

**PRAIRIE SPIRIT SCHOOL  
DIVISION NO.206**

***CONSOLIDATED FINANCIAL  
STATEMENTS***

***August 31, 2016***

## Management's Responsibility for the Consolidated Financial Statements

The school division's management is responsible for the preparation of the consolidated 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.

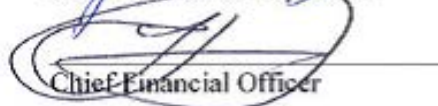
The Board of Education is comprised of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the consolidated financial statements. The Board is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

The external auditors, Deloitte LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the consolidated financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's consolidated 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 Prairie Spirit School Division No. 206:

  
Board Chair

  
CEO/Director of Education

  
Chief Financial Officer

December 5, 2016

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE TRUSTEES OF THE BOARD OF EDUCATION OF PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**

We have audited the accompanying consolidated financial statements of Prairie Spirit School Division No. 206, which comprise the consolidated statement of financial position as at August 31, 2016 and the consolidated statements of operations and accumulated surplus from operations, remeasurement losses, changes in net debt 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 consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, the consolidated financial statements present fairly, in all material respects, the financial position of Prairie Spirit School Division No. 206 as at August 31, 2016, and the results of its operations, its remeasurement losses, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants  
Licensed Professional Accountants

December 5, 2016  
Saskatoon, Saskatchewan

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Financial Position**  
as at August 31, 2016

	2016	2015
<b>Financial Assets</b>		
Cash and Cash Equivalents	5,448,149	5,979,136
Accounts Receivable (Note 8)	21,657,726	23,315,294
Portfolio Investments (Note 4)	8,156	9,038
<b>Total Financial Assets</b>	<b>27,114,031</b>	<b>29,303,468</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	4,238,287	6,425,629
Long-Term Debt and Associated Derivatives (Note 10)	30,547,713	30,914,442
Liability for Employee Future Benefits (Note 6)	1,163,800	1,049,200
Deferred Revenue (Note 11)	262,122	725,533
<b>Total Liabilities</b>	<b>36,211,922</b>	<b>39,114,804</b>
<b>Net Debt</b>	<b>(9,097,891)</b>	<b>(9,811,336)</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	178,258,926	145,227,694
Inventory of Supplies for Consumption	809,335	752,913
Prepaid Expenses	449,584	457,773
<b>Total Non-Financial Assets</b>	<b>179,517,845</b>	<b>146,438,380</b>
<b>Accumulated Surplus (Note 14)</b>	<b>170,419,954</b>	<b>136,627,044</b>
<b>Accumulated Surplus is Comprised of:</b>		
Accumulated Surplus from Operations	172,684,016	138,060,117
Accumulated Remeasurement Losses	(2,264,062)	(1,433,073)
<b>Total Accumulated Surplus (Note 14)</b>	<b>170,419,954</b>	<b>136,627,044</b>

Contingent Liabilities (Note 17)  
Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:

  
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Chairperson  
  
\_\_\_\_\_  
Chief Financial Officer

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2016**

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
	(Note 15)		
<b>REVENUES</b>			
Property Taxation	36,027,816	38,854,418	36,620,514
Grants	102,906,408	103,860,912	80,476,309
Tuition and Related Fees	2,783,100	2,840,984	2,892,084
School Generated Funds	2,396,692	3,039,257	2,814,021
Complementary Services (Note 12)	854,880	1,298,674	1,274,056
External Services (Note 13)	-	69,025	14,550
Other	50,000	270,289	216,714
<b>Total Revenues (Schedule A)</b>	<b>145,018,896</b>	<b>150,233,559</b>	<b>124,308,248</b>
<b>EXPENSES</b>			
Governance	587,200	660,579	645,863
Administration	3,867,440	3,595,074	3,809,524
Instruction	84,104,984	80,023,016	80,685,854
Plant	14,415,311	17,072,948	17,735,850
Transportation	8,967,204	8,181,810	8,700,933
Tuition and Related Fees	578,130	672,563	651,437
School Generated Funds	2,396,692	2,937,267	2,814,364
Complementary Services (Note 12)	870,314	1,369,960	857,144
External Services (Note 13)	-	20,398	6,093
Other Expenses	1,135,189	1,076,045	909,283
<b>Total Expenses (Schedule B)</b>	<b>116,922,464</b>	<b>115,609,660</b>	<b>116,816,345</b>
<b>Operating Surplus for the Year</b>	<b>28,096,432</b>	<b>34,623,899</b>	<b>7,491,903</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>138,060,117</b>	<b>138,060,117</b>	<b>130,568,214</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>166,156,549</b>	<b>172,684,016</b>	<b>138,060,117</b>

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

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Remeasurement Losses**  
as at August 31, 2016

	<b>2016</b>	<b>2015</b>
<b>Accumulated Remeasurement Losses, Beginning of Year</b>	<b>(1,433,073)</b>	<b>(636,555)</b>
Unrealized losses attributable to:		
Derivatives (Note 10)	(830,989)	(796,518)
<b>Net remeasurement losses for the year</b>	<b>(830,989)</b>	<b>(796,518)</b>
<b>Accumulated Remeasurement Losses, End of Year</b>	<b>(2,264,062)</b>	<b>(1,433,073)</b>

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

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Changes in Net Debt**  
**for the year ended August 31, 2016**

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
	(Note 15)		
<b>Net Debt, Beginning of Year</b>	<b>(9,811,336)</b>	<b>(9,811,336)</b>	<b>(1,178,720)</b>
<b>Changes During the Year</b>			
Operating Surplus for the Year	28,096,432	34,623,899	7,491,903
Acquisition of Tangible Capital Assets (Schedule C)	(34,874,056)	(39,780,054)	(21,986,654)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	60,400	64,508
Gain on Disposal of Capital Assets (Schedule C)	-	(47,158)	(29,543)
Amortization of Tangible Capital Assets (Schedule C)	6,665,117	6,735,580	6,673,645
Net Acquisition of Inventory of Supplies	-	(56,422)	(44,428)
Net Change in Prepaid Expenses	-	8,189	(5,529)
	<b>(112,507)</b>	<b>1,544,434</b>	<b>(7,836,098)</b>
Net Remeasurement Losses	-	(830,989)	(796,518)
<b>Change in Net Debt</b>	<b>(112,507)</b>	<b>713,445</b>	<b>(8,632,616)</b>
<b>Net Debt, End of Year</b>	<b>(9,923,843)</b>	<b>(9,097,891)</b>	<b>(9,811,336)</b>

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



**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Cash Flows**  
**for the year ended August 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Operating Surplus for the Year	34,623,899	7,491,903
Add (Deduct) Non-Cash Items Included in Surplus (Schedule D)	(25,401,935)	4,276,109
Net Change in Non-Cash Operating Activities (Schedule E)	(926,818)	(3,628,087)
<b>Cash Provided by Operating Activities</b>	<b>8,295,146</b>	<b>8,139,925</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(7,689,697)	(17,816,494)
Proceeds on Disposal of Tangible Capital Assets	60,400	64,508
<b>Cash (Used) by Capital Activities</b>	<b>(7,629,297)</b>	<b>(17,751,986)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on Disposal of Portfolio Investments	882	862
<b>Cash Provided by Investing Activities</b>	<b>882</b>	<b>862</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long-Term Debt	1,400,000	9,507,724
Repayment of Long-Term Debt	(2,597,718)	(2,871,636)
<b>Cash Provided (Used) by Financing Activities</b>	<b>(1,197,718)</b>	<b>6,636,088</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(530,987)</b>	<b>(2,975,111)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,979,136</b>	<b>8,954,247</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>5,448,149</b>	<b>5,979,136</b>

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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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 Prairie Spirit School Division No. 206” and operates as “the Prairie Spirit School Division No. 206”. 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 consolidated 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 consolidated financial statements are prepared using the accrual basis of accounting.

**b) Reporting Entity and Consolidation**

The consolidated financial statements include all the assets, liabilities, revenues and expenses of the school division reporting entity. The school division reporting entity is comprised of all the organizations which are controlled by the school division.

All the assets, liabilities, revenues and expenses of controlled organizations are consolidated line-by-line after adjusting the accounting policies to a basis consistent with the accounting policies of the school division. Inter-organizational transactions and balances have been eliminated.

**Controlled Entities**

Control is defined as the power to govern the financial and operating policies of another organization with the expected benefits or risk of loss to the school division. Control exists so long as the school division has the power to govern, regardless of whether the school division chooses to exercise this power.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Controlled Entities (Cont'd)**

These consolidated financial statements contain the following controlled entities:

- Prairie Spirit Schools Foundation Corp. (the “Foundation”) is incorporated under the *Non-Profit Corporations Act, 1995* and was established to carry on activities which are for the charitable purpose of the advancement of education and enhancement of the quality of education offered by the school division. The Foundation is a registered charity.

**c) 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 consolidated financial statements, and the reported amounts of revenues and expenses during the year.

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

- the liability for employee future benefits of \$1,163,800 (2015 - \$1,049,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$38,854,418 (2015 - \$36,620,514) because final tax assessments may differ from initial estimates.
- taxes receivable of \$18,618,127 (2015 - \$16,771,741) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$6,735,580 (2015 – \$6,673,645) 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.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**d) 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 consolidated 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 and associated derivatives.

Financial instruments are assigned to one of the two measurement categories: fair value, or cost or amortized cost.

**i. Fair Value**

Fair value measurement applies to financial derivatives held by the school division. Any associated transaction costs are expensed upon initial recognition. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, at which time they are transferred to the consolidated statement of operations and accumulated surplus from operations.

Fair value is determined by:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs other than quoted prices that are observable for the asset or liability either directly, (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The school division's derivatives are considered Level 2 measurement.

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from any accumulated remeasurement gains and reported in the consolidated statement of operations and accumulated surplus from operations.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the consolidated financial statement date. The school division believes that it is not subject to significant unrealized foreign exchange translation gains and losses arising from its financial instruments.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**d) Financial Instruments (Cont'd)**

**ii. Cost or Amortized Cost**

All other 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 consolidated statement of operations and accumulated surplus from operations.

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

**e) 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 guaranteed investment certificates (GIC's) held for scholarship purposes. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (d).

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**f) 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, buildings – short term, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets and assets under construction.

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.

Tangible capital asset costs that are directly paid for by the Government of Saskatchewan on behalf of the school division, under the joint-use schools project (JUSP) agreement, are valued at the total progress payments made during construction and the present value of the future capital payments discounted to the date the asset is available for use using the Government of Saskatchewan's borrowing rate for long-term debt in effect at the time of signing the JUSP agreement. During construction, the costs of the assets are recognized using the percentage of completion method based on construction progress and are classified as assets 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
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 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	Lease term

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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.

**Inventory of Supplies for Consumption** consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

**Prepaid Expenses** are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance, Saskatchewan School Boards Association membership fees and Workers' Compensation Board premiums.

**g) 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.

**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.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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.

**h) Employee Pension Plans**

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

**Multi-Employer Defined Benefit Plans**

The school division's employees participate in one of the following multi-employer defined benefit plans:

- i. Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii. Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

**i) 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 consolidated statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.



**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**ii. Property Taxation**

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

**iii. Fees and Services**

Revenues from tuition fees and other fees and services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

**iv. Interest Income**

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

**v. Other (Non-Government Transfer) Contributions**

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the 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.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
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**3. SHORT-TERM BORROWINGS**

**Bank indebtedness** consists of a demand operating line of credit with a maximum borrowing limit of \$21,000,000 that bears interest at Royal Bank prime rate minus 1% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by operating grants and tax levy. This line of credit was approved by the Minister of Education on February 10, 2011. The balance drawn on the line of credit at August 31, 2016 was \$NIL (August 31, 2015 – \$NIL).

**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2016	2015
<b>Portfolio investments in the cost and amortized cost category:</b>	<u>Cost</u>	<u>Cost</u>
GIC with RBC, Monthly Interest at 1.3%, maturing Nov 24/16	\$ 8,156	\$ 9,038
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>\$ 8,156</b>	<b>\$ 9,038</b>

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

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 171,100	\$ 489,479	\$ -	\$ -	\$ 660,579	\$ 645,863
Administration	3,025,019	440,130	-	129,925	3,595,074	3,809,524
Instruction	73,939,614	4,559,586	-	1,523,816	80,023,016	80,685,854
Plant	5,045,223	8,057,669	-	3,970,056	17,072,948	17,735,850
Transportation	4,032,406	3,039,467	-	1,109,937	8,181,810	8,700,933
Tuition and Related Fees	-	672,563	-	-	672,563	651,437
School Generated Funds	-	2,937,267	-	-	2,937,267	2,814,364
Complementary Services	1,009,675	358,439	-	1,846	1,369,960	857,144
External Services	-	20,398	-	-	20,398	6,093
Other	-	-	1,076,045	-	1,076,045	909,283
<b>TOTAL</b>	<b>\$ 87,223,037</b>	<b>\$ 20,574,998</b>	<b>\$ 1,076,045</b>	<b>\$ 6,735,580</b>	<b>\$ 115,609,660</b>	<b>\$ 116,816,345</b>

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**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 and vacation banks. 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 consolidated statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

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

<b>Liability for Employee Future Benefits</b>	<b>2016</b>	<b>2015</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 1,661,200</b>	<b>\$ 1,160,600</b>
Current period service cost	150,700	107,800
Interest cost	43,700	34,900
Benefit payments	(127,500)	(40,600)
Actuarial losses	87,100	398,500
<b>Accrued Benefit Obligation - end of year</b>	<b>1,815,200</b>	<b>1,661,200</b>
Unamortized Net Actuarial Losses	(651,400)	(612,000)
<b>Liability for Employee Future Benefits</b>	<b>\$ 1,163,800</b>	<b>\$ 1,049,200</b>

<b>Expense for Employee Future Benefits</b>	<b>2016</b>	<b>2015</b>
Current period service cost	\$ 150,700	\$ 107,800
Amortization of net actuarial loss	47,700	19,200
<b>Benefit cost</b>	<b>198,400</b>	<b>127,000</b>
Interest cost	43,700	34,900
<b>Total Employee Future Benefits Expense</b>	<b>\$ 242,100</b>	<b>\$ 161,900</b>

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**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 consolidated 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 consolidated 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:

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	992	14	1,006	1,064
Member contribution rate (percentage of salary)	11.30%/13.50%	7.85%/6.05%	6.05%/13.50%	6.05%/11.30%
Member contributions for the year	\$ 6,335,178	\$ 54,906	\$ 6,390,084	\$ 5,604,838

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**7. PENSION PLANS (Cont'd)**

**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 consolidated financial statements. In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

	<u>2016</u>	<u>2015</u>
Number of active School Division members	773	790
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	\$ 1,606,694	\$ 1,651,539
School Division contributions for the year	\$ 1,606,694	\$ 1,651,539
Actuarial (extrapolation) valuation date	<u>(Dec/31/15)</u>	<u>Dec/31/2014</u>
Plan Assets (in thousands)	\$ 2,148,676	\$ 2,006,587
Plan Liabilities (in thousands)	\$ 1,831,743	\$ 1,672,585
Plan Surplus (in thousands)	\$ 316,933	\$ 334,002

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
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**8. ACCOUNTS RECEIVABLE**

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

	<b>2016</b>		<b>2015</b>	
	Total Receivable	Net of Allowance	Total Receivable	Net of Allowance
Taxes Receivable	\$ 18,618,127	\$ 18,618,127	\$ 16,771,741	\$ 16,771,741
Provincial Grants Receivable	1,156,436	1,156,436	4,503,554	4,503,554
Other Receivables	1,883,163	1,883,163	2,039,999	2,039,999
<b>Total Accounts Receivable</b>	<b>\$ 21,657,726</b>	<b>\$ 21,657,726</b>	<b>\$ 23,315,294</b>	<b>\$ 23,315,294</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of accounts payable and accrued liabilities are as follows:

	<b>2016</b>	<b>2015</b>
Accrued Salaries and Benefits	\$ 893,963	\$ 1,808,362
Supplier Payments	1,224,264	1,670,700
Other Accrued Liabilities	2,120,060	2,946,567
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 4,238,287</b>	<b>\$ 6,425,629</b>

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**10. LONG-TERM DEBT AND ASSOCIATED DERIVATIVES**

Details of long-term debt and associated derivatives are as follows:

	<b>2016</b>	<b>2015</b>
<b>Capital Loans</b>		
Energy loan payable to RBC, monthly P&I bearing interest at 6.55%, expiring Oct/16	\$ 27,503	\$ 222,895
Warman High loan payable to RBC, monthly P&I bearing interest at 4.77%, expired Nov 10/15	-	134,000
Division office loan payable to RBC, monthly P&I bearing interest at 4.78%, expiring Mar 7/18	584,000	912,000
Block Projects loan payable to RBC, monthly P&I bearing interest at 1.95%, expiring May 9/18	534,000	829,000
Stobart loan payable to RBC, monthly P&I bearing interest at 2.97%, expiring May 9/33	6,412,000	6,691,000
Warman Middle loan payable to RBC, monthly P&I interest at 2.97%, expiring May 9/33	8,883,000	9,270,000
Martensville High loan payable to RBC, monthly P&I interest at 3.79%, expiring Feb/35	9,016,965	9,347,223
Communications loan payable to RBC, monthly P&I interest at 2.93%, expiring July/26	1,389,945	-
	<b>26,847,413</b>	<b>27,406,118</b>
<b>Derivatives consist of long-term financial instruments created by:</b>		
Interest rate swap agreement - 4.22%, terminated November 10/15	-	809
Interest rate swap agreement - 2.97%, terminates May 9/33	17,650	795,931
Interest rate swap agreement - 1.95%, terminates May 9/18	5,157	15,100
Interest rate swap agreement - 2.97%, terminates May 9/33	939,552	574,493
Interest rate swap agreement - 4.33%, terminates April 7/18	1,301,703	46,740
	<b>2,264,062</b>	<b>1,433,073</b>
	<b>29,111,475</b>	<b>28,839,191</b>
<b>Capital Leases</b>		
Honeywell Lease, monthly P&I payable to RBC with interest at 4.20%, expiring Sept 15/16	15,767	110,370
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Sept 2/16	-	82,182
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/18	69,047	106,709
Bus Lease, monthly P&I payable to RBC with interest at 2.85%, expiring Oct 20/19	1,134,994	1,503,100
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/20	216,430	272,890
	<b>1,436,238</b>	<b>2,075,251</b>
<b>Total Long-Term Debt and Associated Derivatives</b>	<b>\$ 30,547,713</b>	<b>\$ 30,914,442</b>

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**10. LONG-TERM DEBT AND ASSOCIATED DERIVATIVES (Cont'd)**

<b>Future principal repayments over the next 5 years are estimated as follows:</b>			
	<b>Capital Loans</b>	<b>Capital Leases</b>	<b>Total</b>
2017	\$ 1,829,088	\$ 506,417	\$ 2,335,505
2018	1,666,454	475,697	2,142,151
2019	1,236,941	430,144	1,667,085
2020	1,281,068	23,980	1,305,048
2021	1,326,861	-	1,326,861
Thereafter	19,507,001	-	19,507,001
<b>Total</b>	<b>\$ 26,847,413</b>	<b>\$ 1,436,238</b>	<b>\$ 28,283,651</b>

<b>Principal and interest payments on the long-term debt are as follows:</b>				
	<b>Capital Loans</b>	<b>Capital Leases</b>	<b>2016</b>	<b>2015</b>
Principal	\$ 1,958,705	\$ 639,013	\$ 2,597,718	\$ 2,871,636
Interest	944,775	38,065	982,840	865,930
<b>Total</b>	<b>\$ 2,903,480</b>	<b>\$ 677,078</b>	<b>\$ 3,580,558</b>	<b>\$ 3,737,566</b>

**11. DEFERRED REVENUE**

Details of deferred revenues are as follows:

	<b>Balance as at August 31, 2015</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at August 31, 2016</b>
<b>Capital projects:</b>				
Federal capital tuition	\$ 227,626	\$ 34,496	\$ -	\$ 262,122
<b>Total capital projects deferred revenue</b>	<b>227,626</b>	<b>34,496</b>	<b>-</b>	<b>262,122</b>
<b>Other deferred revenue:</b>				
Property taxes	497,907	-	(497,907)	-
<b>Total other deferred revenue</b>	<b>497,907</b>	<b>-</b>	<b>(497,907)</b>	<b>-</b>
<b>Total Deferred Revenue</b>	<b>\$ 725,533</b>	<b>\$ 34,496</b>	<b>\$ (497,907)</b>	<b>\$ 262,122</b>



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**12. COMPLEMENTARY SERVICES**

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the school division's ability to successfully deliver its K-12 curriculum/learning programs.

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2016	2015
<b>Revenues:</b>				
Operating Grants	\$ 920,174	\$ 378,500	\$ 1,298,674	\$ 1,223,646
Capital Grants	-	-	-	50,410
<b>Total Revenues</b>	<b>920,174</b>	<b>378,500</b>	<b>1,298,674</b>	<b>1,274,056</b>
<b>Expenses:</b>				
Salaries & Benefits	834,169	175,506	1,009,675	709,436
Instructional Aids	73,359	127,069	200,428	35,302
Non-Capital Equipment	1,846	42,640	44,486	330
Building Operating Expenses	-	-	-	46,376
Student Related Expenses	32,644	80,881	113,525	60,824
Amortization of Tangible Capital Assets	1,846	-	1,846	4,876
<b>Total Expenses</b>	<b>943,864</b>	<b>426,096</b>	<b>1,369,960</b>	<b>857,144</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>\$ (23,690)</b>	<b>\$ (47,596)</b>	<b>\$ (71,286)</b>	<b>\$ 416,912</b>

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

Pre-K programs represent the revenue and expenses for operating pre-K programs that have been approved by the Ministry.

Other programs relate to the revenue and expenses for nutrition programs, special projects with the Province and First Nations and Metis Education (FNME). There were two special projects related to FNME.

**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.

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**13. EXTERNAL SERVICES (Cont'd)**

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

Summary of External Services Revenues and Expenses, by Program	2016	2015
<b>Revenues:</b>		
Fees and Other Revenues	\$ 69,025	\$ 14,550
<b>Total Revenues</b>	<b>69,025</b>	<b>14,550</b>
<b>Expenses:</b>		
Supplies and Services	20,398	6,093
<b>Total Expenses</b>	<b>20,398</b>	<b>6,093</b>
<b>Excess of Revenues over Expenses</b>	<b>\$ 48,627</b>	<b>\$ 8,457</b>

Revenue and expenditures represent the operations of the Prairie Spirit School Division Foundation Corp.

**14. ACCUMULATED SURPLUS**

Accumulated surplus represents the financial assets and non-financial assets of the school division less liabilities. Accumulated surplus is comprised of the following two amounts:

- i) Accumulated surplus from operations which represents the accumulated balance of net surplus arising from the operations of the school division and school generated funds as detailed in the table below; and
- ii) Accumulated remeasurement losses which represent the unrealized gains and losses associated with changes in the value of financial instruments recorded at fair value as detailed in the consolidated statement of remeasurement losses.

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purposes such as unspent school operating budget and future replacement of capital assets. These internally restricted amounts are included in the accumulated surplus from operations presented in the consolidated statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

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**14. ACCUMULATED SURPLUS (Cont'd)**

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
<b>Invested in Tangible Capital Assets:</b>				
Net book value of tangible capital assets	\$ 145,227,694	\$ 41,867,814	\$ 8,836,582	\$ 178,258,926
Less: debt owing on tangible capital assets	(29,481,369)	(1,400,000)	(2,597,718)	(28,283,651)
	<b>115,746,325</b>	<b>40,467,814</b>	<b>6,238,864</b>	<b>149,975,275</b>
<b>PMR maintenance project allocations (1)</b>	<b>1,707,354</b>	<b>1,701,191</b>	<b>882,720</b>	<b>2,525,825</b>
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
School bus replacement program	1,950,000	3,000,000	1,794,206	3,155,794
Learning technology initiatives	1,704,094	630,551	-	2,334,645
Vehicle replacement	230,248	250,000	229,995	250,253
Completion of Martensville & Warman Schools	3,071,713	-	2,181,338	890,375
Completion of outstanding capital projects	1,025,436	-	603,913	421,523
School facility safety, repairs and improvements	-	3,201,152	-	3,201,152
	<b>7,981,490</b>	<b>7,081,703</b>	<b>4,809,452</b>	<b>10,253,742</b>
<b>Other:</b>				
School generated funds	1,349,163	39,033	-	1,388,196
School budgets	1,171,802	-	102,157	1,069,645
School community councils	65,231	-	3,429	61,802
ESSP Programming and Development	-	3,406,440	-	3,406,440
JUSP Operational costs reserve	43,691	850,000	-	893,691
Central Valley Athletic Committee	2,655	1,630	-	4,285
Integrated Shared Services Initiative	271,500	-	37,377	234,123
Prairie Spirit School Division Foundation Corp.	8,457	48,627	-	57,084
Program equity/ enhancement initiatives	3,756,215	-	3,756,215	-
Facilities department	1,644,526	100,000	1,744,526	-
Admin council reserve	629,216	-	629,216	-
Division office PD	89,177	66,023	155,200	-
Finance and transportation PD	38,958	8,062	47,020	-
	<b>9,070,590</b>	<b>4,519,815</b>	<b>6,475,140</b>	<b>7,115,266</b>
<b>Unrestricted Surplus</b>	<b>3,554,357</b>	<b>-</b>	<b>740,448</b>	<b>2,813,908</b>
<b>Accumulated Surplus from Operations</b>	<b>138,060,117</b>	<b>53,770,523</b>	<b>19,146,624</b>	<b>172,684,016</b>
<b>Accumulated Remeasurement Losses</b>	<b>(1,433,073)</b>	<b>-</b>	<b>830,989</b>	<b>(2,264,062)</b>
<b>Total Accumulated Surplus</b>	<b>\$ 136,627,044</b>	<b>\$ 53,770,523</b>	<b>\$ 19,977,613</b>	<b>\$ 170,419,954</b>

(1) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

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**14. ACCUMULATED SURPLUS (Cont'd)**

The purpose and nature of each Internally Restricted Surplus amount is as follows:

**Capital Projects:**

School Bus Replacement Program – replacement of school buses

Learning Technology Initiatives – replacement of school based technology

Vehicle Replacement – replacement of vehicles

Completion of Martensville/Warman/outstanding capital projects – capital funding for completion of capital projects.

School Facility Safety, Repairs and Improvements – allocation to provide for school building costs to address safety issues, repairs and facility enhancements

**Other:**

School Generated Funds – unspent funds

School Budgets – unspent school budget allocations

School Community Councils – unspent SCC budget allocations

ESSP Programming and Development – allocated for initiatives and staff support and development to support sector goals.

JUSP Operational Costs – allocation to support start-up and initial operations

Central Valley Athletic Committee – carry forward of unspent budget allocated

Integrated Shared Services Initiative – unspent funds

Prairie Spirit School Division Foundation Corp. – surplus from the foundation operations

Program Equity/ Enhancements Initiatives - allow for one-time expenditures to bring equity to program offerings in the division

Facilities Department - carry forward of unspent budget allocated

Admin Council Reserve - carry forward of unspent budget allocated

Division Office PD – carry forward of unspent budget allocated

Finance and Transportation PD - carry forward of unspent budget allocated

**15. BUDGET FIGURES**

Budget figures included in the consolidated financial statements were approved by the board of education on June 22, 2015 and the Minister of Education on August 20, 2015.

**16. RELATED PARTIES**

These consolidated 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.

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**16. RELATED PARTIES (Cont'd)**

**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 consolidated 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.

	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>		
Ministry of Education	\$ 104,786,457	\$ 81,069,929
Great Plains College	25,329	25,329
SGI	373,129	680,436
	<b>\$ 105,184,915</b>	<b>\$ 81,775,694</b>
<b>Expenses:</b>		
Saskatoon Public S.D.	\$ 37,913	\$ 27,358
Greater Saskatoon Catholic Schools	7,000	16,000
Good Spirit S.D.-Public Section Trust	69,658	25,347
North West College	50,000	50,000
Saskatoon Health Region	81,000	81,000
SaskTel	192,784	412,972
SaskPower	1,240,474	1,389,928
SaskEnergy	472,183	606,793
SGI	148,835	150,395
Sask Workers' Compensation Board	303,148	304,848
	<b>\$ 2,602,995</b>	<b>\$ 3,064,641</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 1,156,436	\$ 4,503,554
	<b>\$ 1,156,436</b>	<b>\$ 4,503,554</b>
<b>Prepaid Expenses:</b>		
Sask Workers' Compensation Board	\$ 150,385	\$ 143,400
	<b>\$ 150,385</b>	<b>\$ 143,400</b>

In addition, the school division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

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

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**17. CONTINGENT LIABILITIES**

**Litigation**

The school division has been named as a defendant in a legal action in which damages have been sought. The outcome of this action is not determinable as at the date of reporting and accordingly, no provision has been made in these consolidated financial statements for any liability that may result. The school division's share of settlement, if any, will be charged to expenses in the year in which the amount is determinable.

**18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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

- construction contract awarded to Quorex Construction for Martensville High School in the amount of \$27,164,927 over 2 years. This project was 95% complete as of August 31, 2016.

Capital lease obligations of the school division are as follows:

	<b>Capital Leases</b>		
	<b>Buses</b>	<b>Honeywell Performance Contract</b>	<b>Total Capital</b>
<b>Future minimum lease payments:</b>			
2017	\$ 490,650	\$ 15,767	\$ 506,417
2018	475,697	-	475,697
2019	430,144	-	430,144
2020	23,980	-	23,980
	\$ 1,420,471	\$ 15,767	\$ 1,436,238
<b>Interest and executory costs</b>	71,560	1,200	72,760
<b>Total Lease Obligations</b>	<b>\$ 1,492,031</b>	<b>\$ 16,967</b>	<b>\$ 1,508,998</b>

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**19. JOINT-USE SCHOOLS PROJECT AGREEMENT**

In August 2015, the Government of Saskatchewan entered into a 32 year public-private partnership with Joint-Use Mutual Partnership (JUMP) to design, finance, build and maintain Warman Elementary and Martensville Elementary in City of Warman and City of Martensville on behalf of the school division. The Government of Saskatchewan will be responsible for all capital, maintenance and operating payments over the term of the public-private partnership agreement with ownership of the schools vesting with the school division. The school division is the beneficiary of the schools, therefore, during period of construction the school division will record capital grant revenue from the Ministry of Education and tangible capital assets on the percentage of completion basis.

**20. 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 and foreign exchange 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 and report monthly to the Board of Education any non-governmental receivable exceeding \$100,000.

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, 2016 was:

	<b>August 31, 2016</b>				
	<b>Total</b>	<b>0-30 days</b>	<b>30-60 days</b>	<b>60-90 days</b>	<b>Over 90 days</b>
Grants Receivable	\$ 1,156,436	\$ 1,156,436	\$ -	\$ -	\$ -
Other Receivables	1,052,152	111,506	143,717	64,035	732,894
<b>Gross Receivables</b>	<b>2,208,588</b>	<b>1,267,942</b>	<b>143,717</b>	<b>64,035</b>	<b>732,894</b>
Allowance for Doubtful Accounts	-	-	-	-	-
<b>Net Receivables</b>	<b>\$ 2,208,588</b>	<b>\$ 1,267,942</b>	<b>\$ 143,717</b>	<b>\$ 64,035</b>	<b>\$ 732,894</b>

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**20. RISK MANAGEMENT (Cont'd)**

**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 ensuring budgets are followed and reviewed monthly and all capital purchases are funded on a cash basis.

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

	<b>August 31, 2016</b>			
	<b>Within 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Accounts payable and accrued liabilities	\$ 4,238,287	\$ -	\$ -	\$ -
Long-term debt (includes interest)	1,391,676	1,391,676	8,764,997	25,519,992
<b>Total</b>	<b>\$ 5,629,963</b>	<b>\$ 1,391,676</b>	<b>\$ 8,764,997</b>	<b>\$ 25,519,992</b>

**iii. Market Risk**

The school division is exposed to market risks with respect to interest rates and foreign currency exchange 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 long-term debt.

The school division also has an authorized bank line of credit of \$21,000,000 with interest payable monthly at a rate of prime minus 1%. 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 at August 31, 2016 (2015 –\$NIL).

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency,
- managing cash flows to minimize utilization of its bank line of credit,
- managing its interest rate risk on long-term debt through the use of fixed rate terms and derivatives consisting of a long-term financial instrument created by interest rate swap agreements on variable interest debt.



**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2016**

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**20. RISK MANAGEMENT (Cont'd)**

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, the school division believes that it is not subject to significant foreign exchange risk from its financial instruments.

**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenues**  
**for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue</b>			
Property Tax Levy Revenue	35,692,022	38,425,556	36,020,018
<b>Total Property Tax Revenue</b>	<b>35,692,022</b>	<b>38,425,556</b>	<b>36,020,018</b>
<b>Grants in Lieu of Taxes</b>			
Federal Government	155,000	166,937	152,858
Provincial Government	35,000	46,249	41,812
Other	35,000	37,580	77,973
<b>Total Grants in Lieu of Taxes</b>	<b>225,000</b>	<b>250,766</b>	<b>272,643</b>
<b>Other Tax Revenues</b>			
House Trailer Fees	80,000	46,176	93,552
<b>Total Other Tax Revenues</b>	<b>80,000</b>	<b>46,176</b>	<b>93,552</b>
<b>Additions to Levy</b>			
Penalties	260,000	231,687	343,295
<b>Total Additions to Levy</b>	<b>260,000</b>	<b>231,687</b>	<b>343,295</b>
<b>Deletions from Levy</b>			
Cancellations	(205,004)	(161,596)	(81,878)
Other Deletions	(24,202)	61,829	(27,116)
<b>Total Deletions from Levy</b>	<b>(229,206)</b>	<b>(99,767)</b>	<b>(108,994)</b>
<b>Total Property Taxation Revenue</b>	<b>36,027,816</b>	<b>38,854,418</b>	<b>36,620,514</b>
<b>Grants</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	67,626,352	66,291,578	65,787,158
Other Ministry Grants	71,000	15,250	101,336
<b>Total Ministry Grants</b>	<b>67,697,352</b>	<b>66,306,828</b>	<b>65,888,494</b>
Grants from Others	335,000	373,129	680,436
<b>Total Operating Grants</b>	<b>68,032,352</b>	<b>66,679,957</b>	<b>66,568,930</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	34,874,056	37,180,955	13,907,379
<b>Total Capital Grants</b>	<b>34,874,056</b>	<b>37,180,955</b>	<b>13,907,379</b>
<b>Total Grants</b>	<b>102,906,408</b>	<b>103,860,912</b>	<b>80,476,309</b>

**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenues**  
**for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees</b>			
Tuition Fees			
Federal Government and First Nations	2,783,100	2,840,984	2,871,319
Individuals and Other	-	-	20,765
<b>Total Tuition Fees</b>	<b>2,783,100</b>	<b>2,840,984</b>	<b>2,892,084</b>
<b>Total Operating Tuition and Related Fees</b>	<b>2,783,100</b>	<b>2,840,984</b>	<b>2,892,084</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>2,783,100</b>	<b>2,840,984</b>	<b>2,892,084</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular</b>			
Student Fees	156,762	207,318	162,544
<b>Total Curricular Fees</b>	<b>156,762</b>	<b>207,318</b>	<b>162,544</b>
<b>Non-Curricular Fees</b>			
Commercial Sales - GST	144,130	185,789	151,301
Commercial Sales - Non-GST	286,000	224,464	225,929
Fundraising	573,000	1,070,091	856,337
Grants and Partnerships	181,866	197,916	214,362
Students Fees	1,054,934	1,153,679	1,203,508
Other	-	-	40
<b>Total Non-Curricular Fees</b>	<b>2,239,930</b>	<b>2,831,939</b>	<b>2,651,477</b>
<b>Total School Generated Funds Revenue</b>	<b>2,396,692</b>	<b>3,039,257</b>	<b>2,814,021</b>
<b>Complementary Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	854,880	920,174	827,095
Other Ministry Grants	-	378,500	396,551
<b>Total Operating Grants</b>	<b>854,880</b>	<b>1,298,674</b>	<b>1,223,646</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	-	-	50,410
<b>Total Capital Grants</b>	<b>-</b>	<b>-</b>	<b>50,410</b>
<b>Total Complementary Services Revenue</b>	<b>854,880</b>	<b>1,298,674</b>	<b>1,274,056</b>

**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenues**  
**for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>External Services</b>			
<b>Fees and Other Revenue</b>			
Other Revenue	-	69,025	14,550
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>69,025</b>	<b>14,550</b>
<b>Total External Services Revenue</b>	<b>-</b>	<b>69,025</b>	<b>14,550</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	-	140,053	112,739
Sales & Rentals	-	965	5,470
Investments	50,000	82,113	68,962
Gain on Disposal of Capital Assets	-	47,158	29,543
<b>Total Other Revenue</b>	<b>50,000</b>	<b>270,289</b>	<b>216,714</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>145,018,896</b>	<b>150,233,559</b>	<b>124,308,248</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>Governance Expense</b>			
Board Members Expense	263,150	203,186	236,925
Professional Development- Board Members	48,450	43,707	51,584
Advisory Committees	72,000	74,124	79,358
Elections	5,000	8,459	2,860
Other Governance Expenses	198,600	331,103	275,136
<b>Total Governance Expense</b>	<b>587,200</b>	<b>660,579</b>	<b>645,863</b>
<b>Administration Expense</b>			
Salaries	2,750,129	2,729,128	2,936,227
Benefits	332,450	295,891	299,587
Supplies & Services	255,575	175,892	141,154
Non-Capital Furniture & Equipment	40,500	21,142	23,531
Building Operating Expenses	105,098	90,716	92,626
Communications	94,892	61,071	81,387
Travel	48,000	14,351	26,659
Professional Development	84,425	76,958	63,599
Amortization of Tangible Capital Assets	156,371	129,925	144,754
<b>Total Administration Expense</b>	<b>3,867,440</b>	<b>3,595,074</b>	<b>3,809,524</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	59,438,871	56,902,955	56,357,264
Instructional (Teacher Contract) Benefits	3,309,237	3,620,494	3,330,551
Program Support (Non-Teacher Contract) Salaries	11,776,829	11,285,748	12,088,584
Program Support (Non-Teacher Contract) Benefits	2,356,253	2,130,417	2,282,904
Instructional Aids	2,843,288	1,922,074	2,054,470
Supplies & Services	749,054	865,365	814,652
Non-Capital Furniture & Equipment	587,521	599,555	476,159
Communications	252,940	131,338	310,608
Travel	505,871	437,858	516,693
Professional Development	562,635	485,041	521,934
Student Related Expense	152,626	118,355	312,785
Amortization of Tangible Capital Assets	1,569,859	1,523,816	1,619,250
<b>Total Instruction Expense</b>	<b>84,104,984</b>	<b>80,023,016</b>	<b>80,685,854</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	4,256,604	4,167,847	4,051,994
Benefits	866,621	877,376	841,074
Supplies & Services	11,000	22,662	59,136
Non-Capital Furniture & Equipment	89,120	109,922	62,223
Building Operating Expenses	5,258,614	7,778,431	8,747,932
Communications	13,800	10,389	10,828
Travel	111,880	119,873	64,612
Professional Development	25,806	16,392	17,934
Amortization of Tangible Capital Assets	3,781,866	3,970,056	3,880,117
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>14,415,311</b>	<b>17,072,948</b>	<b>17,735,850</b>
<b>Student Transportation Expense</b>			
Salaries	3,706,149	3,376,545	3,420,815
Benefits	746,250	655,861	629,612
Supplies & Services	1,601,563	1,128,602	1,464,052
Non-Capital Furniture & Equipment	1,020,941	1,111,803	1,401,721
Building Operating Expenses	65,000	20,581	42,242
Communications	174,756	169,336	95,775
Travel	40,000	54,623	43,803
Professional Development	24,700	19,484	5,306
Contracted Transportation	435,700	535,038	572,959
Amortization of Tangible Capital Assets	1,152,145	1,109,937	1,024,648
<b>Total Student Transportation Expense</b>	<b>8,967,204</b>	<b>8,181,810</b>	<b>8,700,933</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	549,630	672,563	651,437
Other Fees	28,500	-	-
<b>Total Tuition and Related Fees Expense</b>	<b>578,130</b>	<b>672,563</b>	<b>651,437</b>
<b>School Generated Funds Expense</b>			
Academic Supplies & Services	196,502	215,066	193,487
Cost of Sales	297,830	563,686	350,146
Non-Capital Furniture & Equipment	104,540	33,684	26,304
School Fund Expenses	1,797,820	2,124,831	2,244,427
<b>Total School Generated Funds Expense</b>	<b>2,396,692</b>	<b>2,937,267</b>	<b>2,814,364</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2016**

	<b>2016 Budget</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	609,715	818,761	526,796
Program Support (Non-Teacher Contract) Salaries & Benefits	193,848	190,914	182,640
Instructional Aids	61,875	199,407	96,126
Non-Capital Furniture & Equipment	-	44,486	330
Building Operating Expenses	-	-	46,376
Professional Development (Non-Salary Costs)	-	1,021	-
Student Related Expenses	-	113,525	-
Amortization of Tangible Capital Assets	4,876	1,846	4,876
<b>Total Complementary Services Expense</b>	<b>870,314</b>	<b>1,369,960</b>	<b>857,144</b>
<b>External Service Expense</b>			
Supplies & Services	-	20,398	6,093
<b>Total External Services Expense</b>	<b>-</b>	<b>20,398</b>	<b>6,093</b>
<b>Other Expense</b>			
<b>Interest and Bank Charges</b>			
Current Interest and Bank Charges	60,199	61,820	43,353
Interest on Capital Loans	961,615	944,775	758,798
Interest on Other Long-Term Debt	113,375	38,065	107,132
<b>Total Interest and Bank Charges</b>	<b>1,135,189</b>	<b>1,044,660</b>	<b>909,283</b>
Provision for Uncollectable Accounts	-	31,385	-
<b>Total Other Expense</b>	<b>1,135,189</b>	<b>1,076,045</b>	<b>909,283</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>116,922,464</b>	<b>115,609,660</b>	<b>116,816,345</b>

**Prairie Spirit School Division No. 206**

**Schedule C - Consolidated Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2016**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction	2016	2015
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment					
<b>Tangible Capital Assets - at Cost</b>												
Opening Balance as of September 1	5,979,163	4,118,192	151,225,529	13,702,735	16,549,368	740,048	14,415,042	11,017,103	618,102	23,557,672	241,922,954	221,965,818
Additions/Purchases	-	-	-	-	1,794,206	208,834	715,371	890,235	1,400	36,170,008	39,780,054	21,986,654
Disposals	-	-	-	-	(2,101,002)	-	-	-	-	-	(2,101,002)	(2,029,518)
Transfers to (from)	-	-	4,031	1,400,028	-	-	-	-	-	(1,404,059)	-	-
<b>Closing Balance as of August 31</b>	<b>5,979,163</b>	<b>4,118,192</b>	<b>151,229,560</b>	<b>15,102,763</b>	<b>16,242,572</b>	<b>948,882</b>	<b>15,130,413</b>	<b>11,907,338</b>	<b>619,502</b>	<b>58,323,621</b>	<b>279,602,006</b>	<b>241,922,954</b>
<b>Tangible Capital Assets - Amortization</b>												
Opening Balance as of September 1	N/A	3,175,162	57,704,373	3,496,499	10,963,451	504,495	11,436,075	9,082,492	332,713	-	96,695,260	92,016,168
Amortization of the Period	-	111,136	3,012,512	734,337	1,069,028	112,810	651,829	949,781	94,147	-	6,735,580	6,673,645
Disposals	-	-	-	-	(2,087,760)	-	-	-	-	-	(2,087,760)	(1,994,553)
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>3,286,298</b>	<b>60,716,885</b>	<b>4,230,836</b>	<b>9,944,719</b>	<b>617,305</b>	<b>12,087,904</b>	<b>10,032,273</b>	<b>426,860</b>	<b>N/A</b>	<b>101,343,080</b>	<b>96,695,260</b>
<b>Net Book Value</b>												
Opening Balance as of September 1	5,979,163	943,030	93,521,156	10,206,236	5,585,917	235,553	2,978,967	1,934,611	285,389	23,557,672	145,227,694	129,949,650
Closing Balance as of August 31	5,979,163	831,894	90,512,675	10,871,927	6,297,853	331,577	3,042,509	1,875,065	192,642	58,323,621	178,258,926	145,227,694
<b>Change in Net Book Value</b>	<b>-</b>	<b>(111,136)</b>	<b>(3,008,481)</b>	<b>665,691</b>	<b>711,936</b>	<b>96,024</b>	<b>63,542</b>	<b>(59,546)</b>	<b>(92,747)</b>	<b>34,765,949</b>	<b>33,031,232</b>	<b>15,278,044</b>
<b>Disposals</b>												
Historical Cost	-	-	-	-	2,101,002	-	-	-	-	-	2,101,002	2,029,518
Accumulated Amortization	-	-	-	-	2,087,760	-	-	-	-	-	2,087,760	1,994,553
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,242</b>	<b>34,965</b>
Price of Sale	-	-	-	-	60,400	-	-	-	-	-	60,400	64,508
<b>Gain on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,158</b>	<b>29,543</b>



**Prairie Spirit School Division No. 206**  
**Schedule D: Consolidated Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2016**

	2016	2015
<b>Non-Cash Items Included in Surplus</b>		
Amortization of Tangible Capital Assets (Schedule C)	6,735,580	6,673,645
In-Kind Ministry of Education Capital Grants for Joint-Use Schools Project included in Surplus (Note 14)	(32,090,357)	(2,367,993)
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(47,158)	(29,543)
<b>Total Non-Cash Items Included in Surplus</b>	<b>(25,401,935)</b>	<b>4,276,109</b>

**Prairie Spirit School Division No. 206**  
**Schedule E: Consolidated Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2016**

	2016	2015
<b>Net Change in Non-Cash Operating Activities</b>		
Decrease (Increase) in Accounts Receivable	1,657,568	(2,249,868)
Decrease in Accounts Payable and Accrued Liabilities	(2,187,342)	(964,917)
Increase in Liability for Employee Future Benefits	114,600	121,300
Decrease in Deferred Revenue	(463,411)	(484,645)
Increase in Inventory of Supplies for Consumption	(56,422)	(44,428)
Decrease (Increase) in Prepaid Expenses	8,189	(5,529)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(926,818)</b>	<b>(3,628,087)</b>