



Ministry of
Education

Auditors' Report and Financial Statement

Of the Saskatchewan Rivers

School Division No. 119

For the Year Ending: August 31, 2010

D. A Moniuk
Superintendent of Business Administration

Deloitte & Touche LLP
Auditor

Note - Copy to be sent to Ministry of Education, Regina

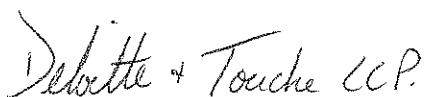
AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF THE SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119

We have audited the consolidated statement of financial position of Saskatchewan Rivers School Division No. 119 (the "School Division") as at August 31, 2010 and the consolidated statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) and cash flows for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

December 2, 2010

Saskatchewan Rivers
Consolidated Statement of Financial Position
as at August 31, 2010


	2010	2009
		(Note 20)
Financial Assets		
Cash	25,099,555	23,003,089
Short Term Investments	-	-
Accounts Receivable (Note 7)	4,671,880	7,232,788
Inventories for Sale	-	-
Long Term Investments	-	-
Other Assets	125	125
Total Financial Assets	29,771,560	30,236,002
Liabilities		
Bank Indebtedness	-	-
Provincial Grant Overpayment	923,019	664,289
Accounts Payable and Accrued Liabilities (Note 8)	1,415,500	1,589,340
Short Term Loans	-	-
Long Term Debt (Note 10)	2,600,650	3,250,380
Liability for Employee Future Benefits (Note 5)	2,016,600	1,964,600
Deferred Revenue (Note 11)	2,412,000	6,032,833
Other Liabilities (Note 9)	4,585	28,830
Total Liabilities	9,372,354	13,530,272
Net Financial Assets (Net Debt)	20,399,206	16,705,730
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	58,215,829	58,629,089
Inventory of Supplies for Consumption	89,114	97,613
Prepaid Expenses	535,647	401,175
Total Non-Financial Assets	58,840,590	59,127,877
Accumulated Surplus (Deficit) (Note 14)	79,239,796	75,833,607

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

The accompanying notes are an integral part of these statements

Approved by the Board:



Chairperson



Secretary-Treasurer

Saskatchewan Rivers
Consolidated Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2010

	2010 Budget (Note 15)	2010 Actual	2009 Actual (Note 20)
REVENUES			
Property Taxation	22,287,417	23,619,155	24,970,653
Grants	60,874,293	58,858,100	57,232,320
Tuition and Related Fees	1,267,683	1,236,654	1,448,186
School Generated Funds	-	2,322,984	2,484,904
Complementary Services (Note 12)	1,057,468	1,029,567	1,263,687
External Services (Note 13)	1,425,249	1,840,230	1,614,193
Other	883,500	993,274	1,052,865
Total Revenues (Schedule A)	87,795,610	89,899,964	90,066,808
EXPENSES			
Governance	668,404	620,160	468,487
Administration	1,765,593	1,791,435	1,680,433
Instruction	62,344,284	61,658,293	59,840,903
Plant	12,173,962	10,651,572	9,512,900
Transportation	6,604,851	6,293,293	6,104,843
Tuition and Related Fees	125,978	128,974	100,099
School Generated Funds	-	2,223,321	2,361,195
Complementary Services (Note 12)	1,220,105	1,163,859	1,242,965
External Services (Note 13)	1,458,993	1,819,370	1,529,279
Other Expenses	174,832	143,499	175,485
Total Expenses (Schedule B)	86,537,002	86,493,776	83,016,589
Surplus (Deficit) for the Year	1,258,608	3,406,188	7,050,219
Accumulated Surplus (Deficit), Beginning of Year	75,833,607	75,833,607	68,783,388
Accumulated Surplus (Deficit), End of Year	77,092,215	79,239,795	75,833,607

The accompanying notes are an integral part of these statements

Saskatchewan Rivers
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2010

	2010 Budget (Note 15)	2010 Actual	2009 Actual (Note 20)
Net Financial Assets (Net Debt), Beginning of Year	16,705,730	16,705,730	11,108,794
Changes During the Year:			
Surplus (Deficit) for the Year	1,258,608	3,406,188	7,050,219
Acquisition of Tangible Capital Assets (Schedule C)	(6,156,764)	(4,048,005)	(5,431,558)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	12,147	21,085
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(11,930)	(21,085)
Write-Down of Tangible Capital Assets (Schedule C)	-	-	-
Amortization of Tangible Capital Assets (Schedule C)	4,425,780	4,461,048	4,087,975
Net Acquisition of Inventory of Supplies	10,000	8,499	(7,159)
Net Acquisition of Prepaid Expenses	140,000	(134,472)	(102,543)
Change in Net Financial Assets / Net Debt	(322,376)	3,693,476	5,596,934
Net Financial Assets (Net Debt), End of Year	16,383,354	20,399,206	16,705,728

The accompanying notes are an integral part of these statements

Saskatchewan Rivers
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	2009 (Note 20)
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	3,406,188	7,050,219
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	4,449,118	4,066,890
Net Change in Non-Cash Operating Activities (Schedule E)	(1,073,252)	912,054
Cash Provided (Used) by Operating Activities	6,782,054	12,029,163
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(4,048,005)	(5,431,558)
Proceeds on Disposal of Tangible Capital Assets	12,147	21,085
Cash Provided (Used) by Capital Activities	(4,035,858)	(5,410,473)
INVESTING ACTIVITIES		
Cash Used to Acquire Long Term Investments	-	-
Proceeds on Disposal of Long Term Investments	-	-
Cash Provided (Used) by Investing Activities	-	-
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	-	-
Repayment of Long Term Debt	(649,730)	(1,483,862)
Cash Provided (Used) by Financing Activities	(649,730)	(1,483,862)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,096,466	5,134,828
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,003,087	17,868,259
CASH AND CASH EQUIVALENTS, END OF YEAR	25,099,553	23,003,087
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	25,099,555	23,003,089
Short Term Investments	-	-
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	25,099,555	23,003,089

The accompanying notes are an integral part of these statements

Saskatchewan Rivers
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	22,256,323	21,479,361	22,611,380
Revenue from Supplemental Levies	-	145,151	36,790
Total Property Tax Revenue	22,256,323	21,624,512	22,648,170
Grants in Lieu of Taxes:			
Federal Government	-	883,885	874,626
Provincial Government	-	826,714	951,537
Railways	-	-	-
Other	-	1,046,987	1,108,203
Total Grants in Lieu of Taxes	-	2,757,586	2,934,366
Other Tax Revenues:			
Treaty Land Entitlement - Urban	19,331	257,953	19,331
Treaty Land Entitlement - Rural	11,763	87,302	33,048
House Trailer Fees	-	65,233	74,611
Total Other Tax Revenues	31,094	410,488	126,990
Additions to Levy:			
Penalties	-	205,886	129,576
Other	-	10,611	385,421
Total Additions to Levy	-	216,496	514,997
Deletions from Levy:			
Discounts	-	(1,000,665)	(971,921)
Cancellations	-	(353,646)	(243,621)
Other Deletions	-	(35,616)	(38,329)
Total Deletions from Levy	-	(1,389,927)	(1,253,871)
Total Property Taxation Revenue	22,287,417	23,619,155	24,970,652
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	58,354,467	58,523,351	50,676,660
Education Property Tax Credit	-	-	3,754,243
Other Ministry Grants	85,000	15,000	8,192
Total Ministry Grants	58,439,467	58,538,351	54,439,095
Other Provincial Grants	47,411	623	55,687
Federal Grants	37,000	20,994	39,573
Grants from Others	-	-	-
Total Operating Grants	58,523,878	58,559,968	54,534,355
Capital Grants			
Ministry of Education Capital Grants	2,350,415	298,132	2,697,965
Other Capital Grants	-	-	-
Total Capital Grants	2,350,415	298,132	2,697,965
Total Grants	60,874,293	58,858,100	57,232,320

Saskatchewan Rivers
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	-	-
Federal Government and First Nations Individuals and Other	1,092,089	1,152,060	1,262,486
	171,994	84,593	131,828
Total Tuition Fees	1,264,083	1,236,654	1,394,314
Transportation Fees	3,600	-	3,600
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	1,267,683	1,236,654	1,397,914
Capital Fees:			
Federal/First Nations Capital Fees	-	-	50,273
Total Capital Tuition and Fees	-	-	50,273
Total Tuition and Related Fees Revenue	1,267,683	1,236,654	1,448,187
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	-	33,724	47,458
Other	-	-	-
Total Curricular Fees	-	33,724	47,458
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	-	128,543	103,747
Fundraising	-	1,326,158	1,498,707
Grants and Partnerships	-	108,324	173,788
Students Fees	-	326,066	476,920
Other	-	400,168	184,284
Total Non-Curricular Fees	-	2,289,259	2,437,446
Total School Generated Funds Revenue	-	2,322,984	2,484,904
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	837,758	805,536	1,050,643
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	-	-	-
Federal Grants	-	-	-
Other Grants	-	-	-
Total Operating Grants	837,758	805,536	1,050,643
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	219,710	224,031	213,044
Total Fees and Other Revenue	219,710	224,031	213,044
Total Complementary Services Revenue	1,057,468	1,029,567	1,263,687

Saskatchewan Rivers
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Other	121,363	135,133	184,639
Other Provincial Grants	1,214,770	1,446,534	1,269,631
Federal Grants	28,000	148,794	26,324
Other Grants	-	2,850	22,612
Total Operating Grants	1,364,133	1,733,311	1,503,206
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	35,928	63,166
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	61,116	70,992	47,821
Total Fees and Other Revenue	61,116	106,919	110,987
Total External Services Revenue	1,425,249	1,840,230	1,614,193
Other Revenue			
Miscellaneous Revenue	596,000	826,628	762,123
Sales & Rentals	22,500	37,698	34,300
Investments	250,000	117,018	235,357
Gain on Disposal of Capital Assets	15,000	11,930	21,085
Total Other Revenue	883,500	993,274	1,052,865
TOTAL REVENUE FOR THE YEAR	87,795,610	89,899,964	90,066,808

Saskatchewan Rivers
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Governance Expense			
Board Members Expense	184,065	170,426	159,616
Conventions - Board Members	133,519	118,848	101,152
School Community Councils	32,600	31,832	31,654
Conventions - School Community Councils	-	-	-
Elections	102,220	87,191	890
Other Governance Expenses	216,000	211,862	175,175
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	668,404	620,160	468,487
Administration Expense			
Salaries	1,155,702	1,142,760	1,069,741
Benefits	180,841	151,996	149,394
Supplies & Services	175,950	210,257	163,842
Non-Capital Furniture & Equipment	27,900	17,678	40,952
Building Operating Expenses	76,650	49,056	114,639
Communications	83,000	62,350	58,324
Travel	6,000	4,349	4,978
Professional Development	19,550	12,321	15,437
Amortization of Tangible Capital Assets	40,000	140,668	63,126
Total Administration Expense	1,765,593	1,791,435	1,680,433
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	43,222,292	42,771,530	40,573,419
Instructional (Teacher & LEADS Contract) Benefits	2,022,230	2,091,399	2,081,735
Program Support (Non-Teacher Contract) Salaries	10,366,230	9,821,897	9,147,065
Program Support (Non-Teacher Contract) Benefits	1,834,218	1,753,099	1,555,859
Instructional Aids	2,496,504	2,154,428	2,061,880
Supplies & Services	882,297	815,767	826,724
Non-Capital Furniture & Equipment	369,169	96,551	1,652,135
Communications	228,399	191,931	218,997
Travel	139,000	148,201	152,220
Professional Development	716,445	444,158	405,605
Student Related Expense	42,500	31,930	33,590
Amortization of Tangible Capital Assets	25,000	1,337,402	1,131,674
Total Instruction Expense	62,344,284	61,658,293	59,840,903

Saskatchewan Rivers
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Plant Operation & Maintenance Expense			
Salaries	3,630,340	3,584,205	3,348,872
Benefits	636,245	640,599	579,418
Supplies & Services	12,350	10,182	2,836
Non-Capital Furniture & Equipment	68,800	48,502	59,758
Building Operating Expenses	4,002,677	3,994,265	3,153,170
Communications	15,000	11,602	11,030
Travel	109,000	86,432	86,020
Professional Development	13,800	11,510	10,716
Amortization of Tangible Capital Assets	3,685,750	2,264,274	2,261,080
Total Plant Operation & Maintenance Expense	12,173,962	10,651,572	9,512,900
Student Transportation Expense			
Salaries	2,239,304	2,244,105	2,175,285
Benefits	437,781	417,665	386,733
Supplies & Services	971,067	728,203	773,932
Non-Capital Furniture & Equipment	280,600	292,026	273,588
Building Operating Expenses	53,100	51,534	50,256
Communications	25,200	16,981	20,090
Travel	7,000	7,958	5,387
Professional Development	7,500	5,370	6,432
Contracted Transportation	1,908,299	1,850,893	1,781,045
Amortization of Tangible Capital Assets	675,000	678,558	632,095
Total Student Transportation Expense	6,604,851	6,293,293	6,104,843
Tuition and Related Fees Expense			
Tuition Fees	125,978	128,974	100,099
Transportation Fees	-	-	-
Other Fees	-	-	-
Total Tuition and Related Fees Expense	125,978	128,974	100,099
School Generated Funds Expense			
Supplies & Services	-	1,095,429	1,049,050
Cost of Sales	-	-	-
Non-Capital Furniture & Equipment	-	-	65,444
Special Programs	-	-	-
School Fund Expenses	-	1,095,182	1,246,701
Amortization of Tangible Capital Assets	-	32,710	-
Total School Generated Funds Expense	-	2,223,321	2,361,195

Saskatchewan Rivers
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	581,371	559,961	601,143
Program Support (Non-Teacher Contract) Salaries & Benefits	280,585	242,811	215,825
Plant Operation & Maintenance Salaries & Benefits	138,312	138,312	132,993
Transportation Salaries & Benefits	-	-	-
Instructional Aids	36,000	36,000	43,198
Supplies & Services	-	-	-
Non-Capital Furniture & Equipment	-	-	84,000
Building Operating Expenses	169,837	174,684	165,806
Communications	-	-	-
Travel	-	-	-
Professional Development (Non-Salary Costs)	-	-	-
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	14,000	12,091	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	1,220,105	1,163,859	1,242,965
External Service Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	82,754	84,590	82,851
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	129,074	-
Program Support (Non-Teacher Contract) Salaries & Benefits	334,102	397,314	308,690
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	41,681	30,622	29,306
Instructional Aids	39,000	57,286	53,365
Supplies & Services	871,178	1,030,698	931,384
Non-Capital Furniture & Equipment	12,800	2,431	40,541
Building Operating Expenses	2,678	1,333	10,262
Communications	11,300	6,556	10,690
Travel	8,500	7,550	10,439
Professional Development (Non-Salary Costs)	12,000	25,710	17,971
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	43,000	38,770	33,780
Amortization of Tangible Capital Assets	-	7,436	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	1,458,993	1,819,370	1,529,279

Saskatchewan Rivers
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 15)		(Note 20)
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	2,500	24	-
Interest on Debentures			
School Facilities	-	-	-
Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
School Facilities	172,332	143,475	174,618
Other	-	-	867
Total Interest and Bank Charges	<u>174,832</u>	<u>143,499</u>	<u>175,485</u>
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectable Taxes	-	-	-
Total Other Expense	174,832	143,499	175,485
TOTAL EXPENSES FOR THE YEAR	86,537,002	86,493,774	83,016,589

Saskatchewan Rivers

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2010**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
Opening Balance as of September 1, 2009	2,578,199	5,278,296	231,664	7,911,657	828,998	7,019,681	2,868,035	599,570	1,580,705	119,461,646	114,500,926	
Additions/Purchases	149,165	819,209	677,954	73,199	653,434	1,574,808	69,718	30,518	4,048,005	5,431,568		
Disposals			(98,440)	(80,757)	(191,034)	(480,584)	(65,291)		(916,106)	(470,839)		
Write-Downs												
Transfers to (from)		802,130								(802,130)		
Closing Balance as of August 31, 2010	2,578,199	5,427,461	92,186,160	231,664	8,491,171	821,440	7,482,081	3,952,259	603,997	809,093	122,593,545	119,461,645

Tangible Capital Assets - at Cost:

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
Opening Balance as of September 1, 2009	2,578,199	5,278,296	231,664	7,911,657	828,998	7,019,681	2,868,035	599,570	1,580,705	119,461,646	114,500,926	
Additions/Purchases	149,165	819,209	677,954	73,199	653,434	1,574,808	69,718	30,518	4,048,005	5,431,568		
Disposals			(98,440)	(80,757)	(191,034)	(480,584)	(65,291)		(916,106)	(470,839)		
Write-Downs												
Transfers to (from)		802,130								(802,130)		
Closing Balance as of August 31, 2010	2,578,199	5,427,461	92,186,160	231,664	8,491,171	821,440	7,482,081	3,952,259	603,997	809,093	122,593,545	119,461,645

Tangible Capital Assets - Amortization:

Opening Balance as of September 1, 2009	2,975,698	46,112,860	172,773	4,518,542	574,461	4,645,691	1,608,422	224,108	60,832,555	57,215,419		
Amortization of the Period	205,997	1,888,110	6,605	620,417	75,095	751,573	792,452	120,799	4,461,048	4,087,975		
Disposals				(98,223)	(80,757)	(191,034)	(480,584)	(65,291)	(915,889)	(470,839)		
Write-Downs												
Transfers to (from)												
Closing Balance as of August 31, 2010	N/A	3,181,695	48,000,970	179,378	5,040,736	568,799	1,920,290	279,616	N/A	64,377,714	60,832,555	

Net Book Value:

Opening Balance as of September 1, 2009	2,578,199	2,302,598	44,451,981	58,891	3,393,115	254,537	2,373,989	1,259,613	375,462	1,580,705	58,629,090	57,285,507
Closing Balance as of August 31, 2010	2,578,199	2,245,766	44,185,210	52,286	3,450,435	252,641	2,275,851	2,041,969	324,381	809,093	58,215,831	58,629,090
Change in Net Book Value	-	(56,832)	(266,771)	(6,605)	57,320	(1,896)	(98,138)	782,356	(51,081)	(771,612)	(413,259)	1,343,583

Disposals:

Historical Cost				98,440	80,757	191,034	480,584	65,291	916,106	470,839		
Accumulated Amortization				98,223	80,757	191,034	480,584	65,291	915,889	470,839		
Net Cost				217	7,591	217	217	217	217	217		
Price of Sale				4,556	4,339	4,339	4,339	4,339	4,339	4,339		
Gain/loss on Disposal				4,339	7,591	4,339	4,339	4,339	4,339	4,339		
											12,147	21,085
											11,930	21,085

**Net Book Value (NBV) of Assets
Pledged as Security for Debt**

Net Book Value (NBV) of Assets Pledged as Security for Debt												
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Saskatchewan Rivers
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	2009 (Note 20)
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	4,461,048	4,087,975
Net (Gain) Loss on Disposal of Tangible Capital Assets	(11,930)	(21,085)
Write-Down of Tangible Capital Assets (Schedule C)	-	-
Total Non-Cash Items Included in Surplus / Deficit	4,449,118	4,066,890

Saskatchewan Rivers
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	2009 (Note 20)
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	2,560,908	(1,549,630)
Decrease (Increase) in Inventories for Sale	-	-
Decrease (Increase) in Other Assets	-	-
Increase (Decrease) in Provincial Grant Overpayment	258,730	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(173,840)	267,990
Increase (Decrease) In Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	52,000	181,200
Increase (Decrease) in Deferred Revenue	(3,620,833)	2,105,762
Increase (Decrease) in Other Liabilities	(24,245)	16,434
Decrease (Increase) in Inventory of Supplies for Consumption	8,499	(7,159)
Decrease (Increase) in Prepaid Expenses	(134,472)	(102,543)
Total Net Change in Non-Cash Operating Activities	(1,073,252)	912,054

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at August 31, 2010

1. AUTHORITY AND PURPOSE

The School Division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Saskatchewan Rivers School Division No. 119" and operates as "the Saskatchewan Rivers School Division No. 119". The School Division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The School Division is funded mainly by grants from the Province of Saskatchewan and a levy on the property assessment included in the School Division's boundaries at mill rates determined by the provincial government.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

Significant aspects of the accounting policies adopted by the School Division are as follows:

a) Reporting Entity and Consolidation

The consolidated financial statements include all of the assets, liabilities, revenues and expenses of the School Division reporting entity. The School Division reporting entity is comprised of all the organizations which are controlled by the School Division.

Controlled entities:

Control is defined as the power to govern the financial and operating policies of another organization with the expected benefits or risk of loss to the School Division. Control exists so long as the School Division has the power to govern, regardless of whether the School Division chooses to exercise this power.

All of the assets, liabilities, revenues and expenditures of controlled organizations are consolidated on a line-by-line after adjusting the accounting policies to a basis consistent with the accounting policies of the School Division. Inter-organizational transactions and balances and transactions have been eliminated.

Controlled entities:

- School generated funds: assets, liabilities, revenues and expenditures of various organizations that exist at the school level and which are controlled by the School Division.

b) Trust Funds

Trust funds are properties assigned to the School Division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As trustee, the School Division merely administers the terms and conditions embodied in the agreement and has no unilateral authority to change the conditions set out in the trust indenture.

Trust funds are not included in the consolidated financial statements as they are not controlled by the School Division.

c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

d) Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 year.

Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, tax revenue, uncollectible taxes, useful lives of capital assets and prior years tangible capital asset historical costs and related amortization.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material changes in the amounts recognized or disclosed.

e) Financial Instruments

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, long-term debt and other liabilities. Except as otherwise disclosed, the School Division is not exposed to significant interest, currency or credit risk arising from these financial instruments that may affect the amount, timing and certainty of future cash flows. The School Division is exposed to credit risk from the potential non-payment of accounts receivable. However, the majority of the receivables are from local, provincial and federal governments, and therefore, the credit risk is minimal.

f) **Financial Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Accounts Receivable include taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized, and any eligibility criteria have been met. Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful. Other receivables include First Nations tuition fees, Frank J Dunn pool utilization charges, insurance claims and other miscellaneous items.

Other Assets includes meter deposits.

g) **Non Financial Assets**

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the School Division unless they are sold.

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the School Division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets, and assets under construction. Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The School Division does not capitalize interest incurred while a tangible capital asset is under construction.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Inventory of Supplies for Consumption consists of supplies held for consumption by the School Division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for insurance, SSBA fees, WCB premiums, LEADS membership dues, photocopy costs, software licenses, conference fees, etc. which will provide economic benefits in one or more future periods.

h) Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

Short Term Borrowings are comprised of Bank indebtedness and Short Term Loans with initial maturities of one year or less and are incurred for the purpose of financing current expenditures in accordance with the provisions of *The Education Act, 1995*

Provincial Grant Overpayment represents grants advanced to the School Division in excess of the determined entitlement and which are repayable to the provincial government.

Accounts Payable and Accrued Liabilities include accounts payable and accrued liabilities owing to third parties and employees for work performed, goods supplied and services rendered, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

Long Term Debt is comprised of debentures, capital loans and other long term debt with initial maturities of more than one year and are incurred for the purpose of financing capital expenditures in accordance with the provisions of *The Education Act, 1995*. Long term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the School Division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the School Division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Recognition of employee future benefits obligations commenced on September 1, 2008. The School Division recorded the full value of the obligation related to these benefits for employees' past service at this time.

Deferred revenue represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

Other Liabilities are comprised of miscellaneous items with minimal dollar value.

i) **Employee Pension Plans**

Multi-Employer Defined Benefit Plans

The School Division's employees participate in one of the following multi-employer defined benefit plans:

- i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The School Division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

j) **Revenue Recognition**

Revenues are recognized in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted revenues are amounts received pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. Restricted revenues are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

The School Division's two major sources of revenues are provincial grants and property taxation.

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis (prior to April 1, 2009 - 10 month basis), with 1/12th of the grant recognized as revenue each month (prior to April 1, 2009 – recognized at 1/10th per month with no grant being recognized for the months of July and August). Capital grants are recognized over the course of the construction project as the entitlement to the grant is earned and the amount is measurable. Restricted grants received but not yet earned are recorded as deferred revenue.

ii) Property taxation:

Property tax is levied and collected on a calendar year basis. Effective the 2009 calendar year, uniform education property tax mill rates are set by the Province. Prior to 2009, each school division set the education property tax mill rate for properties in its jurisdiction. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the School Division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the School Division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the School Division's estimates is recorded as an adjustment to revenue in the next fiscal year.

Tuition fee revenue and other services revenue are recognized when the service is provided.

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$5,000,000 that bears interest at bank prime rate minus .5%. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by funding from the Ministry of Education. This line of credit was approved by the Minister on July 26, 2010. The balance drawn on the line of credit at August 31, 2010 was \$ 0 (August 31, 2009 - \$0).

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ 170,426	\$ 449,734	\$ -	\$ -	\$ 668,404	\$ 620,160	\$ 468,487
Administration	1,294,756	356,011	-	140,668	1,765,593	1,791,434	1,680,433
Instruction	56,437,925	3,882,966	-	1,337,402	62,344,284	61,658,293	59,840,903
Plant	4,224,804	4,162,494	-	2,264,274	12,173,962	10,651,572	9,512,900
Transportation	2,661,770	2,952,965	-	678,558	6,604,851	6,293,293	6,104,843
Tuition and Related Fees	-	128,974	-	-	125,978	128,974	100,099
School Generated Funds	-	2,190,611	-	32,710	-	2,223,321	2,361,195
Complementary Services	941,084	222,775	-	-	1,220,105	1,163,859	1,242,965
External Services	641,600	1,170,334	-	7,436	1,458,993	1,819,370	1,529,279
Other	-	24	143,475	-	174,832	143,499	175,485
TOTAL	\$66,372,365	\$15,516,888	\$ 143,475	\$ 4,461,048	\$86,537,002	\$ 86,493,776	\$83,016,589

5. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, retirement gratuity and earned vacation pay. Significant economic and demographic assumptions are necessary to predict future benefits and include estimates for inflation, discount rates, earnings increases and future employee behavior. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Consolidated Statement of Financial Position.

Details of the employee future benefits are as follows:

	2010	2009
Long-term assumptions used:		
Salary escalation rate - teachers (percentage)	3.50%	3.50%
Salary escalation rate - non-teachers (percentage)	4.20%	4.20%
Discount rate (percentage)	3.60%	4.10%
Expected average remaining service life (years)	14	14

Opening balance	\$ 1,964,600	\$ 1,783,400
Current period benefit cost	134,300	127,000
Interest cost	83,700	82,200
Benefit payments	(115,200)	(82,700)
Actuarial gains / losses	99,800	54,700
Plan amendments		
Accrued Benefit Obligation - end of year	2,167,200	1,964,600
Unamortized Net Actuarial Loss	(150,600)	-
Liability for Employee Future Benefits	\$ 2,016,600	\$ 1,964,600

Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 134,300	\$ 127,000
Interest cost	83,700	82,200
Amortization of net actuarial gain / loss	3,900	-
Plan amendments	-	-
Benefit cost	221,900	209,200
Interest cost on unfunded employee future benefits obligation	-	-
Total Employee Future Benefits Expense	\$ 221,900	\$ 209,200

6. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

- i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP):

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Province of Saskatchewan. The School Division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Province of Saskatchewan for the STSP.

Details of the contributions to these plans for the School Division's employees are as follows:

	2010		
	STRP	STSP	TOTAL
Number of active School Division members	625	102	727
Member contribution rate (percentage of salary)	7.00%	6.05%	
Member contributions for the year	\$ 2,770,533	\$ 446,372	\$ 3,216,905
	2009		
	STRP	STSP	TOTAL
Number of active School Division members	590	113	703
Member contribution rate (percentage of salary)	7.00%	6.05%	
Member contributions for the year	\$ 2,538,182	\$ 485,189	\$ 3,023,371

ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and / or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with PSAB requirements, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

Details of the MEPP are as follows:

	2010	2009
Number of active School Division members	611	608
Member contribution rate (percentage of salary)	6.40%	5.40%
School Division contribution rate (percentage of salary)	6.40%	5.40%
Member contributions for the year	\$ 1,018,498	\$ 843,716
School Division contributions for the year	\$ 1,016,899	\$ 843,065
Actuarial valuation date	Dec. 31, 2008	Dec. 31, 2008
Plan Assets (in \$1,000's)	\$ 1,284,959	\$ 1,150,748
Plan Liabilities (in \$1,000's)	\$ 1,255,884	\$ 1,185,760
Plan Surplus (Deficit) (in \$1,000's)	\$ 51,118	\$ (64,891)

7. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Consolidated Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of account receivable balances and allowances are as follows:

	2010			2009		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance (Note 20)	Net of Allowance
Taxes Receivable	\$ 4,337,269	\$ 1,141,159	\$ 3,196,110	\$ 4,275,869	\$ 1,282,553	\$ 2,993,316
Provincial Grants Receivable	818,109	-	818,109	3,208,855	-	3,208,855
Other Receivables	759,429	101,768	657,661	1,132,385	101,768	1,030,617
Total Accounts Receivable	\$ 5,914,807	\$ 1,242,927	\$ 4,671,880	\$ 8,617,109	\$ 1,384,321	\$ 7,232,788

The Ministry of Education has approved \$458,991 in capital transfers to the School Division. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. Accordingly, these capital transfers have not been reflected in the financial statements, as follows:

Total Ministry Obligation at August 31, 2010	\$	458,991
Less: Amounts reported in financial statements		260,442
Equals: Unrecorded Balance	\$	<u>198,549</u>

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ 92,671	\$ 133,476
Supplier Payments	1,304,724	1,443,208
Other - debenture principal & interest, GST payable	18,105	12,656
Total Accounts Payable and Accrued Liabilities	\$ 1,415,500	\$ 1,589,340

9. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2010	2009
Miscellaneous	\$ 4,585	\$ 28,830
Total Other Liabilities	\$ 4,585	\$ 28,830

10. LONG-TERM DEBT

Details of long-term-term debt are as follows:

	2010	2009
Capital Loans:		
Vincent Massey School Loan	\$ 648,850	\$ 973,280
School Retro-fit Project Loan	1,951,800	2,277,100
	<u>2,600,650</u>	<u>3,250,380</u>
Total Long Term Debt	\$ 2,600,650	\$ 3,250,380

Principal repayments over the next 5 years are estimated as follows:

	Capital Loans	Capital Leases	Total
2011	\$ 649,730	\$ -	\$ 649,730
2012	649,720	-	649,720
2013	325,300	-	325,300
2014	325,300	-	325,300
2015	325,300	-	325,300
Thereafter	325,300	-	325,300
Total	\$ 2,600,650	\$ -	\$ 2,600,650

Principal and interest payments on the long-term debt are as follows

	Debentures	Capital Loans	Capital Leases	Other LT Debt	2010	2009
Principal	\$ -	\$ 649,730	\$ -	\$ -	\$ 649,730	\$ 1,483,862
Interest	-	143,475	-	-	143,475	175,485
Total	\$ -	\$ 793,205	\$ -	\$ -	\$ 793,205	\$ 1,659,347

LOAN NO. 1 - Capital demand loan, interest payable monthly at 4.85%, principal payable in annual installments of \$324,430. Loan is due December 2011.

LOAN NO. 2 - Capital loan, interest payable monthly at 4.54%, principal payable in annual installments of \$325,300. Loan is due December 2015.

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2009	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2010
	(Note 20)			
Tax Liability	\$ 603,760	\$ -	\$ 371,735	\$ 232,025
Other Grant - Kidsfirst, Nutrition, misc	3,887,332	239,227	3,537,055	589,504
Provincial Capital	1,062,932	32,490	-	1,095,422
Local Capital	478,809	16,240	-	495,049
Total Deferred Revenue	\$ 6,032,833	\$ 287,957	\$ 3,908,790	\$ 2,412,000

12. COMPLEMENTARY SERVICES

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the School Division's ability to successfully deliver its K-12 curriculum/learning programs.

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the School Division in 2010:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and inter-Agency Liaison	Pre-Natal Outreach	Other Programs	2010	2009
Revenue:						
Grants	\$ 805,536	\$ -	\$ -	\$ 224,031	\$ 1,029,567	\$ 1,263,687
Tuition and Related Fees	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Sales and Rentals	-	-	-	-	-	-
Total Revenue	805,536	-	-	224,031	1,029,567	1,263,687
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	802,772	-	-	138,312	941,084	949,961
Instructional Aids	36,000	-	-	-	36,000	43,198
Supplies and Services	-	-	-	-	-	-
Non-Capital Equipment	-	-	-	-	-	84,000
Building Operating Expenses	-	-	-	174,684	174,684	165,806
Communications	-	-	-	-	-	-
Travel	12,091	-	-	-	12,091	-
Professional Development	-	-	-	-	-	-
Student Related Expenses	-	-	-	-	-	-
Contacted Transportation & Allowances	-	-	-	-	-	-
Total Expenses	850,863	-	-	312,996	1,163,859	1,242,965
Excess (Deficiency) of Revenue over Expenses	\$ (45,327)	\$ -	\$ -	\$ (88,965)	\$ (134,292)	\$ 20,722

13. EXTERNAL SERVICES

External services represent those services and programs that are outside of the School Division's learning/learning support and complementary programs. These services have no direct link to the delivery of the School Division's K-12 programs nor do they directly enhance the School Division's ability to deliver its K-12 programs.

Following is a summary of the revenue and expenses of the External Services programs operated by the School Division in 2010:

Summary of External Services Revenues and Expenses, by Program	Adult Education	Summer School	Cafeteria	Other Programs	2010	2009
Revenue:						
Grants	\$ 28,775	\$ -	\$ -	\$ 1,704,536	\$ 1,733,311	\$ 1,503,206
Tuition and Related Fees	9,853	26,075	-	-	35,928	63,166
Miscellaneous Revenue	-	-	-	-	-	-
Sales and Rentals	-	-	69,876	1,115	70,991	47,821
Total Revenue	38,628	26,075	69,876	1,705,651	1,840,230	1,614,193
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	-	20,986	132,207	488,407	641,600	420,847
Instructional Aids	-	-	-	57,286	57,286	53,365
Supplies and Services	625	800	-	1,029,273	1,030,698	931,384
Non-Capital Equipment	-	-	2,232	199	2,431	40,541
Building Operating Expenses	-	-	-	1,333	1,333	10,262
Communications	-	-	-	6,556	6,556	10,690
Travel	-	-	-	7,550	7,550	10,439
Professional Development	-	-	-	25,710	25,710	17,971
Student Related Expenses	-	-	-	-	-	-
Contacted Transportation & Allowances	-	-	-	38,770	38,770	33,780
Amortization of Tangible Capital Assets	-	-	-	7,436	7,436	-
Total Expenses	625	21,786	134,438	1,662,520	1,819,370	1,529,279
Excess (Deficiency) of Revenue over Expenses	\$ 38,002	\$ 4,289	\$ (64,562)	\$ 43,131	\$ 20,860	\$ 84,914

14. ACCUMULATED SURPLUS

Accumulated Surplus represents the financial assets and non-financial assets of the School Division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the School Division and school generated funds.

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes as stated below. These internally restricted amounts are included in the Accumulated Surplus presented in the Consolidated Statement of Financial Position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	2010	2009
	(Note 20)	
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 58,215,831	\$ 58,629,090
Less: Debt owing on Tangible Capital Assets	2,600,650	3,250,380
	<u>55,615,181</u>	<u>55,378,710</u>
Internally Restricted Surplus:		
School budget carryovers	\$ 1,050,351	\$ 978,605
Transportation	254,046	254,046
Communications/Technology	509,168	648,045
Facilities	5,100,423	5,100,423
Equipment Replacement	393,454	393,454
Developmental Education	8,972	8,972
Future Expenditures	1,766,852	1,727,408
Rental of Track Equipment	98,393	79,331
Track Facility	45,000	-
Contract Liability	1,095,523	1,138,134
Office Facility	2,130,000	2,130,000
	<u>\$ 12,452,183</u>	<u>\$ 12,458,418</u>
Unrestricted Surplus	<u>\$ 11,172,433</u>	<u>\$ 7,996,479</u>
Total Accumulated Surplus	<u>\$ 79,239,797</u>	<u>\$ 75,833,607</u>

15. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on June 22, 2009 and the Ministry of Education on October 20, 2009. The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform with the basis of accounting used to prepare the consolidated financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the Board of Education and Ministry of Education is as follows:

	BUDGET 2009/10 SUBMITTED			Amortization	Capital	PSAB
	Operating	Capital	Total	Budgeted	Expend. Removed	Restatement
REVENUES						
Property taxation	\$22,287,417.00	\$0.00	\$22,287,417.00	\$0.00	\$0.00	\$22,287,417.00
Grants	\$58,523,878.00	\$2,350,415.00	\$60,874,293.00	\$0.00	\$0.00	\$60,874,293.00
Tuition and Related Fees	\$1,267,683.00	\$0.00	\$1,267,683.00	\$0.00	\$0.00	\$1,267,683.00
School Generated Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complementary Services	\$1,057,468.00	\$0.00	\$1,057,468.00	\$0.00	\$0.00	\$1,057,468.00
External Services	\$1,425,249.00	\$0.00	\$1,425,249.00	\$0.00	\$0.00	\$1,425,249.00
Other	\$868,500.00	\$15,000.00	\$883,500.00	\$0.00	\$0.00	\$883,500.00
TOTAL REVENUES:	\$85,430,195.00	\$2,365,415.00	\$87,795,610.00	\$0.00	\$0.00	\$87,795,610.00
EXPENDITURES						
Governance	\$668,404.00	\$0.00	\$668,404.00	\$0.00	\$0.00	\$668,404.00
Administration	\$1,824,593.00	\$40,000.00	\$1,864,593.00	\$40,000.00	\$139,000.00	\$1,765,593.00
Instruction	\$63,643,297.00	\$45,000.00	\$63,688,297.00	\$25,000.00	\$1,369,013.00	\$62,344,284.00
Plant Operations	\$8,723,212.00	\$3,685,750.00	\$12,408,962.00	\$3,685,780.00	\$3,920,780.00	\$12,173,962.00
Transportation	\$5,954,851.00	\$675,000.00	\$6,629,851.00	\$675,000.00	\$700,000.00	\$6,604,851.00
Tuition & Related Fees	\$125,978.00	\$0.00	\$125,978.00	\$0.00	\$0.00	\$125,978.00
School Generated Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Complementary Services	\$1,220,105.00	\$0.00	\$1,220,105.00	\$0.00	\$0.00	\$1,220,105.00
External Services	\$1,486,994.00	\$0.00	\$1,486,994.00	\$0.00	\$28,001.00	\$1,458,993.00
Other Expenses	\$2,500.00	\$172,332.00	\$174,832.00			\$174,832.00
TOTAL EXPENDITURES:	\$83,649,934.00	\$4,618,082.00	\$88,268,016.00	\$4,425,780.00	\$6,156,794.00	\$86,537,002.00
Other adjustments include:	Elimination of Interfund Transfers:		Operating	Capital	Reserve	TOTAL
			\$1,765,261.00	-\$2,902,397.00	\$1,137,136.00	\$0.00
	Elimination of Long Term Debt repaid \$649,000.00					

16. RELATED PARTIES

These financial statements include transactions with related parties. The School Division is related to all Province of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$ 2,869,867 (2009: \$ 2,665,001) of which \$ 310,665 (2009: \$87,329) was payable at August 31, 2010.

In addition, the School Division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to / from them are described separately in the financial statements or notes thereto.

17. TRUSTS

The School Division acts as the trustees for a separately-administered Saskatchewan Rivers School Division No. 119 of Saskatchewan Charity and Scholarship Fund. Two bank accounts are held: (1) charities (2) scholarships. The operating cycle for these funds is January 1 to December 31. The accounts are audited by Deloitte & Touche. These funds are not included in the financial statements for the School Division.

Information about these trusts is as follows:

	Charity	Scholarships	Total Current Yr	Total Previous Yr
Cash and short term investments	\$ 30,266	\$ 9,372	\$ 39,638	\$ 76,034
Short term investments	-	38,674	38,674	-
Long term investments	-	10,733	10,733	10,721
Total Assets	\$ 30,266	\$ 58,779	\$ 89,045	\$ 86,755
Revenues				
Contributions and donations	\$ 84,471	\$ 6,000	\$ 90,471	\$ 34,423
Interest on investments	234	1,321	1,555	3,304
	84,705	7,321	92,026	37,727
Expenses				
In-kind & school expenditures	80,748	-	80,748	27,754
Scholarships paid	-	10,950	10,950	11,250
	80,748	10,950	91,698	39,004
Excess of Revenue over Expenses	3,957	(3,629)	328	(1,277)
Trust Fund Balance, Beginning of Year	26,309	60,446	86,755	88,032
Trust Fund Balance, End of Year	\$ 30,266	\$ 56,817	\$ 87,083	\$ 86,755

18. CONTINGENT LIABILITIES

Litigation:

The School Division has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability that may result. The School Division's share of settlement, if any, will be charged to expenditures in the year when judgment is rendered.

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The School Division has ongoing commitments under operating leases for photocopiers. Anticipated future lease payments are as follows:

Minimum future lease payments::			
	Copier Leases		Total
2011	\$	175,175	\$ 175,175
2012		175,175	175,175
2013		175,175	175,175
2014		-	-
2015		-	-
Thereafter		-	-
Total	\$	525,525	\$ 525,525

20. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

Commencing in 2009-10, the School Division adopted the following accounting policy changes in accordance with Public Sector Accounting Board (PSAB) standards:

Change in Financial Statement Presentation

Effective September 1, 2009 the School Division adopted PSAB standards PS 1000 - Financial Statement Concepts, PS 1100 - Financial Statement Objectives and PS 1200 - Financial Statement Presentation. Together, these standards establish the concepts, objectives and general reporting principles for presentation and disclosure of information in the financial statements. Accordingly, the School Division has revised its financial statement presentation for the 2009-10 fiscal year to comply with the new financial statement model. The implementation of these standards did not have an impact on accumulated surplus; however, comparative figures have been reclassified as necessary to conform to the revised financial statement format.

The most significant changes resulting from implementation of the new financial statement model are:

- the former operating, capital and other funds have been consolidated into a single operating fund,
- tangible capital assets replace the former physical assets and are amortized,
- fund balances and equity in tangible capital assets have been consolidated into accumulated surplus (deficit),
- the consolidated statement of operations and accumulated surplus (deficit) has been amended for changes in the recording of tangible capital asset transactions (see below for details) and long term capital debt issuance and repayment are no longer reported as revenues and expenses in the determination of surplus (deficit) for the year,

- a new consolidated statement of changes in net financial assets (net debt) which reports on the extent to which expenditures in the year have been met by revenues in the year, and explains the difference between surplus (deficit) for the year and the change in net debt in the year, and
- changes to other statements to focus reporting around the concepts and objectives of the new model.

Tangible Capital Assets

Effective September 1, 2009 the School Division adopted PSAB standard PS 3150 which requires that the costs of tangible capital assets be capitalized and amortized as expenses of operations over their estimated useful service lives. In prior years, the costs of tangible capital assets were recognized as expenses when the assets were acquired or constructed.

In implementing the new standard, the costs of tangible capital assets were based on historical cost records or, when historical cost records were not available, other methods determined to provide a best estimate of historical costs and accumulated amortization. In certain cases, the School Division used replacement costs and appropriate indices to deflate the replacement cost to an estimated historical cost at the year of acquisition.

School Based Funds

In the 2008-09 fiscal year the School Division adopted Public Sector Accounting Standards PS 2500 with regard to principles of consolidation prospectively. An increase in the opening balance of the Operating Fund and recognition of Cash of \$1,379,809 as of September 1, 2008 for School Generated Funds was overstated by \$97,248. This was due to unreported term deposits and bank accounts less the overstatement of the Carlton Comprehensive School GIC bank account.

Uncollectible Taxes and Deferred Revenue

In the 2008-09 fiscal year, the School Division recorded funds set aside for uncollectible taxes and amounts restricted by the Ministry of Education as internally restricted surplus. Consequently, as at August 31, 2009, the balance of internally restricted surplus was overstated by \$2,926,662, accounts receivable was overstated by \$1,384,921, and deferred revenue was understated by \$1,541,741.

These changes have been applied retroactively with restatement of prior period comparative amounts. These changes in accounting policy and correction of errors have changed amounts reported in the 2008-09 prior period as follows:

Tangible capital assets at cost as at August 31, 2009 - as previously reported	\$ 111,897,905
Tangible capital assets not previously capitalized	7,563,740
Write-downs of tangible capital assets	-
Tangible capital assets at cost as at August 31, 2009 - as restated	119,461,645
Accumulated amortization as at August 31, 2009 not previously reported	(60,832,555)
Tangible capital assets at net book value as at August 31, 2009 - as restated	\$ 58,629,090

2008-09 Annual Surplus

2008-09 Surplus (deficit) for the year - as previously reported	\$ 4,222,775
Reverse repayment (issuance) of long term debt as a charge to annual surplus	1,483,862
Tangible capital asset adjustments:	
Tangible capital assets capitalized but previously expensed	\$ 5,431,558
Proceeds on disposals of tangible capital assets previously recorded as revenue	(21,085)
Gain (loss) on disposals of tangible capital assets not previously recorded	21,085
Write-down of tangible capital assets not previously recorded	-
Amortization of tangible capital assets not previously recorded	(4,087,975)
Total tangible capital asset adjustments	1,343,583
2008-09 Surplus (deficit) for the year - as restated	\$ 7,050,220

Accumulated Surplus at August 31, 2009

Accumulated surplus as at September 1, 2008 - as previously reported:	
Operating Fund Balance	\$ 6,614,779
Capital Fund Balance	1,230,711
Other Funds Balance	11,409,942
Equity in Physical Assets	102,833,733
Total accumulated surplus as at September 1, 2008 - as previously reported	122,089,165
Prior period adjustments - cumulative effect to September 1, 2008:	
Tangible capital assets adjustments	(50,282,468)
Accumulated surplus as at September 1, 2008 - as previously reported	71,806,697
Internally restricted surplus adjustments	(2,926,062)
School based funds adjustment	(97,247)
Accumulated surplus as at September 1, 2008 - as restated	68,783,388
2008-09 surplus (deficit) for the year - as previously stated	4,222,775
Prior period adjustments to 2008-09 surplus (deficit) for the year:	
Net repayment (issuance) of long term debt	1,483,862
Tangible capital assets adjustments	1,343,583
Accumulated surplus as at August 31, 2009 - as restated	\$ 75,833,607

Effective September 1, 2008, the School Division adopted *Guidelines and Administrative Procedures Governing the Implementation and Ongoing Accounting and Reporting Requirements of Tangible Capital Assets*. This document governed the implementation of PSAB Section 3150 (tangible capital assets) and outlines procedures for ongoing accounting and reporting requirements.

The accounting change and correction of errors were implemented retroactively in 2008-09 with an adjustment to opening accumulated surplus; however, some of the prior year comparatives in the 2008-09 financial statements were not restated for the effect of the change. In order that the prior year comparatives in the 2009-10 financial statements reflect this change in accounting policy and correction of errors, the following 2008-09 amounts have been changed from the amounts previously reported in the 2008-09 financial statements, as follows:

Net Financial Assets as at September 1, 2008

Previously reported	\$12,752,295
As restated	\$11,108,799

Cash as at August 31, 2009

Previously reported	\$22,905,841
As restated	\$23,003,089

Accounts Receivable as at August 31, 2009

Previously reported	\$ 8,617,709
As restated	\$ 7,232,788

Deferred Revenue as at August 31, 2009

Previously reported	\$ 4,491,092
As restated	\$ 6,032,833

Tangible Capital Assets as at August 31, 2009

Previously reported	\$111,897,905
As restated	\$119,461,645

2008-09 Surplus (for the year) as at August 31, 2009

Previously reported	\$ 5,706,636
As restated	\$ 7,050,220

Accumulated Surplus as at August 31, 2009

Previously reported	\$132,125,733
As restated	\$ 75,833,607

21. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

22. SUBSEQUENT EVENTS

Subsequent to the year end the School Division has committed to purchase one bus at a total cost of \$110,000.