



Schools' Finance Branch
511-1181 Portage Avenue
Winnipeg, Manitoba
R3G 0T3

FRONTIER SCHOOL DIVISION
30 SPEERS ROAD
WINNIPEG, MANITOBA R2J 1L9

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

June 30, 2012

Deloitte & Touche LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

Tel: 204-942-0051
Fax: 204-947-9390
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Frontier School Division

We have audited the following financial statements of Frontier School Division (the "Division") as at June 30, 2012, and for the year then ended:

Consolidated – Statement of Financial Position
Consolidated – Statement of Revenue, Expenditures and Accumulated Surplus
Consolidated – Statement of Change in Net Debt
Consolidated – Statement of Cash Flow
Operating Fund – Schedule of Financial Position
Operating Fund – Schedule of Revenue, Expenditures and Accumulated Surplus
Capital Fund – Schedule of Financial Position
Capital Fund – Schedule of Revenue, Expenditures and Accumulated Surplus
Schedule of Tangible Capital Assets
Schedule of Capital Reserve Accounts
Special Purpose Fund – Schedule of Financial Position
Special Purpose Fund – Schedule of Revenue, Expenditures and Accumulated Surplus
Calculation of Allowable Expenditures
Notes to the Consolidated Financial Statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in

Frontier School Division

November 16, 2012

Page 2

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Frontier School Division as at June 30, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the other statements and reports is presented for purposes of additional analysis and is not a required part of basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in, our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our opinion on these financial statements does not extend to any budget information contained therein.

Deloitte & Touche LLP

Chartered Accountants
Winnipeg, Manitoba

November 16, 2012

AUDITOR'S SUPPLEMENTARY REPORT

To the Board of Trustees
Frontier School Division

We have audited the EIS Enrolment File Verification Report – EIS Cert. – part 2 of 2 (prepared in accordance with Part 1, Sections 1.1 and 1.2 of the Public Schools Enrolment and Categorical Grants Reporting for the 2011/2012 school year) of the Frontier School Division as at September 30, 2011 (the “schedule”).

Management's Responsibility for the Schedule

Management is responsible for the preparation of the schedule in accordance with the provisions of Public Schools Enrolment and Categorical Grants Reporting, and for such internal control as management determines is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the schedule is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, this schedule presents fairly, in all material aspects, the enrolment of the Frontier School Division as at September 30, 2011 in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2011/2012 school year referred to above.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the basis of preparation of the enrolment report. The enrolment report is prepared to assist Frontier School Division to comply with with Part 1, Sections 1.1 and 1.2 of the Public Schools Enrolment and Categorical Grants Reporting for the 2011/2012 school year of Frontier School Division and contains pupil enrolment totals on a head-count basis. As a result, this report may not be suitable for another purpose. Our report is intended solely for the Manitoba Schools' Finance Branch and Frontier School Division and should not be distributed or used by parties other than the Manitoba Schools' Finance Branch and Frontier School Division.

Deloitte & Touche LLP

Chartered Accountants
Winnipeg, Manitoba
November 16, 2012

I hereby certify that the preceding report has been presented to the members of the Board of the Frontier School Division.

November 16, 2012
Date

Linda Baillentine
Chairperson of the Board

Deloitte & Touche LLP
360 Main Street
Suite 2300
Winnipeg MB R3C 3Z3
Canada

Tel: 204-942-0051
Fax: 204-947-9390
www.deloitte.ca

MANAGEMENT REPORT


Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Frontier School Division are the responsibility of the Division management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Division management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

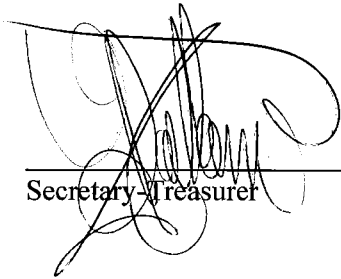
The Board of Trustees of the Division met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte and Touche LLP, independent external auditors appointed by the Board. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Division's consolidated financial statements.



Chairperson

November 16, 2012



Secretary-Treasurer

OPERATING FUND SCHEDULE OF FINANCIAL POSITION

as at June 30

	2012	2011
Financial Assets		
Cash and Bank	1,282,754	266,053
Short Term Investments	-	-
Due from		
- Provincial Government	1,551,057	1,495,254
- Federal Government	1,104,097	1,160,256
- Municipal Government	1,974,515	2,003,488
- Other School Divisions	-	3,029
- First Nations	37,674,783	39,592,649
- Other Funds	-	-
Accounts Receivable	236,668	132,325
Accrued Investment Income	-	-
	<u>43,823,874</u>	<u>44,653,054</u>
Liabilities		
Overdraft	3,902,561	21,607,976
Accounts Payable	9,771,468	8,997,181
Accrued Liabilities	6,085,364	6,650,489
Employee Future Benefits	1,130,336	978,099
Accrued Interest Payable	-	-
Due to		
- Provincial Government	-	-
- Federal Government	-	-
- Municipal Government	-	-
- Other School Divisions	244,000	1,603
- First Nations	-	-
- Capital Fund	2,575,414	2,410,638
Deferred Revenue	15,368,573	125,862
Other Borrowings	-	-
	<u>39,077,716</u>	<u>40,771,848</u>
Net Financial Assets (Net Debt)	<u>4,746,158</u>	<u>3,881,206</u>
Non-Financial Assets		
Inventories	-	-
Prepaid Expenses	216,273	272,784
	<u>216,273</u>	<u>272,784</u>
Accumulated Surplus (Deficit)	<u>4,962,431</u>	<u>4,153,990</u>

**OPERATING FUND
SCHEDULE OF REVENUE, EXPENSES
AND ACCUMULATED SURPLUS**

For the Year Ended June 30

	2012 Actual	2012 Budget	2011 Actual
Revenue			
Provincial Government	47,425,784	46,845,321	45,479,134
Federal Government	12,097,196	11,538,169	10,924,266
Municipal Government	2,510,869	2,524,006	2,572,294
- Property Tax			
- Other	255,600	195,000	194,400
Other School Divisions	19,500	-	20,150
First Nations	48,442,407	53,817,602	48,303,838
Private Organizations and Individuals	4,015,338	4,600,218	4,097,144
Other Sources	557,705	941,776	1,293,599
	<u>115,324,399</u>	<u>120,462,092</u>	<u>112,884,825</u>
Expenses			
Regular Instruction	49,844,289	52,412,981	48,579,678
Student Support Services	16,582,770	18,859,060	16,639,902
Adult Learning Centres	3,278,006	3,694,252	3,209,160
Community Education and Services	2,494,061	2,333,986	2,342,263
Divisional Administration	6,002,504	6,083,806	5,861,145
Instructional and Other Support Services	6,171,779	6,530,667	6,457,887
Transportation of Pupils	9,271,849	9,298,345	8,836,698
Operations and Maintenance	18,239,955	18,623,995	17,417,165
Fiscal	1,934,626	2,125,000	2,009,018
	<u>113,819,839</u>	<u>119,962,092</u>	<u>111,352,916</u>
Current Year Surplus (Deficit)	<u>1,504,560</u>	<u>500,000</u>	<u>1,531,909</u>
Net Transfers from (to) Capital Fund	(696,119)	(500,000)	(836,771)
Transfers from Special Purpose Funds	-		-
Less: Non-vested sick leave			
Net Transfers and Non-vested Sick Leave	<u>(696,119)</u>	<u>(500,000)</u>	<u>(836,771)</u>
Opening Accumulated Surplus (Deficit)	4,153,990		3,458,852
Adjustments:	-		-
Non-vested sick leave	-		-
Opening Accumulated Surplus (Deficit), as adjusted	<u>4,153,990</u>		<u>3,458,852</u>
Closing Accumulated Surplus (Deficit)	<u>4,962,431</u>		<u>4,153,990</u>