



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, 2011

Sherry Todosichuk, C.G.A.
Chief Financial Officer

Skilnick Miller Moar Grodecki & Kreklewich
Auditor

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

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Good Spirit School Division
Statement of Financial Position
as at August 31, 2011

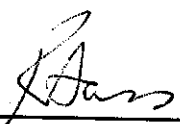
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	2011	2010
Financial Assets		
Cash and Cash Equivalents	7,368,588	4,639,839
Short Term Investments	-	-
Accounts Receivable (Note 8)	10,875,206	12,898,404
Inventories for Sale	-	-
Long Term Investments (Note 4)	285,760	285,292
Other Assets	52,996	52,725
Total Financial Assets	18,582,550	17,876,260
Liabilities		
Bank Indebtedness (Note 3)	-	-
Provincial Grant Overpayment	-	-
Accounts Payable and Accrued Liabilities (Note 9)	3,370,045	2,152,026
Short Term Loans	-	-
Long Term Debt (Note 11)	7,728,237	5,426,229
Liability for Employee Future Benefits (Note 6)	410,000	377,300
Deferred Revenue (Note 12)	3,211,710	3,316,794
Other Liabilities (Note 10)	274,653	285,685
Total Liabilities	14,994,645	11,558,034
Net Financial Assets (Net Debt)	3,587,905	6,318,226
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	38,496,692	34,537,764
Inventory of Supplies for Consumption	-	-
Prepaid Expenses	616,399	581,625
Total Non-Financial Assets	39,113,091	35,119,389
Accumulated Surplus (Deficit) (Note 15)	42,700,996	41,437,615

Contingent Liabilities (Note 18)
 Contractual Obligations and Commitments (Note 20)

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

Approved by the Board:



Chairperson



Secretary-Treasurer

Good Spirit School Division
Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
REVENUES	(Note 16)		
Property Taxation	17,485,776	16,546,271	17,466,347
Grants	46,259,500	47,035,419	45,866,106
Tuition and Related Fees	1,769,494	2,243,601	1,894,223
School Generated Funds	2,400,000	2,823,009	2,710,395
Complementary Services (Note 13)	271,000	1,104,249	1,071,886
External Services (Note 14)	660,871	742,077	955,739
Other	237,500	2,112,707	1,418,565
Total Revenues (Schedule A)	69,084,141	72,607,333	71,383,261
EXPENSES			
Governance	446,856	411,376	380,898
Administration	1,207,710	1,172,328	1,059,446
Instruction	47,590,024	47,860,155	46,401,346
Plant	6,929,696	10,018,466	8,338,529
Transportation	6,631,549	6,199,161	5,902,283
Tuition and Related Fees	843,460	801,516	2,642,791
School Generated Funds	2,400,000	2,692,537	2,853,061
Complementary Services (Note 13)	1,007,795	1,173,378	1,182,803
External Services (Note 14)	660,652	679,468	743,775
Other Expenses	457,259	335,567	330,937
Total Expenses (Schedule B)	68,175,001	71,343,952	69,835,869
Surplus (Deficit) for the Year	909,140	1,263,381	1,547,392
Accumulated Surplus (Deficit), Beginning of Year	41,437,615	41,437,615	39,890,223
Accumulated Surplus (Deficit), End of Year	42,346,755	42,700,996	41,437,615

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

Good Spirit School Division
Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2011

	2011 Budget (Note 16)	2011 Actual	2010 Actual
Net Financial Assets (Net Debt), Beginning of Year	6,318,226	6,318,226	5,167,582
Changes During the Year:			
Surplus (Deficit) for the Year	909,140	1,263,381	1,547,392
Acquisition of Tangible Capital Assets (Schedule C)	(1,200,000)	(7,396,599)	(3,941,537)
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)	3,600,000	3,437,671	2,875,112
Net Acquisition of Inventory of Supplies	-	-	-
Net Acquisition of Prepaid Expenses	-	(34,774)	71,270
Change in Net Financial Assets / Net Debt	3,309,140	(2,730,321)	1,150,644
Net Financial Assets (Net Debt), End of Year	9,627,366	3,587,905	6,318,226

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

Good Spirit School Division
Statement of Cash Flows
for the year ended August 31, 2011

	2011	2010
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	1,263,381	1,547,392
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,437,671	3,461,043
Net Change in Non-Cash Operating Activities (Schedule E)	3,122,756	522,221
Cash Provided (Used) by Operating Activities	7,823,808	5,530,656
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(7,396,599)	(3,941,537)
Proceeds on Disposal of Tangible Capital Assets	-	12,476
Cash Provided (Used) by Capital Activities	(7,396,599)	(3,929,061)
INVESTING ACTIVITIES		
Cash Used to Acquire Investments	(468)	(5,685)
Proceeds on Disposal of Investments	-	-
Cash Provided (Used) by Investing Activities	(468)	(5,685)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	4,942,593	1,805,209
Repayment of Long Term Debt	(2,640,585)	(2,642,920)
Cash Provided (Used) by Financing Activities	2,302,008	(837,711)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,728,749	758,199
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,639,839	3,881,640
CASH AND CASH EQUIVALENTS, END OF YEAR	7,368,588	4,639,839
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	7,368,588	4,639,839
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	7,368,588	4,639,839

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

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
Property Taxation Revenue	(Note 16)		
Tax Levy Revenue:			
Property Tax Levy Revenue	17,485,776	16,570,291	17,429,676
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	17,485,776	16,570,291	17,429,676
Grants in Lieu of Taxes:			
Federal Government	-	86,671	90,846
Provincial Government	-	218,837	294,389
Railways	-	-	-
Other	-	74,163	43,219
Total Grants in Lieu of Taxes	-	379,671	428,454
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	36,824	37,433
House Trailer Fees	-	30,938	22,464
Total Other Tax Revenues	-	67,762	59,897
Additions to Levy:			
Penalties	-	292,139	288,611
Other	-	-	11,643
Total Additions to Levy	-	292,139	300,254
Deletions from Levy:			
Discounts	-	(500,439)	(594,055)
Cancellations	-	(155,417)	(157,879)
Other Deletions	-	(107,736)	-
Total Deletions from Levy	-	(763,592)	(751,934)
Total Property Taxation Revenue	17,485,776	16,546,271	17,466,347
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	44,896,500	45,445,766	44,076,286
Other Ministry Grants	-	3,402	-
Total Ministry Grants	44,896,500	45,449,168	44,076,286
Other Provincial Grants	203,000	22,000	-
Federal Grants	-	-	-
Grants from Others	-	-	26,105
Total Operating Grants	45,099,500	45,471,168	44,102,391
Capital Grants			
Ministry of Education Capital Grants	1,160,000	1,564,251	1,761,735
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	1,980
Total Capital Grants	1,160,000	1,564,251	1,763,715
Total Grants	46,259,500	47,035,419	45,866,106

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	42,699	122,477	149,950
Federal Government and First Nations	1,587,922	2,084,710	1,660,018
Individuals and Other	95,123	24,542	84,255
Total Tuition Fees	1,725,744	2,231,729	1,894,223
Transportation Fees	-	11,872	-
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	1,725,744	2,243,601	1,894,223
Capital Fees:			
Federal/First Nations Capital Fees	43,750	-	-
Total Capital Tuition and Fees	43,750	-	-
Total Tuition and Related Fees Revenue	1,769,494	2,243,601	1,894,223
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	-	-	-
Other	-	88,704	68,815
Total Curricular Fees	-	88,704	68,815
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	-	293,019	268,430
Fundraising	-	683,205	918,792
Grants and Partnerships	-	32,439	10,589
Students Fees	-	-	-
Other	2,400,000	1,725,642	1,443,769
Total Non-Curricular Fees	2,400,000	2,734,305	2,641,580
Total School Generated Funds Revenue	2,400,000	2,823,009	2,710,395
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	603,502	603,502
Ministry of Education Grants-Other	78,000	-	-
Other Provincial Grants	60,000	144,083	138,785
Federal Grants	100,000	168,143	145,562
Other Grants	-	121,358	148,483
Total Operating Grants	238,000	1,037,086	1,036,332
Capital Grants			
Ministry of Education Capital Grants	-	37,125	-
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	37,125	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	33,000	30,038	35,554
Total Fees and Other Revenue	33,000	30,038	35,554
Total Complementary Services Revenue	271,000	1,104,249	1,071,886

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	58,000	43,059	56,515
Federal Grants	-	-	-
Other Grants	9,600	10,300	9,100
Total Operating Grants	67,600	53,359	65,615
Capital Grants			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	593,271	688,718	890,124
Total Fees and Other Revenue	593,271	688,718	890,124
Total External Services Revenue	660,871	742,077	955,739
Other Revenue			
Miscellaneous Revenue - YRHS Insurance Proceeds	12,500	1,828,521	1,173,155
Sales & Rentals	200,000	205,406	203,944
Investments	25,000	78,780	28,990
Gain on Disposal of Capital Assets	-	-	12,476
Total Other Revenue	237,500	2,112,707	1,418,565
TOTAL REVENUE FOR THE YEAR	69,084,141	72,607,333	71,383,261

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
	(Note 16)		
Governance Expense			
Board Members Expense	130,850	115,002	116,509
Conventions - Board Members	52,062	40,039	36,727
School Community Councils	38,350	38,126	35,270
Conventions - School Community Councils	5,000	2,293	1,267
Elections	-	-	10,767
Other Governance Expenses	220,594	215,243	180,358
Amortization of Tangible Capital Assets	-	673	-
Total Governance Expense	446,856	411,376	380,898
Administration Expense			
Salaries	758,656	769,372	715,314
Benefits	140,429	127,822	114,674
Supplies & Services	132,700	108,260	99,461
Non-Capital Furniture & Equipment	7,500	10,024	16,541
Building Operating Expenses	45,950	46,189	38,378
Communications	40,000	38,761	38,282
Travel	7,200	5,553	5,245
Professional Development	25,500	14,057	15,511
Amortization of Tangible Capital Assets	49,775	52,290	16,040
Total Administration Expense	1,207,710	1,172,328	1,059,446
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	32,322,169	33,254,366	32,218,515
Instructional (Teacher & LEADS Contract) Benefits	1,394,152	1,574,660	1,536,377
Program Support (Non-Teacher Contract) Salaries	6,441,963	6,129,590	6,099,624
Program Support (Non-Teacher Contract) Benefits	1,117,254	997,047	992,650
Instructional Aids	1,641,946	1,615,393	1,696,685
Supplies & Services	496,764	584,871	599,381
Non-Capital Furniture & Equipment	209,662	250,018	284,279
Communications	188,274	207,927	183,029
Travel	282,310	257,123	272,251
Professional Development	534,598	368,131	409,471
Student Related Expense	126,070	109,290	120,105
Amortization of Tangible Capital Assets	2,834,862	2,511,739	1,988,979
Total Instruction Expense	47,590,024	47,860,155	46,401,346

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
Plant Operation & Maintenance Expense			
Salaries	2,222,705	2,242,714	2,104,459
Benefits	380,520	343,667	333,016
Supplies & Services	16,000	17,059	19,597
Non-Capital Furniture & Equipment	1,500	2,068	-
Building Operating Expenses	4,063,500	7,171,350	5,624,706
Communications	13,000	15,223	14,912
Travel	56,500	59,211	55,315
Professional Development	7,000	7,291	11,434
Amortization of Tangible Capital Assets	168,971	159,883	175,090
Total Plant Operation & Maintenance Expense	6,929,696	10,018,466	8,338,529
Student Transportation Expense			
Salaries	2,431,572	2,251,567	2,252,146
Benefits	407,745	341,446	328,413
Supplies & Services	1,114,336	1,096,987	1,007,248
Non-Capital Furniture & Equipment	370,350	316,655	202,149
Building Operating Expenses	58,250	83,345	72,479
Communications	15,500	20,057	26,827
Travel	22,250	29,292	18,829
Professional Development	9,000	5,984	7,721
Contracted Transportation	1,367,000	1,352,819	1,302,131
Amortization of Tangible Capital Assets	835,546	701,009	684,340
Total Student Transportation Expense	6,631,549	6,199,161	5,902,283
Tuition and Related Fees Expense			
Tuition Fees	837,860	796,116	703,548
Transportation Fees	5,600	5,400	4,800
Other Fees	-	-	1,934,443
Total Tuition and Related Fees Expense	843,460	801,516	2,642,791
School Generated Funds Expense			
Supplies & Services	-	-	-
Cost of Sales	-	265,253	240,815
Non-Capital Furniture & Equipment	-	-	-
Special Programs	-	-	-
School Fund Expenses	2,400,000	2,427,284	2,612,246
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	2,400,000	2,692,537	2,853,061

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	108,736	110,196	528
Instructional (Teacher & LEADS Contract) Salaries & Benefits	251,860	267,737	265,099
Program Support (Non-Teacher Contract) Salaries & Benefits	477,243	536,901	646,264
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	61,000	121,710	110,107
Supplies & Services	1,000	21,341	23,155
Non-Capital Furniture & Equipment	-	777	-
Building Operating Expenses	6,600	14,486	15,444
Communications	3,850	6,641	7,533
Travel	10,800	23,017	30,133
Professional Development (Non-Salary Costs)	1,200	4,377	5,120
Student Related Expenses	34,550	21,200	40,160
Contracted Transportation & Allowances	36,000	33,398	28,598
Amortization of Tangible Capital Assets	14,956	11,597	10,662
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	1,007,795	1,173,378	1,182,803
External Service Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	343,027	357,151	384,673
Program Support (Non-Teacher Contract) Salaries & Benefits	217,049	188,462	196,388
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	37,962	57,114
Supplies & Services	100,000	83,975	93,438
Non-Capital Furniture & Equipment	-	-	-
Building Operating Expenses	-	-	-
Communications	-	4,236	5,529
Travel	-	6,667	5,701
Professional Development (Non-Salary Costs)	-	535	932
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	576	480	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	660,652	679,468	743,775

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2011

	2011 Budget	2011 Actual	2010 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	20,000	5,984	3,352
Interest on Debentures			
School Facilities	-	-	-
Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
School Facilities	437,259	329,583	294,528
Other	-	-	-
Total Interest and Bank Charges	<u>457,259</u>	<u>335,567</u>	<u>297,880</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	457,259	335,567	330,937
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TOTAL EXPENSES FOR THE YEAR	68,175,001	71,343,952	69,835,869

Good Spirit School Division
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2011

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2011	2010
Opening Balance as of September 1	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
Additions/Purchases	-	-	-	-	827,677	17,417	689,967	4,114,917	148,168	1,598,453	7,396,599	3,941,537
Disposals	-	-	-	-	-	-	(651,253)	-	-	-	(651,253)	(3,240,112)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	(49,785)
Transfers to (from)	-	-	1,773,122	-	-	-	-	-	-	(1,773,122)	-	-
Closing Balance as of August 31	272,326	-	56,987,630	-	10,811,824	390,037	5,502,707	5,086,667	580,524	417,576	80,049,291	73,303,945

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	-	-	29,274,540	-	6,064,420	289,473	2,933,495	50,263	153,990	-	38,766,181	38,582,558
Amortization of the Period	-	-	1,090,602	-	679,665	33,157	562,689	955,453	116,105	-	3,437,671	2,875,112
Disposals	-	-	-	-	-	-	(651,253)	-	-	-	(651,253)	(2,741,274)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	49,785
Transfers to (from)	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as of August 31	N/A	-	30,365,142	-	6,744,085	322,630	2,844,931	1,005,716	270,095	N/A	41,552,599	38,766,181

Net Book Value:

Opening Balance as of September 1	-	-	25,939,968	-	3,919,727	83,147	2,530,498	921,487	278,366	592,245	34,537,764	34,069,747
Closing Balance as of August 31	272,326	-	26,622,488	-	4,067,739	67,407	2,657,776	4,080,951	310,429	417,576	38,496,692	34,537,764
Change in Net Book Value	-	-	682,520	-	148,012	(15,740)	127,278	3,159,464	32,063	(174,669)	3,958,928	468,017

Disposals:

Historical Cost	-	-	-	-	-	-	651,253	-	-	-	651,253	3,289,897
Accumulated Amortization	-	-	-	-	-	-	(651,253)	-	-	-	(651,253)	2,741,275
Net Cost	-	-	-	-	-	-	-	-	-	-	-	548,622
Price of Sale	-	-	-	-	-	-	-	-	-	-	-	12,476
Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	(536,146)

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

	-	-	-	-	1,284,091	-	-	4,080,951	-	-	5,365,042	1,421,128
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Good Spirit School Division
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2011

	2011	2010
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	3,437,671	2,875,112
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	3,437,671	3,461,043

Good Spirit School Division
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2011

	2011	2010
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	2,023,198	1,634,629
Decrease (Increase) in Inventories for Sale	-	362
Decrease (Increase) in Other Assets	(271)	2,146
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	1,218,019	(308,772)
Increase (Decrease) In Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	32,700	28,000
Increase (Decrease) in Deferred Revenue	(105,084)	(899,059)
Increase (Decrease) in Other Liabilities	(11,032)	(6,354)
Decrease (Increase) in Inventory of Supplies for Consumption	-	-
Decrease (Increase) in Prepaid Expenses	(34,774)	71,269
Total Net Change in Non-Cash Operating Activities	3,122,756	522,221

INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of Trustees of the
Good Spirit School Division No. 204
Yorkton, Saskatchewan
S3N 0T7

Report on the Financial Statements

We have audited the accompanying financial statements of the Good Spirit School Division No. 204 which comprise the statement of financial position as at August 31, 2011 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis For Qualified Opinion

In common with many school boards, individual schools derive revenue from school fundraising activities held throughout the year. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the individual schools and we were not able to determine whether adjustments might be necessary to school fundraising revenue, annual surplus, financial assets and accumulated surplus.

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school fundraising revenue referred to in the previous paragraph, these financial statements present fairly, in all material respects, the financial position of the Good Spirit School Division No. 204 as at August 31, 2011 and the results of its operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Skilnick Miller Moar Grodecki & Kreklewich

SKILNICK MILLER MOAR GRODECKI & KREKLEWICH
Chartered Accountants

Melville, Saskatchewan
December 15, 2011

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2011

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the 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 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 and agreed to by the Board of Education. 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 as published by the Canadian Institute of Chartered Accountants (CICA).

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

a) Reporting Entity

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

b) 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 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 \$ 410,000 (2010 - \$ 377,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 16,546,271 (2010 - \$ 17,466,347) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$1,590,858 (2010 - \$ 1,590,858) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization for buildings, vehicles, and equipment because these assets may become obsolete prior to the end of their estimated useful lives.

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

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

d) **Financial Instruments**

Financial instruments include cash, accounts receivable, investments, accounts payable and accrued liabilities, 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.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable include taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount.

The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met. Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

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

Other Assets consist of 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, 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
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

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.

Prepaid Expenses are prepaid amounts for goods or services including: Saskatchewan School Boards Association membership fee, Workers' Compensation premiums, 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 expenses in accordance with the provisions of *The Education Act, 1995*.

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

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

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

Deferred revenue represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. 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.

h) 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.

i) Revenue Recognition

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

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

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

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis, with 1/12th of the grant recognized as revenue each month. Capital grants are recognized over the course of the construction project as the grant is earned and the amount is measurable. Restricted grants received, but not yet earned, are recorded as deferred revenue.

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 \$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, 2011 was \$ NIL at an interest rate of 3.00 % (August 31, 2010 - \$ 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	
	2011	2010	2011	2010
Sunlife Shares	\$ 47,847	\$ 47,847	\$ 45,304	\$ 42,743
Multiple Term Deposits - scholarships invested	237,913	237,445	237,913	237,444
Total Long Term Investments	\$ 285,760	\$ 285,292	\$ 283,217	\$ 280,187

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2011 Budget	2011 Actual	2010 Actual
Governance	\$ 155,040	\$ 255,663	\$ -	\$ 673	\$ 446,856	\$ 411,376	\$ 380,898
Administration	\$ 897,194	\$ 222,844	\$ -	\$ 52,290	\$ 1,207,710	1,172,328	1,059,446
Instruction	\$ 41,955,663	\$ 3,392,753	\$ -	\$ 2,511,739	\$ 47,590,024	47,860,155	46,401,346
Plant	\$ 2,586,300	\$ 7,272,204	\$ -	\$ 159,883	\$ 6,929,696	10,018,466	8,338,529
Transportation	\$ 2,593,013	\$ 2,905,139	\$ -	\$ 701,009	\$ 6,631,549	6,199,161	5,902,283
Tuition and Related Fees	\$ -	\$ 801,516	\$ -	\$ -	\$ 843,460	801,516	2,642,791
School Generated Funds	\$ -	\$ 2,692,537	\$ -	\$ -	\$ 2,400,000	2,692,537	2,853,061
Complementary Services	\$ 914,834	\$ 246,947	\$ -	\$ 11,597	\$ 1,007,795	1,173,378	1,182,803
External Services	\$ 545,613	\$ 133,374	\$ -	\$ 480	\$ 660,652	679,468	743,775
Other		\$ 5,984	\$ 329,583	\$ -	\$ 457,259	335,567	330,937
TOTAL	\$ 49,647,737	\$ 17,928,961	\$ 329,583	\$ 3,437,671	\$ 68,175,001	\$ 71,343,952	\$ 69,835,869

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

Details of the employee future benefits are as follows:

	2011 Aug-31	2010 Aug-31
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate (percentage)	3.30%	3.50%
Discount rate (percentage)	3.40%	3.60%
Inflation rate (percentage)	2.50%	-%
Expected average remaining service life (years)	14	14

Liability for Employee Future Benefits	2011	2010
Accrued Benefit Obligation - beginning of year	\$ 410,000	\$ 360,700
Current period benefit cost	33,200	29,700
Interest cost	15,600	15,600
Benefit payments	(18,500)	(18,100)
Actuarial gains / losses	(600)	22,100
Plan amendments	-	-
Accrued Benefit Obligation - end of year	439,700	410,000
Unamortized Net Actuarial Gains / Losses	(29,700)	(32,700)
Liability for Employee Future Benefits	\$ 410,000	\$ 377,300

(Notes continued on next page)

Employee Future Benefits Expense	2011	2010
Current period benefit cost	\$ 33,200	\$ 29,700
Amortization of net actuarial gain / loss	2,400	800
Plan amendments	-	-
Benefit cost	35,600	30,500
Interest cost on unfunded employee future benefits obligation	15,600	15,600
Total Employee Future Benefits Expense	\$ 51,200	\$ 46,100

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

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

	2011			2010
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	444	162	606	597
Member contribution rate (percentage of salary)	7.00%	7.85%		7.00% / 7.85%
Member contributions for the year	\$ 2,044,979	\$ 257,861	\$ 2,302,840	\$ 2,272,277

- ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2011	2010
Number of active School Division members	441	474
Member contribution rate (percentage of salary)	7.40%	6.40%
School Division contribution rate (percentage of salary)	7.40%	6.40%
Member contributions for the year	\$ 780,941	\$ 682,137
School Division contributions for the year	\$ 780,941	\$ 682,137
Actuarial valuation date	31-Dec-10	31-Dec-09
Plan Assets	\$ 1,399,241,000	\$ 1,284,959,000
Plan Liabilities	\$ 1,381,094,000	\$ 1,233,841,000
Plan Surplus (Deficit)	\$ 18,147,000	\$ 51,118,000

8. ACCOUNTS RECEIVABLE

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

	2011			2010		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 10,351,658	\$ 1,590,858	\$ 8,760,800	\$ 11,361,778	\$ 1,590,858	\$ 9,770,920
Provincial Grants Receivable	1,176,472		1,176,472	1,544,143		1,544,143
Other Receivables	937,934		937,934	1,583,341		1,583,341
Total Accounts Receivable	\$ 12,466,064	\$ 1,590,858	\$ 10,875,206	\$ 14,489,262	\$ 1,590,858	\$ 12,898,404

(Notes continued on next page)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2011	2010
Accrued Salaries and Benefits	\$ 1,872,996	\$ 725,983
Supplier Payments	990,916	986,270
Other (Caution Fees, Correspondence, Unearned grants)	506,133	439,773
Total Accounts Payable and Accrued Liabilities	\$ 3,370,045	\$ 2,152,026

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2011	2010
Scholarships/Bursaries	\$ 274,653	\$ 285,685
Total Other Liabilities	\$ 274,653	\$ 285,685

11. LONG-TERM DEBT

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

		2011	2010
Debentures:	<i>(provide details)</i>	\$ -	\$ -
Capital Loans::			
	TD Canada Trust Columbia School	79,376	227,624
	Royal Bank Norquay School	582,037	642,231
	Bank of Montreal Yorkdale School	1,116,426	1,530,302
	Bank of Montreal Yorkton Regional	585,356	683,456
		2,363,195	3,083,613
Other Long-Term Debt:			
Capital Leases	Buses & Technology	5,365,042	2,342,616
Other LT Debt		-	-
		5,365,042	2,342,616
Total Long Term Debt		\$ 7,728,237	\$ 5,426,229

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	Total
2012	\$ -	\$ 679,428	\$ 1,646,651	\$ -	\$ 2,326,079
2013	-	629,020	1,429,820	-	2,058,840
2014	-	405,769	1,269,064	-	1,674,833
2015	-	188,412	950,924	-	1,139,337
2016	-	196,800	68,583	-	265,383
Thereafter	-	263,766	-	-	263,766
Total	\$ -	\$ 2,363,195	\$ 5,365,042	\$ -	\$ 7,728,237

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	2011	2010
Principal	\$ -	\$ 720,418	\$ 1,920,167	\$ -	\$ 2,640,585	\$ 2,642,921
Interest	-	130,206	199,377	-	329,583	293,700
Total	\$ -	\$ 850,624	\$ 2,119,544	\$ -	\$ 2,970,169	\$ 2,936,621

12. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2010	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2011
Capital projects:				
Federal capital tuition	\$ 47,174	\$ 51,160	\$ -	\$ 98,334
Ministry of Education capital transfers				-
Proceeds from sale of school buildings	408,263			408,263
Total capital projects deferred revenue	455,437	51,160	-	506,597
Other deferred revenue:				
Other - Taxes/Foreign Tuition	2,861,357	50,225	(206,469)	2,705,113
Total other deferred revenue	2,861,357	50,225	(206,469)	2,705,113
Total Deferred Revenue	\$ 3,316,794	\$ 101,385	\$ (206,469)	\$ 3,211,710

(Notes continued on next page)

13. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Pre-Natal Outreach	Other Programs	2011	2010
Revenue:						
Operating Grants	\$ 338,422	\$ 265,080	\$ 103,643	\$ 329,941	\$ 1,037,086	\$ 1,028,832
Capital Grants	37,125	-	-	-	37,125	-
Fees and Other Revenue	-	30,038	-	-	30,038	43,054
Total Revenue	375,547	295,118	103,643	329,941	1,104,249	1,071,886
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits	354,249	243,268	94,895	222,422	914,834	921,017
Instructional Aids	24,132	12,201	-	85,377	121,710	110,108
Supplies and Services	3,373	1,739	3,338	12,891	21,341	14,029
Non-Capital Equipment	-	777	-	-	777	10,662
Building Operating Expenses	6,492	-	4,000	3,994	14,486	15,445
Communications	3,260	2,274	-	1,107	6,641	7,533
Travel	20	1,159	1,410	20,428	23,017	30,133
Professional Development (Non-Salary Costs)	1,424	2,038	-	915	4,377	5,120
Student Related Expenses	-	20,770	-	430	21,200	40,160
Contacted Transportation & Allowances	-	1,000	-	32,398	33,398	28,596
Amortization of Tangible Capital Assets	-	-	-	11,597	11,597	-
Total Expenses	392,950	285,226	103,643	391,559	1,173,378	1,182,803
Excess (Deficiency) of Revenue over Expenses	\$ (17,403)	\$ 9,892	\$ 0	\$ (61,618)	\$ (69,129)	\$ (110,917)

(Notes continued on next page)

14. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Adult Education	Summer School	Cafeteria	Other Programs	2011	2010
Revenue:						
Operating Grants	\$ -	\$ -	\$ -	\$ 53,359	\$ 53,359	\$ 65,615
Capital Grants					-	-
Fees and Other Revenue			171,752	516,966	688,718	890,124
Total Revenue	-	-	171,752	570,325	742,077	955,739
Expenses:						
Tuition Fees	-	-	-	-	-	-
Salaries & Benefits			110,546	435,067	545,613	581,062
Instructional Aids				37,962	37,962	57,114
Supplies and Services			76,552	7,423	83,975	93,438
Non-Capital Equipment				-	-	-
Building Operating Expenses				-	-	-
Communications				4,236	4,236	5,529
Travel				6,667	6,667	5,700
Professional Development				535	535	932
Student Related Expenses				-	-	-
Contacted Transportation & Allowances				-	-	-
Amortization of Tangible Capital Assets				480	480	-
Loss on Disposal of Tangible Capital Assets				-	-	-
Write-Down of Tangible Capital Assets				-	-	-
Total Expenses	-	-	187,098	492,370	679,468	743,775
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ (15,346)	\$ 77,955	\$ 62,609	\$ 211,964

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 funds balances 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:

	2011	2010
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 38,496,692	\$ 34,537,764
Less: Debt owing on Tangible Capital Assets	7,728,237	5,426,229
	30,768,455	29,111,535
S.286 pre-April 2009 capital reserves from prior years' operating surpluses (1)	176,758	175,152
Internally Restricted Surplus:		
Capital projects:		
Designated for tangible capital asset expenditures	63,682	49,895
	63,682	49,895
Other:		
School generated funds	898,938	826,480
Insurance Settlement	355,812	-
School budget carryovers	157,574	89,699
Distance Learning	335,552	250,865
	1,747,876	1,167,044
Unrestricted Surplus	9,944,225	10,933,989
Total Accumulated Surplus	\$ 42,700,996	\$ 41,437,615

(1) S.286 pre-April 2009 Capital Reserves from Prior Years' Operating Surpluses represents capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

16. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 10, 2010 and the Minister of Education on August 31, 2010.

17. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Province 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.

	2011	2010
Revenues:		
Ministry of Education	\$ 47,035,419	\$ 46,443,503
Christ the Teacher RCSSD	74,230	85,500
Horizon School Division	30,747	44,450
	\$ 47,140,396	\$ 46,573,453
Expenses:		
Parkland College	\$ 243,819	\$ 557,823
Sask Energy	909,919	1,002,777
Sask Power	805,082	934,687
Sask Tel	180,844	188,198
Sask Workers Compensation	132,198	173,082
Other	106,751	105,581
	\$ 2,378,613	\$ 2,962,148
Accounts Receivable:		
Ministry of Education	\$ 1,176,472	\$ 1,544,143
Horizon School Division	8,048	-
Christ the Teacher RCSSD	45,404	65,956
	\$ 1,229,924	\$ 1,610,099
Prepaid Expenses:		
Sask Workers Compensation	\$ 45,738	\$ 53,639
	\$ 45,738	\$ 53,639
Provincial Grant Overpayment:		
Ministry of Education	\$ -	\$ -
	\$ -	\$ -
Accounts Payable and Accrued Liabilities:		
Christ the Teacher RCSSD	\$ 55,433	\$ 29,160
Sasktel	14,157	13,925
OTHER	4,373	3,000
	\$ 73,963	\$ 46,085
Deferred Revenue:		
(Name of related party)	\$ -	\$ -
	\$ -	\$ -

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.

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$4,611,285 in capital transfers to the school division for projects in which construction has not yet started and/or been completed. Approved capital transfers that have not yet been reflected in the financial statements of the school division are as follows:

Total Ministry obligation at August 31, 2011	\$ 4,611,285
Less: Revenue reported in financial statements	<u>(1,564,250)</u>
Unrecorded balance of approved capital transfers	<u>\$ 3,047,035</u>

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

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 expenses in the year in which the related litigation is settled.

19. COMPARATIVE AMOUNTS

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

20. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the school division are as follows:

- construction contract for Preeceville School heating and ventilation in the amount of \$2.1 million over 2 years
- operating and capital lease obligations, as follows:

	Operating Leases			Capital Leases		
	Copier Leases	Total Operating	Computers	Buses	Total Capital	
Future minimum lease payments:						
2012	\$ 113,625	\$ 113,625	\$ 1,024,034	\$ 622,616	\$ 1,646,650	
2013	91,943	91,943	1,024,034	405,785	1,429,819	
2014	61,891	61,891	1,024,034	245,029	1,269,063	
2015	15,472	15,472	940,264	10,660	950,924	
2016	-	-	68,586	-	68,586	
Thereafter	-	-	-	-	-	
Interest and executory costs	\$ 282,931	\$ 282,931	\$ 4,080,952	\$ 1,284,090	\$ 5,365,042	
	-	-	374,428	102,942	477,370	
Total Lease Obligations	\$ 282,931	\$ 282,931	\$ 4,455,380	\$ 1,387,032	\$ 5,842,412	

21. SUBSEQUENT EVENTS

The Saskatchewan Teachers' Provincial Collective Bargaining Agreement expired on August 31, 2010. The Saskatchewan Teachers' Federation (STF) and the Government Trustee Bargaining Committee (GTBC) reached a new collective agreement which was ratified on October 4, 2011 and covers the period September 1, 2010 to August 31, 2013. The new agreement provides for retroactive wage increases for teachers of the school division for the period September 1, 2010 to August 31, 2011 with an estimated cost of \$835,813 which was recorded as an expense in the 2010-11 financial statements. The agreement provides for further wage increases in 2011-12 and 2012-13.