
Audited Financial Statements

Of the Good Spirit School Division No. 204

School Division No. 2040500

For the Period Ending: August 31, 2018

Keith Gervais, CPA, CMA

Chief Financial Officer

Miller Moar Grodecki Kreklewich & Chorney

Auditor

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

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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


Chief Financial Officer

November 22, 2018

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, 2018 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, 2018 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 22, 2018

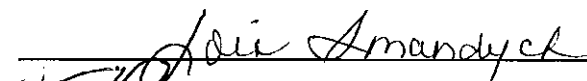
Good Spirit School Division No. 204
Statement of Financial Position
as at August 31, 2018

| | 2018 | 2017 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash Equivalents | 16,950,746 | 13,214,536 |
| Accounts Receivable (Note 8) | 934,232 | 12,386,684 |
| Portfolio Investments (Note 4) | 56,691 | 56,330 |
| Total Financial Assets | 17,941,669 | 25,657,550 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities (Note 9) | 2,963,296 | 2,569,861 |
| Long-Term Debt (Note 10) | 2,539,135 | 4,383,480 |
| Liability for Employee Future Benefits (Note 6) | 812,200 | 722,600 |
| Deferred Revenue (Note 11) | 1,137,791 | 4,817,583 |
| Total Liabilities | 7,452,422 | 12,493,524 |
| Net Financial Assets | 10,489,247 | 13,164,026 |
| Non-Financial Assets | | |
| Tangible Capital Assets (Schedule C) | 64,151,353 | 65,345,493 |
| Prepaid Expenses | 905,110 | 918,367 |
| Total Non-Financial Assets | 65,056,463 | 66,263,860 |
| Accumulated Surplus (Note 14) | 75,545,710 | 79,427,886 |

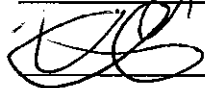
Contractual Obligations and Commitments (Note 18)

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, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| REVENUES | (Note 15) | | |
| Property Taxation | 7,132,489 | 7,227,419 | 21,281,404 |
| Grants | 62,108,322 | 62,463,890 | 52,226,433 |
| Tuition and Related Fees | 2,029,248 | 2,091,494 | 2,120,278 |
| School Generated Funds | 2,580,000 | 2,692,557 | 2,638,316 |
| Complementary Services (Note 12) | 844,460 | 843,196 | 977,749 |
| External Services (Note 13) | 276,896 | 424,857 | 244,186 |
| Other | 338,000 | 761,658 | 414,919 |
| Total Revenues (Schedule A) | 75,309,415 | 76,505,071 | 79,903,285 |
| EXPENSES | | | |
| Governance | 316,181 | 319,182 | 509,436 |
| Administration | 2,492,913 | 2,552,814 | 2,597,503 |
| Instruction | 53,102,566 | 53,160,207 | 54,076,962 |
| Plant | 8,005,097 | 10,233,909 | 8,925,370 |
| Transportation | 7,254,334 | 7,299,620 | 7,006,493 |
| Tuition and Related Fees | 972,907 | 795,407 | 836,726 |
| School Generated Funds | 2,584,637 | 2,286,616 | 2,476,540 |
| Complementary Services (Note 12) | 847,824 | 844,491 | 1,003,244 |
| External Services (Note 13) | 285,481 | 415,959 | 232,932 |
| Other Expenses | 107,035 | 2,479,042 | 266,115 |
| Total Expenses (Schedule B) | 75,968,975 | 80,387,247 | 77,931,321 |
| Operating Surplus (Deficit) for the Year | (659,560) | (3,882,176) | 1,971,964 |
| Accumulated Surplus from Operations, Beginning of Year | 79,427,886 | 79,427,886 | 77,455,922 |
| Accumulated Surplus from Operations, End of Year | 78,768,326 | 75,545,710 | 79,427,886 |

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, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|--|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| | (Note 15) | | |
| Net Financial Assets, Beginning of Year | 13,164,026 | 13,164,026 | 13,865,491 |
| Changes During the Year | | | |
| Operating Surplus (Deficit) for the Year | (659,560) | (3,882,176) | 1,971,964 |
| Acquisition of Tangible Capital Assets (Schedule C) | (2,957,200) | (3,805,775) | (7,169,704) |
| Proceeds on Disposal of Tangible Capital Assets (Schedule C) | - | 107,242 | - |
| Net Loss on Disposal of Capital Assets (Schedule C) | - | 361,204 | 125,066 |
| Amortization of Tangible Capital Assets (Schedule C) | 4,486,751 | 4,531,469 | 4,540,162 |
| Net Change in Other Non-Financial Assets | - | 13,257 | (168,953) |
| Change in Net Financial Assets | 869,991 | (2,674,779) | (701,465) |
| Net Financial Assets, End of Year | 14,034,017 | 10,489,247 | 13,164,026 |

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, 2018

| | 2018 | 2017 |
|--|--------------------|--------------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Operating Surplus (Deficit) for the Year | (3,882,176) | 1,971,964 |
| Add Non-Cash Items Included in Surplus (Schedule D) | 4,892,673 | 4,665,228 |
| Net Change in Non-Cash Operating Activities (Schedule E) | 8,268,952 | 1,464,393 |
| Cash Provided by Operating Activities | 9,279,449 | 8,101,585 |
| CAPITAL ACTIVITIES | | |
| Cash Used to Acquire Tangible Capital Assets | (3,805,775) | (7,169,704) |
| Proceeds on Disposal of Tangible Capital Assets | 107,242 | - |
| Cash (Used) by Capital Activities | (3,698,533) | (7,169,704) |
| INVESTING ACTIVITIES | | |
| Cash Used to Acquire Portfolio Investments | (361) | (227) |
| Cash (Used) by Investing Activities | (361) | (227) |
| FINANCING ACTIVITIES | | |
| Repayment of Long-Term Debt | (1,844,345) | (1,892,554) |
| Cash (Used) by Financing Activities | (1,844,345) | (1,892,554) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,736,210 | (960,900) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 13,214,536 | 14,175,436 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 16,950,746 | 13,214,536 |

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, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Property Taxation Revenue | | | |
| Tax Levy Revenue | | | |
| Property Tax Levy Revenue | 7,132,489 | 7,065,342 | 20,398,490 |
| Total Property Tax Revenue | 7,132,489 | 7,065,342 | 20,398,490 |
| Grants in Lieu of Taxes | | | |
| Federal Government | - | 27,413 | 61,949 |
| Provincial Government | - | 59,000 | 198,836 |
| Other | - | 11,290 | 22,727 |
| Total Grants in Lieu of Taxes | - | 97,703 | 283,512 |
| Other Tax Revenues | | | |
| Treaty Land Entitlement - Rural | - | 8,303 | 2,556 |
| House Trailer Fees | - | 15,059 | 37,898 |
| Total Other Tax Revenues | - | 23,362 | 40,454 |
| Additions to Levy | | | |
| Penalties | - | 80,972 | 256,568 |
| Other | - | - | 381,792 |
| Total Additions to Levy | - | 80,972 | 638,360 |
| Deletions from Levy | | | |
| Cancellations | - | (27,673) | (79,412) |
| Other Deletions | - | (12,287) | - |
| Total Deletions from Levy | - | (39,960) | (79,412) |
| Total Property Taxation Revenue | 7,132,489 | 7,227,419 | 21,281,404 |
| Grants | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Operating Grant | 60,048,211 | 59,693,331 | 48,557,688 |
| Other Ministry Grants | 103,750 | 133,168 | 117,914 |
| Total Ministry Grants | 60,151,961 | 59,826,499 | 48,675,602 |
| Other Provincial Grants | 283,001 | 261,198 | 266,837 |
| Grants from Others | - | 168,960 | 383,368 |
| Total Operating Grants | 60,434,962 | 60,256,657 | 49,325,807 |
| Capital Grants | | | |
| Ministry of Education Capital Grants | 1,673,360 | 2,207,233 | 2,900,626 |
| Total Capital Grants | 1,673,360 | 2,207,233 | 2,900,626 |
| Total Grants | 62,108,322 | 62,463,890 | 52,226,433 |

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|------------------|------------------|------------------|
| | \$ | \$ | \$ |
| Tuition and Related Fees Revenue | | | |
| Operating Fees | | | |
| Tuition Fees | | | |
| School Boards | - | 12,000 | 18,000 |
| Federal Government and First Nations | 2,011,248 | 2,062,057 | 2,066,867 |
| Individuals and Other | 18,000 | 16,997 | 34,536 |
| Total Tuition Fees | 2,029,248 | 2,091,054 | 2,119,403 |
| Transportation Fees | - | 440 | 875 |
| Total Operating Tuition and Related Fees | 2,029,248 | 2,091,494 | 2,120,278 |
| Total Tuition and Related Fees Revenue | 2,029,248 | 2,091,494 | 2,120,278 |
| School Generated Funds Revenue | | | |
| Curricular | | | |
| Student Fees | 50,000 | 47,033 | 48,772 |
| Total Curricular Fees | 50,000 | 47,033 | 48,772 |
| Non-Curricular Fees | | | |
| Commercial Sales - Non-GST | 250,000 | 296,930 | 270,668 |
| Fundraising | 450,000 | 369,491 | 415,111 |
| Grants and Partnerships | 30,000 | 26,335 | 26,558 |
| Other | 1,800,000 | 1,952,768 | 1,877,207 |
| Total Non-Curricular Fees | 2,530,000 | 2,645,524 | 2,589,544 |
| Total School Generated Funds Revenue | 2,580,000 | 2,692,557 | 2,638,316 |
| Complementary Services | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Operating Grant | 701,460 | 701,460 | 722,172 |
| Other Ministry Grants | - | - | 150,000 |
| Federal Grants | 115,000 | 119,675 | 82,144 |
| Total Operating Grants | 816,460 | 821,135 | 954,316 |
| Fees and Other Revenue | | | |
| Tuition and Related Fees | - | - | 875 |
| Other Revenue | 28,000 | 22,061 | 22,558 |
| Total Fees and Other Revenue | 28,000 | 22,061 | 23,433 |
| Total Complementary Services Revenue | 844,460 | 843,196 | 977,749 |

Good Spirit School Division No. 204
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| External Services | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Other Ministry Grants | - | 150,000 | - |
| Other Provincial Grants | 76,896 | 76,896 | 76,896 |
| Total Operating Grants | 76,896 | 226,896 | 76,896 |
| Fees and Other Revenue | | | |
| Other Revenue | 200,000 | 197,961 | 167,290 |
| Total Fees and Other Revenue | 200,000 | 197,961 | 167,290 |
| Total External Services Revenue | 276,896 | 424,857 | 244,186 |
| Other Revenue | | | |
| Miscellaneous Revenue | 78,000 | 364,907 | 109,151 |
| Sales & Rentals | 180,000 | 165,440 | 195,130 |
| Investments | 80,000 | 231,311 | 110,638 |
| Total Other Revenue | 338,000 | 761,658 | 414,919 |
| TOTAL REVENUE FOR THE YEAR | 75,309,415 | 76,505,071 | 79,903,285 |

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Governance Expense | | | |
| Board Members Expense | 105,977 | 104,709 | 155,913 |
| Professional Development - Board Members | 15,400 | 18,133 | 48,869 |
| Advisory Committees | 35,600 | 32,782 | 34,043 |
| Professional Development - Advisory Committees | 16,672 | 5,754 | 2,503 |
| Elections | - | - | 36,430 |
| Other Governance Expenses | 142,532 | 157,804 | 231,678 |
| Total Governance Expense | 316,181 | 319,182 | 509,436 |
| Administration Expense | | | |
| Salaries | 1,775,558 | 1,826,824 | 1,933,354 |
| Benefits | 202,633 | 216,777 | 228,744 |
| Supplies & Services | 291,250 | 332,367 | 266,830 |
| Non-Capital Furniture & Equipment | 8,500 | 4,521 | 2,050 |
| Building Operating Expenses | 53,200 | 39,984 | 34,743 |
| Communications | 40,000 | 50,848 | 45,781 |
| Travel | 53,900 | 37,514 | 46,394 |
| Professional Development | 51,100 | 22,370 | 17,798 |
| Amortization of Tangible Capital Assets | 16,772 | 21,609 | 21,809 |
| Total Administration Expense | 2,492,913 | 2,552,814 | 2,597,503 |
| Instruction Expense | | | |
| Instructional (Teacher Contract) Salaries | 36,570,742 | 36,351,967 | 37,619,562 |
| Instructional (Teacher Contract) Benefits | 1,718,870 | 1,773,608 | 1,815,142 |
| Program Support (Non-Teacher Contract) Salaries | 7,253,699 | 7,369,566 | 7,115,793 |
| Program Support (Non-Teacher Contract) Benefits | 1,342,858 | 1,313,934 | 1,303,931 |
| Instructional Aids | 1,249,570 | 1,332,976 | 1,202,635 |
| Supplies & Services | 711,737 | 858,612 | 801,857 |
| Non-Capital Furniture & Equipment | 243,615 | 129,103 | 146,763 |
| Communications | 183,444 | 164,186 | 168,431 |
| Travel | 217,300 | 179,806 | 194,465 |
| Professional Development | 420,488 | 350,599 | 309,098 |
| Student Related Expense | 183,445 | 198,224 | 202,302 |
| Amortization of Tangible Capital Assets | 3,006,798 | 3,137,626 | 3,196,983 |
| Total Instruction Expense | 53,102,566 | 53,160,207 | 54,076,962 |

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|--|------------------|-------------------|------------------|
| | \$ | \$ | \$ |
| Plant Operation & Maintenance Expense | | | |
| Salaries | 2,893,316 | 2,919,495 | 2,763,890 |
| Benefits | 543,413 | 509,530 | 482,722 |
| Supplies & Services | 37,550 | 30,992 | 28,993 |
| Non-Capital Furniture & Equipment | 4,500 | 8,894 | 4,230 |
| Building Operating Expenses | 4,177,148 | 6,464,288 | 5,344,537 |
| Communications | 14,050 | 13,663 | 11,347 |
| Travel | 54,000 | 80,018 | 69,825 |
| Professional Development | 16,000 | 4,622 | 7,220 |
| Amortization of Tangible Capital Assets | 265,120 | 202,407 | 212,606 |
| Total Plant Operation & Maintenance Expense | 8,005,097 | 10,233,909 | 8,925,370 |
| Student Transportation Expense | | | |
| Salaries | 3,201,200 | 3,203,471 | 3,143,364 |
| Benefits | 577,665 | 523,848 | 533,512 |
| Supplies & Services | 1,154,846 | 1,253,355 | 1,149,344 |
| Non-Capital Furniture & Equipment | 727,200 | 714,809 | 588,871 |
| Building Operating Expenses | 54,300 | 76,477 | 66,323 |
| Communications | 11,400 | 9,970 | 9,893 |
| Travel | 20,000 | 29,588 | 28,344 |
| Professional Development | 15,000 | 38,349 | 29,307 |
| Contracted Transportation | 304,025 | 307,479 | 367,572 |
| Amortization of Tangible Capital Assets | 1,188,698 | 1,142,274 | 1,089,963 |
| Total Student Transportation Expense | 7,254,334 | 7,299,620 | 7,006,493 |
| Tuition and Related Fees Expense | | | |
| Tuition Fees | 965,707 | 788,607 | 829,526 |
| Transportation Fees | 7,200 | 6,800 | 7,200 |
| Total Tuition and Related Fees Expense | 972,907 | 795,407 | 836,726 |
| School Generated Funds Expense | | | |
| Cost of Sales | 240,000 | 256,451 | 246,774 |
| School Fund Expenses | 2,340,000 | 2,006,855 | 2,217,044 |
| Amortization of Tangible Capital Assets | 4,637 | 23,310 | 12,722 |
| Total School Generated Funds Expense | 2,584,637 | 2,286,616 | 2,476,540 |

Good Spirit School Division No. 204
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Complementary Services Expense | | | |
| Instructional (Teacher Contract) Salaries & Benefits | 496,313 | 487,712 | 487,193 |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 268,431 | 278,148 | 281,730 |
| Instructional Aids | 78,680 | 57,952 | 61,570 |
| Supplies & Services | - | 822 | 783 |
| Building Operating Expenses | - | 8,401 | 7,209 |
| Communications | - | 1,624 | 2,012 |
| Travel | - | 4,682 | 2,491 |
| Professional Development (Non-Salary Costs) | - | 424 | - |
| Student Related Expenses | - | - | 150,000 |
| Contracted Transportation & Allowances | - | 483 | 4,177 |
| Amortization of Tangible Capital Assets | 4,400 | 4,243 | 6,079 |
| Total Complementary Services Expense | 847,824 | 844,491 | 1,003,244 |
| External Service Expense | | | |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 162,155 | 146,343 | 113,794 |
| Supplies & Services | 123,000 | 109,605 | 107,169 |
| Communications | - | 100 | 943 |
| Travel | - | 9,441 | 10,676 |
| Professional Development (Non-Salary Costs) | - | 470 | 350 |
| Student Related Expenses | - | 150,000 | - |
| Amortization of Tangible Capital Assets | 326 | - | - |
| Total External Services Expense | 285,481 | 415,959 | 232,932 |
| Other Expense | | | |
| Interest and Bank Charges | | | |
| Current Interest and Bank Charges | 7,000 | 5,711 | 5,980 |
| Interest on Capital Loans | 5,249 | 50,873 | 74,997 |
| Interest on Other Long-Term Debt | 94,786 | 53,097 | 60,072 |
| Total Interest and Bank Charges | 107,035 | 109,681 | 141,049 |
| Transfer of Taxes Receivable | - | 2,008,157 | - |
| Loss on Disposal of Tangible Capital Assets | - | 361,204 | 125,066 |
| Total Other Expense | 107,035 | 2,479,042 | 266,115 |
| TOTAL EXPENSES FOR THE YEAR | 75,968,975 | 80,387,247 | 77,931,321 |

Good Spirit School Division No. 204

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2018

| | Land | | School | Other | Furniture and | Computer Hardware and | Computer | Assets | | | |
|--|----------------|-----------------|-------------------|-------------------|-----------------|-----------------------|------------------------|----------------|--------------------|--------------------|--------------------|
| | Land | Improvements | Buildings | Buses | Vehicles | Equipment | Audio Visual Equipment | Software | Under Construction | 2018 | 2017 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Tangible Capital Assets - at Cost | | | | | | | | | | | |
| Opening Balance as of September 1 | 282,589 | 565,185 | 87,020,417 | 15,275,369 | 695,093 | 7,515,858 | 4,933,441 | 307,869 | 119,629 | 116,715,450 | 111,291,835 |
| Additions/Purchases | - | - | - | 1,064,848 | 52,943 | 514,385 | 140,471 | 90,728 | 1,942,400 | 3,805,775 | 7,169,704 |
| Disposals | - | - | (789,989) | (1,937,443) | (44,951) | (634,271) | - | - | - | (3,406,654) | (1,746,089) |
| Transfers to (from) | - | - | 1,180,957 | - | - | - | - | - | (1,180,957) | - | - |
| Closing Balance as of August 31 | 282,589 | 565,185 | 87,411,385 | 14,402,774 | 703,085 | 7,395,972 | 5,073,912 | 398,597 | 881,072 | 117,114,571 | 116,715,450 |
| Tangible Capital Assets - Amortization | | | | | | | | | | | |
| Opening Balance as of September 1 | - | 107,273 | 36,110,386 | 8,392,127 | 520,585 | 3,976,787 | 2,059,552 | 203,247 | - | 51,369,957 | 48,450,818 |
| Amortization of the Period | - | 28,259 | 1,518,647 | 1,074,810 | 75,570 | 739,596 | 1,014,868 | 79,719 | - | 4,531,469 | 4,540,162 |
| Disposals | - | - | (581,664) | (1,677,322) | (44,951) | (634,271) | - | - | - | (2,938,208) | (1,621,023) |
| Closing Balance as of August 31 | N/A | 135,532 | 37,047,369 | 7,789,615 | 551,204 | 4,082,112 | 3,074,420 | 282,966 | N/A | 52,963,218 | 51,369,957 |
| Net Book Value | | | | | | | | | | | |
| Opening Balance as of September 1 | 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 |
| Closing Balance as of August 31 | 282,589 | 429,653 | 50,364,016 | 6,613,159 | 151,881 | 3,313,860 | 1,999,492 | 115,631 | 881,072 | 64,151,353 | 65,345,493 |
| Change in Net Book Value | - | (28,259) | (546,015) | (270,083) | (22,627) | (225,211) | (874,397) | 11,009 | 761,443 | (1,194,140) | 2,504,476 |
| Disposals | | | | | | | | | | | |
| Historical Cost | - | - | 789,989 | 1,937,443 | 44,951 | 634,271 | - | - | - | 3,406,654 | 1,746,089 |
| Accumulated Amortization | - | - | 581,664 | 1,677,322 | 44,951 | 634,271 | - | - | - | 2,938,208 | 1,621,023 |
| Net Cost | - | - | 208,325 | 260,121 | - | - | - | - | - | 468,446 | 125,066 |
| Price of Sale | - | - | 50,000 | 54,436 | 2,806 | - | - | - | - | 107,242 | - |
| Gain (Loss) on Disposal | - | - | (158,325) | (205,685) | 2,806 | - | - | - | - | (361,204) | (125,066) |
| Net Book Value (NBV) of Assets Pledged as Security for Debt | | | | | | | | | | | |
| | - | - | - | 1,258,312 | - | - | 72,674 | - | - | 1,330,986 | 1,183,518 |

Closing net book value of tangible capital assets includes total leased tangible capital assets of \$2,691,450 (2017 - \$4,022,264) representing \$2,294,112 (2017 - \$3,624,926) in School Buses and \$397,338 (2017 - \$397,338) in Computer Hardware and Audio Visual Equipment. Amortization of \$1,360,464 (2017 - \$1,610,042) has been recorded on these assets.

Good Spirit School Division No. 204
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Non-Cash Items Included in Surplus / Deficit | | |
| Amortization of Tangible Capital Assets (Schedule C) | 4,531,469 | 4,540,162 |
| Net Loss on Disposal of Tangible Capital Assets (Schedule C) | 361,204 | 125,066 |
| Total Non-Cash Items Included in Surplus / Deficit | 4,892,673 | 4,665,228 |

Good Spirit School Division No. 204
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2018

| | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| Net Change in Non-Cash Operating Activities | | |
| Decrease in Accounts Receivable | 11,452,452 | 762,252 |
| Increase in Accounts Payable and Accrued Liabilities | 393,435 | 373,023 |
| Increase in Liability for Employee Future Benefits | 89,600 | 113,000 |
| Increase (Decrease) in Deferred Revenue | (3,679,792) | 385,071 |
| Decrease (Increase) in Prepaid Expenses | 13,257 | (168,953) |
| Total Net Change in Non-Cash Operating Activities | 8,268,952 | 1,464,393 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 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, 2018

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 \$ 812,200 (2017 - \$ 722,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 7,227,419 (2017 - \$ 21,281,404) because final tax assessments may differ from initial estimates.
- uncollectible taxes and accounts receivable of \$ 298,513 (2017 - \$ 1,498,513) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$ 4,531,469 (2017 - \$ 4,540,162) 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, 2018

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, 2018

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 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, 2018

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). 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.

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. 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.

On January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan became the taxing authority for education property tax. As of that date, the school division no longer earns taxation revenue.

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 as revenue 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

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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

k) Statement of Remeasurement Gains and Losses

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

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$ 8,000,000 that bears interest at a rate of prime with BMO. This line of credit is authorized by a borrowing resolution by the board of education and is secured by ministry of education grant funding. 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, 2018 was \$ NIL (August 31, 2017 - \$ NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

| | 2018 | 2017 |
|---|------------------|------------------|
| Portfolio investments in the cost and amortized cost category: | <u>Cost</u> | <u>Cost</u> |
| Shares/Equity in Co-operatives/Credit Unions | \$ 56,691 | \$ 56,330 |
| Total portfolio investments | \$ 56,691 | \$ 56,330 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

| Function | Salaries & Benefits | Goods & Services | Debt Service | Amortization of TCA | 2018 Actual | 2017 Actual |
|--------------------------|----------------------|----------------------|-------------------|---------------------|----------------------|----------------------|
| Governance | \$ 155,624 | \$ 163,558 | \$ - | \$ - | \$ 319,182 | \$ 509,436 |
| Administration | 2,043,601 | 487,604 | - | 21,609 | 2,552,814 | 2,597,503 |
| Instruction | 46,809,075 | 3,213,506 | - | 3,137,626 | 53,160,207 | 54,076,962 |
| Plant | 3,429,025 | 6,602,477 | - | 202,407 | 10,233,909 | 8,925,370 |
| Transportation | 3,727,319 | 2,430,027 | - | 1,142,274 | 7,299,620 | 7,006,493 |
| Tuition and Related Fees | - | 795,407 | - | - | 795,407 | 836,726 |
| School Generated Funds | - | 2,263,306 | - | 23,310 | 2,286,616 | 2,476,540 |
| Complementary Services | 765,860 | 74,388 | - | 4,243 | 844,491 | 1,003,244 |
| External Services | 146,343 | 269,616 | - | - | 415,959 | 232,932 |
| Other | - | 2,369,361 | 109,681 | - | 2,479,042 | 266,115 |
| TOTAL | \$ 57,076,847 | \$ 18,669,250 | \$ 109,681 | \$ 4,531,469 | \$ 80,387,247 | \$ 77,931,321 |

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 March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

Details of the employee future benefits are as follows:

| | 2018 | 2017 |
|--|-------|-------|
| Long-term assumptions used: | | |
| Discount rate at end of period | 3.00% | 2.69% |
| Inflation and productivity rate (excluding merit and promotion) - Teachers | 2.50% | 2.50% |
| Inflation and productivity rate (excluding merit and promotion) - Non-Teachers | 3.00% | 3.00% |
| Expected average remaining service life (years) | 14 | 14 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

| Liability for Employee Future Benefits | 2018 | 2017 |
|---|-------------------|-------------------|
| Accrued Benefit Obligation - beginning of year | \$ 901,700 | \$ 972,300 |
| Current period service cost | 75,700 | 91,800 |
| Interest cost | 25,900 | 22,000 |
| Benefit payments | (31,700) | (31,300) |
| Actuarial (gains) | (237,200) | (153,100) |
| Accrued Benefit Obligation - end of year | 734,400 | 901,700 |
| Unamortized Net Actuarial Gains (Losses) | 77,800 | (179,100) |
| Liability for Employee Future Benefits | \$ 812,200 | \$ 722,600 |

| Employee Future Benefits Expense | 2018 | 2017 |
|---|-------------------|-------------------|
| Current period service cost | \$ 75,700 | \$ 91,800 |
| Amortization of net actuarial loss | 19,700 | 30,500 |
| Benefit cost | 95,400 | 122,300 |
| Interest cost | 25,900 | 22,000 |
| Total Employee Future Benefits Expense | \$ 121,300 | \$ 144,300 |

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) and 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, 2018

| | 2018 | | | 2017 |
|---|-----------------|---------------|----------------|----------------|
| | STRP | STSP | TOTAL | TOTAL |
| Number of active School Division members | 480 | 6 | 486 | 567 |
| Member contribution rate (percentage of salary) | 11.30% /13.50 % | 6.05% /7.85 % | 6.05% / 13.50% | 6.05% /13.50 % |
| Member contributions for the year | \$ 4,317,737 | \$ 2,044 | \$ 4,319,781 | \$ 4,434,256 |

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. 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:

| | 2018 | 2017 |
|--|--------------|--------------|
| Number of active School Division members | 483 | 479 |
| Member contribution rate (percentage of salary) | 9.00% | 8.15% |
| School Division contribution rate (percentage of salary) | 9.00% | 8.15% |
| Member contributions for the year | \$ 1,141,088 | \$ 1,125,137 |
| School Division contributions for the year | \$ 1,141,088 | \$ 1,125,137 |
| Actuarial extrapolation date | Dec-31-2017 | Dec-31-2016 |
| Plan Assets (in thousands) | \$ 2,469,995 | \$ 2,323,947 |
| Plan Liabilities (in thousands) | \$ 2,015,818 | \$ 1,979,463 |
| Plan Surplus (in thousands) | \$ 454,177 | \$ 344,484 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

| | 2018 | | | 2017 | | |
|----------------------------------|---------------------|------------------------|---------------------|----------------------|------------------------|----------------------|
| | 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 |
| Provincial Grants Receivable | 175,000 | - | 175,000 | 1,100,000 | - | 1,100,000 |
| GST Receivables | 184,205 | - | 184,205 | 270,852 | - | 270,852 |
| Other Receivables | 873,540 | 298,513 | 575,027 | 1,037,595 | 298,513 | 739,082 |
| Total Accounts Receivable | \$ 1,232,745 | \$ 298,513 | \$ 934,232 | \$ 13,885,197 | \$ 1,498,513 | \$ 12,386,684 |

During the year, \$ 2,008,157 of taxes receivable were transferred from the school division to the Government of Saskatchewan.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Accrued Salaries and Benefits | \$ 1,325,128 | \$ 821,456 |
| Supplier Payments | 1,410,147 | 1,416,493 |
| Other (Caution Fees, Schools, Scholarships) | 228,021 | 331,912 |
| Total Accounts Payable and Accrued Liabilities | \$ 2,963,296 | \$ 2,569,861 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

10. LONG-TERM DEBT

Details of long-term debt are as follows:

| | | 2018 | 2017 |
|-----------------------------|--|---------------------|------------------|
| Capital Loans: | RBC Norquay School - 4.12% matures Aug 2019 monthly repayments of \$7,127 | \$ 83,648 | \$ 163,924 |
| | RBC Technology Loan - 1.82% matures Jul 2020 monthly repayments of \$82,970 | 1,646,758 | 2,603,129 |
| | RBC Bus Loan - 1.89% matures Sep 2019 monthly repayments of \$18,049 | 222,657 | 432,908 |
| | | 1,953,063 | 3,199,961 |
| Capital Leases: | RBC 10 bus lease 12832 matured Dec 2017 monthly repayments of \$17,915 | - | 64,406 |
| | RBC 23 bus lease 27694 matures Oct 2021 monthly repayments of \$14,429 | 449,130 | 623,551 |
| | RBC 13 bus lease 17902 matures Sep 2018 monthly repayments of \$16,968 | 64,268 | 343,334 |
| | Concentra copier lease 14637 matured Jun 2018 quarterly repayments of \$5,697 | - | 22,789 |
| | Concentra copier lease 15089 matures Feb 2019 quarterly repayments of \$10,132 | 20,220 | 60,789 |
| | Concentra copier lease 17106 matures Sep 2021 quarterly repayments of \$4,038 | 52,454 | 68,650 |
| | | 586,072 | 1,183,519 |
| Total Long-Term Debt | \$ 2,539,135 | \$ 4,383,480 | |

Future principal repayments over the next 5 years are estimated as follows:

| | Capital Loans | Capital Leases | Total |
|--------------|---------------------|-------------------|---------------------|
| 2019 | \$ 1,271,747 | \$ 239,674 | \$ 1,511,421 |
| 2020 | 681,316 | 155,186 | 836,502 |
| 2021 | - | 155,186 | 155,186 |
| 2022 | - | 36,026 | 36,026 |
| Total | \$ 1,953,063 | \$ 586,072 | \$ 2,539,135 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
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| Principal and interest payments on the long-term debt are as follows: | | | | |
|--|----------------------|-----------------------|---------------------|---------------------|
| | Capital Loans | Capital Leases | 2018 | 2017 |
| Principal | \$ 1,246,898 | \$ 597,447 | \$ 1,844,345 | \$ 1,892,554 |
| Interest | 50,873 | 53,097 | 103,970 | 135,068 |
| Total | \$ 1,297,771 | \$ 650,544 | \$ 1,948,315 | \$ 2,027,622 |

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

| | Balance as at Aug. 31, 2017 | Additions during the Year | Revenue recognized in the Year | Balance as at Aug. 31, 2018 |
|--|--|--|---|--|
| Capital projects: | | | | |
| Federal capital tuition | \$ 436,171 | \$ 63,718 | \$ - | \$ 499,889 |
| Proceeds from sale of school buildings | 408,263 | - | - | 408,263 |
| Total capital projects deferred revenue | 844,434 | 63,718 | - | 908,152 |
| Other deferred revenue: | | | | |
| Property Taxes | 3,784,149 | - | 3,784,149 | - |
| Third Party Grants | 189,000 | 228,570 | 187,931 | 229,639 |
| Total other deferred revenue | 3,973,149 | 228,570 | 3,972,080 | 229,639 |
| Total Deferred Revenue | \$ 4,817,583 | \$ 292,288 | \$ 3,972,080 | \$ 1,137,791 |

GOOD SPIRIT SCHOOL DIVISION NO. 204
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

| Summary of Complementary Services Revenues and Expenses, by Program | Pre-K Programs | Other Programs | 2018 | 2017 |
|--|-----------------|-------------------|-------------------|--------------------|
| Revenues: | | | | |
| Operating Grants | \$ 701,460 | \$ 119,675 | \$ 821,135 | \$ 954,316 |
| Fees and Other Revenues | - | 22,061 | 22,061 | 23,433 |
| Total Revenues | 701,460 | 141,736 | 843,196 | 977,749 |
| Expenses: | | | | |
| Salaries & Benefits | 651,708 | 114,152 | 765,860 | 768,923 |
| Instructional Aids | 39,594 | 18,358 | 57,952 | 61,570 |
| Supplies and Services | - | 822 | 822 | 783 |
| Building Operating Expenses | 3,471 | 4,930 | 8,401 | 7,209 |
| Communications | 1,521 | 103 | 1,624 | 2,012 |
| Travel | 468 | 4,214 | 4,682 | 2,491 |
| Professional Development (Non-Salary Costs) | 424 | - | 424 | - |
| Student Related Expenses | - | - | - | 150,000 |
| Contracted Transportation & Allowances | - | 483 | 483 | 4,177 |
| Amortization of Tangible Capital Assets | - | 4,243 | 4,243 | 6,079 |
| Total Expenses | 697,186 | 147,305 | 844,491 | 1,003,244 |
| Excess (Deficiency) of Revenues over Expenses | \$ 4,274 | \$ (5,569) | \$ (1,295) | \$ (25,495) |

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

- Pre-K Programs are for 3 and 4 year olds run in programs designated by the Ministry of Education.
- Other Programs consist of Pre-School and Parent Education Program (PPEP) for early entrance and vulnerable kids from 2 to 4 year olds funded by the federal government.

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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:

| Summary of External Services Revenues and Expenses, by Program | Invitational Shared Services Initiative | Regional KidsFirst | Cafeteria | 2018 | 2017 |
|--|---|--------------------|-------------------|-----------------|------------------|
| Revenues: | | | | | |
| Operating Grants | \$ 150,000 | \$ 76,896 | \$ - | \$ 226,896 | \$ 76,896 |
| Fees and Other Revenues | - | - | 197,961 | 197,961 | 167,290 |
| Total Revenues | 150,000 | 76,896 | 197,961 | 424,857 | 244,186 |
| Expenses: | | | | | |
| Salaries & Benefits | - | 51,454 | 94,889 | 146,343 | 113,794 |
| Supplies and Services | - | 4,883 | 104,722 | 109,605 | 107,169 |
| Communications | - | 100 | - | 100 | 943 |
| Travel | - | 9,441 | - | 9,441 | 10,676 |
| Professional Development | - | 470 | - | 470 | 350 |
| Student Related Expenses | 150,000 | - | - | 150,000 | - |
| Total Expenses | 150,000 | 66,348 | 199,611 | 415,959 | 232,932 |
| Excess (Deficiency) of Revenues over Expenses | \$ - | \$ 10,548 | \$ (1,650) | \$ 8,898 | \$ 11,254 |

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

- An operating grant is provided for the Invitational Shared Services Initiative which is paid to the Yorkton Tribal Council to administer a joint program.
- An operating grant is provided for a Regional KidsFirst program.
- Cafeteria operations at Yorkton Regional High School provide food services to staff and students.

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 2017 | Additions during the year | Reductions during the year | August 31 2018 |
|--|----------------------|---------------------------------|-------------------------------|----------------------|
| Invested in Tangible Capital Assets: | | | | |
| Net Book Value of Tangible Capital Assets | \$ 65,345,493 | \$ 3,805,775 | \$ 4,999,915 | \$ 64,151,353 |
| Less: Debt owing on Tangible Capital Assets | (4,383,480) | - | (1,844,345) | (2,539,135) |
| | 60,962,013 | 3,805,775 | 3,155,570 | 61,612,218 |
| PMR maintenance project allocations (1) | 1,685,599 | 1,857,233 | 1,324,037 | 2,218,795 |
| Internally Restricted Surplus: | | | | |
| Capital projects: | | | | |
| Designated for tangible capital asset expenditures | 69,225 | 45,000 | - | 114,225 |
| Minor Renovations | 1,000,000 | - | 710,566 | 289,434 |
| Feasibility Study Non-School Facilities | 200,000 | - | 35,560 | 164,440 |
| Risk Management & Security | 134,000 | - | 94,374 | 39,626 |
| Purchase of Buses | 800,000 | - | 772,868 | 27,132 |
| Unified Student Information System - USIS | - | 300,000 | - | 300,000 |
| | 2,203,225 | 345,000 | 1,613,368 | 934,857 |
| Other: | | | | |
| School generated funds | 1,204,018 | 355,497 | - | 1,559,515 |
| Future Expenditures YRHS flood | 100,000 | - | - | 100,000 |
| School budget carryovers | 289,569 | 316,864 | 289,569 | 316,864 |
| Third Party Programs | 49,579 | 196,571 | 183,119 | 63,031 |
| | 1,643,166 | 868,932 | 472,688 | 2,039,410 |
| Unrestricted Surplus | 12,933,883 | - | 4,193,453 | 8,740,430 |
| Total Accumulated Surplus | \$ 79,427,886 | \$ 6,876,940 | \$ 10,759,116 | \$ 75,545,710 |

(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 (YRHS) flood settlements is for an elevator lift.
- Capital Projects 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 and implementation of the Unified Student Information System - USIS.

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15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 15, 2017 and the Minister of Education on August 28, 2017.

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, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the school division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

Related Party Transactions

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

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| | 2018 | 2017 |
|--|----------------------|----------------------|
| Revenues: | | |
| Ministry of Education | \$ 62,885,192 | \$ 52,448,400 |
| Other School Divisions | 253,608 | 1,486,851 |
| Other | 434,757 | 480,842 |
| | \$ 63,573,557 | \$ 54,416,093 |
| Expenses: | | |
| Parkland College | \$ 653,536 | \$ 744,782 |
| Sask Energy | 560,593 | 469,147 |
| Sask Power | 1,169,870 | 1,135,505 |
| Sasktel | 292,866 | 169,254 |
| Sask Workers Compensation | 185,118 | 233,296 |
| Other | 150,558 | 226,744 |
| | \$ 3,012,541 | \$ 2,978,728 |
| Accounts Receivable: | | |
| Ministry of Education | \$ 175,000 | \$ 1,100,000 |
| Christ the Teacher RCSSD | 78,979 | 5,775 |
| Living Sky SD | - | 58,700 |
| | \$ 253,979 | \$ 1,164,475 |
| Prepaid Expenses: | | |
| Sask Workers Compensation | \$ 59,635 | \$ 76,303 |
| Sask Government Insurance | 115,514 | 119,532 |
| | \$ 175,149 | \$ 195,835 |
| Accounts Payable and Accrued Liabilities: | | |
| Sasktel | \$ - | \$ 144,706 |
| Other | 24,588 | 12,190 |
| | \$ 24,588 | \$ 156,896 |

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.

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.

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Information about these trusts is as follows:

| | Public Section | | Scholarships | | Total | Total |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Cash and short-term investments | \$ 85,617 | \$ 464,625 | \$ 28,828 | \$ 27,154 | \$ 114,445 | \$ 491,779 |
| Portfolio investments | - | - | 243,226 | 264,331 | 243,226 | 264,331 |
| Total Assets | 85,617 | 464,625 | 272,054 | 291,485 | 357,671 | 756,110 |
| Revenues | | | | | | |
| Contributions and donations | 96,776 | 1,685,542 | 11,200 | 13,650 | 107,976 | 1,699,192 |
| Interest on investments | - | - | 3,705 | 2,726 | 3,705 | 2,726 |
| | 96,776 | 1,685,542 | 14,905 | 16,376 | 111,681 | 1,701,918 |
| Expenses | | | | | | |
| Litigation | 395,381 | 1,384,464 | - | - | 395,381 | 1,384,464 |
| Contracted Services | 80,403 | 101,755 | - | - | 80,403 | 101,755 |
| Awards to Students | - | - | 34,336 | 63,607 | 34,336 | 63,607 |
| | 475,784 | 1,486,219 | 34,336 | 63,607 | 510,120 | 1,549,826 |
| Excess (Deficiency) of Revenues over Expenses | (379,008) | 199,323 | (19,431) | (47,231) | (398,439) | 152,092 |
| Trust Fund Balance, Beginning of Year | 464,625 | 265,302 | 291,485 | 338,716 | 756,110 | 604,018 |
| Trust Fund Balance, End of Year | \$ 85,617 | \$ 464,625 | \$ 272,054 | \$ 291,485 | \$ 357,671 | \$ 756,110 |

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Capital lease obligations of the school division are as follows:

| | Capital Leases | | |
|---------------------------------------|------------------|-------------------|-------------------|
| | Copiers | Buses | Total Capital |
| Future minimum lease payments: | | | |
| 2019 | \$ 36,373 | \$ 238,105 | \$ 274,478 |
| 2020 | 16,153 | 171,188 | 187,341 |
| 2021 | 16,153 | 171,188 | 187,341 |
| 2022 | 3,995 | 34,710 | 38,705 |
| | 72,674 | 615,191 | 687,865 |
| Interest and executory costs | - | (101,793) | (101,793) |
| Total Lease Obligations | \$ 72,674 | \$ 513,398 | \$ 586,072 |

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19. COMPARATIVE INFORMATION

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

20. SUBSEQUENT EVENTS

Subsequent to the year end the school division entered into an agreement to purchase land and building for non-school facility utilization at a total cost of \$3,800,000.

21. 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. For other receivables, the school division has adopted credit policies which include close monitoring of overdue accounts.

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, 2018 was:

| | August 31, 2018 | | | | |
|---------------------------------|-------------------|-------------------|------------------|------------------|-------------------|
| | Total | 0-30 days | 30-60 days | 60-90 days | Over 90 days |
| Grants Receivable | \$ 175,000 | \$ 175,000 | \$ - | \$ - | \$ - |
| Other Receivables | 873,540 | 131,486 | 40,318 | 28,228 | 673,508 |
| Gross Receivables | 1,048,540 | 306,486 | 40,318 | 28,228 | 673,508 |
| Allowance for Doubtful Accounts | (298,513) | - | - | - | (298,513) |
| Net Receivables | \$ 750,027 | \$ 306,486 | \$ 40,318 | \$ 28,228 | \$ 374,995 |

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Receivable amounts related to GST are not applicable to credit risk, as these do not meet the definition of a financial instrument.

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, 2018 | | | | |
|--|--------------------|--------------------|-----------------------|--------------------|-------------|
| | Total | Within 6 months | 6 months to 1 year | 1 to 5 years | > 5 years |
| Accounts payable and accrued liabilities | \$2,963,296 | \$2,853,390 | \$109,906 | \$ - | \$ - |
| Long-term debt | 2,539,135 | 794,858 | 716,605 | 1,027,672 | - |
| Total | \$5,502,431 | \$3,648,248 | \$826,511 | \$1,027,672 | \$ - |

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, 2018.

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