




Ministry of
Education

Auditor's Report and Financial Statement

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

For the Period Ending: August 31, 2010


Secretary Treasurer


Auditor

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

Pinnacle Business Solutions

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AUDITOR'S REPORT

I have audited the consolidated statement of financial position of the Northwest School Division No. 203 as at August 31, 2010 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended. These financial statements are the responsibility of the school division's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian 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 the 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 at August 31, 2010 and the results of its operations, changes to its net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The previous report dated October 15, 2010 has been withdrawn and the consolidated financial statements have been revised to restate 2009 comparative amounts pertaining to deferred revenue as described in Note 17 to the financial statements.

Meadow Lake, Saskatchewan,
October 15, 2010
January 10, 2011

Pinnacle Business Solutions
Chartered Accountant

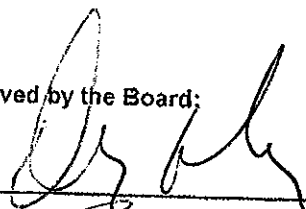
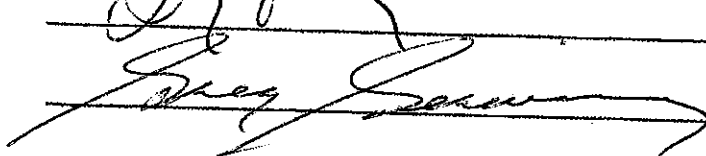
Northwest School Division #203
Consolidated Statement of Financial Position
as at August 31, 2010

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	2010	2009
Financial Assets		
Cash		(Note 17)
Short Term Investments (Note 4)	-	-
Accounts Receivable (Note 8)	\$ 229,552	\$ 227,294
Inventories for Sale	15,114,652	14,989,380
Long Term Investments	-	-
Other Assets	-	-
Total Financial Assets	15,344,204	15,216,674
Liabilities		
Bank indebtedness (Note 3)	2,673,173	4,497,475
Provincial Grant Overpayment	-	-
Accounts Payable and Accrued Liabilities (Note 9)	2,041,551	2,270,325
Short Term Loans (Note 3)	3,010,068	-
Long Term Debt (Note 11)	196,938	383,868
Liability for Employee Future Benefits (Note 6)	688,900	709,700
Deferred Revenue (Note 12)	448,292	1,304,008
Other Liabilities (Note 10)	1,321,406	-
Total Liabilities	10,380,328	9,165,376
Net Financial Assets (Net Debt)	4,963,876	6,051,298
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	52,120,658	48,140,520
Inventory of Supplies for Consumption	-	-
Prepaid Expenses	157,808	145,727
Total Non-Financial Assets	52,278,466	48,286,247
Accumulated Surplus (Deficit) (Note 14)	\$ 57,242,342	\$ 54,337,545

The accompanying notes are an integral part of these statements

Approved by the Board:


 _____ Chairperson

 _____ Secretary-Treasurer

Northwest School Division #203
Consolidated Statement of Operations and Accumulated Surplus (Deficit)
for the year ended August 31, 2010

	2010 Budget (Note 15)	2010 Actual	2009 Actual (Note 17)
REVENUES			
Property Taxation	\$ 28,688,157	\$ 28,161,742	\$ 26,718,916
Grants	21,410,718	24,473,144	19,480,517
Tuition and Related Fees	2,358,500	2,556,004	2,483,510
School Generated Funds	-	2,600,559	1,102,168
Complementary Services (Note 13)	133,000	259,108	486,507
External Services	-	-	-
Other	100,000	108,128	146,965
Total Revenues (Schedule A)	52,690,375	58,158,685	50,418,583
EXPENSES			
Governance	500,000	423,974	420,059
Administration	1,115,814	1,052,617	965,469
Instruction	37,017,788	36,777,112	36,458,552
Plant	7,093,012	6,980,075	6,979,843
Transportation	5,301,538	5,255,896	5,193,698
Tuition and Related Fees	250,000	280,585	278,264
School Generated Funds	-	2,515,491	1,068,501
Complementary Services (Note 13)	1,555,002	1,829,265	1,901,573
External Services	-	-	-
Other Expenses	21,000	138,974	64,460
Total Expenses (Schedule B)	52,854,154	55,253,888	53,330,419
Surplus (Deficit) for the Year	(163,779)	2,904,797	(2,911,836)
Accumulated Surplus (Deficit), Beginning of Year	57,249,381	64,337,545	57,249,381
Accumulated Surplus (Deficit), End of Year (Note 14)	\$ 57,085,602	\$ 57,242,342	\$ 54,337,545

The accompanying notes are an integral part of these statements

Northwest School Division #203
Consolidated Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2010

	2010 Budget (Note 15)	2010 Actual	2009 Actual (Note 17)
Net Financial Assets (Net Debt), Beginning of Year	\$ 6,051,298	\$ 6,051,298	\$ 6,391,619
Changes During the Year:			
Surplus (Deficit) for the Year	(163,779)	2,904,796	(2,911,836)
Acquisition of Tangible Capital Assets (Schedule C)	(4,970,065)	(6,880,697)	(1,367,683)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	-	-
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	(20,000)	-	-
Write-Down of Tangible Capital Assets (Schedule C)	-	-	-
Amortization of Tangible Capital Assets (Schedule C)	2,647,354	2,900,559	3,911,010
Net Acquisition of Inventory of Supplies	-	-	-
Net Acquisition of Prepaid Expenses	-	(12,081)	28,188
Change in Net Financial Assets / Net Debt	(2,506,480)	(1,087,422)	(340,321)
Net Financial Assets (Net Debt), End of Year	\$ 3,544,808	\$ 4,963,876	\$ 6,051,298

The accompanying notes are an integral part of these statements

Northwest School Division #203
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

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	2010	2009
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year		
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	\$ 2,904,796	\$ (2,911,836)
Net Change in Non-Cash Operating Activities (Schedule E)	2,900,559	3,911,010
Cash Provided (Used) by Operating Activities	8,894,187	(1,984,860)
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,880,697)	(1,367,683)
Proceeds on Disposal of Tangible Capital Assets	-	-
Cash Provided (Used) by Capital Activities	(6,880,697)	(1,367,683)
INVESTING ACTIVITIES		
Cash Used to Acquire Long Term Investments		
Proceeds on Disposal of Long Term Investments		
Cash Provided (Used) by Investing Activities	-	-
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt		
Repayment of Long Term Debt	(186,929)	(174,691)
Cash Provided (Used) by Financing Activities	(186,929)	(174,691)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,826,561	(3,527,234)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	(4,270,182)	(742,948)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (2,443,621)	\$ (4,270,182)
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash		
Short Term Investments	\$ 229,552	\$ 227,294
Bank Indebtedness	(2,673,173)	(4,497,476)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ (2,443,621)	\$ (4,270,182)

The accompanying notes are an integral part of these statements

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Northwest School Division #203
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 (not Education Tax Credit)	\$ 28,688,157	\$ 28,128,368	\$ 27,646,115
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	28,688,157	28,128,368	27,646,115
Grants in Lieu of Taxes:			
Federal Government	-	67,499	98,345
Provincial Government	-	168,943	189,060
Railways	-	-	-
Other	-	99,128	14,576
Total Grants in Lieu of Taxes	-	335,571	301,981
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural (Note 19)	-	945,113	229,264
House Trailer Fees	-	33,508	20,018
Total Other Tax Revenues	-	978,619	249,282
Additions to Levy:			
Penalties	-	103,994	104,850
Other	-	16,411	20,416
Total Additions to Levy	-	120,405	125,266
Deletions from Levy:			
Discounts	-	(1,365,249)	(1,342,712)
Cancellations	-	(35,971)	(182,841)
Other Deletions	-	-	(78,175)
Total Deletions from Levy	-	(1,401,220)	(1,603,728)
Total Property Taxation Revenue	\$ 28,688,157	\$ 28,161,742	\$ 26,718,916
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	\$ 21,345,718	\$ 22,419,075	\$ 15,866,681
Education Property Tax Credit	-	-	-
Other Ministry Grants	-	34,082	3,445,451
Total Ministry Grants	21,345,718	22,453,168	19,312,132
Other Provincial Grants	-	72,654	14,884
Federal Grants	-	151,710	136,465
Grants from Others	-	-	1,500
Total Operating Grants	21,345,718	22,677,532	19,464,981
Capital Grants			
Ministry of Education Capital Grants	-	1,795,613	15,536
Other Capital Grants	65,000	-	-
Total Capital Grants	65,000	1,795,613	15,536
Total Grants	\$ 21,410,718	\$ 24,473,144	\$ 19,480,517

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Northwest School Division #203
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	\$ 2,294,500	\$ 2,438,175	\$ 2,258,992
	-	55,300	45,500
Total Tuition Fees	2,294,500	2,493,475	2,304,492
Transportation Fees	34,000	47,529	34,067
Other Related Fees	25,000	15,000	112,610
Total Operating Tuition and Related Fees	2,353,500	2,556,004	2,451,169
Capital Fees:			
Federal/First Nations Capital Fees	5,000	-	32,341
Total Capital Tuition and Fees	5,000	-	32,341
Total Tuition and Related Fees Revenue	\$ 2,358,500	\$ 2,556,004	\$ 2,483,510
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	-	\$ 156,812	-
Other	-	-	-
Total Curricular Fees	-	156,812	-
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	-	-	-
Fundraising	-	807,132	\$ 704,871
Grants and Partnerships	-	130,528	17,467
Students Fees	-	1,160,170	186,022
Other	-	345,917	194,808
Total Non-Curricular Fees	-	2,443,747	1,102,168
Total School Generated Funds Revenue	-	\$ 2,600,559	\$ 1,102,168
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	-
Ministry of Education Grants-Other	-	\$ 37,000	\$ 95,355
Other Provincial Grants	\$ 133,000	26,122	138,540
Federal Grants	-	1,000	-
Other Grants	-	81,190	139,192
Total Operating Grants	133,000	146,312	373,087
Capital Grants			
Ministry of Education Capital Grant	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	113,796	94,158
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	-	-	19,262
Total Fees and Other Revenue	-	113,796	113,420
Total Complementary Services Revenue	\$ 133,000	\$ 259,108	\$ 486,507

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Northwest School Division #203
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	-	-	-
Total Fees and Other Revenue	-	-	-
Total External Services Revenue	-	-	-
Other Revenue			
Miscellaneous Revenue	-	\$ 62,727	\$ 67,270
Sales & Rentals	-	1,892	2,170
Investments	\$ 80,000	43,508	77,625
Gain on Disposal of Capital Assets	20,000	-	-
Total Other Revenue	\$ 100,000	\$ 108,128	\$ 148,965
TOTAL REVENUE FOR THE YEAR	\$ 52,690,375	\$ 58,158,688	\$ 50,418,583

Northwest School Division #203
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget (Note 15)	2010 Actual	2009 Actual (Note 17)
Governance Expense			
Board Members Expense	\$ 108,000	\$ 113,900	\$ 97,870
Conventions - Board Members	97,000	94,374	90,779
School Community Councils	144,924	65,018	82,864
Conventions - School Community Councils	-	-	-
Elections	14,000	12,878	5,074
Other Governance Expenses	138,076	137,804	143,472
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	\$ 500,000	\$ 423,974	\$ 420,059
Administration Expense			
Salaries	\$ 707,000	\$ 672,260	\$ 593,990
Benefits	79,000	88,073	69,281
Supplies & Services	151,500	135,473	57,132
Non-Capital Furniture & Equipment	17,500	11,014	3,436
Building Operating Expenses	44,900	35,116	40,271
Communications	42,000	32,291	38,210
Travel	14,100	9,819	12,716
Professional Development	5,000	4,350	-
Amortization of Tangible Capital Assets	54,814	63,120	150,433
Total Administration Expense	\$ 1,116,814	\$ 1,052,517	\$ 965,469
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	\$ 25,391,000	\$25,449,248	\$24,354,223
Instructional (Teacher & LEADS Contract) Benefits	1,290,000	1,564,667	1,263,976
Program Support (Non-Teacher Contract) Salaries	5,494,000	5,094,710	5,108,576
Program Support (Non-Teacher Contract) Benefits	697,000	836,078	755,455
Instructional Aids	1,230,500	946,933	1,201,870
Supplies & Services	239,000	255,801	274,067
Non-Capital Furniture & Equipment	1,233,000	1,254,376	1,160,422
Communications	98,000	127,983	122,288
Travel	234,000	223,210	215,373
Professional Development	502,024	355,103	420,522
Student Related Expense	252,476	189,980	298,932
Amortization of Tangible Capital Assets	356,788	479,012	1,284,848
Total Instruction Expense	\$ 37,017,788	\$36,777,112	\$ 36,458,552

Northwest School Division #203
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	\$ 1,597,000	\$ 1,544,000	\$ 1,412,643
Benefits	274,000	341,562	314,978
Supplies & Services	21,000	4,908	14,341
Non-Capital Furniture & Equipment	70,000	29,736	38,449
Building Operating Expenses	3,439,000	3,312,125	3,430,972
Communications	17,000	11,761	13,973
Travel	66,000	79,800	66,774
Professional Development	5,000	1,147	1,727
Amortization of Tangible Capital Assets	1,604,012	1,654,937	1,685,986
Total Plant Operation & Maintenance Expense	\$ 7,093,012	\$ 6,980,075	\$ 6,979,843
Student Transportation Expense			
Salaries	\$ 2,307,000	\$ 2,414,818	\$ 2,176,197
Benefits	346,000	367,122	304,144
Supplies & Services	850,100	716,687	832,580
Non-Capital Furniture & Equipment	427,000	430,379	405,627
Building Operating Expenses	49,500	47,109	40,059
Communications	30,000	32,816	29,588
Travel	35,200	45,380	28,821
Professional Development	20,000	13,776	13,677
Contracted Transportation	610,000	489,324	582,277
Amortization of Tangible Capital Assets	626,738	698,487	780,728
Total Student Transportation Expense	\$ 5,301,538	\$ 5,255,896	\$ 5,193,698
Tuition and Related Fees Expense			
Tuition Fees	\$ 245,000	\$ 280,585	\$ 278,264
Transportation Fees	-	-	-
Other Fees	5,000	-	-
Total Tuition and Related Fees Expense	\$ 250,000	\$ 280,585	\$ 278,264
School Generated Funds Expense			
Supplies & Services	-	\$ 133,063	-
Cost of Sales	-	714,289	\$ 539,989
Non-Capital Furniture & Equipment	-	13,131	(1,501)
Special Programs	-	-	-
School Fund Expenses	-	1,655,008	530,013
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	-	\$ 2,615,491	\$ 1,068,501

Northwest School Division #203
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	-	-	\$ 3,048
Other Fees	-	-	14,093
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract) Salaries & Benefits	\$ 441,100	\$ 535,920	481,636
Program Support (Non-Teacher Contract) Salaries & Benefits	673,800	900,423	835,929
Plant Operation & Maintenance Salaries & Benefits	-	-	205
Transportation Salaries & Benefits	-	-	-
Instructional Aids	205,814	106,660	172,738
Supplies & Services	144,000	160,096	248,652
Non-Capital Furniture & Equipment	-	18,832	19,074
Building Operating Expenses	-	17,069	17,277
Communications	-	3,913	10,467
Travel	-	18,525	29,867
Professional Development (Non-Salary Costs)	2,600	22,955	23,476
Student Related Expenses	44,686	17,820	11,937
Contracted Transportation & Allowances	38,000	22,050	24,359
Amortization of Tangible Capital Assets	5,002	5,002	9,015
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	\$ 1,555,002	\$ 1,829,265	\$ 1,901,573
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	-	-	-
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	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Services Expense	-	-	-

Northwest School Division #203
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	\$ 21,000	\$ 102,552	\$ 25,086
Interest on Debentures			
School Facilities	-	-	-
Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
School Facilities	-	36,421	39,374
Other	-	-	-
Total Interest and Bank Charges	21,000	138,974	64,460
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectable Taxes	-	-	-
Total Other Expense	\$ 21,000	\$ 138,974	\$ 64,460
TOTAL EXPENSES FOR THE YEAR	\$ 52,854,154	\$55,263,888	\$ 53,330,419

Northwest School Division #203
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2010

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	2009
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1, 2009	\$ 1,364,468	\$ 1,387,586	\$ 73,683,365	\$ 405,955	\$ 7,938,019	\$ 640,504	\$ 7,361,352	\$ 4,466,787	\$ -	\$ 572,138	\$ 97,168,184	\$ 95,880,501
Additions/Purchases	-	-	5,776,237	-	886,069	160,484	37,907	-	-	-	6,880,897	1,367,683
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to (from)	-	-	572,138	-	-	-	-	-	-	(572,138)	-	-
Closing Balance as of August 31, 2010	\$ 1,364,468	\$ 1,387,586	\$ 79,459,602	\$ 405,955	\$ 8,324,088	\$ 800,988	\$ 7,399,259	\$ 4,466,787	\$ -	\$ -	\$ 104,049,081	\$ 97,248,184
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1, 2009	-	\$ 1,211,814	\$ 32,606,046	\$ 306,346	\$ 4,537,491	\$ 453,266	\$ 6,350,464	\$ 3,539,637	\$ -	\$ -	\$ 49,027,664	\$ 45,116,654
Amortization of the Period	-	49,842	1,585,109	19,933	583,082	101,603	208,487	341,433	-	-	2,906,559	3,911,010
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to (from)	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as of August 31, 2010	N/A	\$ 1,261,656	\$ 34,191,155	\$ 326,279	\$ 5,130,573	\$ 554,869	\$ 6,558,951	\$ 3,901,070	\$ -	N/A	\$ 51,934,223	\$ 49,027,664

Net Book Value:												
Opening Balance as of September 1, 2009	\$ 1,364,468	\$ 176,772	\$ 40,483,319	\$ 97,019	\$ 3,400,528	\$ 187,236	\$ 950,888	\$ 908,150	\$ -	\$ 572,138	\$ 48,140,520	\$ 50,883,847
Closing Balance as of August 31, 2010	\$ 1,364,468	\$ 125,930	\$ 45,246,585	\$ 77,026	\$ 3,693,505	\$ 266,119	\$ 779,305	\$ 567,717	\$ -	\$ -	\$ 52,120,658	\$ 48,140,520
Change in Net Book Value	\$ -	\$ (49,842)	\$ 4,763,266	\$ (19,993)	\$ 292,977	\$ 78,881	\$ (171,583)	\$ (341,433)	\$ -	\$ (572,138)	\$ 3,980,138	\$ (2,743,327)

Disposals:												
Historical Cost	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Net Cost	-	-	-	-	-	-	-	-	-	-	-	-
Price of Sale	-	-	-	-	-	-	-	-	-	-	-	-
Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	-

Net Book Value (NBV) of Assets												
Pledged as Security for Debt												

Northwest School Division #203
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)	\$ 2,900,559	\$ 3,911,010
Net (Gain) Loss on Disposal of Tangible Capital Assets	-	-
Write-Down of Tangible Capital Assets (Schedule C)	-	-
Total Non-Cash Items Included in Surplus / Deficit	\$ 2,900,559	\$ 3,911,010

Northwest School Division #203
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	\$ (125,272)	\$ (4,278,035)
Decrease (Increase) in Inventories for Sale	-	-
Decrease (Increase) in Other Assets	-	-
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(228,774)	(747,895)
Increase (Decrease) in Short Term Loans	3,010,068	-
Increase (Decrease) in Liability for Employee Future Benefits	(20,800)	709,700
Increase (Decrease) in Deferred Revenue	(855,716)	1,304,008
Increase (Decrease) in Other Liabilities	1,321,406	-
Decrease (Increase) in Inventory of Supplies for Consumption	-	-
Decrease (Increase) in Prepaid Expenses	(12,081)	28,188
Total Net Change in Non-Cash Operating Activities	\$ 3,088,832	\$ (2,984,034)

Northwest School Division No. 203

Notes to the Financial Statements **August 31, 2010**

1. Authority and Purpose

The Board of Education of the Northwest School Division No. 203 was formed April 30, 2005 by a ministerial order to provide an educational system for residents of the Northwest School Division. The school division is governed by their Board of Education which sets the policies and practices for the division within the guidelines of *The Education Act, 1995* and *The Education Regulations, 1986*.

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

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles established by Public Sector Accounting Board 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.

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) Basis of Accounting

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

c) Measurement Uncertainty and the Use of Estimates

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

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

Northwest School Division No. 203

Notes to the Financial Statements

August 31, 2010

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

d) Financial Instruments

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

e) Financial Assets

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

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 includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. 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.

f) Non-Financial Assets

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

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

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

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

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

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

g) Liabilities

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

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 capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenditures in accordance with the provisions of The Education Act, 1995.

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method 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.

Northwest School Division No. 203

Notes to the Financial Statements

August 31, 2010

h) Employee Pension Plans

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.

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

i) Revenue Recognition

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

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

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

i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis (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.

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$9,000,000 that bears interest at Innovation Credit Union Prime less .50% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education. This line of credit was approved by the Minister on August 24, 2010. The balance drawn on the line of credit at August 31, 2010 was \$2,673,173 at an interest rate of .50% (August 31, 2009 - \$ 4,497,475 at an interest rate of .50%).

Short Term Loans consist of an Innovation Credit Union Commercial loan. The loan is authorized by a borrowing resolution by the Board of Education and is secured by an interest rate of Innovation Credit Union Prime plus 2.25%. The balance owing on the Short Term Loan at August 31, 2010 was \$3,010,068.

4. 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.

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ 80,000	\$ 343,974	\$ -	\$ -	\$ 500,000	\$ 423,974	\$ 420,059
Administration	761,333	228,064		63,120	1,115,814	1,052,517	965,469
Instruction	32,944,703	3,353,397		479,012	37,017,788	36,777,112	36,458,552
Plant	1,885,562	3,439,576		1,654,937	7,093,012	6,980,075	6,979,843
Transportation	2,781,939	1,775,470		698,487	5,301,538	5,255,896	5,193,698
Tuition and Related Fees		280,585			250,000	280,585	278,264
School Generated Funds		2,515,491			-	2,515,491	1,068,501
Complementary Services	1,436,343	387,920		5,002	1,555,002	1,829,285	1,801,573
External Services							-
Other			138,974		21,000	138,974	64,460
TOTAL	\$ 39,889,880	\$ 12,324,477	\$ 138,974	\$ 2,900,558	\$ 52,854,154	\$ 55,253,888	\$ 53,330,419

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**Notes to the Financial Statements
August 31, 2010**

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 Allowance/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:

	2010	2009
	Aug 31-10	Aug 31-09
Actuarial valuation date		
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)	16	16

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	\$ 709,700	\$ 652,200
Current period benefit cost	54,200	51,300
Interest cost	31,700	30,400
Benefit payments	(108,000)	(24,200)
Actuarial gains / losses	-	-
Plan amendments	-	-
Accrued Benefit Obligation - end of year	687,600	709,700
Unamortized Net Actuarial Gains / Losses	1,300	-
Liability for Employee Future Benefits	\$ 688,900	\$ 709,700
Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 54,200	\$ 51,300
Amortization of net actuarial gain / loss	1,300	-
Plan amendments	-	-
Benefit cost	55,500	51,300
Interest cost on unfunded employee future benefits obligation	31,700	30,400
Total Employee Future Benefits Expense	\$ 87,200	\$ 81,700

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) or Saskatchewan Teachers' Superannuation Commission (STSC):

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

The STRP and STSC are funded by contributions by the participating employee members and the Province of Saskatchewan. The school division's obligation to the STRP and STSC 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

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Province of Saskatchewan for the STSC.

Details of the contributions to these plans for the school division's employees are as follows:

	2010			2009
	STRP	STSC	TOTAL	TOTAL
Number of active School Division members	423	64	487	475
Member contribution rate (percentage of salary)	7-9%	6.05-7.85%		
Member contributions for the year	\$ 1,680,835	\$ 181,625	\$ 1,862,459	\$ 1,781,890

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	389	402
Member contribution rate (percentage of salary)	5.4-6.4%	5.40%
School Division contribution rate (percentage of salary)	5.4-6.4%	5.40%
Member contributions for the year	\$ 592,946	\$ 512,340
School Division contributions for the year	\$ 592,946	\$ 512,340
Actuarial valuation date	Dec 31-09	Dec 31-08
Plan Assets	\$ 1,284,959,000	\$ 1,150,748,000
Plan Liabilities	\$ 1,233,841,000	\$ 1,215,639,000
Plan Surplus (Deficit)	\$ 51,118,000	\$ (64,891,000)

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**Notes to the Financial Statements
August 31, 2010**

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	\$ 13,099,997	\$ 900,000	\$ 12,199,997	\$ 15,403,050	\$ 900,000	\$ 14,503,050
Provincial Grants Receivable	1,527,093		1,527,093	147,986		147,986
Other Receivables	1,387,563		1,387,563	338,344		338,344
Total Accounts Receivable	\$ 16,014,652	\$ 900,000	\$ 15,114,652	\$ 15,889,380	\$ 900,000	\$ 14,989,380

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ 28,970	\$ 14,113
Supplier Payments	1,985,293	1,377,259
Treaty Land Entitlement		878,953
Accrued Interest Charges	9,288	
Accrued Audit Fees	18,000	
Total Accounts Payable and Accrued Liabilities	\$ 2,041,551	\$ 2,270,325

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	2010	2009
Grant - Funded Liability	1,175,000	
Tuition - Funded Liability	146,406	
Total Other Liabilities	\$ 1,321,406	\$ -

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

11. LONG-TERM DEBT

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

		<u>2010</u>	<u>2009</u>
Capital Loan:	<i>Royal Bank of Canada (Carpenter High School - Meadow Lake, SK) Term - 10 years Amortization - 10 years Interest Rate - 7.03% Annual Payments - \$214,064</i>	196,938	383,869
Total Long Term Debt		\$ 196,938	\$ 383,869

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

	<u>Capital Loans</u>	<u>Total</u>
2011	\$ 196,938	\$ 196,938
2012	-	-
2013	-	-
2014	-	-
2015	-	-
Thereafter	-	-
Total	\$ 196,938	\$ 196,938

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

	<u>Capital Loans</u>	<u>2010</u>	<u>2009</u>
Principal	\$ 186,931	\$ 186,931	\$ 174,690
Interest	27,134	27,134	39,375
Total	\$ 214,065	\$ 214,065	\$ 214,065

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

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>Deferred Foundation Operating Grant</i>	\$ 898,627		\$ (898,627)	\$ -
<i>Deferred Scholarships</i>	83,590	\$ 56,778		140,368
<i>Deferred Federal Capital Tuition</i>	\$ 166,714	33,763		200,477
<i>Deferred Distance Education</i>	101,299		(40,064)	61,235
<i>Deferred Applied Behaviour</i>	24,708		(7,566)	17,142
<i>Deferred Technology Consortium</i>	29,070			29,070
Total Deferred Revenue	\$ 1,304,008	\$ 90,541	\$ (946,257)	\$ 448,292

13. 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	Pre-Natal Outreach	Other Programs	2010	2009
Revenue:						
Grants	\$ 55,290	\$ -	\$ -	\$ 90,022	\$ 145,312	\$ 373,087
Tuition and Related Fees				113,796	113,796	94,158
Miscellaneous Revenue					-	19,262
Sales and Rentals					-	-
Total Revenue	55,290	-	-	203,818	259,108	486,507
Expenses:						
Tuition Fees						14,093
Salaries & Benefits	253,648			1,182,695	1,436,343	1,317,770
Instructional Aids	523			106,137	106,660	172,738
Supplies and Services	144,276			15,820	160,096	248,652
Non-Capital Equipment	768			18,064	18,832	19,074
Building Operating Expenses				22,071	22,071	26,292
Communications				3,913	3,913	10,467
Travel				18,525	18,525	29,667
Professional Development				22,955	22,955	23,476
Student Related Expenses				17,820	17,820	11,937
Contacted Transportation & Allowances				22,050	22,050	27,407
Total Expenses	399,216	-	-	1,430,050	1,829,265	1,901,573
Excess (Deficiency) of Revenue over Expenses	\$ (343,926)	\$ -	\$ -	\$ (1,226,232)	\$ (1,570,157)	\$ (1,415,066)

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

14. 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, for example school generated funds, 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:

	<u>2010</u>	<u>2009</u>
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 52,317,596	\$ 48,524,388
Less: Debt owing on Tangible Capital Assets	196,938	383,868
	<u>52,120,658</u>	<u>48,140,520</u>
Internally Restricted Surplus:		
Designated for tangible capital asset expenditures		102,953
School generated funds	1,043,752	958,684
Scholarship funds	140,368	83,590
School budget carryovers		
	<u>1,184,120</u>	<u>1,145,227</u>
Unrestricted Surplus	<u>3,937,564</u>	<u>5,051,798</u>
Total Accumulated Surplus	<u>\$ 57,242,342</u>	<u>\$ 54,337,545</u>

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on August 27, 2009. Following is a reconciliation to the approved 2009-10 budget:

2009-10 Budgeted Surplus (Deficit) - as stated	\$ (163,779)
<u>Budget Adjustments:</u>	
Excludes Capital Expenditures - (2009-10 Budget)	(4,783,134)
Excludes Long-Term Debt Repayment (2009-10 Budget)	(186,931)
Includes Amortization - (2009-10 Budget)	<u>2,647,354</u>
Approved 2009-10 Budget Surplus (Deficit)	<u>\$(2,486,490)</u>

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

16. RELATED PARTIES

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

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$ 2,122,304 (2009: \$ 1,955,907) of which \$ 139,545 (2009: \$ NIL) was payable at August 31, 2010.

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

The Ministry of Education has approved an additional \$718,822 in capital transfers to the school division for projects in which construction has not yet started. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. Accordingly, these capital transfers have not been reflected in the financial statements, as follows:

Total Ministry Obligation at August 31, 2010	\$ 718,822
Less: Amounts reported in financial statements	-
Equals: Unrecorded balance	<u>\$ 718,822</u>

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

17. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

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

Change in Financial Statement Presentation

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

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, and

Northwest School Division No. 203

**Notes to the Financial Statements
August 31, 2010**

- 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,
- 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	\$ 81,839,648
Tangible capital assets not previously capitalized	15,326,536
Write-downs to tangible capital assets	-
Tangible capital assets at cost as at August 31, 2009 - as restated	97,166,184
Accumulated amortization as at August 31, 2009 not previously reported	(49,027,664)
Tangible capital assets at net book value as at August 31, 2009 - as restated	48,140,520

2008-09 Annual Surplus

2008-09 Surplus (deficit) for the year - as previously reported	\$ (525,752)
Reverse repayment (issuance) of long-term debt as a charge to annual surplus	174,691
Tangible capital asset adjustments:	
Tangible capital assets capitalized but previously expensed	\$ 1,350,235
Proceeds on disposals of tangible capital assets previously recorded as revenue	-
Gain (loss) on disposals of tangible capital assets not previously recorded	-
Write-down of tangible capital assets not previously recorded	-
Amortization of tangible capital assets not previously recorded	(3,911,010)
Total tangible capital asset adjustments	\$ (2,560,775)
2008-09 Surplus (deficit) for the year - as restated	\$ (2,911,836)

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**Notes to the Financial Statements
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Accumulated Surplus at August 31, 2009

Accumulated surplus at September 1, 2008 - as previously reported:	
Operating Fund Balance	\$ 3,061,684
Capital Fund Balance	560,120
Other Funds Balance	3,484,840
Equity in Physical Assets	79,913,407
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Total accumulated surplus as at September 1, 2008 - as previously reported	87,020,051
Prior period adjustments - cumulative effective to September 1, 2008:	
Tangible capital asset adjustments	(29,770,670)
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Accumulated surplus as at September 1, 2008 - as restated	57,249,381
2008-09 Surplus (deficit) for the year - as previously stated	(525,752)
Prior period adjustments to 2008-09 surplus (deficit) for the year:	
Net repayment (issuance) of long term debt	174,691
Tangible capital asset adjustments	(2,560,775)
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Accumulated surplus as at August 31, 2009 - as restated	\$ 54,337,545

Deferred Revenue

Effective September 1, 2008 the School Division adopted PS 3510 tax revenue which requires that tax revenue be recognized only for the portion of the year related to the fiscal year. In prior years, taxes relating to September to December were recognized as deferred tax revenue.

The accounting change was implemented prospectively in the 2008-09, without an adjustment to opening accumulated surplus or restatement of prior year comparatives in the 2008-09 financial statements. However, the school division subsequently determined that in accordance with PSAB standards, this change should have been implemented retroactively. Accordingly, the following 2008-09 amounts have been changed from the amounts previously reported in the 2008-09 financial statements, as follows:

	<i>(Previously)</i>	<i>(As restated)</i>
Accounts Receivable	\$24,422,535	\$ 14,989,380
Accounts Payable	12,923,898	2,270,325
Deferred Revenue	--	1,304,008
Other Liabilities	83,590	--
Administration Expenditures	1,127,600	965,469
Instruction Expenditures	35,238,984	36,458,552
Plant Expenditures	5,770,855	6,979,843
Transportation Expenditures	4,908,363	5,193,698
Complementary Services Expenditures	1,892,558	1,901,573

18. COMPARATIVE INFORMATION

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

19. TREATY LAND ENTITLEMENT

As per Ministry direction dated December 7, 2009, "any TLE deferred revenues received prior to April 1, 2009, is to be brought into revenue in the 2009-10 fiscal year (these historical payments will not be used in reducing grant payments as they historically were)." As a result, TLE deferred revenue of \$878,953 received prior to April 1, 2009 has been brought into revenue in 2009-10.