



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, 2011

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, 2011, and for the year then ended:

- Consolidated – Statement of Financial Position
- Consolidated – Statement of Revenue, Expenses 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, Expenses and Accumulated Surplus
- Capital Fund – Schedule of Financial Position
- Capital Fund – Schedule of Revenue, Expenses and Accumulated Surplus
- Capital Fund – Schedule of Tangible Capital Assets
- Capital Fund – Schedule of Capital Reserve Accounts
- Special Purpose Fund – Schedule of Financial Position
- Special Purpose Fund – Schedule of Revenue, Expenses and Accumulated Surplus
- Notes to the 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 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.

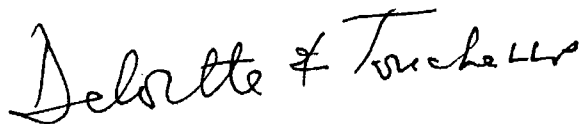
Audit Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Frontier School Division as at June 30, 2011 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.



Chartered Accountants
Winnipeg, Manitoba
November 18, 2011

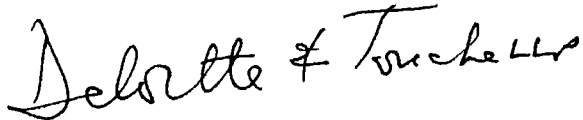
AUDITORS' SUPPLEMENTARY REPORT

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 2010/2011 school year) of the Frontier School Division as at September 30, 2010. The enrolment information is the responsibility of the School's management. Our responsibility is to express an opinion on this enrolment information 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 enrolment information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the enrolment information.

In our opinion, this report presents fairly, in all material aspects, the enrolment of the Frontier School Division as at September 30, 2010 in accordance with the Public Schools Enrolment and Categorical Grants Reporting for the 2010/2011 school year referred to above.



Chartered Accountants

Winnipeg, Manitoba
November 18, 2011

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

November 18, 2011
Date

Linda Ballentyne
Chairperson of the Board

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.

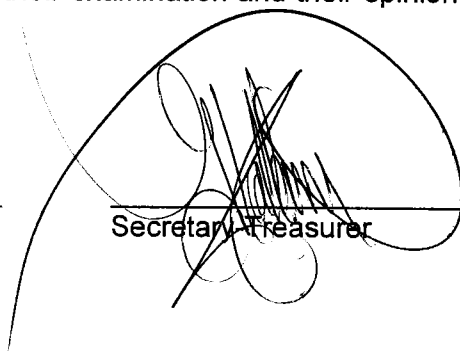
The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. Division management maintains a system of internal 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



Secretary-Treasurer

November 18, 2011

OPERATING FUND SCHEDULE OF FINANCIAL POSITION
as at June 30

	2011	2010
Financial Assets		
Cash and Bank	266,053	3,469,290
Short Term Investments		-
Due from		
- Provincial Government	1,495,254	1,752,556
- Federal Government	1,160,256	2,207,738
- Municipal Government	2,003,488	1,773,120
- Other School Divisions	3,029	1,300
- First Nations	39,592,649	27,583,483
- Other Funds	-	-
Accounts Receivable	132,325	386,705
Accrued Investment Income		-
	<u>44,653,054</u>	<u>37,174,192</u>
Liabilities		
Overdraft	21,607,976	12,349,784
Accounts Payable	8,997,181	7,733,454
Accrued Liabilities	6,650,489	8,911,461
Employee Future Benefits	978,099	1,025,954
Accrued Interest Payable		-
Due to		
- Provincial Government		-
- Federal Government		-
- Municipal Government		-
- Other School Divisions	1,603	42,620
- First Nations		-
- Capital Fund	2,410,638	3,800,550
Deferred Revenue	125,862	87,704
Other Borrowings		-
	<u>40,771,848</u>	<u>33,951,527</u>
Net Financial Assets (Net Debt)	<u>3,881,206</u>	<u>3,222,665</u>
Non-Financial Assets		
Inventories	-	-
Prepaid Expenses	272,784	236,187
	<u>272,784</u>	<u>236,187</u>
Accumulated Surplus (Deficit)	<u>4,153,990</u>	<u>3,458,852</u>

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

For the Year Ended June 30

	2011 Actual	2011 Budget	2010 Actual
Revenue			
Provincial Government	45,479,134	44,880,778	44,104,348
Federal Government	10,924,266	8,567,306	10,082,591
Municipal Government - Property Tax	2,572,294	2,543,143	2,605,061
- Other	194,400	160,000	148,534
Other School Divisions	20,150	-	6,500
First Nations	48,303,838	51,869,228	47,111,650
Private Organizations and Individuals	4,097,144	4,100,645	3,965,355
Other Sources	1,293,599	346,789	867,508
	<u>112,884,825</u>	<u>112,467,889</u>	<u>108,891,547</u>
Expenses			
Regular Instruction	48,579,678	48,828,695	46,805,303
Student Support Services	16,639,902	17,392,592	16,217,518
Adult Learning Centres	3,209,160	3,579,429	3,672,958
Community Education and Services	2,342,263	2,262,051	1,977,499
Divisional Administration	5,861,145	6,107,980	5,948,858
Instructional and Other Support Services	6,457,887	6,076,895	5,789,832
Transportation of Pupils	8,836,698	8,431,099	8,174,427
Operations and Maintenance	17,417,165	17,814,148	17,296,306
Fiscal	2,009,018	1,725,000	1,679,454
	<u>111,352,916</u>	<u>112,217,889</u>	<u>107,562,155</u>
Current Year Surplus (Deficit)	1,531,909	250,000	1,329,392
Net Transfers from (to) Capital Fund	(836,771)	(250,000)	(869,640)
Transfers from Special Purpose Funds	-	-	-
Net Current Year Surplus (Deficit)	<u>695,138</u>	<u>0</u>	<u>459,752</u>
Opening Accumulated Surplus (Deficit)	3,458,852		2,999,100
Adjustments:	-		-
	-		-
Opening Accumulated Surplus (Deficit), as adjusted	<u>3,458,852</u>		<u>2,999,100</u>
Closing Accumulated Surplus (Deficit)	<u><u>4,153,990</u></u>		<u><u>3,458,852</u></u>