



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, 2012

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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Fairview Education Centre
63 King Street East, Yorkton, SK S3N 0T7

Management's Responsibility for the Financial Statements

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

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

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

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

On behalf of the Good Spirit School Division No. 204:

A handwritten signature in black ink, appearing to be "D. J. ...", written over a horizontal line.

Board Chair

A handwritten signature in black ink, appearing to be "Anne Neve", written over a horizontal line.

CEO/Director of Education

A handwritten signature in black ink, appearing to be "Skilnick Miller Moar Grodecki & Kreklewich", written over a horizontal line.

Chief Financial Officer

December 20, 2012

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, 2012 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.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Good Spirit School Division No. 204 as at August 31, 2012 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 20, 2012

Good Spirit School Division
Statement of Financial Position
as at August 31, 2012

	2012	2011
Financial Assets		
Cash and Cash Equivalents	8,369,365	(Note 20) 7,331,847
Accounts Receivable (Note 8)	11,336,805	10,875,206
Long Term Investments (Note 4)	101,900	100,843
Total Financial Assets	19,808,070	18,307,896
Liabilities		
Provincial Grant Overpayment	1,603,471	-
Accounts Payable and Accrued Liabilities (Note 9)	2,491,485	3,076,232
Long Term Debt (Note 10)	7,575,677	7,728,237
Liability for Employee Future Benefits (Note 6)	447,100	410,000
Deferred Revenue (Note 11)	4,014,591	3,505,522
Total Liabilities	16,132,324	14,719,991
Net Financial Assets	3,675,746	3,587,905
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	40,529,000	38,496,692
Prepaid Expenses	762,251	616,399
Total Non-Financial Assets	41,291,251	39,113,091
Accumulated Surplus (Note 14)	44,966,997	42,700,996

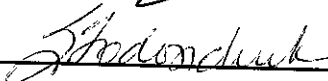
Contingent Liabilities (Note 18)
Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Good Spirit School Division
Statement of Operations and Accumulated Surplus
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
REVENUES	(Note 15)		
Property Taxation	14,736,060	16,755,540	16,546,271
Grants	49,365,036	50,786,396	47,035,419
Tuition and Related Fees	2,225,452	2,476,424	2,243,601
School Generated Funds	2,700,000	2,701,703	2,823,009
Complementary Services (Note 12)	1,249,582	1,362,052	1,104,249
External Services (Note 13)	642,600	756,383	742,077
Other	284,000	950,293	2,112,707
Total Revenues (Schedule A)	71,202,730	75,788,791	72,607,333
EXPENSES			
Governance	455,886	527,543	411,376
Administration	1,243,555	1,285,458	1,172,328
Instruction	49,672,630	51,081,340	47,860,155
Plant	7,287,192	8,672,916	10,018,466
Transportation	6,650,741	6,307,554	6,199,161
Tuition and Related Fees	710,000	753,702	801,516
School Generated Funds	2,700,000	2,468,416	2,692,537
Complementary Services (Note 12)	1,262,372	1,352,957	1,173,378
External Services (Note 13)	614,857	774,298	679,468
Other Expenses	276,161	298,606	335,567
Total Expenses (Schedule B)	70,873,394	73,522,790	71,343,952
Surplus for the Year	329,336	2,266,001	1,263,381
Accumulated Surplus, Beginning of Year	42,700,996	42,700,996	41,437,615
Accumulated Surplus, End of Year	43,030,332	44,966,997	42,700,996

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

Good Spirit School Division
Statement of Changes in Net Financial Assets
for the year ended August 31, 2012

	2012 Budget (Note 15)	2012 Actual	2011 Actual
Net Financial Assets, Beginning of Year	3,587,905	3,587,905	6,318,226
Changes During the Year:			
Surplus for the Year	329,336	2,266,001	1,263,381
Acquisition of Tangible Capital Assets (Schedule C)	(1,282,897)	(5,658,423)	(7,396,599)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	13,074	-
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(13,074)	-
Amortization of Tangible Capital Assets (Schedule C)	3,606,834	3,626,116	3,437,671
Net Acquisition of Prepaid Expenses	-	(145,852)	(34,774)
Change in Net Financial Assets (Net Debt)	2,653,273	87,841	(2,730,321)
Net Financial Assets , End of Year	6,241,178	3,675,746	3,587,905

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, 2012

	2012	2011
OPERATING ACTIVITIES		
Surplus for the Year		(note 20)
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	2,266,001	1,263,381
Net Change in Non-Cash Operating Activities (Schedule E)	3,613,042	3,437,671
	957,442	3,122,756
Cash Provided (Used) by Operating Activities	6,836,485	7,823,808
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(5,658,423)	(7,396,599)
Proceeds on Disposal of Tangible Capital Assets	13,074	-
Cash Provided (Used) by Capital Activities	(5,645,349)	(7,396,599)
INVESTING ACTIVITIES		
Cash Used to Acquire Investments	(1,057)	(37,209)
Cash Provided (Used) by Investing Activities	(1,057)	(37,209)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	2,566,031	4,942,593
Repayment of Long Term Debt	(2,718,591)	(2,640,585)
Cash Provided (Used) by Financing Activities	(152,560)	2,302,008
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,037,518	2,692,008
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,331,847	4,639,839
CASH AND CASH EQUIVALENTS, END OF YEAR	8,369,365	7,331,847
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	8,369,365	7,331,847
CASH AND CASH EQUIVALENTS, END OF YEAR	8,369,365	7,331,847

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

A-1

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	14,736,060	16,711,794	16,570,291
Total Property Tax Revenue	<u>14,736,060</u>	<u>16,711,794</u>	<u>16,570,291</u>
Grants in Lieu of Taxes:			
Federal Government	-	92,043	86,671
Provincial Government	-	225,726	218,837
Other	-	35,493	74,163
Total Grants in Lieu of Taxes	<u>-</u>	<u>353,262</u>	<u>379,671</u>
Other Tax Revenues:			
Treaty Land Entitlement - Rural	-	18,021	36,824
House Trailer Fees	-	33,377	30,938
Total Other Tax Revenues	<u>-</u>	<u>51,398</u>	<u>67,762</u>
Additions to Levy:			
Penalties	-	289,087	292,139
Total Additions to Levy	<u>-</u>	<u>289,087</u>	<u>292,139</u>
Deletions from Levy:			
Discounts	-	(553,432)	(500,439)
Cancellations	-	(96,569)	(155,417)
Other Deletions	-	-	(107,736)
Total Deletions from Levy	<u>-</u>	<u>(650,001)</u>	<u>(763,592)</u>
Total Property Taxation Revenue	<u>14,736,060</u>	<u>16,755,540</u>	<u>16,546,271</u>
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	48,382,232	48,358,892	45,445,766
Other Ministry Grants	554,804	-	3,402
Total Ministry Grants	<u>48,937,036</u>	<u>48,358,892</u>	<u>45,449,168</u>
Other Provincial Grants	203,000	203,473	22,000
Grants from Others	-	8,000	-
Total Operating Grants	<u>49,140,036</u>	<u>48,570,365</u>	<u>45,471,168</u>
Capital Grants			
Ministry of Education Capital Grants	-	2,216,031	1,564,251
Other Provincial Capital Grants	225,000	-	-
Total Capital Grants	<u>225,000</u>	<u>2,216,031</u>	<u>1,564,251</u>
Total Grants	<u>49,365,036</u>	<u>50,786,396</u>	<u>47,035,419</u>

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	53,146	142,038	122,477
Federal Government and First Nations	2,010,870	2,265,873	2,084,710
Individuals and Other	96,736	68,163	24,542
Total Tuition Fees	2,160,752	2,476,074	2,231,729
Transportation Fees	15,000	350	11,872
Total Operating Tuition and Related Fees	2,175,752	2,476,424	2,243,601
Capital Fees:			
Federal/First Nations Capital Fees	49,700	-	-
Total Capital Tuition and Fees	49,700	-	-
Total Tuition and Related Fees Revenue	2,225,452	2,476,424	2,243,601
School Generated Funds Revenue			
Curricular Fees:			
Other	-	56,552	88,704
Total Curricular Fees	-	56,552	88,704
Non-Curricular Fees:			
Commercial Sales - Non-GST	-	280,717	293,019
Fundraising	-	739,911	683,205
Grants and Partnerships	-	33,241	32,439
Other	2,700,000	1,591,282	1,725,642
Total Non-Curricular Fees	2,700,000	2,645,151	2,734,305
Total School Generated Funds Revenue	2,700,000	2,701,703	2,823,009
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	915,080	915,084	603,502
Other Provincial Grants	-	156,929	144,083
Federal Grants	-	176,537	168,143
Other Grants	-	86,481	121,358
Total Operating Grants	915,080	1,335,031	1,037,086
Capital Grants			
Ministry of Education Capital Grants	-	(19,535)	37,125
Other Provincial Capital Grants	84,822	-	-
Other Capital Grants	160,000	-	-
Total Capital Grants	244,822	(19,535)	37,125
Fees and Other Revenue			
Tuition and Related Fees	60,500	-	-
Other Revenue	29,180	46,556	30,038
Total Fees and Other Revenue	89,680	46,556	30,038
Total Complementary Services Revenue	1,249,582	1,362,052	1,104,249

Good Spirit School Division
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Other Provincial Grants	58,000	52,557	43,059
Other Grants	-	11,435	10,300
Total Operating Grants	58,000	63,992	53,359
Capital Grants			
Other Capital Grants	9,600	-	-
Total Capital Grants	9,600	-	-
Fees and Other Revenue			
Tuition and Related Fees	400,000	506,546	516,965
Other Revenue	175,000	185,845	171,753
Total Fees and Other Revenue	575,000	692,391	688,718
Total External Services Revenue	642,600	756,383	742,077
Other Revenue			
Miscellaneous Revenue	34,000	584,522	1,828,521
Sales & Rentals	220,000	224,998	205,406
Investments	30,000	127,699	78,780
Gain on Disposal of Capital Assets	-	13,074	-
Total Other Revenue	284,000	950,293	2,112,707
TOTAL REVENUE FOR THE YEAR	71,202,730	75,788,791	72,607,333

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Governance Expense			
Board Members Expense	140,650	137,089	115,002
Conventions - Board Members	56,962	57,050	40,039
School Community Councils	38,500	40,442	38,126
Conventions - School Community Councils	2,500	1,542	2,293
Elections	6,000	1,681	-
Other Governance Expenses	211,274	289,066	215,243
Amortization of Tangible Capital Assets	-	673	673
Total Governance Expense	455,886	527,543	411,376
Administration Expense			
Salaries	800,202	795,213	769,372
Benefits	146,659	135,402	127,822
Supplies & Services	128,750	174,691	108,260
Non-Capital Furniture & Equipment	3,500	11,828	10,024
Building Operating Expenses	57,450	46,416	46,189
Communications	41,000	42,779	38,761
Travel	7,200	6,322	5,553
Professional Development	20,000	21,193	14,057
Amortization of Tangible Capital Assets	38,794	51,614	52,290
Total Administration Expense	1,243,555	1,285,458	1,172,328
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	33,580,881	35,684,635	33,254,366
Instructional (Teacher & LEADS Contract) Benefits	1,516,192	1,805,766	1,574,660
Program Support (Non-Teacher Contract) Salaries	6,668,734	6,255,542	6,129,590
Program Support (Non-Teacher Contract) Benefits	1,251,790	1,145,916	997,047
Instructional Aids	1,995,391	1,575,580	1,615,393
Supplies & Services	699,956	761,126	584,871
Non-Capital Furniture & Equipment	171,248	254,904	250,018
Communications	194,362	158,828	207,927
Travel	313,310	261,351	257,123
Professional Development	529,415	444,685	368,131
Student Related Expense	150,030	150,187	109,290
Amortization of Tangible Capital Assets	2,601,321	2,582,820	2,511,739
Total Instruction Expense	49,672,630	51,081,340	47,860,155

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Plant Operation & Maintenance Expense			
Salaries	2,275,175	2,305,754	2,242,714
Benefits	396,163	416,534	343,667
Supplies & Services	21,000	17,491	17,059
Non-Capital Furniture & Equipment	3,500	(6,686)	2,068
Building Operating Expenses	4,371,290	5,715,936	7,171,350
Communications	15,300	10,815	15,223
Travel	56,500	60,025	59,211
Professional Development	12,000	6,601	7,291
Amortization of Tangible Capital Assets	136,264	146,446	159,883
Total Plant Operation & Maintenance Expense	7,287,192	8,672,916	10,018,466
Student Transportation Expense			
Salaries	2,895,302	2,678,243	2,251,567
Benefits	445,427	432,931	341,446
Supplies & Services	1,525,289	1,438,606	1,096,987
Non-Capital Furniture & Equipment	452,700	424,935	316,655
Building Operating Expenses	74,600	80,947	83,345
Communications	27,650	34,929	20,057
Travel	23,000	24,755	29,292
Professional Development	9,000	7,486	5,984
Contracted Transportation	379,500	352,452	1,352,819
Amortization of Tangible Capital Assets	818,273	832,270	701,009
Total Student Transportation Expense	6,650,741	6,307,554	6,199,161
Tuition and Related Fees Expense			
Tuition Fees	705,000	749,302	796,116
Transportation Fees	5,000	4,400	5,400
Total Tuition and Related Fees Expense	710,000	753,702	801,516
School Generated Funds Expense			
Cost of Sales	-	269,611	265,253
School Fund Expenses	2,700,000	2,198,805	2,427,284
Total School Generated Funds Expense	2,700,000	2,468,416	2,692,537

Good Spirit School Division
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Complementary Services Expense			
Administration Salaries & Benefits	113,243	142,994	110,196
Instructional (Teacher & LEADS Contract) Salaries & Benefits	402,791	323,169	267,737
Program Support (Non-Teacher Contract) Salaries & Benefits	514,149	595,865	536,901
Instructional Aids	185,522	160,646	121,710
Supplies & Services	-	15,044	21,341
Non-Capital Furniture & Equipment	-	715	777
Building Operating Expenses	-	17,401	14,486
Communications	-	4,850	6,641
Travel	-	19,884	23,017
Professional Development (Non-Salary Costs)	-	4,246	4,377
Student Related Expenses	-	23,897	21,200
Contracted Transportation & Allowances	35,000	32,468	33,398
Amortization of Tangible Capital Assets	11,667	11,778	11,597
Total Complementary Services Expense	1,262,372	1,352,957	1,173,378
External Service Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	329,440	436,045	357,151
Program Support (Non-Teacher Contract) Salaries & Benefits	155,740	195,325	188,462
Instructional Aids	29,162	31,137	37,962
Supplies & Services	100,000	102,377	83,975
Communications	-	2,379	4,236
Travel	-	6,190	6,667
Professional Development (Non-Salary Costs)	-	330	535
Amortization of Tangible Capital Assets	515	515	480
Total External Services Expense	614,857	774,298	679,468
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	3,600	5,913	5,984
Interest on Other Capital Loans and Long Term Debt			
School Facilities	272,561	292,693	329,583
Total Interest and Bank Charges	276,161	298,606	335,567
Total Other Expense	276,161	298,606	335,567
TOTAL EXPENSES FOR THE YEAR	70,873,394	73,522,790	71,343,952

Good Spirit School Division
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2012

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2012	2011
											80,049,291	73,303,945
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	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
Additions/Purchases	10,263	-	-	-	2,566,031	29,407	642,594	-	-	2,410,127	5,658,423	7,396,599
Disposals	-	-	-	-	(943,131)	(36,392)	(625,271)	-	-	-	(1,604,794)	(651,253)
Closing Balance as of August 31	282,589	-	56,987,630	-	12,434,724	383,052	5,520,030	5,086,667	580,524	2,827,703	84,102,919	80,049,291

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	-	-	30,365,142	-	6,744,085	322,630	2,844,931	1,005,716	270,095	-	41,552,589	38,766,181
Amortization of the Period	-	-	1,088,809	-	809,691	24,831	562,645	1,024,035	116,105	-	3,626,116	3,437,671
Disposals	-	-	-	-	(943,131)	(36,393)	(625,271)	-	-	-	(1,604,795)	(651,253)
Closing Balance as of August 31	N/A	-	31,453,951	-	6,610,645	311,068	2,782,305	2,029,751	386,200	N/A	43,573,920	41,552,599

Net Book Value:

Opening Balance as of September 1	272,326	26,622,488	67,407	4,067,739	4,080,951	310,429	417,576	38,496,692	34,537,764
Closing Balance as of August 31	282,589	25,533,679	71,993	5,024,079	3,056,916	194,324	2,827,703	40,529,000	38,496,692
Change in Net Book Value	10,263	(1,088,809)	4,576	1,756,340	(1,024,035)	(116,105)	2,410,127	2,032,308	3,958,928

Disposals:

Historical Cost	943,131	36,392	625,271	1,604,794	651,253
Accumulated Amortization	943,131	36,392	625,271	1,604,794	651,253
Net Cost	-	-	-	-	-
Price of Sale	9,574	3,500	13,074	13,074	-
Gain/loss on Disposal	9,574	3,500	-	-	-

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

2012	5,891,912
2011	5,365,042

Good Spirit School Division
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2012

	2012	2011
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	3,626,116	3,437,671
Net (Gain) Loss on Disposal of Tangible Capital Assets	(13,074)	-
Total Non-Cash Items Included in Surplus / Deficit	3,613,042	3,437,671

Good Spirit School Division
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2012

	2012	2011
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(461,599)	2,023,198
Increase (Decrease) in Provincial Grant Overpayment	1,603,471	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(584,747)	1,217,748
Increase (Decrease) in Liability for Employee Future Benefits	37,100	32,700
Increase (Decrease) in Deferred Revenue	509,069	(116,116)
Decrease (Increase) in Prepaid Expenses	(145,852)	(34,774)
Total Net Change in Non-Cash Operating Activities	957,442	3,122,756

**GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2012**

1. AUTHORITY AND PURPOSE

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

b) Trust Funds

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

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

c) Basis of Accounting

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

d) Measurement Uncertainty and the Use of Estimates

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

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$447,100 (2011 - \$ 410,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$16,755,540 (2011 - \$16,546,271) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 1,590,858 (2011 - \$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 change in the amounts recognized or disclosed.

e) Financial Instruments

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

f) Financial Assets

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

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

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.

Long -Term Investments consist of shares and equity in Credit Unions and Coops, term deposits and Sunlife shares and are carried at amortized 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.

g) Non-Financial Assets

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

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

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
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	Asset life

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.

h) Liabilities

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

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

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

Long-Term Debt is comprised of capital loans and other long-term debt with initial maturities of more than one year and 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.

i) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

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

j) Revenue Recognition

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

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

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

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is

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

ii) Property taxation:

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

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

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$8,350,000 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. This line of credit was approved by the Minister of Education on January 10, 2012. The balance drawn on the line of credit at August 31, 2012 was \$NIL at an interest rate of 3.5 % (August 31, 2011 - \$ NIL at an interest rate of 3.0 %).

4. LONG-TERM INVESTMENTS

Long-Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2012	2011	2012	2011
Sunlife Shares	\$ 47,847	\$ 47,847	\$ 39,278	\$ 45,304
Shares/Equity in Coops/Credit Unions	54,053	52,996	54,053	52,996
Total Long Term Investments	\$ 101,900	\$ 100,843	\$ 93,331	\$ 98,300

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	\$ 116,795	\$ 410,075	\$ -	\$ 673	\$ 455,886	\$ 527,543	\$ 411,376
Administration	\$ 930,615	\$ 303,229	\$ -	\$ 51,614	\$ 1,243,555	\$ 1,285,458	1,172,328
Instruction	\$ 44,891,859	\$ 3,606,661	\$ -	\$ 2,582,820	\$ 49,672,630	\$ 51,081,340	47,860,155
Plant	\$ 2,722,288	\$ 5,804,182	\$ -	\$ 146,446	\$ 7,287,192	\$ 8,672,916	10,018,466
Transportation	\$ 3,111,174	\$ 2,364,110	\$ -	\$ 832,270	\$ 6,650,741	\$ 6,307,554	6,199,161
Tuition and Related Fees	\$ -	\$ 753,702	\$ -	\$ -	\$ 710,000	\$ 753,702	801,516
School Generated Funds	\$ -	\$ 2,468,416	\$ -	\$ -	\$ 2,700,000	\$ 2,468,416	2,692,537
Complementary Services	\$ 1,062,028	\$ 279,151	\$ -	\$ 11,778	\$ 1,262,372	\$ 1,352,957	1,173,378
External Services	\$ 631,369	\$ 142,414	\$ -	\$ 515	\$ 614,857	\$ 774,298	679,468
Other	\$ -	\$ 5,913	\$ 292,693	\$ -	\$ 276,161	\$ 298,606	335,567
TOTAL	\$ 53,466,128	\$ 16,137,853	\$ 292,693	\$ 3,626,116	\$ 70,873,394	\$ 73,522,790	\$ 71,343,952

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:

Actuarial valuation date	2012	2011
	Aug-31	Aug-31
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.30%
Discount rate (percentage)	2.70%	3.40%
Inflation rate (percentage)	2.25%	2.50%
Expected average remaining service life (years)	13	14

Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 439,700	\$ 410,000
Current period benefit cost	34,500	33,200
Interest cost	15,900	15,600
Benefit payments	(15,600)	(18,500)
Actuarial gains / losses	97,800	(600)
Plan amendments	(600)	-
Accrued Benefit Obligation - end of year	571,700	439,700
Unamortized Net Actuarial Gains / Losses	(124,600)	(29,700)
Liability for Employee Future Benefits	\$ 447,100	\$ 410,000

Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 34,500	\$ 33,200
Amortization of net actuarial gain / loss	2,300	2,400
Plan amendments	-	-
Benefit cost	36,800	35,600
Interest cost on unfunded employee future benefits obligation	15,900	15,600
Total Employee Future Benefits Expense	\$ 52,700	\$ 51,200

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:

	2012			2011
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	469	146	615	606
Member contribution rate (percentage of salary)	6.05%/7.85%	7.80%/10%		7.00%/7.85%
Member contributions for the year	\$ 2,666,944	\$ 224,476	\$ 2,891,419	\$ 2,302,840

- ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2012	2011
Number of active School Division members	458	441
Member contribution rate (percentage of salary)	7.40%	7.40%
School Division contribution rate (percentage of salary)	7.40%	7.40%
Member contributions for the year	\$ 929,382	\$ 780,941
School Division contributions for the year	\$ 929,382	\$ 780,941
Actuarial valuation date	31-Dec-10	31-Dec-10
Plan Assets	\$ 1,395,109,000	\$ 1,399,241,000
Plan Liabilities	\$ 1,627,865,000	\$ 1,381,094,000
Plan Surplus (Deficit)	\$ (232,756,000)	\$ 18,147,000

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:

	2012			2011		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 10,684,848	\$ 1,590,858	\$ 9,093,990	\$ 10,351,658	\$ 1,590,858	\$ 8,760,800
Provincial Grants Receivable	564,136	-	564,136	1,176,472	-	1,176,472
Other Receivables	1,678,679	-	1,678,679	937,934	-	937,934
Total Accounts Receivable	\$ 12,927,663	\$ 1,590,858	\$ 11,336,805	\$ 12,466,064	\$ 1,590,858	\$ 10,875,206

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2012	2011
Accrued Salaries and Benefits	\$ 652,343	\$ 1,872,996
Supplier Payments	1,554,995	990,916
Other (Caution Fees, Correspondence)	284,147	212,320
Total Accounts Payable and Accrued Liabilities	\$ 2,491,485	\$ 3,076,232

10. LONG-TERM DEBT

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

	2012	2011
Capital Loans::		
TD Canada Trust Columbia School	-	79,376
RBC Norquay School - 4.12% matures August 2019 monthly repayments of \$7,127	519,316	582,037
BMO - Yorkdale School - 4.91% matures Dec. 2013 semi annual repayments \$242,129	681,710	1,116,426
BMO - YRHS -4.51% matures Nov. 2016 monthly repayments of \$10,576	482,739	585,356
	1,683,765	2,363,195
Other Long-Term Debt:		
Capital Leases		
Buses & Technology	5,891,912	5,365,042
	5,891,912	5,365,042
Total Long Term Debt	\$ 7,575,677	\$ 7,728,237

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

	Capital Loans	Capital Leases	Total
2013	\$ 629,020	\$ 1,792,137	\$ 2,421,157
2014	405,770	1,631,380	2,037,150
2015	188,412	1,313,241	1,501,653
2016	196,800	251,811	448,611
2017	99,839	173,144	272,983
Thereafter	163,924	730,199	894,123
Total	\$ 1,683,765	\$ 5,891,912	\$ 7,575,677

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

	Capital Loans		Capital Leases		2012	2011
Principal	\$	679,430	\$	2,039,161	\$ 2,718,591	\$ 2,640,585
Interest		94,375		198,319	292,693	329,583
Total	\$	773,805	\$	2,237,479	\$ 3,011,284	\$ 2,970,168

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2011	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2012
Capital projects:				
Federal capital tuition	\$ 98,334	\$ 47,660	\$ -	\$ 145,994
Proceeds from sale of school buildings	408,263	-	-	408,263
Total capital projects deferred revenue	506,597	47,660	-	554,257
Other deferred revenue:				
Property Taxes	2,654,888	391,911	-	3,046,799
Foreign Tuition	50,225	30,915	(50,225)	30,915
Third Party grants	293,812	225,216	(136,408)	382,620
Total other deferred revenue	2,998,925	648,042	(186,633)	3,460,334
Total Deferred Revenue	\$ 3,505,522	\$ 695,702	\$ (186,633)	\$ 4,014,591

12. COMPLEMENTARY SERVICES

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

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Families First	Other Programs	2012	2011
Revenue:						
Operating Grants	\$ 650,004	\$ 265,080	\$ 86,481	\$ 333,467	\$ 1,335,031	\$ 1,037,086
Capital Grants	(19,535)	-	-	-	(19,535)	37,125
Fees and Other Revenue	-	-	20,000	26,556	46,556	30,038
Total Revenue	630,469	265,080	106,481	360,023	1,362,052	1,104,249
Expenses:						
Salaries & Benefits	474,651	250,983	89,360	247,033	1,062,028	914,834
Instructional Aids	74,706	33,208	(61)	52,794	160,646	121,710
Supplies and Services	3,730	2,857	1,139	7,317	15,044	21,341
Non-Capital Equipment	-	715	-	-	715	777
Building Operating Expenses	5,842	-	7,559	4,000	17,401	14,486
Communications	2,108	2,046	897	(201)	4,850	6,641
Travel	651	2,449	5,712	11,071	19,884	23,017
Professional Development (Non-Salary Costs)	1,719	169	2,051	307	4,246	4,377
Student Related Expenses	-	23,923	(27)	-	23,897	21,200
Contacted Transportation & Allowances	31,400	1,069	-	-	32,469	33,398
Amortization of Tangible Capital Assets	-	-	-	11,778	11,778	11,597
Total Expenses	594,806	317,420	106,631	334,100	1,352,957	1,173,378
Excess (Deficiency) of Revenue over Expenses	\$ 35,663	\$ (52,340)	\$ (150)	\$ 25,922	\$ 9,095	\$ (69,129)

The purpose and nature of each Complementary Services program is as follows:

Pre-K is for 3 and 4 year olds run in programs designated by the Ministry of Education. Community Schools are designated schools in Yorkton and Kamsack for vulnerable and at risk communities. Families First is a pre-natal outreach program for vulnerable kids from birth to age 4. Other programs consist of PPEP (Pre-school and Parent Education Program) for early entrance and vulnerable kids from 2 to 4 year olds funded by the Federal Government. Youth in Custody provides school credit hours for teenage offenders at Orcadia youth centre. The Connections and Visions programs are for enhanced educational experiences for first nation and metis students and surrounding communities.

13. EXTERNAL SERVICES

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

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2012:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2012	2011
Revenue:				
Operating Grants	\$ -	\$ 52,557	\$ 52,557	\$ 53,359
Fees and Other Revenue	185,845	517,981	703,826	688,718
Total Revenue	185,845	570,538	756,383	742,077
Expenses:				
Salaries & Benefits	116,572	514,797	631,369	545,613
Instructional Aids	-	31,137	31,137	37,962
Supplies and Services	86,994	15,383	102,377	83,975
Communications	-	2,379	2,379	4,236
Travel	-	6,190	6,190	6,667
Professional Development	-	330	330	535
Amortization of Tangible Capital Assets	-	515	515	480
Total Expenses	203,566	570,732	774,298	679,468
Excess (Deficiency) of Revenue over Expenses	\$ (17,721)	\$ (194)	\$ (17,915)	\$ 62,609

The purpose and nature of each External Services program is as follows:

Cafeteria operations at Yorkton Regional High School provide food services to staff and students. Other programs are third party grants provided for a Regional Kidsfirst and Healthy Beginnings Programs for early childhood activities. Distance Learning Centre provides print based correspondence courses to students.

14. 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. These internally restricted amounts are included in the Accumulated Surplus presented in the Statement of Financial Position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	2012	2011
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 40,529,000	\$ 38,496,692
Less: Debt owing on Tangible Capital Assets	7,575,677	7,728,237
	32,953,323	30,768,455
S.286 pre-April 2009 capital reserves from prior years' operating surpluses (1)	176,758	176,758
Internally Restricted Surplus:		
Capital projects:		
Designated for tangible capital asset expenditures	77,936	63,682
	77,936	63,682
Other:		
School generated funds	1,097,790	898,938
Future Expenditures YRHS Flood	243,374	355,812
School budget carryovers	255,723	157,574
Distance Learning	366,104	335,552
	1,962,991	1,747,876
Unrestricted Surplus	9,795,989	9,944,225
Total Accumulated Surplus	\$ 44,966,997	\$ 42,700,996

(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.

The purpose and nature of each Internally Restricted Surplus amount is as follows: School generated funds, school base budgets and Distance Learning are surpluses carried over for those specific areas. Future expenditures from Yorkton Regional High School flood settlement for items yet to be purchased and an elevator lift.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 27, 2011 and the Minister of Education on August 31, 2011.

16. 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.

	2012		2011	
Revenues:				
Ministry of Education	\$	50,786,396	\$	47,035,419
Christ the Teacher RCSSD		58,961		74,230
Horizon School Division		32,617		30,747
Other School Divisions		207,079		-
	\$	51,085,053	\$	47,140,396
Expenses:				
Parkland College	\$	646,911	\$	243,819
Sask Energy	\$	763,733	\$	909,919
Sask Power	\$	1,003,057	\$	805,082
Sask Tel	\$	263,447	\$	180,844
Sask Workers Compensation	\$	142,123	\$	132,198
Other		46,927		106,751
	\$	2,866,198	\$	2,378,613
Accounts Receivable:				
Ministry of Education	\$	564,136	\$	1,176,472
Horizon School Division		7,247		8,048
Christ the Teacher RCSSD		152,832		45,404
	\$	724,215	\$	1,229,924
Prepaid Expenses:				
Sask Workers Compensation	\$	66,097	\$	45,738
	\$	66,097	\$	45,738
Provincial Grant Overpayment:				
Ministry of Education	\$	1,603,471	\$	-
	\$	1,603,471	\$	-
Accounts Payable and Accrued Liabilities:				
Christ the Teacher RCSSD	\$	89,318	\$	55,433
Sask Tel		-		14,157
Other		-		4,373
	\$	89,318	\$	73,963
Deferred Revenue:				
Other		-		-
	\$	-	\$	-

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 \$2,734,960 million 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, 2012	\$ 2,734,960
Less: Revenue reported in financial statements	(508,569)
Unrecorded balance of approved capital transfers	\$ 2,226,391

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.

17. TRUSTS

The school division, as the trustee, administers trust funds for the Public Section of the Saskatchewan School Boards Association and scholarships. The trust assets and transactions are not included in the consolidated financial statements.

Information about these trusts is as follows:

	Public Section		Scholarships		Total	Total
	2012	2012	2011	2012	2011	
Cash and short-term investments	\$ 183,291	\$ 60,857	\$ 36,740	\$ 244,148	\$ 36,740	
Portfolio investments	-	256,576	237,913	256,576	237,913	
Total Assets	\$ 183,291	\$ 317,433	\$ 274,653	\$ 500,724	\$ 274,653	
Revenues						
Contributions and donations	\$ 454,517	\$ 83,337	\$ 27,601	\$ 537,854	\$ 27,601	
Interest on investments	-	4,052	3,711	4,052	3,711	
	454,517	87,389	31,312	541,906	31,312	
Expenses						
Litigation	200,837	-	-	200,837	-	
Contracted Services	70,389	-	-	70,389	-	
Awards to Students	-	44,609	42,344	44,609	42,344	
	271,226	44,609	42,344	315,835	42,344	
Excess of Revenue over Expenses	183,291	42,780	(11,032)	226,071	(11,032)	
Trust Fund Balance, Beginning of Year	-	274,653	285,685	274,653	285,685	
Trust Fund Balance, End of Year	\$ 183,291	\$ 317,433	\$ 274,653	\$ 500,724	\$ 274,653	

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. 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:					
2013	\$ 91,943	\$ 91,943	\$ 1,024,034	\$ 768,102	\$ 1,792,136
2014	61,891	61,891	1,024,034	607,346	1,631,380
2015	15,472	15,472	940,264	372,977	1,313,241
2016	-	-	68,586	183,228	251,814
2017	-	-	-	173,144	173,144
Thereafter	-	-	-	730,199	730,199
Interest and executory costs	\$ 169,306	\$ 169,306	\$ 3,056,918	\$ 2,834,996	\$ 5,891,914
	-	-	280,168	354,409	634,577
Total Lease Obligations	\$ 169,306	\$ 169,306	\$ 3,337,086	\$ 3,189,405	\$ 6,526,491

20. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation. Scholarships have been treated as trusts in note 17 affecting cash, long term investments and other liabilities. Certain items have been reclassified from accounts payable to deferred revenues.