



Auditor's Report and Financial Statement

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

For the Period Ending: August 31, 2008

Raymond Kopera

Secretary/Treasurer

Johnson Helen Brantkeason, Chartered Accountants

Auditor *P.C. Ltd.*

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

Johnson Holm Svenkeson,
Chartered Accountants, P.C. Ltd.

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AUDITORS' REPORT

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

We have audited the statement of financial position of the Living Sky School Division No. 202 as at August 31, 2008 and the statements of financial activities and fund balances and changes in financial position for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our opinion, these financial statements present fairly in all material respects, the financial position of the Living Sky School Division No. 202 as at August 31, 2008 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with the basis of accounting described in Note 2 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board and Electors of Living Sky School Division No. 202 and the Ministry of Education for the purpose of compliance with the Education Act of 1995. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Johnson Holm Svenkeson

Chartered Accountants

North Battleford, Saskatchewan
December 11, 2008

CA¹

Living Sky School Division No. 202
Statement of Financial Position
as at August 31, 2008

	Operating Fund	Capital Fund	Other Funds	Current Yr Total	Prior Yr Total
Financial Assets					
Cash	1,559,447	-	71,580	1,631,027	944,591
Short Term Investments	-	-	94,214	94,214	100,614
Taxes Receivable	15,632,173				
Less Allowance	(291,407)			15,340,766	17,023,188
Provincial Grants Receivable	303,602	-	-	303,602	4,776,756
Other Receivables	1,349,955	-	-	1,349,955	2,631,074
Inventories for sale	-	-	-	-	-
Long Term Investments	50,111	128,203	-	178,314	174,301
Other Assets	-	-	-	-	-
Interfund Debt Receivable	-	1,273,547	20,035		
Total Financial Assets	18,603,881	1,401,750	185,829	18,897,878	25,650,524
Liabilities					
Bank Indebtedness	829,331	-	-	829,331	8,233,134
Provincial Grant Overpayment	85,336	-		85,336	-
Other Payables	3,997,948	-	-	3,997,948	2,925,520
Short Term Loans	-	-		-	-
Debentures		-		-	-
Capital Loans		1,000,000		1,000,000	202,300
Other Long Term Debt		-		-	-
Other Liabilities	832,597	-	-	832,597	1,094,061
Interfund Debt Payable	1,293,582	-	-		
Total Liabilities	7,038,794	1,000,000	-	6,745,212	12,455,015
Net Financial Assets (Debt)	11,565,087	401,750	185,829	12,152,666	13,195,509
Non Financial Assets					
Physical assets		95,298,596		95,298,596	93,955,010
Inventory of supplies	-	-	-	-	-
Prepaid Items	32,526	-	-	32,526	-
Total Non Financial Assets	32,526	95,298,596	-	95,331,122	93,955,010
Net Assets	11,597,613	95,700,345	185,829	107,483,788	107,150,519
Equity in Physical Assets		94,298,596		94,298,596	93,752,710
Fund Balances	11,597,613	1,401,750	185,829	13,185,192	13,397,809
School Position	11,597,613	95,700,345	185,829	107,483,788	107,150,519

Living Sky School Division No. 202
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	29,630,640	-	-	29,630,640	30,330,129	29,334,439
Grants	23,422,745	400,000	-	23,822,745	22,082,975	20,715,906
Tuition and Related Fees	4,476,243	132,594	-	4,608,837	3,460,000	3,764,632
Supplementary Services	-	-	-	-	-	-
Complementary Services	167,097	-	-	167,097	165,730	1,239,773
External Services	185,482	11,470	-	196,952	145,000	180,006
Other	536,274	40,860	(1,421)	575,713	350,000	563,613
Total Revenues	58,418,481	584,924	(1,421)	59,001,984	56,533,834	55,798,369
EXPENDITURES						
Governance	318,522	-	-	318,522	402,250	306,114
Administration	1,179,650	-	-	1,179,650	1,314,120	1,342,863
Instruction	41,350,923	-	-	41,350,923	41,035,768	39,120,680
Plant	8,461,370	1,232,487	-	9,693,857	10,186,749	7,386,560
Transportation	5,123,419	796,991	-	5,920,410	6,732,880	5,675,074
Tuition and Related Fees	338,793	-	-	338,793	115,000	50,924
Supplementary Services	-	-	-	-	-	-
Complementary Services	1,099,967	-	-	1,099,967	939,080	726,196
External Services	221,683	-	-	221,683	273,950	673,324
Interest and Bank Charges	61,612	29,180	4	90,796	30,000	61,32
Total Expenditures	58,155,939	2,058,658	4	60,214,601	61,029,797	55,343,064
Excess (Deficiency) of Revenue over Expenditure	262,542	(1,473,734)	(1,425)	(1,212,617)	(4,495,963)	455,305
Interfund Transfers to (from)						
for Capital Expenditures	(199,557)	199,557	-	-	-	-
for Debt Repayment	-	-	-	-	-	-
for Reserves	-	-	-	-	-	-
Excess (Deficiency) after Interfund Transfers	62,985	(1,274,177)	(1,425)	(1,212,617)	(4,495,963)	455,305
Long Term Capital Debt Issued	-	1,000,000	-	1,000,000	1,000,000	-
Long Term Capital Debt Repaid	-	-	-	-	-	-
Surplus (Deficit) for the Year	62,985	(274,177)	(1,425)	(212,617)	(3,495,963)	455,305
Opening Fund Balances	11,534,628	1,675,927	187,254	13,397,809	13,397,809	12,942,504
Closing Fund Balances	11,597,613	1,401,750	185,829	13,185,192	9,901,846	13,397,80

Living Sky School Division No. 202
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	(1,212,617)	455,305
Decrease (Increase) in Taxes Receivable	1,682,422	(1,844,587)
Decrease (Increase) in Grants Receivable	4,473,154	(4,653,594)
Decrease (Increase) in Other Receivables	1,281,119	(1,323,513)
Decrease (Increase) in Prepaid Items	(32,526)	-
Decrease (Increase) in Other Assets	-	-
Increase (Decrease) in Provincial Grant Overpayment	85,336	-
Increase (Decrease) in Other Payables	1,072,428	638,523
Increase (Decrease) in Short Term Loans	-	-
Increase (Decrease) in Other Liabilities	(261,464)	(174,809)
Net Increase (Decrease) in Cash from Operations	<u>7,087,852</u>	<u>(6,902,675)</u>
Investing		
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Long Term Investments	(4,013)	(3,903)
Net Increase (Decrease) in Cash from Investing	<u>(4,013)</u>	<u>(3,903)</u>
Financing		
Debentures Issued	-	-
Debentures Repaid	-	-
Other Capital Loans and Long Term Debt Issued	1,000,000	-
Other Capital Loans and Long Term Debt Repaid	-	-
Net Increase (Decrease) in Cash from Financing	<u>1,000,000</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>8,083,839</u>	<u>(6,906,578)</u>
Opening Cash and Equivalents	(7,187,929)	(281,351)
Closing Cash and Cash Equivalents	<u>895,910</u>	<u>(7,187,929)</u>

Living Sky School Division No. 202
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>)	30,144,749	30,159,415	29,287,336
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	30,144,749	30,159,415	29,287,336
Grants in Lieu of Taxes:			
Federal Government	216,568	196,327	176,314
Provincial Government	395,818	314,487	348,954
Railways	142	336	240
Other	203,707	186,974	188,983
Total Grants in Lieu of Taxes	816,235	698,124	714,491
Treaty Land Entitlement	261,463	285,000	322,345
House Trailer Fees	12,842	11,789	11,358
Additions to Levy:			
Penalties	245,044	322,872	327,822
Other	-	-	-
Total Additions to Levy	245,044	322,872	327,822
Deletions from Levy:			
Discounts	(1,446,488)	(1,019,113)	(1,127,441)
Cancellations	(400,630)	(82,661)	(156,712)
Other Deletions	(2,575)	(45,297)	(44,760)
Provision for Uncollectable Taxes	-	-	-
Total Deletions from Levy	(1,849,693)	(1,147,071)	(1,328,913)
Total Operating Property Tax Revenue to Summary	29,630,640	30,330,129	29,334,439
Other Funds			
Tax Levy:			
Special Tax Levy	-	-	-
Total Other Funds Property Tax Revenue to Summary	-	-	-
Total Property Taxation Revenue to Summary	29,630,640	30,330,129	29,334,439
Grants:			
Operating Fund			
Ministry of Education Grants:			
K-12 Operating Grant	13,538,262	13,667,306	13,024,516
Education Property Tax Credit	8,799,299	7,136,931	6,899,352
Other Ministry Grants	182,793	-	106,071
Total Ministry Grants	22,520,354	20,804,237	20,029,939
Other Provincial Grants	902,391	862,388	20,727
Federal Grants	-	-	-
Grants from Others	-	-	-
Total Operating Fund Grants To Summary	23,422,745	21,666,625	20,050,666
Capital Fund			
Capital Grants	400,000	416,350	665,240
Total Capital Fund Grants to Summary	400,000	416,350	665,240
Total Grants to Summary	23,822,745	22,082,975	20,715,906

Living Sky School Division No. 202

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	-	-	2,323
Federal Government and First Nations	4,466,369	3,400,000	3,591,565
Individuals and Other	-	-	-
Total Tuition Fees	4,466,369	3,400,000	3,593,888
Transportation Fees	9,874	5,000	15,416
Other Related Fees	-	55,000	76
Total Operating Fund Tuition and Fees to Summary	4,476,243	3,460,000	3,609,380
Capital Fund			
Federal/First Nations Capital Fees	132,594	-	155,252
Total Capital Fund Tuition and Fees to Summary	132,594	-	155,252
Total Tuition and Related Fees Revenue to Summary	4,608,837	3,460,000	3,764,632
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	-	90,000	-
Other Provincial Grants	68,058	-	-
Federal Grants	-	-	-
Other Grants	18,712	75,730	56,517
Tuition Fees:			
Tuition Fees-School Divisions	-	-	(100)
Tuition Fees-Federal Government	-	-	-
Tuition Fees-First Nations	-	-	-
Tuition Fees-Individuals and Other Parties	-	-	-
Transportation Fees:			
Transp Fees-School Divisions	5,617	-	4,171
Transp Fees-Federal Government	-	-	-
Transp Fees-First Nations	-	-	-
Transp Fees-Individuals and Other Parties	812	-	2,783

Living Sky School Division No. 202

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	-	-	-
Other Related Fees-Federal Government	-	-	-
Other Related Fees-First Nations	-	-	-
Other Related Fees-Individuals and Other Parties	-	-	-
Misc Revenue:			
Misc Revenue-User Fees	-	-	-
Misc Revenue-Reimbursements	-	-	-
Misc Revenue-Other Miscellaneous Revenue	73,898	-	280,163
Food Sales	-	-	-
Sale of Materials	-	-	-
Rentals	-	-	-
Sale of Non-Capital Assets	-	-	500
Other Sales and Rentals Revenue	-	-	-
Total Operating Fund Complementary Services Revenue to Summary	167,097	165,730	344,034
Capital Fund			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Federal Capital Grants	-	-	-
Capital Grants-other	-	-	-
Other Miscellaneous Revenue	-	-	44,171
Sale of Capital Assets	-	-	851,568
Interest and Dividends	-	-	-
Total Capital Fund Complementary Services Revenue to Summary	-	-	895,739
Total Complementary Services Revenue to Summary	167,097	165,730	1,239,773
External Services			
Operating Fund			
K-12 Operating Grant	-	-	-
Other Ministry of Education Grants	(9,500)	-	-
Other Provincial Grants	-	-	61,000
Federal Grants	-	-	-
Other Grants	75,730	30,000	3,800
Tuition Fees:			
Tuition Fees-School Divisions	-	-	-
Tuition Fees-Federal Government	-	-	-
Tuition Fees-First Nations	-	-	-
Tuition Fees-Individuals and Other Parties	-	-	931
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	13,366	-	-

Living Sky School Division No. 202

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	9,551	20,000	18
Food Sales	96,265	80,000	92,063
Sale of Materials	-	-	-
Rentals	70	15,000	800
Sale of Non-Capital Assets	-	-	-
Other Sales and Rentals Revenue	-	-	-
Total Operating Fund External Services Revenue to Summary	185,482	145,000	158,612
Capital Fund			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Federal Capital Grants	-	-	-
Capital Grants	-	-	-
Other Miscellaneous Revenue	11,470	-	21,394
Sale of Capital Assets	-	-	-
Interest and Dividends	-	-	-
Total Capital Fund External Services Revenue to Summary	11,470	-	21,394
Total External Services Revenue to Summary	196,952	145,000	180,006
Other Revenue			
Operating Fund			
Miscellaneous Revenue	131,753	-	22,028
Sales & Rentals	266,945	250,000	339,661
Investments	137,576	100,000	134,862
Total Operating Fund Other Revenue to Summary	536,274	350,000	496,551
Capital Fund			
Miscellaneous Revenue	-	-	-
Sales & Rentals	13,709	-	-
Investments	27,151	-	48,759
Total Capital Fund Other Revenue to Summary	40,860	-	48,759
Other Funds			
Miscellaneous Revenue	1,500	-	10,950
Investments	(2,921)	-	7,353
Total Other Funds Other Revenue to Summary	(1,421)	-	18,303
Total Other Revenue to Summary	575,713	350,000	563,613

Living Sky School Division No. 202
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	141,925	145,250	132,023
Conventions - Board Members	7,568	13,000	10,119
Local Boards/Advisory Committees	28,045	67,500	21,186
Conventions - Local Boards/Advisory Committees	(111)	7,500	4,080
Elections	2,290	6,000	5,960
Other Governance Expenses	138,805	158,000	132,746
Total Operating Fund Governance Expenses to Summary	318,522	397,250	306,114
Capital Fund			
Capital Equipment	-	5,000	-
Total Capital Fund Governance Expenses to Summary	-	5,000	-
Total Governance Expenses to Summary	318,522	402,250	306,114

Administration Expenses

Operating Fund			
Salaries	784,682	822,500	836,709
Benefits	96,119	89,720	91,729
Supplies/Services	90,092	133,500	140,027
Non-Capital Equipment	32,575	36,500	24,482
Building Operating Expenses	48,383	52,400	38,401
Communications	94,008	97,000	140,896
Travel	11,369	27,500	14,880
Professional Development	22,422	35,000	23,967
Total Operating Fund Administration to Summary	1,179,650	1,294,120	1,311,091
Capital Fund			
Capital Equipment	-	20,000	31,772
Total Capital Fund Administration to Summary	-	20,000	31,772
Total Administration Expenses to Summary	1,179,650	1,314,120	1,342,863

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Living Sky School Division No. 202
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	29,110,408	27,797,500	27,024,055
Total Instructional Salaries	29,110,408	27,797,500	27,024,055
Instructional Benefits	1,420,267	1,344,260	1,329,016
Non-Teacher Support Salaries	5,593,141	5,563,900	5,471,107
Non-Instructional Support Benefits	816,602	804,680	805,632
Instructional Aids	1,652,051	2,237,227	993,597
Supplies and Services	1,077,290	1,031,134	1,978,448
Non-Capital Equipment	607,166	747,194	558,691
Communications	197,589	211,985	158,156
Travel	311,685	277,824	224,827
Professional Development	332,542	609,768	278,213
Student Related Expense	232,182	410,296	298,938
Total Operating Fund Instruction to Summary	41,350,923	41,035,768	39,120,680
Capital Fund			
Capital Equipment	-	-	-
Total Capital Fund Instruction to Summary	-	-	-
Total Instruction Expenses to Summary	41,350,923	41,035,768	39,120,680
Plant Operation & Maintenance Expenses			
Operating Fund			
Salaries	2,274,632	2,194,290	2,164,993
Benefits	423,794	436,560	401,987
Supplies/Services	5,801	11,000	53,501
Non-Capital Equipment	55,511	70,000	105,466
Building Operating Expenses	5,654,540	6,116,152	3,753,992
Communications	3,511	-	1,891
Travel	37,435	45,000	42,563
Professional Development	6,146	15,000	3,843
Total Operating Fund Plant & Maintenance to Summary	8,461,370	8,888,002	6,528,236
Capital Fund			
Capital Equipment and Building Costs	1,232,487	1,298,747	858,324
Total Capital Fund Plant & Maintenance to Summary	1,232,487	1,298,747	858,324
Total Plant Operation & Maintenance Expenses to Summary	9,693,857	10,186,749	7,386,560

Living Sky School Division No. 202
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	1,238,529	1,219,990	1,194,717
Benefits	188,461	180,680	175,375
Supplies/Services	813,544	791,000	676,376
Non-Capital Equipment	520,593	695,000	588,008
Building Operating Expenses	932	2,000	10,358
Communications	3,866	1,500	3,201
Travel	2,221	10,000	7,545
Professional Development	14,375	15,000	1,679
Other	-	-	-
Contracted Transportation	2,340,898	3,017,710	2,336,232
Total Operating Fund Student Transportation to Summary	5,123,419	5,932,880	4,993,491
Capital Fund			
Capital Equipment	796,991	800,000	681,583
Total Capital Fund Student Transportation to Summary	796,991	800,000	681,583
Total Student Transportation Expenses to Summary	5,920,410	6,732,880	5,675,074
Tuition and Related Fees Expenses			
Operating Fund			
Tuition Fees	338,793	75,000	50,924
Transportation Fees	-	-	-
Other Fees	-	40,000	-
Total Operating Fund Tuition and Related Fees to Summary	338,793	115,000	50,924
Capital Fund			
Capital Equipment	-	-	-
Total Capital Fund Tuition and Related Fees to Summary	-	-	-
Total Tuition and Related Fees Expenses to Summary	338,793	115,000	50,924
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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Living Sky School Division No. 202
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	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract)	1,010,876	839,080	458,942
Plant Operation & Maint Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	590	-	34,019
Supplies & Services	73,644	100,000	133,556
Non-Capital Furniture & Equipment	10,027	-	10,050
Building Operating Expenses	1,070	-	1,394
Communications	414	-	1,586
Travel	1,000	-	5,355
Professional Development (Non-Salary Costs)	-	-	4,686
Student Related Expenses	1,117	-	75,470
Contracted Transportation & Allowances	1,229	-	1,138
Total Operating Fund Complementary Services to Summary	1,099,967	939,080	726,196
Capital Fund			
Capital Expenditures	-	-	-
Total Capital Fund Complementary Services to Summary	-	-	-
Total Complementary Services Expenses to Summary	1,099,967	939,080	726,196
External Services			
Operating Fund			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract) Salaries & Benefits	57,972	68,950	68,296
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	602
Supplies & Services	80,204	160,000	(10,896)
Non-Capital Furniture & Equipment	-	-	-
Building Operating Expenses	9,203	43,000	5,812
Communications	-	-	-
Travel	-	2,000	-
Professional Development (Non-Salary Costs)	-	-	-
Student Related Expenses	-	-	597
Contracted Transportation & Allowances	74,304	-	-
Total Operating Fund External Services to Summary	221,683	273,950	64,411
Capital Fund			
Capital Expenditures	-	-	608,913
Total Capital Fund External Services to Summary	-	-	608,913
Total Complementary Services Expenses to Summary	221,683	273,950	673,324

Living Sky School Division No. 202
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Interest and Bank Charges Expense			
Operating Fund			
Current Interest and Bank Charges	61,612	30,000	61,317
Total Operating Fund Interest and Bank Charges to Summary	61,612	30,000	61,317
Capital Fund			
Interest on Debentures			
Other Interest	-	-	-
- School Facilities	-	-	-
- Other	-	-	-
Interest on Other Capital Loans and Long Term Debt			
Other Interest	29,180	-	-
- School Facilities	-	-	-
- Other	-	-	-
Total Capital Fund Interest to Summary	29,180	-	-
Other Funds			
Current Interest and Bank Charges	4	-	12
Total Other Funds Interest and Bank Charges to Summary	4	-	12
Total Interest and Bank Charges Expense to Summary	90,796	30,000	61,329
Capital Fund Debt Principal Repayment			
Debenture Principal			
Other Debt	-	-	-
- School Facilities	-	-	-
- Other	-	-	-
Other Capital Loan and Long Term Debt Principal			
Other Debt	-	-	-
- School Facilities	-	-	-
- Other	-	-	-
Total Capital Fund Debt Principal Repayment to Summary	-	-	-

Living Sky School Division No. 202
Notes to the Financial Statements
August 31, 2008

1. Purpose and authority

The Board of Education of the Living Sky School Division No. 202 was established by Ministerial Order and commenced operating as an amalgamated School Division on January 1, 2006.

The Board of Education of the Living Sky School Division No. 202 of Saskatchewan delivers education programs under the authority of section 87 of *The Education Act*, 1995.

The Board is responsible for administering and managing the educational affairs of the School Division in accordance with the intent of *The Education Act*, 1995 and Regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with accounting principles generally accepted for Saskatchewan school divisions as prescribed by Ministry of Education and reflect the following policies:

Accounting policy and presentation

School divisions are required to net receipts and disbursements pertaining to long-term debt principal and interest applicable to amounts financed for Ministry of Education.

Reserve funds that are set up and apply to potential operating fund transactions are recorded as appropriated fund balances in the operating fund. Reserve funds that were set up and apply to potential capital fund transactions are recorded as fund balances in the capital fund. Money received for Treaty Land Entitlement Settlements and not amortized is recorded as deferred revenue in other liabilities. In compliance with Ministry of Education guidelines these amounts received are recognized as revenue on a straight line basis over 10 years. The balance of unrecognized receipts included in other liabilities was August 31, 2008 - \$765,597 and August 31, 2007 - \$1,027,060.

Further changes to school division accounting and reporting practices may be anticipated as the move to PSAB standards proceeds.

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 School Division has established the following funds:

i) Operating fund

The operating fund contains the current revenue, expenditures, assets, liabilities, and fund balances pertaining to the general operations of the School Division.

ii) 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, equity in capital fund assets, and fund balances.

iii) Other funds

Other funds contain the assets, liabilities, transactions, and fund balances of Scholarship Trusts that have been designated for specific projects or purposes.

Living Sky School Division No. 202
Notes to the Financial Statements
August 31, 2008

Fund balances

A breakout of the various fund balances between non-appropriated and appropriated is disclosed in Note 10 to the financial statements.

Physical assets

Physical assets are accounted for at cost in the capital fund irrespective of the sources of funding. They are retained at cost until sold or until expiry of their useful economic life at which time they are written off to equity in physical assets. Individual assets that cost more than \$5,000, have an estimated useful life greater than 2 years, and are new to the School Division are capitalized. Certain instructional and office equipment requiring replacement on a regular basis are not capitalized but expensed when purchased. Renovations to facilities are capitalized if they increase or change the use of existing space or are new additions to existing buildings. Expenditures consisting of roof, floor, and ceiling replacements, painting and other esthetic upgrades are expensed in the year as renovations in the operating fund regardless of the cost or source of funding.

That portion of asset acquisitions funded from current operations is included in interfund transfers for capital expenditures of the revenue fund.

That portion of asset acquisitions funded from other funds is included in inter-fund transfers for capital expenditures of the other funds.

That portion of asset acquisitions received from or funded for Ministry of Education are included in the capital fund as revenue from provincial grants.

That portion of asset acquisitions funded from donations is included in the capital fund as other revenue.

Living Sky School Division No. 202 has assumed the agreement between the former Battlefords School Division No. 118 and North West Regional College to share the facility of the North Battleford Comprehensive High School. In the agreement the School Division will hold title to the property, with the College's identified portion of 15.5% of the cost of the project being held in trust for the College. There is no offsetting liability on the balance sheet to recognize this shared investment.

A breakdown of physical assets by major category is disclosed in note 3 to the financial statements.

Capital loans

Principal repayments of long-term debt applicable to money borrowed to finance the School Division portion of capital projects are included in expenses in the capital fund when they mature. Principal repayments of long-term debt applicable to money borrowed to finance the Ministry of Education portion of capital projects has been offset with receipts from Ministry of Education.

Interest on long-term debt applicable to money borrowed to finance the School Division portion of capital projects is not accrued, but is included in expenditures when it is due. Interest on long-term debt applicable to money borrowed to finance the Ministry of Education portion of capital projects is not accrued, and has been offset with receipts from Ministry of Education.

A breakdown of Capital loans with repayments terms is disclosed in note 4 to the financial statements.

Living Sky School Division No. 202
Notes to the Financial Statements
August 31, 2008

Revenue recognition

Revenue from property taxation and related penalties, discounts, cancellations, and other adjustments are recorded when received or receivable.

Tuition fees charged pertaining to course instruction and capital are recognized as the course is delivered and recorded as revenue in the appropriate fund.

All grants, restricted and unrestricted, are recorded as revenue and receivables once the School Division has the right to claim the funds. The School Division records all grant overpayments as liabilities and reduces any revenue accordingly.

All revenues are accounted for in the period in which the transaction or event occurred that gave rise to the revenue, and ultimate collection is reasonably assured.

Accounts receivable

Accounts receivable represent amounts billed for services or work completed. Allowances are recorded for any amounts that may not be collected and these allowances are offset against the accounts receivable.

Long-term investments

Long-term investments are recorded at cost. Due to their immediate or short-term nature, cost approximates fair value for all investments.

Interest on investments

Interest earned on investments is credited to revenues for the specific funds when it is received.

Consumable supplies

Consumable supplies that are used within a normal operating cycle are expensed when purchased.

Other liabilities

Unpaid vacation pay, supervisory leave days, and school days worked prior to August 31st are accrued and included in other payables. There is no obligation to payout accumulated and unused sick leave and as such there is no liability recorded in the accounts. Sick leave is recorded as part of regular salary when it is taken.

All pension deductions are remitted monthly to the various group plans along with any matching contributions required to be paid by the Board. All Board contributions to any pension plan are recorded as an expense when incurred.

Retirement gratuities stipulated in Board of Education procedures are not accrued due to the stipulations and nature of the payouts of these gratuities and are recorded as expenditures when paid. Retirement allowances recognized under contractual agreements are set up in the accounts as reserves under appropriated funds in the operating fund.

The School Division does not accrue liabilities for outstanding purchase orders until the goods and services are received. The School Division does not accrue any liability for unused school funds allocated to the schools as part of the annual budget process. The School Division does record expenditures and accrued liabilities for personal professional development balances which are required to be carried forward as specified under the collective agreement.

Living Sky School Division No. 202
Notes to the Financial Statements
August 31, 2008

3. Physical assets

	Land	Buildings	Equipment	Balance Aug. 31, 2008	Balance Aug. 31, 2007
Opening Balance	\$ 1,227,591	\$ 78,480,296	\$ 14,247,123	\$ 93,955,101	\$ 97,377,450
Additions	0	1,196,692	832,785	2,029,477	2,136,422
Write-downs	0	0	(65,625)	(65,625)	0
Disposals	0	0	(620,266)	(620,266)	(5,558,862)
Transfers to (from)	0	0	0	0	0
Closing Balance	<u>\$ 1,227,591</u>	<u>\$ 79,676,988</u>	<u>\$ 14,394,017</u>	<u>\$ 95,298,596</u>	<u>\$ 93,955,010</u>

4. Capital loans

	Balance Aug. 31, 2008	Balance Aug. 31, 2007
Ministry of Education portion of capital projects CUCORP Financial Services – loan repayable in annual principal installments of \$202,300 plus interest of 6.45% per annum	<u>\$ 0</u>	<u>\$ 202,300</u>
School Division Loan – Macklin Gym Project Innovation Credit Union – loan repayable in annual principal installments of \$100,000 plus interest at 6.00% paid monthly	<u>\$ 1,000,000</u>	<u>\$ 0</u>

5. Inter-fund debt

Inter-fund debt represents the amount on money that has been advanced to or is repayable by the various funds to another fund. All inter-fund debt can be offset within each fund by cash or other short-term assets.

6. Budget amounts

The Budget was prepared by School Division management with Board of Education approval given on October 10, 2007. It is presented for information purposes only and has not been audited.

7. Use of estimates

The preparation of financial statements in accordance 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 amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported as revenue or expenditures in the period in which they became known.

8. Financial instruments

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

9. Credit risk

The School Division does not have a significant exposure to any individual customer or counter party. The School Division conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific customers, historical trends, and other information. The allowance for doubtful accounts for August 31, 2008 and August 31, 2007 was \$291,407 for taxes receivable.

Living Sky School Division No. 202

Notes to the Financial Statements

August 31, 2008

10. Fund Balances

Operating Fund

	Restated Balance Aug. 31, 2007	Net Surplus (Deficit) Aug. 31, 2008	Appropriations & Transfers Aug. 31, 2008	Balance Aug. 31, 2008
Unappropriated Surplus	\$3,765,287	\$62,985	(\$261,463)	\$3,566,809
Appropriated Surplus				
Tax Loss Compensation	\$2,764,022	\$0	\$261,463	\$3,025,485
Retirement Allowances	\$93,485	0	0	\$93,485
Future Expenditures	\$4,748,106	0	0	\$4,748,106
Busses	\$163,728	0	0	\$163,728
Total Appropriated Surplus	\$7,769,341	\$0	\$261,463	\$8,030,804
Fund Balance	\$11,534,628	\$62,985	\$0	\$11,597,613

Capital Fund

Equity In Physical Assets Fixed Assets	\$93,752,710	\$0	\$545,886	\$94,298,596
Unappropriated Surplus	\$514,864	\$71,661	\$0	\$586,525
Appropriated Surplus				
Capital Tuition Dept.	\$287,724	(\$296,694)	\$0	-\$8,970
Capital Tuition Local	\$175,022	(58,086)	0	\$116,936
Bus Garage	\$250,000	0	0	\$250,000
Hafford School	\$124,190	4,014	0	\$128,204
Connaught School	\$889	0	0	\$889
McKitrick School	\$2,830	(1,591)	0	\$1,239
Bready School	\$1,120	0	0	\$1,120
Battleford Central School	\$100	0	0	\$100
Macklin Gym	\$306,000	0	0	\$306,000
Unity High School	\$2,261	0	0	\$2,261
Kerrobot Playground	\$0	0	0	\$0
Kerrobot Football Field	\$1,167	0	0	\$1,167
Major Playground	\$9,760	4,538	0	\$14,298
Hartley Clark Stage	\$0	1,980	0	\$1,980
Total Appropriated Surplus	\$1,161,063	(\$345,838)	\$0	\$815,225
Fund Balance	\$1,675,927	(\$274,177)	\$0	\$1,401,750

Other Funds

Appropriated Surplus				
Alex Harper Scholarship	\$26,860	(\$539)	\$0	\$26,321
Cyril Harper Scholarship	\$25,394	1,035	0	\$26,429
Stoik Family Scholarship	\$33,471	(1,146)	0	\$32,325
Knowles Scholarship	\$35,412	(355)	0	\$35,057
Ostrom Scholarship	\$4,454	406	0	\$4,860
Collins Webb	\$2,050	47	0	\$2,097
J. Campbell	\$3,129	(178)	0	\$2,951
McEachern	\$3,080	(929)	0	\$2,151
Bready	\$22,964	(969)	0	\$21,995
Wilgers	\$30,440	(297)	0	\$30,143
Boyes Scholarship	\$0	1,500	0	\$1,500
Fund Balance	\$187,254	(\$1,425)	\$0	\$185,829

