



Ministry of
Education

Auditor's Report and Financial Statement

Of the Good Spirit School Division

School Division No. 2040500

For the Period Ending: August 31, 2010

Sherry Todosichuk, C.G.A.
Secretary Treasurer

Skilnick Miller Moar Grodecki & Kreklewich
Auditor

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

Good Spirit School Division
Consolidated Statement of Financial Position
as at August 31, 2010

	2010	2009
Financial Assets		(Note 20)
Cash	4,639,839	3,881,640
Short Term Investments	-	-
Accounts Receivable (Note 8)	15,910,904	17,545,533
Inventories for Sale	-	362
Long Term Investments (Note 4)	285,292	279,607
Other Assets	52,725	54,871
Total Financial Assets	20,888,760	21,762,013
Liabilities		
Bank Indebtedness (Note 3)	-	-
Provincial Grant Overpayment	-	-
Accounts Payable and Accrued Liabilities (Note 9)	2,152,026	2,460,798
Short Term Loans	-	-
Long Term Debt (Note 11)	5,426,229	6,263,941
Liability for Employee Future Benefits (Note 6)	377,300	349,300
Deferred Revenue (Note 12)	6,329,294	7,228,353
Other Liabilities (Note 10)	285,685	292,039
Total Liabilities	14,570,534	16,594,431
Net Financial Assets (Net Debt)	6,318,226	5,167,582
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	34,537,764	34,069,747
Inventory of Supplies for Consumption	-	-
Prepaid Expenses	581,625	652,894
Total Non-Financial Assets	35,119,389	34,722,641
Accumulated Surplus (Deficit) (Note 15)	41,437,615	39,890,223

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

The accompanying notes are an integral part of these statements

Approved by the Board:

_____ Chairperson

_____ Secretary-Treasurer

Good Spirit School Division
Consolidated Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 16)		(Note 20)
REVENUES			
Property Taxation	16,641,705	17,466,347	20,616,275
Grants	45,930,204	45,866,106	40,106,975
Tuition and Related Fees	2,808,589	1,894,223	2,917,292
School Generated Funds	-	2,710,395	2,491,374
Complementary Services (Note 13)	320,815	1,071,886	1,002,234
External Services (Note 14)	275,783	955,739	246,710
Other	258,846	1,418,565	328,212
Total Revenues (Schedule A)	66,235,942	71,383,261	67,709,072
EXPENSES			
Governance	423,215	380,898	351,047
Administration	1,118,846	1,059,446	1,110,857
Instruction	47,442,074	46,401,346	43,036,012
Plant	6,929,153	8,338,529	7,202,395
Transportation	6,817,026	5,902,283	5,758,895
Tuition and Related Fees	834,700	2,642,791	676,496
School Generated Funds	-	2,853,061	2,461,560
Complementary Services (Note 13)	1,129,171	1,182,803	1,113,095
External Services (Note 14)	275,783	743,775	270,056
Other Expenses	277,259	330,937	315,365
Total Expenses (Schedule B)	65,247,227	69,835,869	62,295,778
Surplus (Deficit) for the Year	988,715	1,547,392	5,413,294
Accumulated Surplus (Deficit), Beginning of Year	39,890,223	39,890,223	34,476,929
Accumulated Surplus (Deficit), End of Year	40,878,938	41,437,615	39,890,223

The accompanying notes are an integral part of these statements

Good Spirit School Division
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 16)		(Note 20)
Net Financial Assets (Net Debt), Beginning of Year	5,167,582	5,167,582	2,074,151
Changes During the Year:			
Surplus (Deficit) for the Year	988,715	1,547,392	5,413,294
Acquisition of Tangible Capital Assets (Schedule C)	(3,650,106)	(3,941,537)	(5,268,001)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	12,476	-
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	536,146	-
Write-Down of Tangible Capital Assets (Schedule C)	-	49,785	-
Amortization of Tangible Capital Assets (Schedule C)	3,220,691	2,875,112	2,784,190
Net Acquisition of Inventory of Supplies	-	-	-
Net Acquisition of Prepaid Expenses	-	71,270	163,948
Change in Net Financial Assets / Net Debt	559,300	1,150,644	3,093,431
Net Financial Assets (Net Debt), End of Year	5,726,882	6,318,226	5,167,582

The accompanying notes are an integral part of these statements

Good Spirit School Division
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	2009
OPERATING ACTIVITIES		(Note 20)
Surplus (Deficit) for the Year	1,547,392	5,413,294
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,461,043	2,784,190
Net Change in Non-Cash Operating Activities (Schedule E)	522,221	3,035,026
Cash Provided (Used) by Operating Activities	5,530,656	11,232,510
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(3,941,537)	(5,268,001)
Proceeds on Disposal of Tangible Capital Assets	12,476	-
Cash Provided (Used) by Capital Activities	(3,929,061)	(5,268,001)
INVESTING ACTIVITIES		
Cash Used to Acquire Long Term Investments	(5,685)	(43,258)
Proceeds on Disposal of Long Term Investments		-
Cash Provided (Used) by Investing Activities	(5,685)	(43,258)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	1,805,209	2,270,132
Repayment of Long Term Debt	(2,642,920)	(2,485,420)
Cash Provided (Used) by Financing Activities	(837,711)	(215,288)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	758,199	5,705,963
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,881,640	(1,824,323)
CASH AND CASH EQUIVALENTS, END OF YEAR	4,639,839	3,881,640
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	4,639,839	3,881,640
Short Term Investments	-	-
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	4,639,839	3,881,640

The accompanying notes are an integral part of these statements

Good Spirit School Division
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	16,516,705	17,429,676	20,385,309
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	16,516,705	17,429,676	20,385,309
Grants in Lieu of Taxes:			
Federal Government	-	90,846	130,634
Provincial Government	-	294,389	299,806
Railways	-	-	-
Other	-	43,219	59,460
Total Grants in Lieu of Taxes	-	428,454	489,900
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	125,000	37,433	283,155
House Trailer Fees	-	22,464	20,985
Total Other Tax Revenues	125,000	59,897	304,140
Additions to Levy:			
Penalties	-	288,611	374,972
Other	-	11,643	52,273
Total Additions to Levy	-	300,254	427,245
Deletions from Levy:			
Discounts	-	(594,055)	(666,890)
Cancellations	-	(157,879)	(144,900)
Other Deletions	-	-	(178,529)
Total Deletions from Levy	-	(751,934)	(990,319)
Total Property Taxation Revenue	16,641,705	17,466,347	20,616,275
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	45,218,081	44,076,286	33,312,913
Education Property Tax Credit	-	-	5,152,912
Other Ministry Grants	-	-	-
Total Ministry Grants	45,218,081	44,076,286	38,465,825
Other Provincial Grants	-	-	1,600
Federal Grants	-	-	-
Grants from Others	-	26,105	-
Total Operating Grants	45,218,081	44,102,391	38,467,425
Capital Grants			
Ministry of Education Capital Grants	712,123	1,761,735	1,639,550
Other Capital Grants	-	1,980	-
Total Capital Grants	712,123	1,763,715	1,639,550
Total Grants	45,930,204	45,866,106	40,106,975

Good Spirit School Division
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	180,180	149,950	601,783
Federal Government and First Nations Individuals and Other	1,595,909	1,660,018	1,730,876
	327,900	84,255	89,910
Total Tuition Fees	2,103,989	1,894,223	2,422,569
Transportation Fees	300,000	-	447,047
Other Related Fees	359,800	-	-
Total Operating Tuition and Related Fees	2,763,789	1,894,223	2,869,616
Capital Fees:			
Federal/First Nations Capital Fees	44,800	-	47,676
Total Capital Tuition and Fees	44,800	-	47,676
Total Tuition and Related Fees Revenue	2,808,589	1,894,223	2,917,292
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	-	-	-
Other	-	68,815	-
Total Curricular Fees	-	68,815	-
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	-	268,430	-
Fundraising	-	918,792	-
Grants and Partnerships	-	10,589	-
Students Fees	-	-	-
Other	-	1,443,769	2,491,374
Total Non-Curricular Fees	-	2,641,580	2,491,374
Total School Generated Funds Revenue	-	2,710,395	2,491,374
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	603,502	604,502
Ministry of Education Grants-Other	78,074	-	7,000
Other Provincial Grants	75,000	138,785	81,690
Federal Grants	167,741	145,562	162,145
Other Grants	-	148,483	128,031
Total Operating Grants	320,815	1,036,332	983,368
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	-	35,554	18,866
Total Fees and Other Revenue	-	35,554	18,866
Total Complementary Services Revenue	320,815	1,071,886	1,002,234

Good Spirit School Division
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	-	56,515	67,536
Federal Grants	-	-	-
Other Grants	9,669	9,100	7,224
Total Operating Grants	9,669	65,615	74,760
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	266,114	890,124	171,950
Total Fees and Other Revenue	266,114	890,124	171,950
Total External Services Revenue	275,783	955,739	246,710
Other Revenue			
Miscellaneous Revenue	12,500	1,173,155	81,998
Sales & Rentals	221,000	203,944	215,762
Investments	25,346	28,990	30,452
Gain on Disposal of Capital Assets	-	12,476	-
Total Other Revenue	258,846	1,418,565	328,212
TOTAL REVENUE FOR THE YEAR	66,235,942	71,383,261	67,709,072

Good Spirit School Division
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Governance Expense			
Board Members Expense	124,950	116,509	85,736
Conventions - Board Members	46,423	36,727	43,693
School Community Councils	38,350	35,270	34,815
Conventions - School Community Councils	5,000	1,267	2,500
Elections	15,000	10,767	568
Other Governance Expenses	193,492	180,358	183,735
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	423,215	380,898	351,047
Administration Expense			
Salaries	741,000	715,314	757,206
Benefits	144,245	114,674	122,191
Supplies & Services	91,750	99,461	87,670
Non-Capital Furniture & Equipment	7,500	16,541	31,494
Building Operating Expenses	45,700	38,378	36,715
Communications	40,500	38,282	42,084
Travel	6,900	5,245	5,155
Professional Development	25,500	15,511	12,694
Amortization of Tangible Capital Assets	15,751	16,040	15,648
Total Administration Expense	1,118,846	1,059,446	1,110,857
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	32,131,070	32,218,515	29,932,094
Instructional (Teacher & LEADS Contract) Benefits	1,303,224	1,536,377	1,433,108
Program Support (Non-Teacher Contract) Salaries	6,548,558	6,099,624	5,716,691
Program Support (Non-Teacher Contract) Benefits	1,128,391	992,650	876,321
Instructional Aids	2,183,467	1,696,685	1,302,510
Supplies & Services	433,366	599,381	618,389
Non-Capital Furniture & Equipment	186,325	284,279	306,286
Communications	201,989	183,029	187,004
Travel	271,350	272,251	225,443
Professional Development	595,861	409,471	417,591
Student Related Expense	125,427	120,105	101,217
Amortization of Tangible Capital Assets	2,333,046	1,988,979	1,919,358
Total Instruction Expense	47,442,074	46,401,346	43,036,012

Good Spirit School Division
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Plant Operation & Maintenance Expense			
Salaries	2,084,551	2,104,459	1,928,576
Benefits	357,182	333,016	291,923
Supplies & Services	16,000	19,597	6,229
Non-Capital Furniture & Equipment	1,500	-	3,122
Building Operating Expenses	4,230,500	5,624,706	4,726,670
Communications	13,000	14,912	14,040
Travel	42,000	55,315	55,345
Professional Development	5,000	11,434	7,797
Amortization of Tangible Capital Assets	179,420	175,090	168,693
Total Plant Operation & Maintenance Expense	6,929,153	8,338,529	7,202,395
Student Transportation Expense			
Salaries	2,562,462	2,252,146	2,100,392
Benefits	433,793	328,413	301,404
Supplies & Services	1,178,750	1,007,248	1,089,133
Non-Capital Furniture & Equipment	481,350	202,149	166,416
Building Operating Expenses	58,250	72,479	57,123
Communications	15,500	26,827	13,972
Travel	22,250	18,829	18,130
Professional Development	9,000	7,721	7,279
Contracted Transportation	1,375,000	1,302,131	1,334,358
Amortization of Tangible Capital Assets	680,671	684,340	670,688
Total Student Transportation Expense	6,817,026	5,902,283	5,758,895
Tuition and Related Fees Expense			
Tuition Fees	834,700	703,548	111,874
Transportation Fees	-	4,800	564,622
Other (Note 22)	-	1,934,443	-
Total Tuition and Related Fees Expense	834,700	2,642,791	676,496
School Generated Funds Expense			
Supplies & Services	-	-	-
Cost of Sales	-	240,815	-
Non-Capital Furniture & Equipment	-	-	-
Special Programs	-	-	-
School Fund Expenses	-	2,612,246	2,461,560
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	-	2,853,061	2,461,560

Good Spirit School Division
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	103,194	528	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	265,930	265,099	252,350
Program Support (Non-Teacher Contract) Salaries & Benefits	599,517	646,264	633,852
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	110,107	94,005
Supplies & Services	113,727	23,155	21,745
Non-Capital Furniture & Equipment	-	-	96
Building Operating Expenses	-	15,444	15,402
Communications	-	7,533	6,726
Travel	-	30,133	47,753
Professional Development (Non-Salary Costs)	-	5,120	2,222
Student Related Expenses	-	40,160	29,122
Contracted Transportation & Allowances	35,000	28,598	19
Amortization of Tangible Capital Assets	11,803	10,662	9,803
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	1,129,171	1,182,803	1,113,095
External Service Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	384,673	-
Program Support (Non-Teacher Contract) Salaries & Benefits	175,783	196,388	172,219
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	57,114	-
Supplies & Services	100,000	93,438	89,384
Non-Capital Furniture & Equipment	-	-	-
Building Operating Expenses	-	-	-
Communications	-	5,529	-
Travel	-	5,701	6,518
Professional Development (Non-Salary Costs)	-	932	1,935
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	275,783	743,775	270,056

Good Spirit School Division
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	80,000	3,352	10,027
Interest on Debentures			
School Facilities	-	-	-
Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
School Facilities	197,259	294,528	187,509
Other	-	-	117,829
Total Interest and Bank Charges	<u>277,259</u>	<u>297,880</u>	<u>315,365</u>
Loss on Disposal of Tangible Capital Assets	-	533,057	-
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectable Taxes	-	(500,000)	-
Total Other Expense	277,259	330,937	315,365
TOTAL EXPENSES FOR THE YEAR	65,247,227	69,835,869	62,295,778

Good Spirit School Division
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2010

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
<i>Tangible Capital Assets - at Cost:</i>												
Opening Balance as of September 1, 2009	272,326	-	51,232,346	-	10,508,322	354,499	5,200,252	1,292,838	337,597	3,454,125	72,652,305	103,819,366
Additions/Purchases	-	-	-	-	833,459	18,121	728,483	971,750	94,759	1,294,965	3,941,537	5,268,001
Disposals	-	-	(124,898)	-	(1,357,634)	-	(464,742)	(1,292,838)	-	-	(3,240,112)	(545,115)
Write-Downs	-	-	(49,785)	-	-	-	-	-	-	-	(49,785)	(35,889,947)
Transfers to (from)	-	-	4,156,845	-	-	-	-	-	-	(4,156,845)	-	-
Closing Balance as of August 31, 2010	272,326	-	55,214,508	-	9,984,147	372,620	5,463,993	971,750	432,356	592,245	73,303,945	72,652,305
<i>Tangible Capital Assets - Amortization:</i>												
Opening Balance as of September 1, 2009	-	-	28,328,207	-	6,758,857	251,899	2,797,608	378,468	67,519	-	38,582,558	36,343,483
Amortization of the Period	-	-	1,071,231	-	663,196	37,574	600,629	416,011	86,471	-	2,875,112	2,784,190
Disposals	-	-	(174,683)	-	(1,357,633)	-	(464,742)	(744,216)	-	-	(2,741,274)	(545,115)
Write-Downs	-	-	49,785	-	-	-	-	-	-	-	49,785	-
Transfers to (from)	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as of August 31, 2010	-	-	29,274,540	-	6,064,420	289,473	2,933,495	50,263	153,990	N/A	38,766,181	38,582,558
<i>Net Book Value:</i>												
Opening Balance as of September 1, 2009	272,326	-	22,904,139	-	3,749,465	102,600	2,402,644	914,370	270,078	3,454,125	34,069,747	67,475,883
Closing Balance as of August 31, 2010	272,326	-	25,939,968	-	3,919,727	83,147	2,530,498	921,487	278,366	592,245	34,537,764	34,069,747
Change in Net Book Value	-	-	3,035,829	-	170,262	(19,453)	127,854	7,117	8,288	(2,861,880)	468,017	(33,406,136)
<i>Disposals:</i>												
Historical Cost	-	-	174,684	-	1,357,633	-	464,742	1,292,838	-	-	3,289,897	545,115
Accumulated Amortization	-	-	174,684	-	1,357,633	-	464,742	744,216	-	-	2,741,275	545,115
Net Cost	-	-	-	-	-	-	-	548,622	-	-	548,622	-
Price of Sale	-	-	-	-	12,476	-	-	-	-	-	12,476	-
Gain/loss on Disposal	-	-	-	-	12,476	-	-	(548,622)	-	-	(536,146)	-
Net Book Value (NBV) of Assets Pledged as Security for Debt	-	-	-	-	-	-	-	-	-	-	-	-

Good Spirit School Division
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	2009
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	2,875,112	2,784,190
Net (Gain) Loss on Disposal of Tangible Capital Assets	536,146	-
Write-Down of Tangible Capital Assets (Schedule C)	49,785	-
Total Non-Cash Items Included in Surplus / Deficit	3,461,043	2,784,190

Good Spirit School Division
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	2009
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	1,634,629	4,001,650
Decrease (Increase) in Inventories for Sale	362	(362)
Decrease (Increase) in Other Assets	2,146	(442)
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(308,772)	385,177
Increase (Decrease) In Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	28,000	25,900
Increase (Decrease) in Deferred Revenue	(899,059)	-
Increase (Decrease) in Other Liabilities	(6,354)	(1,540,844)
Decrease (Increase) in Inventory of Supplies for Consumption	-	-
Decrease (Increase) in Prepaid Expenses	71,269	163,947
Total Net Change in Non-Cash Operating Activities	522,221	3,035,026

GOOD SPIRIT SCHOOL DIVISION NO. 204
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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 Good Spirit School Division No. 204” and operates as “the Good Spirit School Division No. 204”. The School Division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Reporting Entity and Consolidation

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

Controlled entities:

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

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

Controlled entities:

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

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GOOD SPIRIT SCHOOL DIVISION NO. 204
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b) 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.

c) Measurement Uncertainty and the Use of Estimates

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

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

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

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

d) 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.

e) Financial Assets

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

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

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

Inventories for Sale consist of clothing which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value.

Long Term Investments consist of term deposits and Sunlife shares and are carried at cost. Where there has been a permanent impairment in value of a long term investment, the investment is written down to reflect the loss in value.

Other Assets consist of equity and shares in local Credit Unions and Cooperatives.

f) Non Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the School Division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, 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.

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

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

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Inventory of Supplies for Consumption consists of supplies held for consumption by the School Division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for goods or services including: SSBA fees, consumable school supplies, insurance, bus garage parts, printer toner cartridges, and promotional items which will provide economic benefits in one or more future periods.

g) Liabilities

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

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

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

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the School Division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

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 and taxation revenues levied for periods after the end of the fiscal year. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

Other Liabilities are comprised of scholarships and bursaries.

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.

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h) Revenue Recognition

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

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

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

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis (prior to April 1, 2009 - 10 month basis), with 1/12th of the grant recognized as revenue each month (prior to April 1, 2009 – recognized at 1/10th per month with no grant being recognized for the months of July and August). Capital grants are recognized over the course of the construction project as the entitlement to the grant is earned and the amount is measurable. Restricted grants received but not yet earned are recorded as deferred revenue.

ii) Property taxation:

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

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

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3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$12,000,000 that bears interest at BMO prime rate. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by tax revenue and grants. The balance drawn on the line of credit at August 31, 2010 was \$ NIL at an interest rate of 2.50 % (August 31, 2009 - \$ NIL at an interest rate of 2.50 %).

4. LONG-TERM INVESTMENTS

Long Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2010	2009	2010	2009
<i>Sunlife Shares</i>	\$ 47,847	\$ 47,847	\$ 42,743	\$ 55,307
<i>Multiple Term Deposits - scholarships invested</i>	237,444	231,760	237,444	231,760
Total Long Term Investments	\$ 285,292	\$ 279,607	\$ 280,188	\$ 287,067

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ 154,503	\$ 226,395	\$ -	\$ -	\$ 423,215	\$ 380,898	\$ 351,047
Administration	829,989	213,417	-	16,040	1,118,846	1,059,446	1,110,857
Instruction	40,846,365	3,566,001	-	1,988,980	47,442,074	46,401,346	43,036,012
Plant	2,437,475	5,725,964	-	175,090	6,929,153	8,338,529	7,202,395
Transportation	2,580,560	2,637,383	-	684,340	6,817,026	5,902,283	5,758,895
Tuition and Related Fees	-	2,642,791	-	-	834,700	2,642,791	676,496
School Generated Funds	-	2,853,061	-	-	-	2,853,061	2,461,560
Complementary Services	921,017	251,124	-	10,662	1,129,171	1,182,803	1,113,095
External Services	581,063	162,712	-	-	275,783	743,775	270,056
Other	-	33,057	297,880	-	277,259	330,937	315,365
TOTAL	\$ 48,350,972	\$ 18,311,905	\$ 297,880	\$ 2,875,112	\$ 65,247,227	\$ 69,835,869	\$ 62,295,778

6. 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. Significant assumptions include demographics, usage of benefits, and experience observed with other employer groups with similar programs. The liability associated with these benefits is calculated as the present value of expected

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future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Consolidated Statement of Financial Position.

Details of the employee future benefits are as follows:

	2010	2009
	31-Aug	31-Aug
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate (percentage)	3.50%	3.50%
Discount rate (percentage)	4.10%	4.10%
Expected average remaining service life (years)	14	14

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	\$ 360,700	\$ 323,400
Current period benefit cost	29,700	27,400
Interest cost	15,600	15,100
Benefit payments	(18,100)	(16,600)
Actuarial gains / losses	-	11,400
Plan amendments	-	-
Accrued Benefit Obligation - end of year	387,900	360,700
Unamortized Net Actuarial Gains / Losses	(10,600)	(11,400)
Liability for Employee Future Benefits	\$ 377,300	\$ 349,300

Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 29,700	\$ 27,400
Amortization of net actuarial gain / loss	800	-
Plan amendments	-	-
Benefit cost	30,500	27,400
Interest cost on unfunded employee future benefits obligation	15,600	15,100
Total Employee Future Benefits Expense	\$ 46,100	\$ 42,500

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

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

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

The STRP and STSP are funded by contributions by the participating employee members and the Province of Saskatchewan. The School Division's obligation to

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the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans.

Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Province of Saskatchewan for the STSP.

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

	2010			2009
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	497	106	597	590
Member contribution rate (percentage of salary)	7.00%	7.85%		
Member contributions for the year	\$ 1,919,410	\$ 352,867	\$ 2,272,277	\$ 2,126,688

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2010	2009
Number of active School Division members	474	470
Member contribution rate (percentage of salary)	6.40%	5.40%
School Division contribution rate (percentage of salary)	6.40%	5.40%
Member contributions for the year	\$ 682,137	\$ 587,802
School Division contributions for the year	\$ 682,137	\$ 587,802

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Valuation Date	Dec 31/09	Dec 31/08
Plan Assets	\$ 1,284,959,000	\$1,150,748,000
Plan Liabilities	\$ 1,233,841,000	\$1,215,639,000
Plan Surplus (Deficit)	\$ 51,118,000	\$ (64,891,000)

8. ACCOUNTS RECEIVABLE

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

	2010			2009		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 14,374,278	\$ 1,590,858	\$ 12,783,420	\$ 15,129,327	\$ 2,072,705	\$ 13,056,622
Provincial Grants Receivable	1,544,143	-	1,544,143	1,947,810	-	1,947,810
Other Receivables	1,583,341	-	1,583,341	2,541,101	-	2,541,101
Total Accounts Receivable	\$ 17,501,762	\$ 1,590,858	\$ 15,910,904	\$ 19,618,238	\$ 2,072,705	\$ 17,545,533

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ 725,983	\$ 740,146
Supplier Payments	986,270	1,081,295
Other (Caution Fees, Correspondence, Unearned grants)	439,773	639,357
Total Accounts Payable and Accrued Liabilities	\$ 2,152,026	\$ 2,460,798

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2010	2009
Scholarships/Bursaries	285,685	292,039
Total Other Liabilities	\$ 285,685	\$ 292,039

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11. LONG-TERM DEBT

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

		2010	2009
Debentures:		\$ -	\$ -
		-	-
Capital Loans::			
	TD Canada Trust Columbia School	-	45,584
	TD Canada Trust Columbia School	227,624	365,415
	Royal Bank Norquay School	642,231	700,000
	Pacific & Western Trust Yorkdale School	-	16,781
	Bank of Montreal Yorkdale School	1,530,302	1,924,641
	Royal Bank Melville Deer Park	-	45,000
	Bank of Montreal Melville Comp	-	156,625
	Bank of Montreal Yorkton Regional	683,456	777,236
		3,083,613	4,031,282
Other Long Term Debt:			
Capital Leases	<i>Buses & Technology</i>	2,342,616	2,232,659
Other LT Debt		-	-
		2,342,616	2,232,659
Total Long Term Debt		\$ 5,426,229	\$ 6,263,941

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	Total
2011	\$ -	\$ 720,675	\$ 949,006	\$ -	\$ 1,669,682
2012	-	679,431	616,120	-	1,295,551
2013	-	629,020	406,751	-	1,035,771
2014	-	405,243	245,994	-	651,237
2015	-	188,497	124,744	-	313,241
Thereafter	-	460,748	-	-	460,748
Total	\$ -	\$ 3,083,613	\$ 2,342,616	\$ -	\$ 5,426,229

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	2010	2009
Principal	\$ -	\$ 947,669	\$ 1,695,253	\$ -	\$ 2,642,921	\$ 1,570,131
Interest	-	170,182	123,518	-	293,700	117,829
Total	\$ -	\$ 1,117,851	\$ 1,818,771	\$ -	\$ 2,936,621	\$ 1,687,960

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12. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2009	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2010
Capital Tuition Fees	\$ -	\$ 47,174	\$ -	\$ 47,174
Grants	1,196,696	-	1,196,696	-
Sale of School Buildings	-	408,263	-	\$ 408,263
Other - Taxes	6,031,657	5,873,857	6,031,657	5,873,857
Total Deferred Revenue	\$ 7,228,353	\$ 6,329,294	\$ 7,228,353	\$ 6,329,294

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 2010:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter- Agency Liaison	Pre-Natal Outreach	Other Programs	2010	2009
Revenue:						
Grants	\$ 338,422	\$ 265,080	\$ 90,658	\$ 334,672	\$ 1,028,832	\$ 1,002,234
Tuition and Related Fees	-	-	-	-	-	-
Miscellaneous Revenue	7,500	-	-	586	8,086	-
Sales and Rentals	-	-	-	34,968	34,968	-
Total Revenue	345,922	265,080	90,658	370,226	1,071,886	1,002,234
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	353,505	222,166	68,147	277,199	921,017	893,702
Instructional Aids	36,267	62,881	2,199	8,761	110,108	219,393
Supplies and Services	3,669	-	7,266	3,094	14,029	-
Non-Capital Equipment	-	-	-	10,662	10,662	-
Building Operating Expenses	6,195	-	2,625	6,625	15,445	-
Communications	3,124	-	881	3,528	7,533	-
Travel	400	-	7,166	22,567	30,133	-
Professional Development	-	-	2,374	2,746	5,120	-
Student Related Expenses	-	-	-	40,160	40,160	-
Contacted Transportation & Allowances	-	-	-	28,596	28,596	-
Total Expenses	403,159	285,047	90,658	403,938	1,182,803	1,113,095
Excess (Deficiency) of Revenue over Expenses	\$ (57,237)	\$ (19,967)	\$ -	\$ (33,712)	\$ (110,917)	\$ (110,861)

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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 2010:

Summary of External Services Revenues and Expenses, by Program	Adult Education	Summer School	Cafeteria	Other Programs	2010	2009
Revenue:						
Grants	\$ -	\$ -	\$ 174,794	\$ 780,945	\$ 955,739	\$ 74,761
Tuition and Related Fees	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	171,949
Sales and Rentals	-	-	-	-	-	-
Total Revenue	-	-	174,794	780,945	955,739	246,710
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	-	-	108,287	472,775	581,062	172,218
Instructional Aids	-	-	-	57,114	57,114	97,838
Supplies and Services	-	-	86,308	7,130	93,438	-
Non-Capital Equipment	-	-	-	-	-	-
Building Operating Expenses	-	-	-	-	-	-
Communications	-	-	-	5,529	5,529	-
Travel	-	-	-	5,700	5,700	-
Professional Development	-	-	-	932	932	-
Student Related Expenses	-	-	-	-	-	-
Contacted Transportation & Allowances	-	-	-	-	-	-
Total Expenses	-	-	194,595	549,180	743,775	270,056
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ (19,801)	\$ 231,765	\$ 211,964	\$ (23,346)

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 including school based budget carry over, school generated fund balances 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.

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Details of accumulated surplus are as follows:

	2010	2009
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 34,537,764	\$ 34,069,747
Less: Debt owing on Tangible Capital Assets	5,426,229	6,263,941
	<u>29,111,535</u>	<u>27,805,806</u>
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures	225,047	223,440
School generated funds	826,480	969,146
Distance Learning	250,865	119,207
School budget carryovers	89,699	144,062
<i>Other (provide details)</i>		
	<u>1,392,091</u>	<u>1,455,855</u>
Unrestricted Surplus	<u>11,130,054</u>	<u>10,628,562</u>
Total Accumulated Surplus	<u>\$ 41,633,680</u>	<u>\$ 39,890,223</u>

16. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on September 10, 2009 and the Ministry of Education on October 20, 2009. The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform with the basis of accounting used to prepare the consolidated financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the Board of Education and Ministry of Education is as follows:

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Revenue				
Property Taxation	\$16,641,705	-	-	\$16,641,705
Grants	45,930,204	-	-	45,930,204
Tuition and Related Fees	2,808,589	-	-	2,808,589
School Generated Funds	-	-	-	-
Complementary Services	320,815	-	-	320,815
External Services	275,783	-	-	275,783
Other	258,846	-	-	258,846
Total Revenue	\$66,235,942	-	-	\$66,235,942
Expenses				
Governance	\$423,215	-	-	\$423,215
Administration	1,118,846	28,550	15,751	1,131,645
Instruction	47,442,074	1,384,052	2,333,046	46,493,080
Plant	6,929,153	1,181,614	179,420	7,931,347
Transportation	6,817,026	1,055,890	680,671	7,192,245
Tuition and Related Fees	834,700	-	-	834,700
School Generated Funds	-	-	-	-
Complementary Services	1,129,171	-	11,803	1,117,368
External Services	275,783	-	-	275,783
Other Expenses	277,259	-	-	277,259
Total Expenses	\$65,247,227	\$3,650,106	\$3,220,691	\$65,676,642
Capital Debt Issued				420,000
Capital Debt Repaid				979,300
Surplus (Deficit)	\$988,715	\$3,650,106	\$3,220,691	-

17. RELATED PARTIES

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

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$3,147,310 (2009: \$ 2,985,493) of which \$13,591 (2009: \$ 15,624) was payable at August 31, 2010. The Ministry of Education has approved \$3,263,775 in capital transfers to the School Division of which \$658,136 has been recorded and is included in accounts receivable.

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.

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

18. CONTINGENT LIABILITIES

Litigation:

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

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

Minimum future lease payments::			
	Office Rental	Copier Leases	Total
2011	\$ -	\$ 53,511	\$ 53,511
2012		51,734	51,734
2013		30,052	30,052
2014		-	-
2015		-	-
Thereafter			-
Total	\$ -	\$ 135,297	\$ 135,297

20. ACCOUNTING POLICY CHANGES

a) Treaty Land Entitlement

Treaty Land Entitlement changed recognition from recording 1/10 of TLE payments as current year revenue to recognizing the full TLE payment in the year received. This changed the opening surplus by \$437,482 and prior year comparative revenue increased to \$283,155 from \$124,065.

b) Long Term Debt

Change in Long Term Debt for capital leases resulted in an increase of \$2,232,660 due to inclusion of bus and technology leases being treated as long term debt as opposed to an expense reported in previous years.

c) Adoption of Public Sector Accounting Board Standards

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

Change in Financial Statement Presentation

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

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

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

Tangible Capital Assets

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

In implementing the new standard, the costs of tangible capital assets were based on historical cost records or, when historical cost records were not available, other methods determined to provide a best estimate of historical costs and accumulated amortization. In certain cases, the School Division used replacement costs and

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appropriate indices to deflate the replacement cost to an estimated historical cost at the year of acquisition.

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

Tangible Capital Assets at August 31, 2009		
Tangible capital assets at cost as at August 31, 2009 - as previously reported		\$ 107,444,102
Tangible capital assets not previously capitalized		1,098,150
Write-downs of tangible capital assets		(35,889,947)
Tangible capital assets at cost as at August 31, 2009 - as restated		72,652,305
Accumulated amortization as at August 31, 2009 not previously reported		(38,582,558)
Tangible capital assets at net book value as at August 31, 2009 - as restated		\$ 34,069,747

2008-09 Annual Surplus		
2008-09 Surplus (deficit) for the year - as previously reported		\$ 2,554,296
Reverse repayment (issuance) of long term debt as a charge to annual surplus		215,288
Change in Revenue Recognition Treaty Land Entitlements		159,899
Tangible capital asset adjustments:		
Tangible capital assets capitalized but previously expensed	\$ 5,268,001	
Proceeds on disposals of tangible capital assets previously recorded as revenue	-	
Gain (loss) on disposals of tangible capital assets not previously recorded	-	
Write-down of tangible capital assets not previously recorded	-	
Amortization of tangible capital assets not previously recorded	(2,784,190)	
Total tangible capital asset adjustments		2,483,811
2008-09 Surplus (deficit) for the year - as restated		\$ 5,413,294

Accumulated Surplus at August 31, 2009		
Accumulated surplus as at September 1, 2008 - as previously reported:		
Operating Fund Balance		\$ 4,367,069
Capital Fund Balance		905,318
Other Funds Balance		3,660,352
Equity in Physical Assets		99,572,797
Total accumulated surplus as at September 1, 2008 - as previously reported		108,505,536
Prior period adjustments - cumulative effect to September 1, 2008:		
Tangible capital assets adjustments		(74,028,607)
Accumulated surplus as at September 1, 2008 - as restated		34,476,929
2008-09 surplus (deficit) for the year - as restated above		5,413,294
Accumulated surplus as at August 31, 2009 - as restated		\$ 39,890,223

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21. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation, however prior year school generated fund revenue and expenses were not as the exact breakdown was not determinable.

22. TUITION & TRANSPORTATION MEDIATION

Through a mediated process involving Good Spirit School Division, Christ the Teacher Roman Catholic Separate School Division and the Ministry of Education the over-recognized tuition and transportation fees of \$1,771,877 in previous years was written off and expensed to other tuition expenses during the current year.

23. SUBSEQUENT EVENTS

Subsequent to the year end the School Division entered into an agreement to purchase ten school buses and second phase of technology upgrade at a total cost of \$4,942,591.