



Ministry of
Education

Auditor's Report and Financial Statement

Of the Prairie South School Division No. 210

School Division No. 2100500

For the Period Ending: August 31, 2010

Bernard Girardin, MBA
Secretary Treasurer

Stark & Marsh LLP
Auditor

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

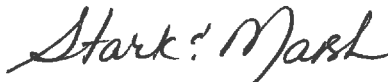
AUDITOR'S REPORT

The Board of Education of Prairie South School Division No. 210

We have audited the consolidated statement of financial position of Prairie South School Division No. 210 as at August 31, 2010 and the consolidated statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) and cash flows for the year then ended. These financial statements are the responsibility of the School Division's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2010, and the results of its operations and the changes in its accumulated surplus, net financial assets and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.



Chartered Accountants, LLP

Swift Current, Saskatchewan
October 20, 2010

Prairie South School Division No. 210
Consolidated Statement of Financial Position
as at August 31, 2010

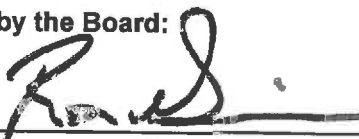
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	2010	2009
Financial Assets		
Cash	17,291,411	(Note 22) 13,235,488
Short Term Investments (Note 4)	1,531,165	2,080,459
Accounts Receivable (Note 9)	17,797,888	20,372,569
Inventories for Sale	2,453	2,453
Long Term Investments (Note 5)	234,681	237,816
Other Assets	18,290	36,692
Total Financial Assets	36,875,888	35,965,477
Liabilities		
Bank Indebtedness (Note 3)	-	-
Provincial Grant Overpayment	-	2,914,413
Accounts Payable and Accrued Liabilities (Note 10)	7,064,992	5,401,266
Short Term Loans	-	-
Long Term Debt (Note 12)	2,760,529	3,036,751
Liability for Employee Future Benefits (Note 7)	1,683,400	1,546,200
Deferred Revenue (Note 13)	2,226,816	5,512,822
Other Liabilities (Note 11)	4,781	518
Total Liabilities	13,740,518	18,411,970
Net Financial Assets (Net Debt)	23,135,370	17,553,507
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	48,753,074	45,195,106
Inventory of Supplies for Consumption	419,222	346,259
Prepaid Expenses	403,158	369,575
Total Non-Financial Assets	49,575,454	45,910,940
Accumulated Surplus (Deficit) (Note 16)	72,710,824	63,464,447


Contingent Liabilities (Note 20)
 Contractual Obligations and Commitments (Note 21)

The accompanying notes are an integral part of these statements

Approved by the Board:



Chairperson



Secretary-Treasurer

Prairie South School Division No. 210
Consolidated Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
REVENUES	(Note 17)		(Note 22)
Property Taxation	29,968,932	32,823,838	37,325,725
Grants	51,376,280	47,817,270	37,961,858
Tuition and Related Fees	72,960	90,616	68,344
School Generated Funds	-	1,286,340	1,523,276
Complementary Services (Note 14)	233,778	397,070	793,814
External Services (Note 15)	3,277,466	3,686,977	3,307,248
Other	154,800	626,902	576,033
Total Revenues (Schedule A)	85,084,216	86,729,013	81,556,298
EXPENSES			
Governance	586,233	533,440	405,841
Administration	1,631,131	1,495,752	1,375,333
Instruction	53,686,766	51,662,375	51,689,810
Plant	13,871,478	11,467,321	10,928,525
Transportation	6,414,925	6,055,549	5,147,960
Tuition and Related Fees	135,000	97,500	78,198
School Generated Funds	-	1,322,982	1,507,103
Complementary Services (Note 14)	1,737,008	1,464,706	1,353,692
External Services (Note 15)	3,303,747	3,728,058	3,329,357
Other Expenses	246,325	(345,047)	93,583
Total Expenses (Schedule B)	81,612,613	77,482,636	75,909,402
Surplus (Deficit) for the Year	3,471,603	9,246,377	5,646,896
Accumulated Surplus (Deficit), Beginning of Year	63,464,447	63,464,447	57,817,551
Accumulated Surplus (Deficit), End of Year	66,936,050	72,710,824	63,464,447

The accompanying notes are an integral part of these statements

Prairie South School Division No. 210
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 17)		
Net Financial Assets (Net Debt), Beginning of Year	17,553,507	17,553,507	14,040,294
Changes During the Year:			
Surplus (Deficit) for the Year	3,471,603	9,246,377	5,646,896
Acquisition of Tangible Capital Assets (Schedule C)	(6,759,335)	(6,959,530)	(4,824,528)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		135,625	8,150
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		(91,609)	(8,150)
Net Write-Down of Tangible Capital Assets (Schedule C)		-	-
Amortization of Tangible Capital Assets (Schedule C)	3,346,952	3,357,546	3,085,810
Net Acquisition of Inventory of Supplies		(72,963)	(346,259)
Net Acquisition of Prepaid Expenses		(33,583)	(48,706)
Change in Net Financial Assets / Net Debt	59,220	5,581,863	3,513,213
Net Financial Assets (Net Debt), End of Year	17,612,727	23,135,370	17,553,507

The accompanying notes are an integral part of these statements

Prairie South School Division No. 210
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	9,246,377	5,646,896
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,265,937	3,077,660
Net Change in Non-Cash Operating Activities (Schedule E)	(1,908,693)	7,541,540
Cash Provided (Used) by Operating Activities	10,603,621	16,266,096
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,959,530)	(4,824,528)
Proceeds on Disposal of Tangible Capital Assets	135,625	8,150
Cash Provided (Used) by Capital Activities	(6,823,905)	(4,816,378)
INVESTING ACTIVITIES		
Cash Used to Acquire Long Term Investments	(1,365)	-
Proceeds on Disposal of Long Term Investments	4,500	1,998,881
Cash Provided (Used) by Investing Activities	3,135	1,998,881
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	-	-
Repayment of Long Term Debt	(276,222)	(263,249)
Cash Provided (Used) by Financing Activities	(276,222)	(263,249)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,506,629	13,185,350
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,315,947	2,130,597
CASH AND CASH EQUIVALENTS, END OF YEAR	18,822,576	15,315,947
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	17,291,411	13,235,488
Short Term Investments	1,531,165	2,080,459
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	18,822,576	15,315,947

The accompanying notes are an integral part of these statements

Prairie South School Division No. 210
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Property Taxation Revenue	(Note 17)		(Note 22)
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	29,968,932	32,034,474	36,048,014
Revenue from Supplemental Levies	-	96,905	327,684
Total Property Tax Revenue	29,968,932	32,131,379	36,375,698
Grants in Lieu of Taxes:			
Federal Government	-	733,641	507,821
Provincial Government	-	297,605	453,417
Railways	-	481,227	450,663
Other	-	290,526	336,709
Total Grants in Lieu of Taxes	-	1,802,999	1,748,610
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	2,119	4,401
House Trailer Fees	-	124,129	112,382
Total Other Tax Revenues	-	126,248	116,783
Additions to Levy:			
Penalties	-	298,886	384,611
Other	-	22,817	107,134
Total Additions to Levy	-	321,703	491,745
Deletions from Levy:			
Discounts	-	(1,034,542)	(1,062,464)
Cancellations	-	(220,492)	(196,121)
Other Deletions	-	(303,457)	(148,526)
Total Deletions from Levy	-	(1,558,491)	(1,407,111)
Total Property Taxation Revenue	29,968,932	32,823,838	37,325,725
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	47,409,032	45,134,462	26,368,287
Education Property Tax Credit	-	-	7,837,190
Other Ministry Grants	213,000	225,431	3,386,318
Total Ministry Grants	47,622,032	45,359,893	37,591,795
Other Provincial Grants	23,248	34,546	30,132
Federal Grants	-	-	-
Grants from Others	-	9,455	4,700
Total Operating Grants	47,645,280	45,403,894	37,626,627
Capital Grants			
Ministry of Education Capital Grants	3,731,000	2,413,376	335,231
Other Capital Grants	-	-	-
Total Capital Grants	3,731,000	2,413,376	335,231
Total Grants	51,376,280	47,817,270	37,961,858

Prairie South School Division No. 210
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	22,960	38,752	26,180
Federal Government and First Nations	10,000	31,264	10,212
Individuals and Other	40,000	20,600	31,952
Total Tuition Fees	72,960	90,616	68,344
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	72,960	90,616	68,344
Capital Fees:			
Federal/First Nations Capital Fees	-	-	-
Total Capital Tuition and Fees	-	-	-
Total Tuition and Related Fees Revenue	72,960	90,616	68,344
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	-	94,779	155,485
Other	-	-	16,645
Total Curricular Fees	-	94,779	172,130
Non-Curricular Fees:			
Commercial Sales - GST	-	687,296	196,264
Commercial Sales - Non-GST	-	39,948	168,479
Fundraising	-	183,709	560,989
Grants and Partnerships	-	53,429	39,439
Students Fees	-	118,676	140,382
Other	-	108,503	245,593
Total Non-Curricular Fees	-	1,191,561	1,351,146
Total School Generated Funds Revenue	-	1,286,340	1,523,276
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	64,000	236,144	521,779
Ministry of Education Grants-Other	47,000	-	42,000
Other Provincial Grants	-	-	1,210
Federal Grants	122,778	131,073	156,064
Other Grants	-	29,853	72,761
Total Operating Grants	233,778	397,070	793,814
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	-	-	-
Total Fees and Other Revenue	-	-	-
Total Complementary Services Revenue	233,778	397,070	793,814

Prairie South School Division No. 210
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	3,195,966	3,195,966	3,074,449
Ministry of Education Grants-Other	-	-	8,696
Other Provincial Grants	55,000	101,211	80,587
Federal Grants	-	15,367	-
Other Grants	-	25,000	-
Total Operating Grants	3,250,966	3,337,544	3,163,732
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Transportation Fees	-	65,316	35,803
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	26,500	284,117	107,713
Total Fees and Other Revenue	26,500	349,433	143,516
Total External Services Revenue	3,277,466	3,686,977	3,307,248
Other Revenue			
Miscellaneous Revenue	7,800	365,858	257,039
Sales & Rentals	32,000	82,593	55,042
Investments	115,000	146,060	255,802
Gain on Disposal of Capital Assets	-	32,391	8,150
Total Other Revenue	154,800	626,902	576,033
TOTAL REVENUE FOR THE YEAR	85,084,216	86,729,013	81,556,298

Prairie South School Division No. 210
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 17)		(Note 22)
Governance Expense			
Board Members Expense	215,800	200,730	164,049
Conventions - Board Members	54,500	61,090	48,033
School Community Councils	41,750	30,776	23,367
Conventions - School Community Councils	-	-	-
Elections	60,000	43,073	-
Other Governance Expenses	211,863	197,771	170,392
Amortization of Tangible Capital Assets	2,320	-	-
Total Governance Expense	586,233	533,440	405,841
Administration Expense			
Salaries	972,795	959,417	872,502
Benefits	168,914	145,456	134,147
Supplies & Services	220,223	207,383	205,394
Non-Capital Furniture & Equipment	4,750	2,537	11,350
Building Operating Expenses	150,975	115,214	90,461
Communications	36,350	30,190	33,482
Travel	7,200	4,626	4,901
Professional Development	32,750	22,686	23,096
Amortization of Tangible Capital Assets	37,174	8,243	-
Total Administration Expense	1,631,131	1,495,752	1,375,333
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	37,505,785	36,347,991	34,777,697
Instructional (Teacher & LEADS Contract) Benefits	2,060,391	2,018,760	2,135,457
Program Support (Non-Teacher Contract) Salaries	7,002,753	7,036,782	6,960,421
Program Support (Non-Teacher Contract) Benefits	1,398,697	1,406,128	1,303,106
Instructional Aids	1,746,290	1,490,748	1,653,040
Supplies & Services	1,182,400	975,606	1,057,945
Non-Capital Furniture & Equipment	334,399	271,437	2,197,249
Communications	279,040	278,450	246,724
Travel	352,714	266,329	288,347
Professional Development	779,541	608,977	597,131
Student Related Expense	583,529	475,294	472,693
Amortization of Tangible Capital Assets	461,227	485,873	-
Total Instruction Expense	53,686,766	51,662,375	51,689,810

Prairie South School Division No. 210
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Plant Operation & Maintenance Expense			
Salaries	3,149,489	3,043,303	2,828,569
Benefits	611,940	583,583	527,091
Supplies & Services	85,750	164,845	63,517
Non-Capital Furniture & Equipment	15,000	15,139	148,144
Building Operating Expenses	7,910,170	5,515,589	4,199,565
Communications	13,325	11,619	13,851
Travel	58,000	48,096	51,605
Professional Development	17,000	11,166	10,373
Amortization of Tangible Capital Assets	2,010,804	2,073,981	3,085,810
Total Plant Operation & Maintenance Expense	13,871,478	11,467,321	10,928,525
Student Transportation Expense			
Salaries	2,855,009	2,767,618	2,716,629
Benefits	594,330	620,669	568,098
Supplies & Services	1,233,500	971,625	1,027,573
Non-Capital Furniture & Equipment	351,000	344,303	280,535
Building Operating Expenses	33,000	58,469	31,917
Communications	14,000	17,605	13,620
Travel	8,000	7,152	6,694
Professional Development	8,000	1,133	7,382
Allowances & Special Events Transportation	482,659	479,345	495,512
Amortization of Tangible Capital Assets	835,427	787,630	-
Total Student Transportation Expense	6,414,925	6,055,549	5,147,960
Tuition and Related Fees Expense			
Tuition Fees	135,000	97,500	78,198
Transportation Fees	-	-	-
Other Fees	-	-	-
Total Tuition and Related Fees Expense	135,000	97,500	78,198
School Generated Funds Expense			
Supplies & Services	-	8,050	49,059
Cost of Sales	-	599,442	330,677
Non-Capital Furniture & Equipment	-	-	110,188
Special Programs	-	108,052	51,559
School Fund Expenses	-	607,438	965,620
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	-	1,322,982	1,507,103

Prairie South School Division No. 210
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	686,554	559,030	451,828
Program Support (Non-Teacher Contract) Salaries & Benefits	673,404	564,120	513,707
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	-
Supplies & Services	183,050	210,666	183,094
Non-Capital Furniture & Equipment	-	-	15,469
Building Operating Expenses	-	-	-
Communications	4,500	4,433	9,674
Travel	52,000	40,088	43,885
Professional Development (Non-Salary Costs)	17,300	15,987	11,318
Student Related Expenses	120,200	68,563	124,717
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	1,819	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	1,737,008	1,464,706	1,353,692
External Service Expense			
Tuition Fees	-	-	773,952
Transportation Fees	-	-	-
Other Fees	737,269	745,300	-
Administration Salaries & Benefits	-	42,143	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	2,437,791	2,668,837	2,364,163
Program Support (Non-Teacher Contract) Salaries & Benefits	57,829	106,574	70,683
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	500	34,783	23,207
Instructional Aids	-	-	-
Supplies & Services	21,000	38,166	2,854
Non-Capital Furniture & Equipment	2,400	9,986	10,666
Building Operating Expenses	10,000	7,138	5,423
Communications	1,400	1,775	663
Travel	14,600	9,276	8,093
Professional Development (Non-Salary Costs)	20,958	12,273	7,206
Student Related Expenses	-	51,807	62,447
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	3,303,747	3,728,058	3,329,357

Prairie South School Division No. 210
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	106,000	3,727	4,688
Interest on Debentures			
School Facilities	-	-	-
Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
School Facilities	-	-	-
Other	140,325	140,322	140,895
Total Interest and Bank Charges	<u>246,325</u>	<u>144,049</u>	<u>145,583</u>
Loss on Disposal of Tangible Capital Assets	-	32,578	-
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectable Taxes	-	(521,674)	(52,000)
Total Other Expense	246,325	(345,047)	93,583
TOTAL EXPENSES FOR THE YEAR (Note 6)	81,612,613	77,482,636	75,909,402

Prairie South School Division No. 210

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

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1, 2009	1,748,184	363,311	84,093,425	1,831,635	11,450,569	566,946	6,022,993	457,861	96,370	1,863,938	108,495,232	103,842,566
Additions/Purchases			2,664,890		497,289	19,838	694,574	1,985,838	9,655	1,087,446	6,959,530	4,824,528
Disposals	(9,217)			(347,990)	(879,295)		(5,041,079)	(436,235)	(56,369)		(6,770,185)	(171,862)
Write-Downs											-	
Transfers to (from)			1,863,938							(1,863,938)	-	
Closing Balance as of August 31, 2010	1,738,967	363,311	88,622,253	1,483,645	11,068,563	586,784	1,676,488	2,007,464	49,656	1,087,446	108,684,577	108,495,232
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1, 2009		154,521	49,124,659	1,719,480	5,778,366	481,377	5,499,817	453,536	88,370		63,300,126	60,386,178
Amortization of the Period		17,210	1,876,487	15,288	785,526	29,902	189,389	441,813	1,931		3,357,546	3,085,810
Disposals				(313,191)	(879,295)		(5,041,079)	(436,235)	(56,369)		(6,726,169)	(171,862)
Write-Downs											-	
Transfers to (from)											-	
Closing Balance as of August 31, 2010	N/A	171,731	51,001,146	1,421,577	5,684,597	511,279	648,127	459,114	33,932	N/A	59,931,503	63,300,126
Net Book Value:												
Opening Balance as of September 1, 2009	1,748,184	208,790	34,968,766	112,155	5,672,203	85,569	523,176	4,325	8,000	1,863,938	45,195,106	43,456,388
Closing Balance as of August 31, 2010	1,738,967	191,580	37,621,107	62,068	5,383,966	75,505	1,028,361	1,548,350	15,724	1,087,446	48,753,074	45,195,106
Change in Net Book Value	(9,217)	(17,210)	2,652,341	(50,087)	(288,237)	(10,064)	505,185	1,544,025	7,724	(776,492)	3,557,968	1,738,718
Disposals:												
Historical Cost	9,217			347,990	879,295		5,041,079	436,235	56,369		6,770,185	171,862
Accumulated Amortization				313,191	879,295		5,041,079	436,235	56,369		6,726,169	171,862
Net Cost	9,217	-	-	34,799	-	-	-	-	-	-	44,016	-
Price of Sale	111,213			2,221	22,191						135,625	8,150
Gain/loss on Disposal	101,996	-	-	(32,578)	22,191	-	-	-	-	-	91,609	8,150
Less: Ministry Portion - Deferred Revenue	91,796										91,796	
School Division Gain/loss	10,200	-	-	(32,578)	22,191	-	-	-	-	-	(187)	8,150
Net Book Value (NBV) of Assets Pledged as Security for Debt												
							2,479,057				2,479,057	

Prairie South School Division No. 210
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	2009
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	3,357,546	3,085,810
Net (Gain) Loss on Disposal of Tangible Capital Assets	(91,609)	(8,150)
Write-Down of Tangible Capital Assets (Schedule C)	-	-
Total Non-Cash Items Included in Surplus / Deficit	3,265,937	3,077,660

Prairie South School Division No. 210
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	2009
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	2,574,681	(856,354)
Decrease (Increase) in Inventories for Sale	-	180
Decrease (Increase) in Other Assets	18,402	(200)
Increase (Decrease) in Provincial Grant Overpayment	(2,914,413)	383,307
Increase (Decrease) In Accounts Payable and Accrued Liabilities	1,663,726	1,061,678
Increase (Decrease) In Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	137,200	129,700
Increase (Decrease) in Deferred Revenue	(3,286,006)	7,218,194
Increase (Decrease) in Other Liabilities	4,263	-
Decrease (Increase) in Inventory of Supplies for Consumption	(72,963)	(346,259)
Decrease (Increase) in Prepaid Expenses	(33,583)	(48,706)
Total Net Change in Non-Cash Operating Activities	(1,908,693)	7,541,540

PRAIRIE SOUTH SCHOOL DIVISION NO. 210
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at August 31, 2010

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Prairie South School Division No 210” and operates as “the Prairie South School Division No. 210”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Province of Saskatchewan and a levy on the property assessment included in the school division’s boundaries at mill rates determined by the provincial government. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Reporting Entity and Consolidation

The consolidated financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity. The school division reporting entity is comprised of all the organizations which are controlled by the school division and the school division’s share of partnerships.

Controlled entities:

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

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

Controlled entities:

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

b) Trust Funds

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

Trust funds are not included in the consolidated financial statements as they are not controlled by the school division.

c) Basis of Accounting

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

d) Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

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

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

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

e) Financial Instruments

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

f) Financial Assets

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

Short-Term Investments consist of highly liquid securities made to obtain a return on a temporary basis with maturity terms of less than three months. Short-term investments are recorded at the lower of cost or market.

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.

Inventories for Sale consist of school clothing held at the school level which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Long-Term Investments consist of guaranteed investment certificates and are carried at amortized cost. Bond premiums and discounts are amortized to income over the period remaining from the acquisition date to the date of bond maturity. Where there has been a permanent impairment in value of a long-term investment, the investment is written down to reflect the loss in value.

Other Assets consist of unrealized equity in Saskatchewan co-operatives and credit unions of the school division.

g) **Non Financial Assets**

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

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

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware	4 years
Computer software and technology equipment	5 years
Leased capital assets	Lease term

Assets that have an 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 goods or services such as Saskatchewan School Board Association fees; building, vehicle and liability insurance; Workers' Compensation fees; professional development which will provide economic benefits in one or more future periods.

h) Liabilities

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

Short Term Borrowings are comprised of bank indebtedness and short-term loans with initial maturities of one year or less and are incurred for the purpose of financing current expenditures in accordance with the provisions of *The Education Act, 1995*.

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

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and

mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

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

Deferred revenue represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. Also included is property tax received above 8/12th of the assessed levy for the current calendar year. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

Other Liabilities are comprised of funds held on behalf of staff groups within the school division.

i) Employee Pension Plans

Employees of the school division participate in the following pension plans:

Multi-Employer Defined Benefit Plans

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

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

j) Revenue Recognition

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

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

The school division's two major sources of revenues are provincial grants and property taxation.

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis (prior to April 1, 2009 - 10 month basis), with 1/12th of the grant recognized as revenue each month (prior to April 1, 2009 – recognized at 1/10th per month with no grant being recognized for the months of July and August).

Capital grants are recognized over the course of the construction project as the entitlement to the grant is earned and the amount is measurable. Restricted grants received, but not yet earned, are recorded as deferred revenue.

ii) Property taxation:

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

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

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$15,000,000 that bears interest at Bank prime rate minus 0.25% per annum. This line of credit is authorized by a

borrowing resolution by the board of education and is secured by property taxes and operating grants receivable. The balance drawn on the line of credit at August 31, 2010 was \$0.00. (August 31, 2009 - \$0.00).

4. **SHORT-TERM INVESTMENTS**

Short-term investments consist of marketable securities and guaranteed investment certificates with maturities of three months or less. Due to the short-term nature of the investments, market value approximates cost.

5. **LONG-TERM INVESTMENTS**

Long-Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2010	2009	2010	2009
Commercial Mortgage Backed Bond	\$ 199,986	\$ 199,986	\$ 201,090	\$ 196,820
Conexus Credit Union GIC	2,465	2,424	2,465	2,424
CIBC Flexible GIC	28,880	27,555	28,880	27,555
Conexus Credit Union GIC	3,000	3,000	3,000	3,000
Innovation Credit Union Equity Fund	350	350	350	350
Laflech Credit Union GIC	-	4,501	-	4,501
Total Long Term Investments	\$ 234,681	\$ 237,816	\$ 235,785	\$ 234,650

6. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ 200,730	\$ 332,710	\$ -	\$ -	\$ 586,233	\$ 533,440	\$ 405,841
Administration	1,104,873	382,636	-	8,243	1,631,131	\$ 1,495,752	\$ 1,375,333
Instruction	46,809,661	4,366,841	-	485,873	53,686,766	\$ 51,662,375	\$ 51,689,810
Plant	3,626,886	5,766,454	-	2,073,981	13,871,478	\$ 11,467,321	\$ 10,928,525
Transportation	3,388,287	1,879,632	-	787,630	6,414,925	\$ 6,055,549	\$ 5,147,960
Tuition and Related Fees	-	97,500	-	-	135,000	\$ 97,500	\$ 78,198
School Generated Funds	-	1,322,982	-	-	-	\$ 1,322,982	\$ 1,507,103
Complementary Services	1,123,150	339,737	-	1,819	1,737,008	\$ 1,464,706	\$ 1,353,692
External Services	2,852,337	875,721	-	-	3,303,747	\$ 3,728,058	\$ 3,329,357
Other	-	(485,369)	140,322	-	246,325	\$ (345,047)	\$ 93,583
TOTAL	\$ 59,105,924	\$ 14,878,844	\$ 140,322	\$ 3,357,546	\$ 81,612,613	\$ 77,482,636	\$ 75,909,402

7. 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, severance, vested sick leave severance, and accumulated vacation leave. Significant assumptions include harmonization of demographic assumptions with appropriate pension plans employees contribute to. Assumptions regarding the build up and usage of certain benefits have been based on past history within the school division of the usage of those benefits as well as the experience and expertise of the actuarial firm, Mercer (Canada) Limited. The discount rate has been determined based on the Province of Saskatchewan's borrowing costs for durations similar to the benefit obligation as provided by the Ministry of Finance. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Consolidated Statement of Financial Position.

Details of the employee future benefits are as follows:

	<u>2010</u>	<u>2009</u>
	31-Aug-10	31-Aug-09
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate (percentage)	4.2 - 7.9%	4.2 - 7.9%
Discount rate (percentage)	3.60%	4.10%
Expected average remaining service life (years)	12	12

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	\$ 1,590,900	\$ 1,416,500
Current period benefit cost	143,800	134,300
Interest cost	69,500	66,700
Benefit payments	(79,800)	(71,300)
Actuarial gains / losses	83,700	44,700
Plan amendments		
Accrued Benefit Obligation - end of year	1,808,100	1,590,900
Unamortized Net Actuarial Gains / Losses	(124,700)	(44,700)
Liability for Employee Future Benefits	\$ 1,683,400	\$ 1,546,200

Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 143,800	\$ 134,300
Amortization of net actuarial gain / loss	3,700	
Plan amendments		
Benefit cost	147,500	134,300
Interest cost on unfunded employee future benefits obligation	69,500	66,700
Total Employee Future Benefits Expense	\$ 217,000	\$ 201,000

8. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the school division contributes is as follows:

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

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

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

Details of the contributions to these plans for the school division's employees are as follows:

	2010			2009
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	575	90	665	693
Member contribution rate (percentage of salary)	7 - 9%	6.05 - 7.85%	6.05 - 9%	6.05 - 9%
Member contributions for the year	\$ 2,567,919	\$ 350,894	\$ 2,918,813	\$ 2,810,423

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2010	2009
Number of active School Division members	578	521
Member contribution rate (percentage of salary)	6.40%	5.40%
School Division contribution rate (percentage of salary)	6.40%	5.40%
Member contributions for the year	\$ 795,468	\$ 666,337
School Division contributions for the year	\$ 795,468	\$ 666,337
Valuation date	31-Dec-09	31-Dec-08
Plan Assets	\$1,284,959,000	\$1,150,748,000
Plan Liabilities	\$1,233,841,000	\$1,215,639,000
Plan Surplus (Deficit)	\$ 51,118,000	\$ (64,891,000)

9. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Consolidated Statement of Financial Position are net of any valuation allowances for doubtful

accounts. Details of account receivable balances and allowances are as follows:

	2010			2009		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 16,397,845	\$ 1,403,326	\$ 14,994,519	\$ 17,977,065	\$ 1,925,000	\$ 16,052,065
Provincial Grants Receivable	1,965,809	-	1,965,809	3,590,086	-	3,590,086
Other Receivables	837,560	-	837,560	730,418	-	730,418
Total Accounts Receivable	\$ 19,201,214	\$ 1,403,326	\$ 17,797,888	\$ 22,297,569	\$ 1,925,000	\$ 20,372,569

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ 2,554,168	\$ 2,292,174
Supplier Payments	3,878,839	2,549,912
Construction Contract Holdbacks, and other contractual liabilities	631,985	559,180
Total Accounts Payable and Accrued Liabilities	\$ 7,064,992	\$ 5,401,266

11. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2010	2009
Staff funds	4,781	518
Total Other Liabilities	\$ 4,781	\$ 518

12. LONG-TERM DEBT

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

		2010	2009
Capital Loans::	CIBC	3,036,751	3,300,000
	Principal repaid	(276,222)	(263,249)
		2,760,529	3,036,751
Total Long Term Debt		\$ 2,760,529	\$ 3,036,751

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

	Capital Loans		Total
2011	\$ 289,834	\$	289,834
2012	304,117		304,117
2013	319,103		319,103
2014	334,828		334,828
2015	381,376		381,376
Thereafter	1,131,271		1,131,271
Total	\$ 2,760,529	\$	2,760,529

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

	Capital Loans		2010		2009
Principal	\$ 276,222	\$	276,222	\$	263,249
Interest	140,322		140,322		140,895
Total	\$ 416,544	\$	416,544	\$	404,144

13. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance	Additions	Revenue	Balance
	as at	during the	recognized	as at
	Aug. 31, 2009	Year	in the Year	Aug. 31, 2010
<i>Property Tax</i>	\$ 4,964,153	\$ 1,698,690	\$ 4,964,153	\$ 1,698,690
<i>Sale of Capital Assets</i>	355,587	68,462	120,026	304,023
<i>Rentals, Tuition & Donations</i>	31,894	819	31,894	819
<i>Educational programs</i>	118,997	93,985	118,997	93,985
<i>Technology Grant</i>	42,191	-	-	42,191
<i>Auditorium improvement</i>	-	12,152	-	12,152
<i>Peacock Gym Floor</i>	-	74,956	-	74,956
Total Deferred Revenue	\$ 5,512,822	\$ 1,949,064	\$ 5,235,070	\$ 2,226,816

14. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Understanding Early Years	Community Schools	2010	2009
Revenue:						
Grants	\$ 64,000	\$ 29,853	\$ 131,073	\$ 172,144	\$ 397,070	\$ 793,814
Tuition and Related Fees	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Sales and Rentals	-	-	-	-	-	-
Total Revenue	64,000	29,853	131,073	172,144	397,070	793,814
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	516,104	379,581	70,011	157,454	1,123,150	965,735
Instructional Aids	-	-	-	-	-	-
Supplies and Services	346	148,979	61,341	-	210,666	182,662
Non-Capital Equipment	-	-	-	-	-	15,468
Building Operating Expenses	1,819	-	-	-	1,819	-
Communications	-	3,526	907	-	4,433	9,675
Travel	1,043	36,251	2,794	-	40,088	44,118
Professional Development	837	8,282	6,868	-	15,987	11,317
Student Related Expenses	284	53,289	-	14,990	68,563	124,717
Contacted Transportation & Allowances	-	-	-	-	-	-
Total Expenses	520,433	629,908	141,921	172,444	1,464,706	1,353,692
Excess (Deficiency) of Revenue over Expenses	\$ (456,433)	\$ (600,055)	\$ (10,848)	\$ (300)	\$ (1,067,636)	\$ (559,878)

15. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Extended Transitions	Food Services	Cognitive Disability Strategies	Other	2010	2009
Revenue:							
Grants	\$ 3,195,966	\$ 98,589	\$ -	\$ 42,989	\$ -	3,337,544	\$ 3,163,733
Tuition and Related Fees	-	-	-	-	-	-	\$ -
Miscellaneous Revenue	-	-	-	-	250,351	250,351	\$ -
Sales and Rentals	-	-	81,613	-	17,469	99,082	\$ 143,515
Total Revenue	3,195,966	98,589	81,613	42,989	267,820	3,686,977	3,307,248
Expenses:							
Other Related Fees	745,300	-	-	-	-	745,300	773,952
Salaries & Benefits	2,443,409	84,836	61,628	39,188	223,276	2,852,337	2,458,052
Instructional Aids	-	-	-	-	-	-	-
Supplies and Services	-	16,913	-	305	20,948	38,166	2,853
Non-Capital Equipment	-	400	-	-	9,586	9,986	10,666
Building Operating Expenses	-	600	-	-	6,538	7,138	5,423
Communications	-	1,223	-	552	-	1,775	664
Travel	-	7,692	-	1,584	-	9,276	8,093
Professional Development	7,257	3,989	-	1,027	-	12,273	7,207
Student Related Expenses	-	-	51,474	333	-	51,807	62,447
Contacted Transportation & Allowances	-	-	-	-	-	-	-
Total Expenses	3,195,966	115,653	113,102	42,989	260,348	3,728,058	3,329,357
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ (17,064)	\$ (31,489)	\$ -	\$ 7,472	\$ (41,081)	\$ (22,109)

16. 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, such as school generated funds, school budget carry forwards and capital reserves. These internally restricted amounts are included in the Accumulated Surplus presented in the Consolidated Statement of Financial Position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	2010	2009
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 48,753,074	\$ 45,195,106
Less: Debt owing on Tangible Capital Assets	2,760,529	3,036,751
	45,992,545	42,158,355
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures	796,798	-
School Community Council carryovers	11,071	-
School generated funds	792,610	829,255
School budget carryovers	404,293	193,023
	2,004,772	1,022,278
Unrestricted Surplus	24,713,507	20,283,814
Total Accumulated Surplus	\$ 72,710,824	\$ 63,464,447

17. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the board of education on August 18, 2009 and the Minister of Education on October 20, 2009. The budget approved by the board of education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform to the basis of accounting used to prepare the consolidated financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the board of education and Ministry of Education is as follows:

PRAIRIE SOUTH SCHOOL DIVISION NO. 210							
Convert Cash Budget to PSAB Budget							
For the period ending August 31, 2010							
	Budget	Less	Add	Add: PSAB		Gain(Loss)	PSAB
Description	2009-10	Capital Items	Amortization	Future Benefits	Transfers	On TCA	Budget
Property Taxation	29,968,932	-	-	-	-	-	29,968,932
Grants	54,572,246	-	-	-	(3,195,966)	-	51,376,280
Tuition and Related Fees	72,960	-	-	-	-	-	72,960
School Generated Funds (1)	-	-	-	-	-	-	-
Complementary Services	233,778	-	-	-	-	-	233,778
External Services	81,500	-	-	-	3,195,966	-	3,277,466
Other Revenue	154,800	-	-	-	-	-	154,800
Total Revenue	85,084,216	-	-	-	-	-	85,084,216
Governance	583,913	-	2,320	-	-	-	586,233
Administration	1,599,197	8,500	37,174	3,260	-	-	1,631,131
Instruction	55,129,394	2,043,035	461,227	139,180	-	-	53,686,766
Plant	16,026,709	4,215,800	2,010,804	49,765	-	-	13,871,478
Transportation	6,046,703	492,000	835,427	24,795	-	-	6,414,925
Tuition and Related Fees	135,000	-	-	-	-	-	135,000
School Generated Funds (1)	-	-	-	-	-	-	-
Complementary Services	1,737,008	-	-	-	-	-	1,737,008
External Services	3,303,747	-	-	-	-	-	3,303,747
Other Expenses	246,325	-	-	-	-	-	246,325
Total Expenses	84,807,996	6,759,335	3,346,952	217,000	-	-	81,612,613

18. RELATED PARTIES

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

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$3,575,608 (2009: \$4,200,113) of which \$ 228,175 (2009: \$ 208,403) was payable at August 31, 2010.

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

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

The Ministry of Education has approved \$3,052,108 in capital transfers to the school division. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. Accordingly, these capital transfers have not been reflected in the financial statements, as follows:

Total Ministry Obligation at August 31, 2010	\$	3,052,108
Less: Amounts reported in financial statements		<u>1,589,652</u>
Equals: Unrecorded balance	\$	1,462,456

19. TRUSTS

The school division, as the trustee, administers trust funds for banked salary for teacher deferred salary leaves, legacy scholarship, and other scholarships entrusted to the school division by individuals. The trust assets and transactions are not included in the consolidated financial statements.

Information about these trusts is as follows:

	Scholarship		Deferred Salaries		Total	Total
	2010	2009	2010	2009	2010	2009
Cash and short-term investments	\$ 63,481	\$ 58,104	\$ 29,984	\$ -	\$ 93,465	\$ 58,104
Portfolio investments	233,010	231,136	-	-	\$ 233,010	\$ 231,136
Total Assets	\$ 296,491	\$ 289,240	\$ 29,984	\$ -	\$ 326,475	\$ 289,240
Revenues						
Contributions and donations	\$ 16,096	\$ 4,912	\$ 29,984	\$ 856	\$ 46,080	\$ 5,768
Interest on investments	4,901	8,147	-	-	13,048	8,147
	<u>20,997</u>	<u>13,059</u>	<u>29,984</u>	<u>856</u>	<u>59,128</u>	<u>13,915</u>
Expenses						
Materials and supplies	15,497	12,397	-	101,856	15,497	114,253
	<u>15,497</u>	<u>12,397</u>	<u>-</u>	<u>101,856</u>	<u>15,497</u>	<u>114,253</u>
Excess of Revenue over Expenses	5,500	662	29,984	(101,000)	43,631	(100,338)
Trust Fund Balance, Beginning of Year	290,991	290,329	-	101,000	290,991	391,329
Trust Fund Balance, End of Year	\$ 296,491	\$ 290,991	\$ 29,984	\$ -	\$ 334,622	\$ 290,991

20. CONTINGENT LIABILITIES

Litigation:

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

Loan Guarantee:

The school division has guaranteed a loan on property currently owned by Cornerstone Christian School, an associate school of the school division, and the CIBC. The corresponding Title Transfer agreement with the school would provide the school division with the title to the educational real property of Cornerstone Christian School upon default of the loan.

The loan was first drawn on in 2002 and is for a 20-year term. The loan is repayable with equal monthly payments that include principal and corresponding interest amounts. The current interest rate is fixed until January 1, 2012 at which time the interest rate will be renegotiated.

The balance of the loan at August 31, 2010 is \$949,856 and the loan is in good standing.

21. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

Minimum future lease payments::			
	Copier		
	Leases	Total	
2011	\$ 6,987	\$	6,987
2012	-		-
Thereafter	-		-
Total	\$ 6,987	\$	6,987

22. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

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

Change in Financial Statement Presentation

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

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

- the former operating, capital and other funds have been consolidated into a single operating fund;
- tangible capital assets replace the former physical assets and are amortized;
- fund balances and equity in tangible capital assets have been consolidated into accumulated surplus (deficit);
- the consolidated statement of operations and accumulated surplus (deficit) has been amended for changes in the recording of tangible capital asset transactions (see below for details) and long-term capital debt issuance and repayment are no longer reported as revenues and expenses in the determination of surplus (deficit) for the year;
- a new consolidated statement of changes in net financial assets (net debt) which reports on the extent to which expenditures in the year have been met by revenues in the year, and explains the difference between surplus (deficit) for the year and the change in net debt in the year; and,
- changes to other statements to focus reporting around the concepts and objectives of the new model.

Tangible Capital Assets

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

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

This change has been applied retroactively with restatement of prior period comparative amounts. This change in accounting policy has changed amounts reported in the 2008-09 prior period as follows:

Tangible Capital Assets at August 31, 2009		
Tangible capital assets at cost as at August 31, 2009 - as previously reported		111,229,071
Tangible capital assets not previously capitalized		
Write-down of tangible capital assets		2,733,840
Tangible capital assets at cost as at August 31, 2009 - as restated		108,495,231
Accumulated amortization as at August 31, 2009 not previously reported		63,300,125
Tangible capital assets at net book value as at August 31, 2009 - as restated		45,195,106

2008-09 Surplus (deficit) for the year - as previously reported		\$ 3,644,928
Reverse repayment (issuance) of long term-debt as a charge to annual surplus		263,249
Tangible capital asset adjustments:		
Tangible capital assets capitalized but previously expensed	\$ 4,824,528	
Proceeds on disposals of tangible capital assets previously recorded as revenue	(8,150)	
Gain (loss) on disposals of tangible capital assets not previously recorded	8,150	
Write-down of tangible capital assets not previously recorded	-	
Amortization of tangible capital assets not previously recorded	(3,085,810)	
Total tangible capital asset adjustments		1,738,718
2008-09 Surplus (deficit) for the year - as restated		\$ 5,646,895

Accumulated surplus as at September 1, 2008 - as previously reported:		
Operating Fund Balance		\$ 14,122,510
Capital Fund Balance		3,538,654
Other Funds Balance		-
Equity in Physical Assets		103,265,342
Total accumulated surplus as at September 1, 2008 - as previously reported		120,926,506
Prior period adjustments - cumulative effect to September 1, 2008:		-
Tangible capital assets adjustments		(63,108,954)
Accumulated surplus as at September 1, 2008 - as restated		57,817,552
2008-09 surplus (deficit) for the year - as previously stated		3,644,928
Prior period adjustments to 2008-09 surplus (deficit) for the year:		
Net repayment (issuance) of long term debt		263,249
Tangible capital assets adjustments		1,738,718
Accumulated surplus as at August 31, 2009 - as restated		\$ 63,464,447

Deferred Revenue

Effective September 1, 2009 the school division changed the manner tax revenue was recorded. In prior years taxes levied for the period of September to December in the calendar year had been recorded in the school division's records as accounts receivable and deferred revenue.

This change has been applied retroactively with restatement of prior period comparative amounts.

23. COMPARATIVE INFORMATION

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