



ITEM 5

To: Board of Education

From: Secretary Treasurer
Flavia Coughlan

Re: **SCHOOL DISTRICT NO. 42**
BUSINESS COMPANY

Date: September 11, 2013
(Public Board Meeting)

Decision

BACKGROUND:

The School District No. 42 Business Company was incorporated on March 2, 2004. The School District No. 42 is the sole shareholder of the School District No. 42 Business Company. The business company has been dissolved on March 5, 2013 (Attachment A – Certificate of Dissolution).

It should be noted that under section 95.53 of the School Act the Board must prepare and pay for an annual report for the business company that includes audited financial statements in respect of the immediately preceding fiscal year. The audited financial statements of the School District No. 42 Business Company for final year of operations ending March 5, 2013 are included in Attachment B.

RECOMMENDATIONS:

1. THAT the Board approve the audited financial statements for the School District No. 42 Business Company for the year ending March 5, 2013 for submission to the Ministry of Education.

DUPLICATE

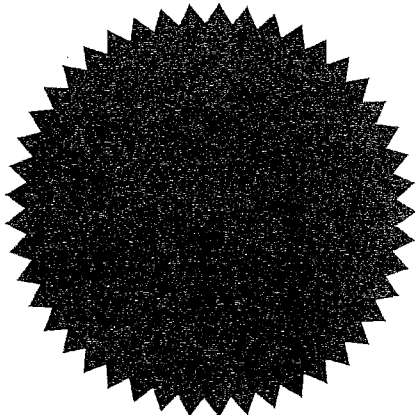


NUMBER: PA0000394

CERTIFICATE OF DISSOLUTION

SCHOOL ACT

I Hereby Certify that **SCHOOL DISTRICT NO. 42 BUSINESS COMPANY** was dissolved by way of voluntary dissolution under the School Act on March 5, 2013.



*Issued under my hand at Victoria, British
Columbia
On March 5, 2013*

CAROL PREST
Registrar of Companies
Province of British Columbia
Canada

Financial Statements of

**SCHOOL DISTRICT NO. 42
BUSINESS COMPANY**

Period ended March 5, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholder of School District No. 42 Business Company

We have audited the accompanying financial statements of School District No. 42 Business Company, which comprise the statement of financial position as at March 5, 2013, the statements of operations, changes in net financial assets (debt) and cash flows for the period ended March 5, 2013, and notes, comprising 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 public sector accounting standards, 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.

Auditors' 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 an 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 our 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, we 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 School District No. 42 Business Company as at March 5, 2013 and its results of operations, remeasurement of gains and losses, changes in net financial assets (debt) and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.

Comparative Information

The financial statements of School District No. 42 Business Company as at and for the year ended June 30, 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 12, 2012.

DRAFT FOR DISCUSSION

Chartered Accountants

DATE

Burnaby, Canada

SCHOOL DISTRICT NO. 42 BUSINESS COMPANY

Statement of Financial Position

	March 5, 2013	June 30, 2012
Liabilities:		
Due to School District No. 42 (Maple Ridge – Pitt Meadows) (note 3)	\$ -	\$ 4,334
Net debt	\$ -	(4,334)
Accumulated deficit:		
Capital stock (note 4)	\$ -	\$ 1
Deficit	-	(4,335)
	-	(4,334)
	\$ -	\$ (4,334)

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

SCHOOL DISTRICT NO. 42 BUSINESS COMPANY

Statement of Operations

	Period ended March 5, 2013	Year ended June 30, 2012
Other income:		
Loan forgiven (note 4)	\$ 4,334	\$ -
Surplus for the period	4,334	-
Accumulated deficit, beginning of period	(4,335)	(4,335)
Cancellation of voting share	1	(4,335)
Accumulated deficit, end of period	\$ -	\$ (4,335)

See accompanying notes to financial statements.

SCHOOL DISTRICT NO. 42 BUSINESS COMPANY

Statement of Changes in Net Financial Assets (Debt)

	Period ended March 5, 2013	Year ended June 30, 2012
Surplus for the period	\$ 4,334	\$ -
Increase in net debt, beginning of period	4,334	-
Net debt, beginning of period	(4,334)	(4,334)
Net debt, end of period	\$ -	\$ (4,334)

See accompanying notes to financial statements.

SCHOOL DISTRICT NO. 42 BUSINESS COMPANY

Notes to Financial Statements

Period ended March 5, 2013

1. Operations:

The School District No. 42 Business Company (the "Company") is a wholly-owned subsidiary of the Board of Education of School District No. 42 (Maple Ridge – Pitt Meadows) (the "School District"). The purpose of the Company is to generate revenue for the School District through a number of initiatives including the sale of School District developed teaching and learning materials.

The Company was in the pre-operating stage and had not commenced commercial operations since inception. It had no revenues, expenses or cash flows for the year ended June 30, 2012. It was dissolved on March 5, 2013.

2. Significant accounting policies:

(a) Basis of presentation:

The Company has prepared these financial statements in accordance with Canadian public sector accounting ("PSA") standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(b) Financial instruments:

Financial instruments consist of amounts due to the School District. These advances are recorded at amortized cost using the effective interest method.

It is management's opinion that the Company 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.

(c) Use of estimates:

The preparation of financial statements in conformity with PSA standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

SCHOOL DISTRICT NO. 42 BUSINESS COMPANY

Notes to Financial Statements (continued)

Period ended March 5, 2013

3. Related party transactions:

The loan due to the School District was a non-interest bearing loan with no fixed terms of repayment. The loan was forgiven on December 12, 2012 upon resolution to dissolve the Company.

4. Capital stock:

The authorized and issued share capital of the Company consists of one common voting share without par value. The registered holder of the share is the School District. The share was canceled upon dissolution of the Company.

5. Budget figures:

The Company was inactive, and accordingly, no budget was prepared for the period ended March 5, 2013.