directed through Government Organization Accounting Standards Regulation 257/2010 requiring all school districts to adopt PSA standards without the PS 4200 series from their first fiscal year commencing after January 1, 2012.

The first fiscal year of full implementation without the PS 4200 series will be the year ended June 30, 2013. The adoption of PSA standards is to be accounted for by retroactive application with restatement of prior periods unless an exemption is permitted. Comparative figures at June 30, 2012 and July 1, 2011 will be restated. The financial statements will also include the presentation of budget figures prepared in accordance with PSA standards for the year ended June 30, 2013.

While the School District, in consultation with the Office of the Comptroller General and the Ministry of Education, has begun assessing the impact of the change in accounting framework on its financial statements, the financial impact cannot be reasonably estimated at this time. Implementing PSA standards will also have an impact on accounting financial reporting and supporting information technology systems and processes.

NOTE 3 ACCOUNTS RECEIVABLE – OTHER RECEIVABLES

	2012	2011
Due from Other School Districts	\$ -	\$ -
Other	895,727	1,012,167
Allowance for Doubtful Accounts	(243,687)	(243,687)
	<u>\$ 652,040</u>	<u>\$ 768,480</u>

NOTE 4 INVESTMENTS

Investments consist of Guaranteed Investment Certificates with terms to maturity of greater than 1 year.

		<u>2012</u>
Guaranteed Investment Certificates	Market Value	965,017
	Historical Cost	930,720

Average portfolio yield is 2.65%

SCHOOL DISTRICT NO. 60 (PEACE RIVER NORTH)

Notes to the Audited Financial Statements

Year Ended June 30, 2012

NOTE 5 CAPITAL ASSETS

	2012		2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Sites	\$ 4,122,324	\$ -	\$ 4,122,324	\$ 4,122,324
Buildings	88,790,565	41,840,364	46,950,201	43,590,095
Furniture & Equipment	1,492,637	589,309	903,328	797,792
Vehicles	5,571,014	2,728,745	2,842,269	3,306,228
Computer Software	51,278	33,323	17,955	28,211
Computer Hardware	357,013	34,997	322,016	134,545
	<u>\$ 100,384,831</u>	<u>\$ 45,226,738</u>	<u>\$ 55,158,093</u>	<u>\$51,979,195</u>

Included in the above building amount are leasehold improvements to the Energetic Learning Campus with a cost of \$4,859,887 and accumulated amortization of \$0.

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 46,000 active members from school districts, and approximately 30,000 retired members from school districts. The Municipal Pension Plan has about 173,000 active members, of which approximately 23,000 are from school districts.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2008 indicated a \$291 million deficit for basic pension benefits. The next valuation will be as at December 31, 2011 with results available in 2012. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2009 indicated a \$1,024 million 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 \$4,629,234 for employer contributions to the plan in the year ended June 30, 2012.