



Auditor's Report and Financial Statement

Of the Saskatchewan Rivers
School Division No. 119

For the Period Ending: August 31, 2011

Dennis Moniuk
Chief Financial Officer

Deloitte & Touche LLP
Auditor

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



Management's Responsibility for the Financial Statements


The School Division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The School Division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

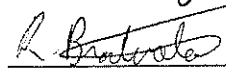
The Board of Education is composed of elected officials who are not employees of the School Division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the School Division's external auditors.

The external auditors, Deloitte & Touche LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Saskatchewan School Division No. 119:



Board Chair



Director of Education



Chief Financial Officer

December 19, 2011

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of Saskatchewan Rivers School Division No. 119, which comprise the statement of financial position as at August 31, 2011, and the statements of operations and accumulated surplus, changes in net financial assets 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 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.

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 auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Rivers School Division No. 119 as at August 31, 2011, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

Chartered Accountants
Prince Albert, Saskatchewan
December 19, 2011

Saskatchewan Rivers School Division No. 119
Statement of Financial Position
as at August 31, 2011

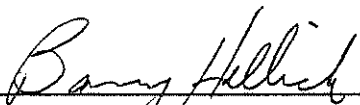
... page 1


	2011	2010
Financial Assets		
Cash and Cash Equivalents	28,005,363	25,099,555
Accounts Receivable (Note 7)	3,161,521	4,671,880
Other Assets	1,145	125
Total Financial Assets	31,168,029	29,771,560
Liabilities		
Provincial Grant Overpayment	-	923,019
Accounts Payable and Accrued Liabilities (Note 8)	2,812,965	1,415,500
Long Term Debt (Note 10)	1,950,920	2,600,650
Liability for Employee Future Benefits (Note 5)	2,152,300	2,016,600
Deferred Revenue (Note 11)	3,038,772	2,412,000
Other Liabilities (Note 9)	354	4,585
Total Liabilities	9,955,311	9,372,354
Net Financial Assets	21,212,718	20,399,206
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	57,895,713	58,215,831
Inventory of Supplies for Consumption	87,084	89,114
Prepaid Expenses	551,799	535,647
Total Non-Financial Assets	58,534,596	58,840,592
Accumulated Surplus (Note 14)	79,747,314	79,239,798

Contingent Liabilities (Note 18)
 Contractual Obligations and Commitments (Note 19)

The accompanying notes and schedules are an integral part of these statements

Approved by the Board:





Chairperson

Chief Financial Officer

Saskatchewan Rivers School Division No. 119
Statement of Operations and Accumulated Surplus
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
REVENUES			
Property Taxation	23,239,559	21,095,812	23,619,156
Grants	57,091,697	60,562,188	58,858,100
Tuition and Related Fees	1,423,128	1,740,380	1,236,653
School Generated Funds	2,320,000	2,243,753	2,322,983
Complementary Services (Note 12)	1,207,211	1,224,022	1,029,567
External Services (Note 13)	1,706,005	1,952,778	1,840,231
Other	804,359	921,270	993,274
Total Revenues (Schedule A)	87,791,959	89,740,203	89,899,964
EXPENSES			
Governance	582,976	537,725	620,159
Administration	1,967,700	1,868,715	1,791,435
Instruction	63,814,675	63,519,743	61,658,293
Plant	11,083,508	10,725,177	10,651,571
Transportation	6,670,920	6,541,376	6,293,293
Tuition and Related Fees	215,700	82,089	128,974
School Generated Funds	2,320,000	2,149,028	2,223,321
Complementary Services (Note 12)	1,415,819	1,311,045	1,163,859
External Services (Note 13)	1,779,363	2,125,784	1,819,370
Other Expenses	109,863	372,005	143,499
Total Expenses (Schedule B)	89,960,524	89,232,687	86,493,774
Surplus (Deficit) for the Year	(2,168,565)	507,516	3,406,190
Accumulated Surplus, Beginning of Year	79,239,798	79,239,798	75,833,608
Accumulated Surplus, End of Year	77,071,233	79,747,314	79,239,798

The accompanying notes and schedules are an integral part of these statements

Saskatchewan Rivers School Division No. 119
Statement of Changes in Net Financial Assets
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	20,399,206	20,399,206	16,705,729
Changes During the Year:			
Surplus (Deficit) for the Year	(2,168,565)	507,516	3,406,190
Acquisition of Tangible Capital Assets (Schedule C)	(2,273,397)	(4,493,513)	(4,048,005)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	29,000	40,410	12,147
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	(29,000)	267,318	(11,930)
Write-Down of Tangible Capital Assets (Schedule C)	-	1,045	-
Amortization of Tangible Capital Assets (Schedule C)	4,384,372	4,504,858	4,461,048
Net Acquisition of Inventory of Supplies	-	2,030	8,499
Net Acquisition of Prepaid Expenses	-	(16,152)	(134,472)
Change in Net Financial Assets / Net Debt	(57,590)	813,512	3,693,477
Net Financial Assets, End of Year	20,341,616	21,212,718	20,399,206

The accompanying notes and schedules are an integral part of these statements

Saskatchewan Rivers School Division No. 119
Statement of Cash Flows
for the year ended August 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Surplus for the Year	507,516	3,406,190
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	4,773,221	4,449,118
Net Change in Non-Cash Operating Activities (Schedule E)	2,727,904	(1,073,253)
Cash Provided (Used) by Operating Activities	8,008,641	6,782,055
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(4,493,513)	(4,048,005)
Proceeds on Disposal of Tangible Capital Assets	40,410	12,147
Cash Provided (Used) by Capital Activities	(4,453,103)	(4,035,858)
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(649,730)	(649,730)
Cash Provided (Used) by Financing Activities	(649,730)	(649,730)
INCREASE IN CASH AND CASH EQUIVALENTS	2,905,808	2,096,467
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	25,099,555	23,003,088
CASH AND CASH EQUIVALENTS, END OF YEAR	28,005,363	25,099,555
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	28,005,363	25,099,555
CASH AND CASH EQUIVALENTS, END OF YEAR	28,005,363	25,099,555

The accompanying notes and schedules are an integral part of these statements

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	23,206,228	20,239,004	21,479,361
Revenue from Supplemental Levies	-	48,534	145,151
Total Property Tax Revenue	23,206,228	20,287,538	21,624,512
Grants in Lieu of Taxes:			
Federal Government	-	878,640	883,885
Provincial Government	-	672,454	826,714
Other	-	437,824	1,046,987
Total Grants in Lieu of Taxes	-	1,988,918	2,757,586
Other Tax Revenues:			
Treaty Land Entitlement - Urban	33,331	26,238	257,953
Treaty Land Entitlement - Rural	-	-	87,302
House Trailer Fees	-	35,325	65,233
Total Other Tax Revenues	33,331	61,563	410,488
Additions to Levy:			
Penalties	-	177,946	205,886
Other	-	16,697	10,611
Total Additions to Levy	-	194,643	216,497
Deletions from Levy:			
Discounts	-	(891,458)	(1,000,665)
Cancellations	-	(545,144)	(353,646)
Other Deletions	-	(248)	(35,616)
Total Deletions from Levy	-	(1,436,850)	(1,389,927)
Total Property Taxation Revenue	23,239,559	21,095,812	23,619,156
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	56,943,786	58,821,150	58,523,351
Other Ministry Grants	82,000	-	15,000
Total Ministry Grants	57,025,786	58,821,150	58,538,351
Other Provincial Grants	47,411	54,311	623
Federal Grants	18,500	31,830	20,994
Total Operating Grants	57,091,697	58,907,291	58,559,968
Capital Grants			
Ministry of Education Capital Grants	-	1,654,897	298,132
Total Capital Grants	-	1,654,897	298,132
Total Grants	57,091,697	60,562,188	58,858,100

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	1,259,272	1,656,251	1,152,060
Individuals and Other	118,061	84,129	84,593
Total Tuition Fees	1,377,333	1,740,380	1,236,653
Total Operating Tuition and Related Fees	1,377,333	1,740,380	1,236,653
Capital Fees:			
Federal/First Nations Capital Fees	45,795	-	-
Total Capital Tuition and Fees	45,795	-	-
Total Tuition and Related Fees Revenue	1,423,128	1,740,380	1,236,653
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	45,000	26,981	33,724
Total Curricular Fees	45,000	26,981	33,724
Non-Curricular Fees:			
Commercial Sales - Non-GST	100,000	119,237	128,543
Fundraising	1,470,000	1,271,604	1,326,158
Grants and Partnerships	155,000	120,908	108,324
Students Fees	450,000	321,039	326,066
Other	100,000	383,984	400,168
Total Non-Curricular Fees	2,275,000	2,216,772	2,289,259
Total School Generated Funds Revenue	2,320,000	2,243,753	2,322,983
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	940,400	972,800	805,536
Other Provincial Grants	-	19,419	-
Total Operating Grants	940,400	992,219	805,536
Capital Grants			
Total Capital Grants	-	-	-
Fees and Other Revenue			
Other Revenue	266,811	231,803	224,031
Total Fees and Other Revenue	266,811	231,803	224,031
Total Complementary Services Revenue	1,207,211	1,224,022	1,029,567

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education Grants-Other	100,000	165,768	135,133
Other Provincial Grants	1,499,189	1,617,895	1,446,534
Federal Grants	28,200	33,183	148,794
Other Grants	-	49,109	2,850
Total Operating Grants	1,627,389	1,865,955	1,733,311
Capital Grants			
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	17,500	28,951	35,928
Other Revenue	61,116	57,872	70,992
Total Fees and Other Revenue	78,616	86,823	106,920
Total External Services Revenue	1,706,005	1,952,778	1,840,231
Other Revenue			
Miscellaneous Revenue	595,000	620,095	826,628
Sales & Rentals	14,500	15,879	37,698
Investments	165,859	285,296	117,018
Gain on Disposal of Capital Assets	29,000	-	11,930
Total Other Revenue	804,359	921,270	993,274
TOTAL REVENUE FOR THE YEAR	87,791,959	89,740,203	89,899,964

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Governance Expense			
Board Members Expense	185,586	167,394	170,426
Conventions - Board Members	137,590	121,055	118,848
School Community Councils	31,600	31,341	31,832
Elections	-	-	87,191
Other Governance Expenses	228,200	217,935	211,862
Total Governance Expense	582,976	537,725	620,159
Administration Expense			
Salaries	1,184,187	1,216,452	1,142,760
Benefits	187,369	174,924	151,996
Supplies & Services	240,580	188,439	210,257
Non-Capital Furniture & Equipment	25,100	17,333	17,678
Building Operating Expenses	97,363	65,819	49,056
Communications	83,000	53,458	62,350
Travel	6,000	3,302	4,349
Professional Development	19,550	20,212	12,321
Amortization of Tangible Capital Assets	124,551	128,776	140,668
Total Administration Expense	1,967,700	1,868,715	1,791,435
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	42,683,239	43,286,294	42,771,530
Instructional (Teacher & LEADS Contract) Benefits	2,199,232	2,396,565	2,091,399
Program Support (Non-Teacher Contract) Salaries	10,753,478	10,316,581	9,821,897
Program Support (Non-Teacher Contract) Benefits	2,032,456	1,958,668	1,753,099
Instructional Aids	2,457,806	2,288,548	2,154,428
Supplies & Services	889,689	796,025	815,767
Non-Capital Furniture & Equipment	397,853	240,738	96,551
Communications	213,187	167,857	191,931
Travel	142,000	145,340	148,201
Professional Development	696,622	507,777	444,158
Student Related Expense	44,500	28,277	31,930
Amortization of Tangible Capital Assets	1,304,613	1,387,073	1,337,402
Total Instruction Expense	63,814,675	63,519,743	61,658,293

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Plant Operation & Maintenance Expense			
Salaries	3,808,540	3,663,599	3,584,205
Benefits	722,246	772,417	640,599
Supplies & Services	6,550	4,059	10,182
Non-Capital Furniture & Equipment	50,500	27,588	48,502
Building Operating Expenses	4,128,932	3,885,563	3,994,265
Communications	15,000	12,545	11,602
Travel	109,000	106,705	86,432
Professional Development	13,800	10,235	11,510
Amortization of Tangible Capital Assets	2,228,940	2,242,466	2,264,274
Total Plant Operation & Maintenance Expense	11,083,508	10,725,177	10,651,571
Student Transportation Expense			
Salaries	2,324,164	2,379,431	2,244,105
Benefits	479,287	481,525	417,665
Supplies & Services	853,084	870,359	728,203
Non-Capital Furniture & Equipment	302,600	268,031	292,026
Building Operating Expenses	70,100	59,747	51,534
Communications	25,200	25,795	16,981
Travel	7,000	7,007	7,958
Professional Development	7,500	5,929	5,370
Contracted Transportation	1,885,065	1,763,801	1,850,893
Amortization of Tangible Capital Assets	716,920	679,751	678,558
Total Student Transportation Expense	6,670,920	6,541,376	6,293,293
Tuition and Related Fees Expense			
Tuition Fees	215,700	82,089	128,974
Total Tuition and Related Fees Expense	215,700	82,089	128,974
School Generated Funds Expense			
Supplies & Services	1,000,000	993,709	1,095,429
Non-Capital Furniture & Equipment	70,000	-	-
School Fund Expenses	1,250,000	1,104,440	1,095,182
Amortization of Tangible Capital Assets	-	50,879	32,710
Total School Generated Funds Expense	2,320,000	2,149,028	2,223,321

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	681,113	597,511	559,961
Program Support (Non-Teacher Contract) Salaries & Benefits	329,586	299,090	242,811
Plant Operation & Maintenance Salaries & Benefits	144,302	144,302	138,312
Instructional Aids	66,000	66,316	36,000
Non-Capital Furniture & Equipment	-	10,718	-
Building Operating Expenses	180,818	182,124	174,684
Contracted Transportation & Allowances	14,000	9,903	12,091
Amortization of Tangible Capital Assets	-	1,081	-
Total Complementary Services Expense	1,415,819	1,311,045	1,163,859
External Service Expense			
Administration Salaries & Benefits	85,772	86,927	84,590
Instructional (Teacher & LEADS Contract) Salaries & Benefits	165,947	161,573	129,074
Program Support (Non-Teacher Contract) Salaries & Benefits	414,497	465,099	397,314
Transportation Salaries & Benefits	43,072	31,720	30,622
Instructional Aids	63,129	57,783	57,286
Supplies & Services	888,003	1,213,215	1,030,698
Non-Capital Furniture & Equipment	38,625	2,394	2,431
Building Operating Expenses	2,678	1,426	1,333
Communications	11,700	11,336	6,556
Travel	9,872	12,505	7,550
Professional Development (Non-Salary Costs)	13,032	26,776	25,710
Contracted Transportation & Allowances	33,688	40,197	38,770
Amortization of Tangible Capital Assets	9,348	14,833	7,436
Total External Services Expense	1,779,363	2,125,784	1,819,370

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	2,500	224	24
Interest on Other Capital Loans and Long Term Debt			
School Facilities	107,363	104,463	143,475
Total Interest and Bank Charges	109,863	104,687	143,499
Loss on Disposal of Tangible Capital Assets	-	267,318	-
Total Other Expense	109,863	372,005	143,499
TOTAL EXPENSES FOR THE YEAR	89,960,524	89,232,687	86,493,774

Saskatchewan Rivers School Division No. 119
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2011

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment		Computer Hardware and Audio Visual Equipment		Computer Software	Work-in-Progress	2010
							Buildings	Other Vehicles	Equipment	Visual Equipment			
Tangible Capital Assets - at Cost:													
Opening Balance as of September 1	2,578,199	5,427,461	92,186,180	231,664	8,491,171	821,440	7,482,081	3,962,259	603,997	809,093	122,593,545	119,461,646	
Additions/Purchases	-	69,116	58,222	-	623,896	181,990	445,364	1,198,218	83,377	1,833,330	4,493,513	4,048,005	
Disposals	(5,022)	(103,530)	(1,526,518)	(6,573)	(252,968)	(61,231)	(1,362,867)	(494,377)	-	-	(3,813,086)	(916,106)	
Write-Downs	-	-	-	-	-	-	-	-	-	(1,045)	(1,045)	-	
Closing Balance as of August 31	2,573,177	5,393,047	90,717,884	225,091	8,862,099	942,199	6,564,578	4,666,100	687,374	2,641,378	123,272,927	122,593,545	

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	-	3,181,695	48,000,970	179,378	5,040,736	568,799	5,206,230	1,920,290	279,616	-	64,377,714	60,832,855
Amortization of the Period	-	205,369	1,859,968	6,276	611,699	98,439	656,449	929,183	137,475	-	4,504,858	4,461,048
Disposals	-	(51,949)	(1,282,276)	(6,244)	(252,968)	(54,677)	(1,362,867)	(494,377)	-	-	(3,505,358)	(915,889)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as of August 31	-	3,335,115	48,578,662	179,410	5,399,467	612,561	4,499,812	2,355,096	417,091	N/A	65,377,214	64,377,714

Net Book Value:

Opening Balance as of September 1	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
Closing Balance as of August 31	2,573,177	2,037,932	42,139,222	45,681	3,462,632	329,638	2,064,766	2,311,004	270,283	2,641,378	57,895,713	58,215,831
Change in Net Book Value	(5,022)	(187,834)	(2,045,988)	(6,605)	12,197	76,997	(211,085)	269,035	(54,098)	1,832,285	(320,118)	(413,259)

Disposals:

Historical Cost	5,022	103,530	1,526,518	6,573	252,968	61,231	1,362,867	494,377	-	-	3,813,086	916,106
Accumulated Amortization	-	51,949	1,282,276	6,244	252,968	54,677	1,362,867	494,377	-	-	3,505,358	915,889
Net Cost	5,022	51,581	244,242	329	9,810	6,554	-	-	-	-	307,728	217
Price of Sale	-	-	-	-	9,810	30,600	-	-	-	-	40,410	12,147
Gain/Loss on Disposal	(5,022)	(51,581)	(244,242)	(329)	9,810	24,046	-	-	-	-	(267,318)	11,930

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

	-	-	-	-	-	-	-	-	-	-	-	-
--	---	---	---	---	---	---	---	---	---	---	---	---

Saskatchewan Rivers School Division No. 119
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2011

	2011	2010
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	4,504,858	4,461,048
Net (Gain) Loss on Disposal of Tangible Capital Assets	267,318	(11,930)
Write-Down of Tangible Capital Assets (Schedule C)	1,045	-
Total Non-Cash Items Included in Surplus / Deficit	4,773,221	4,449,118

Saskatchewan Rivers School Division No. 119
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2011

	2011	2010
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	1,510,359	2,560,908
Decrease (Increase) in Other Assets	(1,020)	-
Increase (Decrease) in Provincial Grant Overpayment	(923,019)	258,730
Increase (Decrease) In Accounts Payable and Accrued Liabilities	1,397,465	(173,840)
Increase (Decrease) in Liability for Employee Future Benefits	135,700	52,000
Increase (Decrease) in Deferred Revenue	626,772	(3,620,833)
Increase (Decrease) in Other Liabilities	(4,231)	(24,245)
Decrease (Increase) in Inventory of Supplies for Consumption	2,030	8,499
Decrease (Increase) in Prepaid Expenses	(16,152)	(134,472)
Total Net Change in Non-Cash Operating Activities	2,727,904	(1,073,253)

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2011

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 Government 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 public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Canadian Institute of Chartered Accountants (CICA).

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

a) Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the School Division reporting entity.

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 expenses 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 public sector accounting standards 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.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$2,152,300 (2010 - \$2,016,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$21,095,812 (2010 - \$23,619,156) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$1,141,159 (2010 - \$1,141,159) because actual collectability may differ from initial estimates.
- useful lives of capital assets (note 2(g)) and related amortization (schedule C) for land improvements, buildings, buildings short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio equipment, and computer software because actual useful lives and amortization may differ from initial estimates.
- prior years tangible capital asset historical costs (schedule C) and related amortization (schedule C) for land, land improvements, buildings, buildings short-term, furniture and equipment, computer hardware and audio equipment, and computer software because actual historical costs and related amortization may differ from initial estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Measurement Uncertainty and the Use of Estimates (continued)

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 and cash equivalents, accounts receivable, other assets, 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.

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.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, land improvements, buildings, buildings – short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment, computer software, capital lease assets, and assets under construction (work-in progress). 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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 expenses 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 expenses 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. Actuarial valuations are performed periodically. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, with 1/12th of the grant recognized as revenue each month. Capital grants are recognized over the course of the construction project as the grant is earned and the amount is measurable. Restricted grants received but not yet earned are recorded as deferred revenue.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue Recognition (continued)

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 Government of Saskatchewan. 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 of Education on July 26, 2010. The balance drawn on the line of credit at August 31, 2011 was \$0 (August 31, 2010 - \$0).

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2011 Budget	2011 Actual	2010 Actual
Governance	\$ 167,394	\$ 370,331	\$ -	\$ -	\$ 582,976	\$ 537,725	\$ 620,159
Administration	1,391,376	348,563	-	128,776	1,967,700	1,868,715	1,791,435
Instruction	57,958,108	4,174,562	-	1,387,073	63,814,675	63,519,743	61,658,293
Plant	4,436,016	4,046,695	-	2,242,466	11,083,508	10,725,177	10,651,571
Transportation	2,860,956	3,000,669	-	679,751	6,670,920	6,541,376	6,293,293
Tuition and Related Fees	-	82,089	-	-	215,700	82,089	128,974
School Generated Funds	-	2,098,149	-	50,879	2,320,000	2,149,028	2,223,321
Complementary Services	1,040,903	269,062	-	1,080	1,415,819	1,311,045	1,163,859
External Services	745,319	1,365,632	-	14,833	1,779,363	2,125,784	1,819,370
Other	-	267,318	104,687	-	109,863	372,005	143,499
TOTAL	\$ 68,600,072	\$ 16,023,070	\$ 104,687	\$ 4,504,858	\$ 89,960,524	\$ 89,232,687	\$ 86,493,774

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 Statement of Financial Position.

Details of the employee future benefits are as follows:

	2011	2010
Long-term assumptions used:		
Salary escalation rate - teachers (percentage)	3.30%	3.50%
Salary escalation rate - non-teachers (percentage)	3.30%	4.20%
Discount rate (percentage)	3.40%	3.60%
Inflation rate (percentage)	2.50%	none
Expected average remaining service life (years)	14	14

	2011	2010
Liability for Employee Future Benefits		
Accrued Benefit Obligation - beginning of year	\$ 1,964,600	\$ 1,783,400
Opening balance	\$ 2,167,200	\$ 1,964,600
Current period benefit cost	145,800	134,300
Interest cost	81,400	83,700
Benefit payments	(102,500)	(115,200)
Actuarial gains / losses	24,100	99,800
Accrued Benefit Obligation - end of year	2,316,000	2,167,200
Unamortized Net Actuarial Loss	(163,700)	(150,600)
Liability for Employee Future Benefits	\$ 2,152,300	\$ 2,016,600

	2011	2010
Employee Future Benefits Expense		
Current period benefit cost	\$ 145,800	\$ 134,300
Amortization of net actuarial gain / loss	11,000	3,900
Benefit cost	156,800	138,200
Interest cost on unfunded employee future benefits obligation	81,400	83,700
Total Employee Future Benefits Expense	\$ 238,200	\$ 221,900

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 Government 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 Government of Saskatchewan for the STSP.

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

	2011		
	STRP	STSP	TOTAL
Number of active School Division members	626	82	708
Member contribution rate (percentage of salary)	7.00 - 7.80%	6.05%	
Member contributions for the year	\$ 2,825,341	\$ 330,961	\$ 3,156,302
	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

6. PENSION PLANS (continued)

Multi-Employer Defined Benefit Plans (continued)

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:

	2011	2010
Number of active School Division members	608	611
Member contribution rate (percentage of salary)	6.4% - 7.4%	6.40%
School Division contribution rate (percentage of salary)	6.4% - 7.4%	6.40%
Member contributions for the year	\$ 1,252,427	\$ 1,018,498
School Division contributions for the year	\$ 1,252,427	\$ 1,016,899
Actuarial valuation date	Dec. 31, 2010	Dec. 31, 2010
Plan Assets (in \$1,000's)	\$ 1,404,006	\$ 1,320,772
Plan Liabilities (in \$1,000's)	\$ 1,344,380	\$ 1,246,922
Plan Surplus (Deficit) (in \$1,000's)	\$ 59,626	\$ 73,850

7. **ACCOUNTS RECEIVABLE**

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

	2011			2010		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 2,483,171	\$ 1,141,159	\$ 1,342,012	\$ 4,337,269	\$ 1,141,159	\$ 3,196,110
Provincial Grants Receivable	1,203,449	-	1,203,449	818,109	-	818,109
Other Receivables	717,828	101,768	616,060	759,429	101,768	657,661
Total Accounts Receivable	\$ 4,404,448	\$ 1,242,927	\$ 3,161,521	\$ 5,914,807	\$ 1,242,927	\$ 4,671,880

8. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of account payable and accrued liabilities are as follows:

	2011	2010
Accrued Salaries and Benefits	\$ 1,311,708	\$ 92,671
Supplier Payments	1,456,785	1,304,724
Other - debenture principal & interest, GST payable	44,472	18,105
Total Accounts Payable and Accrued Liabilities	\$ 2,812,965	\$ 1,415,500

9. **OTHER LIABILITIES**

Other liabilities are comprised of the following:

	2011	2010
Miscellaneous	\$ 354	\$ 4,585
Total Other Liabilities	\$ 354	\$ 4,585

10. **LONG-TERM DEBT**

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

	2011	2010
Capital Loans: Vince	\$ 324,420	\$ 648,850
nt Massey School Loan		
School Retro-fit Project Loan	1,626,500	1,951,800
	1,950,920	2,600,650
Total Long Term Debt	\$ 1,950,920	\$ 2,600,650

10. **LONG-TERM DEBT** (continued)

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

	Capital Loans	Total
2012	649,720	\$ 649,720
2013	325,300	325,300
2014	325,300	325,300
2015	325,300	325,300
2016	325,300	325,300
Total	\$ 1,950,920	\$ 1,950,920

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

	Capital Loans	2011	2010
Principal	\$ 649,730	\$ 649,730	\$ 649,730
Interest	104,463	143,475	143,475
Total	\$ 754,193	\$ 793,205	\$ 793,205

Vincent Massey School Loan - Capital demand loan, interest payable monthly at 4.85%, principal payable in annual installments of \$324,430. Loan is due December 2011.

School Retro-fit Project Loan - 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, 2010	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2011
Capital projects:				
Federal Capital Tuition	\$ 1,360,073	\$ 76,899	\$ -	\$ 1,436,972
Proceeds from Sale of School Buildings	230,398	112,313	-	342,711
Total capital projects deferred revenue	\$ 1,590,471	\$ 189,212	\$ -	\$ 1,779,683
Other deferred revenue				
Tax Liability	\$ 232,025	\$ 298,058	\$ 232,025	\$ 298,058
Other Grant - Kidsfirst, Nutrition, other	589,504	564,461	192,934	961,031
Total other deferred revenue	\$ 821,529	\$ 862,519	\$ 424,959	\$ 1,259,089
Total Deferred Revenue	\$ 2,412,000	\$ 1,051,731	\$ 424,959	\$ 3,038,772

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 2011:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Program	Other Programs	2011	2010
Revenue:				(Note 20)
Operating Grants	\$ 992,219	\$ -	\$ 992,219	\$ 805,536
Fees and Other Revenue	-	231,803	231,803	224,031
Total Revenue	992,219	231,803	1,224,022	1,029,567
Expenses:				
Tuition Fees	-	-	-	-
Salaries & Benefits	896,601	144,302	1,040,903	941,084
Instructional Aids	66,316	-	66,316	36,000
Non-Capital Equipment	10,718	-	10,718	-
Building Operating Expenses	-	182,124	182,124	174,684
Travel	-	-	-	12,091
Contracted Transportation & Allowances	9,903	-	9,903	-
Amortization of Tangible Capital Assets	-	1,081	1,081	-
Total Expenses	983,538	327,507	1,311,045	1,163,859
Excess (Deficiency) of Revenue over Expenses	\$ 8,681	\$ (95,704)	\$ (87,023)	\$ (134,292)

Pre-K

The Pre-K program is a developmentally appropriate early childhood education program for three and four year old children.

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.

13. **EXTERNAL SERVICES** (continued)

Following is a summary of the revenue and expenses of the External Services programs operated by the School Division in 2011:

Summary of External Services Revenues and Expenses, by Program	Kids First	Eagle's Nest	Cafeteria	Other Programs	2011	2010
						(Note 20)
Revenue:						
Operating Grants	\$ 1,156,795	\$ 408,369	\$ -	\$ 300,791	\$ 1,865,955	\$ 1,733,311
Fees and Other Revenue	-	-	57,872	28,951	86,823	106,920
Total Revenue	1,156,795	408,369	57,872	329,742	1,952,778	1,840,231
Expenses:						
Salaries & Benefits	329,157	220,410	147,862	47,890	745,319	641,600
Instructional Aids	34,271	2,590	-	20,922	57,783	57,286
Supplies and Services	719,374	180,891	-	312,950	1,213,215	1,030,698
Non-Capital Equipment	501	-	1,893	-	2,394	2,431
Building Operating Expenses	1,126	-	-	300	1,426	1,333
Communications	7,523	-	-	3,813	11,336	6,556
Travel	2,980	696	-	8,829	12,505	7,550
Professional Development	21,257	3,782	-	1,737	26,776	25,710
Contacted Transportation & Allowances	36,206	-	-	3,991	40,197	38,770
Amortization of Tangible Capital Assets	4,400	-	-	10,433	14,833	7,436
Total Expenses	1,156,795	408,369	149,755	410,865	2,125,784	1,819,370
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ (91,883)	\$ (81,123)	\$ (173,006)	\$ 20,861

The Kids First Project offers support to high-risk families with young children.

The Eagle's Nest Project provides residential care, counselling, and special programming to high-risk youth.

The Cafeteria provides food services to the students and staff at Carlton Comprehensive High School.

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 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:

	2011	2010
		(Note 20)
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 57,895,713	\$ 58,215,831
Less: Debt owing on Tangible Capital Assets	1,950,920	2,600,650
	55,944,793	55,615,181
S.286 pre-April 2009 capital reserves from prior years' operating surpluses	\$ 3,488,110	\$ 3,600,423
Internally Restricted Surplus:		
Capital projects:		
Communications/Technology	\$ 509,168	\$ 509,168
Equipment Replacement	393,454	393,454
Facilities	1,500,000	1,500,000
Office Facility	2,130,000	2,130,000
Rental of Track Equipment	98,393	98,393
Transportation	254,046	254,046
Track Facility	105,000	45,000
	\$ 4,990,061	\$ 4,930,061
Other:		
Consultant Professional Development	\$ 3,713	\$ -
Future Contract	1,095,523	1,095,523
Developmental Education	8,972	8,972
Future Expenditures	1,766,852	1,766,852
School Budget Carryovers	1,009,680	1,050,351
	\$ 3,884,740	\$ 3,921,698
Unrestricted Surplus	\$ 11,439,610	\$ 11,172,435
Total Accumulated Surplus	\$ 79,747,314	\$ 79,239,798

14. ACCUMULATED SURPLUS (continued)

Externally restricted surplus

S.286 pre-April 2009 Capital Reserves from Prior Years' Operating Surpluses represents capital reserves that were created by pre-April 2009 Board of Education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the School Division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

Internally restricted surplus

Communications/technology reserve represents funds available for purchases of technology.

Equipment replacement reserve represents funds available for the purchases of equipment.

Facilities reserve represents funds available to assist with capital expenditures related to construction of new facilities.

Office facility reserve represents funds available for the construction of a new administrative services building.

Rental of track equipment reserve represents funds to be used to cover repair and replacement of track equipment.

Transportation reserve represents funds available for purchase of buses.

Track facility reserve represents funds available for the School Division's portion of repair or replacement of the running surface associated with the Harry Jerome Track.

Consultant professional development reserve represents the unspent portion of the consultant's budget to be used for teacher/staff initiated professional development.

Future contract reserve represents funds available to cover non-budgeted negotiated salary and benefit costs.

Developmental education reserve represents funds available to enhance facility and programming at Vickers School and Carlton Comprehensive High School.

Future expenditures reserve represents funds available for future expenditures.

School budget carryovers represents the unspent portion of budgets decentralized to schools.

15. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on June 7, 2010 and the Minister of Education on August 31, 2010.

16. RELATED PARTIES

These financial statements include transactions with related parties. The School Division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The School Division is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the School Division is related to other non-Government organizations by virtue of its economic interest in these organizations.

(a) Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

16. RELATED PARTIES (continued)

(a) Related Party Transactions (continued)

	2011	2010
Revenues:		(Note 20)
Community Initiatives Fund	\$ 58,715	\$ 66,166
First Nations and Metis Fund Inc.	15,906	18,000
Ministry of Education	63,179,475	61,132,374
Prince Albert Roman Catholic Separate School Division No. 6	40,701	40,363
Saskatchewan Arts Board	8,000	7,345
	\$ 63,302,797	\$ 61,264,248
Expenses:		
Living Sky School Division No. 202	\$ 57,842	\$ -
Prince Albert Parkland Health Region	54,085	39,123
Saskatchewan Government Insurance	86,359	84,077
Saskatchewan Power Corporation	997,881	951,661
Saskatchewan Telecommunications Holding Corporation	230,847	315,300
Saskatchewan Workers' Compensation Board	304,825	329,958
SaskEnergy Incorporated	1,152,059	1,095,489
Other	28,264	54,259
	\$ 2,912,162	\$ 2,869,867
Accounts Receivable:		
Ministry of Education	\$ 1,242,651	\$ 828,978
Other	-	1,857
	\$ 1,242,651	\$ 830,835
Prepaid Expenses:		
Saskatchewan Workers' Compensation Board	\$ 101,550	\$ 109,986
	\$ 101,550	\$ 109,986
Provincial Grant Overpayment:		
Ministry of Education	\$ -	\$ 923,019
	\$ -	\$ 923,019
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ 96,329	\$ 58,281
Saskatchewan Telecommunications Holding Corporation	54,526	77,201
Saskatchewan Workers' Compensation Board	-	164,633
SaskEnergy Incorporated	6,161	8,888
Other	2,920	1,662
	\$ 159,936	\$ 310,665
Deferred Revenue:		
Community Initiatives Fund	\$ 35,051	\$ 14,400
First Nations and Metis Fund Inc.	7,471	17,377
Ministry of Education	830,474	535,899
Saskatchewan Arts Board	324	-
	\$ 873,320	\$ 567,676

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.

16. RELATED PARTIES (continued)

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$1,780,489 in capital transfers to the School Division for projects in which construction has not yet started and/or completed. The School Division has recognized these transfers based on the percentage of completion of the individual projects. Approved capital transfers that have not been reflected in the financial statements of the School Division are as follows:

Total Ministry Obligation at August 31, 2011	\$ 1,780,489
Less: Amounts reported in financial statements	1,191,488
Unrecorded Balance of approved capital transfers	<u>\$ 589,001</u>

In March 2011, PSAB issued revised section PS 3410 Government Transfers. Revised PS 3410 provides revised guidance for the recognition of government transfers and is effective for fiscal years beginning on or after April 1, 2012 (earlier adoption is encouraged), and may affect the future accounting treatment for these capital transfers to school divisions.

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:

	<u>Charity</u>	<u>Scholarships</u>	<u>Total</u>	<u>Total</u>
			<u>Current Yr</u>	<u>Previous Yr</u>
Cash and short term investments	\$ 32,502	\$ 44,979	\$ 77,481	\$ 39,638
Short term investments	-	11,168	11,168	38,674
Long term investments	-	-	-	10,733
Total Assets	\$ 32,502	\$ 56,147	\$ 88,649	\$ 89,045
Revenues				
Contributions and donations	\$ 44,167	\$ 8,514	\$ 52,681	\$ 90,471
Interest on investments	190	1,380	1,570	1,555
	<u>44,357</u>	<u>9,894</u>	<u>54,251</u>	<u>92,026</u>
Expenses				
In-kind & school expenditures	42,121	-	42,121	80,748
Scholarships paid	-	10,564	10,564	10,950
	<u>42,121</u>	<u>10,564</u>	<u>52,685</u>	<u>91,698</u>
Excess of Revenue over Expenses	2,236	(670)	1,566	328
Trust Fund Balance, Beginning of Year	30,266	56,817	87,083	86,755
Trust Fund Balance, End of Year	\$ 32,502	\$ 56,147	\$ 88,649	\$ 87,083

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 expenses in the year in which the related litigation is settled.

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the School Division are as follows:

- construction contract for the administrative building project in the amount of \$2,736,865;
- construction contract for the Meath Park School roof project in the amount of \$319,138;
- construction contract for the Kinistino School fine arts and daycare project in the amount of \$1,175,907;
- construction contract for the Kinistino School roof project in the amount of \$85,564;
- construction contract for the Wesmor School roof project in the amount of \$87,967;
- and
- operating lease obligations, as follows:

Minimum future lease payments:		
	Copier Leases	Total
2012	\$ 175,175	\$ 175,175
2013	175,175	175,175
2014	-	-
2015	-	-
2016	-	-
Thereafter	-	-
Total	\$ 350,350	\$ 350,350

20. COMPARATIVE INFORMATION

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

21. SUBSEQUENT EVENTS

Teachers' 2010-13 Provincial Collective Bargaining Agreement:

The Saskatchewan Teachers' Provincial Collective Bargaining Agreement expired on August 31, 2010. The Saskatchewan Teachers' Federation (STF) and the Government Trustee Bargaining Committee (GTBC) reached a new collective agreement which was ratified on October 4, 2011 and covers the period September 1, 2010 to August 31, 2013. The new agreement provides for retroactive wage increases for teachers of the School Division for the period September 1, 2010 to August 31, 2011 with an estimated cost of \$1,140,639 (estimated cost of 2010-11 increases) which was recorded as an expense in the 2010-11 financial statements. The agreement provides for further wages increases in 2011-12 and 2012-13.

Operating Grant Receivable:

The Ministry of Education has prepared the operating grant reconciliation based on the 2010 property tax year and determined that an additional grant payment of \$271,412 is owing to the School Division as of August 31, 2011. However, as of August 31, 2011, the Ministry did not have legislative approval or budget appropriation for this payment. As such, the Ministry is not deemed to have authorized the transfer. Accordingly, the School Division will not recognize this revenue until the fiscal 2011-12 year.