



Ministry of
Education

Auditor's Report and Financial Statement

Of the Saskatchewan Rivers
School Division No. 119

For the Period Ending: August 31, 2012

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 17, 2012

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Saskatchewan Rivers School Division No. 119, which comprise the statement of financial position as at August 31, 2012, 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, 2012, and the result of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

December 17, 2012
Prince Albert, Saskatchewan

Saskatchewan Rivers School Division No. 119
Statement of Financial Position
as at August 31, 2012

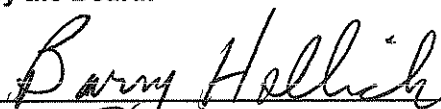
	2012	2011 (Note 19)
Financial Assets		
Cash and Cash Equivalents	25,750,073	28,005,363
Accounts Receivable (Note 7)	5,614,486	3,162,666
Total Financial Assets	31,364,559	31,168,029
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	2,011,829	2,813,319
Long Term Debt (Note 9)	1,301,200	1,950,920
Liability for Employee Future Benefits (Note 5)	2,406,900	2,152,300
Deferred Revenue (Note 10)	2,431,065	3,038,772
Total Liabilities	8,150,994	9,955,311
Net Financial Assets	23,213,565	21,212,718
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	61,237,051	57,895,713
Inventory of Supplies for Consumption	99,077	87,084
Prepaid Expenses	558,324	551,799
Total Non-Financial Assets	61,894,452	58,534,596
Accumulated Surplus (Note 13)	85,108,017	79,747,314

Contingent Liabilities (Note 17)

Contractual Obligations and Commitments (Note 18)

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, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
REVENUES			
Property Taxation	21,220,975	20,811,672	21,095,812
Grants	61,226,687	65,338,714	60,562,188
Tuition and Related Fees	1,338,088	2,619,995	1,740,380
School Generated Funds	2,265,000	2,395,359	2,243,753
Complementary Services (Note 11)	1,613,746	1,699,887	1,224,022
External Services (Note 12)	1,840,624	2,183,262	1,952,778
Other	969,674	1,471,292	921,270
Total Revenues (Schedule A)	90,474,794	96,520,181	89,740,203
EXPENSES			
Governance	589,695	563,657	537,725
Administration	2,177,615	2,130,455	1,868,715
Instruction	64,729,831	66,115,969	63,519,743
Plant	11,376,263	10,580,998	10,725,177
Transportation	6,969,212	6,695,516	6,541,376
Tuition and Related Fees	193,446	62,481	82,089
School Generated Funds	2,246,209	2,138,650	2,149,028
Complementary Services (Note 11)	1,605,175	1,683,988	1,311,045
External Services (Note 12)	1,905,728	2,350,518	2,125,784
Other Expenses	71,757	(1,162,754)	372,005
Total Expenses (Schedule B)	91,864,931	91,159,478	89,232,687
Surplus (Deficit) for the Year	(1,390,137)	5,360,703	507,516
Accumulated Surplus, Beginning of Year	79,747,314	79,747,314	79,239,798
Accumulated Surplus, End of Year	78,357,177	85,108,017	79,747,314

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, 2012

	2012 Budget (Note 14)	2012 Actual	2011 Actual
Net Financial Assets, Beginning of Year	21,212,718	21,212,718	20,399,206
Changes During the Year:			
Surplus (Deficit) for the Year	(1,390,137)	5,360,703	507,516
Acquisition of Tangible Capital Assets (Schedule C)	(5,193,765)	(8,005,221)	(4,493,513)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	29,000	8,816	40,410
Net (Gain) Loss on Disposal of Capital Assets (Schedule C)	(29,000)	(3,569)	267,318
Write-Down of Tangible Capital Assets (Schedule C)	-	-	1,045
Amortization of Tangible Capital Assets (Schedule C)	5,071,257	4,658,636	4,504,858
Net Acquisition of Inventory of Supplies	-	(11,993)	2,030
Net Acquisition of Prepaid Expenses	-	(6,525)	(16,152)
Change in Net Financial Assets	(1,512,645)	2,000,847	813,512
Net Financial Assets, End of Year	19,700,073	23,213,565	21,212,718

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, 2012

	2012	2011
OPERATING ACTIVITIES		
Surplus for the Year	5,360,703	507,516
Add Non-Cash Items Included in Surplus (Schedule D)	4,655,067	4,773,221
Net Change in Non-Cash Operating Activities (Schedule E)	(4,809,584)	2,727,904
Cash Provided (Used) by Operating Activities	5,206,186	8,008,641
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,820,572)	(4,493,513)
Proceeds on Disposal of Tangible Capital Assets	8,816	40,410
Cash Provided (Used) by Capital Activities	(6,811,756)	(4,453,103)
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(649,720)	(649,730)
Cash Provided (Used) by Financing Activities	(649,720)	(649,730)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,255,290)	2,905,808
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	28,005,363	25,099,555
CASH AND CASH EQUIVALENTS, END OF YEAR	25,750,073	28,005,363
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	25,750,073	28,005,363
CASH AND CASH EQUIVALENTS, END OF YEAR	25,750,073	28,005,363

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, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	21,187,644	19,941,637	20,239,004
Revenue from Supplemental Levies	-	129,027	48,534
Total Property Tax Revenue	21,187,644	20,070,664	20,287,538
Grants in Lieu of Taxes:			
Federal Government	-	848,704	878,640
Provincial Government	-	622,127	672,454
Other	-	152,281	437,824
Total Grants in Lieu of Taxes	-	1,623,112	1,988,918
Other Tax Revenues:			
Treaty Land Entitlement - Urban	33,331	-	26,238
House Trailer Fees	-	37,767	35,325
Total Other Tax Revenues	33,331	37,767	61,563
Additions to Levy:			
Penalties	-	212,790	177,946
Other	-	2,829	16,697
Total Additions to Levy	-	215,619	194,643
Deletions from Levy:			
Discounts	-	(925,568)	(891,458)
Cancellations	-	(205,682)	(545,144)
Other Deletions	-	(4,240)	(248)
Total Deletions from Levy	-	(1,135,490)	(1,436,850)
Total Property Taxation Revenue	21,220,975	20,811,672	21,095,812
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	60,504,434	64,378,056	58,821,150
Other Ministry Grants	-	18,900	-
Total Ministry Grants	60,504,434	64,396,956	58,821,150
Other Provincial Grants	385,530	343,977	54,311
Federal Grants	42,600	45,955	31,830
Total Operating Grants	60,932,564	64,786,888	58,907,291
Capital Grants			
Ministry of Education Capital Grants	294,123	551,826	1,654,897
Total Capital Grants	294,123	551,826	1,654,897
Total Grants	61,226,687	65,338,714	60,562,188

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	1,180,103	1,665,330	1,656,251
Individuals and Other	103,185	92,917	84,129
Total Tuition Fees	1,283,288	1,758,247	1,740,380
Transportation Fees	-	1,750	-
Other Related Fees	3,200	-	-
Total Operating Tuition and Related Fees	1,286,488	1,759,997	1,740,380
Capital Fees:			
Federal/First Nations Capital Fees	51,600	859,998	-
Total Capital Tuition and Fees	51,600	859,998	-
Total Tuition and Related Fees Revenue	1,338,088	2,619,995	1,740,380
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	35,000	64,033	26,981
Total Curricular Fees	35,000	64,033	26,981
Non-Curricular Fees:			
Commercial Sales - Non-GST	125,000	103,152	119,237
Fundraising	1,310,000	1,381,170	1,271,604
Grants and Partnerships	100,000	110,058	120,908
Students Fees	320,000	336,092	321,039
Other	375,000	400,854	383,984
Total Non-Curricular Fees	2,230,000	2,331,326	2,216,772
Total School Generated Funds Revenue	2,265,000	2,395,359	2,243,753
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	1,365,000	1,443,012	972,800
Other Provincial Grants	-	20,566	19,419
Total Operating Grants	1,365,000	1,463,578	992,219
Fees and Other Revenue			
Other Revenue	248,746	236,309	231,803
Total Fees and Other Revenue	248,746	236,309	231,803
Total Complementary Services Revenue	1,613,746	1,699,887	1,224,022

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		(Note 19)
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education Grants-Other	1,366,336	1,892,156	1,730,628
Other Provincial Grants	349,313	162,148	53,035
Federal Grants	28,200	32,533	33,183
Other Grants	-	10,424	49,109
Total Operating Grants	1,743,849	2,097,261	1,865,955
Fees and Other Revenue			
Tuition and Related Fees	26,775	30,500	28,951
Other Revenue	70,000	55,501	57,872
Total Fees and Other Revenue	96,775	86,001	86,823
Total External Services Revenue	1,840,624	2,183,262	1,952,778
Other Revenue			
Miscellaneous Revenue	613,450	1,190,103	620,095
Sales & Rentals	14,500	10,254	15,879
Investments	312,724	265,795	285,296
Gain on Disposal of Capital Assets	29,000	5,140	-
Total Other Revenue	969,674	1,471,292	921,270
TOTAL REVENUE FOR THE YEAR	90,474,794	96,520,181	89,740,203

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Governance Expense			
Board Members Expense	191,960	184,517	167,394
Conventions - Board Members	155,935	118,835	121,055
School Community Councils	31,600	32,073	31,341
Elections	-	10,287	-
Other Governance Expenses	210,200	217,945	217,935
Total Governance Expense	589,695	563,657	537,725
Administration Expense			
Salaries	1,340,321	1,333,894	1,216,452
Benefits	211,841	260,096	174,924
Supplies & Services	232,000	246,599	188,439
Non-Capital Furniture & Equipment	15,500	12,724	17,333
Building Operating Expenses	84,250	61,388	65,819
Communications	84,000	74,156	53,458
Travel	6,000	5,432	3,302
Professional Development	19,550	21,560	20,212
Amortization of Tangible Capital Assets	184,153	114,606	128,776
Total Administration Expense	2,177,615	2,130,455	1,868,715
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	42,472,538	44,960,064	43,286,294
Instructional (Teacher & LEADS Contract) Benefits	2,181,028	2,518,904	2,396,565
Program Support (Non-Teacher Contract) Salaries	11,405,952	10,789,564	10,316,581
Program Support (Non-Teacher Contract) Benefits	2,145,303	2,115,180	1,958,668
Instructional Aids	2,548,152	2,378,656	2,288,548
Supplies & Services	930,150	803,866	796,025
Non-Capital Furniture & Equipment	288,821	235,005	240,738
Communications	208,654	141,749	167,857
Travel	157,000	156,838	145,340
Professional Development	683,292	556,630	507,777
Student Related Expense	45,000	34,924	28,277
Amortization of Tangible Capital Assets	1,663,941	1,424,589	1,387,073
Total Instruction Expense	64,729,831	66,115,969	63,519,743

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Plant Operation & Maintenance Expense			
Salaries	3,891,111	3,750,790	3,663,599
Benefits	756,981	747,266	772,417
Supplies & Services	6,550	3,692	4,059
Non-Capital Furniture & Equipment	34,500	26,640	27,588
Building Operating Expenses	4,145,290	3,590,439	3,885,563
Communications	15,000	9,714	12,545
Travel	109,000	93,543	106,705
Professional Development	13,800	15,392	10,235
Amortization of Tangible Capital Assets	2,404,031	2,343,522	2,242,466
Total Plant Operation & Maintenance Expense	11,376,263	10,580,998	10,725,177
Student Transportation Expense			
Salaries	2,428,690	2,421,556	2,379,431
Benefits	508,547	507,768	481,525
Supplies & Services	947,795	909,124	870,359
Non-Capital Furniture & Equipment	305,600	288,499	268,031
Building Operating Expenses	73,600	51,992	59,747
Communications	49,270	45,390	25,795
Travel	9,000	8,318	7,007
Professional Development	9,500	7,360	5,929
Contracted Transportation	1,884,714	1,756,030	1,763,801
Amortization of Tangible Capital Assets	752,496	699,479	679,751
Total Student Transportation Expense	6,969,212	6,695,516	6,541,376
Tuition and Related Fees Expense			
Tuition Fees	193,446	62,481	82,089
Total Tuition and Related Fees Expense	193,446	62,481	82,089
School Generated Funds Expense			
Supplies & Services	1,100,000	972,904	993,709
School Fund Expenses	1,100,000	1,107,768	1,104,440
Amortization of Tangible Capital Assets	46,209	57,978	50,879
Total School Generated Funds Expense	2,246,209	2,138,650	2,149,028

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	743,460	876,243	597,511
Program Support (Non-Teacher Contract) Salaries & Benefits	403,618	381,741	299,090
Plant Operation & Maintenance Salaries & Benefits	161,714	160,488	144,302
Instructional Aids	89,000	87,200	66,316
Non-Capital Furniture & Equipment	-	-	10,718
Building Operating Expenses	188,383	171,016	182,124
Professional Development (Non-Salary Costs)	-	952	-
Contracted Transportation & Allowances	19,000	2,719	9,903
Amortization of Tangible Capital Assets	-	3,629	1,081
Total Complementary Services Expense	1,605,175	1,683,988	1,311,045
External Service Expense			
Administration Salaries & Benefits	87,116	86,581	86,927
Instructional (Teacher & LEADS Contract) Salaries & Benefits	176,909	195,688	161,573
Program Support (Non-Teacher Contract) Salaries & Benefits	482,390	581,907	465,099
Transportation Salaries & Benefits	30,633	46,786	31,720
Instructional Aids	63,129	80,402	57,783
Supplies & Services	965,831	1,175,825	1,213,215
Non-Capital Furniture & Equipment	9,800	33,145	2,394
Building Operating Expenses	1,200	31,472	1,426
Communications	11,700	15,045	11,336
Travel	9,872	8,171	12,505
Professional Development (Non-Salary Costs)	13,032	48,170	26,776
Contracted Transportation & Allowances	33,688	32,493	40,197
Amortization of Tangible Capital Assets	20,428	14,833	14,833
Total External Services Expense	1,905,728	2,350,518	2,125,784

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	2,500	-	224
Interest on Other Capital Loans and Long Term Debt			
School Facilities	69,257	79,773	104,463
Total Interest and Bank Charges	71,757	79,773	104,687
Loss on Disposal of Tangible Capital Assets	-	-	267,318
Provision for Uncollectable Taxes	-	(1,242,527)	-
Total Other Expense	71,757	(1,162,754)	372,005
TOTAL EXPENSES FOR THE YEAR	91,864,931	91,159,478	89,232,687

Saskatchewan Rivers School Division No. 119
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2012

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	2012	2011
Opening Balance as of September 1	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
Additions/Purchases	-	172,227	809,260	-	643,960	99,341	558,035	1,147,717	39,146	4,535,545	8,005,221	4,493,513
Disposals	-	-	-	-	(192,452)	(39,078)	(1,053,494)	(645,203)	(129,903)	-	(2,060,130)	(3,813,086)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	(1,045)
Transfers to (from)	-	62,961	721,946	-	-	-	-	-	-	(764,907)	-	-
Closing Balance as of August 31	2,573,177	5,628,235	92,249,080	225,091	9,313,607	1,002,462	6,069,119	5,168,614	596,617	6,392,016	129,218,018	123,272,927

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	-	3,335,115	48,578,662	179,410	5,399,467	612,561	4,499,912	2,355,096	417,091	-	65,377,214	64,377,714
Amortization of the Period	-	217,125	1,943,411	6,269	623,313	108,991	606,475	1,033,731	119,321	-	4,658,636	4,504,858
Disposals	-	-	-	-	(187,205)	(39,078)	(1,053,494)	(645,203)	(129,903)	-	(2,054,883)	(3,505,358)
Closing Balance as of August 31	N/A	3,552,240	50,522,073	185,679	5,835,575	682,474	4,052,793	2,743,624	406,509	N/A	67,980,967	65,377,214

Net Book Value:

Operating Balance as of September 1	2,573,177	2,057,932	42,139,222	45,681	3,462,632	329,638	2,064,766	2,311,004	270,283	2,641,378	57,895,713	56,215,831
Closing Balance as of August 31	2,573,177	2,075,995	41,727,007	39,412	3,478,032	319,988	2,016,326	2,424,990	190,108	6,392,016	61,237,051	57,895,713
Change in Net Book Value	-	18,063	(412,215)	(6,269)	15,400	(9,650)	(48,440)	113,986	(80,175)	3,750,638	3,341,338	(320,118)

Disposals:

Historical Cost	-	-	-	-	192,452	39,078	1,053,494	645,203	129,903	-	2,060,130	3,813,086
Accumulated Amortization	-	-	-	-	187,205	39,078	1,053,494	645,203	129,903	-	2,054,883	3,505,358
Net Cost	-	-	-	-	5,247	-	-	-	-	-	5,247	307,728
Price of Sale	-	-	-	-	5,049	3,767	-	-	-	-	8,816	40,410
Gain/loss on Disposal	-	-	-	-	(198)	3,767	-	-	-	-	3,569	(267,318)

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

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Saskatchewan Rivers School Division No. 119
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2012

	2012	2011
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	4,658,636	4,504,858
Net (Gain) Loss on Disposal of Tangible Capital Assets	(3,569)	267,318
Write-Down of Tangible Capital Assets (Schedule C)	-	1,045
Total Non-Cash Items Included in Surplus	4,655,067	4,773,221

Saskatchewan Rivers School Division No. 119
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2012

	2012	2011
		(Note 19)
Net Change in Non-Cash Operating Activities:		
(Increase) Decrease in Accounts Receivable	(2,451,820)	1,509,339
(Decrease) in Provincial Grant Overpayment	-	(923,019)
(Decrease) Increase In Accounts Payable and Accrued Liabilities	(1,986,139)	1,393,234
Increase in Liability for Employee Future Benefits	254,600	135,700
(Decrease) Increase in Deferred Revenue	(607,707)	626,772
(Increase) Decrease in Inventory of Supplies for Consumption	(11,993)	2,030
(Increase) in Prepaid Expenses	(6,525)	(16,152)
Total Net Change in Non-Cash Operating Activities	(4,809,584)	2,727,904

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2012

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.

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 (Note 16).

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$2,406,900 (2011 - \$2,152,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$20,811,672 (2011 - \$21,095,812) because final tax assessments 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.

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.

d) Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and long-term debt. 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.

e) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

f) 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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

g) 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.

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 capital loans 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) 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.

i) 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)

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, 2012 was \$0 (August 31, 2011 - \$0).

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	\$ 184,517	\$ 379,140	\$ -	\$ -	\$ 589,695	\$ 563,657	\$ 537,725
Administration	1,593,990	421,859	-	114,606	2,177,615	2,130,455	1,868,715
Instruction	60,383,712	4,307,668	-	1,424,589	64,789,831	66,115,969	63,519,743
Plant	4,498,056	3,739,420	-	2,343,522	11,376,263	10,580,998	10,725,177
Transportation	2,929,324	3,066,713	-	699,479	6,969,212	6,695,516	6,541,376
Tuition and Related Fees	-	62,481	-	-	133,446	62,481	82,089
School Generated Funds	-	2,080,672	-	57,978	2,246,209	2,138,650	2,149,028
Complementary Services	1,418,472	261,887	-	3,629	1,605,175	1,683,988	1,311,045
External Services	910,962	1,424,723	-	14,833	1,905,728	2,350,518	2,125,784
Other	-	(1,242,527)	79,773	-	71,757	(1,162,754)	372,005
TOTAL	\$ 71,919,033	\$ 14,502,036	\$ 79,773	\$ 4,658,636	\$ 91,864,931	\$ 91,159,478	\$ 89,232,687

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:

	2012	2011
	August 31, 2012	August 31, 2008
Actuarial valuation date:		
Long-term assumptions used:		
Salary escalation rate - teachers (percentage)	3.25%	3.30%
Salary escalation rate - non-teachers (percentage)	3.25%	3.20%
Discount rate (percentage)	2.70%	3.40%
Inflation rate (percentage)	2.25%	2.50%
Expected average remaining service life (years)	14	14
Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 2,316,000	\$ 1,964,600
Opening balance	\$ 2,316,000	\$ 2,167,200
Current period benefit cost	151,100	145,800
Interest cost	81,500	81,400
Benefit payments	(137,500)	(102,500)
Actuarial gains / losses	(183,500)	24,100
Plan amendment	179,300	-
Accrued Benefit Obligation - end of year	2,406,900	2,316,000
Unamortized Net Actuarial Loss	-	(163,700)
Liability for Employee Future Benefits	\$ 2,406,900	\$ 2,152,300
Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 151,100	\$ 145,800
Amortization of net actuarial gain / loss	12,700	11,000
Plan amendment	146,800	-
Benefit cost	310,600	156,800
Interest cost on unfunded employee future benefits obligation	81,500	81,400
Total Employee Future Benefits Expense	\$ 392,100	\$ 238,200

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 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:

	2012		
	STRP	STSP	TOTAL
Number of active School Division members	669	78	747
Member contribution rate (percentage of salary)	7.80%	6.05%	
Member contributions for the year	\$ 3,640,594	\$ 262,187	\$ 3,902,781
	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

- 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.

6. PENSION PLANS (continued)

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:

	2012	2011
Number of active School Division members	619	608
Member contribution rate (percentage of salary)	7.40%	6.4% - 7.4%
School Division contribution rate (percentage of salary)	7.40%	6.4% - 7.4%
Member contributions for the year	\$ 1,378,639	\$ 1,252,427
School Division contributions for the year	\$ 1,378,639	\$ 1,252,427
Actuarial valuation date	Dec. 31, 2010	Dec. 31, 2010
Plan Assets (in \$1,000's)	\$ 1,404,006	\$ 1,404,006
Plan Liabilities (in \$1,000's)	\$ 1,344,380	\$ 1,344,380
Plan Surplus (Deficit) (in \$1,000's)	\$ 59,626	\$ 59,626

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:

	2012			2011		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable (Note 19)	Valuation Allowance	Net of Allowance (Note 19)
Taxes Receivable	\$ 3,274,570	\$ -	\$ 3,274,570	\$ 2,483,171	\$ 1,141,159	\$ 1,342,012
Provincial Grants Receivable	945,972	-	945,972	1,203,449	-	1,203,449
Other Receivables	1,393,944	-	1,393,944	718,973	101,768	617,205
Total Accounts Receivable	\$ 5,614,486	\$ -	\$ 5,614,486	\$ 4,405,593	\$ 1,242,927	\$ 3,162,666

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2012	2011
		(Note 19)
Accrued Salaries and Benefits	\$ 91,916	\$ 1,311,708
Supplier Payments	1,872,327	1,457,139
Other - debenture principal & interest, GST payable	47,586	44,472
Total Accounts Payable and Accrued Liabilities	\$ 2,011,829	\$ 2,813,319

9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2012	2011
Capital Loans:	Vincent Massey School Loan	\$ -	\$ 324,420
	School Retro-fit Project Loan	1,301,200	1,626,500
Total Long Term Debt		\$ 1,301,200	\$ 1,950,920

Principal repayments over the next 4 years are estimated as follows:

	Capital Loans	Total
2013	325,300 \$	325,300
2014	325,300	325,300
2015	325,300	325,300
2016	325,300	325,300
Total	\$ 1,301,200	\$ 1,301,200

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

	Capital Loans	2012	2011
Principal	\$ 649,720	\$ 649,720	\$ 649,730
Interest	77,773	77,773	143,475
Total	\$ 727,493	\$ 727,493	\$ 793,205

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

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.

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2011	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2012
Capital projects:				
Federal Capital Tuition	\$ 1,436,972	\$ 147,094	\$ 859,998	\$ 724,068
Friday Night Lights	-	519,115	338,771	180,344
Proceeds from Sale of School Buildings	342,711	-	-	342,711
Total capital projects deferred revenue	\$ 1,779,683	\$ 666,209	\$ 1,198,769	\$ 1,247,123
Other deferred revenue				
Tax Liability	\$ 298,058	\$ 152,651	\$ 298,058	\$ 152,651
Other Grant - Kidsfirst, Nutrition, other	961,031	1,342,354	1,272,094	1,031,291
Total other deferred revenue	\$ 1,259,089	\$ 1,495,005	\$ 1,570,152	\$ 1,183,942
Total Deferred Revenue	\$ 3,038,772	\$ 2,161,214	\$ 2,768,921	\$ 2,431,065

11. 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 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Program	Other Programs	2012
Revenue:			
Operating Grants	\$ 1,443,012	\$ -	\$ 1,443,012
Fees and Other Revenue	20,566	236,309	256,875
Total Revenue	1,463,578	236,309	1,699,887
Expenses:			
Salaries & Benefits	1,257,984	160,488	1,418,472
Instructional Aids	87,200	-	87,200
Professional Development	952	-	952
Non-Capital Equipment	-	-	-
Building Operating Expenses	-	171,016	171,016
Contracted Transportation & Allowances	2,719	-	2,719
Amortization of Tangible Capital Assets	-	3,629	3,629
Total Expenses	1,348,855	335,133	1,683,988
Excess (Deficiency) of Revenue over Expenses	\$ 114,723	\$ (98,824)	\$ 15,899

Pre-K

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

12. 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 2012:

12. EXTERNAL SERVICES (continued)

Summary of External Services Revenues and Expenses, by Program	Kids First	Eagle's Nest	Cafeteria	Other Programs	2012	2011
Revenue:						
Operating Grants	\$ 1,267,819	\$ 443,550	\$ -	\$ 385,892	\$ 2,097,261	\$ 1,865,955
Fees and Other Revenue	204	-	55,501	30,296	86,001	86,823
Total Revenue	1,268,023	443,550	55,501	416,188	2,183,262	1,952,778
Expenses:						
Salaries & Benefits	396,999	256,876	148,002	109,085	910,962	745,319
Instructional Aids	40,204	6,424	-	33,774	80,402	57,783
Supplies and Services	747,560	144,678	-	283,587	1,175,825	1,213,215
Non-Capital Equipment	2,093	1,630	5,364	24,058	33,145	2,394
Building Operating Expenses	1,152	30,320	-	-	31,472	1,426
Communications	12,779	1,401	-	865	15,045	11,336
Travel	1,234	452	-	6,485	8,171	12,505
Professional Development	37,501	1,702	-	8,967	48,170	26,776
Contacted Transportation & Allowances	28,501	67	-	3,925	32,493	40,197
Amortization of Tangible Capital Assets	-	-	-	14,833	14,833	14,833
Total Expenses	1,268,023	443,550	153,366	485,579	2,350,518	2,125,784
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ (97,865)	\$ (69,391)	\$ (167,256)	\$ (173,006)

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.

13. 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.

13. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

	2012	2011
	(Note 19)	
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 61,237,051	\$ 57,895,713
Less: Debt owing on Tangible Capital Assets	1,301,200	1,950,920
	<u>59,935,851</u>	<u>55,944,793</u>
S.286 pre-April 2009 capital reserves from prior years' operating surpluses	<u>\$ 3,488,110</u>	<u>\$ 3,488,110</u>
Internally Restricted Surplus:		
Capital projects:		
Communications/Technology	\$ 509,168	\$ 509,168
Equipment Replacement	393,454	393,454
Facilities	526,361	1,500,000
Office Facility	-	2,130,000
Rental of Track Equipment	128,393	113,393
Transportation	254,046	254,046
Track Facility	135,000	90,000
	<u>\$ 1,946,422</u>	<u>\$ 4,990,061</u>
Other:		
Consultant Professional Development	\$ 15,053	\$ 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	1,070,005	1,009,680
	<u>\$ 3,956,405</u>	<u>\$ 3,884,740</u>
Unrestricted Surplus	<u>\$ 15,781,229</u>	<u>\$ 11,439,610</u>
Total Accumulated Surplus	<u>\$ 85,108,017</u>	<u>\$ 79,747,314</u>

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.

13. ACCUMULATED SURPLUS (continued)

Internally restricted surplus

The purpose and nature of each Internally Restricted Surplus amount is as follows:

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.

14. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on June 6, 2011 and the Minister of Education on August 31, 2011.

15. 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.

	2012	2011
		(Note 19)
Revenues:		
Community Initiatives Fund	\$ 90,955	\$ 58,715
Ministry of Education	68,283,950	63,179,475
Prince Albert Roman Catholic Separate School Division No. 6	149,495	40,701
Other	21,861	23,906
	\$ 68,546,261	\$ 63,302,797
Expenses:		
Living Sky School Division No. 202	\$ 53,481	\$ 57,842
Prince Albert Parkland Health Region	76,736	54,085
Saskatchewan Government Insurance	90,391	86,359
Saskatchewan Power Corporation	963,027	997,881
Saskatchewan Telecommunications Holding Corporation	282,933	230,847
Saskatchewan Workers' Compensation Board	382,141	304,825
SaskEnergy Incorporated	834,628	1,152,059
Other	30,533	28,264
	\$ 2,713,870	\$ 2,912,162
Accounts Receivable:		
Ministry of Education	\$ 1,521,113	\$ 1,242,651
Other	7,798	-
	\$ 1,528,911	\$ 1,242,651
Prepaid Expenses:		
Saskatchewan Workers' Compensation Board	\$ 127,251	\$ 101,550
	\$ 127,251	\$ 101,550
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ -	\$ 96,329
Saskatchewan Telecommunications Holding Corporation	110,849	54,526
SaskEnergy Incorporated	-	6,161
Other	-	2,920
	\$ 110,849	\$ 159,936
Deferred Revenue:		
Community Initiatives Fund	\$ 23,682	\$ 35,051
Ministry of Education	879,487	800,986
Other Provincial Grants	40,046	42,934
	\$ 943,215	\$ 878,971

15. RELATED PARTIES (continued)

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.

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$5,285,973 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, 2012	\$ 5,285,973
Less: Amounts reported in financial statements	670,341
Unrecorded Balance of approved capital transfers	\$ <u>4,615,632</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.

16. 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.

16. **TRUSTS (continued)**

Information about these trusts is as follows:

	Charity	Scholarships	Total December 31, 2011	Total December 31, 2010
Cash and short term investments	\$ 26,886	\$ 38,401	\$ 65,287	\$ 77,481
Short term investments	-	10,747	10,747	11,168
Long term investments	-	-	-	-
Total Assets	\$ 26,886	\$ 49,148	\$ 76,034	\$ 88,649
Revenues				
Contributions and donations	\$ 54,190	\$ 15,500	\$ 69,690	\$ 52,681
Interest on investments	388	628	1,016	1,570
	54,578	16,128	70,706	54,251
Expenses				
In-kind & school expenditures	57,394	-	57,394	42,121
Scholarships paid	-	25,927	25,927	10,564
	57,394	25,927	83,321	52,685
(Deficiency) Excess of Revenue over Expenses	(2,816)	(9,799)	(12,615)	1,566
Trust Fund Balance, Beginning of Year	32,502	56,147	88,649	87,083
Transfer From/To Scholarship Fund	(2,800)	2,800	-	-
Trust Fund Balance, End of Year	\$ 26,886	\$ 49,148	\$ 76,034	\$ 88,649

17. **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.

18. **CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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

- construction contract for the Support Services building project in the amount of \$196,838;
- construction contract for the Carlton Comprehensive High School gym project in the amount of \$14,470,285;
- construction contract for the Kinistino School fine arts and daycare project in the amount of \$77,245; and
- minimum future payments for operating copier leases of \$175,175.

19. **COMPARATIVE INFORMATION**

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

