



Ministry of
Education

Auditor's Report and Financial Statement

Of the Lloydminster Roman Catholic Separate School Division No. 89
School Division No. 606000

For the Period Ending: August 31, 2010

A handwritten signature in blue ink, appearing to read 'Thomas Schinold'.

Thomas Schinold
Secretary Treasurer

A handwritten signature in blue ink, appearing to read 'Wilkinson Livingston Stevens LLP'.

Wilkinson Livingston Stevens LLP, Chartered Accountants
Auditor

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION #89

**FINANCIAL STATEMENTS
AUGUST 31, 2010**

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Lloydminster Roman Catholic Separate School Division No. 89
Consolidated Statement of Financial Position
as at August 31, 2010

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	2010	2009
Financial Assets		(Note 21)
Cash	1,186,746	1,061,198
Short Term Investments (Note 3)	6,518,493	7,500,000
Accounts Receivable (Note 8)	2,845,407	1,547,015
Other Assets	243,374	228,114
Total Financial Assets	10,794,020	10,336,327
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	273,561	421,939
Long Term Debt (Note 11)	10,352	51,704
Liability for Employee Future Benefits (Note 6)	127,000	105,600
Deferred Revenue (Note 12)	189,836	187,775
Other Liabilities (Note 10)	1,117,386	1,098,589
Total Liabilities	1,718,135	1,865,607
Net Financial Assets	9,075,885	8,470,720
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	23,065,224	21,972,140
Prepaid Expenses	81,813	102,407
Total Non-Financial Assets	23,147,037	22,074,547
Accumulated Surplus (Note 16)	32,222,922	30,545,267

The accompanying notes are an integral part of these statements

Approved by the Board:


 _____ Chairperson


 _____ Secretary-Treasurer

Lloydminster Roman Catholic Separate School Division No. 89
Consolidated Statement of Operations and Accumulated Surplus
for the year ended August 31, 2010

	2010 Budget (Note 17)	2010 Actual	2009 Actual (Note 21)
REVENUES			
Property Taxation	2,820,400	2,831,641	2,859,468
Grants	13,860,963	15,669,714	13,126,829
Tuition and Related Fees	-	10,624	16,820
School Generated Funds	261,700	435,931	368,706
Complementary Services (Note 14)	114,550	249,174	245,365
External Services (Note 15)	185,000	157,587	147,151
Other	328,000	261,150	360,652
Total Revenues (Schedule A)	17,570,613	19,615,821	17,124,991
EXPENSES			
Governance	172,850	159,124	164,826
Administration	653,061	589,917	582,681
Instruction	13,586,663	13,371,918	12,959,367
Plant	1,867,485	2,268,919	2,335,943
Transportation	570,821	688,731	640,736
Tuition and Related Fees	9,600	11,273	4,653
School Generated Funds	261,700	436,343	368,422
Complementary Services (Note 14)	246,223	241,599	255,328
External Services (Note 15)	184,016	163,748	163,565
Other Expenses	15,077	6,594	10,932
Total Expenses (Schedule B)	17,567,496	17,938,166	17,486,453
Surplus (Deficit) for the Year	3,117	1,677,655	(361,462)
Accumulated Surplus, Beginning of Year, as Restated (Note 21)	-	30,545,267	30,906,729
Accumulated Surplus, End of Year	3,117	32,222,922	30,545,267

The accompanying notes are an integral part of these statements

Lloydminster Roman Catholic Separate School Division No. 89
Consolidated Statement of Changes in Net Financial Assets
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 17)		(Note 21)
Net Financial Assets, Beginning of Year	8,470,720	8,470,720	8,195,479
Changes During the Year:			
Surplus (Deficit) for the Year	3,117	1,677,655	(361,462)
Acquisition of Tangible Capital Assets (Schedule C)	(390,000)	(2,262,812)	(391,057)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		-	11,900
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		-	144
Amortization of Tangible Capital Assets (Schedule C)		1,169,728	1,073,366
Net Acquisition of Prepaid Expenses		20,594	(57,650)
Change in Net Financial Assets	(386,883)	605,165	275,241
Net Financial Assets, End of Year	8,083,837	9,075,885	8,470,720

The accompanying notes are an integral part of these statements

Lloydminster Roman Catholic Separate School Division No. 89
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	2009
OPERATING ACTIVITIES		(Note 21)
Surplus (Deficit) for the Year	1,677,655	(361,462)
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	1,169,728	1,073,508
Net Change in Non-Cash Operating Activities (Schedule E)	(1,399,174)	(893,264)
Cash Provided (Used) by Operating Activities	1,448,209	(181,218)
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets (Schedule C)	(2,262,812)	(391,057)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	11,900
Cash Provided (Used) by Capital Activities	(2,262,812)	(379,157)
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(41,352)	(41,352)
Cash Provided (Used) by Financing Activities	(41,352)	(41,352)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(855,955)	(601,727)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,561,198	9,162,925
CASH AND CASH EQUIVALENTS, END OF YEAR	7,705,243	8,561,198
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	1,186,746	1,061,198
Short Term Investments	6,518,493	7,500,000
Bank Indebtedness	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	7,705,239	8,561,198

The accompanying notes are an integral part of these statements

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	2,844,508	2,842,323	2,907,215
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	2,844,508	2,842,323	2,907,215
Grants in Lieu of Taxes:			
Federal Government	1,243	890	1,040
Provincial Government	13,675	27,765	17,298
Railways	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	14,918	28,655	18,338
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	-	-
House Trailer Fees	8,403	13,257	2,964
Total Other Tax Revenues	8,403	13,257	2,964
Additions to Levy:			
Penalties	7,087	6,925	9,247
Other	-	-	-
Total Additions to Levy	7,087	6,925	9,247
Deletions from Levy:			
Discounts	(54,516)	(58,440)	(78,186)
Cancellations	-	(1,079)	(110)
Other Deletions	-	-	-
Total Deletions from Levy	(54,516)	(59,519)	(78,296)
Total Property Taxation Revenue	2,820,400	2,831,641	2,859,468
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	4,602,255	4,374,958	4,279,994
Education Property Tax Credit	-	-	57,301
Other Ministry Grants	92,000	-	83,556
Total Ministry Grants	4,694,255	4,374,958	4,420,851
Other Provincial Grants	-	90,346	1,667
Federal Grants	16,000	15,000	28,699
Grants from Others	9,094,679	9,074,002	8,624,105
Total Operating Grants	13,804,934	13,554,306	13,075,322
Capital Grants			
Ministry of Education Capital Grants	-	651,838	-
Other Capital Grants	56,029	1,463,570	51,507
Total Capital Grants	56,029	2,115,408	51,507
Total Grants	13,860,963	15,669,714	13,126,829

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	-	-
Federal Government and First Nations	-	-	-
Individuals and Other	-	10,624	16,820
Total Tuition Fees	-	10,624	16,820
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	-	10,624	16,820
Capital Fees:			
Federal/First Nations Capital Fees	-	-	-
Total Capital Tuition and Fees	-	-	-
Total Tuition and Related Fees Revenue	-	10,624	16,820
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	85,700	116,208	110,747
Other	-	-	-
Total Curricular Fees	85,700	116,208	110,747
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	28,100	28,440	33,550
Fundraising	-	63,789	35,624
Grants and Partnerships	-	-	-
Students Fees	140,700	227,494	188,785
Other	7,200	-	-
Total Non-Curricular Fees	176,000	319,723	257,959
Total School Generated Funds Revenue	261,700	435,931	368,706
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	120,000	130,351
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	8,000	18,574	25,623
Federal Grants	-	-	-
Other Grants	28,000	13,112	12,562
Total Operating Grants	36,000	151,686	168,536
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	66,500	53,692	50,605
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	12,050	43,796	26,224
Total Fees and Other Revenue	78,550	97,488	76,829
Total Complementary Services Revenue	114,550	249,174	245,365

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	-	-	-
Federal Grants	-	-	-
Other Grants	-	-	-
Total Operating Grants	-	-	-
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	185,000	157,587	147,151
Total Fees and Other Revenue	185,000	157,587	147,151
Total External Services Revenue	185,000	157,587	147,151
Other Revenue			
Miscellaneous Revenue	59,600	101,264	100,742
Sales & Rentals	16,000	19,858	18,040
Investments	252,400	140,028	241,870
Gain on Disposal of Capital Assets	-	-	-
Total Other Revenue	328,000	261,150	360,652
TOTAL REVENUE FOR THE YEAR	17,570,613	19,615,821	17,124,991

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Governance Expense			
Board Members Expense	64,450	61,755	59,797
Conventions - Board Members	8,000	7,444	7,006
School Community Councils	-	-	-
Conventions - School Community Councils	-	-	-
Elections	5,000	7,623	376
Other Governance Expenses	95,400	82,302	97,647
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	172,850	159,124	164,826
Administration Expense			
Salaries	329,146	360,989	321,625
Benefits	58,887	56,046	46,961
Supplies & Services	97,558	35,738	44,188
Non-Capital Furniture & Equipment	12,800	10,238	18,607
Building Operating Expenses	5,000	1,988	7,966
Communications	91,700	82,144	87,937
Travel	52,970	41,619	47,215
Professional Development	5,000	1,155	8,182
Amortization of Tangible Capital Assets	-	-	-
Total Administration Expense	653,061	589,917	582,681
Instruction Expense			
Salaries	8,999,243	8,886,156	8,375,831
Instructional (Teacher & LEADS Contract) Salaries	423,107	475,722	439,996
Program Support (Non-Teacher Contract) Salaries	2,395,004	2,294,340	2,168,261
Program Support (Non-Teacher Contract) Benefits	424,022	358,091	331,588
Instructional Aids	416,216	317,634	208,255
Supplies & Services	448,796	84,108	386,623
Supplies & Services	57,000	61,764	251,190
Communications	-	18,480	7,799
Travel	53,300	69,229	58,630
Professional Development	162,200	129,660	147,622
Student Related Expense	207,775	219,446	207,549
Amortization of Tangible Capital Assets	-	457,288	376,023
Total Instruction Expense	13,586,663	13,371,918	12,959,367

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Plant Operation & Maintenance Expense			
Salaries	732,526	686,050	635,703
Benefits	112,959	104,505	95,767
Supplies & Services	-	-	-
Non-Capital Furniture & Equipment	32,000	9,017	18,785
Building Operating Expenses	964,400	834,066	950,741
Communications	12,600	8,362	9,568
Travel	12,000	11,152	9,814
Professional Development	1,000	394	194
Amortization of Tangible Capital Assets	-	615,373	615,371
Total Plant Operation & Maintenance Expense	1,867,485	2,268,919	2,335,943
Student Transportation Expense			
Salaries	299,823	296,844	294,919
Benefits	49,998	46,314	41,211
Supplies & Services	114,500	108,172	92,361
Non-Capital Furniture & Equipment	90,000	98,520	78,304
Building Operating Expenses	3,000	1,652	1,055
Communications	2,500	1,950	2,554
Travel	-	756	91
Professional Development	500	242	488
Contracted Transportation	10,500	37,214	47,781
Amortization of Tangible Capital Assets	-	97,067	81,972
Total Student Transportation Expense	570,821	688,731	640,736
Tuition and Related Fees Expense			
Tuition Fees	9,600	11,273	4,653
Transportation Fees	-	-	-
Other Fees	-	-	-
Total Tuition and Related Fees Expense	9,600	11,273	4,653
School Generated Funds Expense			
Supplies & Services	85,700	34,143	114,581
Cost of Sales	28,100	75,637	63,931
Non-Capital Furniture & Equipment	-	-	-
Special Programs	-	-	-
School Fund Expenses	147,900	326,563	189,910
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	261,700	436,343	368,422

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	80,001	82,524	77,556
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract) Salaries & Benefits	94,422	78,029	96,321
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	-
Supplies & Services	4,000	4,306	2,906
Non-Capital Furniture & Equipment	-	-	-
Building Operating Expenses	-	-	-
Communications	-	-	-
Travel	2,400	-	-
Professional Development (Non-Salary Costs)	2,500	1,424	1,068
Student Related Expenses	62,900	75,316	77,477
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	246,223	241,599	255,328
External Service Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract) Salaries & Benefits	80,866	76,420	71,519
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	-
Supplies & Services	92,500	79,784	85,545
Non-Capital Furniture & Equipment	9,000	5,894	4,851
Building Operating Expenses	-	-	-
Communications	-	-	-
Travel	1,650	1,650	1,650
Professional Development (Non-Salary Costs)	-	-	-
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	184,016	163,748	163,565

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	400	960	635
Interest on Debentures			
School Facilities	-	-	-
Other	14,677	5,634	10,155
Interest on Other Capital Loans and Long Term Debt			
School Facilities	-	-	-
Other	-	-	-
Total Interest and Bank Charges	15,077	6,594	10,790
Loss on Disposal of Tangible Capital Assets	-	-	142
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectable Taxes	-	-	-
Total Other Expense	15,077	6,594	10,932
TOTAL EXPENSES FOR THE YEAR	17,567,496	17,938,166	17,486,453

Lloydminster Roman Catholic Separate School Division No. 89
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	2009
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	1,169,728	1,073,366
Net (Gain) Loss on Disposal of Tangible Capital Assets	-	142
Write-Down of Tangible Capital Assets (Schedule C)	-	-
Total Non-Cash Items Included in Surplus / Deficit	1,169,728	1,073,508

Lloydminster Roman Catholic Separate School Division No. 89
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	2009
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(1,298,392)	(868,194)
Decrease (Increase) in Inventories for Sale	-	-
Decrease (Increase) in Other Assets	(15,260)	(25,978)
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(148,374)	(217,665)
Increase (Decrease) In Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	21,400	16,700
Increase (Decrease) in Deferred Revenue	2,061	187,775
Increase (Decrease) in Other Liabilities	18,797	71,746
Decrease (Increase) in Inventory of Supplies for Consumption	-	-
Decrease (Increase) in Prepaid Expenses	20,594	(57,648)
Total Net Change in Non-Cash Operating Activities	(1,399,174)	(893,264)

SCHOOL DIVISION NO. 89
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at August 31, 2010

1. AUTHORITY AND PURPOSE

The School Division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the *Lloydminster Roman Catholic Separate School Division No. 89*” and operates as “the *Lloydminster Roman Catholic Separate School Division No. 89*”. 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 Provinces of Saskatchewan and Alberta and a levy on the property assessment included in the School Division’s boundaries at mill rates determined by the provincial government. The School Division is exempt from income tax and is a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Reporting Entity and Consolidation

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

Controlled entities:

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

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

Controlled entities:

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

b) Scholarship Trust Funds

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

Trust funds are not included in the consolidated financial statements as they are not controlled by the school division. Refer to Note 19 for a summary of these accounts and their activity for the year.

c) Basis of Accounting

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

d) Measurement Uncertainty and the Use of Estimates

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

Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, tax revenue, uncollectible taxes, useful lives of capital assets and prior years tangible capital asset historical costs and related amortization.

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.

e) Financial Instruments

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

f) Financial Assets

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

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

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

Other Assets consist of patronage accounts and are carried at the lower of cost and net realizable value. Patronage allocations are recorded as income in the period declared and increase the value of the asset. Cash received represents a reduction of the asset. Cost is determined by the historic cost method. Net realizable value is the estimated redemption value in the ordinary course of business.

g) Non Financial Assets

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

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

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

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

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 which will provide economic benefits in one or more future periods.

h) Liabilities

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

Short Term Borrowings are comprised of Bank indebtedness and Short Term Loans with initial maturities of one year or less and are incurred for the purpose of financing current expenditures in accordance with the provisions of *The Education Act, 1995*.

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

Long Term Debt is comprised of debentures 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 prorated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

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

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

Other liabilities are comprised of deferred tax revenue and surplus funds accumulated by various school programs. The deferred tax revenues relate to the 2010 calendar year and will be recognized in the following school year. Surplus funds accumulated by the various school programs are recognized in the fiscal year in which the resources are used for the purposes of the program.

i) Employee Pension Plans

Employees of the School Division participate in the following pension plans:

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP), Saskatchewan Teachers' Superannuation Plan (STSP) or the Alberta Teachers Retirement Plan (ATRP). 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. In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

j) Revenue Recognition

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

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

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

i) Provincial grants:

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

ii) Property taxation:

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

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

3. SHORT TERM INVESTMENTS

Short term investments consist of *term deposits* with maturities of three months or less. Due to the short-term nature of the investments, market value approximates cost.

4. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$1,000,000 that bears interest at prime plus .25% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by assignment of all book accounts and book debts. There was no balance drawn on the line of credit at August 31, 2010. (\$0: August 31, 2009)

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ -	\$ 159,124	\$ -	\$ -	\$ 172,850	\$ 159,124	\$ 164,826
Administration	417,036	172,881	-	-	653,061	589,917	582,681
Instruction	9,361,878	3,552,752		457,288	13,586,663	13,371,918	12,959,367
Plant	790,555	862,991		615,373	1,867,485	2,268,919	2,335,943
Transportation	343,158	248,506		97,067	570,821	688,731	640,736
Tuition and Related Fees		11,273			9,600	11,273	4,653
School Generated Funds		436,343			261,700	436,343	368,422
Complementary Services	160,554	81,045			246,223	241,599	255,328
External Services	76,420	87,328			184,016	163,748	163,565
Other			6,594		15,077	6,594	10,932
TOTAL	\$11,149,601	\$ 5,612,243	\$ 6,594	\$ 1,169,728	\$17,567,496	\$17,938,166	\$ 17,486,453

6. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave and retirement gratuity. 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:

Actuarial valuation date: August 31, 2010	2010	2009
Long-term assumptions used:		
Salary escalation rate (percentage)	3.50%	3.50%
Discount rate (percentage)	3.60%	4.10%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	\$ 105,600	\$ 88,900
Current period benefit cost	9,400	8,700
Interest cost	4,700	4,300
Benefit payments	(700)	(300)
Actuarial gains / losses	8,000	4,000
Plan amendments		
Accrued Benefit Obligation - end of year	127,000	105,600
Unamortized Net Actuarial Gains / Losses	(11,700)	(4,000)
Liability for Employee Future Benefits	\$ 115,300	\$ 101,600

Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 9,400	\$ 8,700
Amortization of net actuarial gain / loss	300	
Plan amendments		
Benefit cost	9,700	8,700
Interest cost on unfunded employee future benefits obligation	4,700	4,300
Total Employee Future Benefits Expense	\$ 14,400	\$ 13,000

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

- i) Saskatchewan Teachers' Retirement Plan (STRP), Saskatchewan Teachers' Superannuation Plan (STSP) or Alberta Teachers' Retirement Fund (ATRF):

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

The STRP, STSP and ATRF are funded by contributions by the participating employee members and the Province of Saskatchewan or Province of Alberta. The School Division's obligation to the STRP, STSP and ATRF 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, the Province of Saskatchewan for the STSP, and the Province of Alberta for the ATRF.

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

	2010				2009
	STRP	STSP	ATRF	TOTAL	TOTAL
Number of active School Division members	119	3	4	126	133
Member contribution rate (up to CPP amount)	7.00%	6.05%	8.05%		
Member contribution rate (above CPP amount)	9.00%	7.85%	11.50%		
Member contributions for the year	\$ 633,378	\$ 15,929	\$ 27,169	\$ 649,307	\$ 613,715

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:

	2010	2009
Number of active School Division members	116	123
Member contribution rate (percentage of salary)	6.40%	5.40%
School Division contribution rate (percentage of salary)	6.40%	5.40%
Member contributions for the year	\$ 205,915	\$ 184,936
School Division contributions for the year	\$ 205,915	\$ 184,936
Actuarial valuation date: December 31, 2008		
Plan Assets - Province wide (thousands)	\$ 1,284,959	\$ 1,150,748
Plan Liabilities - Province wide (thousands)	\$ (1,233,841)	\$ (1,215,639)
Plan Surplus (Deficit) - Province wide (thousands)	\$ 51,118	\$ (64,891)

8. ACCOUNTS RECEIVABLE

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

	2010			2009		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 535,963	\$ 10,000	\$ 525,963	\$ 888,471	\$ 10,000	\$ 878,471
Provincial Grants Receivable	2,074,473		2,074,473	404,903		404,903
Other Receivables	244,971		244,971	263,641		263,641
Total Accounts Receivable	\$ 2,855,407	\$ 10,000	\$ 2,845,407	\$ 1,557,015	\$ 10,000	\$ 1,547,015

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ -	\$ 2,170
Supplier Payments	273,561	419,769
Total Accounts Payable and Accrued Liabilities	\$ 273,561	\$ 421,939

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2010	2009
<i>Unearned tax revenue</i>	\$ 933,579	\$ 909,556
<i>School Generated Student Funds</i>	126,368	127,859
<i>School Community Council Funds</i>	57,439	61,174
Total Other Liabilities	\$ 1,117,386	\$ 1,098,589

11. LONG-TERM DEBT

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

	2010	2009
Debentures:		
#1447838 is payable in annual instalments of \$4,865 plus interest at a fixed rate of 10.88% per annum; the debenture matures Feb 15, 2011	\$ 4,866	\$ 9,731
#1448406 is payable in annual instalments of \$5,487 plus interest at a fixed rate of 10.62% per annum; the debenture matures May 1, 2011	\$ 5,486	\$ 10,973
#1445782 is payable in annual instalments of \$10,300 plus interest at a fixed rate of 12.00% per annum; the debenture matured May 15, 2010	\$ -	\$ 10,300
#1444363 is payable in annual instalments of \$20,700 plus interest at a fixed rate of 10.50% per annum; the debenture matures Oct 15, 2009	\$ -	\$ 20,700
Total Long Term Debt	\$ 10,352	\$ 51,704

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

	Debentures	Total
2011	\$ 10,352	\$ 10,352
2012		-
2013		-
2014		-
2015		-
Thereafter		-
Total	\$ 10,352	\$ 10,352

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

	Debentures	2010	2009
Principal	\$ 41,352	\$ 41,352	\$ 51,704
Interest	5,634	5,634	10,155
Total	\$ 46,986	\$ 46,986	\$ 61,859

12. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2009	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2010
<i>Unearned governments grants</i>	\$ 187,775	\$ 81,780	\$ 79,719	\$ 189,836

13. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The School Division has the following capital construction commitments as at August 31:

i) Ecole St. Thomas - Modular Classrooms

The school division entered into a contract on June 30, 2010 with Modus Modular Structures Inc. to supply modular classrooms for Ecole St. Thomas. As at August 31, 2010, the school division had incurred \$482,849 of the total contracted amount of \$1,361,434.

ii) Ecole St. Thomas - New School

The School Division is in the preliminary stages of planning for the development of a new school. The School Division has entered into a contract for Architectural Services with AODBT Architecture & Interior Design. The construction budget is \$15,222,000 plus applicable taxes.

iii) Maintenance Shop

The School Division has commenced the construction of a maintenance shop at an estimated budget of \$1,018,000. The School Division acts as the general contractor and has entered numerous contracts with various trades as required for the completion of the project. The School Division had incurred \$485,580 of expenditures related to this project as at August 31, 2010.

14. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2010	2009
Revenue:					
Grants	\$ 3,748	\$ 120,000	\$ 27,938	\$ 151,686	\$ 168,536
Tuition and Related Fees			97,488	97,488	65,651
Miscellaneous Revenue				-	11,178
Sales and Rentals				-	
Total Revenue	3,748	120,000	125,426	249,174	245,365
Expenses:					
Tuition Fees	-	-	-	-	-
Salaries & Benefits		82,524	78,029	160,553	173,877
Instructional Aids				-	
Supplies and Services		4,306		4,306	2,906
Non-Capital Equipment				-	
Building Operating Expenses				-	
Communications				-	
Travel				-	
Professional Development		1,424		1,424	1,068
Student Related Expenses	3,748		71,568	75,316	77,477
Contacted Transportation & Allowances				-	
Total Expenses	3,748	88,254	149,597	241,599	255,328
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ 31,746	\$ (24,171)	\$ 7,575	\$ (9,963)

15. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2010	2009
Revenue:				
Grants	\$ -	\$ -	\$ -	\$ -
Tuition and Related Fees	157,587		157,587	147,151
Miscellaneous Revenue			-	
Sales and Rentals			-	
Total Revenue	157,587	-	157,587	147,151
Expenses:				
Tuition Fees			-	-
Salaries & Benefits	76,420		76,420	71,519
Instructional Aids			-	
Supplies and Services	79,784		79,784	85,545
Non-Capital Equipment	5,894		5,894	4,851
Building Operating Expenses			-	
Communications			-	
Travel	1,650		1,650	1,650
Professional Development			-	
Student Related Expenses			-	
Contacted Transportation & Allowances			-	
Total Expenses	163,748	-	163,748	163,565
Excess (Deficiency) of Revenue over Expenses	\$ (6,161)	\$ -	\$ (6,161)	\$ (16,414)

16. 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 (*ie. school budget carryovers, capital reserves, etc.*). 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:

	2010	2009
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 23,065,224	\$ 21,972,140
Less: Debt owing on Tangible Capital Assets	10,352	51,704
	<u>23,054,872</u>	<u>21,920,436</u>
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures	2,621,248	2,599,134
School generated funds	-	-
School budget carryovers	228,011	249,907
Other	-	-
	<u>2,849,259</u>	<u>2,849,041</u>
Unrestricted Surplus	<u>6,318,791</u>	<u>5,775,790</u>
Total Accumulated Surplus	<u>\$ 32,222,922</u>	<u>\$ 30,545,267</u>

17. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on *August 25, 2009* and the Ministry of Education on *October 20, 2009*. The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform with the basis of accounting used to prepare the consolidated financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the Board of Education and Ministry of Education is as follows:

Approved budget per Ministry of Education	\$ (428,235)
Purchase of tangible capital assets	390,000
Repayment of long term debt	<u>41,352</u>
Budget per financial statements	<u>\$ 3,117</u>

18. 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, universities, and crown corporations.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$389,273 (2009: \$464,170) of which \$ 0 (2009: \$0) was payable at August 31, 2010.

In addition, the School Division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

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

19. TRUSTS

The School Division, as the trustee, administers trust funds for *legacy scholarships*. The trust assets and transactions are not included in the consolidated financial statements.

Information about these trusts is as follows:

	2010					2009	
	Reiber	Brown	Hope	Arts	Schwandt	Total	Total
Cash and short term investments	\$ 7,187	\$ 19,225	\$ 5,459	\$ 1,842	\$ 1,253	\$ 34,966	\$ 36,260
Equity/Membership	\$ 180	\$ 272				\$ 452	\$ 414
Portfolio investments		24,713				\$ 24,713	\$ 24,713
Total Assets	\$ 7,367	\$ 44,210	\$ 5,459	\$ 1,842	\$ 1,253	\$ 60,131	\$ 61,387
Revenues							
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on investments	51	2,245	111	13	24	\$ 2,444	\$ 2,962
	51	2,245	111	13	24	2,444	2,962
Expenses							
Awards to Students		2,000	1,000	200	500	\$ 3,700	\$ 4,592
	-	2,000	1,000	200	500	3,700	4,592
Excess of Revenue over Expenses	51	245	(889)	(187)	(476)	(1,256)	(1,630)
Trust Fund Balance, Beginning of Year	7,316	43,965	6,348	2,029	1,729	\$ 61,387	\$ 63,017
Trust Fund Balance, End of Year	\$ 7,367	\$ 44,210	\$ 5,459	\$ 1,842	\$ 1,253	\$ 60,131	\$ 61,387

20. CAPITAL TRANSFERS

The Ministries of Education of Saskatchewan and Alberta have approved \$942,562 and \$1,964,648 respectively in capital transfers to the school division. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. The Ministries' capital transfers that are not reflected in these financial statements are as follows:

	Saskatchewan	Alberta
Total Ministry of Education obligation at August 31, 2010	\$942,562	\$1,964,648
Less: Amounts in reported in financial statements	<u>(685,249)</u>	<u>(1,463,571)</u>
Unrecorded Capital transfers at August 31, 2010	<u>\$257,313</u>	<u>\$ 501,077</u>

21. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

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

Change in Financial Statement Presentation

Effective September 1, 2009 the School Division adopted PSAB standards PS 1000 - Financial Statement Concepts, PS 1100 - Financial Statement Objectives and PS 1200 – Financial Statement Presentation. Together, these standards establish the concepts, objectives and general reporting principles for presentation and disclosure of information in the financial statements. Accordingly, the School Division has revised its financial statement presentation for the 2009-10 fiscal year to comply with the new financial statement model. The implementation of these standards did have an impact on accumulated surplus, as described below. Certain comparative figures have been reclassified to conform to the current year's presentation.

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

- the former operating, capital and other funds have been consolidated into a single operating fund,
- tangible capital assets replace the former physical assets and are amortized,
- fund balances and equity in tangible capital assets have been consolidated into accumulated surplus (deficit),

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

Tangible Capital Assets

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

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

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

Tangible Capital Assets at August 31, 2009	
Tangible capital assets at cost as at August 31, 2009 - as previously reported	\$ 35,799,687
Tangible capital assets not previously capitalized	1,641,139
Write-downs of tangible capital assets	(4,766,727)
Tangible capital assets at cost as at August 31, 2009 - as restated	32,674,099
Accumulated amortization as at August 31, 2009 not previously reported	(10,701,959)
Tangible capital assets at net book value as at August 31, 2009 - as restated	\$ 21,972,140
2008-09 Annual Surplus	
2008-09 Surplus (deficit) for the year - as previously reported	\$ 291,537
Reverse repayment (issuance) of long term debt as a charge to annual surplus	41,352
Tangible capital asset adjustments:	
Tangible capital assets capitalized but previously expensed	\$ 391,057
Proceeds on disposals of tangible capital assets previously recorded as revenue	(11,900)
Gain (loss) on disposals of tangible capital assets not previously recorded	(142)
Write-down of tangible capital assets not previously recorded	
Amortization of tangible capital assets not previously recorded	(1,073,366)
Total tangible capital asset adjustments	(694,351)
2008-09 Surplus (deficit) for the year - as restated	\$ (361,462)
Accumulated Surplus at August 31, 2009	
Accumulated surplus as at September 1, 2008 - as previously reported:	
Operating Fund Balance	\$ 6,454,137
Capital Fund Balance	(3,003,115)
Other Funds Balance	4,882,272
Equity in Physical Assets	35,327,475
Total accumulated surplus as at September 1, 2008 - as previously reported	43,660,769
Prior period adjustments - cumulative effect to September 1, 2008:	
Tangible capital assets adjustments	(12,754,040)
Accumulated surplus as at September 1, 2008 - as restated	30,906,729
2008-09 surplus (deficit) for the year - as previously stated	291,537
Prior period adjustments to 2008-09 surplus (deficit) for the year:	
Net repayment (issuance) of long term debt	41,352
Tangible capital assets adjustments	(694,351)
Accumulated surplus as at August 31, 2009 - as restated	\$ 30,545,267



**The Board of Directors
Lloydminster Roman Catholic Separate School Division No. 89
Lloydminster, Saskatchewan**

AUDITORS' REPORT

We have audited the consolidated statement of financial position of Lloydminster Roman Catholic Separate School Division #89 as at August 31, 2010 and the consolidated statements of operations and accumulated surplus and changes in net financial assets and changes in cash flows for the year then ended. These financial statements are the responsibility of the School Division's board and administration. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the School Division's board and administration, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2010 and the results of its operations and changes in its net financial assets and its changes in cash flows for the year then ended in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board.

Lloydminster, Alberta
November 24, 2010

Chartered Accountants