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**ILE-A-LA CROSSE SCHOOL DIVISION NO. 112**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2012**

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**MENSSA BAERT CAMERON ODISHAW LA COCK**  
**CHARTERED ACCOUNTANTS**

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Ministry of  
Education

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## Auditor's Report and Financial Statement

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

School Division No. 6720100

For the Period Ending: August 31, 2012

Christine Arnett  
Chief Financial Officer

Menssa Baert Cameron Odishaw La Cock  
Auditor

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

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## **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, Menssa Baert Cameron Odishaw La Cock, Chartered Accountants, 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 Ile-a-la Crosse School Division No. 112:



Board Chair



CEO/Director of Education



Chief Financial Officer

November 7, 2012

**MENSSA BAERT CAMERON ODISHAW LA COCK**  
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

The Directors  
Ile-a-la Crosse School Division No. 112  
Ile-a-la Crosse, Saskatchewan

We have audited the accompanying financial statements of Ile-a-la Crosse School Division No. 112, which comprise the statement of financial position as at August 31, 2012, and the statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, the financial statements present fairly, in all material respects, the financial position of Ile-a-la Crosse School Division No. 112 as at August 31, 2012, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Mensa Baert Cameron Odishaw La Cock*

Chartered Accountants

North Battleford, Saskatchewan  
November 7, 2012

**Ile-a-la-Crosse School Division No. 112**  
**Statement of Financial Position**  
**as at August 31, 2012**

	2012	2011
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,968,703	967,941
Short Term Investments (Note 3)	1,007,283	3,140,565
Accounts Receivable (Note 7)	208,633	207,831
<b>Total Financial Assets</b>	<b>4,184,619</b>	<b>4,316,337</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 8)	21,552	86,401
Liability for Employee Future Benefits (Note 5)	58,200	56,900
Deferred Revenue (Note 9)	110,000	52,476
<b>Total Liabilities</b>	<b>189,752</b>	<b>195,777</b>
<b>Net Financial Assets (Net Debt)</b>	<b>3,994,867</b>	<b>4,120,560</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	17,569,910	17,800,792
Prepaid Expenses	24,546	29,152
<b>Total Non-Financial Assets</b>	<b>17,594,456</b>	<b>17,829,944</b>
<b>Accumulated Surplus (Deficit) (Note 12)</b>	<b>21,589,323</b>	<b>21,950,504</b>

Contractual Obligations and Commitments (Note 15)

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

Approved by the Board:



Chairperson



Chief Financial Officer

**Ile-a-la-Crosse School Division No. 112**  
**Statement of Operations and Accumulated Surplus (Deficit)**  
**for the year ended August 31, 2012**

	2012 Budget (Note 13)	2012 Actual	2011 Actual
<b>REVENUES</b>			
Property Taxation	165,072	175,580	146,290
Grants	5,342,050	4,842,849	5,035,056
Tuition and Related Fees	-	33,957	-
School Generated Funds	50,000	75,413	54,681
Complementary Services (Note 10)	233,950	474,376	159,095
External Services (Note 11)	636,193	272,096	255,088
Other	115,850	156,571	139,271
<b>Total Revenues (Schedule A)</b>	<b>6,543,115</b>	<b>6,030,842</b>	<b>5,789,481</b>
<b>EXPENSES</b>			
Governance	135,800	151,530	129,320
Administration	259,640	237,419	253,999
Instruction	3,535,932	3,556,864	3,590,862
Plant	1,296,200	1,284,307	1,266,431
Transportation	243,100	234,904	196,424
School Generated Funds	50,000	86,497	65,058
Complementary Services (Note 10)	236,415	476,378	205,490
External Services (Note 11)	475,171	361,173	448,947
Other Expenses	-	2,951	529
<b>Total Expenses (Schedule B)</b>	<b>6,232,258</b>	<b>6,392,023</b>	<b>6,157,060</b>
<b>Surplus (Deficit) for the Year</b>	<b>310,857</b>	<b>(361,181)</b>	<b>(367,579)</b>
<b>Accumulated Surplus (Deficit), Beginning of Year</b>	<b>21,950,504</b>	<b>21,950,504</b>	<b>22,318,083</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>22,261,361</b>	<b>21,589,323</b>	<b>21,950,504</b>

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

**Ile-a-la-Crosse School Division No. 112**  
**Statement of Changes in Net Financial Assets (Net Debt)**  
**for the year ended August 31, 2012**

	<b>2012 Budget</b>	<b>2012 Actual</b>	<b>2011 Actual</b>
	(Note 13)		
<b>Net Financial Assets (Net Debt), Beginning of Year</b>	<b>4,120,560</b>	<b>4,120,560</b>	<b>4,118,204</b>
<b>Changes During the Year:</b>			
Surplus (Deficit) for the Year	310,857	(361,181)	(367,579)
Acquisition of Tangible Capital Assets (Schedule C)	(1,285,260)	(385,277)	(271,297)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		16,300	70,395
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		(13,826)	-
Write-Down of Tangible Capital Assets (Schedule C)		2,908	-
Amortization of Tangible Capital Assets (Schedule C)	666,066	610,777	572,985
Net Acquisition of Prepaid Expenses		4,606	(2,148)
<b>Change in Net Financial Assets / Net Debt</b>	<b>(308,337)</b>	<b>(125,692)</b>	<b>2,356</b>
<b>Net Financial Assets (Net Debt), End of Year</b>	<b>3,812,223</b>	<b>3,994,868</b>	<b>4,120,560</b>

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

**Ile-a-la-Crosse School Division No. 112**  
**Statement of Cash Flows**  
**for the year ended August 31, 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Surplus (Deficit) for the Year	(361,181)	(367,579)
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	599,859	572,985
Net Change in Non-Cash Operating Activities (Schedule E)	(2,221)	45,131
<b>Cash Provided (Used) by Operating Activities</b>	<b>236,457</b>	<b>250,537</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(385,277)	(271,297)
Proceeds on Disposal of Tangible Capital Assets	16,300	70,395
<b>Cash Provided (Used) by Capital Activities</b>	<b>(368,977)</b>	<b>(200,902)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Investments	-	(37,622)
Proceeds on Disposal of Investments	2,133,282	
<b>Cash Provided (Used) by Investing Activities</b>	<b>2,133,282</b>	<b>(37,622)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,000,762</b>	<b>12,013</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>967,941</b>	<b>955,928</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>2,968,703</b>	<b>967,941</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	2,968,703	967,941
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>2,968,703</b>	<b>967,941</b>

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



**Ile-a-la-Crosse School Division No. 112**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	165,072	159,640	159,965
Revenue from Supplemental Levies	-	-	-
<b>Total Property Tax Revenue</b>	<b>165,072</b>	<b>159,640</b>	<b>159,965</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	-	5,945	7,738
Provincial Government	-	2,853	621
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>8,798</b>	<b>8,359</b>
<b>Additions to Levy:</b>			
Penalties	-	27,107	25,715
<b>Total Additions to Levy</b>	<b>-</b>	<b>27,107</b>	<b>25,715</b>
<b>Deletions from Levy:</b>			
Discounts	-	(10,595)	(10,899)
Cancellations	-	(7,503)	(9,653)
Other Deletions	-	(1,867)	(27,197)
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(19,965)</b>	<b>(47,749)</b>
<b>Total Property Taxation Revenue</b>	<b>165,072</b>	<b>175,580</b>	<b>146,290</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
K-12 Operating Grant	4,682,430	4,606,123	4,977,891
Other Ministry Grants	91,000	231,340	39,818
<b>Total Ministry Grants</b>	<b>4,773,430</b>	<b>4,837,463</b>	<b>5,017,709</b>
Other Provincial Grants	-	4,162	-
Grants from Others	-	1,224	6,751
<b>Total Operating Grants</b>	<b>4,773,430</b>	<b>4,842,849</b>	<b>5,024,460</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	568,620	-	10,596
<b>Total Capital Grants</b>	<b>568,620</b>	<b>-</b>	<b>10,596</b>
<b>Total Grants</b>	<b>5,342,050</b>	<b>4,842,849</b>	<b>5,035,056</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Other Related Fees	-	33,957	-
<b>Total Operating Tuition and Related Fees</b>	-	33,957	-
<b>Total Tuition and Related Fees Revenue</b>	-	33,957	-
<b>School Generated Funds Revenue</b>			
<b>Non-Curricular Fees:</b>			
Fundraising	50,000	75,020	54,681
Grants and Partnerships	-	393	-
<b>Total Non-Curricular Fees</b>	50,000	75,413	54,681
<b>Total School Generated Funds Revenue</b>	50,000	75,413	54,681
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	88,000	252,996	-
Ministry of Education Grants-Other	100,000	163,504	110,000
Other Grants	41,000	46,712	43,608
<b>Total Operating Grants</b>	229,000	463,212	153,608
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	1,000	3,109
Other Revenue	4,950	10,164	2,378
<b>Total Fees and Other Revenue</b>	4,950	11,164	5,487
<b>Total Complementary Services Revenue</b>	233,950	474,376	159,095

**Ile-a-la-Crosse School Division No. 112**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>External Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	100,000	-	-
Other Provincial Grants	-	-	200
Other Grants	110,000	114,200	110,000
<b>Total Operating Grants</b>	<b>210,000</b>	<b>114,200</b>	<b>110,200</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	306,193	-	-
<b>Total Capital Grants</b>	<b>306,193</b>	<b>-</b>	<b>-</b>
<b>Fees and Other Revenue</b>			
Other Revenue	120,000	157,896	144,888
<b>Total Fees and Other Revenue</b>	<b>120,000</b>	<b>157,896</b>	<b>144,888</b>
<b>Total External Services Revenue</b>	<b>636,193</b>	<b>272,096</b>	<b>255,088</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	10,000	-	10,049
Sales & Rentals	80,850	101,940	84,853
Investments	25,000	40,805	44,369
Gain on Disposal of Capital Assets	-	13,826	-
<b>Total Other Revenue</b>	<b>115,850</b>	<b>156,571</b>	<b>139,271</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>6,543,115</b>	<b>6,030,842</b>	<b>5,789,481</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Governance Expense</b>			
Board Members Expense	94,000	125,387	86,637
Conventions - Board Members	40,000	24,522	39,971
School Community Councils	800	260	302
Elections	-	329	1,386
Other Governance Expenses	1,000	1,032	1,024
<b>Total Governance Expense</b>	<b>135,800</b>	<b>151,530</b>	<b>129,320</b>
<b>Administration Expense</b>			
Salaries	146,000	149,079	144,758
Benefits	35,890	27,567	32,589
Supplies & Services	34,700	20,782	33,271
Non-Capital Furniture & Equipment	2,750	6,413	2,584
Building Operating Expenses	9,900	5,821	8,312
Communications	5,200	5,787	7,224
Travel	10,000	8,414	11,974
Professional Development	6,900	7,738	6,455
Amortization of Tangible Capital Assets	8,300	5,818	6,832
<b>Total Administration Expense</b>	<b>259,640</b>	<b>237,419</b>	<b>253,999</b>
<b>Instruction Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries	2,508,000	2,546,908	2,558,548
Instructional (Teacher & LEADS Contract) Benefits	143,900	118,847	147,872
Program Support (Non-Teacher Contract) Salaries	297,000	328,353	302,859
Program Support (Non-Teacher Contract) Benefits	77,400	77,401	72,832
Instructional Aids	103,665	129,122	115,662
Supplies & Services	105,887	120,731	113,749
Non-Capital Furniture & Equipment	22,100	19,484	30,097
Communications	10,750	18,714	12,426
Travel	17,100	12,446	17,776
Professional Development	31,500	28,015	32,572
Student Related Expense	104,900	73,763	86,563
Amortization of Tangible Capital Assets	113,730	83,080	99,906
<b>Total Instruction Expense</b>	<b>3,535,932</b>	<b>3,556,864</b>	<b>3,590,862</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	288,000	294,040	329,721
Benefits	59,500	60,947	63,200
Supplies & Services	26,500	25,023	29,760
Non-Capital Furniture & Equipment	6,000	26,916	7,338
Building Operating Expenses	509,000	475,282	461,546
Communications	2,900	2,479	2,335
Travel	12,500	10,835	12,808
Professional Development	1,000	-	2,731
Amortization of Tangible Capital Assets	390,800	388,785	356,992
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>1,296,200</b>	<b>1,284,307</b>	<b>1,266,431</b>
<b>Student Transportation Expense</b>			
Salaries	77,500	84,377	64,218
Benefits	15,350	16,237	12,853
Supplies & Services	49,500	47,611	43,263
Non-Capital Furniture & Equipment	25,000	19,944	28,976
Building Operating Expenses	500	269	-
Communications	1,250	1,201	900
Travel	2,000	1,928	693
Contracted Transportation	2,000	-	101
Amortization of Tangible Capital Assets	70,000	63,337	45,420
<b>Total Student Transportation Expense</b>	<b>243,100</b>	<b>234,904</b>	<b>196,424</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	2,000	205	1,083
Special Programs	12,000	38,683	28,738
School Fund Expenses	34,000	46,913	35,237
Amortization of Tangible Capital Assets	2,000	696	-
<b>Total School Generated Funds Expense</b>	<b>50,000</b>	<b>86,497</b>	<b>65,058</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	188,740	-
Program Support (Non-Teacher Contract) Salaries & Benefits	155,935	181,625	147,251
Plant Operation & Maintenance Salaries & Benefits	-	16,335	-
Instructional Aids	31,500	45,094	25,370
Supplies & Services	7,800	6,941	7,355
Non-Capital Furniture & Equipment	-	3,013	-
Building Operating Expenses	-	8,149	-
Communications	900	2,581	715
Travel	-	3,742	583
Professional Development (Non-Salary Costs)	3,750	4,007	2,045
Student Related Expenses	36,200	9,777	21,857
Contracted Transportation & Allowances	-	2,640	-
Amortization of Tangible Capital Assets	330	3,734	314
<b>Total Complementary Services Expense</b>	<b>236,415</b>	<b>476,378</b>	<b>205,490</b>
<b>External Service Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	185,250	110,029	183,363
Program Support (Non-Teacher Contract) Salaries & Benefits	531	-	451
Plant Operation & Maintenance Salaries & Benefits	1,660	929	1,070
Instructional Aids	35,730	2,186	3,715
Supplies & Services	7,000	19,963	11,476
Non-Capital Furniture & Equipment	10,100	4,068	6,255
Building Operating Expenses	138,350	147,260	173,555
Communications	4,550	4,644	4,130
Travel	250	204	-
Professional Development (Non-Salary Costs)	1,650	708	492
Student Related Expenses	9,200	5,849	919
Amortization of Tangible Capital Assets	80,900	65,333	63,521
<b>Total External Services Expense</b>	<b>475,171</b>	<b>361,173</b>	<b>448,947</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	-	43	529
Total Interest and Bank Charges	-	43	529
Write-Down of Tangible Capital Assets	-	2,908	-
<b>Total Other Expense</b>	-	2,951	529
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>6,232,258</b>	<b>6,392,023</b>	<b>6,157,060</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule C - Supplementary Details of Tangible Capital Assets**  
**for the year ended August 31, 2012**

	Land		Buildings		School Buses		Other Vehicles		Furniture and Equipment		Computer Hardware and	
	Land	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	2012	2011		
<b>Tangible Capital Assets - at Cost:</b>												
Operating Balance as of September 1	124,339	155,490	18,133,210	1,054,750	398,092	209,907	919,108	207,629	21,202,525	21,017,698		
Additions/Purchases		711	583	50,254	103,369	140,502	63,997	25,861	385,277	271,297		
Disposals				-	(138,767)	(90,861)	(16,588)	(1,032)	(247,248)	(86,470)		
Write-Downs				(4,117)					(4,117)	-		
Closing Balance as of August 31	124,339	156,201	18,133,793	1,100,887	362,694	259,548	966,517	232,458	21,336,437	21,202,525		

**Tangible Capital Assets - Amortization:**

Opening Balance as of September 1	57,908	1,826,774	431,237	332,968	154,147	446,043	152,656	3,401,733	2,844,823
Amortization of the Period	7,810	362,676	51,041	28,637	51,910	85,336	23,367	610,777	572,985
Disposals				(138,767)	(90,861)	(14,114)	(1,032)	(244,774)	(16,075)
Write-Downs			(1,209)			-	-	(1,209)	-
Closing Balance as of August 31	N/A	65,718	2,189,450	481,069	222,838	115,196	517,265	3,766,527	3,401,733

**Net Book Value:**

Operating Balance as of September 1	124,339	97,582	16,306,436	623,513	65,124	55,760	473,065	54,973	17,800,792	18,172,875
Closing Balance as of August 31	124,339	90,483	15,944,343	619,817	139,856	144,352	449,252	57,467	17,569,910	17,800,792
Change in Net Book Value	-	(7,099)	(362,093)	(3,696)	74,732	88,592	(23,813)	2,494	(230,882)	(372,083)

**Disposals:**

Historical Cost					138,767	90,861	16,588	1,032	247,248	86,470
Accumulated Amortization					138,767	90,861	14,114	1,032	244,774	16,075
Net Cost							2,474		2,474	70,395
Price of Sale					11,000	5,300			16,300	70,395
Gain/loss on Disposal					11,000	5,300	(2,474)		13,826	



**Ile-a-la-Crosse School Division No. 112**  
**Schedule D: Non-Cash Items Included in Surplus / Deficit**  
**for the year ended August 31, 2012**

	2012	2011
<b>Non-Cash Items Included in Surplus / Deficit:</b>		
Amortization of Tangible Capital Assets (Schedule C)	610,777	572,985
Net (Gain) Loss on Disposal of Tangible Capital Assets	(13,826)	-
Write-Down of Tangible Capital Assets (Schedule C)	2,908	-
<b>Total Non-Cash Items Included in Surplus / Deficit</b>	<b>599,859</b>	<b>572,985</b>

**Ile-a-la-Crosse School Division No. 112**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2012**

	2012	2011
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	(802)	50,780
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(64,849)	(7,466)
Increase (Decrease) in Liability for Employee Future Benefits	1,300	6,500
Increase (Decrease) in Deferred Revenue	57,524	(2,535)
Decrease (Increase) in Prepaid Expenses	4,606	(2,148)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(2,221)</b>	<b>45,131</b>

**ILE-A-LA CROSSE SCHOOL DIVISION NO. 112**  
**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 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 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) 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.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **c) Measurement Uncertainty and the Use of Estimates**

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

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

- the liability for employee future benefits of \$ 58,200 (2011 - \$ 56,900 ) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 175,580 (2011 - \$ 146,290 ) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 582,663 (2011 - \$ 571,512 ) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization for furniture and equipment of \$966,517 (2010 - \$919,108) because outdoor and music equipment differ from the expected lifespan 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 a material changes in the amounts recognized or disclosed.

### **d) Financial Instruments**

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

## 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.

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

**Short-Term Investments** consist of highly liquid securities made to obtain a return on a temporary basis with maturity terms of between three months and one year. 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (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, insurance premiums 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 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

**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.

- 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 1/12<sup>th</sup> 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### 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 1/12<sup>th</sup> 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 between three months and one year. Due to the short-term nature of the investments, market value approximates cost.

## 4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	\$ 87,768	\$ 63,762	\$ -	\$ 135,800	\$ 151,530	\$ 129,320
Administration	\$ 176,646	\$ 54,955	\$ 5,818	\$ 259,640	\$ 237,419	\$ 253,999
Instruction	\$ 3,071,509	\$ 402,275	\$ 83,080	\$ 3,535,932	\$ 3,556,864	\$ 3,590,862
Plant	\$ 354,987	\$ 540,535	\$ 388,785	\$ 1,296,200	\$ 1,284,307	\$ 1,266,431
Transportation	\$ 100,614	\$ 70,953	\$ 63,337	\$ 243,100	\$ 234,904	\$ 196,424
School Generated Funds	\$ -	\$ 85,801	\$ 696	\$ 50,000	\$ 86,497	\$ 65,058
Complementary Services	\$ 386,700	\$ 85,944	\$ 3,734	\$ 236,415	\$ 476,378	\$ 205,490
External Services	\$ 110,958	\$ 184,882	\$ 65,333	\$ 475,171	\$ 361,173	\$ 448,947
Other	\$ -	\$ 2,951	\$ -	\$ -	\$ 2,951	\$ 529
<b>TOTAL</b>	<b>\$ 4,289,182</b>	<b>\$ 1,492,058</b>	<b>\$ 610,783</b>	<b>\$ 6,232,258</b>	<b>\$ 6,392,023</b>	<b>\$ 6,157,060</b>

## 5. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include non-vested sick leave, severance and retirement gratuity for example. Significant assumptions include salary escalation, discount and inflation rates and the 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:

	2012	2011
	31-Aug-12	31-Aug-11
Actuarial valuation date		
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	13

Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 60,300	\$ 53,700
Current period benefit cost	5,700	5,500
Interest cost	2,100	2,100
Benefit payments	(6,900)	(1,400)
Actuarial gains / losses	9,000	400
Accrued Benefit Obligation - end of year	70,200	60,300
Unamortized Net Actuarial Gains / Losses	(12,000)	(3,400)
Liability for Employee Future Benefits	\$ 58,200	\$ 56,900

Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 5,700	\$ 5,500
Amortization of net actuarial gain / loss	400	300
Benefit cost	6,100	5,800
Interest cost on unfunded employee future benefits obligation	2,100	2,100
Total Employee Future Benefits Expense	\$ 8,200	\$ 7,900

## 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):



## 6. PENSION PLANS (continued)

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	57	3	60	55
Member contribution rate (percentage of salary)	7.8-10%	6.05-7.85%		6.05-9.0%
Member contributions for the year	\$ 216,139	\$ 17,705	\$ 233,844	\$ 186,514

STRP rate below YMPE (yearly maximum pensionable earnings) 7.8%, rate above YMPE 10%, years basic exemption is \$3,500. 2012 YMPE is \$50,100 and 2011 YMPE is \$48,300. STSP is integrated with CPP. Earnings subject to CPP is 6.05%. CPP 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.

**6. PENSION PLANS (continued)**

Details of the MEPP are as follows:

	2012	2011
Number of active School Division members	31	37
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	\$ 60,821	\$ 55,925
School Division contributions for the year	\$ 60,821	\$ 55,925
Actuarial valuation date	12/31/2010	12/31/2010
Plan Assets	\$ 1,404,006	\$ 1,404,006
Plan Liabilities	\$ 1,344,380	\$ 1,344,380
Plan Surplus (Deficit)	\$ 59,626	\$ 59,626

**7. 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	\$ 582,663	\$ 469,278	\$ 113,385	\$ 571,512	\$ 469,278	\$ 102,234
Provincial Grants Receivable	3,592	-	3,592	10,000	-	10,000
Other Receivables	91,656	-	91,656	95,597	-	95,597
<b>Total Accounts Receivable</b>	<b>\$ 677,911</b>	<b>\$ 469,278</b>	<b>\$ 208,633</b>	<b>\$ 677,109</b>	<b>\$ 469,278</b>	<b>\$ 207,831</b>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of account payable and accrued liabilities are as follows:

	2012	2011
Accrued Salaries and Benefits	\$ 6,936	\$ 74,310
Supplier Payments	14,616	910
Other, Return of Grant	-	11,181
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 21,552</b>	<b>\$ 86,401</b>

## 9. 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
Other deferred revenue:				
a) Property Tax Levy	52,476		(52,476)	-
b) Infinity Credit Union, IAA Funding	-	60,000	-	60,000
c) Ministry of Education, Aboriginal Holistic Assessment Funding	-	50,000	-	50,000
Total other deferred revenue	52,476	110,000	(52,476)	110,000
Total Deferred Revenue	\$ 52,476	\$ 110,000	\$ (52,476)	\$ 110,000

## 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 2012:

## 10. COMPLEMENTARY SERVICES (continued)

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Elders, Storefront & Outdoor Learning	Nutrition	Literacy Camps	2012	2011
<b>Revenue:</b>							
Operating Grants	\$ 130,008	\$ 42,400	\$ 236,496	\$ 34,308	\$ 20,000	\$ 463,212	\$ 153,608
Fees and Other Revenue	-	-	-	10,164	1,000	11,164	5,487
<b>Total Revenue</b>	<b>130,008</b>	<b>42,400</b>	<b>236,496</b>	<b>44,472</b>	<b>21,000</b>	<b>474,376</b>	<b>159,095</b>
<b>Expenses:</b>							
Salaries & Benefits	100,974	36,133	221,640	14,989	12,967	386,703	147,251
Instructional Aids	8,194	4,589	8,436	-	-	21,219	25,370
Supplies and Services	692	256	5,835	23,874	-	30,657	7,355
Non-Capital Equipment	232	-	2,121	-	-	2,353	Nil
Building Operating Expenses	-	-	8,810	-	-	8,810	Nil
Communications	-	694	1,888	-	-	2,582	715
Travel	273	-	3,150	-	476	3,899	583
Professional Development (Non-Salary Costs)	1,567	2,440	-	-	-	4,007	2,045
Student Related Expenses	-	300	6,795	-	2,682	9,777	21,857
Contracted Transportation & Allowances	2,640	-	-	-	-	2,640	Nil
Amortization of Tangible Capital Assets	1,515	26	2,100	90	-	3,731	314
<b>Total Expenses</b>	<b>116,087</b>	<b>44,438</b>	<b>260,775</b>	<b>38,953</b>	<b>16,125</b>	<b>476,378</b>	<b>205,490</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 13,921</b>	<b>\$ (2,038)</b>	<b>\$ (24,279)</b>	<b>\$ 5,519</b>	<b>\$ 4,875</b>	<b>\$ (2,002)</b>	<b>\$ (46,395)</b>

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

**Pre-K** – Is an early childhood education program supporting vulnerable three and four year old children and their families. It is a partnership between the Government of Saskatchewan, boards of education and communities.

**Community and Interagency Liaison** – The purpose of the Northern Community & School Recreation Coordinator Program is to enhance the quality and life for northerners through the provision of community based sport, culture and recreation programs after school, in the evenings, on weekends and at community and school special events.

**Elders, Storefront and Outdoor Learning** – Given the demographics of the school division the purpose of these programs are to inspire goals of “Inspiring Success” through “WISE” (wholistic inclusive student engagement) outlined in our First Nations and Métis Education Plan and an outreach program (Storefront) designed to teach basic living and education for teenagers that are from grade 10 to grade 12.

**Nutrition** - To deliver services in accordance with the Child Nutrition and Development Program with support from the Ministry of Education, Breakfast For Learning, businesses and members within the community to promote good nutrition practices for children, help develop independent living skills for children and families and provide opportunities for communities to take ownership of local food security initiatives that enhance child nutrition and development.

## 10. COMPLEMENTARY SERVICES (continued)

Literacy Camps - The Northern Summer Literacy Camps with support from the Ministry of Education and Frontier College provides continuity in the literacy development of our young people over the summer months. We see the Camps as a significant strategy for addressing the literacy and achievement outcomes of northern/Aboriginal students.

## 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 2012:

Summary of External Services Revenues and Expenses, by Program	Adult Education	Teacherages	Future Education	Other Programs	2012	2011
<b>Revenue:</b>						
Operating Grants	\$ 110,000	\$ -	\$ -	\$ 4,200	\$ 114,200	\$ 110,200
Fees and Other Revenue		133,516	22,380	2,000	157,896	144,888
<b>Total Revenue</b>	<b>110,000</b>	<b>133,516</b>	<b>22,380</b>	<b>6,200</b>	<b>272,096</b>	<b>255,088</b>
<b>Expenses:</b>						
Salaries & Benefits	110,030	929	-	-	110,959	184,884
Instructional Aids	2,186	-	-	-	2,186	3,715
Supplies and Services	-	19,466	498	-	19,964	11,476
Non-Capital Equipment	-	2,441	-	-	2,441	6,255
Building Operating Expenses	-	143,748	5,244	-	148,992	173,555
Communications	-	-	1,952	2,585	4,537	4,130
Travel	-	20	-	184	204	-
Professional Development	681	-	28	-	709	492
Student Related Expenses	-	-	203	5,645	5,848	919
Amortization of Tangible Capital Assets	68	55,329	9,936	-	65,333	63,521
<b>Total Expenses</b>	<b>112,965</b>	<b>221,933</b>	<b>17,861</b>	<b>8,414</b>	<b>361,173</b>	<b>448,947</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (2,965)</b>	<b>\$ (88,417)</b>	<b>\$ 4,519</b>	<b>\$ (2,214)</b>	<b>\$ (89,077)</b>	<b>\$ (193,859)</b>

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

Adult Education - The clientele targeted for participation in this program consists of five major groups within the community of Ile-a-la Crosse. These groups are: Young mothers who need daycare for their children, students who are not attending Rossignol School because they have been unsuccessful in a structured, school setting, ages 16 – 21, young adults who have dropped out of school and have been out of school for at least one year and meet the criteria for classification as adult students, adults from the community who wish to take Adult 12 and students who need only one or two classes to graduate from Grade 12. This program runs in partnership with Gabriel Dumont Institute/Dumont Technical Institute and Northlands College.

## 11. EXTERNAL SERVICES (continued)

Teacherages – Teacher residences with operational rent and expenses to maintain and retain qualified educators.

Future Education – This year the program held was “Women in Industrial Trades” in partnership with Northlands College.

Other Programs – Include learning opportunity grants available through the sponsorship of a school division and contributions of the school division to offset and maintain the expenses of a public library within the community.

## 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 a 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.

Details of accumulated surplus are as follows:

	2012	2011
<b>Invested in Tangible Capital Assets:</b>		
Net Book Value of Tangible Capital Assets	\$ 17,569,909	\$ 17,800,792
	<b>17,569,909</b>	<b>17,800,792</b>
<b>S.286 pre-April 2009 capital reserves from prior years' operating surpluses (1)</b>	<b>1,894,199</b>	<b>1,894,199</b>
<b>Internally Restricted Surplus:</b>		
<b>Capital projects:</b>		
Designated for tangible capital asset expenditures (2)	470,733	670,733
	<b>470,733</b>	<b>670,733</b>
<b>Other:</b>		
School generated funds (3)	54,886	55,976
School budget carryovers (4)	632,505	727,505
	<b>687,391</b>	<b>783,481</b>
<b>Unrestricted Surplus</b>	<b>967,091</b>	<b>801,299</b>
<b>Total Accumulated Surplus</b>	<b>\$ 21,589,323</b>	<b>\$ 21,950,504</b>

- (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.

## **12. ACCUMULATED SURPLUS (continued)**

The purpose and nature of each Internally Restricted Surplus amount is as follows:

- (2) Designated tangible capital assets include the following reserves: equipment \$100,000, computer \$75,000, playground \$195,733.03 and misc. Capital \$100,000.
- (3) School generated funds includes student related fundraising for field trips, extracurricular sports and school representative council funds.
- (4) School budget carryovers include the following: maintenance buildings \$100,000, maintenance of housing \$144,420, alternate education \$75,000, daycare \$25,085.12, wilderness programming \$240,000 and library \$48,000.

## **13. BUDGET FIGURES**

Budget figures included in the financial statements were approved by the board of education on June 14, 2011 and the Minister of Education on August 31, 2011.

## **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 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.

14. RELATED PARTIES (continued)

	2012	2011
<b>Revenues:</b>		
Ministry of Education	\$ 5,311,420	\$ 5,138,305
Northlands College	63,550	68,700
Ministry of Finance	4,162	35,908
Watershed Authority	-	200
Northern Lights School Division	4,924	-
Saskatchewan Lotteries Trust Fund	393	-
Keewatin Yatthe Regional Health Authority	100,523	100,813
Saskatchewan Government Insurance	16,150	-
Saskatchewan Arts Board	-	6,751
Tourism Saskatchewan	2,400	-
	<b>\$ 5,503,522</b>	<b>\$ 5,350,477</b>
<b>Expenses:</b>		
Keewatin Yatthe Regional Health Authority	\$ 99,797	\$ 18,409
Ministry of Finance	689	500
Northwest School Division	255	-
Northern Lights School Division	8,944	1,979
Prince Albert Roman Catholic School Division	993	-
Saskatchewan Research Council	960	3,106
Saskatchewan Queen's Printer	149	-
Saskatoon Public School	984	574
Saskatchewan Government Insurance	6,334	8,889
Saskatchewan Power	232,800	23,303
Saskatchewan Telecommunications	18,967	17,174
Saskatchewan Workers Compensation	12,150	11,967
Saskatchewan Arts Board	334	-
	<b>\$ 381,356</b>	<b>\$ 186,901</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 3,592	\$ 10,000
Keewatin Yatthe Regional Health Authority	12,688	18,383
Tourism Saskatchewan	2,400	-
Northlands College	153	-
Saskatchewan Lotteries Trust Fund	393	-
Northern Lights School Division	1,224	-
	<b>\$ 20,450</b>	<b>\$ 28,383</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
Keewatin Yatthe Regional Health Authority	\$ 3,450	\$ -
	<b>\$ 3,450</b>	<b>\$ -</b>
<b>Deferred Revenue:</b>		
Ministry of Education	\$ 50,000	\$ -
	<b>\$ 50,000</b>	<b>\$ -</b>

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 \$1,074,629 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:



**14. RELATED PARTIES (continued)**

Total Ministry obligation at August 31, 2012	\$ 1,074,629
Less: Revenue reported in financial statements	-
<b>Unrecorded balance of approved capital transfers</b>	<b>\$ 1,074,629</b>

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.

**15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Significant contractual obligations and commitments of the school division are operating and capital lease obligations, as follows:

	Operating Leases			Capital Leases	
	Copier Leases	Cell Phones, Alarm Systems & postage	Total Operating	Land Lease, Rosser Bay	Total Capital
<b>Future minimum lease payments:</b>					
2013	\$ 4,578	\$ 2,958	\$ 7,536	\$ 55	\$ 55
2014	2,394	1,986	4,380	55	55
2015	2,394	1,170	3,564	55	55
2016	2,394	570	2,964	55	55
2017	-	-	-	55	55
Thereafter	-	-	-	275	275
<b>interest and executory costs</b>	\$ 11,760	\$ 6,684	\$ 18,444	\$ 550	\$ 550
	-	-	-		-
<b>Total Lease Obligations</b>	<b>\$ 11,760</b>	<b>\$ 6,684</b>	<b>\$ 18,444</b>	<b>\$ 550</b>	<b>\$ 550</b>