
Audited Financial Statements

Of the Good Spirit School Division No. 204

School Division No. 2040500

For the Period Ending: August 31, 2016

Sherry Todosichuk, CPA, CGA

Deputy Director - Corporate Services

Miller Moar Grodecki Kreklewich & Chorney

Auditor

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

CONTENTS

- 1 Management Responsibility for Financial Statements**
- 2 Auditors' Report**
- 3 Statement of Financial Position**
- 4 Statement of Operations and Accumulated Surplus from Operations**
- 5 Statement of Changes in Net Financial Assets**
- 6 Statement of Cash Flows**
- A-1 Schedule A: Supplementary Details of Revenue**
- B-1 Schedule B: Supplementary Details of Expenses**
- C-1 Schedule C: Supplementary Details of Tangible Capital Assets**
- D-1 Schedule D: Non-Cash Items Included in Surplus/Deficit**
- Schedule E: Net Change in Non-Cash Operating Activities**
- N1-22 Notes to Financial Statements**



Fairview Education Centre
63 King Street East, Yorkton, SK S3N 0T7

Management's Responsibility for the Financial Statements

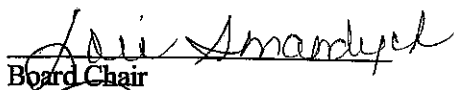
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards for other government organizations in the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of 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.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

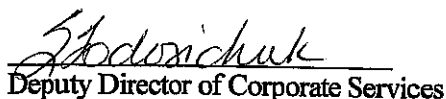
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the school division's external auditors.

The external auditors, Miller Moar Grodecki Kreklewich & Chorney, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Good Spirit School Division No. 204:


Board Chair


CEO/Director of Education


Deputy Director of Corporate Services

November 24, 2016

Miller Moar Grodecki Krekewich & Chorney
Chartered Professional Accountants

INDEPENDENT AUDITORS' REPORT

To the Chairman and Board of Trustees of the
Good Spirit School Division No. 204
Yorkton, Saskatchewan
S3N 4C5

Report on the Financial Statements

We have audited the accompanying financial statements of the Good Spirit School Division No. 204 which comprise the statement of financial position as at August 31, 2016 and the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for other government organizations, 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.

Auditors' 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 auditors' judgement, 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.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Good Spirit School Division No. 204 as at August 31, 2016 and the results of its operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for other government organizations.

Miller Moar Grodecki Krekewich & Chorney

MILLER MOAR GRODECKI KREKLEWICH & CHORNEY
Chartered Professional Accountants

Melville, Saskatchewan
November 24, 2016


Good Spirit School Division No. 204
Statement of Financial Position
as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	14,175,436	13,391,917
Accounts Receivable (Note 8)	13,148,936	11,874,866
Portfolio Investments (Note 4)	56,103	55,779
Total Financial Assets	27,380,475	25,322,562
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	2,196,838	3,809,847
Long-Term Debt (Note 10)	6,129,142	7,522,939
Liability for Employee Future Benefits (Note 6)	609,600	536,200
Deferred Revenue (Note 11)	4,432,512	4,194,983
Total Liabilities	13,368,092	16,063,969
Net Financial Assets	14,012,383	9,258,593
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	62,694,125	53,268,928
Prepaid Expenses	749,414	804,635
Total Non-Financial Assets	63,443,539	54,073,563
Accumulated Surplus (Note 14)	77,455,922	63,332,156


Contractual Obligations and Commitments (Note 18)

The accompanying notes and schedules are an integral part of these statements.

Approved by the Board:



Chairperson



Deputy Director - Corporate Services

Good Spirit School Division No. 204
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUES	(Note 15)		
Property Taxation	18,988,848	18,997,023	18,901,993
Grants	63,305,234	66,938,664	63,651,281
Tuition and Related Fees	2,360,582	2,235,914	2,296,760
School Generated Funds	2,400,000	2,552,909	2,963,186
Complementary Services (Note 12)	859,752	1,007,190	1,119,438
External Services (Note 13)	255,051	270,744	271,380
Other	330,600	405,315	491,139
Total Revenues (Schedule A)	88,500,067	92,407,759	89,695,177
EXPENSES			
Governance	549,021	582,781	518,085
Administration	2,850,622	2,873,499	2,740,534
Instruction	55,195,497	53,954,672	53,253,840
Plant	7,875,076	8,710,755	8,029,992
Transportation	7,220,373	6,614,895	6,777,820
Tuition and Related Fees	970,707	1,015,830	939,872
School Generated Funds	2,412,615	2,488,491	2,723,404
Complementary Services (Note 12)	912,865	1,305,917	1,470,635
External Services (Note 13)	249,867	278,178	297,816
Other Expenses	278,154	458,975	302,889
Total Expenses (Schedule B)	78,514,797	78,283,993	77,054,887
Operating Surplus for the Year	9,985,270	14,123,766	12,640,290
Accumulated Surplus from Operations, Beginning of Year	63,332,156	63,332,156	50,691,866
Accumulated Surplus from Operations, End of Year	73,317,426	77,455,922	63,332,156

The accompanying notes and schedules are an integral part of these statements.

Good Spirit School Division No. 204
Statement of Changes in Net Financial Assets
for the year ended August 31, 2016

	2016 Budget (Note 15)	2016 Actual	2015 Actual
Net Financial Assets, Beginning of Year	9,258,593	9,258,593	9,803,625
Changes During the Year			
Operating Surplus for the Year	9,985,270	14,123,766	12,640,290
Acquisition of Tangible Capital Assets (Schedule C)	(11,836,576)	(13,386,406)	(17,368,686)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	63,583	300,338
Net Loss on Disposal of Capital Assets (Schedule C)	-	97	113,035
Amortization of Tangible Capital Assets (Schedule C)	3,781,266	3,897,529	3,786,773
Net Change in Other Non-Financial Assets	-	55,221	(16,782)
Change in Net Financial Assets	1,929,960	4,753,790	(545,032)
Net Financial Assets, End of Year	11,188,553	14,012,383	9,258,593

The accompanying notes and schedules are an integral part of these statements.

Good Spirit School Division No. 204**Statement of Cash Flows
for the year ended August 31, 2016**

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus for the Year	14,123,766	12,640,290
Add Non-Cash Items Included in Surplus (Schedule D)	3,897,626	3,899,808
Net Change in Non-Cash Operating Activities (Schedule E)	(2,520,929)	(666,907)
Cash Provided by Operating Activities	15,500,463	15,873,191
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(13,386,406)	(17,368,686)
Proceeds on Disposal of Tangible Capital Assets	63,583	300,338
Cash (Used) by Capital Activities	(13,322,823)	(17,068,348)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(324)	(520)
Cash (Used) by Investing Activities	(324)	(520)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	825,000	5,675,054
Repayment of Long-Term Debt	(2,218,797)	(2,386,070)
Cash Provided (Used) by Financing Activities	(1,393,797)	3,288,984
INCREASE IN CASH AND CASH EQUIVALENTS	783,519	2,093,307
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	13,391,917	11,298,610
CASH AND CASH EQUIVALENTS, END OF YEAR	14,175,436	13,391,917

The accompanying notes and schedules are an integral part of these statements.

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	18,988,848	18,655,737	18,352,246
Total Property Tax Revenue	18,988,848	18,655,737	18,352,246
Grants in Lieu of Taxes			
Federal Government	-	80,352	33,023
Provincial Government	-	213,047	247,298
Other	-	35,886	33,720
Total Grants in Lieu of Taxes	-	329,285	314,041
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	-	22,391
House Trailer Fees	-	35,835	34,348
Total Other Tax Revenues	-	35,835	56,739
Additions to Levy			
Penalties	-	234,690	266,610
Other	-	-	3,445
Total Additions to Levy	-	234,690	270,055
Deletions from Levy			
Cancellations	-	(20,384)	(86,535)
Other Deletions	-	(238,140)	(4,553)
Total Deletions from Levy	-	(258,524)	(91,088)
Total Property Taxation Revenue	18,988,848	18,997,023	18,901,993
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	51,731,484	51,699,150	51,119,776
Other Ministry Grants	103,750	118,607	266,113
Total Ministry Grants	51,835,234	51,817,757	51,385,889
Other Provincial Grants	285,000	223,933	210,517
Grants from Others	-	352,186	300,000
Total Operating Grants	52,120,234	52,393,876	51,896,406
Capital Grants			
Ministry of Education Capital Grants	11,185,000	14,001,206	11,436,838
Other Capital Grants	-	543,582	318,037
Total Capital Grants	11,185,000	14,544,788	11,754,875
Total Grants	63,305,234	66,938,664	63,651,281

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
School Boards	-	24,000	24,000
Federal Government and First Nations	2,260,582	2,210,164	2,265,519
Individuals and Other	100,000	-	5,491
Total Tuition Fees	2,360,582	2,234,164	2,295,010
Transportation Fees	-	1,750	1,750
Total Operating Tuition and Related Fees	2,360,582	2,235,914	2,296,760
Total Tuition and Related Fees Revenue	2,360,582	2,235,914	2,296,760
School Generated Funds Revenue			
Curricular			
Student Fees	90,000	49,143	60,068
Total Curricular Fees	90,000	49,143	60,068
Non-Curricular Fees			
Commercial Sales - Non-GST	280,000	242,051	258,830
Fundraising	600,000	439,717	570,033
Grants and Partnerships	30,000	35,801	6,871
Other	1,400,000	1,786,197	2,067,384
Total Non-Curricular Fees	2,310,000	2,503,766	2,903,118
Total School Generated Funds Revenue	2,400,000	2,552,909	2,963,186
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	721,752	721,752	698,231
Other Ministry Grants	-	150,000	150,000
Other Provincial Grants	-	-	49,156
Federal Grants	115,000	107,202	147,374
Other Grants	-	-	45,709
Total Operating Grants	836,752	978,954	1,090,470
Fees and Other Revenue			
Other Revenue	23,000	28,236	28,968
Total Fees and Other Revenue	23,000	28,236	28,968
Total Complementary Services Revenue	859,752	1,007,190	1,119,438

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Operating Grants			
Ministry of Education Grants			
Other Provincial Grants	55,051	76,896	76,896
Total Operating Grants	55,051	76,896	76,896
Fees and Other Revenue			
Other Revenue	200,000	193,848	194,484
Total Fees and Other Revenue	200,000	193,848	194,484
Total External Services Revenue	255,051	270,744	271,380
Other Revenue			
Miscellaneous Revenue	45,600	116,304	195,970
Sales & Rentals	225,000	184,051	191,520
Investments	60,000	104,960	103,649
Total Other Revenue	330,600	405,315	491,139
TOTAL REVENUE FOR THE YEAR	88,500,067	92,407,759	89,695,177

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	166,113	151,159	153,133
Professional Development- Board Members	77,840	60,645	67,972
Advisory Committees	36,600	36,620	36,109
Professional Development - Advisory Committees	5,000	2,802	3,735
Elections	-	4,791	-
Other Governance Expenses	263,468	326,764	256,463
Amortization of Tangible Capital Assets	-	-	673
Total Governance Expense	549,021	582,781	518,085
Administration Expense			
Salaries	2,103,661	2,173,270	1,964,441
Benefits	223,676	237,650	228,784
Supplies & Services	255,067	262,139	265,259
Non-Capital Furniture & Equipment	2,500	6,818	8,414
Building Operating Expenses	58,000	42,455	53,863
Communications	44,600	40,026	53,645
Travel	68,200	51,986	62,495
Professional Development	66,100	41,843	57,557
Amortization of Tangible Capital Assets	28,818	17,312	46,076
Total Administration Expense	2,850,622	2,873,499	2,740,534
Instruction Expense			
Instructional (Teacher Contract) Salaries	39,116,476	37,893,549	37,260,691
Instructional (Teacher Contract) Benefits	1,780,305	1,890,155	1,837,612
Program Support (Non-Teacher Contract) Salaries	6,974,729	7,019,928	6,934,467
Program Support (Non-Teacher Contract) Benefits	1,367,899	1,263,014	1,310,237
Instructional Aids	1,356,665	1,384,945	1,451,125
Supplies & Services	789,191	667,302	653,017
Non-Capital Furniture & Equipment	162,793	194,004	208,126
Communications	183,632	169,474	187,752
Travel	226,900	211,324	233,864
Professional Development	442,675	355,660	383,699
Student Related Expense	167,005	163,583	168,082
Amortization of Tangible Capital Assets	2,627,227	2,741,734	2,625,168
Total Instruction Expense	55,195,497	53,954,672	53,253,840

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	2,629,551	2,605,558	2,493,199
Benefits	494,171	459,115	443,996
Supplies & Services	16,250	21,961	14,694
Non-Capital Furniture & Equipment	4,500	4,373	11,344
Building Operating Expenses	4,459,500	5,347,833	4,820,947
Communications	21,750	12,190	13,602
Travel	68,500	62,999	57,498
Professional Development	18,000	9,158	11,826
Amortization of Tangible Capital Assets	162,854	187,568	162,886
Total Plant Operation & Maintenance Expense	7,875,076	8,710,755	8,029,992
Student Transportation Expense			
Salaries	3,200,512	2,987,910	2,899,237
Benefits	461,004	514,866	500,825
Supplies & Services	1,624,530	962,026	1,362,936
Non-Capital Furniture & Equipment	477,700	716,295	636,911
Building Operating Expenses	86,370	75,930	75,264
Communications	11,330	11,626	11,319
Travel	25,000	21,157	14,065
Professional Development	17,600	13,064	15,782
Contracted Transportation	368,000	380,684	331,865
Amortization of Tangible Capital Assets	948,327	931,337	929,616
Total Student Transportation Expense	7,220,373	6,614,895	6,777,820
Tuition and Related Fees Expense			
Tuition Fees	965,707	1,009,430	935,072
Transportation Fees	5,000	6,400	4,800
Total Tuition and Related Fees Expense	970,707	1,015,830	939,872
School Generated Funds Expense			
Cost of Sales	240,000	199,843	218,765
School Fund Expenses	2,160,000	2,275,927	2,491,918
Amortization of Tangible Capital Assets	12,615	12,721	12,721
Total School Generated Funds Expense	2,412,615	2,488,491	2,723,404

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Administration Salaries & Benefits	-	108,588	119,432
Instructional (Teacher Contract) Salaries & Benefits	493,432	486,688	476,501
Program Support (Non-Teacher Contract) Salaries & Benefits	263,318	419,024	529,420
Instructional Aids	140,119	95,344	123,446
Supplies & Services	-	1,508	8,183
Non-Capital Furniture & Equipment	-	-	128
Building Operating Expenses	-	7,836	8,926
Communications	-	3,458	3,773
Travel	-	3,980	5,100
Professional Development (Non-Salary Costs)	-	994	2,473
Student Related Expenses	-	168,121	177,284
Contracted Transportation & Allowances	15,046	3,554	6,808
Amortization of Tangible Capital Assets	950	6,822	9,161
Total Complementary Services Expense	912,865	1,305,917	1,470,635
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	149,393	162,572	179,082
Supplies & Services	100,000	109,821	109,321
Travel	-	5,637	8,916
Professional Development (Non-Salary Costs)	-	114	25
Amortization of Tangible Capital Assets	474	34	472
Total External Services Expense	249,867	278,178	297,816
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	6,500	6,452	14,119
Interest on Capital Loans	101,674	101,895	-
Interest on Other Long-Term Debt	169,980	74,420	175,735
Total Interest and Bank Charges	278,154	182,767	189,854
Loss on Disposal of Tangible Capital Assets	-	97	113,035
Provision for Uncollectable Accounts	-	276,111	-
Total Other Expense	278,154	458,975	302,889
TOTAL EXPENSES FOR THE YEAR	78,514,797	78,283,993	77,054,887

Good Spirit School Division No. 204
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2016

	Land		Buildings		School Buses		Other Vehicles		Furniture and Equipment		Computer Hardware and Equipment		Computer Software		Assets Under Construction	
	Land	Improvements	Buildings	Buses	Other	Vehicles	Equipment	Audio Visual Equipment	Computer Software	Assets Under Construction	2016	2015				
<i>Tangible Capital Assets - at Cost</i>																
Operating Balance as of September 1	282,589	526,759	62,536,663	15,224,281	523,753	6,449,644	5,086,667	384,287	14,163,590	105,178,233	88,970,875					
Additions/Purchases	-	-	-	42,640	56,557	799,850	-	-	12,487,359	13,386,406	17,368,686					
Disposals	-	-	-	(2,164,259)	(13,366)	(176,918)	(5,086,667)	(148,168)	-	(7,589,378)	(1,161,328)					
Transfers to (from)	-	-	2,214,217	-	-	-	4,536,102	-	(6,750,319)	-	-					
Closing Balance as of August 31	282,589	526,759	64,750,880	13,102,662	566,944	7,072,576	4,536,102	236,119	19,900,630	110,975,261	105,178,233					
<i>Tangible Capital Assets - Amortization</i>																
Operating Balance as of September 1	-	52,676	34,612,411	8,549,294	411,679	3,022,545	5,018,083	242,617	-	51,909,305	48,870,487					
Amortization of the Period	-	26,338	1,185,901	903,743	51,262	707,257	975,804	47,224	-	3,897,529	3,786,773					
Disposals	-	-	-	(2,100,579)	(13,366)	(176,918)	(5,086,667)	(148,168)	-	(7,525,698)	(747,955)					
Closing Balance as of August 31	N/A	79,014	35,798,312	7,352,458	449,575	3,552,884	907,220	141,673	N/A	48,281,136	51,909,305					
<i>Net Book Value</i>																
Operating Balance as of September 1	282,589	474,083	27,924,252	6,674,987	112,074	3,427,099	68,584	141,670	14,163,590	53,268,928	40,100,388					
Closing Balance as of August 31	282,589	447,745	28,952,568	5,750,204	117,369	3,519,692	3,628,382	94,446	19,900,630	62,694,125	53,268,928					
Change in Net Book Value	-	(26,338)	1,028,316	(924,783)	5,295	92,593	3,560,298	(47,224)	5,737,040	9,425,197	13,168,540					
<i>Disposals</i>																
Historical Cost	-	-	-	2,164,259	13,366	176,918	5,086,667	148,168	-	7,589,378	1,161,328					
Accumulated Amortization	-	-	-	2,100,579	13,366	176,918	5,086,667	148,168	-	7,525,698	747,955					
Net Cost	-	-	-	63,680	-	-	-	-	-	63,680	413,373					
Price of Sale	-	-	-	63,583	-	-	-	-	-	63,583	300,338					
(Loss) on Disposal	-	-	-	(97)	-	-	-	-	-	(97)	(113,035)					
Net Book Value (NBV) of Assets Pledged as Security for Debt	-	-	-	1,683,810	-	-	-	-	-	1,683,810	2,529,283					

Good Spirit School Division No. 204
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	3,897,529	3,786,773
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	97	113,035
Total Non-Cash Items Included in Surplus	3,897,626	3,899,808

Good Spirit School Division No. 204
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
(Increase) in Accounts Receivable	(1,274,070)	(1,380,612)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,613,009)	598,874
Increase in Liability for Employee Future Benefits	73,400	41,900
Increase in Deferred Revenue	237,529	89,713
Decrease (Increase) in Prepaid Expenses	55,221	(16,782)
Total Net Change in Non-Cash Operating Activities	(2,520,929)	(666,907)

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Good Spirit School Division No. 204" and operates as "the Good Spirit School Division No. 204". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Government 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 public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

b) Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity.

c) Trust Funds

Trust funds are properties assigned to the school division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As a trustee, the school division merely administers the terms and conditions embodied in the agreement, and it has no unilateral authority to change the conditions set out in the trust indenture.

Trust funds are not included in the financial statements as they are not controlled by the school division. Trust fund activities administered by the school division are disclosed in Note 17 of the financial statements.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

d) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require 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.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$ 609,600 (2015 - \$ 536,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 18,997,023 (2015 - \$ 18,901,993) because final tax assessments may differ from initial estimates.
- accounts receivable of \$ 1,853,148 (2015 - \$ 1,695,964) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$ 3,897,529 (2015 - \$ 3,786,773) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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 material changes in the amounts recognized or disclosed.

e) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long-term debt.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

Gains and losses on financial instruments, measured at cost or amortized cost, are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

f) 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.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

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. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. 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 less valuation allowances. These allowances are recorded where collectability is considered doubtful.

Portfolio Investments consist of shares and equity in Credit Unions and Co-operatives. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

g) 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 of the school division include land, land improvements, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets, and assets under construction.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

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.

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, tracks, etc.)	20 years
Buildings	50 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	Asset Life

Assets under construction are not amortized until completed and placed into service for use.

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.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance premiums, Saskatchewan School Boards Association membership fees, Workers' Compensation premiums, consumable school supplies, bus garage parts, printer toner cartridges and promotional items.

b) 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.

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.

Long-Term Debt is comprised of capital loans and other long term debt with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

Long-term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the school division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

Liability for Employee Future Benefits represents 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 pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-Government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered; revenue from contractual services is recognized as the services are delivered; and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

i) Employee Pension Plans

Employees of the school division participate in the following pension plans:

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 Saskatchewan Teachers' Retirement Plan (STRP) or the 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 the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

j) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The school division's sources of revenues include the following:

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. 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.

iii) Fees and Services

Revenues from tuition fees and other fees and services are recognized in the year they are earned. Amounts that are restricted 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 are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

iv) Interest Income

Interest is recognized on an accrual basis when it is earned.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

k) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$ 8,000,000 that bears interest at a rate of prime with BMO. This line of credit is authorized by a borrowing resolution by the board of education and is secured by tax revenue and grants. This line of credit was approved by the Minister of Education on January 21, 2013. The balance drawn on the line of credit at August 31, 2016 was \$ NIL (August 31, 2015 - \$ NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Shares/Equity in Co-operatives/Credit Unions	\$ 56,103	\$ 55,779
Total portfolio investments	\$ 56,103	\$ 55,779

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 151,159	\$ 431,622	\$ -	\$ -	\$ 582,781	\$ 518,085
Administration	2,410,920	445,267	-	17,312	2,873,499	2,740,534
Instruction	48,066,646	3,146,292	-	2,741,734	53,954,672	53,253,840
Plant	3,064,673	5,458,513	-	187,569	8,710,755	8,029,992
Transportation	3,502,776	2,180,782	-	931,337	6,614,895	6,777,820
Tuition and Related Fees	-	1,015,830	-	-	1,015,830	939,872
School Generated Funds	-	2,475,770	-	12,721	2,488,491	2,723,404
Complementary Services	1,014,300	284,795	-	6,822	1,305,917	1,470,635
External Services	162,571	115,573	-	34	278,178	297,816
Other	-	276,208	182,767	-	458,975	302,889
TOTAL	\$ 58,373,045	\$ 15,830,652	\$ 182,767	\$ 3,897,529	\$ 78,283,993	\$ 77,054,887

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. 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 statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

	2016	2015
	Aug. 31, 2016	Aug. 31, 2015
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.10%	2.50%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.20%
Expected average remaining service life (years)	14	14

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 877,400	\$ 599,400
Current period service cost	83,000	54,300
Interest cost	23,300	17,700
Benefit payments	(59,900)	(39,600)
Actuarial losses	48,500	245,600
Accrued Benefit Obligation - end of year	972,300	877,400
Unamortized Net Actuarial (Losses)	(362,700)	(341,200)
Liability for Employee Future Benefits	\$ 609,600	\$ 536,200

Employee Future Benefits Expense	2016	2015
Current period service cost	\$ 83,000	\$ 54,300
Amortization of net actuarial loss	27,000	9,500
Benefit cost	110,000	63,800
Interest cost	23,300	17,700
Total Employee Future Benefits Expense	\$ 133,300	\$ 81,500

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 Plan (STSP)**

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

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

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

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

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	504	77	581	570
Member contribution rate (percentage of salary)	10.20%/12.40%	6.05%/7.85%	6.05%/12.40%	6.05%/11.30%
Member contributions for the year	\$ 4,020,106	\$ 29,095	\$ 4,049,201	\$ 3,646,129

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 the Public Sector Accounting Board (PSAB) standards, 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:

	2016	2015
Number of active School Division members	467	457
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 1,108,372	\$ 1,093,015
School Division contributions for the year	\$ 1,108,372	\$ 1,093,015
Actuarial (extrapolation) valuation date	(Dec-31-2015)	Dec-31-2014
Plan Assets (in thousands)	\$ 2,148,676	\$ 2,006,587
Plan Liabilities (in thousands)	\$ 1,831,743	\$ 1,672,582
Plan Surplus (in thousands)	\$ 316,933	\$ 334,002

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts. Details of accounts receivable balances and allowances are as follows:

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 10,750,980	\$ 1,554,635	\$ 9,196,345	\$ 10,458,967	\$ 1,621,602	\$ 8,837,365
Provincial Grants Receivable	2,453,895	-	2,453,895	1,806,123	-	1,806,123
GST Receivables	185,317	-	185,317	392,401	-	392,401
Other Receivables	1,611,892	298,513	1,313,379	913,339	74,362	838,977
Total Accounts Receivable	\$ 15,002,084	\$ 1,853,148	\$ 13,148,936	\$ 13,570,830	\$ 1,695,964	\$ 11,874,866

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	\$ 1,024,236	\$ 829,535
Supplier Payments	997,467	2,733,514
Other (Caution Fees, Correspondence)	175,135	246,798
Total Accounts Payable and Accrued Liabilities	\$ 2,196,838	\$ 3,809,847

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2016	2015
Capital Loans:	RBC Norquay School - 4.12% matures August 2019 monthly repayments of \$7,127	\$ 240,966	\$ 314,904
	RBC Technology Loan - 1.82% matures July 2020 monthly repayments of \$82,970	3,542,328	4,464,509
	BMO YRHS - 4.51% matures Nov 2016 monthly repayments of \$10,576	22,797	145,659
	RBC Bus Loan - 1.89% matures Sept 2019 monthly repayments of \$18,049	639,241	-
		4,445,332	4,925,072
Other Long-Term Debt:			
Capital Leases	RBC 10 bus lease 5762 matures Oct 2016 monthly repayments of \$16,968	10,660	214,274
	RBC 10 bus lease 12832 matures Dec 2017 monthly repayments of \$17,915	279,389	494,373
	RBC 23 bus lease 27694 matures Oct 2021 monthly repayments of \$14,429	771,360	919,169
	Scotia Tech lease 59918 matured Sept 2015 monthly repayments of \$68,582	-	68,584
	RBC 13 bus lease 17902 matures Sept 2018 monthly repayments of \$16,968	622,401	901,467
	1,683,810	2,597,867	
Total Long-Term Debt		\$ 6,129,142	\$ 7,522,939

Future principal repayments over the next 5 years are estimated as follows:			
	Capital Loans	Capital Leases	Total
2017	\$ 1,245,371	\$ 652,519	\$ 1,897,890
2018	1,246,898	491,281	1,738,179
2019	1,271,747	212,077	1,483,824
2020	681,316	147,809	829,125
2021	-	147,809	147,809
Thereafter	-	32,315	32,315
Total	\$ 4,445,332	\$ 1,683,810	\$ 6,129,142

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

Principal and interest payments on the long-term debt are as follows:					
	Capital Loans		Capital Leases		
			2016		2015
Principal	\$	1,304,740	\$	914,057	\$ 2,218,797
Interest		101,895		74,421	175,735
Total	\$	1,406,635	\$	988,478	\$ 2,395,113

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Capital projects:				
Federal capital tuition	\$ 303,305	\$ 67,647	\$ -	\$ 370,952
Proceeds from sale of school buildings	408,263	-	-	408,263
Total capital projects deferred revenue	711,568	67,647	-	779,215
Other deferred revenue:				
Property Taxes	3,447,847	189,882	-	3,637,729
Third Party Grants	35,568	6,000	26,000	15,568
Total other deferred revenue	3,483,415	195,882	26,000	3,653,297
Total Deferred Revenue	\$ 4,194,983	\$ 263,529	\$ 26,000	\$ 4,432,512

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

12. 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 revenues and expenses of the Complementary Services programs operated by the school division in 2016 and 2015:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Other Programs	2016	2015
Revenues:					
Operating Grants	\$ 721,752	\$ -	\$ 257,201	\$ 978,953	\$ 1,090,470
Fees and Other Revenues	-	28,237	-	28,237	28,968
Total Revenues	721,752	28,237	257,201	1,007,190	1,119,438
Expenses:					
Salaries & Benefits	656,986	249,839	107,475	1,014,300	1,125,352
Instructional Aids	54,823	27,825	12,695	95,343	123,446
Supplies and Services	-	759	749	1,508	8,184
Non-Capital Equipment	-	-	-	-	128
Building Operating Expenses	3,836	-	4,000	7,836	8,926
Communications	1,489	1,466	503	3,458	3,772
Travel	571	1,451	1,958	3,980	5,101
Professional Development (Non-Salary Costs)	995	-	-	995	2,473
Student Related Expenses	-	18,121	150,000	168,121	177,284
Contracted Transportation & Allowances	-	500	3,054	3,554	6,808
Amortization of Tangible Capital Assets	-	-	6,822	6,822	9,161
Total Expenses	718,700	299,961	287,256	1,305,917	1,470,635
Excess (Deficiency) of Revenues over Expenses	\$ 3,052	\$ (271,724)	\$ (30,055)	\$ (298,727)	\$ (351,197)

The purpose and nature of each Complementary Services program is as follows:

- Pre-K is for 3 and 4 year olds run in programs designated by the Ministry of Education.
- Community School programs are run at 3 schools and include staffing and nutrition programs that support the learning programs.
- Other programs consist of PPEP (Pre-School and Parent Education Program) for early entrance and vulnerable kids from 2 to 4 year olds funded by the federal government. The Visions program is for enhanced educational experiences for first nation and metis students and surrounding communities. An operating grant is paid for the Invitational Shared Services Initiative which is paid to the Yorkton Tribal Council to administer a joint program.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

13. EXTERNAL SERVICES

External services represent those services and programs that are outside of the school division's learning/learning support and complementary programs. These services have no direct link to the delivery of the school division's K-12 programs nor do they directly enhance the school division's ability to deliver its K-12 programs.

Following is a summary of the revenues and expenses of the External Services programs operated by the school division in 2016 and 2015:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2016	2015
Revenues:				
Operating Grants	\$ -	\$ 76,896	\$ 76,896	\$ 76,896
Fees and Other Revenues	193,848	-	193,848	194,484
Total Revenues	193,848	76,896	270,744	271,380
Expenses:				
Salaries & Benefits	109,051	53,521	162,572	179,082
Supplies and Services	84,797	25,024	109,821	109,321
Travel	-	5,637	5,637	8,916
Professional Development	-	114	114	25
Amortization of Tangible Capital Assets	-	34	34	472
Total Expenses	193,848	84,330	278,178	297,816
(Deficiency) of Revenues over Expenses	\$ -	\$ (7,434)	\$ (7,434)	\$ (26,436)

The purpose and nature of each External Services program is as follows:

- Cafeteria operations at Yorkton Regional High School provide food services to staff and students.
- Other programs are third party grants provided for a Regional Kidsfirst program.

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 including school generated funds.

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes like school generated funds, capital projects and third party programs. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 53,268,928	\$ 13,322,726	\$ 3,897,529	\$ 62,694,125
Less: Debt owing on Tangible Capital Assets	(7,522,939)	(825,000)	(2,218,797)	(6,129,142)
	<u>45,745,989</u>	<u>12,497,726</u>	<u>1,678,732</u>	<u>56,564,983</u>
S.286 pre-April 2009 capital reserves (1)	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>-</u>
PMR maintenance project allocations (2)	<u>1,531,695</u>	<u>1,469,211</u>	<u>1,748,139</u>	<u>1,252,767</u>
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	47,581	13,194	-	60,775
	<u>47,581</u>	<u>13,194</u>	<u>-</u>	<u>60,775</u>
Other:				
School generated funds	1,388,732	-	199,055	1,189,677
Future Expenditures YRHS flood	100,000	-	-	100,000
School budget carryovers	358,650	293,982	358,650	293,982
Third Party Programs	115,691	184,098	227,685	72,104
	<u>1,963,072</u>	<u>478,080</u>	<u>785,390</u>	<u>1,655,762</u>
Unrestricted Surplus	<u>13,923,819</u>	<u>3,997,816</u>	<u>-</u>	<u>17,921,635</u>
Total Accumulated Surplus	<u>\$ 63,332,156</u>	<u>\$ 18,456,027</u>	<u>\$ 4,332,261</u>	<u>\$ 77,455,922</u>

- (1) **S.286 pre-April 2009 Capital Reserves** represent capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the Minister of Education.
- (2) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

The purpose and nature of each Internally Restricted Surplus amount is as follows: School generated funds, school based budgets and third party programs are surpluses carried over for those specific areas. Future expenditures from Yorkton Regional High School flood settlement is for an elevator lift.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 17, 2015 and the Minister of Education on August 20, 2015.

16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-crown enterprises that the Government jointly controls or significantly influences. In addition, the school division is related to other non-government organizations by virtue of its economic interest in these organizations.

Related Party Transactions

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

	2016	2015
Revenues:		
Ministry of Education	\$ 66,690,715	\$ 63,670,958
Other School Division	1,010,423	564,419
Other	464,220	533,981
	\$ 68,165,358	\$ 64,769,358
Expenses:		
Parkland College	\$ 967,257	\$ 862,137
Sask Energy	700,789	829,218
Sask Power	1,135,624	1,081,571
Sasktel	266,178	193,873
Sask Workers Compensation	187,607	231,291
Other	94,261	170,727
	\$ 3,351,716	\$ 3,368,817
Accounts Receivable:		
Ministry of Education	\$ 2,453,895	\$ 1,806,123
Christ the Teacher RCSSD	62,708	53,758
	\$ 2,516,603	\$ 1,859,881
Prepaid Expenses:		
Sask Workers Compensation	\$ 62,174	\$ 75,171
	\$ 62,174	\$ 75,171
Accounts Payable and Accrued Liabilities:		
Other	\$ 80,024	\$ 94,957
	\$ 80,024	\$ 94,957

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.

A portion of the operating grant revenue from the Ministry of Education includes funding allocated to principal and interest repayments on some school board loans.

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

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

17. TRUSTS

The school division, as the trustee, administers trust funds for the Public Section of the Saskatchewan School Boards Association and scholarships. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

	Public Section		Scholarships		Total	Total
	2016	2015	2016	2015	2016	2015
Cash and short-term investments	\$ 154,976	\$ 142,832	\$ 147,165	\$ 25,896	\$ 302,141	\$ 168,728
Accounts Receivable	110,326	128,215	-	-	110,326	128,215
Portfolio investments	-	-	191,551	318,757	191,551	318,757
Total Assets	265,302	271,047	338,716	344,653	604,018	615,700
Revenues						
Contributions and donations	1,267,157	548,812	11,550	17,735	1,278,707	566,547
Interest on investments	-	-	4,558	5,337	4,558	5,337
	1,267,157	548,812	16,108	23,072	1,283,265	571,884
Expenses						
Litigation	1,046,667	484,950	-	-	1,046,667	484,950
Contracted Services	226,235	94,351	-	-	226,235	94,351
Awards to Students	-	-	22,045	43,968	22,045	43,968
	1,272,902	579,301	22,045	43,968	1,294,947	623,269
(Deficiency) of Revenues over Expenses	(5,745)	(30,489)	(5,937)	(20,896)	(11,682)	(51,385)
Trust Fund Balance, Beginning of Year	271,047	301,536	344,653	365,549	615,700	667,085
Trust Fund Balance, End of Year	\$ 265,302	\$ 271,047	\$ 338,716	\$ 344,653	\$ 604,018	\$ 615,700

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating and capital lease obligations of the school division are as follows:

	Operating Leases		Capital Leases	
	Copier Leases	Total Operating	Buses	Total Capital
Future minimum lease payments:				
2017	\$ 77,162	\$ 77,162	\$ 652,519	\$ 652,519
2018	64,727	64,727	491,281	491,281
2019	31,073	31,073	212,077	212,077
2020	-	-	147,809	147,809
2021	-	-	147,809	147,809
Thereafter	-	-	32,315	32,315
Interest and executory costs	172,962	172,962	1,683,810	1,683,810
	-	-	210,634	210,634
Total Lease Obligations	\$ 172,962	\$ 172,962	\$ 1,894,444	\$ 1,894,444

19. RISK MANAGEMENT

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk).

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal.

The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

The aging of grants and other accounts receivable as at August 31, 2016 was:

	August 31, 2016				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 2,453,895	\$ 2,453,895	\$ -	\$ -	\$ -
Other Receivables	1,611,892	517,964	1,991	-	1,091,937
Gross Receivables	4,065,787	2,971,859	1,991	-	1,091,937
Allowance for Doubtful Accounts	(298,513)	-	-	-	(298,513)
Net Receivables	\$ 3,767,274	\$ 2,971,859	\$ 1,991	\$ -	\$ 793,424

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by monitoring budgets and maintaining adequate cash balances.

The following table sets out the contractual maturities of the school division's financial liabilities:

	August 31, 2016				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,196,838	\$ 2,137,794	\$ 59,044	\$ -	\$ -
Long-term debt	6,129,142	962,666	935,225	4,231,251	-
Total	\$ 8,325,980	\$ 3,100,460	\$ 994,269	\$ 4,231,251	\$ -

iii) Market Risk

The school division is exposed to market risks with respect to interest rates as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments.

The school division also has an authorized bank line of credit of \$8,000,000 with interest payable monthly at a rate of prime. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. The balance outstanding on this credit facility at August 31, 2016 was \$ NIL (2015 - \$ NIL).

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt