
Audited Financial Statements

Of the Saskatchewan Rivers School Division No. 119

School Division No. 2010500

For the Period Ending: August 31, 2016

Dr. Donald Lloyd
Chief Financial Officer

Deloitte LLP
Auditor

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

Management's Responsibility for the Financial Statements

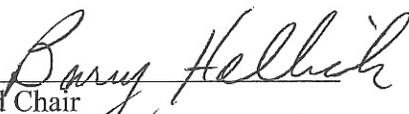
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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, Deloitte LLP, conduct an independent examination in accordance with Canadian generally accepted auditing standards and express their opinion on the financial statements. The accompanying Auditor's 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 Saskatchewan Rivers School Division No. 119:



Board Chair



Director of Education



Chief Financial Officer

November 28, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BOARD OF EDUCATION OF SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119

We have audited the accompanying financial statements of Saskatchewan Rivers School Division No.119, which comprise the statement of financial position as at August 31, 2016, and the statements of operations and accumulated surplus from operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 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 auditor's judgment, 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, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Rivers School Division No. 119 as at August 31, 2016, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
Licensed Professional Accountants

November 28, 2016
Prince Albert, Saskatchewan

Saskatchewan Rivers School Division No. 119
Statement of Financial Position
as at August 31, 2016

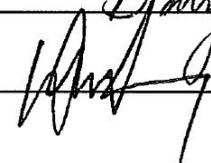
	2016	2015
Financial Assets		
Cash and Cash Equivalents	12,617,841	24,484,189
Accounts Receivable (Note 8)	6,833,867	5,982,121
Portfolio Investments (Note 4)	10,000,000	-
Total Financial Assets	29,451,708	30,466,310
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	2,082,907	1,596,293
Long-Term Debt (Note 10)	-	325,300
Liability for Employee Future Benefits (Note 6)	2,829,200	2,688,900
Deferred Revenue (Note 11)	1,843,114	1,161,745
Total Liabilities	6,755,221	5,772,238
Net Financial Assets	22,696,487	24,694,072
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	77,037,565	75,146,857
Inventory of Supplies for Consumption	127,565	119,907
Prepaid Expenses	502,451	709,197
Total Non-Financial Assets	77,667,581	75,975,961
Accumulated Surplus (Note 14)	100,364,068	100,670,033

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:


 _____ Chairperson

 _____ Chief Financial Officer

Saskatchewan Rivers School Division No. 119
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 15)		
REVENUES			
Property Taxation	21,837,588	22,859,757	22,804,269
Grants	69,985,655	69,815,851	68,173,456
Tuition and Related Fees	1,792,583	2,182,137	1,835,379
School Generated Funds	2,280,000	2,096,867	2,176,036
Complementary Services (Note 12)	1,558,212	1,558,212	1,506,744
External Services (Note 13)	3,071,633	3,500,646	2,939,254
Other	1,008,246	1,293,681	2,099,420
Total Revenues (Schedule A)	101,533,917	103,307,151	101,534,558
EXPENSES			
Governance	728,321	631,778	622,589
Administration	4,147,586	4,089,849	4,016,193
Instruction	70,493,497	70,856,587	68,346,300
Plant	14,137,594	13,065,528	12,287,488
Transportation	7,145,147	6,973,060	7,093,998
Tuition and Related Fees	62,572	45,884	51,800
School Generated Funds	2,350,000	2,068,071	2,084,237
Complementary Services (Note 12)	1,803,067	1,691,339	1,703,536
External Services (Note 13)	3,661,041	4,186,731	3,906,995
Other Expenses	17,269	4,289	24,818
Total Expenses (Schedule B)	104,546,094	103,613,116	100,137,954
Operating (Deficit) Surplus for the Year	(3,012,177)	(305,965)	1,396,604
Accumulated Surplus from Operations, Beginning of Year	100,670,033	100,670,033	99,273,429
Accumulated Surplus from Operations, End of Year	97,657,856	100,364,068	100,670,033

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

Saskatchewan Rivers School Division No. 119

**Statement of Changes in Net Financial Assets
for the year ended August 31, 2016**

	2016 Budget	2016 Actual	2015 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	24,694,072	24,694,072	24,086,749
Changes During the Year			
Operating (Deficit) Surplus for the Year	(3,012,177)	(305,965)	1,396,604
Acquisition of Tangible Capital Assets (Schedule C)	(3,118,147)	(7,870,448)	(6,282,765)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	30,000	237,700	97,568
Net Gain on Disposal of Capital Assets (Schedule C)	-	(90,754)	(43,165)
Amortization of Tangible Capital Assets (Schedule C)	5,234,000	5,832,794	5,442,957
Net Acquisition of Inventory of Supplies	-	(7,658)	3,045
Net Change in Other Non-Financial Assets	-	206,746	(6,921)
Change in Net Financial Assets	(866,324)	(1,997,585)	607,323
Net Financial Assets, End of Year	23,827,748	22,696,487	24,694,072

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

Saskatchewan Rivers School Division No. 119

Statement of Cash Flows
for the year ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating (Deficit) Surplus for the Year	(305,965)	1,396,604
Add Non-Cash Items Included in Surplus (Deficit) (Schedule D)	5,742,040	5,399,792
Net Change in Non-Cash Operating Activities (Schedule E)	(507,055)	(1,368,290)
Cash Provided by Operating Activities	4,929,020	5,428,106
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,707,768)	(5,432,092)
Proceeds on Disposal of Tangible Capital Assets	237,700	97,568
Cash Used by Capital Activities	(6,470,068)	(5,334,524)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(15,000,000)	-
Proceeds on Disposal of Portfolio Investments	5,000,000	-
Cash Used by Investing Activities	(10,000,000)	-
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(325,300)	(325,300)
Cash Used by Financing Activities	(325,300)	(325,300)
DECREASE IN CASH AND CASH EQUIVALENTS	(11,866,348)	(231,718)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,484,189	24,715,907
CASH AND CASH EQUIVALENTS, END OF YEAR	12,617,841	24,484,189

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

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	21,837,588	21,006,995	20,670,199
Total Property Tax Revenue	21,837,588	21,006,995	20,670,199
Grants in Lieu of Taxes			
Federal Government	-	569,548	538,417
Provincial Government	-	503,890	508,081
Other	-	450,521	1,030,626
Total Grants in Lieu of Taxes	-	1,523,959	2,077,124
Other Tax Revenues			
House Trailer Fees	-	102,878	76,174
Total Other Tax Revenues	-	102,878	76,174
Additions to Levy			
Penalties	-	205,879	180,071
Other	-	172,552	(54,596)
Total Additions to Levy	-	378,431	125,475
Deletions from Levy			
Cancellations	-	(152,506)	(144,703)
Total Deletions from Levy	-	(152,506)	(144,703)
Total Property Taxation Revenue	21,837,588	22,859,757	22,804,269
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	68,226,456	66,665,006	66,400,740
Other Ministry Grants	63,000	307,529	186,555
Total Ministry Grants	68,289,456	66,972,535	66,587,295
Other Provincial Grants	289,700	-	-
Federal Grants	21,300	19,566	20,744
Grants from Others	-	299,611	207,282
Total Operating Grants	68,600,456	67,291,712	66,815,321
Capital Grants			
Ministry of Education Capital Grants	1,385,199	2,524,139	1,358,135
Total Capital Grants	1,385,199	2,524,139	1,358,135
Total Grants	69,985,655	69,815,851	68,173,456

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	1,754,392	2,045,836	1,691,799
Individuals and Other	38,191	136,301	143,580
Total Operating Tuition and Related Fees	1,792,583	2,182,137	1,835,379
Total Tuition and Related Fees Revenue	1,792,583	2,182,137	1,835,379
School Generated Funds Revenue			
Curricular			
Student Fees	30,000	15,540	16,981
Total Curricular Fees	30,000	15,540	16,981
Non-Curricular Fees			
Commercial Sales - Non-GST	130,000	90,853	161,317
Fundraising	1,400,000	1,292,133	1,330,549
Grants and Partnerships	115,000	85,289	108,131
Students Fees	285,000	292,001	298,373
Other	320,000	321,051	260,685
Total Non-Curricular Fees	2,250,000	2,081,327	2,159,055
Total School Generated Funds Revenue	2,280,000	2,096,867	2,176,036
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,558,212	1,558,212	1,506,744
Total Operating Grants	1,558,212	1,558,212	1,506,744
Total Complementary Services Revenue	1,558,212	1,558,212	1,506,744

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	1,700,204	1,802,653	1,688,293
Other Provincial Grants	875,003	952,910	699,550
Other Grants	-	194,169	8,923
Total Operating Grants	2,575,207	2,949,732	2,396,766
Fees and Other Revenue			
Tuition and Related Fees	18,825	-	13,000
Other Revenue	477,601	550,914	529,488
Total Fees and Other Revenue	496,426	550,914	542,488
Total External Services Revenue	3,071,633	3,500,646	2,939,254
Other Revenue			
Miscellaneous Revenue	726,746	958,144	1,783,065
Sales & Rentals	21,500	26,149	13,521
Investments	260,000	218,634	259,669
Gain on Disposal of Capital Assets	-	90,754	43,165
Total Other Revenue	1,008,246	1,293,681	2,099,420
TOTAL REVENUE FOR THE YEAR	101,533,917	103,307,151	101,534,558

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	244,641	201,678	204,170
Professional Development- Board Members	136,100	124,661	127,690
Advisory Committees	33,250	31,000	31,000
Elections	-	12,088	-
Other Governance Expenses	314,330	262,351	259,729
Total Governance Expense	728,321	631,778	622,589
Administration Expense			
Salaries	2,893,126	2,883,467	2,880,983
Benefits	410,601	310,802	314,965
Supplies & Services	325,495	313,364	252,466
Non-Capital Furniture & Equipment	18,700	14,820	11,826
Building Operating Expenses	117,640	98,662	123,799
Communications	73,324	81,397	93,670
Travel	18,000	15,852	17,250
Professional Development	65,700	71,729	54,691
Amortization of Tangible Capital Assets	225,000	299,756	266,543
Total Administration Expense	4,147,586	4,089,849	4,016,193
Instruction Expense			
Instructional (Teacher Contract) Salaries	48,202,407	48,810,493	47,473,871
Instructional (Teacher Contract) Benefits	2,520,473	2,503,242	2,565,629
Program Support (Non-Teacher Contract) Salaries	11,049,499	10,895,820	10,402,097
Program Support (Non-Teacher Contract) Benefits	2,173,824	2,112,009	2,036,669
Instructional Aids	2,721,021	2,367,800	2,334,210
Supplies & Services	903,019	1,027,579	873,628
Non-Capital Furniture & Equipment	353,686	277,049	276,428
Communications	179,190	156,498	170,622
Travel	216,000	139,878	149,694
Professional Development	654,478	936,014	570,005
Student Related Expense	69,900	75,040	66,157
Amortization of Tangible Capital Assets	1,450,000	1,555,165	1,427,290
Total Instruction Expense	70,493,497	70,856,587	68,346,300

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	4,298,971	4,337,402	4,134,260
Benefits	844,634	824,543	780,360
Supplies & Services	6,550	3,431	501
Non-Capital Furniture & Equipment	58,000	37,132	28,798
Building Operating Expenses	6,027,939	4,727,143	4,282,512
Communications	16,500	13,490	15,290
Travel	119,000	86,818	157,016
Professional Development	16,000	11,592	13,591
Amortization of Tangible Capital Assets	2,750,000	3,023,977	2,875,160
Total Plant Operation & Maintenance Expense	14,137,594	13,065,528	12,287,488
Student Transportation Expense			
Salaries	2,666,731	2,822,245	2,767,728
Benefits	564,074	547,705	533,259
Supplies & Services	1,018,100	762,052	956,057
Non-Capital Furniture & Equipment	331,019	307,603	337,486
Building Operating Expenses	80,096	61,960	73,059
Communications	27,640	9,051	27,111
Travel	18,000	15,895	13,848
Professional Development	10,500	6,954	7,041
Contracted Transportation	1,708,987	1,519,955	1,555,704
Amortization of Tangible Capital Assets	720,000	919,640	822,705
Total Student Transportation Expense	7,145,147	6,973,060	7,093,998
Tuition and Related Fees Expense			
Tuition Fees	62,572	45,884	51,800
Total Tuition and Related Fees Expense	62,572	45,884	51,800
School Generated Funds Expense			
Academic Supplies & Services	200,000	105,351	121,657
Cost of Sales	700,000	523,734	620,403
Non-Capital Furniture & Equipment	70,000	28,881	23,279
School Fund Expenses	1,310,000	1,383,638	1,281,984
Amortization of Tangible Capital Assets	70,000	26,467	36,914
Total School Generated Funds Expense	2,350,000	2,068,071	2,084,237

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	1,140,980	1,047,576	1,089,736
Program Support (Non-Teacher Contract) Salaries & Benefits	502,687	526,009	502,407
Instructional Aids	89,400	82,939	83,887
Non-Capital Furniture & Equipment	-	4,838	-
Professional Development (Non-Salary Costs)	50,000	28,871	25,089
Contracted Transportation & Allowances	16,000	1,106	2,417
Amortization of Tangible Capital Assets	4,000	-	-
Total Complementary Services Expense	1,803,067	1,691,339	1,703,536
External Service Expense			
Grant Transfers	-	227,407	-
Administration Salaries & Benefits	91,115	164,362	84,076
Instructional (Teacher Contract) Salaries & Benefits	448,815	477,556	462,329
Program Support (Non-Teacher Contract) Salaries & Benefits	1,160,706	1,382,054	1,476,837
Plant Operation & Maintenance Salaries & Benefits	139,663	137,878	137,388
Transportation Salaries & Benefits	24,396	27,920	29,902
Instructional Aids	114,716	159,560	106,885
Supplies & Services	1,299,324	1,199,910	1,299,109
Non-Capital Furniture & Equipment	30,326	82,065	18,365
Building Operating Expenses	205,855	239,302	200,010
Communications	17,587	16,197	28,632
Travel	21,739	14,826	10,199
Professional Development (Non-Salary Costs)	64,049	20,703	14,917
Contracted Transportation & Allowances	27,750	29,202	24,001
Amortization of Tangible Capital Assets	15,000	7,789	14,345
Total External Services Expense	3,661,041	4,186,731	3,906,995
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	2,500	526	5,477
Interest on Capital Loans	14,769	3,763	19,341
Total Interest and Bank Charges	17,269	4,289	24,818
Total Other Expense	17,269	4,289	24,818
TOTAL EXPENSES FOR THE YEAR	104,546,094	103,613,116	100,137,954

Saskatchewan Rivers School Division No. 119
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2016

	Land	Land Improvements	Buildings	Buildings Short-Term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction	2016	2015
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	2,573,177	6,574,271	118,486,784	243,086	9,800,158	1,322,629	3,971,724	5,613,893	352,378	457,414	149,395,514	146,120,395
Additions/Purchases	-	275,197	1,957,464	-	1,264,796	245,728	506,160	1,864,340	101,530	1,655,233	7,870,448	6,282,765
Disposals	-	-	-	-	(1,009,153)	(261,044)	(69,187)	(690,352)	(83,377)	-	(2,113,113)	(3,007,646)
Transfers to (from)	-	-	1,163,833	-	-	-	-	-	-	(1,163,833)	-	-
Closing Balance as of August 31	2,573,177	6,849,468	121,608,081	243,086	10,055,801	1,307,313	4,408,697	6,787,881	370,531	948,814	155,152,849	149,395,514
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	4,277,641	57,966,681	205,760	5,579,192	963,500	1,737,722	3,315,582	202,579	-	74,248,657	71,758,943
Amortization of the Period	-	253,324	2,921,611	5,742	737,619	144,025	440,459	1,255,903	74,111	-	5,832,794	5,442,957
Disposals	-	-	-	-	(926,334)	(196,917)	(69,187)	(690,352)	(83,377)	-	(1,966,167)	(2,953,243)
Closing Balance as of August 31	N/A	4,530,965	60,888,292	211,502	5,390,477	910,608	2,108,994	3,881,133	193,313	N/A	78,115,284	74,248,657
Net Book Value												
Opening Balance as of September 1	2,573,177	2,296,630	60,520,103	37,326	4,220,966	359,129	2,234,002	2,298,311	149,799	457,414	75,146,857	74,361,452
Closing Balance as of August 31	2,573,177	2,318,503	60,719,789	31,584	4,665,324	396,705	2,299,703	2,906,748	177,218	948,814	77,037,565	75,146,857
Change in Net Book Value	-	21,873	199,686	(5,742)	444,358	37,576	65,701	608,437	27,419	491,400	1,890,708	785,405
Disposals												
Historical Cost	-	-	-	-	1,009,153	261,044	69,187	690,352	83,377	-	2,113,113	3,007,646
Accumulated Amortization	-	-	-	-	926,334	196,917	69,187	690,352	83,377	-	1,966,167	2,953,243
Net Cost	-	-	-	-	82,819	64,127	-	-	-	-	146,946	54,403
Price of Sale	-	-	-	-	85,882	150,318	1,500	-	-	-	237,700	97,568
Net Gain on Disposal	-	-	-	-	3,063	86,191	1,500	-	-	-	90,754	43,165

Saskatchewan Rivers School Division No. 119
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Surplus/Deficit		
Amortization of Tangible Capital Assets (Schedule C)	5,832,794	5,442,957
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(90,754)	(43,165)
Total Non-Cash Items Included in Surplus / Deficit	5,742,040	5,399,792

Saskatchewan Rivers School Division No. 119
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
(Increase) Decrease in Accounts Receivable	(851,746)	273,903
Decrease in Accounts Payable and Accrued Liabilities	(676,066)	(1,560,721)
Increase in Liability for Employee Future Benefits	140,300	144,500
Increase (Decrease) in Deferred Revenue	681,369	(222,096)
(Increase) Decrease in Inventory of Supplies for Consumption	(7,658)	3,045
Decrease (Increase) in Prepaid Expenses	206,746	(6,921)
Total Net Change in Non-Cash Operating Activities	(507,055)	(1,368,290)

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

1. AUTHORITY AND PURPOSE

The School Division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Saskatchewan Rivers School Division No. 119” and operates as “the Saskatchewan Rivers School Division No. 119”. The School Division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The School Division is funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the School Division’s boundaries at mill rates determined by the provincial government. The School Division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the School Division are as follows:

a) Basis of Accounting

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

b) Reporting Entity

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

c) Trust Funds

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

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

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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Measurement Uncertainty and the Use of Estimates (continued)

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

- the liability for employee future benefits of \$2,829,200 (2015 - \$2,688,900) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$22,859,757 (2015 - \$22,804,269) because final tax assessments may differ from initial estimates.
- useful lives of capital assets (Note 2(g)) and related amortization (Schedule C) of \$5,832,794 (2015 - \$5,442,957) because the actual useful lives of the capital assets may differ from their estimated economic lives.
- prior year's tangible capital asset historical costs (Schedule C) and related amortization (Schedule C) for land, land improvements, buildings, buildings short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment, and computer software because actual historical costs and related amortization may differ from initial estimates.

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 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 expense. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the 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.

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 and bank deposits 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. Other receivables include First Nations tuition fees, Frank J Dunn pool utilization charges, goods and services tax rebate and other miscellaneous items.

Portfolio Investments consist of term deposits. 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Non-Financial Assets (continued)

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 audio visual equipment, computer software, 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.

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

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 and services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance, Saskatchewan School Boards Association fees, Saskatchewan Workers' Compensation Board premiums and software licenses.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Amounts are payable within one year.

Long-Term Debt is comprised of a capital loan with initial maturity of more than one year and is incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

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

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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Employee Pension Plans (continued)

- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

j) Revenue Recognition

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

The School Division's sources of revenues include the following:

i) Government Transfers (Grants)

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

ii) Property Taxation

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

iii) Fees and Services

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

iv) Interest Income

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

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue Recognition (continued)

v) Other (Non-Government Transfer) Contributions

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

k) Statement of Remeasurement Gains and Losses

The School Division has not presented a statement of remeasurement gains or 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 \$5,000,000 that bears interest at bank prime rate minus 0.5% with Conexus. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by funding from the Ministry of Education. This line of credit was approved by the Minister of Education on July 26, 2010. The balance drawn on the line of credit at August 31, 2016 was \$0 (August 31, 2015 - \$0).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Term deposit with Conexus, 1.4% interest rate, matures March 2017	\$ 10,000,000	\$ -
Total portfolio investments	\$ 10,000,000	\$ -

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 201,678	\$ 430,100	\$ -	\$ -	\$ 631,778	\$ 622,589
Administration	3,194,269	595,824	-	299,756	4,089,849	4,016,193
Instruction	64,321,564	4,979,858	-	1,555,165	70,856,587	68,346,300
Plant	5,161,945	4,879,606	-	3,023,977	13,065,528	12,287,488
Transportation	3,369,950	2,683,470	-	919,640	6,973,060	7,093,998
Tuition and Related Fees	-	45,884	-	-	45,884	51,800
School Generated Funds	-	2,041,604	-	26,467	2,068,071	2,084,237
Complementary Services	1,573,585	117,754	-	-	1,691,339	1,703,536
External Services	2,189,770	1,989,172	-	7,789	4,186,731	3,906,995
Other	-	-	4,289	-	4,289	24,818
TOTAL	\$ 80,012,761	\$ 17,763,272	\$ 4,289	\$ 5,832,794	\$103,613,116	\$ 100,137,954

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, retirement gratuity and earned vacation pay. 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, 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:

	2016	2015
Actuarial extrapolation date	Aug. 31, 2016	Aug. 31, 2015
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

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 3,126,800	\$ 2,536,900
Current period benefit cost	241,200	187,400
Interest cost	81,500	74,700
Benefit payments	(212,600)	(116,100)
Actuarial losses	134,500	443,900
Accrued Benefit Obligation - end of year	3,371,400	3,126,800
Unamortized Net Actuarial Losses	(542,200)	(437,900)
Liability for Employee Future Benefits	\$ 2,829,200	\$ 2,688,900

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

6. EMPLOYEE FUTURE BENEFITS (continued)

Employee Future Benefits Expense	2016	2015
Current period service cost	\$ 241,200	\$ 187,400
Amortization of net actuarial loss/(gain)	30,200	(1,500)
Benefit cost	271,400	185,900
Interest cost	81,500	74,700
Total Employee Future Benefits Expense	\$ 352,900	\$ 260,600

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP)

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

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The School Division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the School Division's employees are as follows:

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	723	20	743	759
Member contribution rate (percentage of salary)	10.20%	6.05%	6.05 - 10.20%	6.05 - 9.10%
Member contributions for the year	\$ 5,405,706	\$ 49,294	\$ 5,455,000	\$ 4,883,150

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

7. PENSION PLANS (continued)

ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with 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	<i>641</i>	<i>614</i>
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	\$ 1,678,398	\$ 1,563,411
School Division contributions for the year	\$ 1,676,133	\$ 1,563,411
Actuarial (extrapolation) valuation date	<u>(Dec-31-2015)</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

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

8. ACCOUNTS RECEIVABLE

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

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 4,937,355	\$ -	\$ 4,937,355	\$ 4,923,511	\$ -	\$ 4,923,511
Provincial Grants Receivable	800,000	-	800,000	-	-	-
Other Receivables	1,096,512	-	1,096,512	1,058,610	-	1,058,610
Total Accounts Receivable	\$ 6,833,867	\$ -	\$ 6,833,867	\$ 5,982,121	\$ -	\$ 5,982,121

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	\$ 355,343	\$ 278,023
Supplier Payments	1,700,888	1,298,557
Other - Debenture Principal & Interest, GST Payable	26,676	19,713
Total Accounts Payable and Accrued Liabilities	\$ 2,082,907	\$ 1,596,293

10. LONG-TERM DEBT

Details of long-term debt are as follows:

	2016	2015
Capital Loan: Bank of Montreal 4.54% fixed rate loan, interest payable monthly, principal payable in annual instalments of \$325,300, Repaid in December 2015	\$ -	\$ 325,300
Total Long-Term Debt	\$ -	\$ 325,300

Principal and interest payments on the long-term debt are as follows:

	Capital Loan	2016	2015
Principal	\$ 325,300	\$ 325,300	\$ 325,300
Interest	3,763	3,763	19,341
Total	\$ 329,063	\$ 329,063	\$ 344,641

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Capital projects:				
Federal Capital Tuition	\$ 168,865	\$ 99,622	\$ -	\$ 268,487
Friday Night Lights	37,719	-	-	37,719
Proceeds from Sale of School Buildings	342,711	-	-	342,711
Total capital projects deferred revenue	549,295	99,622	-	648,917
Other deferred revenue:				
Saskatchewan Leadership Conference	168,325	-	168,325	-
Tax Liability	417,465	1,162,748	417,465	1,162,748
Other Grant - Frank Larocque, Global Partners	26,660	31,449	26,660	31,449
Total other deferred revenue	612,450	1,194,197	612,450	1,194,197
Total Deferred Revenue	\$ 1,161,745	\$ 1,293,819	\$ 612,450	\$ 1,843,114

12. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Program	2016	2015
Revenues:			
Operating Grants	\$ 1,558,212	\$ 1,558,212	\$ 1,506,744
Total Revenue	1,558,212	1,558,212	1,506,744
Expenses:			
Salaries & Benefits	1,573,585	1,573,585	1,592,143
Instructional Aids	82,939	82,939	83,887
Non-Capital Furniture & Equipment	4,838	4,838	-
Professional Development (Non-Salary Costs)	28,871	28,871	25,089
Contracted Transportation & Allowances	1,106	1,106	2,417
Total Expenses	1,691,339	1,691,339	1,703,536
Deficiency of Revenue over Expenses	\$ (133,127)	\$ (133,127)	\$ (196,792)

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

Pre-K

The Pre-K program is a developmentally appropriate early childhood education program for three and four year old children.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

13. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Kids First	Eagle's Nest	First Nation-Metis Achievement	Other Programs	2016	2015
Revenues:						
Operating Grants	\$ 1,182,436	\$ 366,600	\$ 524,771	\$ 875,925	\$ 2,949,732	\$ 2,396,766
Fees and Other Revenue	2,132	-	-	548,782	550,914	542,488
Total Revenue	1,184,568	366,600	524,771	1,424,707	3,500,646	2,939,254
Expenses:						
Grant Transfers	-	-	-	227,407	227,407	-
Salaries & Benefits	375,478	505,408	537,557	771,327	2,189,770	2,190,532
Instructional Aids	34,901	28,465	3,913	92,281	159,560	106,885
Supplies & Services	507,723	23,681	206	668,300	1,199,910	1,299,109
Non-Capital Furniture & Equipment	5,713	1,048	2,235	73,069	82,065	18,365
Building Operating Expenses	435	43,944	-	194,923	239,302	200,010
Communications	6,786	1,930	3,096	4,385	16,197	28,632
Travel	3,500	-	8,438	2,888	14,826	10,199
Professional Development (Non-Salary Costs)	11,360	5,560	3,783	-	20,703	14,917
Contracted Transportation & Allowances	23,308	5,546	-	348	29,202	24,001
Amortization of Tangible Capital Assets	-	-	-	7,789	7,789	14,345
Total Expenses	969,204	615,582	559,228	2,042,717	4,186,731	3,906,995
(Deficiency) Excess of Revenue over Expenses	\$ 215,364	\$ (248,982)	\$ (34,457)	\$ (618,010)	\$ (686,085)	\$ (967,741)

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

Kids First Project offers support to high-risk families with young children.

Eagle's Nest Project provides residential care, counselling, and special programming to high-risk youth.

First Nation-Metis Achievement Project represent transfers received from the Ministry of Education as funding support for developing strategies, programs and processes to support First Nations and Metis Students' graduation rates, attendance and credit attainment.

Other programs include after school programs, cafeteria, community mobilization, invitational shared services initiative, regional intersectoral committee, summer literacy camp, summer language immersion program and swimming pool.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

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. These internally restricted amounts are included in accumulated surplus presented in the statement of financial position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

14. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

	August 31, 2015	Additions during the year	Reductions during the year	August 31, 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 75,146,857	\$ 1,890,708	\$ -	\$ 77,037,565
Less: Debt owing on Tangible Capital Assets	325,300	-	325,300	-
	<u>74,821,557</u>	<u>1,890,708</u>	<u>(325,300)</u>	<u>77,037,565</u>
PMR Maintenance Project Allocations (1)	<u>309,765</u>	<u>1,724,139</u>	<u>2,128,500</u>	<u>(94,596)</u>
Internally Restricted Surplus:				
Capital projects:				
Equipment Renewal	393,454	-	393,454	-
Office Facility	253,478	-	-	253,478
Relocatable classrooms	1,038,251	236,749	574,046	700,954
Replacement of Track Equipment	135,928	-	-	135,928
Technology	768,650	250,000	385,086	633,564
Telephone and Paging Renewal	-	350,000	81,869	268,131
Track Resurfacing	221,157	1,228,843	2,778	1,447,222
Transportation	275,000	104,160	259,330	119,830
	<u>3,085,918</u>	<u>2,169,752</u>	<u>1,696,563</u>	<u>3,559,107</u>
Other reserves:				
Consultant Professional Development	32,099	-	17,868	14,231
Developmental Education	8,972	-	8,972	-
Future Contract	1,095,523	-	1,095,523	-
Future Expenditures	65,807	74,000	77,895	61,912
School Budget Carryovers	529,940	-	437,376	92,564
School Generated Funds Carryovers	1,782,384	-	368,313	1,414,071
	<u>3,514,725</u>	<u>74,000</u>	<u>2,005,947</u>	<u>1,582,778</u>
Other projects:				
Eagle's Nest Project	284,696	366,600	615,582	35,714
First Nation-Metis Achievement Project	209,592	524,771	559,230	175,133
Invitational Shared Services Initiative	297,007	527,407	649,962	174,452
Kids First Project	(172,603)	1,184,568	969,203	42,762
Other Projects	101,967	78,600	114,602	65,965
Regional Intersectoral Committee Program	41,616	75,750	99,691	17,675
	<u>762,275</u>	<u>2,757,696</u>	<u>3,008,270</u>	<u>511,701</u>
Unrestricted Surplus	<u>18,175,793</u>	<u>-</u>	<u>408,280</u>	<u>17,767,513</u>
Total Accumulated Surplus	\$ 100,670,033	\$ 8,616,295	\$ 8,922,260	\$ 100,364,068

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
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as at August 31, 2016

14. ACCUMULATED SURPLUS (continued)

(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:

Internally restricted surplus – capital projects and other reserves

Equipment renewal reserve represents funds available for the purchases of equipment.

Office facility reserve represents funds available for the construction of a new administrative services building.

Relocatable classrooms reserve represents funds available to assist with capital expenditures related to construction of new facilities.

Replacement of track equipment reserve represents funds to be used to cover repair and replacement of track equipment.

Technology reserve represents funds available for purchases of technology.

Telephone and paging renewal reserve represents funds available for the purchase of telephone and paging equipment.

Track resurfacing reserve represents funds available for the School Division's portion of repair or replacement of the running surface associated with the Harry Jerome Track.

Transportation reserve represents funds available for purchase of buses.

Consultant professional development reserve represents the unspent portion of the consultant's budget to be used for teacher/staff initiated professional development.

Developmental education reserve represents funds available to enhance facility and programming at Vickers School and Carlton Comprehensive High School.

Future contract reserve represents funds available to cover non-budgeted negotiated salary and benefit costs.

Future expenditures reserve represents funds available for future expenditures.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
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14. ACCUMULATED SURPLUS (continued)

Internally restricted surplus – capital projects and other reserves (continued)

School budget carryovers represent the unspent portion of budgets decentralized to schools.

School generated funds carryovers represent the unspent portion of funds generated at each school.

Internally restricted surplus – other projects

Eagle's Nest Project represent transfers received from the Ministry of Education as funding support for residential care, counseling, and special programming to high-risk youth.

First Nation-Metis Achievement Project represent transfers received from the Ministry of Education as funding support for developing strategies, programs and processes to support First Nations and Metis Students' graduation rates, attendance and credit attainment.

Invitational Shared Services Initiative represent transfers received from the Ministry of Education as funding support for a partnership with Wahpeton Dakota Nation, Muskoday First Nation, One Arrow First Nation and the Saskatoon Tribal Council to develop strategies, programs and processes to support First Nations Students' graduation rates, attendance and credit attainment.

Kids First Project represent transfers received from the Ministry of Health as funding support to high-risk families with young children.

Other Projects represent transfers received from the Ministry of Education as funding support for various external projects.

Regional Intersectoral Committee (RIC) Project represent transfers received from the Ministry of Education as funding support to contract a RIC Coordinator to advance the integrated human services agenda by building partnerships with government and non-government agencies, local interagency committees and community groups.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on April 27, 2015 and the Minister of Education on August 20, 2015.

16. RELATED PARTIES

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

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16. RELATED PARTIES (continued)

Related Party Transactions

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

	2016	2015
Revenues:		
Communiy Initiatives Fund	\$ 58,600	\$ 65,284
Ministry of Education	72,857,539	71,140,467
Ministry of Health	874,310	639,266
Prince Albert Roman Catholic Separate School Division No. 6	190,931	172,254
Saskatchewan Government Insurance	299,611	207,365
Other	81,538	32,296
	\$ 74,362,529	\$ 72,256,932
Expenses:		
Good Spirit School Division - public section trust	\$ 78,348	\$ 19,083
Living Sky School Division No. 202	1,100	-
Prince Albert Parkland Health Region	23,587	50,064
Saskatchewan Government Insurance	133,655	137,739
Saskatchewan Power Corporation	1,293,607	1,196,109
Saskatchewan Telecommunications Holding Corporation	267,663	218,340
Saskatchewan Workers' Compensation Board	408,828	321,825
SaskEnergy Incorporated	859,922	860,792
Other	74,362	104,570
	\$ 3,141,072	\$ 2,908,522
Accounts Receivable:		
Ministry of Education - Provincial Grants	\$ 800,000	\$ -
Ministry of Education - Other	-	59,359
Other	160,522	25,243
	\$ 960,522	\$ 84,602
Prepaid Expenses:		
Good Spirit School Division - public section trust	\$ -	\$ 20,743
Saskatchewan Workers' Compensation Board	135,273	107,034
	\$ 135,273	\$ 127,777
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ 57,268	\$ -
Saskatchewan Telecommunications Holding Corporation	50,961	-
SaskEnergy Incorporated	8,020	-
	\$ 116,249	\$ -
Deferred Revenue:		
Other	\$ -	\$ 91,184
	\$ -	\$ 91,184

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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
as at August 31, 2016

16. RELATED PARTIES (continued)

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

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

17. TRUSTS

The School Division, as the trustee, administers trust funds for the Saskatchewan Rivers School Division No. 119 of Saskatchewan Charity and Scholarship Fund. Two bank accounts are held: (1) charities and (2) scholarships. The operating cycle for these funds is January 1 to December 31. The accounts are audited by Deloitte LLP. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

	Charity	Scholarships	Total December 31, 2015	Total December 31, 2014
Cash	\$ 204,898	\$ 44,998	\$ 249,896	\$ 220,187
Short-term investments	-	-	-	8,900
Total Assets	\$ 204,898	\$ 44,998	\$ 249,896	\$ 229,087
Revenues				
Contributions and donations	\$ 121,390	\$ 22,875	\$ 144,265	\$ 170,604
Interest on investments	2,032	525	2,557	2,109
	123,422	23,400	146,822	172,713
Expenses				
In-kind & school expenditures	102,297	-	102,297	53,514
Scholarships paid	-	23,716	23,716	24,615
	102,297	23,716	126,013	78,129
Excess (Deficiency) of Revenue over Expenses	21,125	(316)	20,809	94,584
Trust Fund Balance, Beginning of Year	183,773	45,314	229,087	134,503
Trust Fund Balance, End of Year	\$ 204,898	\$ 44,998	\$ 249,896	\$ 229,087

18. CONTINGENT LIABILITIES

Litigation

The School Division has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these 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.

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19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the School Division are as follows:

- construction contract for the Arthur Pechey Public School Relocatable classroom project in the amount of \$76,007;
- construction contract for the Birch Hills Public School Roof project in the amount of \$61,994;
- construction contract for the Queen Mary Public School Boiler project in the amount of \$77,707;
- construction contract for the Queen Mary Public School Roof project in the amount of \$48,653;
- construction contract for the Ecole Vickers Public School Roof project in the amount of \$112,462;
- student transportation services contract, variable monthly cost based on routes, with Parkland Bus Contractors Association for the period July 1, 2015 to June 30, 2020, with a School Division option to extend the contract to June 30, 2022; and
- operating lease for multifunction printing devices, variable monthly cost based on usage expiring June 30, 2019.

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 municipal government, 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 at August 31, 2016 was:

	August 31, 2016						
	Total	Current	0-30 days	30-60 days	60-90 days	over 90 days	
Grant Receivables	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -	\$ -	
Other Receivables	762,336	69,100	316,422	5,870	4,335	366,609	
Gross Receivables	1,562,336	869,100	316,422	5,870	4,335	366,609	
Allowance for Doubtful Accounts	-	-	-	-	-	-	
Net Receivables	\$ 1,562,336	\$ 869,100	\$ 316,422	\$ 5,870	\$ 4,335	\$ 366,609	

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
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as at August 31, 2016

20. RISK MANAGEMENT (continued)

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 maintaining adequate cash balances and budget practices and monitoring.

The following table sets out the contractual maturities of the School Division's financial liabilities:

	August 31, 2016			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,082,907	\$ -	\$ -	\$ -
Total	\$ 2,082,907	\$ -	\$ -	\$ -

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 cash and cash equivalents and portfolio investments. The School Division also has an authorized bank line of credit of \$5,000,000 with interest payable monthly at a rate of prime minus 0.5%. 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, 2016.

The School Division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit

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.