



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, 2012

Bernie Girardin, MBA
Chief Financial Officer

Stark & Marsh, Chartered Accountants LLP
Auditor

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

December 11, 2012

Stark & Marsh, Chartered Accountants, LLP
365 Central Avenue
Swift Current, Saskatchewan
S9H 3V5

Attention: Terri Olfert

Dear Madam:

Management's Responsibility for the Financial Statements

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

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

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

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

On behalf of the Board of Education of the Prairie South School Division of Saskatchewan
No. 210



Board Chair



Chief Financial Officer



CEO/Director of Education

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, 2012, and the statement of operations and accumulated surplus (deficit), statement of changes in net financial assets (net debt) and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

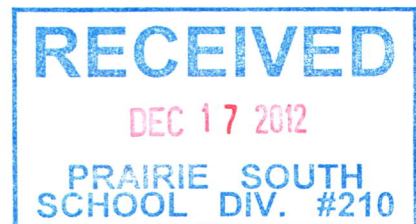
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2012, 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.


Chartered Accountants, LLP

Swift Current, Saskatchewan
December 11, 2012



Prairie South School Division No. 210
Statement of Financial Position
as at August 31, 2012

	2012	2011
Financial Assets		
Cash and Cash Equivalents	23,435,232	24,146,102
Short Term Investments (Note 4)	29,632	1,558,637
Accounts Receivable (Note 9)	13,283,009	15,853,311
Inventories for Sale	-	2,366
Long Term Investments (Note 5)	255,758	255,313
Total Financial Assets	37,003,631	41,815,729
Liabilities		
Provincial Grant Overpayment	1,747,384	-
Accounts Payable and Accrued Liabilities (Note 10)	6,871,788	9,086,575
Long Term Debt (Note 11)	2,166,579	2,470,695
Liability for Employee Future Benefits (Note 7)	1,979,000	1,823,900
Deferred Revenue (Note 12)	2,563,307	2,908,253
Total Liabilities	15,328,058	16,289,423
Net Financial Assets (Net Debt)	21,675,573	25,526,306
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	54,086,464	51,865,356
Inventory of Supplies for Consumption	314,051	389,071
Prepaid Expenses	449,317	553,418
Total Non-Financial Assets	54,849,832	52,807,845
Accumulated Surplus (Deficit) (Note 15)	76,525,405	78,334,151

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, 2012

	2012 Budget	2012 Actual	2011 Actual
REVENUES	(Note 16)		
Property Taxation	28,800,119	29,791,364	30,901,626
Grants	49,868,070	49,221,565	49,370,472
Tuition and Related Fees	46,700	44,325	63,592
School Generated Funds	1,500,000	1,197,220	1,202,846
Complementary Services (Note 13)	567,000	826,977	708,135
External Services (Note 14)	3,373,430	3,802,200	3,540,382
Other	534,937	797,029	971,728
Total Revenues (Schedule A)	84,690,256	85,680,680	86,758,781
EXPENSES			
Governance	556,410	517,585	428,254
Administration	1,655,116	1,797,894	1,496,268
Instruction	56,720,743	55,475,772	52,557,104
Plant	13,614,815	15,428,857	13,516,069
Transportation	6,770,313	6,851,881	6,508,518
Tuition and Related Fees	75,000	91,929	109,125
School Generated Funds	1,500,000	1,134,496	1,195,440
Complementary Services (Note 13)	2,156,643	2,215,351	1,576,045
External Services (Note 14)	3,381,551	3,860,665	3,641,512
Other Expenses	127,428	114,996	130,224
Total Expenses (Schedule B)	86,558,019	87,489,426	81,158,559
Surplus (Deficit) for the Year	(1,867,763)	(1,808,746)	5,600,222
Accumulated Surplus (Deficit), Beginning of Year	78,334,151	78,334,151	72,733,929
Accumulated Surplus (Deficit), End of Year	76,466,388	76,525,405	78,334,151

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, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 16)		
Net Financial Assets (Net Debt), Beginning of Year	25,526,306	25,526,306	23,158,475
Changes During the Year:			
Surplus (Deficit) for the Year	(1,867,763)	(1,808,746)	5,600,222
Acquisition of Tangible Capital Assets (Schedule C)	(6,434,788)	(6,722,461)	(7,447,698)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		7,526	667,801
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		(7,526)	(401,935)
Amortization of Tangible Capital Assets (Schedule C)	5,261,861	4,501,353	4,069,550
Net Acquisition of Inventory of Supplies		75,020	30,151
Net Acquisition of Prepaid Expenses		104,101	(150,260)
Change in Net Financial Assets / Net Debt	(3,040,690)	(3,850,733)	2,367,831
Net Financial Assets (Net Debt), End of Year	22,485,616	21,675,573	25,526,306

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, 2012

	2012	2011
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	(1,808,746)	5,600,222
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	4,493,827	3,667,615
Net Change in Non-Cash Operating Activities (Schedule E)	2,094,540	4,663,294
Cash Provided (Used) by Operating Activities	4,779,621	13,931,131
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets (Schedule C)	(6,722,461)	(7,447,698)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	7,526	667,801
Cash Provided (Used) by Capital Activities	(6,714,935)	(6,779,897)
INVESTING ACTIVITIES		
Cash Used to Acquire Investments	(6,827)	(6,859)
Proceeds on Disposal of Investments	1,530,387	150
Cash Provided (Used) by Investing Activities	1,523,560	(6,709)
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(304,116)	(289,834)
Cash Provided (Used) by Financing Activities	(304,116)	(289,834)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(715,870)	6,854,691
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,146,102	17,291,411
CASH AND CASH EQUIVALENTS, END OF YEAR	23,430,232	24,146,102
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	23,435,232	24,146,102
CASH AND CASH EQUIVALENTS, END OF YEAR	23,435,232	24,146,102

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, 2012

	2012 Budget	2012 Actual	2011 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	28,021,553	29,055,510	29,898,226
Revenue from Supplemental Levies	100,000	93,198	132,443
Total Property Tax Revenue	28,121,553	29,148,708	30,030,669
Grants in Lieu of Taxes:			
Federal Government	548,742	508,166	457,221
Provincial Government	321,893	227,841	353,720
Railways	434,335	473,461	430,850
Other	298,521	286,017	280,703
Total Grants in Lieu of Taxes	1,603,491	1,495,485	1,522,494
Other Tax Revenues:			
House Trailer Fees	96,431	100,278	96,937
Total Other Tax Revenues	96,431	100,278	96,937
Additions to Levy:			
Penalties	286,154	231,065	293,281
Other	2,628	294	15,029
Total Additions to Levy	288,782	231,359	308,310
Deletions from Levy:			
Discounts	(1,001,066)	(879,733)	(917,295)
Cancellations	(241,018)	(182,125)	(23,296)
Other Deletions	(68,054)	(122,608)	(116,193)
Total Deletions from Levy	(1,310,138)	(1,184,466)	(1,056,784)
Total Property Taxation Revenue	28,800,119	29,791,364	30,901,626
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	48,681,020	47,540,630	46,830,753
Other Ministry Grants	20,000	136,032	41,745
Total Ministry Grants	48,701,020	47,676,662	46,872,498
Other Provincial Grants	231,000	253,248	35,000
Grants from Others	30,000	46,536	4,448
Total Operating Grants	48,962,020	47,976,446	46,911,946
Capital Grants			
Ministry of Education Capital Grants	906,050	1,230,767	2,443,746
Other Capital Grants	-	14,352	14,780
Total Capital Grants	906,050	1,245,119	2,458,526
Total Grants	49,868,070	49,221,565	49,370,472

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	36,000	24,930	53,059
Federal Government and First Nations Individuals and Other	10,700	10,700	10,533
	-	8,695	-
Total Tuition Fees	46,700	44,325	63,592
Total Operating Tuition and Related Fees	46,700	44,325	63,592
Total Tuition and Related Fees Revenue	46,700	44,325	63,592
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	110,522	26,041	32,802
Total Curricular Fees	110,522	26,041	32,802
Non-Curricular Fees:			
Commercial Sales - GST	801,455	752,881	758,802
Commercial Sales - Non-GST	46,583	34,220	20,785
Fundraising	214,223	96,834	137,556
Grants and Partnerships	62,304	99,312	60,189
Students Fees	138,388	130,352	116,074
Other	126,525	57,580	76,638
Total Non-Curricular Fees	1,389,478	1,171,179	1,170,044
Total School Generated Funds Revenue	1,500,000	1,197,220	1,202,846
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	520,000	594,195	533,717
Ministry of Education Grants-Other	-	-	6,000
Other Provincial Grants	47,000	-	-
Other Grants	-	32,654	37,597
Total Operating Grants	567,000	626,849	577,314
Capital Grants			
Ministry of Education Capital Grants	-	197,550	84,000
Total Capital Grants	-	197,550	84,000
Fees and Other Revenue			
Other Revenue	-	2,578	46,821
Total Fees and Other Revenue	-	2,578	46,821
Total Complementary Services Revenue	567,000	826,977	708,135

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	3,119,314	3,292,836	3,119,314
Other Provincial Grants	59,020	51,783	49,112
Other Grants	-	-	20,000
Total Operating Grants	3,178,334	3,344,619	3,188,426
Fees and Other Revenue			
Tuition and Related Fees	-	37,586	31,563
Gain on Disposal of Capital Assets	-	-	6,725
Other Revenue	195,096	419,995	313,668
Total Fees and Other Revenue	195,096	457,581	351,956
Total External Services Revenue	3,373,430	3,802,200	3,540,382
Other Revenue			
Miscellaneous Revenue	277,937	302,162	573,515
Sales & Rentals	32,000	71,329	62,074
Investments	225,000	416,012	334,929
Gain on Disposal of Capital Assets	-	7,526	1,210
Total Other Revenue	534,937	797,029	971,728
TOTAL REVENUE FOR THE YEAR	84,690,256	85,680,680	86,758,781

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Governance Expense			
Board Members Expense	214,525	205,078	186,404
Conventions - Board Members	62,100	68,892	46,356
School Community Councils	77,000	37,781	26,108
Other Governance Expenses	202,785	205,834	169,386
Total Governance Expense	556,410	517,585	428,254
Administration Expense			
Salaries	1,027,500	1,040,892	954,153
Benefits	191,978	167,583	154,968
Supplies & Services	226,204	400,539	190,802
Non-Capital Furniture & Equipment	1,350	538	7,148
Building Operating Expenses	97,500	90,848	102,260
Communications	41,645	37,437	34,610
Travel	6,625	6,278	6,515
Professional Development	22,200	23,989	17,781
Amortization of Tangible Capital Assets	40,114	29,790	28,031
Total Administration Expense	1,655,116	1,797,894	1,496,268
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	36,481,959	38,009,663	36,315,922
Instructional (Teacher & LEADS Contract) Benefits	2,084,003	2,217,195	2,139,279
Program Support (Non-Teacher Contract) Salaries	7,671,868	7,414,846	7,164,016
Program Support (Non-Teacher Contract) Benefits	1,636,284	1,677,865	1,497,991
Instructional Aids	1,656,154	1,743,645	1,637,511
Supplies & Services	1,138,201	1,005,540	996,643
Non-Capital Furniture & Equipment	314,680	297,245	228,140
Communications	297,723	299,206	270,555
Travel	310,914	290,324	260,568
Professional Development	685,453	677,762	650,042
Student Related Expense	552,184	581,080	475,368
Amortization of Tangible Capital Assets	3,891,320	1,261,401	921,069
Total Instruction Expense	56,720,743	55,475,772	52,557,104

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Plant Operation & Maintenance Expense			
Salaries	3,239,945	3,194,574	3,144,112
Benefits	765,488	698,334	607,038
Supplies & Services	7,000	27,027	154,832
Non-Capital Furniture & Equipment	13,000	22,404	16,318
Building Operating Expenses	9,085,407	9,042,248	7,246,057
Communications	7,500	13,963	9,356
Travel	59,500	97,851	68,919
Professional Development	9,360	11,572	13,570
Amortization of Tangible Capital Assets	427,615	2,320,884	2,255,867
Total Plant Operation & Maintenance Expense	13,614,815	15,428,857	13,516,069
Student Transportation Expense			
Salaries	3,142,002	2,945,966	2,832,240
Benefits	607,640	717,821	673,422
Supplies & Services	1,125,600	1,230,770	1,133,377
Non-Capital Furniture & Equipment	365,400	492,742	455,813
Building Operating Expenses	59,400	61,233	67,174
Communications	20,000	19,134	21,448
Travel	8,000	2,002	3,676
Professional Development	6,630	18,348	2,502
Contracted Transportation	534,629	476,588	456,103
Amortization of Tangible Capital Assets	901,012	887,277	862,763
Total Student Transportation Expense	6,770,313	6,851,881	6,508,518
Tuition and Related Fees Expense			
Tuition Fees	75,000	91,929	109,125
Total Tuition and Related Fees Expense	75,000	91,929	109,125
School Generated Funds Expense			
Supplies & Services	-	10,044	44,374
Cost of Sales	-	612,326	610,169
Special Programs	-	219,255	197,118
School Fund Expenses	1,500,000	292,871	343,779
Total School Generated Funds Expense	1,500,000	1,134,496	1,195,440

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Complementary Services Expense			
Tuition Fees	40,000	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	906,523	943,455	639,170
Program Support (Non-Teacher Contract) Salaries & Benefits	831,006	760,166	505,655
Supplies & Services	268,900	334,183	295,405
Communications	4,220	8,483	4,709
Travel	27,000	51,438	44,167
Professional Development (Non-Salary Costs)	4,914	32,062	7,345
Student Related Expenses	72,280	82,908	77,775
Contracted Transportation & Allowances	-	837	-
Amortization of Tangible Capital Assets	1,800	1,819	1,819
Total Complementary Services Expense	2,156,643	2,215,351	1,576,045
External Service Expense			
Other Fees	963,143	853,898	844,152
Administration Salaries & Benefits	-	37,619	51,061
Instructional (Teacher & LEADS Contract) Salaries & Benefits	2,250,487	2,702,263	2,506,173
Program Support (Non-Teacher Contract) Salaries & Benefits	115,491	137,683	130,150
Transportation Salaries & Benefits	-	24,904	20,131
Supplies & Services	3,810	5,977	6,314
Non-Capital Furniture & Equipment	500	11,786	10,245
Building Operating Expenses	15,500	2,800	7,050
Communications	2,150	1,112	1,762
Travel	17,810	2,703	4,528
Professional Development (Non-Salary Costs)	10,960	6,421	8,939
Student Related Expenses	1,700	73,318	51,007
Amortization of Tangible Capital Assets	-	181	-
Total External Services Expense	3,381,551	3,860,665	3,641,512

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	15,000	2,569	3,514
Interest on Other Capital Loans and Long Term Debt			
Other	112,428	112,427	126,710
Total Interest and Bank Charges	<u>127,428</u>	<u>114,996</u>	<u>130,224</u>
Total Other Expense	127,428	114,996	130,224
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TOTAL EXPENSES FOR THE YEAR	86,558,019	87,489,426	81,158,559

Prairie South School Division No. 210

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2012**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2012	2011
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	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
Additions/Purchases		22,401	870,488	(1,874)	640,277	89,484	902,737	1,291,758	63,370	2,843,820	6,722,461	7,447,698
Disposals					(47,944)	(25,000)	(138,337)				(211,281)	(1,083,017)
Write-Downs											-	-
Transfers to (from)			686,981							(686,981)	-	-
Closing Balance as of August 31	1,718,010	385,712	91,574,155	2,615,210	12,324,412	700,897	4,304,810	4,986,947	106,465	2,843,820	121,560,438	115,049,258
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1		188,941	52,221,565	1,493,313	6,480,309	551,316	978,082	1,267,826	2,550		63,183,902	59,931,503
Amortization of the Period		18,330	1,977,682	71,642	806,049	60,908	430,481	1,114,968	21,293		4,501,353	4,069,550
Disposals					(47,944)	(25,000)	(138,337)				(211,281)	(817,151)
Closing Balance as of August 31	N/A	207,271	54,199,247	1,564,955	7,238,414	587,224	1,270,226	2,382,794	23,843	N/A	67,473,974	63,183,902
Net Book Value:												
Opening Balance as of September 1	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
Closing Balance as of August 31	1,718,010	178,441	37,374,908	1,050,255	5,085,998	113,673	3,034,584	2,604,153	82,622	2,843,820	54,086,464	51,865,356
Change in Net Book Value	-	4,071	(420,213)	(73,516)	(165,772)	28,576	472,256	176,790	42,077	2,156,839	2,221,108	3,112,282
Disposals:												
Historical Cost					47,944	25,000	138,337				211,281	1,083,017
Accumulated Amortization					47,944	25,000	138,337				211,281	817,151
Net Cost	-	-	-	-	-	-	-	-	-	-	-	265,866
Price of Sale					520	1,184	5,822				7,526	667,801
Gain/loss on Disposal	-	-	-	-	520	1,184	5,822	-	-	-	7,526	401,935
Less: Ministry Portion - Deferred Revenue											-	(354,599)
Less: School Division Portion - Deferred Revenue											-	(39,400)
School Division Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	7,936
Net Book Value (NBV) of Assets												
Pledged as Security for Debt					1,928,159						1,928,159	2,203,608

Prairie South School Division No. 210
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2012

	2012	2011
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	4,501,353	4,069,550
Net (Gain) Loss on Disposal of Tangible Capital Assets	(7,526)	(401,935)
Total Non-Cash Items Included in Surplus / Deficit	4,493,827	3,667,615

Prairie South School Division No. 210
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2012

	2012	2011
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	2,570,302	1,944,577
Decrease (Increase) in Inventories for Sale	2,366	87
Increase (Decrease) in Provincial Grant Overpayment	1,747,384	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(2,214,787)	2,016,802
Increase (Decrease) in Liability for Employee Future Benefits	155,100	140,500
Increase (Decrease) in Deferred Revenue	(344,946)	681,437
Decrease (Increase) in Inventory of Supplies for Consumption	75,020	30,151
Decrease (Increase) in Prepaid Expenses	104,101	(150,260)
Total Net Change in Non-Cash Operating Activities	2,094,540	4,663,294

PRAIRIE SOUTH SCHOOL DIVISION NO. 210
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2012

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the 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.

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 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 \$1,979,000 (2011 - \$1,823,900) because actual experience may differ significantly from actuarial estimations.
- Property taxation revenue of \$29,791,364 (2011 - \$30,901,626) because final tax assessments may differ from estimates.
- Uncollectible taxes of \$1,403,326 (2011 - \$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 and cash equivalents, short-term investments, accounts receivable, long term investments, bank indebtedness, accounts payable and accrued liabilities, provincial grant overpayment and long-term debt. Except as otherwise disclosed, the school division is not exposed to significant interest, currency or credit risk arising from these financial instruments that may affect the amount, timing and certainty of future cash flows. The school division is exposed to credit risk from the potential non-payment of accounts receivable. 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 and audio visual equipment	4 years
Computer software	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; software licensing and maintenance, 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 capital loans and other long-term debt with initial maturities of more than one year and is incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

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. A new valuation was completed at August 31, 2012 and the actuary extrapolates these valuations when a valuation is not completed 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 November 16, 2011. The balance drawn on the line of credit at August 31, 2012 was \$0.00 (August 31, 2011 - \$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 Rate	Maturity Date
	2012	2011	2012	2011		
Commercial Mortgage Backed Bond	\$ 199,986	\$ 199,986	\$ 206,724	\$ 209,512	6.22%	15-Nov-13
Conexus Credit Union Term Deposit	12,478	12,438	12,478	12,438	1.35%	4-Jun-15
CIBC Long Term GIC	14,000	14,000	14,000	14,000	2.10%	23-Aug-14
Conexus Credit Union Term Deposit	2,547		2,547		1.35%	7-Feb-15
Innovation Credit Union Term Deposit	8,463	8,305	8,463	8,305	1.90%	20-Apr-14
Equity in co-operatives	17,908	20,213	17,903	20,213		
Credit Union equity funds	376	371	376	371		
Total Long Term Investments	\$ 255,758	\$ 255,313	\$ 262,491	\$ 264,839		

6. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	\$ 198,632	\$ 318,953	\$ -	\$ -	\$ 556,410	\$ 517,585	\$ 428,254
Administration	\$ 1,208,474	\$ 559,630	\$ -	\$ 29,790	\$ 1,655,116	\$ 1,797,894	\$ 1,496,268
Instruction	\$49,319,571	\$ 4,894,800	\$ -	\$ 1,261,401	\$56,720,743	\$ 55,475,772	\$52,557,104
Plant	\$ 3,892,908	\$ 9,215,065	\$ -	\$ 2,320,884	\$13,614,815	\$ 15,428,857	\$13,516,069
Transportation	\$ 3,663,787	\$ 2,300,817	\$ -	\$ 887,277	\$ 6,770,313	\$ 6,851,881	\$ 6,635,228
Tuition and Related Fees	\$ -	\$ 91,929	\$ -	\$ -	\$ 75,000	\$ 91,929	\$ 109,125
School Generated Funds	\$ -	\$ 1,134,496	\$ -	\$ -	\$ 1,500,000	\$ 1,134,496	\$ 1,195,440
Complementary Services	\$ 1,703,623	\$ 509,909	\$ -	\$ 1,819	\$ 2,156,643	\$ 2,215,351	\$ 1,576,045
External Services	\$ 2,902,468	\$ 958,016	\$ -	\$ 181	\$ 3,381,551	\$ 3,860,665	\$ 3,641,512
Other	\$ -	\$ 2,569	\$ 112,427	\$ -	\$ 127,428	\$ 114,996	\$ 3,514
TOTAL	\$62,889,463	\$19,986,184	\$ 112,427	\$ 4,501,352	\$86,558,019	\$ 87,489,426	\$81,158,559

7. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment and compensated absence benefits and termination benefits to its employees. These benefits include accumulating non-vested sick leave, severance benefits, and vacation banks. These benefits generally accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. Significant assumptions include discount rate, inflation and salary scale. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Statement of Financial Position.

Details of the employee future benefits are as follows:

	2012	2011
Actuarial valuation date	31-Aug-12	31-Aug-11
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.3 - 9.0%
Discount rate (percentage)	2.70%	3.40%
Inflation rate (percentage)	2.25%	2.50%
Expected average remaining service life (years)	12	12

Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 1,947,500	\$ 1,808,100
Current period benefit cost	165,600	158,100
Interest cost	70,300	69,000
Benefit payments	(92,300)	(97,300)
Actuarial gains / losses	(68,500)	9,600
Plan amendments	-	-
Accrued Benefit Obligation - end of year	2,022,600	1,947,500
Unamortized Net Actuarial Gains / Losses	(43,600)	(123,600)
Liability for Employee Future Benefits	\$ 1,979,000	\$ 1,823,900
Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 165,600	\$ 158,100
Amortization of net actuarial gain / loss	11,500	10,700
Plan amendments	-	-
Benefit cost	177,100	168,800
Interest cost on unfunded employee future benefits obligation	70,300	69,000
Total Employee Future Benefits Expense	\$ 247,400	\$ 237,800

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:

	2012			2011
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	666	69	735	693
Member contribution rate (percentage of salary)	7.8 - 10%	6.05 - 7.85%	6.05 - 10%	6.05 - 9%
Member contributions for the year	\$ 3,295,887	\$ 239,310	\$ 3,535,197	\$ 2,850,336

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:

	2012	2011
Number of active School Division members	666	602
Member contribution rate (percentage of salary)	7.40%	6.4 - 7.4%
School Division contribution rate (percentage of salary)	7.40%	6.4 - 7.4%
Member contributions for the year	\$ 1,154,324	\$ 958,771
School Division contributions for the year	\$ 1,154,324	\$ 958,771
Actuarial valuation date	31-Dec-10	31-Dec-10
Plan Assets	\$ 1,395,109,000	\$ 1,399,241,000
Plan Liabilities	\$ 1,599,687,000	\$ 1,381,094,000
Plan Surplus (Deficit)	\$ (232,756)	\$ 18,147,000

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:

	2012			2011		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 13,716,962	\$ 1,403,326	\$ 12,313,636	\$ 14,518,237	\$ 1,403,326	\$ 13,114,911
Provincial Grants Receivable	338,095	-	338,095	2,038,257	-	2,038,257
Other Receivables	631,278	-	631,278	700,143	-	700,143
Total Accounts Receivable	\$ 14,686,335	\$ 1,403,326	\$ 13,283,009	\$ 17,256,637	\$ 1,403,326	\$ 15,853,311

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2012	2011
Accrued Salaries and Benefits	\$ 953,770	\$ 3,243,824
Supplier Payments	5,364,304	5,595,438
Staff funds	1,404	2,151
Construction contract holdbacks & other contractual liabilities	552,310	245,162
Total Accounts Payable and Accrued Liabilities	\$ 6,871,788	\$ 9,086,575

11. LONG-TERM DEBT

Details of long-term debt are as follows:

		2012	2011
Capital Loans::	<i>CIBC</i>	2,470,695	2,760,529
	Principal Repaid	(304,116)	(289,834)
		2,166,579	2,470,695
Total Long Term Debt		\$ 2,166,579	\$ 2,470,695

Principal repayments over the next 5 years are estimated as follows:		
	Capital Loans	Total
2013	319,103	319,103
2014	334,828	334,828
2015	351,328	351,328
2016	368,642	368,642
2017	386,808	386,808
Thereafter	405,870	405,870
Total	\$ 2,166,579	\$ 2,166,579

Principal and interest payments on the long-term debt are as follows			
	Capital Loans	2012	2011
Principal	\$ 304,116	\$ 304,116	\$ 289,834
Interest	112,427	112,427	126,710
Total	\$ 416,543	\$ 416,543	\$ 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:

	Balance as at Aug. 31, 2011	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2012
Capital projects:				
Federal capital tuition	2,670	366	-	3,036
Proceeds from sale of buildings	640,156	-	-	640,156
Peacock gym floor	7,920	6,100	-	14,020
Legacy division capital project	2,528	-	-	2,528
One time Pre-K capital funding	52,319	-	-	52,319
Playground donations	15,428	17,500	11,821	21,107
Peacock auditorium improvement fee	-	10,688	-	10,688
Coronach School Treadmill	-	130	-	130
Lafleche School Tarmac	-	6,634	-	6,634
Mortlach Score Clock	-	1,000	-	1,000
Peacock Donations to School Governance Association Room	-	2,000	-	2,000
Total capital projects deferred revenue	721,021	44,418	11,821	753,618
Other deferred revenue:				
Property tax	2,050,468	1,710,086	2,051,228	1,709,326
Rentals, tuition & donations	31,840	8,984	31,223	9,601
Technology grant	42,191	-	-	42,191
Cognitive disabilities consultant funding	21,553	25,081	21,553	25,081
Community education program	4,055	-	4,055	-
Family support worker funding	1,010	-	1,010	-
Community Initiative Fund Grant	-	3,200	-	3,200
Nutrition program	36,115	20,290	36,115	20,290
Total other deferred revenue	2,187,232	1,767,641	2,145,184	1,809,689
Total Deferred Revenue	\$ 2,908,253	\$ 1,812,059	\$ 2,157,005	\$ 2,563,307

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 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Nutrition	Other Programs	2012	2011
Revenue:						
Operating Grants	\$ 520,008	\$ 12,399	\$ 20,255	\$ 74,187	626,849	\$ 577,314
Capital Grants	197,550	-	-	-	197,550	84,000
Fees and Other Revenue	34	2,394	-	150	2,578	46,821
Total Revenue	717,592	14,793	20,255	74,337	826,977	\$ 708,135
Expenses:						
Salaries & Benefits	928,856	369,780	180,570	224,415	1,703,621	1,144,825
Supplies and Services	3,494	330,689	-	-	334,183	295,404
Communications	2,320	6,163	-	-	8,483	4,708
Travel	-	48,406	3,032	-	51,438	44,167
Professional Development	-	29,053	2,624	385	32,062	7,346
Student Related Expenses	5,610	14,796	46,792	15,710	82,908	77,776
Student Transportation	837	-	-	-	837	-
Amortization of Tangible Capital Assets	910	909	-	-	1,819	1,819
Total Expenses	942,027	799,796	233,018	240,510	2,215,351	\$1,576,045
Excess (Deficiency) of Revenue over Expenses	\$ (224,435)	\$ (785,003)	\$ (212,763)	\$(166,173)	\$(1,388,374)	\$ (867,910)

Pre-K programs

Prekindergarten programs provide in-school programs for children of preschool age. The School Division operated nine prekindergarten programs in the 2011/12 (eight in 2010/11) school year: Assiniboia Seventh Avenue School, Empire School, Prince Arthur Community School, King George School, Westmount School, William Grayson School, Sunningdale School and two French prekindergarten programs operated at Gravelbourg Elementary School and Palliser Heights School.

Interagency Services

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

Nutrition

The School Division provides nutritious breakfasts, snacks and meals to students in need.

Other

Programs stated as other include opportunity to learn and community

supports for students, families and communities in schools designated by the School Division. The School Division operated two community school programs in the 2011/12 school year: Empire School/Riverview School and Prince Arthur Community School.

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 2012:

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Bus Services	Food Services	Cognitive Disabilities Strategies	Other Programs	2012	2011
Revenue:							
Operating Grants	\$3,292,836	\$ -	\$ -	\$ 51,783	\$ -	\$3,344,619	\$3,188,426
Fees and Other Revenue	10,492	37,586	111,831	-	297,672	457,581	351,956
Total Revenue	3,303,328	37,586	111,831	51,783	297,672	3,802,200	\$3,540,382
Expenses:							
Other Related Fees	853,898	-	-	-	-	853,898	844,152
Salaries & Benefits	2,444,652	24,904	93,621	42,331	296,961	2,902,469	2,707,515
Supplies and Services	-	896	-	5,083	(2)	5,977	6,314
Non-Capital Equipment	-	11,786	-	-	-	11,786	10,245
Building Operating Expenses	-	-	-	-	2,800	2,800	7,050
Communications	-	-	-	1,017	95	1,112	1,762
Travel	-	-	1,495	1,208	-	2,703	4,528
Professional Development	4,778	-	40	1,603	-	6,421	8,939
Student Related Expenses	-	-	71,032	541	1,745	73,318	51,007
Amortization of Tangible Capital Assets	-	-	-	-	181	181	-
Total Expenses	3,303,328	37,586	166,188	51,783	301,780	3,860,665	\$3,641,512
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$(54,357)	\$ -	\$ (4,108)	\$ (58,465)	\$ (101,130)

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.

Bus Services

The school division provides bus repair services to Holy Trinity Roman Catholic Separate School Division and a small amount of transportation services to Cornerstone Christian School.

Food Services

The school division operates concessions at Riverview Collegiate, A.E. Peacock Collegiate and Central 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 has employees that are seconded to other organizations such as Canadian Union of Public Employees (CUPE), Saskatchewan High School Athletics Association (SHSAA), Prairie South Teachers' Association and the Saskatchewan Ministry of Education.

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 budget carry forwards and capital reserves. These internally restricted amounts are included in the Accumulated Surplus presented in the Statement of Financial Position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	2012	2011
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 54,086,464	\$ 51,865,356
Less: Debt owing on Tangible Capital Assets	2,166,579	2,470,695
	51,919,885	49,394,661
Internally Restricted Surplus:		
Incomplete Board approved tangible capital asset projects	1,744,805	1,824,603
Incomplete Board approved practical applied arts program	3,000,000	-
School Community Council carry forwards	63,150	25,241
School generated funds	901,196	838,472
School budget carry forwards	402,408	528,383
	6,111,559	3,216,699
Unrestricted Surplus	18,493,961	25,722,791
Total Accumulated Surplus	\$ 76,525,405	\$ 78,334,151

16. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the board of education on June 7, 2011 and the Minister of Education on August 31, 2011.

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.

	2012	2011
Revenues:		
Ministry of Education	\$ 55,003,195	\$ 51,542,588
SGI	219,248	-
Sask Workers' Compensation Board	53,809	27,456
Ministry of Social Services	63,982	61,127
Holy Trinity Roman Catholic School Division	45,721	67,311
Great Plains Regional College	10,440	-
Community Initiatives Fund	11,548	-
Prairie Valley School Division	6,605	-
Other	43,513	12,762
	\$ 55,458,061	\$ 51,711,244
Expenses:		
Briercrest College and Seminary	\$ 54,945	\$ 39,992
Caronport High School	344,680	461,128
Cornerstone Christian School	445,759	418,463
Five Hills Health Region	31,056	274,397
Holy Trinity Catholic School Division	109,696	299,393
Minister of Finance	45,043	38,289
Sask Educational Leadership Unit	47,382	19,750
Sask Energy	582,569	761,096
Sask Power	1,059,874	1,028,225
Sask Workers' Compensation Board	297,731	200,159
Saskatoon Public School Division	5,900	8,994
SaskTel	596,795	1,355,420
SGI	82,619	77,302
St. Paul's R.C.S.S.D. No. 20	10,500	7,500
Other	-	22,223
	\$ 3,714,549	\$ 5,012,332
Accounts Receivable:		
Ministry of Education	\$ 338,095	\$ 2,038,257
Holy Trinity Roman Catholic SD	20,797	38,031
Caronport High School	14,227	22,618
Cornerstone Christian School	27,532	31,696
SaskTel	-	27,566
Other	3,705	4,158
	\$ 404,356	\$ 2,162,327
Prepaid Expenses:		
Five Hills Health Region	\$ 10,259	\$ 151,569
Sask Workers' Compensation Board	57,105	74,873
SGI	72,400	67,018
	\$ 139,764	\$ 293,460
Provincial Grant Overpayment:		
Ministry of Education	\$ 1,747,384	\$ -
	\$ 1,747,384	\$ -
Accounts Payable and Accrued Liabilities:		
Ministry of Finance	\$ 6,300	\$ 4,441
SaskEnergy	12,205	2,393
SaskPower	117,307	117,260
SaskTel	-	488,868
Holy Trinity RCSD	-	204,772
	\$ 135,812	\$ 817,734
Deferred Revenue:		
Community Initiatives Fund	\$ 3,200	\$ -
Ministry of Social Services	25,081	22,563
Ministry of Education	72,609	95,017
	\$ 100,890	\$ 117,580

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$1,142,430 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, 2012	\$ 1,142,430
Less: Amounts reported in financial statements	\$ 338,095
Equal: Unrecorded balance	\$ 804,335

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

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 scholarships, and other scholarships entrusted to the school division by individuals. The trust assets and transactions are not included in the financial statements.

Subsequent to the year ended August 31, 2011, it was determined the Moose Jaw School District No. 1 Bursary Fund Inc. should be included as funds held in trust by the School Division. Due to this change, the Trust Note 18 has been restated to include the amount held by the Moose Jaw School District No. 1 Bursary Fund Inc. in the prior period.

Information about these trusts is as follows:

	Scholarships		Deferred Salaries		Moose Jaw School District No. 1 Bursary Fund Inc.		Total	Restated
	2012	2011	2012	2011	As at Dec.	As at Dec.		
					31, 2011	31, 2010		
Cash and short term investments	\$ 177,841	\$ 66,070	\$ 132,104	\$ 86,125	\$ 19,920	\$ 21,888	\$ 329,865	\$ 174,083
Portfolio investments	102,398	209,990			1,060,037	879,269	\$ 1,162,435	1,089,259
Total Assets	\$ 280,239	\$ 276,060	\$ 132,104	\$ 86,125	\$ 1,079,957	\$ 901,157	\$ 1,492,300	\$ 1,263,342
Revenues								
Contributions and donations	\$ 11,080	\$ 2,730	\$ 45,979	\$ 56,141	\$ 178,513	\$ 112,061	\$ 235,572	\$ 170,932
Interest on investments	5,301	5,075	-	-	45,559	37,705	\$ 50,860	42,780
	16,381	7,805	45,979	56,141	224,072	149,766	\$ 286,432	213,712
Expenses								
Student Related Expenses	12,202	9,941	-	-	43,775	36,835	55,977	46,776
Administration	-	-	-	-	1,403	1,340	1,403	1,340
Loss on Sale of Investments	-	-	-	-	94	-	94	-
	12,202	9,941	-	-	45,272	38,175	57,474	48,116
Excess of Revenue over Expenses	4,179	(2,136)	45,979	56,141	178,800	111,591	228,958	165,596
Trust Fund Balance, Beginning of Year	276,060	278,196	86,125	29,984	901,157	789,566	1,263,342	1,097,746
Trust Fund Balance, End of Year	\$ 280,239	\$ 276,060	\$ 132,104	\$ 86,125	\$ 1,079,957	\$ 901,157	\$ 1,492,300	\$ 1,263,342

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 with CIBC on property currently owned by Cornerstone Christian School, an associate school of the School Division. 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 was fixed until January 1, 2012. At that time the interest rate was transferred to a variable rate of the prime rate plus 0.5%.

The balance of the loan at August 31, 2012 is \$824,734 principal and interest and the loan is in good standing.

On September 28, 2012, Cornerstone Christian School changed lenders for the loan guaranteed by the School Division. The loan was renegotiated for the amount of \$822,000 with BMO. The loan is a 10 year term at a fixed rate of 3.46%.

20. COMPARATIVE INFORMATION

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