



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, 2011

Bernie Girardin, MBA
Chief Financial Officer

Stark & Marsh, Chartered Accountants LLP
Auditor

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



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Prairie South School Division No. 210:

We have audited the accompanying financial statements of Prairie South School Division No. 210, which comprise the statement of financial position as at August 31, 2011, and the statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) and changes in cash flow 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 organization'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 organization'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 Prairie South School Division No. 210 as at August 31, 2011, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Stark & Marsh
Chartered Accountants, LLP

Swift Current, Saskatchewan
December 13, 2011

Prairie South School Division No. 210
Statement of Financial Position
as at August 31, 2011

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	2011	Restated 2010
Financial Assets		
Cash and Cash Equivalents	24,146,102	17,291,411
Short Term Investments (Note 4)	1,558,637	1,540,270
Accounts Receivable (Note 9)	15,853,311	17,797,888
Inventories for Sale	2,366	2,453
Long Term Investments (Note 5)	255,313	266,971
Total Financial Assets	41,815,729	36,898,993
Liabilities		
Provincial Grant Overpayment	-	-
Accounts Payable and Accrued Liabilities (Note 10)	9,086,575	7,069,773
Long Term Debt (Note 11)	2,470,695	2,760,529
Liability for Employee Future Benefits (Note 7)	1,823,900	1,683,400
Deferred Revenue (Note 12)	2,908,253	2,226,816
Total Liabilities	16,289,423	13,740,518
Net Financial Assets (Net Debt)	25,526,306	23,158,475
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	51,865,356	48,753,074
Inventory of Supplies for Consumption	389,071	419,222
Prepaid Expenses	553,418	403,158
Total Non-Financial Assets	52,807,845	49,575,454
Accumulated Surplus (Deficit) (Note 15)	78,334,151	72,733,929

Contingent Liabilities (Note 19)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Prairie South School Division No. 210
Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
REVENUES	(Note 16)		
Property Taxation	32,315,180	30,901,626	32,823,838
Grants	45,551,779	49,370,472	47,817,270
Tuition and Related Fees	70,395	63,592	90,616
School Generated Funds	1,500,000	1,202,846	1,309,645
Complementary Services (Note 13)	47,000	708,135	397,070
External Services (Note 14)	3,260,134	3,540,382	3,686,977
Other	567,869	971,728	626,902
Total Revenues (Schedule A)	83,312,357	86,758,781	86,752,318
EXPENSES			
Governance	504,174	428,254	533,440
Administration	1,633,757	1,496,268	1,495,752
Instruction	54,045,244	52,557,104	51,662,375
Plant	12,480,116	13,516,069	11,467,321
Transportation	6,439,454	6,508,518	6,055,549
Tuition and Related Fees	110,000	109,125	97,500
School Generated Funds	1,500,000	1,195,440	1,323,182
Complementary Services (Note 13)	1,500,886	1,576,045	1,464,706
External Services (Note 14)	3,532,133	3,641,512	3,728,058
Other Expenses	156,710	130,224	(345,047)
Total Expenses (Schedule B)	81,902,474	81,158,559	77,482,836
Surplus (Deficit) for the Year	1,409,883	5,600,222	9,269,482
Accumulated Surplus (Deficit), Beginning of Year	72,733,929	72,733,929	63,464,447
Accumulated Surplus (Deficit), End of Year	74,143,812	78,334,151	72,733,929

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

Prairie South School Division No. 210
Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
	(Note 16)		
Net Financial Assets (Net Debt), Beginning of Year	23,158,475	23,158,475	17,553,507
Changes During the Year:			
Surplus (Deficit) for the Year	1,409,883	5,600,222	9,269,482
Acquisition of Tangible Capital Assets (Schedule C)	(4,732,175)	(7,447,698)	(6,959,530)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		667,801	135,625
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		(401,935)	(91,609)
Amortization of Tangible Capital Assets (Schedule C)	3,829,003	4,069,550	3,357,546
Net Acquisition of Inventory of Supplies		30,151	(72,963)
Net Acquisition of Prepaid Expenses		(150,260)	(33,583)
Change in Net Financial Assets / Net Debt	506,711	2,367,831	5,604,968
Net Financial Assets (Net Debt), End of Year	23,665,186	25,526,306	23,158,475

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

Prairie South School Division No. 210
Statement of Cash Flows
for the year ended August 31, 2011

	2011	Restated 2010
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	5,600,222	9,269,482
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,667,615	3,265,937
Net Change in Non-Cash Operating Activities (Schedule E)	4,663,294	(1,927,095)
Cash Provided (Used) by Operating Activities	13,931,131	10,608,324
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets (Schedule C)	(7,447,698)	(6,959,530)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	667,801	135,625
Cash Provided (Used) by Capital Activities	(6,779,897)	(6,823,905)
INVESTING ACTIVITIES		
Cash Used to Acquire Investments	(6,859)	(6,068)
Proceeds on Disposal of Investments	150	4,500
Cash Provided (Used) by Investing Activities	(6,709)	(1,568)
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(289,834)	(276,222)
Cash Provided (Used) by Financing Activities	(289,834)	(276,222)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,854,691	3,506,629
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,291,411	13,784,782
CASH AND CASH EQUIVALENTS, END OF YEAR	24,146,102	17,291,411
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	24,146,102	17,291,411
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	24,146,102	17,291,411

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

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	31,674,579	29,898,226	32,034,474
Revenue from Supplemental Levies	96,905	132,443	96,905
Total Property Tax Revenue	31,771,484	30,030,669	32,131,379
Grants in Lieu of Taxes:			
Federal Government	535,600	457,221	733,641
Provincial Government	356,545	353,720	297,605
Railways	441,831	430,850	481,227
Other	273,097	280,703	290,526
Total Grants in Lieu of Taxes	1,607,073	1,522,494	1,802,999
Other Tax Revenues:			
Treaty Land Entitlement - Rural	-	-	2,119
House Trailer Fees	111,565	96,937	124,129
Total Other Tax Revenues	111,565	96,937	126,248
Additions to Levy:			
Penalties	339,068	293,281	298,886
Other	10,110	15,029	22,817
Total Additions to Levy	349,178	308,310	321,703
Deletions from Levy:			
Discounts	(1,016,719)	(917,295)	(1,034,542)
Cancellations	(507,401)	(23,296)	(220,492)
Other Deletions	-	(116,193)	(303,457)
Total Deletions from Levy	(1,524,120)	(1,056,784)	(1,558,491)
Total Property Taxation Revenue	32,315,180	30,901,626	32,823,838
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	45,495,714	46,830,753	45,134,462
Other Ministry Grants	20,000	41,745	225,431
Total Ministry Grants	45,515,714	46,872,498	45,359,893
Other Provincial Grants	36,065	35,000	34,546
Grants from Others	-	4,448	9,455
Total Operating Grants	45,551,779	46,911,946	45,403,894
Capital Grants			
Ministry of Education Capital Grants	-	2,443,746	2,413,376
Other Capital Grants	-	14,780	-
Total Capital Grants	-	2,458,526	2,413,376
Total Grants	45,551,779	49,370,472	47,817,270

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	38,295	53,059	38,752
Federal Government and First Nations	10,700	10,533	31,264
Individuals and Other	21,400	-	20,600
Total Tuition Fees	70,395	63,592	90,616
Total Operating Tuition and Related Fees	70,395	63,592	90,616
Total Tuition and Related Fees Revenue	70,395	63,592	90,616
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	150,000	32,802	94,779
Other	10,000	-	-
Total Curricular Fees	160,000	32,802	94,779
Non-Curricular Fees:			
Commercial Sales - GST	195,000	758,802	687,296
Commercial Sales - Non-GST	165,000	20,785	39,948
Fundraising	560,000	137,556	207,013
Grants and Partnerships	40,000	60,189	53,429
Students Fees	140,000	116,074	118,676
Other	240,000	76,638	108,504
Total Non-Curricular Fees	1,340,000	1,170,044	1,214,866
Total School Generated Funds Revenue	1,500,000	1,202,846	1,309,645
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	533,717	236,144
Ministry of Education Grants-Other	-	6,000	-
Federal Grants	-	-	131,073
Other Grants	47,000	37,597	29,853
Total Operating Grants	47,000	577,314	397,070
Capital Grants			
Ministry of Education Capital Grants	-	84,000	-
Total Capital Grants	-	84,000	-
Fees and Other Revenue			
Other Revenue	-	46,821	-
Total Fees and Other Revenue	-	46,821	-
Total Complementary Services Revenue	47,000	708,135	397,070

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	3,119,314	3,119,314	3,195,966
Other Provincial Grants	59,020	49,112	101,211
Federal Grants	55,000	-	15,367
Other Grants	-	20,000	25,000
Total Operating Grants	3,233,334	3,188,426	3,337,544
Fees and Other Revenue			
Tuition and Related Fees	10,000	31,563	65,316
Gain on Disposal of Capital Assets	-	6,725	-
Other Revenue	16,800	313,668	284,117
Total Fees and Other Revenue	26,800	351,956	349,433
Total External Services Revenue	3,260,134	3,540,382	3,686,977
Other Revenue			
Miscellaneous Revenue	53,300	573,515	365,858
Sales & Rentals	32,000	62,074	82,593
Investments	105,000	334,929	146,060
Gain on Disposal of Capital Assets	377,569	1,210	32,391
Total Other Revenue	567,869	971,728	626,902
TOTAL REVENUE FOR THE YEAR	83,312,357	86,758,781	86,752,318

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Governance Expense			
Board Members Expense	207,711	186,404	200,730
Conventions - Board Members	46,980	46,356	61,090
School Community Councils	46,000	26,108	30,776
Elections	-	-	43,073
Other Governance Expenses	201,163	169,386	197,771
Amortization of Tangible Capital Assets	2,320	-	-
Total Governance Expense	504,174	428,254	533,440
Administration Expense			
Salaries	1,005,474	954,153	959,417
Benefits	180,034	154,968	145,456
Supplies & Services	212,098	190,802	207,383
Non-Capital Furniture & Equipment	3,835	7,148	2,537
Building Operating Expenses	123,200	102,260	115,214
Communications	38,175	34,610	30,190
Travel	4,250	6,515	4,626
Professional Development	21,567	17,781	22,686
Amortization of Tangible Capital Assets	45,124	28,031	8,243
Total Administration Expense	1,633,757	1,496,268	1,495,752
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	37,898,372	36,315,922	36,347,991
Instructional (Teacher & LEADS Contract) Benefits	2,095,675	2,139,279	2,018,760
Program Support (Non-Teacher Contract) Salaries	7,187,151	7,164,016	7,036,782
Program Support (Non-Teacher Contract) Benefits	1,497,599	1,497,991	1,406,128
Instructional Aids	1,374,530	1,637,511	1,490,748
Supplies & Services	1,141,006	996,643	975,606
Non-Capital Furniture & Equipment	244,638	228,140	271,437
Communications	283,323	270,555	278,450
Travel	336,824	260,568	266,329
Professional Development	631,119	650,042	608,977
Student Related Expense	517,901	475,368	475,294
Amortization of Tangible Capital Assets	837,106	921,069	485,873
Total Instruction Expense	54,045,244	52,557,104	51,662,375

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Plant Operation & Maintenance Expense			
Salaries	3,178,695	3,144,112	3,043,303
Benefits	720,942	607,038	583,583
Supplies & Services	86,750	154,832	164,845
Non-Capital Furniture & Equipment	15,000	16,318	15,139
Building Operating Expenses	6,233,385	7,246,057	5,515,589
Communications	38,200	9,356	11,619
Travel	48,000	68,919	48,096
Professional Development	9,360	13,570	11,166
Amortization of Tangible Capital Assets	2,149,784	2,255,867	2,073,981
Total Plant Operation & Maintenance Expense	12,480,116	13,516,069	11,467,321
Student Transportation Expense			
Salaries	3,029,580	2,832,240	2,767,618
Benefits	574,496	673,422	620,669
Supplies & Services	1,094,328	1,133,377	971,625
Non-Capital Furniture & Equipment	326,115	455,813	344,303
Building Operating Expenses	91,500	67,174	58,469
Communications	17,000	21,448	17,605
Travel	8,000	3,676	7,152
Professional Development	6,630	2,502	1,133
Contracted Transportation	497,136	456,103	479,345
Amortization of Tangible Capital Assets	794,669	862,763	787,630
Total Student Transportation Expense	6,439,454	6,508,518	6,055,549
Tuition and Related Fees Expense			
Tuition Fees	110,000	109,125	97,500
Total Tuition and Related Fees Expense	110,000	109,125	97,500
School Generated Funds Expense			
Supplies & Services	49,000	44,374	8,050
Cost of Sales	330,000	610,169	599,442
Non-Capital Furniture & Equipment	110,000	-	-
Special Programs	51,000	197,118	108,052
School Fund Expenses	960,000	343,779	607,638
Total School Generated Funds Expense	1,500,000	1,195,440	1,323,182

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Complementary Services Expense			
Tuition Fees	10,000	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	523,780	639,170	559,030
Program Support (Non-Teacher Contract) Salaries & Benefits	633,052	505,655	564,120
Supplies & Services	167,050	295,405	210,666
Communications	4,220	4,709	4,433
Travel	36,000	44,167	40,088
Professional Development (Non-Salary Costs)	4,524	7,345	15,987
Student Related Expenses	122,260	77,775	68,563
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	1,819	1,819
Total Complementary Services Expense	1,500,886	1,576,045	1,464,706
External Service Expense			
Other Fees	1,090,560	844,152	745,300
Administration Salaries & Benefits	-	51,061	42,143
Instructional (Teacher & LEADS Contract) Salaries & Benefits	2,264,133	2,506,173	2,668,837
Program Support (Non-Teacher Contract) Salaries & Benefits	92,647	130,150	106,574
Transportation Salaries & Benefits	-	20,131	34,783
Supplies & Services	24,810	6,314	38,166
Non-Capital Furniture & Equipment	2,400	10,245	9,986
Building Operating Expenses	10,000	7,050	7,138
Communications	2,050	1,762	1,775
Travel	22,210	4,528	9,276
Professional Development (Non-Salary Costs)	21,623	8,939	12,273
Student Related Expenses	1,700	51,007	51,807
Total External Services Expense	3,532,133	3,641,512	3,728,058

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	Restated 2010 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	30,000	3,514	3,727
Interest on Other Capital Loans and Long Term Debt			
Other	126,710	126,710	140,322
Total Interest and Bank Charges	<u>156,710</u>	<u>130,224</u>	<u>144,049</u>
Loss on Disposal of Tangible Capital Assets	-	-	32,578
Provision for Uncollectable Taxes	-	-	(521,674)
Total Other Expense	156,710	130,224	(345,047)
TOTAL EXPENSES FOR THE YEAR	81,902,474	81,158,559	77,482,836

Prairie South School Division No. 210
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2011

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2011	2010
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	1,738,967	363,311	88,622,253	1,483,645	11,088,563	586,764	1,676,488	2,007,464	49,656	1,087,446	108,684,577	108,495,232
Additions/Purchases			2,314,406	504,334	663,516	49,629	1,486,041	1,709,351	33,440	686,981	7,447,698	6,959,530
Disposals	(20,957)		(978,701)				(21,732)	(21,626)	(40,001)		(1,083,017)	(6,770,185)
Transfers to (from)			58,728	629,105			399,613			(1,087,446)		
Closing Balance as of August 31	1,718,010	363,311	90,016,686	2,617,084	11,732,079	636,413	3,540,410	3,695,189	43,095	686,981	115,049,258	108,684,577

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	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
Amortization of the Period		17,210	1,954,211	71,736	795,712	40,037	351,687	830,338	8,619		4,069,550	3,357,546
Disposals			(733,792)				(21,732)	(21,626)	(40,001)		(817,151)	(6,726,169)
Closing Balance as of August 31	N/A	188,941	52,221,565	1,493,313	6,480,309	551,316	978,082	1,267,826	2,550	N/A	63,183,902	59,931,503

Net Book Value:

Opening Balance as of September 1	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	45,185,106
Closing Balance as of August 31	1,718,010	174,370	37,795,121	1,123,771	5,251,770	85,097	2,562,328	2,427,363	40,545	686,981	51,865,356	48,753,074
Change in Net Book Value	(20,957)	(17,210)	174,014	1,061,703	(132,196)	9,592	1,533,967	879,013	24,821	(400,465)	3,112,282	3,557,968

Disposals:

Historical Cost	20,957	-	978,701	-	-	-	21,732	21,626	40,001	-	1,083,017	6,770,185
Accumulated Amortization	-	-	733,792	-	-	-	21,732	21,626	40,001	-	817,151	6,726,169
Net Cost	20,957	-	244,909	-	-	-	-	-	-	-	265,866	44,016
Proceeds on Disposal	20,957		645,634				1,210				667,801	135,625
Gain/loss on Disposal	-	-	400,725	-	-	-	1,210	-	-	-	401,935	91,609
Less: Ministry Portion - Deferred Revenue			(354,559)								(354,559)	(91,796)
Less: School Division Portion - Deferred Revenue			(39,400)								(39,400)	
School Division Gain/loss on Disposal	-	-	6,726	-	-	-	1,210	-	-	-	7,936	(187)

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

2,203,608	2,203,608	2,479,057
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Prairie South School Division No. 210
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2011

	2011	2010
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	4,069,550	3,357,546
Net (Gain) Loss on Disposal of Tangible Capital Assets	(401,935)	(91,609)
Total Non-Cash Items Included in Surplus / Deficit	3,667,615	3,265,937

Prairie South School Division No. 210
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2011

	2011	2010
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	1,944,577	2,574,681
Decrease (Increase) in Inventories for Sale	87	-
Increase (Decrease) in Provincial Grant Overpayment	-	(2,914,413)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	2,016,802	1,667,989
Increase (Decrease) in Liability for Employee Future Benefits	140,500	137,200
Increase (Decrease) in Deferred Revenue	681,437	(3,286,006)
Decrease (Increase) in Inventory of Supplies for Consumption	30,151	(72,963)
Decrease (Increase) in Prepaid Expenses	(150,260)	(33,583)
Total Net Change in Non-Cash Operating Activities	4,663,294	(1,927,095)

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2011**

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the 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 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. 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 public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and 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. 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.

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 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 \$1,823,900 (2010 - \$1,683,400) because actual experience may differ significantly from actuarial estimations.
- Property taxation revenue of \$30,901,626 (2010 - \$32,823,838) because final tax assessments may differ from estimates.
- Uncollectible taxes of \$1,403,326 (2010 - \$1,403,326) because actual collectability 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.

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.

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.

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

Accounts Receivable includes 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 made. Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

Inventories for Sale consist of clothing held by the school division 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 term deposits and guaranteed investment certificates carried at amortized cost and unrealized equity in Saskatchewan co-operatives and credit unions. 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.

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 opportunities and Five Hills Heath District services 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 expenses in accordance with the provisions of *The Education Act, 1995*.

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

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method 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. 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. 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.

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, 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.

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 \$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. This line of credit was approved by the Minister of Education on December 2, 2010. The balance drawn on the line of credit at August 31, 2011 was \$0.00 (August 31, 2010 - \$0.00).

4. **SHORT-TERM INVESTMENTS**

Short-term investments consist of term deposits and guaranteed investment certificates with maturities between three months and one year. 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		Interest	Maturity
	2011	2010	2011	2010	Rate	Date
Commercial Mortgage Backed Bond	\$ 199,986	\$ 199,986	\$ 209,512	\$ 201,090	6.22%	15-Nov-13
Conexus Credit Union Term Deposit	12,438	2,465	12,438	2,465	1.55%	2-Jun-14
CIBC Long Term GIC	14,000	14,000	14,000	14,000	2.10%	23-Aug-14
CIBC Flexible GIC		28,880		28,880		
Conexus Credit Union GIC		3,000		3,000		
Innovation Credit Union Term Deposit	8,305	-	8,305	-	1.90%	20-Apr-14
Equity in co-operatives	20,213	18,290	20,213	18,290		
Credit Union equity funds	371	350	371	350		
Total Long Term Investments	\$ 255,313	\$ 266,971	\$ 264,839	\$ 268,075		

6. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2011 Budget	2011 Actual	2010 Actual
Governance	\$ 176,836	\$ 251,418	\$ -	\$ -	\$ 504,174	\$ 428,254	\$ 533,440
Administration	\$ 1,109,121	\$ 359,116		\$ 28,031	\$ 1,633,757	\$ 1,496,268	\$ 1,495,752
Instruction	\$ 47,117,208	\$ 4,518,827		\$ 921,069	\$ 54,045,244	\$ 52,557,104	\$ 51,662,375
Plant	\$ 3,751,150	\$ 7,509,052		\$ 2,255,867	\$ 12,480,116	\$ 13,516,069	\$ 11,467,321
Transportation	\$ 3,505,662	\$ 2,140,093		\$ 862,763	\$ 6,439,454	\$ 6,508,518	\$ 6,055,549
Tuition and Related Fees		\$ 109,125			\$ 110,000	\$ 109,125	\$ 97,500
School Generated Funds		\$ 1,195,440			\$ 1,500,000	\$ 1,195,440	\$ 1,323,182
Complementary Services	\$ 1,144,825	\$ 429,401		\$ 1,819	\$ 1,500,886	\$ 1,576,045	\$ 1,464,706
External Services	\$ 3,531,536	\$ 109,976			\$ 3,532,133	\$ 3,641,512	\$ 3,728,058
Other		\$ 3,514	\$ 126,710		\$ 156,710	\$ 130,224	\$ (345,047)
TOTAL	\$ 60,336,338	\$ 16,625,962	\$ 126,710	\$ 4,069,549	\$ 81,902,474	\$ 81,158,559	\$ 77,482,836

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 Government 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 Statement of Financial Position.

Details of the employee future benefits are as follows:

	2011	2010
Actuarial valuation date	31-Aug-11	31-Aug-10
Long-term assumptions used:		
Salary escalation rate (percentage)	3.3 - 9.0%	4.2 - 7.9%
Discount rate (percentage)	3.40%	3.60%
Inflation rate (percentage)	2.50%	-%
Expected average remaining service life (years)	12	12

Liability for Employee Future Benefits	2011	2010
Accrued Benefit Obligation - beginning of year	\$ 1,808,100	\$ 1,590,900
Current period benefit cost	158,100	143,800
Interest cost	69,000	69,500
Benefit payments	(97,300)	(79,800)
Actuarial gains / losses	9,600	83,700
Plan amendments		
Accrued Benefit Obligation - end of year	1,947,500	1,808,100
Unamortized Net Actuarial Gains / Losses	(123,600)	(124,700)
Liability for Employee Future Benefits	\$ 1,823,900	\$ 1,683,400
Employee Future Benefits Expense	2011	2010
Current period benefit cost	\$ 158,100	\$ 143,800
Amortization of net actuarial gain / loss	10,700	3,700
Plan amendments		
Benefit cost	168,800	147,500
Interest cost on unfunded employee future benefits obligation	69,000	69,500
Total Employee Future Benefits Expense	\$ 237,800	\$ 217,000

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 Government of Saskatchewan. The school division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates

determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

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

	2011			2010
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	623	70	693	665
Member contribution rate (percentage of salary)	7 - 9%	6.05 - 7.85%	6.05 - 9%	6.05 - 9%
Member contributions for the year	\$ 2,585,597	\$ 264,739	\$ 2,850,336	\$ 2,918,813

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2011	2010
Number of active School Division members	602	578
Member contribution rate (percentage of salary)	6.4 - 7.40%	6.40%
School Division contribution rate (percentage of salary)	6.4 - 7.40%	6.40%
Member contributions for the year	\$ 958,771	\$ 795,468
School Division contributions for the year	\$ 958,771	\$ 795,468
Actuarial valuation date	31-Dec-10	31-Dec-09
Plan Assets	\$ 1,399,241,000	\$ 1,284,959,000
Plan Liabilities	\$ 1,381,094,000	\$ 1,233,841,000
Plan Surplus (Deficit)	\$ 18,147,000	\$ 51,118,000

9. ACCOUNTS RECEIVABLE

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

	2011			2010		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 14,518,237	\$ 1,403,326	\$ 13,114,911	\$ 16,397,845	\$ 1,403,326	\$ 14,994,519
Provincial Grants Receivable	2,038,257		2,038,257	1,965,809		1,965,809
Other Receivables	700,143		700,143	837,560		837,560
Total Accounts Receivable	\$ 17,256,637	\$ 1,403,326	\$ 15,853,311	\$ 19,201,214	\$ 1,403,326	\$ 17,797,888

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2011	2010
Accrued Salaries and Benefits	\$ 3,243,824	\$ 2,554,168
Supplier Payments	5,595,438	3,878,839
Staff funds	2,151	4,781
Construction Contract Holdbacks and other contractual liabilities	245,162	631,985
Total Accounts Payable and Accrued Liabilities	\$ 9,086,575	\$ 7,069,773

11. LONG-TERM DEBT

Details of long-term debt are as follows:

		2011	2010
Capital Loans::	CIBC	2,760,529	3,036,751
	Principal Repaid	(289,834)	(276,222)
		2,470,695	2,760,529
Total Long Term Debt		\$ 2,470,695	\$ 2,760,529

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

	Capital Loans	Total
2012	\$ 304,117	\$ 304,117
2013	319,103	319,103
2014	334,828	334,828
2015	351,328	351,328
2016	368,642	368,642
Thereafter	792,677	792,677
Total	\$ 2,470,695	\$ 2,470,695

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

	Capital Loans	2011	2010
Principal	\$ 289,834	\$ 289,834	\$ 276,222
Interest	126,710	126,710	140,322
Total	\$ 416,544	\$ 416,544	\$ 416,544

This is a demand loan with repayment until demand set as 10 years. The loan is repayable by monthly installments of \$34,712 including principal and interest at 4.82%. The last scheduled payment date is August 1, 2018.

12. DEFERRED REVENUE

Details of deferred revenues are as follows:

	as at Aug. 31, 2010	during the Year	recognized in the Year	as at Aug. 31, 2011
Capital projects:				
Federal capital tuition	-	2,670	-	2,670
Proceeds from sale of school buildings	304,023	336,133	-	640,156
Peacock gym floor	74,956	85,660	152,696	7,920
Legacy division capital project	2,528			2,528
One time Pre-K capital funding	52,959		640	52,319
Playground donations	4,524	20,574	9,670	15,428
Peacock auditorium improvement fee	12,152	11,940	24,092	-
Total capital projects deferred revenue	451,142	456,977	187,098	721,021
Other deferred revenue:				
Property tax	1,698,690	2,050,468	1,698,690	2,050,468
Rentals, tuition & donations	819	31,590	569	31,840
Technology grant	42,191			42,191
Cognitive disabilities consultant funding	17,057	21,553	17,057	21,553
Community education program		4,055		4,055
Family support worker funding	995	1,010	995	1,010
Threat risk/assessment planning	5,000	3,645	8,645	-
Pre-K physical activity program	6,000		6,000	-
Nutrition program	4,922	36,115	4,922	36,115
Total other deferred revenue	1,775,674	2,148,436	1,736,878	2,187,232
Total Deferred Revenue	2,226,816	2,605,413	1,923,976	2,908,253

13. COMPLEMENTARY SERVICES

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

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2011:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter- Agency Liaison	Community Schools	Other Programs	2011	2010
Revenue:						
Operating Grants	\$ 390,000	\$ 37,597	\$ 149,717	\$ -	\$ 577,314	\$ 397,070
Capital Grants				84,000	84,000	
Fees and Other Revenue		46,321	500		46,821	
Total Revenue	390,000	83,918	150,217	84,000	708,135	397,070
Expenses:						
Salaries & Benefits	516,270	328,328	145,785	154,442	1,144,825	1,123,510
Supplies and Services	2,257	151,419		141,728	295,404	210,666
Building Operating Expenses					-	1,819
Communications	1,772	2,936			4,708	4,433
Travel	4,035	40,132			44,167	40,088
Professional Development	2,182	5,164			7,346	15,987
Student Related Expenses	10,653	54,708	11,316	1,099	77,776	68,563
Amortization of Tangible Capital Assets				1,819	1,819	
Total Expenses	537,169	582,687	157,101	299,088	1,576,045	1,465,066
Excess (Deficiency) of Revenue over Expenses	\$(147,169)	\$ (498,769)	\$ (6,884)	\$(215,088)	\$(867,910)	\$(1,067,996)

Pre-K programs

Prekindergarten programs provide in-school programs for children of preschool age. The School Division operated eight prekindergarten programs in the 2010/11 (eight in 2009/10) school year: Assiniboia Seventh Avenue School, Empire School, Prince Arthur Community School, King George School, Westmount School, William Grayson School and two French prekindergarten programs operated at Gravelbourg Elementary School and Palliser Heights School.

Community School

Community School programs provide community supports for students, families and communities in schools designated by the school division. The School Division operated two community school programs in the 2010/11 school year: Empire School/Riverview School and Prince Arthur Community School.

Interagency Services

Interagency services represent health and social services programs provided by the School Division in conjunction with outside agencies for at risk students and families, nutrition and occupational therapy services provided by the School Division to students.

Other

Programs stated as other include opportunity to learn and day cares.

14. 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 2011:

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Extended Transitions	Food Services	Cognitive Disabilities Strategies	Other Programs	2011	2010
Revenue:							
Operating Grants	\$3,119,314	\$ 20,000	\$ -	\$ 49,112	\$ -	\$3,188,426	\$3,337,544
Fees and Other Revenue	17,126		86,134		248,696	351,956	349,433
Total Revenue	3,136,440	20,000	86,134	49,112	248,696	3,540,382	3,686,977
Expenses:							
Other Related Fees	844,152	-	-		-	844,152	745,300
Salaries & Benefits	2,287,664	79,266	77,030	40,783	222,772	2,707,515	2,852,337
Supplies and Services		497		4,631	1,186	6,314	38,166
Non-Capital Equipment					10,245	10,245	9,986
Building Operating Expenses					7,050	7,050	7,138
Communications		1,061		701		1,762	1,775
Travel		2,664	1,103	761		4,528	9,276
Professional Development	4,624	2,079		2,236		8,939	12,273
Student Related Expenses			51,007			51,007	51,807
Total Expenses	3,136,440	85,567	129,140	49,112	241,253	3,641,512	3,728,058
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ (65,567)	\$(43,006)	\$ -	\$ 7,443	\$ (101,130)	\$ (41,081)

Associate Schools

Pursuant to agreements, the school division provides professional teaching staff and related services to two independent schools operating within the school division: Caronport High School and Cornerstone Christian School.

Extended Transitions

Pursuant to agreements, the school division is completing a pilot program related to individuals between the ages of 16 and 21 that are neither enrolled in school nor actively employed.

Food Services

The school division operates concessions at Riverview Collegiate and A.E. Peacock Collegiate to offer nutritious meals to students.

Cognitive Disabilities Initiatives

Pursuant to agreements, the school division provides staff to support the development delivery of individual support plans for persons affected by cognitive disabilities in the Southeast Region of the province.

Other

The school division operates a small number of rental housing units (i.e. teacherages). The units are rented at market rates to staff and external parties. The school division provides bus repair services to Holy Trinity Roman Catholic Separate School Division. The school division has employees that are seconded to other organizations such as Canadian Union of Public Employees (CUPE), Saskatchewan High School Athletics Association (SHSAA) and Prairie South Teachers' Association.

15. 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 and school community council 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:

	2011	2010
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 51,865,356	\$ 48,753,074
Less: Debtowing on Tangible Capital Assets	2,470,695	2,760,529
	49,394,661	45,992,545
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures	1,824,603	796,798
School Community Council carry forwards	25,241	11,071
School generated funds	838,472	815,715
School budget carry forwards	528,383	404,293
	3,216,699	2,027,877
Unrestricted Surplus	25,722,791	24,713,507
Total Accumulated Surplus	\$ 78,334,151	\$ 72,733,929

16. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the board of education on June 22, 2010 and the Minister of Education on August 31, 2010.

17. 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.

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.

	2011	2010
Revenues:		
Ministry of Education	\$ 51,542,588	\$ 49,173,879
Ministry of Labour	27,456	43,986
Ministry of Social Services	61,127	58,364
Holy Trinity Roman Catholic School Division	67,311	33,999
Other	12,762	40,255
	\$ 51,711,245	\$ 49,350,483
Expenses:		
Briercrest College and Seminary	\$ 39,992	\$ 34,915
Caronport High School	461,128	315,774
Cornerstone Christian School	418,463	414,496
Five Hills Health Region	274,397	129,973
Holy Trinity Catholic School Division	299,393	100,052
Minister of Finance	38,289	43,078
Sask Educational Leadership Unit	19,750	25,031
Sask Energy	761,096	762,488
Sask Power	1,028,225	1,033,290
Sask Workers Compensation	200,159	176,127
Saskatoon Public School Division	8,994	8,078
SaskTel	1,285,366	195,241
Sasktel Mobility	70,054	71,869
SGI	77,302	77,839
St. Paul's R.C.S.S.D. No. 20	7,500	6,500
Other	22,223	95,719
	\$ 5,012,332	\$ 3,490,470
Accounts Receivable:		
Ministry of Education	\$ 2,038,257	\$ 1,965,809
Holy Trinity Roman Catholic SD	38,031	18,177
Caronport High School	22,618	663
Cornerstone Christian School	31,696	119,783
Caronport High School	22,618	23,690
SaskTel	27,566	-
Other	4,158	642
	\$ 2,184,945	\$ 2,128,763
Prepaid Expenses:		
Five Hills Health Region	\$ 151,569	\$ -
Sask Workers' Compensation Board	74,873	65,401
SGI	67,018	64,510
	\$ 293,460	\$ 129,910
Accounts Payable and Accrued Liabilities:		
Ministry of Finance	\$ 4,441	\$ 9,302
SGI	-	1,604
SaskEnergy	2,393	8,196
SaskPower	117,260	125,561
SaskTel Mobility	-	6,191
Saskatoon Public	-	3,578
SaskTel	488,868	359,134
Holy Trinity RCSD	204,772	-
	\$ 817,734	\$ 513,564
Deferred Revenue:		
Ministry of Social Services	\$ 22,563	\$ 23,052
Ministry of Education	95,017	66,409
	\$ 117,580	\$ 89,461

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$3,424,336 in capital transfers to the school division for projects in which construction has not yet started and/or completed. Approved capital transfers that have not yet been reflected in the financial statements of the school division are as follows:

Total Ministry Obligation at August 31, 2011	\$	3,424,336
Less: Amounts reported in financial statements		<u>2,443,746</u>
Equals: Unrecorded balance	\$	980,590

In March 2011, PSAB issued revised section PS 3410 Government Transfers. Revised PS 3410 provides revised guidance for the recognition of government 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.

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

18. 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:

	Scholarships		Deferred Salaries		Total	Restated Total
	2011	2010	2011	2010	2011	2010
Cash and short term investments	\$ 66,070	\$ 59,186	\$ 86,125	\$ 29,984	\$ 152,195	\$ 89,170
Portfolio investments	209,990	219,010			\$ 209,990	219,010
Total Assets	\$ 276,060	\$ 278,196	\$ 86,125	\$ 29,984	\$ 362,185	\$ 308,180
Revenues						
Contributions and donations	\$ 2,730	\$ 16,096	\$ 56,141	\$ 29,984	\$ 58,871	\$ 46,080
Interest on investments	5,075	4,901			\$ 5,075	4,901
	7,805	20,997	56,141	29,984	\$ 63,946	50,981
Expenses						
Student Related Expenses	9,941	15,497			9,941	15,497
	9,941	15,497	-	-	9,941	15,497
Excess of Revenue over Expenses	(2,136)	5,500	56,141	29,984	54,005	35,484
Trust Fund Balance, Beginning of Year	278,196	272,696	29,984		308,180	272,696
Trust Fund Balance, End of Year	\$ 276,060	\$ 278,196	\$ 86,125	\$ 29,984	\$ 362,185	\$ 308,180

19. 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, the only liability recorded at this point in time is the deductible amount for insurance purposes. The school division's share of settlement, if any, over and above the deductible will be charged to expenses 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, 2011 is \$892,907 and the loan is in good standing.

20. ACCOUNTING CHANGES

Correction of an Error in Prior Periods

Subsequent to the year ended August 31, 2010, the school division identified an error in the recording of certain investments held by schools recorded as investments related to trusts that should have been recorded as investments related to operations. Due to this error, the school's revenue, expenses, assets and liabilities were misstated. The prior period comparative amounts have been restated from those previously reported to correct for this error. The correction of this error has impacted the school division's financial statements as follows:

Prairie South School Division No. 210 Statement of Financial Position As at August 31, 2011			
	Restated 2010	Adjustment amount	2010
Financial Assets			
Cash and Cash Equivalents	17,291,411		17,291,411
Short Term Investments (Note 4)	1,540,270	9,105	1,531,165
Accounts Receivable (Note 9)	17,797,888		17,797,888
Inventories for Sale	2,453		2,453
Long Term Investments (Note 5)	266,971	14,000	252,971
Total Financial Assets	36,898,993	23,105	36,875,888
Liabilities			
Accounts Payable and Accrued Liabilities (Note 10)	7,069,773		7,069,773
Long Term Debt (Note 12)	2,760,529		2,760,529
Liability for Employee Future Benefits (Note 7)	1,683,400		1,683,400
Deferred Revenue (Note 13)	2,226,816		2,226,816
Total Liabilities	13,740,518	-	13,740,518
Net Financial Assets (Net Debt)	23,158,475	23,105	23,135,370
Non-Financial Assets			
Tangible Capital Assets (Schedule C)	48,753,074		48,753,074
Inventory of Supplies for Consumption	419,222		419,222
Prepaid Expenses	403,158		403,158
Total Non-Financial Assets	49,575,454	-	49,575,454
Accumulated Surplus (Deficit) (Note 16)	72,733,929	23,105	72,710,824

Prairie South School Division No. 210 Statement of Operations and Accumulated Surplus (Deficit) for the year ended August 31, 2011			
	Restated 2010 Actual	Adjustment 2010	Presented 2010 Actual
REVENUES			
Property Taxation	32,823,838		32,823,838
Grants	47,817,270		47,817,270
Tuition and Related Fees	90,616		90,616
School Generated Funds	1,309,645	23,305	1,286,340
Complementary Services (Note 14)	397,070		397,070
External Services (Note 15)	3,686,977		3,686,977
Other	626,902		626,902
Total Revenues (Schedule A)	86,752,318	23,305	86,729,013
EXPENSES			
Governance	533,440		533,440
Administration	1,495,752		1,495,752
Instruction	51,662,375		51,662,375
Plant	11,467,321		11,467,321
Transportation	6,055,549		6,055,549
Tuition and Related Fees	97,500		97,500
School Generated Funds	1,323,182	200	1,322,982
Complementary Services (Note 14)	1,464,706		1,464,706
External Services (Note 15)	3,728,058		3,728,058
Other Expenses	(345,047)		(345,047)
Total Expenses (Schedule B)	77,482,836	200	77,482,636
Surplus (Deficit) for the Year	9,269,482	23,105	9,246,377
Accumulated Surplus (Deficit), Beginning of Year	63,464,447	-	63,464,447
Accumulated Surplus (Deficit), End of Year	72,733,929	23,105	72,710,824

Trust Information	Restated	Adjustment	Total
	2010		2010
Cash and short term investments	\$ 89,170	\$ 4,295	\$ 93,465
Portfolio investments	\$ 219,010	\$ 14,000	233,010
Total Assets	\$ 308,180	\$ 18,295	\$ 326,475
Revenues			
Contributions and donations	\$ 46,080		\$ 46,080
Interest on investments	\$ 4,901		4,901
	\$ 50,981	\$ -	\$ 50,981
Expenses			
Student Related Expenses	15,497		15,497
	15,497	-	15,497
Excess of Revenue over Expenses	35,484	-	35,484
Trust Fund Balance, Beginning of Year	272,696	\$ 18,295	290,991
Trust Fund Balance, End of Year	\$ 308,180	\$ 18,295	\$ 326,475

21. SUBSEQUENT EVENTS

Teachers' 2010-13 Provincial Collective Bargaining Agreement:

The Saskatchewan Teachers' Provincial Collective Bargaining Agreement expired on August 31, 2010. The Saskatchewan Teachers' Federation (STF) and the Government Trustee Bargaining Committee (GTBC) reached a new collective agreement which was ratified on October 4, 2011 and covers the period September 1, 2010 to August 31, 2013. The new agreement provides for retroactive wage increases for teachers of the school division for the period September 1, 2010 to August 31, 2011 with an estimated cost of \$986,934 which was recorded as an expense in the 2010-11 financial statement. The agreement provides for further wage increases in 2011-12 and 2012-13.

Ministry of Education Operating Grant Reconciliation

The Ministry of Education tax reconciliation for December 31, 2010 was received on November 7, 2011. The Ministry will provide a grant adjustment for the difference between their reconciliation and the amount of tax revenue estimated on budget day in March 2010. The reconciliation shows an overpayment in grant to the school division of \$875,948 which will be recorded as a reduction to our operating grant in the 2011-12 financial statements.

22. Comparative Information

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