



Ministry of
Education

Auditor's Report and Financial Statement

Of the Northwest School Division No. 203 School Division No. 2030500

For the Period Ending: August 31, 2008


Secretary Treasurer


Auditor

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

OREST PELECH
CERTIFIED GENERAL ACCOUNTANT

3601D - 51 Avenue, Lloydminster, AB., T9V 2C3

Northwest School Division No. 203
Lloydminster, Alberta

I have audited the statement of financial position and the statement of financial activities and fund balances of the Northwest School Division No. 203 as at August 31, 2008 and the statements of changes in financial position and statements of revenue and expenditures for the year then ended. These financial statements are the responsibility of the school division's board and administration. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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 accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2008 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles as disclosed in Note 2 to the financial statements.

Lloydminster, Alberta
December 22, 2008



Certified General Accountant

Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2008

	Operating Fund	Capital Fund	Other Funds	Current Yr Total	Prior Yr Total
Financial Assets					
Cash	(1,181,259)	-	-	(1,181,259)	(3,509,705)
Short Term Investments	223,548	-	-	223,548	219,399
Taxes Receivable	19,404,173				
Less Allowance (900,000)	18,504,173			18,504,173	21,274,563
Provincial Grants Receivable	105,774	330,185		435,958	79,452
Other Receivables	469,685	62,182	-	531,867	376,729
Inventories for sale	-			-	
Long Term Investments	-	-	-	-	
Other Assets	-	-	-	-	
Interfund Debt Receivable	-	-	3,484,840		
Total Financial Assets	18,121,921	392,366	3,484,840	18,514,287	18,440,438
Liabilities					
Bank Indebtedness	-	-	-	-	
Provincial Grant Overpayment	-			-	
Other Payables	352,842	-	-	352,842	640,624
Short Term Loans	-			-	
Debentures		-		-	
Capital Loans		558,559		558,559	722,005
Other Long Term Debt		-		-	
Other Liabilities	11,443,478	-	-	11,443,478	10,123,703
Interfund Debt Payable	3,482,281	2,558	-		
Total Liabilities	15,278,602	561,117	-	12,354,879	11,486,332
Net Financial Assets (Debt)	2,843,319	(168,750)	3,484,840	6,159,409	6,954,106
Non Financial Assets					
Physical assets		80,471,965		80,471,965	78,937,681
Inventory of supplies	-	-	-	-	
Prepaid Items	3,603	170,313	-	173,915	107,405
Total Non Financial Assets	3,603	80,642,278	-	80,645,880	79,045,086
Net Assets	2,846,922	80,473,527	3,484,840	86,805,289	-
Equity in Physical Assets		79,913,407		79,913,407	78,215,677
Fund Balances	2,846,922	560,120	3,484,840	6,891,881	7,783,515
School Position	2,846,922	80,473,527	3,484,840	86,805,289	85,999,192

Northwest School Division No. 203
Statement of Financial Activities and Fund Balances
for the period ending August 31, 2008

	Operating Fund	Capital Fund	Other Funds	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
REVENUES						
Property Taxation	25,966,015	-	-	25,966,015	26,062,102	23,957,815
Grants	17,376,957	326,929	-	17,703,886	17,037,938	16,419,388
Tuition and Related Fees	2,047,255	22,464	-	2,069,719	1,553,640	1,717,689
Supplementary Services	-	-	-	-	-	-
Complementary Services	118,198	-	-	118,198	30,000	40,021
External Services	-	-	-	-	-	-
Other	187,070	76,932	-	264,001	235,000	245,791
Total Revenues	45,695,494	426,325	-	46,121,819	44,918,680	42,380,704
EXPENDITURES						
Governance	368,980	-	-	368,980	441,000	274,065
Administration	928,777	-	-	928,777	953,000	988,618
Instruction	32,850,331	69,603	-	32,919,933	33,126,167	29,763,321
Plant	4,690,550	535,490	-	5,226,039	4,919,950	4,411,892
Transportation	4,445,026	1,197,889	-	5,642,915	4,561,000	4,621,682
Tuition and Related Fees	428,210	-	-	428,210	333,800	1,715,559
Supplementary Services	-	-	-	-	-	-
Complementary Services	1,308,902	-	-	1,308,902	1,289,524	983,448
External Services	-	-	-	-	-	-
Interest and Bank Charges	57,910	50,618	-	108,528	284,064	128,630
Total Expenditures	45,078,686	1,853,599	-	46,932,286	45,908,505	42,887,215
Excess (Deficiency) of Revenue over Expenditure	616,808	(1,427,275)	-	(810,466)	(989,825)	(506,511)
Interfund Transfers to (from)						
for Capital Expenditures	(1,753,665)	1,753,665	-	-	-	-
for Debt Repayment	(214,064)	214,064	-	-	-	-
for Reserves	945,940	(377,008)	(568,932)	-	-	-
Excess (Deficiency) after Interfund Transfers	(404,981)	163,446	(568,932)	(810,466)	(989,825)	(506,511)
Long Term Capital Debt Issued	-	-	-	-	-	-
Long Term Capital Debt Repaid	-	(163,446)	-	(163,446)	-	(152,739)
Surplus (Deficit) for the Year	(404,981)	(0)	(568,932)	(973,913)	(989,825)	(659,250)
Opening Fund Balances	3,251,903	560,120	4,053,772	7,865,794	7,783,518	8,442,768
Closing Fund Balances	2,846,922	560,120	3,484,840	6,891,881	6,793,693	7,783,518

Northwest School Division No. 203
Statement of Changes in Financial Position
for the period ending August 31, 2008

	<u>Current Year</u>	<u>Prior Year</u>
Operations		
Net Revenue (Expenditure) before Financing	(810,466)	(506,514)
Decrease (Increase) in Taxes Receivable	2,770,390	983,108
Decrease (Increase) in Grants Receivable	(356,506)	274,710
Decrease (Increase) in Other Receivables	(155,138)	5,163
Decrease (Increase) in Prepaid Items	(66,510)	(102,322)
Decrease (Increase) in Other Assets	-	-
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) In Other Payables	(287,782)	434,291
Increase (Decrease) in Short Term Loans	-	-
Increase (Decrease) in Other Liabilities	1,319,775	499,004
Net Increase (Decrease) in Cash from Operations	2,413,762	1,587,440
Investing		
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Long Term Investments	-	-
Net Increase (Decrease) in Cash from Investing	-	-
Financing		
Debentures Issued	-	-
Debentures Repaid	-	-
Other Capital Loans and Long Term Debt Issued	-	-
Other Capital Loans and Long Term Debt Repaid	(163,446)	(152,739)
Net Increase (Decrease) in Cash from Financing	(163,446)	(152,739)
Net Change In Cash and Cash Equivalents	2,250,316	1,434,701
Opening Cash and Equivalents	(3,274,199)	(4,708,900)
Closing Cash and Cash Equivalents	(1,023,883)	(3,274,199)

Northwest School Division No. 203
Details of Revenue
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Property Taxation Revenue			
Operating Fund			
Tax Revenue:			
Property Tax Revenue (<i>net Education Tax Credit</i>)	26,130,180	30,883,860	24,791,317
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	26,130,180	30,883,860	24,791,317
Grants in Lieu of Taxes:			
Federal Government	51,025	60,000	96,357
Provincial Government	197,170	290,000	293,671
Railways	-	-	-
Other	60,302	55,000	28,015
Total Grants in Lieu of Taxes	308,497	405,000	418,043
Treaty Land Entitlement	324,719	271,000	68,823
House Trailer Fees	21,811	-	25,651
Additions to Levy:			
Penalties	99,255	180,000	239,543
Other	413,796	40,000	119,645
Total Additions to Levy	513,051	220,000	359,188
Deletions from Levy:			
Discounts	(1,155,130)	(1,000,000)	(1,214,050)
Cancellations	(85,098)	(200,000)	(175,855)
Other Deletions	(92,015)	(4,517,758)	(115,302)
Provision for Uncollectable Taxes	-	-	(200,000)
Total Deletions from Levy	(1,332,243)	(5,717,758)	(1,705,207)
Total Operating Property Tax Revenue to Summary	25,966,015	26,062,102	23,957,815
Other Funds			
Tax Levy:			
Special Tax Levy	-	-	-
Total Other Funds Property Tax Revenue to Summary	-	-	-
Total Property Taxation Revenue to Summary	25,966,015	26,062,102	23,957,815
Grants:			
Operating Fund			
Ministry of Education Grants:			
K-12 Operating Grant	11,587,593	12,094,180	11,762,991
Education Property Tax Credit	5,444,484	4,517,758	4,283,469
Other Ministry Grants	-	-	-
Total Ministry Grants	17,032,077	16,611,938	16,046,460
Other Provincial Grants	283,660	300,000	269,099
Federal Grants	1,120	-	2,187
Grants from Others	60,100	38,000	9,750
Total Operating Fund Grants To Summary	17,376,957	16,949,938	16,327,496
Capital Fund			
Capital Grants	326,929	88,000	91,892
Total Capital Fund Grants to Summary	326,929	88,000	91,892
Total Grants to Summary	17,703,886	17,037,938	16,419,388

Northwest School Division No. 203

Details of Revenue

for the year ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Tuition and Related Fees Revenue			
Operating Fund			
Tuition Fees:			
School Boards	(9,531)	105,516	162,002
Federal Government and First Nations	1,883,632	1,360,124	1,443,185
Individuals and Other	67,245	35,000	61,555
Total Tuition Fees	1,941,346	1,500,640	1,666,742
Transportation Fees	33,909	32,000	30,621
Other Related Fees	72,000	-	-
Total Operating Fund Tuition and Fees to Summary	2,047,255	1,532,640	1,697,363
Capital Fund			
Federal/First Nations Capital Fees	22,464	21,000	20,326
Total Capital Fund Tuition and Fees to Summary	22,464	21,000	20,326
Total Tuition and Related Fees Revenue to Summary	2,069,719	1,553,640	1,717,689

Supplementary Services Revenue

Operating Fund			
Adult Education			
Cafeteria			
Shared Services Reimbursements			
Summer School			
Distance Education			
Swimming Pools			
Residences			
Other			
Total Supplemental Services Revenue to Summary	-	-	-

Complementary Services

Operating Fund			
Ministry of Education Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Property Tax Credit	-	-	-
Ministry of Education Grants-Other	-	-	-
Other Provincial Grants	71,841	30,000	39,821
Federal Grants	-	-	-
Other Grants	18,773	-	-
Tuition Fees:			
Tuition Fees-School Divisions	-	-	-
Tuition Fees-Federal Government	-	-	-
Tuition Fees-First Nations	-	-	-
Tuition Fees-Individuals and Other Parties	-	-	-
Transportation Fees:			
Transp Fees-School Divisions	-	-	-
Transp Fees-Federal Government	-	-	-
Transp Fees-First Nations	-	-	-
Transp Fees-Individuals and Other Parties	-	-	-

Northwest School Division No. 203

Details of Revenue

for the year ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Other Related Fees:			
Other Related Fees-School Divisions	5,000	-	
Other Related Fees-Federal Government	-	-	
Other Related Fees-First Nations	-	-	
Other Related Fees-Individuals and Other Parties	22,576	-	200
Misc Revenue:			
Misc Revenue-User Fees	-	-	
Misc Revenue-Reimbursements	-	-	
Misc Revenue-Other Miscellaneous Revenue	8	-	
Food Sales	-	-	
Sale of Materials	-	-	
Rentals	-	-	
Sale of Non-Capital Assets	-	-	
Other Sales and Rentals Revenue	-	-	
Total Operating Fund Complementary Services Revenue to Summary	118,198	30,000	40,021
Capital Fund			
Ministry of Education Capital Grants	-	-	
Other Provincial Capital Grants	-	-	
Federal Capital Grants	-	-	
Capital Grants-other	-	-	
Other Miscellaneous Revenue	-	-	
Sale of Capital Assets	-	-	
Interest and Dividends	-	-	
Total Capital Fund Complementary Services Revenue to Summary	-	-	-
Total Complementary Services Revenue to Summary	118,198	30,000	40,021
External Services			
Operating Fund			
K-12 Operating Grant	-	-	
Other Ministry of Education Grants	-	-	
Other Provincial Grants	-	-	
Federal Grants	-	-	
Other Grants	-	-	
Tuition Fees:			
Tuition Fees-School Divisions	-	-	
Tuition Fees-Federal Government	-	-	
Tuition Fees-First Nations	-	-	
Tuition Fees-Individuals and Other Parties	-	-	
Transportation Fees:			
Transp Fees-School Divisions	-	-	
Transp Fees-Federal Government	-	-	
Transp Fees-First Nations	-	-	
Transp Fees-Individuals and Other Parties	-	-	
Other Related Fees:			
Other Related Fees-School Divisions	-	-	
Other Related Fees-Federal Government	-	-	
Other Related Fees-First Nations	-	-	
Other Related Fees-Individuals and Other Parties	-	-	

Northwest School Division No. 203

Details of Revenue

for the year ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Misc Revenue:			
Misc Revenue-User Fees	-	-	-
Misc Revenue-Reimbursements	-	-	-
Misc Revenue-Other Miscellaneous Revenue	-	-	-
Food Sales	-	-	-
Sale of Materials	-	-	-
Rentals	-	-	-
Sale of Non-Capital Assets	-	-	-
Other Sales and Rentals Revenue	-	-	-
Total Operating Fund External Services Revenue to Summary	-	-	-
Capital Fund			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Federal Capital Grants	-	-	-
Capital Grants	-	-	-
Other Miscellaneous Revenue	-	-	-
Sale of Capital Assets	-	-	-
Interest and Dividends	-	-	-
Total Capital Fund External Services Revenue to Summary	-	-	-
Total External Services Revenue to Summary	-	-	-
Other Revenue			
Operating Fund			
Miscellaneous Revenue	22,353	65,000	60,758
Sales & Rentals	10,824	5,000	6,792
Investments	153,893	145,000	142,502
Total Operating Fund Other Revenue to Summary	187,070	215,000	210,052
Capital Fund			
Miscellaneous Revenue	70,182	-	-
Sales & Rentals	6,750	20,000	35,739
Investments	-	-	-
Total Capital Fund Other Revenue to Summary	76,932	20,000	35,739
Other Funds			
Miscellaneous Revenue	-	-	-
Investments	-	-	-
Total Other Funds Other Revenue to Summary	-	-	-
Total Other Revenue to Summary	264,001	235,000	245,791

Northwest School Division No. 203
 Details of Expenses
 for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Governance Expenses			
Operating Fund			
Board Members Expense	83,535	83,500	78,907
Conventions - Board Members	59,327	39,500	37,128
Local Boards/Advisory Committees	24,235	134,388	10,754
Conventions - Local Boards/Advisory Committees	574	-	
Elections	2,976	3,012	2,584
Other Governance Expenses	198,334	180,600	144,692
Total Operating Fund Governance Expenses to Summary	368,980	441,000	274,065
Capital Fund			
Capital Equipment	-	-	
Total Capital Fund Governance Expenses to Summary	-	-	-
Total Governance Expenses to Summary	368,980	441,000	274,065

Administration Expenses

Operating Fund			
Salaries	667,198	661,000	651,130
Benefits	67,747	81,000	78,177
Supplies/Services	75,312	85,500	118,073
Non-Capital Equipment	13,780	13,000	18,737
Building Operating Expenses	41,695	37,000	42,812
Communications	51,357	58,000	62,873
Travel	9,056	12,500	12,957
Professional Development	2,633	5,000	3,859
Total Operating Fund Administration to Summary	928,777	953,000	988,618
Capital Fund			
Capital Equipment	-	-	
Total Capital Fund Administration to Summary	-	-	-
Total Administration Expenses to Summary	928,777	953,000	988,618

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Northwest School Division No. 203
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Instruction Expenses			
Operating Fund			
Instructional Salaries:			
Instructional Salaries	23,138,087	23,095,000	21,449,552
Total Instructional Salaries	23,138,087	23,095,000	21,449,552
Instructional Benefits	1,215,177	1,213,000	1,196,434
Non-Teacher Support Salaries	4,638,818	4,603,000	3,836,101
Non-Instructional Support Benefits	655,550	535,000	508,106
Instructional Aids	1,062,794	1,250,330	1,012,566
Supplies and Services	206,505	220,910	196,592
Non-Capital Equipment	1,020,000	1,071,116	729,850
Communications	101,463	105,109	112,059
Travel	231,241	180,000	197,479
Professional Development	315,557	503,284	302,123
Student Related Expense	265,139	289,418	205,223
Total Operating Fund Instruction to Summary	32,850,331	33,066,167	29,746,085
Capital Fund			
Capital Equipment	69,603	60,000	17,236
Total Capital Fund Instruction to Summary	69,603	60,000	17,236
Total Instruction Expenses to Summary	32,919,933	33,126,167	29,763,321
Plant Operation & Maintenance Expenses			
Operating Fund			
Salaries	1,231,571	1,232,950	1,006,128
Benefits	240,404	210,000	199,789
Supplies/Services	913	12,000	367
Non-Capital Equipment	43,370	37,000	28,732
Building Operating Expenses	3,127,555	3,129,000	3,003,739
Communications	7,661	8,000	7,361
Travel	37,659	32,000	28,418
Professional Development	1,417	3,000	1,146
Total Operating Fund Plant & Maintenance to Summary	4,690,550	4,663,950	4,275,680
Capital Fund			
Capital Equipment and Building Costs	535,490	256,000	136,212
Total Capital Fund Plant & Maintenance to Summary	535,490	256,000	136,212
Total Plant Operation & Maintenance Expenses to Summary	5,226,039	4,919,950	4,411,892

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Northwest School Division No. 203
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Student Transportation Expenses			
Operating Fund			
Salaries	2,027,656	2,020,300	1,880,144
Benefits	312,321	255,000	241,450
Supplies/Services	990,873	796,000	768,139
Non-Capital Equipment	376,918	287,000	300,985
Building Operating Expenses	40,478	31,500	26,856
Communications	20,937	30,000	28,269
Travel	20,588	23,200	20,481
Professional Development	12,136	10,000	9,834
Other			
Contracted Transportation	643,120	567,000	598,938
Total Operating Fund Student Transportation to Summary	4,445,026	4,020,000	3,875,096
Capital Fund			
Capital Equipment	1,197,889	541,000	746,586
Total Capital Fund Student Transportation to Summary	1,197,889	541,000	746,586
Total Student Transportation Expenses to Summary	5,642,915	4,561,000	4,621,682
Tuition and Related Fees Expenses			
Operating Fund			
Tuition Fees	422,217	329,800	1,712,100
Transportation Fees	-	-	-
Other Fees	5,994	4,000	3,459
Total Operating Fund Tuition and Related Fees to Summary	428,210	333,800	1,715,559
Capital Fund			
Capital Equipment	-	-	-
Total Capital Fund Tuition and Related Fees to Summary	-	-	-
Total Tuition and Related Fees Expenses to Summary	428,210	333,800	1,715,559
Supplementary Services Expenses			
Operating Fund			
Adult Education			
Cafeteria			
Shared Services			
Summer School			
Distance Education			
Swimming Pool			
Residences			
Other			
Total Operating Fund Supplementary Services to Summary			-
Capital Fund			
Capital Equipment Costs			
Total Capital Fund Supplementary Services to Summary			-
Other Funds			
Other Supplementary Services Expenses			
Total Other Funds Supplementary Services to Summary			-
Total Supplementary Services Expenses to Summary			-

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Northwest School Division No. 203
 Details of Expenses (continued)
 for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Complementary Services Expenses			
Operating Fund			
Tuition Fees	-	41,398	
Transportation Fees	-	-	
Other Fees	3,931	-	3,000
Administration Salaries & Benefits	2,651	4,400	3,360
Instructional Salaries & Benefits	311,377	259,540	163,993
Program Support (Non-Teacher Contract)	597,592	572,965	567,870
Plant Operation & Maint Salaries & Benefits	-	-	
Transportation Salaries & Benefits	-	-	
Instructional Aids	128,190	194,074	100,271
Supplies & Services	175,803	145,456	105,144
Non-Capital Furniture & Equipment	17,912	5,000	2,848
Building Operating Expenses	849	-	
Communications	12,595	4,045	3,548
Travel	4,890	4,964	5,787
Professional Development (Non-Salary Costs)	26,437	1,922	3,280
Student Related Expenses	1,944	24,800	9,440
Contracted Transportation & Allowances	24,730	30,960	14,907
Total Operating Fund Complementary Services to Summary	1,308,902	1,289,524	983,448
Capital Fund			
Capital Expenditures	-	-	
Total Capital Fund Complementary Services to Summary	-	-	-
Total Complementary Services Expenses to Summary	1,308,902	1,289,524	983,448
External Services			
Operating Fund			
Tuition Fees	-	-	
Transportation Fees	-	-	
Other Related Fees	-	-	
Administration Salaries & Benefits	-	-	
Instructional Salaries & Benefits	-	-	
Program Support (Non-Teacher Contract) Salaries & Benefits	-	-	
Plant Operation & Maintenance Salaries & Benefits	-	-	
Transportation Salaries & Benefits	-	-	
Instructional Aids	-	-	
Supplies & Services	-	-	
Non-Capital Furniture & Equipment	-	-	
Building Operating Expenses	-	-	
Communications	-	-	
Travel	-	-	
Professional Development (Non-Salary Costs)	-	-	
Student Related Expenses	-	-	
Contracted Transportation & Allowances	-	-	
Total Operating Fund External Services to Summary	-	-	-
Capital Fund			
Capital Expenditures	-	-	
Total Capital Fund External Services to Summary	-	-	-
Total External Services Expenses to Summary	-	-	-

Northwest School Division No. 203
Details of Expenses (continued)
for the period ending August 31, 2008

	<u>Current Yr</u> <u>Consolidated</u>	<u>Current Yr</u> <u>Budget</u>	<u>Prior Yr</u> <u>Consolidated</u>
Interest and Bank Charges Expense			
Operating Fund			
Current Interest and Bank Charges	57,910	70,000	67,305
Total Operating Fund Interest and Bank Charges to Summary	57,910	70,000	67,305
Capital Fund			
Interest on Debentures			
Other Interest			
- School Facilities	-	-	
- Other	-	-	
Interest on Other Capital Loans and Long Term Debt			
Other Interest			
- School Facilities	50,618	214,064	61,325
- Other	-	-	
Total Capital Fund Interest to Summary	50,618	214,064	61,325
Other Funds			
Current Interest and Bank Charges	-	-	
Total Other Funds Interest and Bank Charges to Summary	-	-	-
Total Interest and Bank Charges Expense to Summary	108,528	284,064	128,630
Capital Fund Debt Principal Repayment			
Debenture Principal			
Other Debt			
- School Facilities	-	-	
- Other	-	-	
Other Capital Loan and Long Term Debt Principal			
Other Debt			
- School Facilities	163,446	-	152,739
- Other	-	-	
Total Capital Fund Debt Principal Repayment to Summary	163,446	-	152,739

Northwest School Division No. 203
Schedule of Physical Assets
for the period ending August 31, 2008

	Land	Buildings	Equipment	Work-in-Progress	Current Yr Total	Prior Yr Total
Physical Assets - at Cost:						
Opening cost	1,492,083	65,426,554	11,727,580	291,464	78,937,681	78,305,785
Additions		161,470	1,523,867	403,476	2,088,813	1,018,073
Write-downs					-	
Disposals			(393,059)	(161,470)	(554,529)	(386,176)
Transfers to (from)					-	
Closing Cost of Physical Assets	1,492,083	65,588,024	12,858,388	533,470	80,471,965	78,937,682
Equity in Physical Assets:						
Opening balance	1,492,083	64,704,547	11,727,581	291,464	78,215,675	77,431,041
Physical asset additions		161,470	1,523,867	403,476	2,088,813	1,018,072
Physical asset write-downs					-	
Physical asset disposals			(393,059)	(161,470)	(554,529)	(386,177)
Debentures & LT Debt issued					-	
Debentures & LT Debt principal repaid		163,446			163,446	152,739
Transfers to (from)					-	
Closing Equity in Physical Assets	1,492,083	65,029,463	12,858,389	533,470	79,913,405	78,215,675

**NORTHWEST SCHOOL DIVISION NO. 203
SCHOLARSHIP TRUST BALANCE SHEET
AUGUST 31, 2008**

DESCRIPTION	A. Craig	Eidness	M. Fleming	B.J. Mitchell	J. Mitchell	J.S. Palmer	Other	Total
ASSETS								
Bank	(4,760)	0	(246)	0	0	(79)	0	(5,084)
Investments	117,551	2,234	9,106	0	0	3,000	5,840	137,730
	112,791	2,234	8,860	0	0	2,921	5,840	132,646
LIABILITIES								
Trust Liability	112,791	2,234	8,860	0	0	2,921	5,840	132,646

**SCHEDULE OF SCHOLARSHIP TRUST LIABILITY
AUGUST 31, 2008**

DESCRIPTION	A. Craig	Eidness	M. Fleming	B.J. Mitchell	J. Mitchell	J.S. Palmer	Other	Total
Liability at Beginning	112,047	2,234	8,871	0	0	3,096	6,700	132,949
Investment Income	5,749		314	0	0	159	0	6,222
Donations							0	0
Scholarships & Prizes	(5,005)		(325)	0	0	(334)	(860)	(6,524)
Liability at End	112,791	2,234	8,860	0	0	2,921	5,840	132,646

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

1. AUTHORITY AND PURPOSE

The Northwest School Division No. 203 ("the School Division") is a corporate body established by electors to provide an educational system. Governance is the authority of the Board of Education to set the policies and practices for the Division within the guidelines of *The Education Act, 1995* and *The Education Regulations, 1986*.

The Northwest School Division No. 203 ("the School Division") is the operator of the public education system in the Northwest area of Saskatchewan. The School Division is an amalgamation of the former Battle River, Meadow Lake and Turtleford school divisions effective January 1, 2006 and it has adopted a fiscal year end of August 31. The financial statements describe the financial position as at August 31, 2008 and the result of its operations for the year then ended.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with The Education Act, 1995 and are considered appropriate for Saskatchewan School Divisions.

The Ministry implemented the initial Public Sector Accounting Board (PSAB) standards for local governments in 2002 and has indicated that Saskatchewan Schools Boards are to adopt this reporting basis for the September 1, 2008 to August 31, 2009 fiscal year.

The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles as described in paragraphs (a) to (k). The impact of these differences has not been quantified.

a) Use of Estimates

The preparation of the financial statements required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The primary estimates made by the school division relate to tax revenue, the allowance for uncollectible taxes, tax discounts and penalties and Operating Grants receivable.

b) Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system to segregate those transactions of a particular activity. The funds established by the school division are:

Operating Fund – The Operating Fund contains the current revenues, expenditures, assets and liabilities pertaining to the general operations of the school division.

The Operating Fund Surplus at August 31, 2008 was \$2,846,922.00

Capital Fund – The Capital Fund contains the capital assets, which are property and equipment, other capital related assets and long-term debt, transactions relating to capital fund activities, and the equity in capital fund assets.

Capital Fund Reserves at August 31, 2008 were as follows:

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

Carpenter Welding Shop	\$ 200,000
INAC Capital Tuition	18,153
INAC-Prov. Share-to Capital-Turtleford	102,522
INAC-Local Share-to Capital-Turtleford	46,039
JSJH Roofing Project	(89,829)
Gateway Roof Project	(7,218)
Pierceland Roof Project	2,340
General Expenditures	285,019
SK Learning – Grant Recognition	<u>3,094</u>
Total	\$ 560,120

= Due To Operating Fund
() = Due From Operating Fund

Reserve Fund (Other Funds) – The Reserve Fund contains the assets, liabilities, transactions and fund balances of reserves that have been designated by the school division for anticipated future costs of planned projects.

Reserves at August 31, 2008 were as follows:

Future Equipment Purchases	\$ 129,635
Future Expenditures	440,311
Turtleford Scholarship Fund	100,000
Turtleford Science Lab Improvements	40,000
St. Walburg School – IA Lab	25,000
Decentralized Budgets	667,320
Capital Projects	149,500
Mill Rate Stabilization	660,402
Technology Development	190,422
Long Term Sick Leave	82,250
Future Salary Increases	<u>1,000,000</u>
Total	\$3,484,840

Reserves are created by authorization of the Board of Education. Contributions to, and expenditures from, reserves are made in accordance with terms and conditions established by the Board.

Interfund debt represents amounts of money that have been advanced to and is owing from one fund to another.

c) Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and, cash in banks and cash investments with original maturity of 90 days or less. Short term investments are valued at the lower of cost and market value.

d) Inventory

The School Division does not conduct an inventory of equipment and supplies.

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

e) Physical Assets

Physical assets are recorded at cost in the Capital Fund and are not depreciated. The cost of repairs, maintenance and replacements for existing equipment are recorded as expenditures in the year.

The original asset cost is written off against the equity of the Capital Fund when the assets are disposed of or its useful economic life has expired.

That portion of asset acquisitions financed from current operations is included in interfund transfers for capital expenditures of the operating fund. That portion of asset acquisitions financed from reserves is included in interfund transfers for capital expenditures of the other funds.

Proceeds from the disposal of capital assets, grants and other revenues received for the purchase of capital assets are recorded as revenue of the Capital Fund. Funding for capital acquisitions provided by the Operating Fund and/or the Reserve Fund is included in interfund transfers.

f) Net Financial Assets

Net-financial assets at the end of an accounting period are the net amount of financial assets less liabilities outstanding. Financial assets represent items such as cash and those other assets on hand which could provide resources to discharge existing liabilities or finance future operations. These include realizable assets which are convertible to cash and not intended for consumption in the normal course of operations.

g) Revenue Recognition

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

Property tax is levied and collected on a calendar year basis. The division estimates the tax revenue for the January to August portion of its fiscal year based on estimate information provided by municipalities who levy and collect the property tax and records that amount in property taxation revenue. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each taxation/calendar year.

Provincial operating grants are recognized on a 10 month basis, with no grant being recognized for the month of July and August when grant funding is not paid. Capital grants are recognized when the division has earned the entitlement and the amount is measurable. Unrestricted grants are recognized as revenue of the appropriate fund when received or receivable. Restricted grants are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred.

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

h) Revenue Contributions to Capital

Certain capital expenditures not financed through capital building grants or debentures proceeds are funded through interfund transfers from the operating fund and are expensed in the capital fund.

These capital additions are also reflected as additions to property and equipment with a corresponding increase to investment in physical assets.

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

i) Tax Loss Compensation

The Treaty Land Entitlement Agreement provides a mechanism for compensation to affected school divisions for loss of property tax revenue due to land purchases and transfers by Saskatchewan Indian Bands, converting taxable land to Reserve Status. The Fund is administered by the Ministry under the Third party Funding and Legislative Unit.

Revenue recognition of the fund is taking place over a ten-year period. Current year revenue recognized is \$324,719.00. Unearned compensation of \$964,075.00 is included in other liabilities in the Operating Fund.

j) Financial Instruments

There are no significant terms or conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing or certainty of future cash flows. The carrying amount of cash resources, receivable, payables and other accrued assets and liabilities approximates their fair value due to their immediate short-term nature.

k) Pension

The School Division's employees participate in a multi-employer defined benefit plan. The School Division follows defined contribution plan accounting for its participation in the plans. Accordingly, the School Division expenses all contributions it is required to make in the year.

3. FUTURE CHANGES IN BASIS OF ACCOUNTING

The Ministry of Education has advised school divisions of its intention to adopt full implementation of Public Sector Accounting Board (PSAB) recommendations of the Canadian Institute of Chartered Accountants for financial reporting beginning with the Division's reporting period ending August 1, 2009.

4. PROVINCIAL GRANTS RECEIVABLE - CAPITAL

Provincial Grants receivable include capital funding committed by the Ministry of Education in the following years:

2007	Ernie Studer School Roof	\$ 76,357	Payable in the 2008-09 fiscal year
2008	Hillmond Septic	\$105,842	Payable in the 2008-09 fiscal year
2008	Glaslyn School Roof	\$144,891	Payable in the 2008-09 fiscal year

5. PHYSICAL ASSETS

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

	Land	Buildings	Equipment	Work-in-Progress	Current Yr Total	Prior Yr Total
Physical Assets - at Cost:						
Opening cost	1,492,083	65,426,554	11,727,580	291,464	78,937,681	78,305,785
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Write-downs					-	-
Disposals			(393,059)	(161,470)	(554,529)	(386,176)
Transfers to (from)					-	-
Closing Cost of Physical Assets						
	1,492,083	65,588,024	12,858,388	533,470	80,471,965	78,937,682
Equity in Physical Assets:						
Opening balance	1,492,083	64,704,547	11,727,581	291,464	78,215,675	77,431,041
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Physical asset write-downs					-	-
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Debtures & LT Debt issued					-	-
Debtures & LT Debt principal repaid		163,446			163,446	152,739
Transfers to (from)					-	-
Closing Equity in Physical Assets						
	1,492,083	65,029,463	12,858,389	533,470	79,913,405	78,215,675

6. LINE OF CREDIT

The School Division has a line of credit with an authorization limit of \$9,000,000.00. The balance of the line of credit as at August 31, 2008 was \$6,753,196.30 (\$9,000,000.00 - \$2,246,803.70), at an interest rate of Innovation Credit Union Prime less .50%

7. CAPITAL LOANS AND OTHER LONG TERM DEBT

	<u>August 31, 2008</u>	<u>August 31, 2007</u>
Royal Bank of Canada - Capital Loan (Carpenter High School - Meadow Lake, SK) Term - 10 Years Amortization - 10 Years Interest Rate - 7.03% Annual Payments - \$214,064.41		
Remaining Balance (Principal & Interest) as at:	\$ 638,912	\$ 852,976

Northwest School Division No. 203
Notes to the Financial Statements
for the year ending August 31, 2008

Principal and Interest payments over the next five years are estimated as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2008	174,690	39,374
2009	186,931	27,134
2010	196,938	13,845
Total	558,559	80,353

8. PENSION

Employees of the School Division participate in one of the following pension plans. Teachers participate in the retirement plan of the Saskatchewan Teachers Federation (STF) or Teachers Superannuation Commission (TSC) who are responsible for this multi-employer defined benefit plan. Other employees participate in the Municipal Employees Pension Plan (MEPP) which is a defined benefit plan.

The School Division's obligation to the MEPP plan is limited to making required payments to match amounts contributed by employees for current services. The Board's obligation to the STF and TSC plan is limited to collecting and remitting contributions of the employees.

9. FINANCIAL INSTRUMENTS

The School Division as part of its operations carries a number of financial instruments. The carrying amounts of cash resources, receivables, payables and other accrued assets and liabilities approximates to their fair value due to their immediate or short-term nature. It is management's opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

Credit Concentration - Financial instruments that potentially subject the School Division to concentrations of credit risk consist primarily of taxes and other receivables. Credit exposure is limited due to School Division's large tax base.

Interest Rate Risk - Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the School Division manages exposure through its normal operating and financing activities. The School Division is exposed to interest rate risk on its long-term debt.

10. BUDGET AMOUNTS

School division management prepared the budget amounts disclosed in the financial statements. These amounts are presented for information purposes only and have not been audited.

11. COMPARATIVE FIGURES

Certain of the prior year figures have been reclassified to conform to the current period presentation.