
Audited Financial Statements

Of the Good Spirit School Division No. 204

School Division No. 2040500

For the Period Ending: August 31, 2015

Sherry Todosichuk, CPA, CGA
Chief Financial Officer

Miller Moar Grodecki Kreklewich & Chorney
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 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.

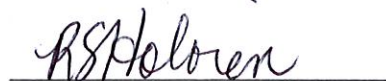
The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained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


Chief Financial Officer

November 26, 2015

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, 2015 and the statements of operations and accumulated surplus, 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, 2015 and the results of its operations and accumulated surplus, 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 26, 2015

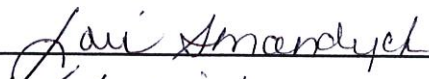
Good Spirit School Division No. 204
Statement of Financial Position
as at August 31, 2015

	2015	2014
Financial Assets		
Cash and Cash Equivalents	13,391,917	11,298,610
Accounts Receivable (Note 8)	11,874,866	10,494,254
Portfolio Investments (Note 4)	55,779	55,259
Total Financial Assets	25,322,562	21,848,123
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	3,809,847	3,210,973
Long-Term Debt (Note 10)	7,522,939	4,233,955
Liability for Employee Future Benefits (Note 6)	536,200	494,300
Deferred Revenue (Note 11)	4,194,983	4,105,270
Total Liabilities	16,063,969	12,044,498
Net Financial Assets	9,258,593	9,803,625
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	53,268,928	40,100,388
Prepaid Expenses	804,635	787,853
Total Non-Financial Assets	54,073,563	40,888,241
Accumulated Surplus (Note 14)	63,332,156	50,691,866

Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Good Spirit School Division No. 204
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
REVENUES	(Note 15)		
Property Taxation	18,150,742	18,901,993	18,496,324
Grants	57,419,338	63,651,281	53,392,031
Tuition and Related Fees	2,266,384	2,296,760	2,456,774
School Generated Funds	2,400,000	2,963,186	2,647,408
Complementary Services (Note 12)	1,015,785	1,119,438	1,185,848
External Services (Note 13)	254,469	271,380	308,590
Other	355,000	491,139	499,170
Total Revenues (Schedule A)	81,861,718	89,695,177	78,986,145
EXPENSES			
Governance	549,605	518,085	486,212
Administration	2,654,650	2,740,534	2,796,464
Instruction	53,497,498	53,253,840	52,986,393
Plant	7,922,981	8,029,992	8,058,066
Transportation	7,098,308	6,777,820	6,739,189
Tuition and Related Fees	774,803	939,872	781,155
School Generated Funds	2,400,000	2,723,404	2,531,733
Complementary Services (Note 12)	1,404,563	1,470,635	1,348,932
External Services (Note 13)	253,674	297,816	723,233
Other Expenses	195,500	302,889	340,321
Total Expenses (Schedule B)	76,751,582	77,054,887	76,791,698
Operating Surplus for the Year	5,110,136	12,640,290	2,194,447
Accumulated Surplus from Operations, Beginning of Year	50,691,866	50,691,866	48,497,419
Accumulated Surplus from Operations, End of Year	55,802,002	63,332,156	50,691,866

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, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	9,803,625	9,803,625	6,457,442
Changes During the Year:			
Operating Surplus for the Year	5,110,136	12,640,290	2,194,447
Acquisition of Tangible Capital Assets (Schedule C)	(9,863,542)	(17,368,686)	(2,919,638)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	300,338	14,041
Net Loss on Disposal of Capital Assets (Schedule C)	-	113,035	138,808
Amortization of Tangible Capital Assets (Schedule C)	3,819,350	3,786,773	3,813,231
Net Change in Other Non-Financial Assets	-	(16,782)	105,294
Change in Net Financial Assets	(934,056)	(545,032)	3,346,183
Net Financial Assets, End of Year	8,869,569	9,258,593	9,803,625

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, 2015

	2015	2014
OPERATING ACTIVITIES		
Operating Surplus for the Year	12,640,290	2,194,447
Add Non-Cash Items Included in Surplus (Schedule D)	3,899,808	3,952,039
Net Change in Non-Cash Operating Activities (Schedule E)	(666,907)	2,050,799
Cash Provided by Operating Activities	15,873,191	8,197,284
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(17,368,686)	(2,919,638)
Proceeds on Disposal of Tangible Capital Assets	300,338	14,041
Cash (Used) by Capital Activities	(17,068,348)	(2,905,597)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(520)	(577)
Cash (Used) by Investing Activities	(520)	(577)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	5,675,054	870,595
Repayment of Long-Term Debt	(2,386,070)	(2,412,577)
Cash Provided (Used) by Financing Activities	3,288,984	(1,541,982)
INCREASE IN CASH AND CASH EQUIVALENTS	2,093,307	3,749,128
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,298,610	7,549,482
CASH AND CASH EQUIVALENTS, END OF YEAR	13,391,917	11,298,610

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, 2015

	2015 Budget	2015 Actual	2014 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	18,150,742	18,352,246	17,959,750
Total Property Tax Revenue	18,150,742	18,352,246	17,959,750
Grants in Lieu of Taxes:			
Federal Government	-	33,023	196,154
Provincial Government	-	247,298	104,852
Other	-	33,720	38,814
Total Grants in Lieu of Taxes	-	314,041	339,820
Other Tax Revenues:			
Treaty Land Entitlement - Rural	-	22,391	-
House Trailer Fees	-	34,348	43,466
Total Other Tax Revenues	-	56,739	43,466
Additions to Levy:			
Penalties	-	266,610	242,257
Other	-	3,445	10,856
Total Additions to Levy	-	270,055	253,113
Deletions from Levy:			
Cancellations	-	(86,535)	(99,825)
Other Deletions	-	(4,553)	-
Total Deletions from Levy	-	(91,088)	(99,825)
Total Property Taxation Revenue	18,150,742	18,901,993	18,496,324
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	50,819,932	51,119,776	51,780,364
Other Ministry Grants	1,054,406	266,113	368,477
Total Ministry Grants	51,874,338	51,385,889	52,148,841
Other Provincial Grants	225,000	210,517	284,946
Federal Grants	-	-	-
Grants from Others	-	300,000	-
Total Operating Grants	52,099,338	51,896,406	52,433,787
Capital Grants			
Ministry of Education Capital Grants	5,320,000	11,436,838	950,656
Other Capital Grants	-	318,037	7,588
Total Capital Grants	5,320,000	11,754,875	958,244
Total Grants	57,419,338	63,651,281	53,392,031

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	24,000	25,000
Federal Government and First Nations	2,157,767	2,265,519	2,318,232
Individuals and Other	104,367	5,491	55,655
Total Tuition Fees	2,262,134	2,295,010	2,398,887
Transportation Fees	4,250	1,750	18,411
Total Operating Tuition and Related Fees	2,266,384	2,296,760	2,417,298
Capital Fees:			
Federal/First Nations Capital Fees	-	-	39,476
Total Capital Tuition and Fees	-	-	39,476
Total Tuition and Related Fees Revenue	2,266,384	2,296,760	2,456,774
School Generated Funds Revenue			
Curricular:			
Student Fees	90,000	60,068	103,518
Total Curricular Fees	90,000	60,068	103,518
Non-Curricular Fees:			
Commercial Sales - Non-GST	280,000	258,830	284,091
Fundraising	600,000	570,033	573,662
Grants and Partnerships	30,000	6,871	53,094
Other	1,400,000	2,067,384	1,633,043
Total Non-Curricular Fees	2,310,000	2,903,118	2,543,890
Total School Generated Funds Revenue	2,400,000	2,963,186	2,647,408
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	698,229	698,231	701,163
Other Ministry Grants	-	150,000	-
Other Provincial Grants	71,917	49,156	91,211
Federal Grants	115,164	147,374	277,682
Other Grants	103,475	45,709	91,195
Total Operating Grants	988,785	1,090,470	1,161,251
Fees and Other Revenue			
Other Revenue	27,000	28,968	24,597
Total Fees and Other Revenue	27,000	28,968	24,597
Total Complementary Services Revenue	1,015,785	1,119,438	1,185,848

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
External Services			
Operating Grants:			
Ministry of Education Grants:			
Other Provincial Grants	54,469	76,896	76,360
Other Grants	-	-	2,680
Total Operating Grants	54,469	76,896	79,040
Fees and Other Revenue			
Tuition and Related Fees	-	-	25,598
Other Revenue	200,000	194,484	203,952
Total Fees and Other Revenue	200,000	194,484	229,550
Total External Services Revenue	254,469	271,380	308,590
Other Revenue			
Miscellaneous Revenue	40,000	195,970	176,132
Sales & Rentals	225,000	191,520	207,501
Investments	90,000	103,649	115,537
Total Other Revenue	355,000	491,139	499,170
TOTAL REVENUE FOR THE YEAR	81,861,718	89,695,177	78,986,145

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Governance Expense			
Board Members Expense	161,352	153,133	142,931
Professional Development- Board Members	80,502	67,972	64,986
Advisory Committees	36,300	36,109	36,001
Professional Development - Advisory Committees	6,500	3,735	4,539
Other Governance Expenses	264,278	256,463	237,082
Amortization of Tangible Capital Assets	673	673	673
Total Governance Expense	549,605	518,085	486,212
Administration Expense			
Salaries	1,912,401	1,964,441	2,040,960
Benefits	214,333	228,784	199,925
Supplies & Services	255,318	265,259	250,053
Non-Capital Furniture & Equipment	3,000	8,414	10,470
Building Operating Expenses	59,800	53,863	94,144
Communications	43,800	53,645	42,599
Travel	64,400	62,495	62,540
Professional Development	55,000	57,557	48,997
Amortization of Tangible Capital Assets	46,598	46,076	46,776
Total Administration Expense	2,654,650	2,740,534	2,796,464
Instruction Expense			
Instructional (Teacher Contract) Salaries	36,959,968	37,260,691	36,666,825
Instructional (Teacher Contract) Benefits	1,755,223	1,837,612	1,806,933
Program Support (Non-Teacher Contract) Salaries	7,323,978	6,934,467	7,044,742
Program Support (Non-Teacher Contract) Benefits	1,405,622	1,310,237	1,282,223
Instructional Aids	1,428,188	1,451,125	1,453,116
Supplies & Services	780,920	653,017	721,260
Non-Capital Furniture & Equipment	190,023	208,126	232,214
Communications	182,023	187,752	174,803
Travel	219,200	233,864	255,734
Professional Development	442,953	383,699	332,473
Student Related Expense	135,112	168,082	314,221
Amortization of Tangible Capital Assets	2,674,288	2,625,168	2,701,849
Total Instruction Expense	53,497,498	53,253,840	52,986,393

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Plant Operation & Maintenance Expense			
Salaries	2,579,931	2,493,199	2,593,298
Benefits	477,265	443,996	453,429
Supplies & Services	18,750	14,694	15,986
Non-Capital Furniture & Equipment	4,200	11,344	4,943
Building Operating Expenses	4,606,600	4,820,947	4,743,242
Communications	19,250	13,602	15,168
Travel	68,500	57,498	73,180
Professional Development	8,000	11,826	7,005
Amortization of Tangible Capital Assets	140,485	162,886	151,815
Total Plant Operation & Maintenance Expense	7,922,981	8,029,992	8,058,066
Student Transportation Expense			
Salaries	2,936,990	2,899,237	2,784,098
Benefits	485,994	500,825	456,092
Supplies & Services	1,735,835	1,362,936	1,618,772
Non-Capital Furniture & Equipment	477,700	636,911	547,224
Building Operating Expenses	86,370	75,264	57,262
Communications	11,330	11,319	10,953
Travel	25,000	14,065	21,021
Professional Development	17,600	15,782	16,010
Contracted Transportation	373,000	331,865	330,826
Amortization of Tangible Capital Assets	948,489	929,616	896,931
Total Student Transportation Expense	7,098,308	6,777,820	6,739,189
Tuition and Related Fees Expense			
Tuition Fees	769,803	935,072	781,155
Transportation Fees	5,000	4,800	-
Total Tuition and Related Fees Expense	774,803	939,872	781,155
School Generated Funds Expense			
Cost of Sales	240,000	218,765	259,731
School Fund Expenses	2,160,000	2,491,918	2,267,365
Amortization of Tangible Capital Assets	-	12,721	4,637
Total School Generated Funds Expense	2,400,000	2,723,404	2,531,733

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Complementary Services Expense			
Administration Salaries & Benefits	120,233	119,432	105,763
Instructional (Teacher Contract) Salaries & Benefits	462,035	476,501	452,571
Program Support (Non-Teacher Contract) Salaries & Benefits	533,409	529,420	569,131
Instructional Aids	240,495	123,446	117,874
Supplies & Services	-	8,183	22,280
Non-Capital Furniture & Equipment	-	128	-
Building Operating Expenses	-	8,926	9,665
Communications	-	3,773	4,902
Travel	-	5,100	7,548
Professional Development (Non-Salary Costs)	-	2,473	2,381
Student Related Expenses	-	177,284	33,214
Contracted Transportation & Allowances	40,046	6,808	13,568
Amortization of Tangible Capital Assets	8,345	9,161	10,035
Total Complementary Services Expense	1,404,563	1,470,635	1,348,932
External Service Expense			
Instructional (Teacher Contract) Salaries & Benefits	-	-	320,246
Program Support (Non-Teacher Contract) Salaries & Benefits	153,202	179,082	202,946
Instructional Aids	-	-	8,931
Supplies & Services	100,000	109,321	180,300
Communications	-	-	749
Travel	-	8,916	7,244
Professional Development (Non-Salary Costs)	-	25	2,302
Amortization of Tangible Capital Assets	472	472	515
Total External Services Expense	253,674	297,816	723,233

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	6,500	14,119	6,063
Interest on Other Capital Loans and Long-Term Debt			
School Facilities	189,000	175,735	195,449
Total Interest and Bank Charges	195,500	189,854	201,512
Loss on Disposal of Tangible Capital Assets	-	113,035	138,809
Total Other Expense	195,500	302,889	340,321
TOTAL EXPENSES FOR THE YEAR	76,751,582	77,054,887	76,791,698

Good Spirit School Division No. 204
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2015

	Land	Improvements	Buildings	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction			
									2015	2014		
Opening Balance as of September 1	282,589	526,759	61,530,327	13,542,127	480,390	5,979,810	5,086,667	479,046	1,063,160	88,970,875	88,198,004	
Additions/Purchases	-	-	-	2,242,543	50,074	969,303	-	-	-	14,106,766	17,368,686	2,919,638
Disposals	-	-	-	(560,389)	(6,711)	(499,469)	-	(94,759)	-	-	(1,161,328)	(2,146,767)
Transfers to (from)	-	-	1,006,336	-	-	-	-	-	(1,006,336)	-	-	-
Closing Balance as of August 31	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	88,970,875

Tangible Capital Assets - at Cost:

	Land	Improvements	Buildings	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction		
Opening Balance as of September 1	-	26,338	33,461,331	7,792,473	374,957	2,877,050	4,077,820	260,518	-	48,870,487	47,051,174
Amortization of the Period	-	26,338	1,151,080	903,837	43,433	644,964	940,263	76,858	-	3,786,773	3,813,231
Disposals	-	-	-	(147,016)	(6,711)	(499,469)	-	(94,759)	-	(747,955)	(1,993,918)
Closing Balance as of August 31	N/A	52,676	34,612,411	8,549,294	411,679	3,022,545	5,018,083	242,617	N/A	51,909,305	48,870,487

Net Book Value:

Opening Balance as of September 1	282,589	500,421	28,068,996	5,749,654	105,433	3,102,760	1,008,847	218,528	1,063,160	40,100,388	41,146,830
Closing Balance as of August 31	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
Change in Net Book Value	-	(26,338)	(144,744)	925,333	6,641	324,339	(940,263)	(76,858)	13,100,430	13,168,540	(1,046,442)

Disposals:

Historical Cost	-	-	-	560,389	6,711	499,469	-	94,759	-	1,161,328	2,146,767
Accumulated Amortization	-	-	-	147,016	6,711	499,469	-	94,759	-	747,955	1,993,918
Net Cost	-	-	-	413,373	-	-	-	-	-	413,373	152,849
Price of Sale	-	-	-	300,000	338	-	-	-	-	300,338	14,041
Gain (Loss) on Disposal	-	-	-	(113,373)	338	-	-	-	-	(113,035)	(138,808)

Net Book Value (NBV) of Assets Pledged as Security for Debt

Net Book Value (NBV) of Assets Pledged as Security for Debt	-	-	-	2,529,283	-	-	-	-	-	2,529,283	3,584,980
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Good Spirit School Division No. 204
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2015

	2015	2014
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	3,786,773	3,813,231
Net Loss on Disposal of Tangible Capital Assets	113,035	138,808
Total Non-Cash Items Included in Surplus	3,899,808	3,952,039

Good Spirit School Division No. 204
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2015

	2015	2014
Net Change in Non-Cash Operating Activities:		
(Increase) Decrease in Accounts Receivable	(1,380,612)	1,073,103
Increase in Accounts Payable and Accrued Liabilities	598,874	543,849
Increase in Liability for Employee Future Benefits	41,900	52,300
Increase in Deferred Revenue	89,713	276,253
(Increase) Decrease in Prepaid Expenses	(16,782)	105,294
Total Net Change in Non-Cash Operating Activities	(666,907)	2,050,799

GOOD SPIRIT SCHOOL DIVISION NO. 204
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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.

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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 \$ 536,200 (2014 - \$ 494,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 18,901,993 (2014 - \$ 18,496,324) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$ 1,621,602 (2014 - \$ 1,561,807) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$ 3,786,773 (2014 - \$ 3,813,231) 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.

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.

GOOD SPIRIT SCHOOL DIVISION NO. 204
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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 Coops. 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.

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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.

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.

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*.

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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 PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

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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.

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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 BMO prime rate. 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, 2015 was \$ NIL (August 31, 2014 - \$ NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2015	2014
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Shares/Equity in Coops/Credit Unions	\$ 55,779	\$ 55,259
Total portfolio investments	\$ 55,779	\$ 55,259

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2015 Actual	2014 Actual
Governance	\$ 153,133	\$ 364,279	\$ -	\$ 673	\$ 518,085	\$ 486,212
Administration	2,193,225	501,233	-	46,076	2,740,534	2,796,464
Instruction	47,343,007	3,285,665	-	2,625,168	53,253,840	52,986,393
Plant	2,937,195	4,929,911	-	162,886	8,029,992	8,058,066
Transportation	3,400,062	2,448,142	-	929,616	6,777,820	6,739,189
Tuition and Related Fees	-	939,872	-	-	939,872	781,155
School Generated Funds	-	2,710,683	-	12,721	2,723,404	2,531,733
Complementary Services	1,125,353	336,121	-	9,161	1,470,635	1,348,932
External Services	179,082	118,262	-	472	297,816	723,233
Other	-	113,035	189,854	-	302,889	340,321
TOTAL	\$ 57,331,057	\$ 15,747,203	\$ 189,854	\$ 3,786,773	\$ 77,054,887	\$ 76,791,698

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 estimated the Liability for Employee Future Benefits as at August 31, 2015.

Details of the employee future benefits are as follows:

	2015	2014
Actuarial valuation (extrapolation) date	Aug.31,2015	(Aug.31,2014)
Long-term assumptions used:		
Discount rate at end of period	2.50%	2.80%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.25%
Expected average remaining service life (years)	14	13

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Liability for Employee Future Benefits	2015	2014
Accrued Benefit Obligation - beginning of year	\$ 599,400	\$ 508,900
Current period service cost	54,300	47,300
Interest cost	17,700	19,100
Benefit payments	(39,600)	(20,200)
Actuarial losses	245,600	44,300
Accrued Benefit Obligation - end of year	877,400	599,400
Unamortized Net Actuarial (Losses)	(341,200)	(105,100)
Liability for Employee Future Benefits	\$ 536,200	\$ 494,300

Expense for Employee Future Benefits	2015	2014
Current period service cost	\$ 54,300	\$ 47,300
Amortization of net actuarial loss	9,500	6,100
Benefit cost	63,800	53,400
Interest cost	17,700	19,100
Total Employee Future Benefits Expense	\$ 81,500	\$ 72,500

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.

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

	2015			2014
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	475	95	570	610
Member contribution rate (percentage of salary)	9.1%/11.3%	6.05%/7.85 %	6.05%/11.3%	6.05%/10%
Member contributions for the year	\$ 3,594,097	\$ 52,032	\$ 3,646,129	\$ 2,987,064

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 PSAB requirements, 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:

	2015	2014
Number of active School Division members	457	468
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	\$ 1,093,015	\$ 1,087,077
School Division contributions for the year	\$ 1,093,015	\$ 1,087,077
Actuarial (extrapolation) valuation date	(Dec/31/2014)	Dec/31/2013
Plan Assets (in thousands)	\$ 2,006,587	\$ 1,685,167
Plan Liabilities (in thousands)	\$ 1,672,585	\$ 1,498,853
Plan Surplus (in thousands)	\$ 334,002	\$ 186,314

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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:

	2015			2014		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 10,458,967	\$ 1,621,602	\$ 8,837,365	\$ 10,349,132	\$ 1,561,807	\$ 8,787,325
Provincial Grants Receivable	1,806,123	-	1,806,123	571,397	-	571,397
GST Receivables	392,401	-	392,401	156,364	-	156,364
Other Receivables	913,339	74,362	838,977	979,168	-	979,168
Total Accounts Receivable	\$ 13,570,830	\$ 1,695,964	\$ 11,874,866	\$ 12,056,061	\$ 1,561,807	\$ 10,494,254

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2015	2014
Accrued Salaries and Benefits	\$ 829,535	\$ 1,617,908
Supplier Payments	2,733,514	1,345,815
Other (Caution fees, Correspondence)	246,798	247,250
Total Accounts Payable and Accrued Liabilities	\$ 3,809,847	\$ 3,210,973

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10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2015	2014
Capital Loans:	RBC Norquay School - 4.12% matures August 2019 monthly repayments of \$7,127	\$ 314,904	\$ 385,862
	RBC Technology Loan - 1.82% matures July 2020 monthly repayments of \$82,970	4,464,509	-
	BMO YRHS - 4.51% matures Nov 2016 monthly repayments of \$10,576	145,659	263,113
		4,925,072	648,975
Other Long-Term Debt:	RBC 10 bus lease 27693 matured Aug 2015 monthly repayments of \$15,764	-	199,257
Capital Leases:	RBC 10 bus lease 5762 matures Oct 2016 monthly repayments of \$16,968	214,274	417,888
	RBC 10 bus lease 12832 matures Dec 2017 monthly repayments of \$17,915	494,373	709,357
	RBC 23 bus lease 27694 matures Oct 2021 monthly repayments of \$14,429	919,169	1,249,631
	Scotia Tech lease 59843 matured Mar 2015 monthly repayments of \$16,754	-	117,281
	Scotia Tech lease 59918 matures Sept 2015 monthly repayments of \$68,582	68,584	891,566
	RBC 13 bus lease 17902 matures Sept 2015 monthly repayments of \$16,968	901,467	-
		2,597,867	3,584,980
Total Long-Term Debt		\$ 7,522,939	\$ 4,233,955

Future principal repayments over the next 5 years are estimated as follows:			
	Capital Loans	Capital Leases	Total
2016	\$ 1,118,981	\$ 915,292	\$ 2,034,273
2017	1,039,038	653,755	1,692,793
2018	1,036,647	492,517	1,529,164
2019	1,057,503	208,369	1,265,872
2020	672,903	147,809	820,712
Thereafter	-	180,125	180,125
Total	\$ 4,925,072	\$ 2,597,867	\$ 7,522,939

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Principal and interest payments on the long-term debt are as follows:						
	Capital Loans		Capital Leases			
			2015		2014	
Principal	\$	263,903	\$	2,122,167	\$ 2,386,070	\$ 2,412,577
Interest		31,511		144,224	175,735	105,590
Total	\$	295,414	\$	2,266,391	\$ 2,561,805	\$ 2,518,167

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2014	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2015
Capital projects:				
Federal capital tuition	\$ 226,478	\$ 76,827	\$ -	\$ 303,305
Proceeds from sale of school buildings	408,263	-	-	408,263
Total capital projects deferred revenue	634,741	76,827	-	711,568
Other deferred revenue:				
Property Taxes	3,427,542	20,305	-	3,447,847
Third Party Grants	42,987	24,900	(32,319)	35,568
Total other deferred revenue	3,470,529	45,205	(32,319)	3,483,415
Total Deferred Revenue	\$ 4,105,270	\$ 122,032	\$ (32,319)	\$ 4,194,983

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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 2015 and 2014:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community School	Families First	Other Programs	2015	2014
Revenues:						
Operating Grants	\$ 698,231	\$ -	\$ 45,709	\$ 346,530	\$ 1,090,470	\$ 1,158,881
Fees and Other Revenues	-	28,968	-	-	28,968	26,967
Total Revenues	698,231	28,968	45,709	346,530	1,119,438	1,185,848
Expenses:						
Salaries & Benefits	645,913	272,280	35,852	171,307	1,125,352	1,127,465
Instructional Aids	50,247	38,871	494	33,834	123,446	117,874
Supplies and Services	-	972	6,117	1,095	8,184	22,280
Non-Capital Equipment	-	128	-	-	128	-
Building Operating Expenses	3,890	-	1,036	4,000	8,926	9,665
Communications	1,403	1,291	571	507	3,772	4,902
Travel	1,973	908	2,493	(273)	5,101	7,548
Professional Development (Non-Salary Costs)	1,629	844	-	-	2,473	2,381
Student Related Expenses	-	27,817	(533)	150,000	177,284	33,214
Contracted Transportation & Allowances	-	1,374	-	5,434	6,808	13,568
Amortization of Tangible Capital Assets	-	-	-	9,161	9,161	10,035
Total Expenses	705,055	344,485	46,030	375,065	1,470,635	1,348,932
(Deficiency) of Revenues over Expenses	\$ (6,824)	\$ (315,517)	\$ (321)	\$ (28,535)	\$ (351,197)	\$ (163,084)

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.
 Families First is a pre-natal outreach program for vulnerable kids from birth to age 4. 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. Youth in Custody provides school credit hours for teenage offenders at Orcadia youth centre. The Connections and Visions programs are 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 2015 and 2014:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2015	2014
Revenues:				
Operating Grants	\$ -	\$ 76,896	\$ 76,896	\$ 79,040
Fees and Other Revenues	194,484	-	194,484	229,550
Total Revenues	194,484	76,896	271,380	308,590
Expenses:				
Salaries & Benefits	122,708	56,374	179,082	523,192
Instructional Aids	-	-	-	8,931
Supplies and Services	86,386	22,935	109,321	180,300
Communications	-	-	-	749
Travel	-	8,916	8,916	7,244
Professional Development	-	25	25	2,302
Amortization of Tangible Capital Assets	-	472	472	515
Total Expenses	209,094	88,722	297,816	723,233
(Deficiency) of Revenues over Expenses	\$ (14,610)	\$ (11,826)	\$ (26,436)	\$ (414,643)

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.

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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.

Details of accumulated surplus are as follows:

	August 31 2014	Additions during the year	Reductions during the year	August 31 2015
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 40,100,388	\$ 16,955,313	\$ 3,786,773	\$ 53,268,928
Less: Debt owing on Tangible Capital Assets	(4,233,955)	(5,675,053)	(2,386,069)	(7,522,939)
	35,866,433	11,280,260	1,400,704	45,745,989
S.286 pre-April 2009 capital reserves (1)	120,000	-	-	120,000
PMR maintenance project allocations (2)	605,651	1,184,874	258,830	1,531,695
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	40,413	12,052	4,884	47,581
	40,413	12,052	4,884	47,581
Other:				
School generated funds	1,297,988	90,744	-	1,388,732
Future Expenditures YRHS flood	100,000	-	-	100,000
School budget carryovers	404,724	358,650	404,724	358,650
Third Party Programs	109,358	271,927	265,594	115,691
	1,912,069	721,321	670,318	1,963,072
Unrestricted Surplus	12,147,300	1,776,519	-	13,923,819
Total Accumulated Surplus	\$ 50,691,866	\$ 14,975,026	\$ 2,334,736	\$ 63,332,156

- (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.
- (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.

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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.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 23, 2014 and the Minister of Education on August 12, 2014.

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.

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	2015		2014	
Revenues:				
Ministry of Education	\$	63,670,958	\$	53,808,248
Other School Division		564,419		278,508
Other		533,981		511,465
	\$	64,769,358	\$	54,598,221
Expenses:				
Parkland College	\$	862,137	\$	766,853
Sask Energy		829,218		913,107
Sask Power		1,081,571		1,048,444
Sask Tel		193,873		156,082
Sask Workers Compensation		231,291		205,062
Other		170,727		261,052
	\$	3,368,817	\$	3,350,600
Accounts Receivable:				
Ministry of Education	\$	1,806,123	\$	571,397
Christ the Teacher RCSSD		53,758		43,297
	\$	1,859,881	\$	614,694
Prepaid Expenses:				
Sask Workers Compensation	\$	75,171	\$	66,729
	\$	75,171	\$	66,729
Accounts Payable and Accrued Liabilities:				
Other	\$	94,957	\$	906
	\$	94,957	\$	906

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.

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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
	2015	2014	2015	2014	2015	2014
Cash and short-term investments	\$ 142,832	\$ 301,536	\$ 25,896	\$ 27,882	\$ 168,728	\$ 329,418
Accounts Receivable	128,215	-	-	-	128,215	-
Portfolio investments	-	-	318,757	337,667	318,757	337,667
Total Assets	\$ 271,047	\$ 301,536	\$ 344,653	\$ 365,549	\$ 615,700	\$ 667,085
Revenues						
Contributions and donations	\$ 548,812	\$ 276,747	\$ 17,735	\$ 17,499	\$ 566,547	\$ 294,246
Interest on investments	-	-	5,337	5,696	5,337	5,696
	548,812	276,747	23,072	23,195	571,884	299,942
Expenses						
Litigation	484,950	183,828	-	-	484,950	183,828
Contracted Services	94,351	84,502	-	-	94,351	84,502
Awards to Students	-	-	43,968	77,826	43,968	77,826
	579,301	268,330	43,968	77,826	623,269	346,156
Excess (Deficiency) of Revenues over Expenses	(30,489)	8,417	(20,896)	(54,631)	(51,385)	(46,214)
Trust Fund Balance, Beginning of Year	301,536	293,119	365,549	420,180	667,085	713,299
Trust Fund Balance, End of Year	\$ 271,047	\$ 301,536	\$ 344,653	\$ 365,549	\$ 615,700	\$ 667,085

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the school division are as follows:

	Operating Leases		Capital Leases		
	Copier Leases	Total Operating	Computers	Buses	Total Capital
Future minimum lease payments:					
2016	\$ 94,511	\$ 94,511	\$ 68,583	\$ 846,709	\$ 915,292
2017	94,511	94,511	-	653,755	653,755
2018	72,173	72,173	-	492,517	492,517
2019	64,727	64,727	-	208,369	208,369
2020	31,073	31,073	-	147,809	147,809
Thereafter	-	-	-	180,125	180,125
Interest and executory costs	\$ 356,995	\$ 356,995	\$ 68,583	\$ 2,529,284	\$ 2,597,867
	-	-	6,111	279,952	286,063
Total Lease Obligations	\$ 356,995	\$ 356,995	\$ 74,694	\$ 2,809,236	\$ 2,883,930

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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.

The aging of grants and other accounts receivable as at August 31, 2015 was:

August 31, 2015					
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 1,806,123	\$ 1,806,123	\$ -	\$ -	\$ -
Other Receivables	913,339	127,944	-	213,363	572,032
Gross Receivables	2,719,462	1,934,067	-	213,363	572,032
Allowance for Doubtful Accounts	(74,362)	-	-	-	(74,362)
Net Receivables	\$ 2,645,100	\$ 1,934,067	\$ -	\$ 213,363	\$ 497,670

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, 2015					
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 3,809,847	\$ 3,735,870	\$ 73,977	\$ -	\$ -
Long-term debt	7,522,939	1,049,039	986,783	5,306,992	180,125
Total	\$ 11,332,786	\$ 4,784,909	\$1,060,760	\$5,306,992	\$ 180,125

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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, 2015 was \$NIL (2014 - \$NIL).

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