Ministry of
Education

Auditor's Report and Financial Statement

Of the Living Sky School Division No. 202

School Division No. 2020500

For the Period Ending: August 31, 2012

Lonny R Darroch
Chief Financial Officer

Holm Clements Harvey Morrison Lauche
Auditor

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

Ministry of
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Auditor's Report and Financial Statement

Of the	Living Sky School Division No. 202
School Division No.	2020500

For the Period Ending: August 31, 2012

Chief Financial Officer

Auditor

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

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, Holm Clements Kwong Svenkeson Raiche, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditor's 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 Living Sky School Division No. 202:

Board Chair

Director of Education

Chief Financial Officer

December 12, 2012

Holm Clements Kwong Svenkeson Raiche
Chartered Accountants
1321 – 101st Street
North Battleford, Saskatchewan S9A 0Z9
Telephone: (306) 445-6291 Facsimile: (306) 445-3882
Email: info@jhsca.ca

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Board Members of
Living Sky School Division No. 202

Report on the Financial Statements

We have audited the accompanying financial statements of Living Sky School Division No. 202, which comprise the statement of financial position as at August 31, 2012, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance standards for assurance engagements published in the *CICA Handbook - Assurance.* 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 auditors consider 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 the Living Sky School Division No. 202 as at August 31, 2012, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Holm Clements Kwong Svenkeson Raiche
Chartered Accountants

North Battleford, Saskatchewan
December 12, 2012

Living Sky School Division No. 202
Statement of Financial Position
as at August 31, 2012

	2012	2011
		(Restated - Note 18)
Financial Assets		
Cash and Cash Equivalents	19,092,994	18,118,017
Short Term Investments (Note 3)	88,600	88,600
Accounts Receivable (Note 4)	13,529,252	12,148,088
Long Term Investments (Note 5)	40,712	185,111
Total Financial Assets	**32,751,558**	**30,539,816**
Liabilities		
Provincial Grant Overpayment	13,950	-
Accounts Payable and Accrued Liabilities (Note 7)	3,008,111	3,829,068
Long Term Debt (Note 8)	600,000	700,000
Liability for Employee Future Benefits (Note 9)	1,562,000	1,461,900
Deferred Revenue (Note 10)	2,238,362	1,800,666
Total Liabilities	**7,422,423**	**7,791,634**
Net Financial Assets	**25,329,135**	**22,748,182**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	36,376,618	32,215,392
Prepaid Expenses	166,303	177,108
Total Non-Financial Assets	**36,542,921**	**32,392,500**
Accumulated Surplus (Note 11)	**61,872,056**	**55,140,682**

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

Ken [signature] Chairperson

Lonny R Darroch Chief Financial Officer

Living Sky School Division No. 202

Statement of Operations and Accumulated Surplus
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		(Restated - Note 18)
REVENUES			
Property Taxation	20,343,271	20,535,472	21,150,465
Grants	44,582,495	46,975,172	42,072,664
Tuition and Related Fees	4,650,000	5,716,114	5,296,287
School Generated Funds	2,065,000	1,789,855	1,881,413
Complementary Services (Note 12)	898,500	1,535,782	1,136,425
External Services (Note 13)	121,000	140,779	169,061
Other	305,000	940,770	989,530
Total Revenues (Schedule A)	**72,965,266**	**77,633,944**	**72,695,845**
EXPENSES			
Governance	464,610	461,651	383,360
Administration	1,473,487	1,482,723	1,420,405
Instruction	46,045,787	47,792,848	45,024,919
Plant	13,278,224	9,595,648	11,234,090
Transportation	6,607,513	6,373,388	5,988,854
Tuition and Related Fees	385,000	135,486	272,824
School Generated Funds	2,065,000	1,871,861	1,867,992
Complementary Services (Note 12)	1,814,465	2,749,736	2,292,171
External Services (Note 13)	459,140	392,765	315,665
Other Expenses	110,000	46,464	95,504
Total Expenses (Schedule B)	**72,703,226**	**70,902,570**	**68,895,784**
Surplus for the Year	**262,040**	**6,731,374**	**3,800,061**
Accumulated Surplus, Beginning of Year	**55,140,682**	**55,140,682**	**51,340,621**
Accumulated Surplus, End of Year	**55,402,722**	**61,872,056**	**55,140,682**

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

Living Sky School Division No. 202

Statement of Changes in Net Financial Assets
for the year ended August 31, 2012

	2012 Budget (Note 19)	2012 Actual	2011 Actual (Restated - Note 18)
Net Financial Assets, Beginning of Year	**22,748,182**	**22,748,182**	**20,727,849**
Changes During the Year:			
Surplus for the Year	262,040	6,731,374	3,800,061
Acquisition of Tangible Capital Assets (Schedule C)	(6,683,000)	(6,709,288)	(3,829,032)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	-	16,094
Net Loss on Disposal of Capital Assets (Schedule C)	-	-	33,056
Amortization of Tangible Capital Assets (Schedule C)	2,269,761	2,548,062	2,134,727
Net Use (Acquisition) of Prepaid Expenses	-	10,805	(134,573)
Change in Net Financial Assets	**(4,151,199)**	**2,580,953**	**2,020,333**
Net Financial Assets, End of Year	**18,596,983**	**25,329,135**	**22,748,182**

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

Living Sky School Division No. 202

Statement of Cash Flows

for the year ended August 31, 2012

	2012	2011
		(Restated - Note 18)
OPERATING ACTIVITIES		
Surplus for the Year	6,731,374	3,800,061
Add Non-Cash Items Included in Surplus (Schedule D)	2,548,062	2,167,783
Net Change in Non-Cash Operating Activities (Schedule E)	(1,639,570)	6,141,857
Cash Provided (Used) by Operating Activities	**7,639,866**	**12,109,701**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,709,288)	(3,829,032)
Proceeds on Disposal of Tangible Capital Assets	-	16,094
Cash (Used) by Capital Activities	**(6,709,288)**	**(3,812,938)**
INVESTING ACTIVITIES		
Proceeds on Disposal of Investments	144,399	2,684
Cash Provided by Investing Activities	**144,399**	**2,684**
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(100,000)	(100,000)
Cash (Used) by Financing Activities	**(100,000)**	**(100,000)**
INCREASE IN CASH AND CASH EQUIVALENTS	**974,977**	**8,199,447**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**18,118,017**	**9,918,570**
CASH AND CASH EQUIVALENTS, END OF YEAR	**19,092,994**	**18,118,017**
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	19,092,994	18,118,017
CASH AND CASH EQUIVALENTS, END OF YEAR	**19,092,994**	**18,118,017**

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

Living Sky School Division No. 202
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Property Taxation Revenue	(Note 19)		
Tax Levy Revenue:			
Property Tax Levy Revenue	20,491,646	21,372,436	21,915,053
Total Property Tax Revenue	**20,491,646**	**21,372,436**	**21,915,053**
Grants in Lieu of Taxes:			
Federal Government	117,000	101,172	81,702
Provincial Government	225,000	231,261	304,371
Railways	300	-	28
Other	90,000	106,157	172,570
Total Grants in Lieu of Taxes	**432,300**	**438,590**	**558,671**
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	66,253
Treaty Land Entitlement - Rural	-	6,800	11,889
House Trailer Fees	14,325	8,579	-
Total Other Tax Revenues	**14,325**	**15,379**	**78,142**
Additions to Levy:			
Penalties	235,000	182,536	216,735
Total Additions to Levy	**235,000**	**182,536**	**216,735**
Deletions from Levy:			
Discounts	(750,000)	(1,260,106)	(1,310,299)
Cancellations	(80,000)	(213,363)	(307,837)
Total Deletions from Levy	**(830,000)**	**(1,473,469)**	**(1,618,136)**
Total Property Taxation Revenue	**20,343,271**	**20,535,472**	**21,150,465**
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	42,282,432	46,388,268	40,909,844
Other Ministry Grants	-	-	76,000
Total Ministry Grants	**42,282,432**	**46,388,268**	**40,985,844**
Federal Grants	-	-	8,944
Grants from Others	100,000	177,590	12,995
Total Operating Grants	**42,382,432**	**46,565,858**	**41,007,783**
Capital Grants			
Ministry of Education Capital Grants	-	112,808	1,064,881
Other Provincial Capital Grants	2,200,063	296,506	-
Total Capital Grants	**2,200,063**	**409,314**	**1,064,881**
Total Grants	**44,582,495**	**46,975,172**	**42,072,664**

Living Sky School Division No. 202

Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
Tuition and Related Fees Revenue	(Note 19)		
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	4,500,000	5,708,748	5,252,468
Total Tuition Fees	**4,500,000**	**5,708,748**	**5,252,468**
Transportation Fees	-	7,366	35,819
Other Related Fees	-	-	8,000
Total Operating Tuition and Related Fees	**4,500,000**	**5,716,114**	**5,296,287**
Capital Fees:			
Federal/First Nations Capital Fees	150,000	-	-
Total Capital Tuition and Fees	**150,000**	**-**	**-**
Total Tuition and Related Fees Revenue	**4,650,000**	**5,716,114**	**5,296,287**
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	200,000	134,349	160,814
Total Curricular Fees	**200,000**	**134,349**	**160,814**
Non-Curricular Fees:			
Commercial Sales - Non-GST	260,000	159,708	296,474
Fundraising	750,000	694,338	699,752
Grants and Partnerships	55,000	51,362	50,913
Students Fees	400,000	416,380	419,156
Other	400,000	333,718	254,304
Total Non-Curricular Fees	**1,865,000**	**1,655,506**	**1,720,599**
Total School Generated Funds Revenue	**2,065,000**	**1,789,855**	**1,881,413**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	650,000	1,243,440	998,154
Ministry of Education Grants-Other	10,000	16,308	49,852
Other Provincial Grants	10,000	-	23,849
Federal Grants	-	-	9,420
Other Grants	25,000	82,546	54,576
Total Operating Grants	**695,000**	**1,342,294**	**1,135,851**
Fees and Other Revenue			
Tuition and Related Fees	5,500	27,989	574
Other Revenue	198,000	165,499	-
Total Fees and Other Revenue	**203,500**	**193,488**	**574**
Total Complementary Services Revenue	**898,500**	**1,535,782**	**1,136,425**

Living Sky School Division No. 202
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education Grants-Other	-	20,000	20,000
Other Provincial Grants	-	-	2,000
Other Grants	-	-	500
Total Operating Grants	**-**	**20,000**	**22,500**
Fees and Other Revenue			
Tuition and Related Fees	-	240	-
Other Revenue	121,000	120,539	146,561
Total Fees and Other Revenue	**121,000**	**120,779**	**146,561**
Total External Services Revenue	**121,000**	**140,779**	**169,061**
Other Revenue			
Miscellaneous Revenue	15,000	410,281	413,312
Sales & Rentals	205,000	287,057	363,216
Investments	85,000	243,432	199,408
Gain on Disposal of Capital Assets	-	-	13,594
Total Other Revenue	**305,000**	**940,770**	**989,530**
TOTAL REVENUE FOR THE YEAR	**72,965,266**	**77,633,944**	**72,695,845**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		(Restated - Note 18)
Governance Expense			
Board Members Expense	181,410	161,358	158,753
Conventions - Board Members	31,000	15,961	18,034
School Community Councils	51,000	30,522	34,354
Conventions - School Community Councils	6,000	-	-
Elections	2,000	-	-
Other Governance Expenses	192,000	253,810	172,219
Amortization of Tangible Capital Assets	1,200	-	-
Total Governance Expense	**464,610**	**461,651**	**383,360**
Administration Expense			
Salaries	939,582	887,718	1,043,709
Benefits	152,621	135,420	147,496
Supplies & Services	94,700	70,096	78,393
Non-Capital Furniture & Equipment	32,500	70,623	34,732
Building Operating Expenses	65,584	50,488	22,445
Communications	108,500	182,656	38,172
Travel	23,000	14,842	11,093
Professional Development	37,000	21,455	23,695
Amortization of Tangible Capital Assets	20,000	49,425	20,670
Total Administration Expense	**1,473,487**	**1,482,723**	**1,420,405**
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	30,833,283	32,720,746	30,550,467
Instructional (Teacher & LEADS Contract) Benefits	1,343,080	1,693,250	1,586,100
Program Support (Non-Teacher Contract) Salaries	7,565,761	7,150,853	6,727,753
Program Support (Non-Teacher Contract) Benefits	1,317,744	1,420,781	1,238,696
Instructional Aids	1,594,028	1,413,942	1,391,517
Supplies & Services	620,783	946,982	1,170,089
Non-Capital Furniture & Equipment	732,619	442,155	612,566
Communications	394,639	199,254	336,074
Travel	244,030	289,070	297,984
Professional Development	804,430	635,007	429,363
Student Related Expense	295,390	323,856	315,570
Amortization of Tangible Capital Assets	300,000	556,952	368,740
Total Instruction Expense	**46,045,787**	**47,792,848**	**45,024,919**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		(Restated - Note 18)
Plant Operation & Maintenance Expense			
Salaries	2,750,891	2,711,290	2,596,940
Benefits	610,040	637,759	568,924
Supplies & Services	10,925	11,982	7,447
Non-Capital Furniture & Equipment	89,321	25,844	31,269
Building Operating Expenses	8,272,961	4,778,795	6,640,520
Communications	4,160	7,671	9,758
Travel	48,568	61,480	60,820
Professional Development	16,358	9,257	6,012
Amortization of Tangible Capital Assets	1,475,000	1,351,570	1,312,400
Total Plant Operation & Maintenance Expense	**13,278,224**	**9,595,648**	**11,234,090**
Student Transportation Expense			
Salaries	1,418,580	1,504,552	1,404,884
Benefits	266,985	289,236	271,757
Supplies & Services	779,100	779,174	681,797
Non-Capital Furniture & Equipment	700,000	571,632	557,718
Communications	18,500	19,824	17,760
Travel	2,000	1,447	1,442
Professional Development	20,000	4,499	8,389
Contracted Transportation	2,932,287	2,616,457	2,615,739
Amortization of Tangible Capital Assets	470,061	586,567	429,368
Total Student Transportation Expense	**6,607,513**	**6,373,388**	**5,988,854**
Tuition and Related Fees Expense			
Tuition Fees	310,000	71,728	213,634
Other Fees	75,000	63,758	59,190
Total Tuition and Related Fees Expense	**385,000**	**135,486**	**272,824**
School Generated Funds Expense			
Supplies & Services	135,000	99,021	107,683
Cost of Sales	425,000	370,189	339,353
Non-Capital Furniture & Equipment	90,000	7,111	56,521
Special Programs	-	-	736
School Fund Expenses	1,415,000	1,395,540	1,363,699
Total School Generated Funds Expense	**2,065,000**	**1,871,861**	**1,867,992**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		(Restated - Note 18)
Complementary Services Expense			
Tuition Fees	-	13,520	12,119
Administration Salaries & Benefits	156,701	125,998	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	362,230	580,110	406,390
Program Support (Non-Teacher Contract) Salaries & Benefits	1,209,084	1,802,688	1,724,585
Instructional Aids	-	35,422	31,046
Supplies & Services	86,450	173,266	93,622
Non-Capital Furniture & Equipment	-	16,078	7,181
Building Operating Expenses	-	-	1,016
Communications	-	463	920
Travel	-	1,115	1,981
Professional Development (Non-Salary Costs)	-	208	2,580
Student Related Expenses	-	758	4,118
Contracted Transportation & Allowances	-	110	6,613
Total Complementary Services Expense	**1,814,465**	**2,749,736**	**2,292,171**
External Service Expense			
Administration Salaries & Benefits	10,000	-	145
Program Support (Non-Teacher Contract) Salaries & Benefits	93,840	108,184	95,015
Supplies & Services	155,000	137,243	144,778
Building Operating Expenses	11,500	4,040	6,415
Travel	1,000	-	-
Student Related Expenses	-	-	61
Contracted Transportation & Allowances	184,300	139,750	65,702
Amortization of Tangible Capital Assets	3,500	3,548	3,549
Total External Services Expense	**459,140**	**392,765**	**315,665**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2012

	2012 Budget	2012 Actual	2011 Actual
	(Note 19)		(Restated - Note 18)
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	-	8,417	4,849
Interest on Other Capital Loans and Long Term Debt			
School Facilities	60,000	38,047	44,005
Total Interest and Bank Charges	**60,000**	**46,464**	**48,854**
Loss on Disposal of Tangible Capital Assets	-	-	46,650
Provision for Uncollectable Taxes	50,000	-	-
Total Other Expense	**110,000**	**46,464**	**95,504**
TOTAL EXPENSES FOR THE YEAR	**72,703,226**	**70,902,570**	**68,895,784**

Living Sky School Division No. 202

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

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2012	2011
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	1,002,194		73,886,170	1,553,351	7,458,078	266,467	9,347,640	1,599,008	117,198	1,141,928	96,372,034	93,299,823
Additions/Purchases			4,045,435		953,562	56,552	941,010	438,942	119,887	153,900	6,709,288	3,829,032
Disposals											-	(756,821)
Transfers to (from)			1,141,928							(1,141,928)	-	
Closing Balance as of August 31	1,002,194	-	79,073,533	1,553,351	8,411,640	323,019	10,288,650	2,037,950	237,085	153,900	103,081,322	96,372,034
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1			50,163,151	881,193	3,972,485	171,726	7,828,921	1,092,287	46,879		64,156,642	62,729,586
Amortization of the Period			1,382,151	60,720	492,685	47,290	293,884	223,915	47,417		2,548,062	2,134,727
Disposals											-	(707,671)
Closing Balance as of August 31	N/A	-	51,545,302	941,913	4,465,170	219,016	8,122,805	1,316,202	94,296	N/A	66,704,704	64,156,642
Net Book Value:												
Opening Balance as of September 1	1,002,194		23,723,019	672,158	3,485,593	94,741	1,518,719	506,721	70,319	1,141,928	32,215,392	30,570,237
Closing Balance as of August 31	1,002,194	-	27,528,231	611,438	3,946,470	104,003	2,165,845	721,748	142,789	153,900	36,376,618	32,215,392
Change in Net Book Value	-	-	3,805,212	(60,720)	460,877	9,262	647,126	215,027	72,470	(988,028)	4,161,226	1,645,155
Disposals:												
Historical Cost											-	756,821
Accumulated Amortization											-	707,671
Net Cost	-	-	-	-	-	-	-	-	-	-	-	49,150
Price of Sale											-	16,094
Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	(33,056)

Living Sky School Division No. 202
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2012

	2012	2011
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	2,548,062	2,134,727
Net Loss on Disposal of Tangible Capital Assets	-	33,056
Total Non-Cash Items Included in Surplus	**2,548,062**	**2,167,783**

Living Sky School Division No. 202
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2012

	2012	2011 (Restated - Note 18)
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(1,381,164)	5,156,136
Increase in Provincial Grant Overpayment	13,950	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(820,957)	928,938
Increase in Liability for Employee Future Benefits	100,100	114,000
Increase in Deferred Revenue	437,696	77,356
Decrease (Increase) in Prepaid Expenses	10,805	(134,573)
Total Net Change in Non-Cash Operating Activities	**(1,639,570)**	**6,141,857**

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 Living Sky School Division No. 202" and operates as "the Living Sky School Division No. 202". 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.

b) Basis of Accounting

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

c) Measurement Uncertainty and the Use of Estimates

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

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

- The liability for employee future benefits of $1,562,000 (2011: $1,461,900 as restated) because actual experience may differ significantly from actuarial estimations.
- Property tax revenue of $20,535,472 (2011: $21,150,465) because final tax assessments may differ from initial estimates.
- Uncollectible taxes of $341,407 (2011: $341,407) because actual collectability may differ from initial estimates.
- Useful lives of tangible capital assets and related amortization of $2,548,062 (2011: $2,134,727).

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

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 and bank deposits and highly liquid investments with initial maturity terms of 3 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 includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met. Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

Long-Term Investments consist of member equity in co-op organizations and are carried at cost. Where there has been a permanent impairment in value of a long-term investment, the investment is written down to reflect the loss in value.

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, and assets under construction. Tangible capital assets are recorded at cost and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The School Division does not capitalize interest incurred while a tangible capital asset is under construction.

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

Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger and light duty trucks and vans	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

Prepaid Expenses are prepaid amounts for goods or services such as, Saskatchewan School Board Association fees, legal fees and insurance, 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.

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

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

Long-Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenditures in accordance with the provisions of *The Education Act, 1995*

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. A new valuation was completed at August 31, 2012 and the actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

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

Deferred revenue represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

h) Employee Pension Plans

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

i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The School Division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

i) Revenue Recognition

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

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

The School Division's two major sources of revenues are provincial grants and property taxation.

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis, with 1/12th of the grant recognized as revenue each month. Capital grants are recognized over the course of the construction project as the 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 Government of Saskatchewan. Prior to 2009, each School Division set the education property tax mill rate for properties in its jurisdiction. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the School Division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the School Division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the School Division. The final annual taxation amounts are reported to the School 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 term deposits, and marketable securities with maturities of between 3 months and one year. Due to the short-term nature of the investments, market value approximates cost.

4. ACCOUNTS RECEIVABLE

All accounts receivable presented in 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 Receivables	Valuation Allowance	Net of Allowance	Total Receivables	Valuation Allowance	Net of Allowance
Taxes Receivable	$ 10,254,634	$ 341,407	$9,913,227	$ 10,465,550	$ 341,407	$10,124,143
Provincial Grants Receivable	356,778	-	356,778	708,095	-	708,095
Other Receivables	3,259,247	-	3,259,247	1,315,850	-	1,315,850
Total Accounts Receivables	**$ 13,870,659**	**$ 341,407**	**$13,529,252**	**$ 12,489,495**	**$ 341,407**	**$12,148,088**

5. LONG-TERM INVESTMENTS

Long-Term Investments are comprised of the following:

	Cost/Book Value		Market Value	
	2012	2011	2012	2011
Member Equity in Co-op Organizations	$ 40,712	$ 54,518	$ 40,712	$ 54,518
CIBC – Guaranteed Money Market Fund, floating interest rate, no specified maturity date.	-	130,593	-	130,593
Total Long-Term Investments	**$ 40,712**	**$ 185,111**	**$ 40,712**	**$ 185,111**

6. BANK INDEBTEDNESS

The School Division has a demand operating line of credit with a maximum borrowing limit of $ 10,000,000 that bears interest at Bank prime rate less .50% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by Provincial Grant receipts. This line of credit was approved by the Minister of Education on October 29, 2010. There was no balance outstanding on the line of credit at August 31, 2012 or August 31, 2011.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2012	2011
Accrued Salaries	$ 903,992	$ 1,365,508
Supplier Payments	2,104,119	2,463,560
Total Accounts Payable and Accrued Liabilities	**$ 3,008,111**	**$ 3,829,068**

8. LONG-TERM DEBT

Details of long-term debt are as follows:

Capital Loan	2012	2011
Innovation Credit Union – loan repayable in annual principal installments of $100,000 plus interest at 6.00% paid monthly	$ 600,000	$ 700,000
Total Long-Term Debt	**$ 600,000**	**$ 700,000**

Principal repayments over the next 5 years are as follows:	2012	2011
2013	$ 100,000	$ 100,000
2014	$ 100,000	$ 100,000
2015	$ 100,000	$ 100,000
2016	$ 100,000	$ 100,000
2017	$ 100,000	$ 100,000
Thereafter	$ 100,000	$ 200,000
Total	**$ 600,000**	**$ 700,000**

Principal and interest payments on long-term debt are as follows:		
	2012	2011
Principal	$ 100,000	$ 100,000
Interest	$ 38,047	$ 44,005
Total	**$ 138,047**	**$ 144,005**

9. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment and compensated absence benefits to its employees. These benefits include: non-vested sick leave payout, retirement gratuity, vacation banks and paid-time-off banks. These benefits generally accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. Significant assumptions include discount rate, inflation and salary scale. The liability associated with these benefits is calculated at the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Statement of Financial Position.

Details of the employee future benefits are as follows:

	2012	2011 (Restated – Note 18)
Actuarial valuation date/2011 extrapolation date	08/31/2012	08/31/2011
Long-term assumptions used:		
Salary escalation rate – teacher staff	3.25%	3.30%
Salary escalation rate – non-teaching staff	3.20%	3.20%
Inflation rate	2.25%	2.5%
Discount rate (percentage)	2.70%	3.40%
Expected average remaining service life (years)	13	14

Liability for Employee Future Benefits	**2012**	**2011 (Restated – Note 18)**
Accrued Benefit Obligation – beginning of year	**$ 1,553,100**	**$ 1,451,900**
Current period benefit cost	119,900	116,600
Interest cost	55,500	55,300
Benefit payments	(82,600)	(65,600)
Actuarial (gains) / losses	143,500	(5,100)
Plan amendments	-	-
Accrued Benefit Obligation – end of year	**1,789,400**	**1,553,100**
Unamortized Net Actuarial Gains / Losses	**(227,400)**	**(91,200)**
Liability for Employee Future Benefits	**$ 1,562,000**	**$ 1,461,900**

Employee Future Benefits Expense	**2012**	**2011 (Restated – Note 18)**
Current period benefit cost	$ 119,900	$ 116,600
Amortization of net actuarial gain / loss	7,300	7,700
Plan amendments	-	-
Benefit cost	**127,200**	**124,300**
Interest cost on unfunded employee future benefits obligation	55,500	55,300
Total Employee Future Benefits Expense	**$ 182,700**	**$ 179,600**

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2011	Additions (Deletions) during the year	Revenue Recognized in the Year	Balance as at Aug. 31, 2012
Capital Projects:				
Federal Capital Tuition	$ 686,799	$ 231,309	$ -	$ 918,108
Total Capital Projects Deferred Revenue	**$ 686,799**	**$ 231,309**	**$ -**	**$ 918,108**
Other Deferred Revenue:				
Cash Receipts from Municipalities Exceeding Tax Assessments	$ 1,113,867	$ 171,387	$ -	$ 1,285,254
Sask. Arts Board Grant	-	35,000	-	35,000
Total Other Deferred Revenue	**$ 1,113,867**	**$ 206,387**	**$ -**	**$ 1,320,254**
Total Deferred Revenue	**$ 1,800,666**	**$ 437,696**	**$ -**	**$ 2,238,362**

11. ACCUMULATED SURPLUS

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

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

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.
Details of accumulated surplus are as follows:

	2012	2011 (Restated – Note 18)
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	$ 36,376,618	$ 32,215,392
Less: Debt owing on Tangible Capital Assets	600,000	700,000
	35,776,618	31,515,392
Internally Restricted Surplus:		
S.286 Pre-April 2009 Capital Reserves from Prior Years' Operating Surpluses	11,400	11,400
School generated funds	757,565	839,472
Scholarship funds	199,241	202,433
Other – Tax Loss Compensations	3,819,650	3,819,650
Other – Future Expenditure	4,748,106	4,748,106
Other – Bus Replacement	163,728	163,728
	9,699,690	9,784,789
Unrestricted Surplus	16,395,748	13,840,501
Total Accumulated Surplus	**$ 61,872,056**	**$ 55,140,682**

The purpose and nature of each Internally Restricted Surplus amount is as follows:
School generated funds – the amount of funds held in the school-based bank accounts.
Scholarship funds – the amount of funds donated to provide scholarships.
Tax Loss Compensations – the amount of tax loss compensation from Treaty Land Entitlement receipts.
Future Expenditure – the amount for future capital expenditures.
Bus Replacement – the amount for bus replacements.

12. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2012	2011
Revenue:					
Grants	$ 715,008	$ 528,432	$ 98,854	$1,342,294	$1,135,851
Tuition and Related Fees	-	-	27,989	27,989	574
Miscellaneous Revenue	-	-	165,499	165,499	-
Total Revenue	715,008	528,432	292,342	1,535,782	1,136,425
Expenses:					
Tuition Fees	13,520	-	-	13,520	12,119
Salaries & Benefits	717,530	1,665,268	125,998	2,508,796	2,130,975
Instructional Aids	29,841	-	5,582	35,423	31,046
Supplies and Services	618	-	172,648	173,266	93,622
Non-Capital Equipment	15,438	-	640	16,078	8,197
Communications	-	-	462	462	920
Travel	1,115	-	-	1,115	1,980
Professional Development	208	-	-	208	2,580
Student Related Expenses	663	-	95	758	4,119
Contracted Transportation & Allowances	110	-	-	110	6,613
Total Expenses	779,043	1,665,268	305,425	2,749,736	2,292,171
Excess (Deficiency) of Revenue over Expenses	**$(64,035)**	**$(1,136,836)**	**$ (13,083)**	**$(1,213,954)**	**$(1,155,746)**

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

Pre-K Programs – provides support to early intervention programs that target pre-school age children and their families who are living in vulnerable circumstances.

Community and Inter-Agency Liaison – supports the delivery of a range of diverse and comprehensive supports and effective practices that address the complex needs of vulnerable students and that help eliminate learning barriers.

Other Programs – have the objective of enhancing the K-12 curriculum/learning programs and include such things as nutrition programs.

13. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2012	2011
Revenue:				
Grants	$ -	$ 20,000	$ 20,000	$ 22,500
Tuition and Related Fees	-	240	240	-
Miscellaneous Revenue	-	-	-	24,142
Sales and Rentals	118,241	2,298	120,539	122,419
Total Revenue	118,241	22,538	140,779	169,061
Expenses:				
Salaries & Benefits	108,184	-	108,184	95,160
Supplies and Services	137,243	-	137,243	144,778
Building Operating Expenses	-	4,039	4,039	6,415
Travel	-	-	-	61
Contracted Transportation & Allowances	-	139,750	139,750	65,702
Amortization of Tangible Capital Assets	-	3,549	3,549	3,549
Total Expenses	245,427	147,338	392,765	315,665
Excess (Deficiency) of Revenue over Expenses	**$(127,186)**	**$ (124,800)**	**$(251,986)**	**$(146,604)**

The purpose and nature of each External Services program is as follows:
Cafeteria – provides meals to students, staff and the general public.
Other Programs – are services that have no direct link to the K-12 program and include staff residences and extra-curricular transportation.

14. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	$ 161,358	$ 300,293	$ -	$ -	$ 464,610	$ 461,651	$ 383,360
Administration	1,023,138	410,160	-	49,425	1,473,487	1,482,723	1,420,405
Instruction	42,985,630	4,250,266	-	556,952	46,045,787	47,792,848	45,024,919
Plant	3,349,049	4,895,029	-	1,351,570	13,278,224	9,595,648	11,234,090
Transportation	1,793,788	3,993,033	-	586,567	6,607,513	6,373,388	5,988,854
Tuition and Related Fees	-	135,486	-	-	385,000	135,486	272,824
School Generated Funds	-	1,871,861	-	-	2,065,000	1,871,861	1,867,992
Complementary Services	2,508,796	240,940	-	-	1,814,465	2,749,736	2,292,171
External Services	108,184	281,033	-	3,548	459,140	392,765	315,665
Other	-	-	46,464	-	110,000	46,464	95,504
TOTAL	**$51,929,943**	**$16,378,101**	**$ 46,464**	**$ 2,548,062**	**$72,703,226**	**$70,902,570**	**$68,895,784**

15. RELATED PARTIES

These financial statements include transactions with related parties. The School Division is related to all Province of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The School Division is also related to non-crown enterprises that the Government jointly controls or significantly influences. In addition, the School Division is related to other non-government organizations by virtue of its economic interest in these organizations.

a) Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

	2012	2011
Revenues:		
Ministry of Education	$ 48,314,115	$ 43,193,620
Sask Workers' Compensation Board	11,661	16,416
Light of Christ School Division No. 16	47,213	23,872
North West Regional College	219,316	250,763
Sask Power Corp	31,701	63,965
Saskatchewan Rivers School Division No. 119	53,481	57,842
SGI	115,340	-
Ministry of Finance	125,628	128,400
Treaty Land Fund	-	66,253
Sask Arts Board	8,000	-
Sask Culture	25,000	-
Conseil Scolaire	6,847	-
Other	1,950	2,000
	$ 48,960,252	**$ 43,803,131**
Expenses:		
Chinook School Division No. 211	$ -	$ 250
Good Spirit School Division No. 204	20,863	15,814
Light of Christ School Division No. 16	20,000	20,172
Ministry of Finance	4,335	10,394
North West Regional College	153,545	163,318
Northwest School Division No. 203	525	2,461
Prairie North Health Region	36,128	31,189
Saskatoon School Division No. 13	9,050	2,067
St. Paul's R.C.S.S.D. No. 20	15,500	11,697
Western Development Museum	1,062	3,717
Sask Tel	323,651	333,187
SGI Auto Fund	47,145	42,572
Sask Energy	671,564	906,669
Sask Power Corp	883,695	915,643
Sask Workers' Compensation Board	161,630	125,086
Sun West School Division No. 207	16,000	-
Regina School Division No. 4	4,070	-
Other	13,236	14,190
	$ 2,381,999	**$ 2,598,426**

Accounts Receivable:		
Ministry of Education	$ 510,429	$ 708,095
Light of Christ School Division No. 16	44,743	15,807
North West Regional College	29,959	39,640
Sask Power Corp	-	17,115
Ministry of Finance	-	25,056
Conseil Scolaire	6,847	-
	$ 591,978	**$ 805,713**
Tangible Capital Asset Additions:		
Sask Tel	$ 662,139	$ 1,233,979
	$ 662,139	**$ 1,233,979**
Accounts Payable and Accrued Liabilities:		
Light of Christ School Division No. 16	$ 20,000	$ -
Sask Power Corp	20,263	18,328
Sask Tel	220,102	-
Sun West School Division No. 207	4,000	-
Other	2,232	1,393
	$ 266,597	**$ 19,721**

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 $1,906,062 (2011: $986,213) 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:

	2012	2011
Total Ministry Obligation at August 31	$1,906,062	$986,213
Less amounts reported in the financial statements	199,529	708,095
Unrecorded balance	**$1,706,533**	**$ 278,118**

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.

16. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

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

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

	2012			2011
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	484	42	526	448
Member contribution rate (percentage of salary)	7.80%-10.00%	6.05%-7.85%	6.05%-10.00%	6.05%-9.00%
Member contributions for the year	$2,538,402	$ 118,671	$2,657,073	$2,156,860

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2012	2011
Number of active School Division members	477	421
Member contribution rate (percentage of salary)	7.40%	6.40%-7.40%
School Division contribution rate (percentage of salary)	7.40%	6.40%-7.40%
Member contributions for the year	$ 957,034	$ 866,622
School Division contributions for the year	$ 957,034	$ 866,622
Actuarial valuation date	31 Dec 10	31 Dec 10
Plan Assets (in thousands)	$ 1,395,109	$ 1,399,241
Plan Liabilities (in thousands)	$ 1,627,865	$ 1,381,094
Plan Surplus (Deficit) (in thousands)	$ (232,756)	$ 18,147

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the School Division are as follows:

- Construction contract for office renovation in the amount of $1,182,182 over two (2) years
- Operating lease obligations, as follows:

	Operating Leases	
	Copier Leases	Total Operating
Future minimum lease payments:		
2013	$ 128,788	**$ 128,788**
2014	33,909	**33,909**
2015	33,909	**33,909**
2016	32,172	**32,172**
	$ 228,778	**$ 228,778**
Total Lease Obligations	**$ 228,778**	**$ 228,778**

18. RESTATEMENT OF PRIOR YEAR AMOUNTS – EMPLOYEE FUTURE BENEFITS

In the course of transitioning actuarial services from Mercer to Morneau Shepell an issue was identified with the obligations Mercer had prepared for retirement gratuities.

Specifically, Mercer determined that the obligations for the retirement gratuity benefit were projected using a subset of the data, rather than using the data for all Support Staff and Teachers. As a result, the report understated the impact of this benefit on the School Division's overall obligations.

These obligations were most recently reported by Mercer in their Post Employment Benefits as at 31 August 2011 – School Division #202 – Living Sky dated 18 October 2011. Mercer recalculated the obligations for the School Division on the appropriate eligible population. This issue affects the obligations of the School Division in adopting the PSAB standard in 2008 and the subsequent plan expense calculations for 2009 to 2012.

The correction of this error has impacted the School Division's financial statements as follows:

2010-11 Annual Surplus		
2010-11 Surplus for the year - as previously reported		3,848,461
Reverse Employee Future Benefits as previously reported		65,600
Employee Future Benefits as Corrected		-114,000
2010-11 Surplus for the year - as restated		**3,800,061**
Accumulated Surplus at August 31, 2011		
Accumulated Surplus as at August 31, 2010		52,095,121
Prior Period Adjustments - Employee Future Benefit Understated		-754,500
2010-11 Surplus for the year - as restated		3,800,061
Accumulated Surplus as at August 31, 2011 - as restated		**55,140,682**
Net Financial Assets at August 31, 2011		
Net Financial Assets as at September 1, 2010 - as previously reported		21,482,349
Prior Period Adjustments - Employee Future Benefit Understated		-754,500
Net Financial Assets as at September 1, 2010 - as restated		**20,727,849**
Surplus for the Year - as restated		3,800,061
Acquisition of Tangible Capital Assets		-3,829,032
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		16,094
Net Loss on Disposal of Tangible Capital Assets (Schedule C)		33,056
Amortization of Tangible Capital Assets (Schedule C)		2,134,727
Net Acquisition of Prepaid Expenses		-134,573
Change in Net Financial Assets		**2,020,333**
Net Financial Assets as at August 31, 2011 - as restated		**22,748,182**
Increase in Employee Future Benefits at August 31, 2011		
Employee Future Benefits as previously reported		659,000
Prior Period Adjustments - Employee Future Benefit Understated		754,500
2010-2011 Employee Future Benefit Adjustment		48,400
Increase in Accounts Payable and Accrued Liabilities as at August 31, 2011		**1,461,900**
Increase in Administration Expenses at August 31, 2011		
Administration Expenses as previously reported		1,418,314
Employee Future Benefits as adjusted		2,091
Administration Expenses at August 31, 2011- as restated		**1,420,405**
Administration Benefits as previously reported		145,405
Administration Employee Future Benefits as adjusted		2,091
Administration Benefitsat August 31, 2011 - as restated		**147,496**

Increase in Instruction Expenses at August 31, 2011		
Instruction Expenses as previously reported		44,986,578
Instructional Future Benefits as adjusted		63,716
Program Support Future Benefits as adjusted		-25,375
Instruction Expenses at August 31, 2012 - as restated		**45,024,919**
Instructional Benefits as previously reported		1,522,384
Instructional Employee Future Benefits as adjusted		63,716
Instructional Benefits at August 31, 2012- as restated		**1,586,100**
Program Support Benefits as previously reported		1,264,071
Program Support Employee Future Benefits as adjusted		-25,375
Program Support Benefits at August 31, 2012 - as restated		**1,238,696**
Increase in Plant Expenses at August 31, 2011		
Plant Expenses as previously reported		11,228,743
Employee Future Benefits as adjusted		5,347
Plant Expenses at August 31, 2012 - as restated		**11,234,090**
Plant Benefits as previously reported		563,577
Plant Employee Future Benefits as adjusted		5,347
Plant Benefits at August 31, 2012 - as restated		**568,924**
Increase in Transportation Expenses at August 31, 2011		
Transportation Expenses as previously reported		5,986,233
Transportation Future Benefits as adjusted		2,621
Transportation Expenses at August 31, 2012 - as restated		**5,988,854**
Transportation Benefits as previously reported		269,136
Transportation Employee Future Benefits as adjusted		2,621
Transportation Benefits at August 31, 2012 - as restated		**271,757**

19. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on June 22, 2011 and the Minister of Education on August 31, 2011.

20. COMPARATIVE FIGURES

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