

**Board Of Education**  
**Saskatoon School Division No. 13**

**Special Meeting**  
**Of The**  
**SASKATOON BOARD OF EDUCATION**

**TUESDAY, DECEMBER 14, 2010**  
**Board Room**  
**310 21<sup>st</sup> Street East**  
**7:00 p.m.**

**Please Note: All public Board meetings are audio taped**

**Agenda**

- 1. ROLL CALL:**
- 2. PLAYING OF O CANADA:**
- 3. ADOPTION OF AGENDA:**
- 4. UNFINISHED BUSINESS**
  - (a) Items Arising From The Committee Of The Whole**
- 5. NEW BUSINESS:**
  - (a) Audited Financial Statements September 1, 2009 To August 31, 2010**
  - (b) Saskatoon Public Schools Foundation Corp.  
Audited Financial Statements**
  - (c) Saskatoon Public Schools' Restated 2010 – 2011 Budget**



**MEETING DATE:**            **DECEMBER 14, 2010**

**TOPIC:**                       **AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 1, 2009 TO AUGUST 31, 2010**

| FORUM   | AGENDA ITEMS   | INTENT                                       |
|---|--|--|
| <input checked="" type="checkbox"/> Board Meeting | <input type="checkbox"/> Correspondence                    | <input type="checkbox"/> Information         |
| <input type="checkbox"/> Committee of the Whole   | <input checked="" type="checkbox"/> New Business           | <input checked="" type="checkbox"/> Decision |
|   | <input type="checkbox"/> Reports From Administrative Staff | <input type="checkbox"/> Discussion          |
|   | <input type="checkbox"/> Other:                            |  |

## BACKGROUND

With the change in the legislation to The Education Act, school divisions now form part of the accounts of the government (Summary Financial Statements) and, as a result, are subject to audit by the Provincial Auditor.

## CURRENT STATUS

KPMG and the Provincial Auditor have completed their audit for the period September 1, 2009 to August 31, 2010. The audited financial statements will be made available to the public after the Board has approved the statements.

## PROS AND CONS

## FINANCIAL IMPLICATIONS

| PREPARED BY  | DATE             | ATTACHMENTS |
|--|------------------|-------------|
| Mr. Garry Benning, Chief Financial Officer<br>and<br>Ms Camille Dobni, Manager of Financial Services | December 9, 2010 |             |

## RECOMMENDATION OF THE DIRECTOR OF EDUCATION

### Proposed Motion:

That the Board approve the Audit Financial Statements for the year ended August 31, 2010 pending recognition of capital revenue.



**MEETING DATE:** DECEMBER 14, 2010

**TOPIC:** SASKATOON PUBLIC SCHOOLS FOUNDATION CORP.  
AUDITED FINANCIAL STATEMENTS

| FORUM   | AGENDA ITEMS   | INTENT                                       |
|---|--|--|
| <input checked="" type="checkbox"/> Board Meeting | <input type="checkbox"/> Correspondence                    | <input type="checkbox"/> Information         |
| <input type="checkbox"/> Committee of the Whole   | <input checked="" type="checkbox"/> New Business           | <input checked="" type="checkbox"/> Decision |
|   | <input type="checkbox"/> Reports From Administrative Staff | <input type="checkbox"/> Discussion          |
|   | <input type="checkbox"/> Other:                            |  |

## BACKGROUND

The Board is the sole member of the Saskatoon Public Schools Foundation Corp. and is responsible for approving the audited statements of the Foundation.

## CURRENT STATUS

KPMG has completed the audit of the Saskatoon Public Schools Foundation Corp. for the period September 1, 2009 to August 31, 2010.

The audited financial statements will be made available to the public after the Board has approved them.

## PROS AND CONS

## FINANCIAL IMPLICATIONS

### PREPARED BY

Mr. Garry Benning, Chief Financial Officer  
and  
Ms Wanda McLeod, Budget and Audit Manager

### DATE

December 9, 2010

### ATTACHMENTS

## RECOMMENDATION OF THE DIRECTOR OF EDUCATION

### Proposed Motion:

That the Board approved the Audited Financial Statements for the year ended August 31, 2010 for the Saskatoon Public Schools Foundation Corp.



**MEETING DATE:** DECEMBER 14, 2010  
**TOPIC:** SASKATOON PUBLIC SCHOOLS'  
RESTATED 2010 - 2011 BUDGET

| FORUM   | AGENDA ITEMS   | INTENT                                       |
|---|--|--|
| <input checked="" type="checkbox"/> Board Meeting | <input type="checkbox"/> Correspondence                    | <input type="checkbox"/> Information         |
| <input type="checkbox"/> Committee of the Whole   | <input checked="" type="checkbox"/> New Business           | <input checked="" type="checkbox"/> Decision |
|   | <input type="checkbox"/> Reports From Administrative Staff | <input type="checkbox"/> Discussion          |
|   | <input type="checkbox"/> Other:                            |  |

## BACKGROUND

On November 4, 2010, the Minister of Education sent a letter to the Board Chair directing Saskatoon Public Schools, as per Section 280 (1) of The Education Act, 1995, to restate the 2010 - 2011 Budget (please see attachment).

## CURRENT STATUS

Saskatoon Public Schools' 2010 - 2011 Budget is restated as per the directive from the Minister of Education.

## PROS AND CONS

## FINANCIAL IMPLICATIONS

| PREPARED BY  | DATE             | ATTACHMENTS   |
|--|------------------|---|
| Mr. Garry Benning, Chief Financial Officer<br>and<br>Ms Wanda McLeod, Budget and Audit Manager | December 9, 2010 | Letter From The Minister<br>Saskatoon Public Schools'<br>Restated 2010- 2011 Budget |

## RECOMMENDATION OF THE DIRECTOR OF EDUCATION

### Proposed Motion:

That the Board approve Saskatoon Public Schools' Restated 2010 - 2011 Budget as per the directive from the Minister of Education, and that provincial grant revenues be reduced by \$1 million to cover the increased costs in the Local Implementation and Negotiation Committee agreement and \$0.9 million to cover the increased costs due to the growth in enrolment in September, 2010.



November 4, 2010

Mr. Ray Morrison  
Board of Education Chairperson  
Saskatoon School Division No. 13  
310 – 21<sup>st</sup> Street East  
SASKATOON SK S7K 1M7

Dear Mr. Morrison:

Thank you for the submission of your school division's estimated revenues and expenditures for the 2010-11 school division fiscal year, as required by section 278 of *The Education Act, 1995*.

Your 2010-11 estimated revenues and expenditures have been reviewed by the ministry. In our review, we have determined that the school division overstated government revenues by \$1.9M due to:

- \$1.0M to cover increases in Local Implementation and Negotiations Committee agreements; and,
- \$0.9M to cover an increase in enrolments.

In conversations between the ministry and the school division prior to the budget submission, your school division was instructed not to include additional grants other than the approved amount on budget day; however, additional grant revenues were submitted.

Due to this situation, I am not able to recommend approval of this budget, as submitted, in accordance with section 280(1) of *The Education Act, 1995*. The school division is expected to restate its budget to reflect the ministry approved funding of \$185,081,960.

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Mr. Ray Morrison  
November 4, 2010  
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If you have any questions or concerns, please contact Rhonda Smysniuk at (306) 787-6634 or email at [rhonda.smysniuk@gov.sk.ca](mailto:rhonda.smysniuk@gov.sk.ca) or Clint Repski at (306) 787-4658 or email at [clint.repski@gov.sk.ca](mailto:clint.repski@gov.sk.ca).

Sincerely,



Donna Harpauer  
Minister of Education

cc: George Rathwell, Director of Education, Saskatoon School Division  
Garry Benning, Chief Financial Officer, Saskatoon School Division  
Crandall Hrynkiw, Regional Director  
Audrey Roadhouse, Deputy Minister of Education  
Helen Horsman, Assistant Deputy Minister of Education  
Rhonda Smysniuk, Executive Director, Education Finance and Facilities, Education  
Clint Repski, Director of Financial Services, Education Finance and Facilities, Education

# Saskatoon Public Schools Restated 2010-11 Budget



Prepared on Behalf of the  
Saskatoon Board of Education

Ms. Donna Banks  
Mr. Robin Bellamy  
Mr. Dan Danielson  
Ms. Holly Kelleher  
Mr. Vernon Linklater  
Ms. Colleen MacPherson  
Mr. Ray Morrison  
Ms. Anna Ringstrom  
Mr. Darrell Utley  
Mr. Kevin Waugh

By Administration



## Financial Information Restated 2010-11 Budget

### Statement of Operations

#### Restated Budget:

The Ministry of Education (letter dated November 4, 2010 from Minister of Education Donna Harpauer) required a reduction of \$1.9 million to the original 2010-11 Budget for provincial grant revenues. The reduction is as a result of the Ministry of Education not funding the following: \$1.0 million to cover increases in the Local Implementation and Negotiations Committee (LINC) agreement and \$0.9 million to cover an increase in enrolment in September 2010.

|                          | <b>Restated Budget<br/>2010-11</b> | <b>Budget 2009-10<br/>(Note 1)</b> |
|--------------------------|------------------------------------|------------------------------------|
| <b>Revenues</b>          |                                    |                                    |
| Property taxes           | \$ 91,000,000                      | \$ 84,145,000                      |
| Provincial grants        | 99,281,390                         | 110,955,510                        |
| Tuition and related fees | 1,060,000                          | 1,045,000                          |
| External services        | 3,007,000                          | 2,775,000                          |
| School-based             | 5,500,000                          | 5,500,000                          |
| Other                    | 1,154,500                          | 1,277,200                          |
| <b>Total revenues</b>    | <b>201,002,890</b>                 | <b>205,697,710</b>                 |
| <b>Expenses</b>          |                                    |                                    |
| Governance               | 785,125                            | 938,947                            |
| Administration           | 3,817,879                          | 3,469,541                          |
| Instruction              | 148,876,866                        | 142,867,359                        |
| Plant                    | 30,418,177                         | 29,291,085                         |
| School-based             | 5,500,000                          | 5,500,000                          |
| Transportation           | 4,440,540                          | 4,238,645                          |
| Tuition and related fees | 275,000                            | 281,000                            |
| Complementary services   | 2,364,629                          | 2,285,993                          |
| External services        | 2,876,194                          | 2,638,024                          |
| Interest                 | 1,346,500                          | 1,474,015                          |
| <b>Total expenses</b>    | <b>200,700,910</b>                 | <b>192,984,609</b>                 |
| <b>Surplus (Note 2)</b>  | <b>301,980</b>                     | <b>12,713,101</b>                  |



Notes:

1. Budget 2009-10 has been restated to include estimates for amortization expense. The Budget approved by the Board did not include amortization expense. Budget 2009-10 includes estimated amortization expenses of \$2.65 million in the instruction and \$6.70 million in the plant categories.
2. The revenue for capital projects is recognized as the capital project progresses. The same capital asset only has amortization expense recognized in the financial statement after the capital project is completed. Budget 2010-11 includes \$6.5 million in revenues from the Ministry of Education for capital projects and Budget 2009-10 included \$14.5 million.



## Cash Flow Requirements

|  | <b>Restated Budget<br/>2010-11</b> | <b>Budget 2009-10</b> |
|--|------------------------------------|-----------------------|
| Total revenues                             | 201,002,890                        | 205,697,710           |
| Total expenses                             | <u>200,700,910</u>                 | <u>192,984,609</u>    |
| Surplus (Note 1)                           | 301,980                            | 12,713,101            |
| <i>Tangible Capital Assets:</i>            |                                    |                       |
| Purchases (Note 2)                         | (13,351,321)                       | (22,679,101)          |
| <i>Long-term Debt:</i>                     |                                    |                       |
| Debt issued                                | 1,855,000                          | 4,193,000             |
| Debt repayments                            | (4,830,000)                        | (5,043,000)           |
| <i>Non-cash Items:</i>                     |                                    |                       |
| Amortization expense                       | 10,300,000                         | 9,350,000             |
| Employee future benefits expenses (Note 3) | 330,000                            | -                     |
| <i>Reserves:</i>                           |                                    |                       |
| Capital fund (Note 4)                      | 1,579,341                          | -                     |
| Other reserves (Note 5)                    | <u>(185,000)</u>                   | <u>(134,000)</u>      |
| Deficit (Note 6)                           | <u>(4,000,000)</u>                 | <u>(1,600,000)</u>    |

### Notes:

1. Budget 2010-11 includes \$6.5 million in revenues from the Ministry of Education for capital projects and the Budget 2009-10 included \$14.5 million.
2. Budget 2010-11 includes \$1 million for the Saskatoon Trades and Skills Centre (\$13.5 million in Budget 2009-10). Both of these amounts are included in the tangible capital assets purchases and the total revenues above.
3. The 2008-09 audited financial statements was the first year for reporting the employee future benefits. The actuary report for the liability and related expenses was prepared after the 2009-10 Budget was completed; therefore, an estimate for the employee future benefit expenses was not included in the 2009-10 Budget.
4. There are approximately \$1.3 million in capital expenditures from prior years that will be completed in 2010-11. In addition, the debt planned in Budget 2009-10 was delayed by about six months. This resulted in extra funds available in the capital reserves to be spent on the debt in the 2010-11 Budget.



5. The other reserve allocations in the 2010-11 Budget are as follows: \$75,000 for the system application reserve, \$75,000 for the civic election reserve, \$20,000 for the security cameras for the secondary schools reserve and \$15,000 for the reserve for facility repairs related to rentals.
6. The Nutana capital project is being funded using the Operating Reserve (\$2.1 million in 2010-11). Based on the restated 2010-11 Budget, it is expected the balance in the Internally Restricted Surplus and Unrestricted Accumulated Surplus will total approximately \$11.7 million at August 31, 2011.