
ILE-A-LA CROSSE SCHOOL DIVISION NO. 112

FINANCIAL STATEMENTS

AUGUST 31, 2010

MENSSA BAERT CAMERON ODISHAW
CHARTERED ACCOUNTANTS



Auditor's Report and Financial Statement

Of the Ile-a-la Crosse School Division No. 112

School Division No. 6720100

For the Period Ending: August 31, 2010

Christine Arnett
Secretary Treasurer

Menssa Baert Cameron Odishaw
Auditor

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

**MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL REPORTING**



To the Chairperson & Board Members of
Ile-a-la Crosse School Division No. 112
Ile-a-la Crosse, Saskatchewan

Management has the responsibility for preparing the accompanying consolidated financial statements. This responsibility includes selecting appropriate accounting principles in making objective judgements and estimates in accordance with Canadian generally accepted accounting principles.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records maintained.

Ultimate responsibility for financial statements to ratepayers lies with the board of trustees.

External auditors appointed by the board audit the financial statements. The external auditors report directly to the board and their report follows. The external auditors have full and free access to the board of trustees to discuss their audit and their findings as to the integrity of the school's financial reporting and the adequacy of the system of internal controls.


Chairperson
Director of Education

November 12, 2010

MENSSA BAERT CAMERON ODISHAW
CHARTERED ACCOUNTANTS

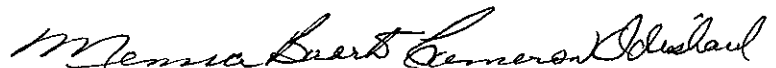
AUDITOR'S REPORT

To the Chairperson & Board Members of
Ile-a-la Crosse School Division No. 112
Ile-a-la Crosse, Saskatchewan

We have audited the consolidated statement of financial position of the Ile-a-la Crosse School Division No. 112 as at August 31, 2010 and the consolidated statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) and cash flows for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2010 and the result of its operations and the changes in its financial position for the period then ended in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board.



Chartered Accountants

North Battleford, Saskatchewan
November 12, 2010

Ile-a-la Crosse School Division No. 112
Consolidated Statement of Financial Position
as at August 31, 2010

	2010	Restated 2009 (Note 16)
Financial Assets		
Cash	955,928	1,937,413
Short Term Investments	3,102,943	1,857,361
Accounts Receivable (Note 7)	258,611	326,661
Inventories for Sale		
Long Term Investments		
Other Assets		
Total Financial Assets	4,317,482	4,121,435
Liabilities		
Bank Indebtedness		
Provincial Grant Overpayment		
Accounts Payable and Accrued Liabilities (Note 8)	93,867	78,351
Short Term Loans		
Long Term Debt		
Liability for Employee Future Benefits (Note 5)	50,400	43,200
Deferred Revenue (Note 9)	55,011	54,780
Other Liabilities		
Total Liabilities	199,278	176,331
Net Financial Assets (Net Debt)	4,118,204	3,945,104
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	18,172,875	18,464,731
Inventory of Supplies for Consumption		
Prepaid Expenses	27,004	17,927
Total Non-Financial Assets	18,199,879	18,482,658
Accumulated Surplus (Deficit) (Note 12)	22,318,083	22,427,762

Contractual Obligations and Commitments (Note 15)

The accompanying notes are an integral part of these statements

Approved by the Board:

_____ Chairperson

_____ Secretary-Treasurer

Ile-a-la Crosse School Division No. 112
Consolidated Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	Restated 2009 Actual
	(Note 13)		(Note 16)
REVENUES			
Property Taxation	152,521	195,188	201,786
Grants	4,796,735	4,884,827	5,814,985
Tuition and Related Fees			
School Generated Funds	85,000	96,612	71,054
Complementary Services (Note 10)	200,700	274,060	39,186
External Services (Note 11)	331,718	335,435	119,428
Other	69,600	74,103	115,830
Total Revenues (Schedule A)	5,636,274	5,860,225	6,362,269
EXPENSES			
Governance	152,574	145,809	116,659
Administration	279,541	262,629	230,159
Instruction	3,439,653	3,542,087	3,303,948
Plant	1,322,785	1,207,789	1,123,018
Transportation	284,879	208,151	212,714
Tuition and Related Fees			
School Generated Funds	85,000	95,299	66,218
Complementary Services (Note 10)	182,580	202,155	140,333
External Services (Note 11)	423,556	305,056	338,317
Other Expenses	2,500	929	1,056
Total Expenses (Schedule B)	6,173,068	5,969,904	5,532,422
Surplus (Deficit) for the Year	(536,794)	(109,679)	829,847
Accumulated Surplus (Deficit), Beginning of Year	22,427,762	22,427,762	21,597,915
Accumulated Surplus (Deficit), End of Year	21,890,968	22,318,083	22,427,762

The accompanying notes are an integral part of these statements

Ile-a-la Crosse School Division No. 112
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2010

	2010 Budget	2010 Actual	Restated 2009 Actual
	(Note 13)		(Note 16)
Net Financial Assets (Net Debt), Beginning of Year	3,945,104	3,945,104	3,158,593
Changes During the Year:			
Surplus (Deficit) for the Year	(536,794)	(109,679)	829,847
Acquisition of Tangible Capital Assets (Schedule C)	(27,456)	(321,568)	(603,046)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		46,400	
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)			
Write-Down of Tangible Capital Assets (Schedule C)			
Amortization of Tangible Capital Assets (Schedule C)	564,250	567,024	560,270
Net Acquisition of Inventory of Supplies			
Net Acquisition of Prepaid Expenses		(9,077)	(560)
Change in Net Financial Assets / Net Debt		173,100	786,511
Net Financial Assets (Net Debt), End of Year	3,945,104	4,118,204	3,945,104

The accompanying notes are an integral part of these statements

Ile-a-la Crosse School Division No. 112
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	Restated 2009
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	(109,679)	829,847
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	567,024	560,270
Net Change in Non-Cash Operating Activities (Schedule E)	81,920	177,790
Cash Provided (Used) by Operating Activities	539,265	1,567,907
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(321,568)	(603,046)
Proceeds on Disposal of Tangible Capital Assets	46,400	
Cash Provided (Used) by Capital Activities	(275,168)	(603,046)
INVESTING ACTIVITIES		
Cash Used to Acquire Long Term Investments		
Proceeds on Disposal of Long Term Investments		
Cash Provided (Used) by Investing Activities		
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt		
Repayment of Long Term Debt		
Cash Provided (Used) by Financing Activities		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	264,097	964,861
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,794,774	2,829,913
CASH AND CASH EQUIVALENTS, END OF YEAR	4,058,871	3,794,774
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	955,928	1,937,413
Short Term Investments	3,102,943	1,857,361
Bank Indebtedness		
CASH AND CASH EQUIVALENTS, END OF YEAR	4,058,871	3,794,774

The accompanying notes are an integral part of these statements

Ile-a-la Crosse School Division No. 112
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 13)		
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	152,521	163,767	183,770
Revenue from Supplemental Levies			
Total Property Tax Revenue	152,521	163,767	183,770
Grants in Lieu of Taxes:			
Federal Government		7,461	7,596
Provincial Government		1,539	1,991
Railways			
Other			
Total Grants in Lieu of Taxes		9,000	9,587
Other Tax Revenues:			
Treaty Land Entitlement - Urban			
Treaty Land Entitlement - Rural			
House Trailer Fees			
Total Other Tax Revenues			
Additions to Levy:			
Penalties		25,937	23,036
Other		25,084	
Total Additions to Levy		51,021	23,036
Deletions from Levy:			
Discounts		(12,593)	(13,577)
Cancellations		(15,262)	(1,030)
Other Deletions		(745)	
Total Deletions from Levy		(28,600)	(14,607)
Total Property Taxation Revenue	152,521	195,188	201,786
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	4,753,036	4,844,807	5,304,452
Education Property Tax Credit			
Other Ministry Grants		6,427	850
Total Ministry Grants	4,753,036	4,851,234	5,305,302
Other Provincial Grants	43,699		36,208
Federal Grants		1,218	
Grants from Others		32,375	124,593
Total Operating Grants	4,796,735	4,884,827	5,466,103
Capital Grants			
Ministry of Education Capital Grants			
Other Capital Grants			348,882
Total Capital Grants			348,882
Total Grants	4,796,735	4,884,827	5,814,985

Ile-a-la Crosse School Division No. 112
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards			
Federal Government and First Nations			
Individuals and Other			
Total Tuition Fees			
Transportation Fees			
Other Related Fees			
Total Operating Tuition and Related Fees			
Capital Fees:			
Federal/First Nations Capital Fees			
Total Capital Tuition and Fees			
Total Tuition and Related Fees Revenue			
School Generated Funds Revenue			
Curricular Fees:			
Student Fees			
Other			
Total Curricular Fees			
Non-Curricular Fees:			
Commercial Sales - GST			
Commercial Sales - Non-GST			
Fundraising	85,000	96,612	71,054
Grants and Partnerships			
Students Fees			
Other			
Total Non-Curricular Fees	85,000	96,612	71,054
Total School Generated Funds Revenue	85,000	96,612	71,054
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	146,200		
Ministry of Education Grants-Other		162,106	39,186
Other Provincial Grants	17,000	52,000	
Federal Grants			
Other Grants	37,500	59,954	
Total Operating Grants	200,700	274,060	39,186
Capital Grants			
Ministry of Education Capital Grant			
Other Capital Grants			
Total Capital Grants			
Fees and Other Revenue			
Tuition and Related Fees			
Gain on Disposal of Capital Assets			
Other Revenue			
Total Fees and Other Revenue			
Total Complementary Services Revenue	200,700	274,060	39,186

Ile-a-la Crosse School Division No. 112
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	53,346		
Ministry of Education Grants-Other			
Other Provincial Grants			
Federal Grants			
Other Grants	110,000	127,500	
Total Operating Grants	163,346	127,500	
Capital Grants			
Ministry of Education Capital Grant			
Other Capital Grants			
Total Capital Grants			
Fees and Other Revenue			
Tuition and Related Fees		75,300	
Gain on Disposal of Capital Assets			
Other Revenue	168,372	132,635	119,428
Total Fees and Other Revenue	168,372	207,935	119,428
Total External Services Revenue	331,718	335,435	119,428
Other Revenue			
Miscellaneous Revenue	15,000	3,286	10,614
Sales & Rentals		58,472	65,919
Investments	54,600	12,345	39,297
Gain on Disposal of Capital Assets			
Total Other Revenue	69,600	74,103	115,830
TOTAL REVENUE FOR THE YEAR	5,636,274	5,860,225	6,362,269

Ile-a-la Crosse School Division No. 112
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 13)		(Note 16)
Governance Expense			
Board Members Expense	54,574	84,938	35,635
Conventions - Board Members	53,000	55,662	61,280
School Community Councils		1,246	1,193
Conventions - School Community Councils			(6,038)
Elections	3,000	2,727	
Other Governance Expenses	42,000	1,236	24,589
Amortization of Tangible Capital Assets			
Total Governance Expense	152,574	145,809	116,659
Administration Expense			
Salaries	142,857	145,667	128,227
Benefits	25,254	24,641	18,809
Supplies & Services	52,600	40,450	42,202
Non-Capital Furniture & Equipment	5,500	2,313	7,180
Building Operating Expenses	14,180	7,558	6,745
Communications	14,000	12,130	8,961
Travel	12,000	20,585	9,584
Professional Development	6,000	2,169	1,416
Amortization of Tangible Capital Assets	7,150	7,116	7,035
Total Administration Expense	279,541	262,629	230,159
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	2,445,413	2,435,274	2,332,741
Instructional (Teacher & LEADS Contract) Benefits	111,937	101,268	109,709
Program Support (Non-Teacher Contract) Salaries	271,121	288,816	256,830
Program Support (Non-Teacher Contract) Benefits	58,827	74,142	63,023
Instructional Aids	153,039	206,337	125,342
Supplies & Services	71,861	99,511	64,099
Non-Capital Furniture & Equipment	33,134	36,446	89,831
Communications	37,600	15,632	28,966
Travel	67,000	39,941	49,698
Professional Development	40,563	42,367	28,093
Student Related Expense	60,458	106,154	60,535
Amortization of Tangible Capital Assets	88,700	96,199	95,081
Total Instruction Expense	3,439,653	3,542,087	3,303,948

Ile-a-la Crosse School Division No. 112
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Plant Operation & Maintenance Expense			
Salaries	264,488	297,104	269,175
Benefits	43,597	57,405	51,209
Supplies & Services	3,500	(10,789)	5,957
Non-Capital Furniture & Equipment	10,000	6,781	23,932
Building Operating Expenses	606,500	473,709	395,951
Communications	4,500	3,381	3,927
Travel	15,500	10,224	7,894
Professional Development	500	1,772	576
Amortization of Tangible Capital Assets	374,200	368,202	364,397
Total Plant Operation & Maintenance Expense	1,322,785	1,207,789	1,123,018
Student Transportation Expense			
Salaries	88,994	63,253	63,955
Benefits	24,085	14,162	12,801
Supplies & Services	60,800	39,628	35,128
Non-Capital Furniture & Equipment	35,000	41,296	16,656
Building Operating Expenses		368	16,122
Communications			
Travel	12,000	4,722	5,631
Professional Development			
Contracted Transportation	25,000	5,360	23,509
Amortization of Tangible Capital Assets	39,000	39,362	38,912
Total Student Transportation Expense	284,879	208,151	212,714
Tuition and Related Fees Expense			
Tuition Fees			
Transportation Fees			
Other Fees			
Total Tuition and Related Fees Expense			
School Generated Funds Expense			
Supplies & Services		180	
Cost of Sales			
Non-Capital Furniture & Equipment			
Special Programs			
School Fund Expenses	85,000	95,119	66,218
Amortization of Tangible Capital Assets			
Total School Generated Funds Expense	85,000	95,299	66,218

Ile-a-la Crosse School Division No. 112
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Complementary Services Expense			
Tuition Fees			
Transportation Fees			
Other Fees			
Administration Salaries & Benefits			143
Instructional (Teacher & LEADS Contract) Salaries & Benefits			850
Program Support (Non-Teacher Contract) Salaries & Benefits	107,108	115,710	89,586
Plant Operation & Maintenance Salaries & Benefits			
Transportation Salaries & Benefits			3,225
Instructional Aids	25,500	18,456	10,059
Supplies & Services		6,958	8,879
Non-Capital Furniture & Equipment	3,000	3,010	2,566
Building Operating Expenses			3,359
Communications	1,700	1,202	1,074
Travel	1,000		
Professional Development (Non-Salary Costs)	2,750	2,979	956
Student Related Expenses	41,322	53,643	19,442
Contracted Transportation & Allowances			
Amortization of Tangible Capital Assets	200	197	194
Loss on Disposal of Tangible Capital Assets			
Write-Down of Tangible Capital Assets			
Total Complementary Services Expense	182,580	202,155	140,333
External Service Expense			
Tuition Fees		25	
Transportation Fees			
Other Fees			
Administration Salaries & Benefits			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	146,548	106,565	103,097
Program Support (Non-Teacher Contract) Salaries & Benefits		1,350	1,915
Plant Operation & Maintenance Salaries & Benefits			
Transportation Salaries & Benefits			
Instructional Aids	4,695	846	6,128
Supplies & Services		6,696	
Non-Capital Furniture & Equipment		216	
Building Operating Expenses	211,000	129,499	171,305
Communications	3,500		246
Travel		705	
Professional Development (Non-Salary Costs)	2,063		854
Student Related Expenses	750	3,206	121
Contracted Transportation & Allowances			
Amortization of Tangible Capital Assets	55,000	55,948	54,651
Loss on Disposal of Tangible Capital Assets			
Write-Down of Tangible Capital Assets			
Total External Services Expense	423,556	305,056	338,317

Ile-a-la Crosse School Division No. 112
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
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Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	2,500	929	1,056
Interest on Debentures			
School Facilities			
Other			
Interest on Other Capital Loans and Long Term Debt			
School Facilities			
Other			
Total Interest and Bank Charges	2,500	929	1,056
Loss on Disposal of Tangible Capital Assets			
Write-Down of Tangible Capital Assets			
Provision for Uncollectable Taxes			
Total Other Expense	2,500	929	1,056
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TOTAL EXPENSES FOR THE YEAR	6,173,068	5,969,904	5,532,422
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Ile-a-la Crosse School Division No. 112
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2010

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1, 2009	124,339	151,400	18,227,006	744,692	398,092	161,963	798,471	154,905			20,760,868	20,157,822
Additions/Purchases												
Disposals		1,000	11,913	29,964		32,996	58,864	19,577		167,254	321,568	603,046
Write-Downs			(46,400)			(16,306)	(2,032)				(64,738)	
Transfers to (from)												
Closing Balance as of August 31, 2010	124,339	152,400	18,192,519	774,656	398,092	178,653	855,303	174,482		167,254	21,017,698	20,760,868
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1, 2009		42,513	1,100,256	349,786	289,746	129,085	293,800	90,951			2,296,137	1,735,867
Amortization of the Period												
Disposals		7,620	363,854	46,446	21,611	17,559	75,038	34,896		567,024	(18,338)	560,270
Write-Downs						(16,306)	(2,032)					
Transfers to (from)												
Closing Balance as of August 31, 2010		50,133	1,464,110	396,232	311,357	130,338	366,806	125,847			2,844,823	2,296,137
Net Book Value:												
Opening Balance as of September 1, 2009	124,339	108,887	17,126,750	394,906	108,346	32,878	504,671	63,954			18,484,731	18,421,955
Closing Balance as of August 31, 2010	124,339	102,267	16,728,409	378,424	86,735	48,315	488,497	48,635		167,254	18,172,875	18,464,731
Change in Net Book Value	Nil	(6,620)	(398,341)	(16,482)	(21,611)	15,437	(16,174)	(15,319)		167,254	(291,856)	42,776
Disposals:												
Historical Cost			46,400			16,306	2,032				64,738	
Accumulated Amortization						16,306	2,032				18,338	
Net Cost			46,400			Nil	Nil				46,400	
Price of Sale			46,400								46,400	
Gain/Loss on Disposal			Nil								Nil	
Net Book Value (NBV) of Assets												
Pledged as Security for Debt												

Ile-a-la Crosse School Division No. 112
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	Restated 2009
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	567,024	560,270
Net (Gain) Loss on Disposal of Tangible Capital Assets		
Write-Down of Tangible Capital Assets (Schedule C)		
Total Non-Cash Items Included in Surplus / Deficit	567,024	560,270

Ile-a-la Crosse School Division No. 112
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	Restated 2009
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	68,050	116,415
Decrease (Increase) in Inventories for Sale		
Decrease (Increase) in Other Assets		
Increase (Decrease) in Provincial Grant Overpayment		
Increase (Decrease) In Accounts Payable and Accrued Liabilities	15,516	38,166
Increase (Decrease) In Short Term Loans		
Increase (Decrease) in Liability for Employee Future Benefits	7,200	43,200
Increase (Decrease) in Deferred Revenue	231	
Increase (Decrease) in Other Liabilities		(19,431)
Decrease (Increase) in Inventory of Supplies for Consumption		
Decrease (Increase) in Prepaid Expenses	(9,077)	(560)
Total Net Change in Non-Cash Operating Activities	81,920	177,790

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

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 Ile-a-la Crosse School Division No. 112" and operates as "the Ile-a-la Crosse School Division No. 112". The School Division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Reporting Entity and Consolidation

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

Controlled entities:

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

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

Controlled entities:

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Basis of Accounting

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

c) Measurement Uncertainty and the Use of Estimates

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

Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, tax revenue, uncollectible taxes, useful lives of capital assets and prior years tangible capital asset historical costs and related amortization as applicable to the Ile-a-la Crosse School Division No. 112.

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 material changes in the amounts recognized or disclosed.

d) Financial Instruments

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

Accounts Receivable 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.

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.

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Non Financial Assets (continued)

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

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

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

Prepaid Expenses are prepaid amounts for goods or services (for example insurance, SSBA fees, etc.) 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.

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.

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Liabilities (continued)

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.

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.

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Revenue Recognition (continued)

i) Provincial grants:

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

ii) Property taxation:

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

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

3. SHORT TERM INVESTMENTS

Short term investments consist of cashable GIC's with maturities of three months or less.

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	84,938	60,871			152,574	145,809	116,659
Administration	170,308	85,205		7,116	280,891	262,629	230,159
Instruction	2,899,500	546,388		96,199	3,320,953	3,542,087	3,303,948
Plant	354,509	485,078		368,202	951,085	1,207,789	1,123,018
Transportation	77,415	91,374		39,362	245,879	208,151	212,714
Tuition and Related Fees							
School Generated Funds		95,299				95,299	66,218
Complementary Services	115,710	86,248		197	188,836	202,155	140,333
External Services	107,915	141,193		55,948	378,556	305,056	338,317
Other		929			2,500	929	1,056
TOTAL	3,810,295	1,592,585		567,024	5,521,274	5,969,904	5,532,422

5. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, severance, vested sick leave severance, retirement gratuity, etc. Significant assumptions include salary escalation, discount rate, inflation rate and expected average service life. 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 Consolidated Statement of Financial Position.

Details of the employee future benefits are as follows:

	2010	2009
Actuarial valuation date	8/31/2010	8/31/2009
Long-term assumptions used:		
Salary escalation rate (percentage) teacher	3.50%	3.50%
Salary escalation rate (percentage) - non teacher	4.20%	4.20%
Discount rate (percentage)	3.60%	4.10%
Expected average remaining service life (years)	20	20

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

5. EMPLOYEE FUTURE BENEFITS (continued)

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	44,600	36,800
Current period benefit cost	5,200	4,700
Interest cost	2,000	1,800
Benefit payments	(100)	(100)
Actuarial gains / losses	2,000	1,400
Plan amendments		
Accrued Benefit Obligation - end of year	53,700	44,600
Unamortized Net Actuarial Gains / Losses	(3,300)	(1,400)
Liability for Employee Future Benefits	50,400	43,200

Employee Future Benefits Expense	2010	2009
Current period benefit cost	5,200	4,700
Amortization of net actuarial gain / loss	100	
Plan amendments		
Benefit cost	5,300	4,700
Interest cost on unfunded employee future benefits obligation	2,000	1,800
Total Employee Future Benefits Expense	7,300	6,500

6. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

6. PENSION PLANS (continued)

Multi-Employer Defined Benefit Plans (continued)

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

	2010			2009
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	48	3	51	47
Member contribution rate (percentage of salary)	7.0-9.0% ¹	6.05-7.85% ²		6.05-9.0%
Member contributions for the year	168,701	21,036	189,737	178,968

¹ STRP rate below YMPE (yearly maximum pensionable earnings) 7%, rate above YMPE 9%, years basic exemption is \$3,500. 2010 YMPE is \$47,200 and 2009 YMPE is \$46,300.

² STSP is integrated with CPP. Earnings subject to CPP is 6.05%. CCP exempt earnings is 7.85%

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.

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

6. PENSION PLANS (continued)

Multi-Employer Defined Benefit Plans (continued)

Details of the MEPP are as follows:

	2010	2009
Number of active School Division members	33	29
Member contribution rate (percentage of salary)	6.40%	5.40%
School Division contribution rate (percentage of salary)	6.40%	5.40%
Member contributions for the year	50,335	42,173
School Division contributions for the year	50,335	42,173
Actuarial valuation date	12/31/2009	12/31/2008
Plan Assets	1,284,959,000	1,150,748,000
Plan Liabilities	1,233,841,000	1,215,639,000
Plan Surplus (Deficit)	51,118,000	(64,891,000)

7. ACCOUNTS RECEIVABLE

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

	2010			2009		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	631,001	469,278	161,723	611,668	469,278	142,390
Provincial Grants Receivable						
Other Receivables	96,888		96,888	184,271		184,271
Total Accounts Receivable	727,889	469,278	258,611	795,939	469,278	326,661

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	2,729	7,378
Supplier Payments	20,165	
Other - Holdback of Supplier	70,973	70,973
Total Accounts Payable and Accrued Liabilities	93,867	78,351

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

9. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2009	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2010
(a) <i>Property Tax Levy</i>	54,780	55,011	(54,780)	55,011
Total Deferred Revenue	54,780	55,011	(54,780)	55,011

(a) Deferred property tax levy represents September – December on earned property tax revenue.

10. COMPLEMENTARY SERVICES

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

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2010:

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Notes to the Consolidated Financial Statements
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10. COMPLEMENTARY SERVICES (continued)

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Pre-Natal Outreach	Other Programs	2010	2009
Revenue:						
Grants		59,954		214,106	274,060	39,186
Tuition and Related Fees						
Miscellaneous Revenue						
Sales and Rentals						
Total Revenue		59,954		214,106	274,060	39,186
Expenses:						
Tuition Fees						
Salaries & Benefits		36,876		78,832	115,708	93,804
Instructional Aids		280		8,415	8,695	10,059
Supplies and Services		984		15,736	16,720	8,879
Non-Capital Equipment				3,010	3,010	2,566
Building Operating Expenses						3,359
Amortization				197	197	194
Communications		117		1,085	1,202	1,074
Travel						
Professional Development		2,979			2,979	956
Student Related Expenses		3,958		49,686	53,644	19,442
Contacted Transportation & Allowances						
Total Expenses		45,194		156,961	202,155	140,333
Excess (Deficiency) of Revenue over Expenses		14,760		57,145	71,905	(101,147)

11. EXTERNAL SERVICES

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

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2010:

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

11. EXTERNAL SERVICES (continued)

Summary of External Services Revenues and Expenses, by Program	Adult Education	Summer School	Cafeteria	Other Programs	2010	2009
Revenue:						
Grants	127,500				127,500	
Tuition and Related Fees						
Miscellaneous Revenue				75,300	75,300	
Sales and Rentals				132,635	132,635	119,428
Total Revenue	127,500			207,935	335,435	119,428
Expenses:						
Tuition Fees	25				25	
Salaries & Benefits	107,915				107,915	105,012
Instructional Aids						6,128
Supplies and Services	990				990	
Professional/Contracted Services				6,552	6,552	
Non-Capital Equipment				216	216	
Building Operating Expenses				129,499	129,499	171,305
Amortization				55,948	55,948	54,651
Communications						246
Travel				705	705	
Professional Development						854
Student Related Expenses	3,206				3,206	121
Contacted Transportation & Allowances						
Total Expenses	112,136			192,920	305,056	338,317
Excess (Deficiency) of Revenue over Expenses	15,364			15,015	30,379	(218,889)

12. ACCUMULATED SURPLUS

Accumulated Surplus represents the financial assets and non-financial assets of the School Division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the School Division and school generated funds.

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes such as new school initiative, buses, equipment and programs. These internally restricted amounts are included in the Accumulated Surplus presented in the Consolidated Statement of Financial Position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
for the year ending August 31, 2010

12. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

	2010	2009
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	18,172,875	18,464,731
Less: Debt owing on Tangible Capital Assets		
	18,172,875	18,464,731
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures	670,733	670,733
Internally Restricted Surplus ¹	1,894,199	1,894,199
School generated funds	60,951	63,160
Scholarship funds		
School budget carryovers	727,505	727,505
Other (provide details)		
	3,353,388	3,355,597
Unrestricted Surplus	791,820	607,434
Total Accumulated Surplus	22,318,083	22,427,762

¹ Internally Restricted Surplus: 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.

13. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on August 25, 2009 and the Ministry of Education on October 20, 2009.

The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform to the basis of accounting used to prepare the consolidated financial statements to the budget approved by the Board of Education and Ministry of Education is as follows:

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
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13. BUDGET FIGURES (continued)

Approved 2009 – 10 budget	Nil
Add capital purchases	27,456
Remove amortization of tangible capital assets	<u>564,250</u>
Restated 2009 – 10 budget	<u>(536,794)</u>

14. RELATED PARTIES

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

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$ 1,936,390 (2009: \$ 1,855,475) of which Nil (2009: Nil) was payable at August 31, 2010.

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.

The Ministry of Education has approved \$1 million in capital transfers to the school division. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. Accordingly, these capital transfers have not been reflected in the financial statements, as follows:

Total Ministry Obligation at August 31, 2010	1,053,958
Less: Amounts reported in financial statements	<u>Nil</u>
Equals: Unrecorded balance	<u>1,053,958</u>

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

15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
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15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (continued)

Minimum future lease payments::			
	Cell Phones	Copier Leases	Total
2011	990	8,734	9,724
2012	630	8,734	9,364
2013	240	8,734	8,974
2014		2,184	2,184
2015			
Thereafter			
Total	1,860	28,386	30,246

16. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

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

Change in Financial Statement Presentation

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
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16. ACCOUNTING CHANGES (continued)

Change in Financial Statement Presentation (continued)

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

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

Tangible Capital Assets

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

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

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

Ile-a-la Crosse School Division No. 112
Notes to the Consolidated Financial Statements
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16. ACCOUNTING CHANGES (continued)

Tangible Capital Assets (continued)

Tangible Capital Assets at August 31, 2009	
Tangible capital assets at cost as at August 31, 2009 - as previously reported	19,585,481
Tangible capital assets not previously capitalized	1,175,387
Write-downs of tangible capital assets	
Tangible capital assets at cost as at August 31, 2009 - as restated	20,760,868
Accumulated amortization as at August 31, 2009 not previously reported	2,296,137
Tangible capital assets at net book value as at August 31, 2009 - as restated	18,464,731
2008-09 Annual Surplus	
2008-09 Surplus (deficit) for the year - as previously reported	787,071
Reverse repayment (issuance) of long term debt as a charge to annual surplus	
Tangible capital asset adjustments:	
Tangible capital assets capitalized but previously expensed	603,046
Proceeds on disposals of tangible capital assets previously recorded as revenue	
Gain (loss) on disposals of tangible capital assets not previously recorded	
Write-down of tangible capital assets not previously recorded	
Amortization of tangible capital assets not previously recorded	(560,270)
Total tangible capital asset adjustments	42,776
2008-09 Surplus (deficit) for the year - as restated	829,847
Accumulated Surplus at August 31, 2009	
Accumulated surplus as at September 1, 2008 - as previously reported:	
Operating Fund Balance	153,151
Capital Fund Balance	18,982,435
Other Funds Balance	2,998,607
Equity in Physical Assets	
Total accumulated surplus as at September 1, 2008 - as previously reported	22,134,193
Prior period adjustments - cumulative effect to September 1, 2008:	
Tangible capital assets adjustments	(536,278)
Accumulated surplus as at September 1, 2008 - as restated	21,597,915
2008-09 surplus (deficit) for the year - as previously stated	787,071
Prior period adjustments to 2008-09 surplus (deficit) for the year:	
Net repayment (issuance) of long term debt	
Tangible capital assets adjustments	42,776
Accumulated surplus as at August 31, 2009 - as restated	22,427,762

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16. ACCOUNTING CHANGES (continued)

Tangible Capital Assets (continued)

Effective September 1, 2008 the School Division adopted financial statement policies to provide compliance changes required the Ministry of Education. Implemented changes included school generated funds and/or employee future benefit.

The comparative financial results from the 2008 fiscal year have not been restated to reflect this revised accounting policy as its effect on the previous year's financial results is not reasonably determinable. Consequently, comparisons between the current and prior fiscal years may not be meaningful.

Effective September 1, 2009 the School Division adopted financial statement policies to provide compliance changes required the Ministry of Education.

The accounting change was implemented prospectively in the 2008-09, without an adjustment to opening accumulated surplus or restatement of prior year comparatives in the 2008-09 financial statements. However, the school division subsequently determined that in accordance with PSAB standards, this change should have been implemented retroactively. Accordingly, the following 2008-09 amounts have been changed from the amounts previously reported in the 2008-09 financial statements, as follows: details to changes in tangible capital assets, fund reserve or accumulated surplus. Financial statement notes were not changed for the adjustments.

17. COMPARATIVE INFORMATION

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