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## Audited Financial Statements

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Of the Good Spirit School Division No. 204

School Division No. 2040500

For the Period Ending: August 31, 2017

Sherry Todosichuk, CPA, CGA

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Chief Financial Officer

Miller Moar Grodecki Kreklewich & Chorney

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Auditor

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

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

### **Management's Responsibility for the Financial Statements**

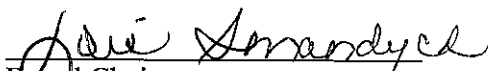
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily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

November 23, 2017

*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, 2017 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, 2017 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 23, 2017

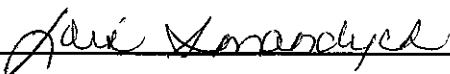
**Good Spirit School Division No. 204**  
**Statement of Financial Position**  
**as at August 31, 2017**

	2017	2016
	\$	\$
<b>Financial Assets</b>		(Restated)
Cash and Cash Equivalents	13,214,536	14,175,436
Accounts Receivable (Note 8)	12,386,684	13,148,936
Portfolio Investments (Note 4)	56,330	56,103
<b>Total Financial Assets</b>	<b>25,657,550</b>	<b>27,380,475</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	2,569,861	2,196,838
Long-Term Debt (Note 10)	4,383,480	6,276,034
Liability for Employee Future Benefits (Note 6)	722,600	609,600
Deferred Revenue (Note 11)	4,817,583	4,432,512
<b>Total Liabilities</b>	<b>12,493,524</b>	<b>13,514,984</b>
<b>Net Financial Assets</b>	<b>13,164,026</b>	<b>13,865,491</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	65,345,493	62,841,017
Prepaid Expenses	918,367	749,414
<b>Total Non-Financial Assets</b>	<b>66,263,860</b>	<b>63,590,431</b>
<b>Accumulated Surplus (Note 14)</b>	<b>79,427,886</b>	<b>77,455,922</b>

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, 2017**

	<b>2017 Budget</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
	\$	\$	\$
<b>REVENUES</b>	(Note 15)		
Property Taxation	19,099,656	21,281,404	18,997,023
Grants	51,690,613	52,226,433	66,938,664
Tuition and Related Fees	2,615,460	2,120,278	2,235,914
School Generated Funds	2,400,000	2,638,316	2,552,909
Complementary Services (Note 12)	866,172	977,749	1,007,190
External Services (Note 13)	230,005	244,186	270,744
Other	403,000	414,919	405,315
<b>Total Revenues (Schedule A)</b>	<b>77,304,906</b>	<b>79,903,285</b>	<b>92,407,759</b>
<b>EXPENSES</b>			
Governance	580,326	509,436	582,781
Administration	2,749,642	2,597,503	2,873,499
Instruction	54,730,135	54,076,962	53,954,672
Plant	7,728,057	8,925,370	8,710,755
Transportation	7,324,432	7,006,493	6,614,895
Tuition and Related Fees	985,000	836,726	1,015,830
School Generated Funds	2,418,924	2,476,540	2,488,491
Complementary Services (Note 12)	873,054	1,003,244	1,305,917
External Services (Note 13)	203,870	232,932	278,178
Other Expenses	172,229	266,115	458,975
<b>Total Expenses (Schedule B)</b>	<b>77,765,669</b>	<b>77,931,321</b>	<b>78,283,993</b>
<b>Operating Surplus (Deficit) for the Year</b>	<b>(460,763)</b>	<b>1,971,964</b>	<b>14,123,766</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>77,455,922</b>	<b>77,455,922</b>	<b>63,332,156</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>76,995,159</b>	<b>79,427,886</b>	<b>77,455,922</b>

*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, 2017**

	<b>2017 Budget</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
	\$ (Note 15)	\$	\$ (Restated)
<b>Net Financial Assets, Beginning of Year</b>	<b>13,865,491</b>	<b>13,865,491</b>	<b>9,048,386</b>
<b>Changes During the Year</b>			
Operating Surplus (Deficit) for the Year	(460,763)	1,971,964	14,123,766
Acquisition of Tangible Capital Assets (Schedule C)	(2,878,788)	(7,169,704)	(13,386,406)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	-	63,583
Net Loss on Disposal of Capital Assets (Schedule C)	-	125,066	97
Amortization of Tangible Capital Assets (Schedule C)	4,056,957	4,540,162	3,960,844
Net Change in Other Non-Financial Assets	-	(168,953)	55,221
<b>Change in Net Financial Assets</b>	<b>717,406</b>	<b>(701,465)</b>	<b>4,817,105</b>
<b>Net Financial Assets, End of Year</b>	<b>14,582,897</b>	<b>13,164,026</b>	<b>13,865,491</b>

*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, 2017**

	2017	2016
	\$	\$
<b>OPERATING ACTIVITIES</b>		(Restated)
Operating Surplus for the Year	1,971,964	14,123,766
Add Non-Cash Items Included in Surplus (Schedule D)	4,665,228	3,960,941
Net Change in Non-Cash Operating Activities (Schedule E)	1,464,393	(2,520,929)
<b>Cash Provided by Operating Activities</b>	<b>8,101,585</b>	<b>15,563,778</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(7,169,704)	(13,386,406)
Proceeds on Disposal of Tangible Capital Assets	-	63,583
<b>Cash (Used) by Capital Activities</b>	<b>(7,169,704)</b>	<b>(13,322,823)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(227)	(324)
<b>Cash (Used) by Investing Activities</b>	<b>(227)</b>	<b>(324)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long-Term Debt	-	825,000
Repayment of Long-Term Debt	(1,892,554)	(2,282,112)
<b>Cash (Used) by Financing Activities</b>	<b>(1,892,554)</b>	<b>(1,457,112)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(960,900)</b>	<b>783,519</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>14,175,436</b>	<b>13,391,917</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>13,214,536</b>	<b>14,175,436</b>

*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, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue</b>			
Property Tax Levy Revenue	19,099,656	20,398,490	18,655,737
<b>Total Property Tax Revenue</b>	<b>19,099,656</b>	<b>20,398,490</b>	<b>18,655,737</b>
<b>Grants in Lieu of Taxes</b>			
Federal Government	-	61,949	80,352
Provincial Government	-	198,836	213,047
Other	-	22,727	35,886
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>283,512</b>	<b>329,285</b>
<b>Other Tax Revenues</b>			
Treaty Land Entitlement - Rural	-	2,556	-
House Trailer Fees	-	37,898	35,835
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>40,454</b>	<b>35,835</b>
<b>Additions to Levy</b>			
Penalties	-	256,568	234,690
Other	-	381,792	-
<b>Total Additions to Levy</b>	<b>-</b>	<b>638,360</b>	<b>234,690</b>
<b>Deletions from Levy</b>			
Cancellations	-	(79,412)	(20,384)
Other Deletions	-	-	(238,140)
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(79,412)</b>	<b>(258,524)</b>
<b>Total Property Taxation Revenue</b>	<b>19,099,656</b>	<b>21,281,404</b>	<b>18,997,023</b>
<b>Grants</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	49,806,252	48,557,688	51,699,150
Other Ministry Grants	103,750	117,914	118,607
<b>Total Ministry Grants</b>	<b>49,910,002</b>	<b>48,675,602</b>	<b>51,817,757</b>
Other Provincial Grants	285,000	266,837	223,933
Federal Grants	26,400	-	-
Grants from Others	-	383,368	352,186
<b>Total Operating Grants</b>	<b>50,221,402</b>	<b>49,325,807</b>	<b>52,393,876</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	1,469,211	2,900,626	14,001,206
Other Capital Grants	-	-	543,582
<b>Total Capital Grants</b>	<b>1,469,211</b>	<b>2,900,626</b>	<b>14,544,788</b>
<b>Total Grants</b>	<b>51,690,613</b>	<b>52,226,433</b>	<b>66,938,664</b>

**Good Spirit School Division No. 204**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees</b>			
Tuition Fees			
School Boards	-	18,000	24,000
Federal Government and First Nations	2,589,960	2,066,867	2,210,164
Individuals and Other	25,500	34,536	-
<b>Total Tuition Fees</b>	<b>2,615,460</b>	<b>2,119,403</b>	<b>2,234,164</b>
Transportation Fees	-	875	1,750
<b>Total Operating Tuition and Related Fees</b>	<b>2,615,460</b>	<b>2,120,278</b>	<b>2,235,914</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>2,615,460</b>	<b>2,120,278</b>	<b>2,235,914</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular</b>			
Student Fees	60,000	48,772	49,143
<b>Total Curricular Fees</b>	<b>60,000</b>	<b>48,772</b>	<b>49,143</b>
<b>Non-Curricular Fees</b>			
Commercial Sales - Non-GST	260,000	270,668	242,051
Fundraising	570,000	415,111	439,717
Grants and Partnerships	10,000	26,558	35,801
Other	1,500,000	1,877,207	1,786,197
<b>Total Non-Curricular Fees</b>	<b>2,340,000</b>	<b>2,589,544</b>	<b>2,503,766</b>
<b>Total School Generated Funds Revenue</b>	<b>2,400,000</b>	<b>2,638,316</b>	<b>2,552,909</b>
<b>Complementary Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	722,172	722,172	721,752
Other Ministry Grants	-	150,000	150,000
Federal Grants	115,000	82,144	107,202
<b>Total Operating Grants</b>	<b>837,172</b>	<b>954,316</b>	<b>978,954</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	875	-
Other Revenue	29,000	22,558	28,236
<b>Total Fees and Other Revenue</b>	<b>29,000</b>	<b>23,433</b>	<b>28,236</b>
<b>Total Complementary Services Revenue</b>	<b>866,172</b>	<b>977,749</b>	<b>1,007,190</b>

**Good Spirit School Division No. 204**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>External Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Other Provincial Grants	55,005	76,896	76,896
<b>Total Operating Grants</b>	<b>55,005</b>	<b>76,896</b>	<b>76,896</b>
<b>Fees and Other Revenue</b>			
Other Revenue	175,000	167,290	193,848
<b>Total Fees and Other Revenue</b>	<b>175,000</b>	<b>167,290</b>	<b>193,848</b>
<b>Total External Services Revenue</b>	<b>230,005</b>	<b>244,186</b>	<b>270,744</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	77,000	109,151	116,304
Sales & Rentals	226,000	195,130	184,051
Investments	100,000	110,638	104,960
<b>Total Other Revenue</b>	<b>403,000</b>	<b>414,919</b>	<b>405,315</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>77,304,906</b>	<b>79,903,285</b>	<b>92,407,759</b>

**Good Spirit School Division No. 204**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Governance Expense</b>			(Restated)
Board Members Expense	188,466	155,913	151,159
Professional Development - Board Members	76,240	48,869	60,645
Advisory Committees	35,600	34,043	36,620
Professional Development - Advisory Committees	5,500	2,503	2,802
Elections	21,000	36,430	4,791
Other Governance Expenses	253,520	231,678	326,764
<b>Total Governance Expense</b>	<b>580,326</b>	<b>509,436</b>	<b>582,781</b>
<b>Administration Expense</b>			
Salaries	2,053,618	1,933,354	2,173,270
Benefits	229,881	228,744	237,650
Supplies & Services	248,939	266,830	262,139
Non-Capital Furniture & Equipment	3,500	2,050	6,818
Building Operating Expenses	50,500	34,743	42,455
Communications	47,800	45,781	40,026
Travel	61,300	46,394	51,986
Professional Development	33,900	17,798	41,843
Amortization of Tangible Capital Assets	20,204	21,809	17,312
<b>Total Administration Expense</b>	<b>2,749,642</b>	<b>2,597,503</b>	<b>2,873,499</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	38,273,063	37,619,562	37,893,549
Instructional (Teacher Contract) Benefits	1,882,791	1,815,142	1,890,155
Program Support (Non-Teacher Contract) Salaries	7,047,617	7,115,793	7,019,928
Program Support (Non-Teacher Contract) Benefits	1,329,864	1,303,931	1,263,014
Instructional Aids	1,315,192	1,202,635	1,384,945
Supplies & Services	848,514	801,857	667,302
Non-Capital Furniture & Equipment	161,631	146,763	130,689
Communications	180,146	168,431	169,474
Travel	233,900	194,465	211,324
Professional Development	453,534	309,098	355,660
Student Related Expense	172,614	202,302	163,583
Amortization of Tangible Capital Assets	2,831,269	3,196,983	2,805,049
<b>Total Instruction Expense</b>	<b>54,730,135</b>	<b>54,076,962</b>	<b>53,954,672</b>

**Good Spirit School Division No. 204**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	2,685,086	2,763,890	2,605,558
Benefits	511,977	482,722	459,115
Supplies & Services	17,550	28,993	21,961
Non-Capital Furniture & Equipment	4,500	4,230	4,373
Building Operating Expenses	4,218,500	5,344,537	5,347,833
Communications	15,250	11,347	12,190
Travel	59,000	69,825	62,999
Professional Development	16,000	7,220	9,158
Amortization of Tangible Capital Assets	200,194	212,606	187,568
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>7,728,057</b>	<b>8,925,370</b>	<b>8,710,755</b>
<b>Student Transportation Expense</b>			
Salaries	3,222,640	3,143,364	2,987,910
Benefits	549,924	533,512	514,866
Supplies & Services	1,379,580	1,149,344	962,026
Non-Capital Furniture & Equipment	727,700	588,871	716,295
Building Operating Expenses	80,200	66,323	75,930
Communications	11,400	9,893	11,626
Travel	16,000	28,344	21,157
Professional Development	17,600	29,307	13,064
Contracted Transportation	334,000	367,572	380,684
Amortization of Tangible Capital Assets	985,388	1,089,963	931,337
<b>Total Student Transportation Expense</b>	<b>7,324,432</b>	<b>7,006,493</b>	<b>6,614,895</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	980,000	829,526	1,009,430
Transportation Fees	5,000	7,200	6,400
<b>Total Tuition and Related Fees Expense</b>	<b>985,000</b>	<b>836,726</b>	<b>1,015,830</b>
<b>School Generated Funds Expense</b>			
Cost of Sales	240,000	246,774	199,843
School Fund Expenses	2,160,000	2,217,044	2,275,927
Amortization of Tangible Capital Assets	18,924	12,722	12,721
<b>Total School Generated Funds Expense</b>	<b>2,418,924</b>	<b>2,476,540</b>	<b>2,488,491</b>

**Good Spirit School Division No. 204**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
<b>Complementary Services Expense</b>			
Administration Salaries & Benefits	-	-	108,588
Instructional (Teacher Contract) Salaries & Benefits	509,162	487,193	486,688
Program Support (Non-Teacher Contract) Salaries & Benefits	276,278	281,730	419,024
Instructional Aids	71,962	61,570	95,344
Supplies & Services	-	783	1,508
Building Operating Expenses	-	7,209	7,836
Communications	-	2,012	3,458
Travel	-	2,491	3,980
Professional Development (Non-Salary Costs)	-	-	994
Student Related Expenses	-	150,000	168,121
Contracted Transportation & Allowances	15,000	4,177	3,554
Amortization of Tangible Capital Assets	652	6,079	6,822
<b>Total Complementary Services Expense</b>	<b>873,054</b>	<b>1,003,244</b>	<b>1,305,917</b>
<b>External Service Expense</b>			
Program Support (Non-Teacher Contract) Salaries & Benefits	103,544	113,794	162,572
Supplies & Services	100,000	107,169	109,821
Communications	-	943	-
Travel	-	10,676	5,637
Professional Development (Non-Salary Costs)	-	350	114
Amortization of Tangible Capital Assets	326	-	34
<b>Total External Services Expense</b>	<b>203,870</b>	<b>232,932</b>	<b>278,178</b>
<b>Other Expense</b>			
<b>Interest and Bank Charges</b>			
Current Interest and Bank Charges	15,000	5,980	6,452
Interest on Debentures	-	74,997	-
Interest on Capital Loans	8,623	-	101,895
Interest on Other Long-Term Debt	148,606	60,072	74,420
<b>Total Interest and Bank Charges</b>	<b>172,229</b>	<b>141,049</b>	<b>182,767</b>
Loss on Disposal of Tangible Capital Assets	-	125,066	97
Provision for Uncollectable Accounts	-	-	276,111
<b>Total Other Expense</b>	<b>172,229</b>	<b>266,115</b>	<b>458,975</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>77,765,669</b>	<b>77,931,321</b>	<b>78,283,993</b>

**Good Spirit School Division No. 204**

**Schedule C - Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2017**

	Land		School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under			
	Land	Improvements	Buildings	Buses	Vehicles	Equipment	Equipment	Software	Construction	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Tangible Capital Assets - at Cost</b>											
											(Restated)
Opening Balance as of September 1	282,589	526,759	64,750,880	13,102,662	566,944	7,072,576	4,852,676	236,119	19,900,630	111,291,835	105,494,807
Additions/Purchases	-	-	-	2,172,707	128,149	770,964	80,765	71,750	3,945,369	7,169,704	13,386,406
Disposals	-	-	(1,418,407)	-	-	(327,682)	-	-	-	(1,746,089)	(7,589,378)
Transfers to (from)	-	38,426	23,687,944	-	-	-	-	-	(23,726,370)	-	-
<b>Closing Balance as of August 31</b>	<b>282,589</b>	<b>565,185</b>	<b>87,020,417</b>	<b>15,275,369</b>	<b>695,093</b>	<b>7,515,858</b>	<b>4,933,441</b>	<b>307,869</b>	<b>119,629</b>	<b>116,715,450</b>	<b>111,291,835</b>
<b>Tangible Capital Assets - Amortization</b>											
Opening Balance as of September 1	-	79,014	35,798,312	7,352,458	449,575	3,552,884	1,076,902	141,673	-	48,450,818	52,015,672
Amortization of the Period	-	28,259	1,605,415	1,039,669	71,010	751,585	982,650	61,574	-	4,540,162	3,960,844
Disposals	-	-	(1,293,341)	-	-	(327,682)	-	-	-	(1,621,023)	(7,525,698)
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>107,273</b>	<b>36,110,386</b>	<b>8,392,127</b>	<b>520,585</b>	<b>3,976,787</b>	<b>2,059,552</b>	<b>203,247</b>	<b>N/A</b>	<b>51,369,957</b>	<b>48,450,818</b>
<b>Net Book Value</b>											
Opening Balance as of September 1	282,589	447,745	28,952,568	5,750,204	117,369	3,519,692	3,775,774	94,446	19,900,630	62,841,017	53,479,135
Closing Balance as of August 31	282,589	457,912	50,910,031	6,883,242	174,508	3,539,071	2,873,889	104,622	119,629	65,345,493	62,841,017
<b>Change in Net Book Value</b>	<b>-</b>	<b>10,167</b>	<b>21,957,463</b>	<b>1,133,038</b>	<b>57,139</b>	<b>19,379</b>	<b>(901,885)</b>	<b>10,176</b>	<b>(19,781,001)</b>	<b>2,504,476</b>	<b>9,361,882</b>
<b>Disposals</b>											
Historical Cost	-	-	1,418,407	-	-	327,682	-	-	-	1,746,089	7,589,378
Accumulated Amortization	-	-	1,293,341	-	-	327,682	-	-	-	1,621,023	7,525,698
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>125,066</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,066</b>	<b>63,680</b>
Price of Sale	-	-	-	-	-	-	-	-	-	-	63,583
<b>(Loss) on Disposal</b>	<b>-</b>	<b>-</b>	<b>(125,066)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(125,066)</b>	<b>(97)</b>
<b>Net Book Value (NBV) of Assets Pledged as Security for Debt</b>											
	-	-	-	1,031,291	-	-	152,227	-	-	1,183,518	1,683,810

Closing net book value of tangible capital assets includes total leased tangible capital assets of \$4,022,264 (2016 - \$4,766,616) representing \$3,624,926 (2016 - \$4,450,042) in School Buses, \$397,338 (2016 - \$316,574) in Computer Hardware and Audio Visual Equipment. Amortization of \$1,610,042 (2016 - \$1,507,574) has been recorded on these assets.

**Good Spirit School Division No. 204**  
**Schedule D: Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2017**

	2017	2016
	\$	\$
<b>Non-Cash Items Included in Surplus</b>		(Restated)
Amortization of Tangible Capital Assets (Schedule C)	4,540,162	3,960,844
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	125,066	97
<b>Total Non-Cash Items Included in Surplus</b>	<b>4,665,228</b>	<b>3,960,941</b>

**Good Spirit School Division No. 204**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2017**

	2017	2016
	\$	\$
<b>Net Change in Non-Cash Operating Activities</b>		
Decrease (Increase) in Accounts Receivable	762,252	(1,274,070)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	373,023	(1,613,009)
Increase in Liability for Employee Future Benefits	113,000	73,400
Increase in Deferred Revenue	385,071	237,529
Decrease (Increase) in Prepaid Expenses	(168,953)	55,221
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>1,464,393</b>	<b>(2,520,929)</b>



**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

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**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, 2017**

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**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 \$ 722,600 (2016 - \$ 609,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 21,281,404 (2016 - \$ 18,997,023) because final tax assessments may differ from initial estimates.
- uncollectible taxes and accounts receivable of \$ 1,498,513 (2016 - \$ 1,853,148) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$ 4,540,162 (2016 - \$ 3,960,844) 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, 2017**

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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, 2017**

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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, lighting, 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.

**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.

#### **h) 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*.

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.

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

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**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.

**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:

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

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**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 1/12<sup>th</sup> 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.

**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

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

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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.

**l) Adoption of Public Sector Accounting Standards**

On September 1, 2016, the school division adopted Public Sector Accounting standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights.

Adoption of these standards has not resulted in any disclosure changes.

**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, 2017 was \$ NIL (August 31, 2016 - \$ NIL).

**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2017	2016
<b>Portfolio investments in the cost and amortized cost category:</b>	<u>Cost</u>	<u>Cost</u>
Shares/Equity in Co-operatives/Credit Unions	\$ 56,330	\$ 56,103
<b>Total portfolio investments</b>	<b>\$ 56,330</b>	<b>\$ 56,103</b>

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2017 Actual	2016 Actual
Governance	\$ 155,913	\$ 353,523	\$ -	\$ -	\$ 509,436	\$ 582,781
Administration	2,162,098	413,596	-	21,809	2,597,503	2,873,499
Instruction	47,854,428	3,025,551	-	3,196,983	54,076,962	53,954,672
Plant	3,246,612	5,466,152	-	212,606	8,925,370	8,710,755
Transportation	3,676,876	2,239,654	-	1,089,963	7,006,493	6,614,895
Tuition and Related Fees	-	836,726	-	-	836,726	1,015,830
School Generated Funds	-	2,463,818	-	12,722	2,476,540	2,488,491
Complementary Services	768,923	228,242	-	6,079	1,003,244	1,305,917
External Services	113,793	119,139	-	-	232,932	278,178
Other	-	125,066	141,049	-	266,115	458,975
<b>TOTAL</b>	<b>\$ 57,978,643</b>	<b>\$ 15,271,467</b>	<b>\$ 141,049</b>	<b>\$ 4,540,162</b>	<b>\$ 77,931,321</b>	<b>\$ 78,283,993</b>

**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 as at February 28, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2017.

Details of the employee future benefits are as follows:

	<b>2017</b>	<b>2016</b>
	Aug. 31, 2017	Aug. 31, 2016
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.69%	2.10%
Inflation and productivity rate for Teachers (excluding merit and promotion)	2.50%	3.20%
Inflation and productivity rate for Non-Teachers (excluding merit and promotion)	3.00%	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, 2017**

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<b>Liability for Employee Future Benefits</b>	<b>2017</b>	<b>2016</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 972,300</b>	<b>\$ 877,400</b>
Current period service cost	91,800	83,000
Interest cost	22,000	23,300
Benefit payments	(31,300)	(59,900)
Actuarial (gains) / losses	(153,100)	48,500
<b>Accrued Benefit Obligation - end of year</b>	<b>901,700</b>	<b>972,300</b>
Unamortized Net Actuarial Loss	(179,100)	(362,700)
<b>Liability for Employee Future Benefits</b>	<b>\$ 722,600</b>	<b>\$ 609,600</b>

<b>Employee Future Benefits Expense</b>	<b>2017</b>	<b>2016</b>
Current period service cost	\$ 91,800	\$ 83,000
Amortization of net actuarial loss	30,500	27,000
<b>Benefit cost</b>	<b>122,300</b>	<b>110,000</b>
Interest cost	22,000	23,300
<b>Total Employee Future Benefits Expense</b>	<b>\$ 144,300</b>	<b>\$ 133,300</b>

## 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.

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

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2017**

	2017			2016
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	499	68	567	581
Member contribution rate (percentage of salary)	11.30%/13.50%	6.05% / 7.85%	6.05% / 13.50%	6.05% / 12.40%
Member contributions for the year	\$ 4,418,491	\$ 15,765	\$ 4,434,256	\$ 4,049,201

**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:

	2017	2016
Number of active School Division members	479	467
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	\$ 1,125,137	\$ 1,108,372
School Division contributions for the year	\$ 1,125,137	\$ 1,108,372
Actuarial (extrapolation) valuation date	<u>(Dec/31/2016)</u>	<u>Dec/31/2015</u>
Plan Assets (in thousands)	\$ 2,323,947	\$ 2,148,676
Plan Liabilities (in thousands)	\$ 1,979,463	\$ 1,831,743
Plan Surplus (in thousands)	\$ 344,484	\$ 316,933

**GOOD SPIRIT SCHOOL DIVISION NO. 204**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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## 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:

	2017			2016		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 11,476,750	\$1,200,000	\$ 10,276,750	\$ 10,750,980	\$1,554,635	\$ 9,196,345
Provincial Grants Receivable	1,100,000	-	1,100,000	2,453,895	-	2,453,895
GST Receivables	270,852	-	270,852	185,317	-	185,317
Other Receivables	1,037,595	298,513	739,082	1,611,892	298,513	1,313,379
<b>Total Accounts Receivable</b>	<b>\$ 13,885,197</b>	<b>\$1,498,513</b>	<b>\$ 12,386,684</b>	<b>\$ 15,002,084</b>	<b>\$1,853,148</b>	<b>\$ 13,148,936</b>

As at January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan will now be the taxing authority for education property tax. After that date, the school division will no longer earn taxation revenue.

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2017	2016
Accrued Salaries and Benefits	\$ 821,456	\$ 1,024,236
Supplier Payments	1,416,493	997,467
Other (Caution Fees, School, Scholarship)	331,912	175,135
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 2,569,861</b>	<b>\$ 2,196,838</b>

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**10. LONG-TERM DEBT**

Details of long-term debt are as follows:

		<b>2017</b>	<b>2016</b>
Capital Loans:	RBC Norquay School - 4.12% matures Aug 2019 monthly repayments of \$7,127	\$ 163,924	\$ 240,966
	RBC Technology Loan - 1.82% matures Jul 2020 monthly repayments of \$82,970	2,603,129	3,542,328
	BMO YRHS - 4.51% matured Nov 2016 monthly repayments of \$10,576	-	22,797
	RBC Bus Loan - 1.89% matures Sep 2019 monthly repayments of \$18,049	432,908	639,241
		<b>3,199,961</b>	<b>4,445,332</b>
Other Long-Term Debt:			
Capital Leases	RBC 10 bus lease 5762 matured Oct 2016 monthly repayments of \$16,968	-	10,660
	RBC 10 bus lease 12832 matures Dec 2017 monthly repayments of \$17,915	64,406	279,389
	RBC 23 bus lease 27694 matures Oct 2021 monthly repayments of \$14,429	623,551	771,360
	RBC 13 bus lease 17902 matures Sep 2018 monthly repayments of \$16,968	343,334	622,401
	Concentra copier lease 14637 matures Jun 2018 quarterly repayments of \$5,697	22,789	45,578
	Concentra copier lease 15089 matures Feb 2019 quarterly repayments of \$10,132	60,789	101,314
	Concentra copier lease 17106 matures Sep 2021 quarterly repayments of \$4,038	68,650	-
		<b>1,183,519</b>	<b>1,830,702</b>
<b>Total Long-Term Debt</b>		<b>\$ 4,383,480</b>	<b>\$ 6,276,034</b>

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<b>Future principal repayments over the next 5 years are estimated as follows:</b>					
	<b>Capital Loans</b>		<b>Capital Leases</b>		<b>Total</b>
2018	\$	1,246,898	\$	570,749	\$ 1,817,647
2019		1,271,747		248,493	1,520,240
2020		681,316		163,962	845,278
2021		-		163,962	163,962
2022		-		36,353	36,353
<b>Total</b>	<b>\$</b>	<b>3,199,961</b>	<b>\$</b>	<b>1,183,519</b>	<b>\$ 4,383,480</b>

<b>Principal and interest payments on the long-term debt are as follows:</b>						
	<b>Capital Loans</b>		<b>Capital Leases</b>		<b>2017</b>	<b>2016</b>
Principal	\$	1,245,371	\$	647,183	\$ 1,892,554	\$ 2,282,112
Interest		74,997		60,071	135,068	176,316
<b>Total</b>	<b>\$</b>	<b>1,320,368</b>	<b>\$</b>	<b>707,254</b>	<b>\$ 2,027,622</b>	<b>\$ 2,458,428</b>

## 11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	<b>Balance as at Aug. 31, 2016</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at Aug. 31, 2017</b>
<b>Capital projects:</b>				
Federal capital tuition	\$ 370,952	\$ 65,219	\$ -	\$ 436,171
Proceeds from sale of school buildings	408,263	-	-	408,263
<b>Total capital projects deferred revenue</b>	<b>779,215</b>	<b>65,219</b>	<b>-</b>	<b>844,434</b>
<b>Other deferred revenue:</b>				
Property Taxes	3,637,729	146,420	-	3,784,149
Third Party Grants	15,568	221,077	47,645	189,000
<b>Total other deferred revenue</b>	<b>3,653,297</b>	<b>367,497</b>	<b>47,645</b>	<b>3,973,149</b>
<b>Total Deferred Revenue</b>	<b>\$ 4,432,512</b>	<b>\$ 432,716</b>	<b>\$ 47,645</b>	<b>\$ 4,817,583</b>

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## 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 2017 and 2016:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2017	2016
<b>Revenues:</b>				
Operating Grants	\$ 722,172	\$ 232,144	\$ 954,316	\$ 978,953
Fees and Other Revenues	-	23,433	23,433	28,237
<b>Total Revenues</b>	<b>722,172</b>	<b>255,577</b>	<b>977,749</b>	<b>1,007,190</b>
<b>Expenses:</b>				
Salaries & Benefits	657,299	111,624	768,923	1,014,300
Instructional Aids	47,190	14,380	61,570	95,343
Supplies and Services	-	783	783	1,508
Building Operating Expenses	3,209	4,000	7,209	7,836
Communications	1,514	498	2,012	3,458
Travel	627	1,864	2,491	3,980
Professional Development (Non-Salary Costs)	-	-	-	995
Student Related Expenses	-	150,000	150,000	168,121
Contracted Transportation & Allowances	-	4,177	4,177	3,554
Amortization of Tangible Capital Assets	-	6,079	6,079	6,822
<b>Total Expenses</b>	<b>709,839</b>	<b>293,405</b>	<b>1,003,244</b>	<b>1,305,917</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>\$ 12,333</b>	<b>\$ (37,828)</b>	<b>\$ (25,495)</b>	<b>\$ (298,727)</b>

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.
- 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.

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### 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 2017 and 2016:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2017	2016
<b>Revenues:</b>				
Operating Grants	\$ -	\$ 76,896	\$ 76,896	\$ 76,896
Fees and Other Revenues	167,290	-	167,290	193,848
<b>Total Revenues</b>	<b>167,290</b>	<b>76,896</b>	<b>244,186</b>	<b>270,744</b>
<b>Expenses:</b>				
Salaries & Benefits	72,584	41,210	113,794	162,572
Supplies and Services	94,706	12,463	107,169	109,821
Communications	-	943	943	-
Travel	-	10,676	10,676	5,637
Professional Development	-	350	350	114
Amortization of Tangible Capital Assets	-	-	-	34
<b>Total Expenses</b>	<b>167,290</b>	<b>65,642</b>	<b>232,932</b>	<b>278,178</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>\$ -</b>	<b>\$ 11,254</b>	<b>\$ 11,254</b>	<b>\$ (7,434)</b>

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.

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Details of accumulated surplus are as follows:

	August 31 2016	Additions during the year	Reductions during the year	August 31 2017
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 62,841,017	\$ 7,044,638	\$ 4,540,162	\$ 65,345,493
Less: Debt owing on Tangible Capital Assets	(6,276,034)	(80,766)	(1,973,320)	(4,383,480)
	<b>56,564,983</b>	<b>6,963,872</b>	<b>2,566,842</b>	<b>60,962,013</b>
<b>PMR maintenance project allocations (1)</b>	<b>1,252,767</b>	<b>1,673,360</b>	<b>1,240,528</b>	<b>1,685,599</b>
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
Designated for tangible capital asset expenditures	60,775	9,873	1,423	69,225
Minor Renovations	-	1,000,000	-	1,000,000
Feasibility Study Non-School Facilities	-	200,000	-	200,000
Risk Management & Security	-	134,000	-	134,000
Purchase of Buses	-	800,000	-	800,000
	<b>60,775</b>	<b>2,143,873</b>	<b>1,423</b>	<b>2,203,225</b>
<b>Other:</b>				
School generated funds	1,189,676	25,483	11,141	1,204,018
Future Expenditures YRHS flood	100,000	-	-	100,000
School budget carryovers	293,982	289,569	293,982	289,569
Third Party Programs	72,104	159,040	181,565	49,579
	<b>1,655,762</b>	<b>474,092</b>	<b>486,688</b>	<b>1,643,166</b>
<b>Unrestricted Surplus</b>	<b>17,921,635</b>	<b>-</b>	<b>4,987,752</b>	<b>12,933,883</b>
<b>Total Accumulated Surplus</b>	<b>\$ 77,455,922</b>	<b>\$ 11,255,197</b>	<b>\$ 9,283,233</b>	<b>\$ 79,427,886</b>

- (1) **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. New reserves were established to set aside unrestricted surplus for minor renovations, feasibility study of non-school facilities, risk management and security as well as purchase of buses.



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**15. BUDGET FIGURES**

Budget figures included in the financial statements were approved by the board of education on June 27, 2016 and the Minister of Education on August 8, 2016.

**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.

**Related Party Transactions**

Transactions with these related parties have occurred and been settled on normal trade terms.

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	<u>2017</u>	<u>2016</u>
<b>Revenues:</b>		
Ministry of Education	\$ 52,448,400	\$ 66,690,715
Other School Divisions	1,486,851	1,010,423
Other	480,842	464,220
	<b>\$ 54,416,093</b>	<b>\$ 68,165,358</b>
<b>Expenses:</b>		
Parkland College	\$ 744,782	\$ 967,257
Sask Energy	469,147	700,789
Sask Power	1,135,505	1,135,624
Sasktel	169,254	266,178
Sask Workers Compensation	233,296	187,607
Other	226,744	94,261
	<b>\$ 2,978,728</b>	<b>\$ 3,351,716</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 1,100,000	\$ 2,453,895
Christ the Teacher RCSSD	5,775	62,708
Living Sky School Division	58,700	-
	<b>\$ 1,164,475</b>	<b>\$ 2,516,603</b>
<b>Prepaid Expenses:</b>		
Sask Workers Compensation	\$ 76,303	\$ 62,174
	<b>\$ 76,303</b>	<b>\$ 62,174</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
Sasktel	\$ 144,706	\$ 80,024
Other	12,190	-
	<b>\$ 156,896</b>	<b>\$ 80,024</b>

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.

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## 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
	2017	2016	2017	2016	2017	2016
Cash and short-term investments	\$ 464,625	\$ 154,976	\$ 27,154	\$ 147,165	\$ 491,779	\$ 302,141
Accounts Receivable	-	110,326	-	-	-	110,326
Portfolio investments	-	-	264,331	191,551	264,331	191,551
<b>Total Assets</b>	<b>464,625</b>	<b>265,302</b>	<b>291,485</b>	<b>338,716</b>	<b>756,110</b>	<b>604,018</b>
<b>Revenues</b>						
Contributions and donations	1,685,542	1,267,157	13,650	11,550	1,699,192	1,278,707
Interest on investments	-	-	2,726	4,558	2,726	4,558
	1,685,542	1,267,157	16,376	16,108	1,701,918	1,283,265
<b>Expenses</b>						
Litigation	1,384,464	1,046,667	-	-	1,384,464	1,046,667
Contracted Services	101,755	226,235	-	-	101,755	226,235
Awards to Students	-	-	63,607	22,045	63,607	22,045
	1,486,219	1,272,902	63,607	22,045	1,549,826	1,294,947
Excess (Deficiency) of Revenues over Expenses	199,323	(5,745)	(47,231)	(5,937)	152,092	(11,682)
Trust Fund Balance, Beginning of Year	265,302	271,047	338,716	344,653	604,018	615,700
<b>Trust Fund Balance, End of Year</b>	<b>\$ 464,625</b>	<b>\$ 265,302</b>	<b>\$ 291,485</b>	<b>\$ 338,716</b>	<b>\$ 756,110</b>	<b>\$ 604,018</b>

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**18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Capital lease obligations of the school division are as follows:

	Capital Leases		
	Copiers	Buses	Total Capital
<b>Future minimum lease payments:</b>			
2018	\$ 79,468	\$ 491,281	\$ 570,749
2019	36,416	212,077	248,493
2020	16,153	147,809	163,962
2021	16,153	147,809	163,962
2022	4,038	32,315	36,353
<b>Interest and executory costs</b>	152,228	1,031,291	1,183,519
	-	155,162	155,162
<b>Total Lease Obligations</b>	<b>\$ 152,228</b>	<b>\$ 1,186,453</b>	<b>\$ 1,338,681</b>

**19. ACCOUNTING CHANGES**

On September 1, 2016, the school division adopted the following new standards:

- PS 3420 Inter-entity Transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective; and
- PS 3430 Restructuring Transactions. This section establishes how to account for and report restructuring transactions for both the receipt and transfer of assets and liabilities, together with related program or operating responsibilities.

The adoption of the new standards has been on a prospective basis, without restatement of prior period comparative amounts.

The adoption of the new standards has not resulted in any changes to the measurement, recognition, or disclosure of the school division's inter-entity transactions. During the year, the school division did not have any restructuring transactions.

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## **20. CORRECTION OF PRIOR PERIOD ERROR**

Subsequent to the year ended August 31, 2016, the school division identified an error in photocopier lease classification. Due to this error, the school division's long-term debt for capital leases was understated by \$ 146,892. The prior period comparative amounts have been restated from those previously reported to correct for this error. The correction of this error has impacted the school division's financial statements as follows: The long-term debt was increased by \$ 146,892 and the Tangible Capital Asset value for Computer Hardware and Equipment was increased by \$ 146,892 in the prior year. There is no change to accumulated surplus as a result of this change.

## **21. COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform to the current year's presentation.

## **22. SUBSEQUENT EVENTS**

Subsequent to the year end the school division entered into an agreement to purchase 10 school buses at a total cost of \$ 1,103,014.

## **23. 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.

The aging of grants and other accounts receivable as at August 31, 2017 was:

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	August 31, 2017				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 1,100,000	\$ -	\$ 700,000	\$ -	\$ 400,000
Other Receivables	1,037,595	358,558	89,136	15,367	574,534
<b>Gross Receivables</b>	<b>2,137,595</b>	<b>358,558</b>	<b>789,136</b>	<b>15,367</b>	<b>974,534</b>
Allowance for Doubtful Accounts	(298,513)	-	-	-	-
<b>Net Receivables</b>	<b>\$ 1,839,082</b>	<b>\$ 358,558</b>	<b>\$ 789,136</b>	<b>\$ 15,367</b>	<b>\$ 974,534</b>

**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, 2017				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$2,569,861	\$ 2,345,048	\$ 224,813	\$ -	\$ -
Long-term debt	4,383,480	929,407	871,070	2,583,003	-
<b>Total</b>	<b>\$6,953,341</b>	<b>\$ 3,274,455</b>	<b>\$ 1,095,883</b>	<b>\$2,583,003</b>	<b>\$ -</b>

**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. There was no balance outstanding on this credit facility as of August 31, 2017.

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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