
Audited Financial Statements

Of the Northwest School Division No. 203

School Division No. 2030500

For the Period Ending: August 31, 2016

CMcCloud

Chief Financial Officer

Coquit Chartered Professional Accountants LLP

Auditor

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

Management's Responsibility for the Financial Statements

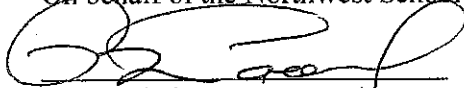
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily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

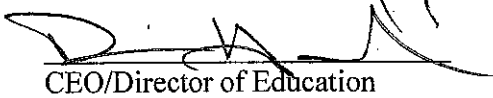
The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained 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, Cogent Chartered Professional Accountants LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Northwest School Division No. 203:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 24, 2016

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Board of Education of Northwest School Division No. 203:

We have audited the accompanying financial statements of the Northwest School Division No. 203, which comprise the statement of financial position as at August 31, 2016, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of 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 whether the financial statements are free of material misstatement.

An audit included 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 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 evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northwest School Division No. 203 as at August 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Meadow Lake, Saskatchewan
November 24, 2016

Cogent Chartered Professional Accountants LLP
Chartered Professional Accountants

Battleford

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Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	5,905,129	1,274,466
Accounts Receivable (Note 8)	15,374,824	16,474,737
Portfolio Investments (Note 4)	162,292	145,429
Total Financial Assets	21,442,245	17,894,628
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,141,590	1,223,612
Long-Term Debt (Note 10)	2,651,331	3,010,348
Liability for Employee Future Benefits (Note 6)	763,600	725,000
Deferred Revenue (Note 11)	736,761	634,064
Total Liabilities	5,293,282	5,593,024
Net Financial Assets	16,148,963	12,301,604
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	58,097,990	59,488,296
Inventory of Supplies for Consumption	561,311	575,815
Prepaid Expenses	395,170	429,352
Total Non-Financial Assets	59,054,471	60,493,463
Total Accumulated Surplus (Note 14)	75,203,434	72,795,067

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

Northwest School Division No. 203
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUES	(Note 15)		
Property Taxation	26,824,716	26,352,969	26,291,596
Grants	29,308,721	31,846,746	28,047,787
Tuition and Related Fees	2,644,512	2,911,972	2,312,804
School Generated Funds	2,556,000	2,359,683	2,424,409
Complementary Services (Note 12)	1,151,676	1,152,724	1,106,159
External Services (Note 13)	440,656	440,652	264,960
Other	88,000	598,466	252,307
Total Revenues (Schedule A)	63,014,281	65,663,212	60,700,022
EXPENSES			
Governance	452,000	389,661	395,163
Administration	2,890,017	2,783,988	2,807,493
Instruction	41,448,207	40,580,253	38,819,207
Plant	8,397,560	8,456,546	7,862,710
Transportation	5,610,810	5,657,951	5,677,208
Tuition and Related Fees	462,572	533,710	462,462
School Generated Funds	2,556,000	2,233,166	2,305,274
Complementary Services (Note 12)	1,513,326	1,768,846	1,704,309
External Services (Note 13)	440,656	409,228	554,120
Other Expenses	188,968	441,496	121,019
Total Expenses (Schedule B)	63,960,116	63,254,845	60,708,965
Operating (Deficit) / Surplus for the Year	(945,835)	2,408,367	(8,943)
Accumulated Surplus from Operations, Beginning of Year	72,795,067	72,795,067	72,804,010
Accumulated Surplus from Operations, End of Year	71,849,232	75,203,434	72,795,067

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

Northwest School Division No. 203
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	12,301,604	12,301,604	13,502,734
Changes During the Year			
Operating (Deficit) / Surplus for the Year	(945,835)	2,408,367	(8,943)
Acquisition of Tangible Capital Assets (Schedule C)	(2,874,464)	(2,545,655)	(4,466,237)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	183,989	80,918
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	186,999	(19,014)
Amortization of Tangible Capital Assets (Schedule C)	3,693,832	3,564,970	3,421,780
Net Acquisition of Inventory of Supplies	-	14,504	(27,321)
Net Change in Other Non-Financial Assets	-	34,185	(182,313)
Change in Net Financial Assets	(126,467)	3,847,359	(1,201,130)
Net Financial Assets, End of Year	12,175,137	16,148,963	12,301,604

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

Northwest School Division No. 203
Statement of Cash Flows
for the year ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	2,408,367	(8,943)
Add Non-Cash Items Included in Surplus (Schedule D)	3,751,969	3,402,766
Net Change in Non-Cash Operating Activities (Schedule E)	1,207,873	(692,156)
Cash Provided by Operating Activities	7,368,209	2,701,667
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(2,545,655)	(4,466,237)
Proceeds on Disposal of Tangible Capital Assets	183,989	80,918
Cash (Used) by Capital Activities	(2,361,666)	(4,385,319)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(16,863)	-
Proceeds on Disposal of Portfolio Investments	-	19,304
Cash Provided (Used) by Investing Activities	(16,863)	19,304
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(359,017)	(372,827)
Cash Used by Financing Activities	(359,017)	(372,827)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,630,663	(2,037,175)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,274,466	3,311,637
CASH AND CASH EQUIVALENTS, END OF YEAR	5,905,129	1,274,466

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

Northwest School Division No. 203
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	26,824,716	25,796,451	25,605,667
Total Property Tax Revenue	26,824,716	25,796,451	25,605,667
Grants in Lieu of Taxes			
Federal Government	-	161,537	203,386
Provincial Government	-	167,823	179,060
Other	-	21,184	30,989
Total Grants in Lieu of Taxes	-	350,544	413,435
Other Tax Revenues			
House Trailer Fees	-	23,595	33,518
Total Other Tax Revenues	-	23,595	33,518
Additions to Levy			
Penalties	-	161,638	120,790
Other	-	57,333	183,401
Total Additions to Levy	-	218,971	304,191
Deletions from Levy			
Cancellations	-	(36,592)	(65,215)
Total Deletions from Levy	-	(36,592)	(65,215)
Total Property Taxation Revenue	26,824,716	26,352,969	26,291,596
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	28,267,292	28,949,572	26,920,814
Other Ministry Grants	-	129,687	120,157
Total Ministry Grants	28,267,292	29,079,259	27,040,971
Other Provincial Grants	40,000	190,536	179,917
Grants from Others	175,000	14,455	470
Total Operating Grants	28,482,292	29,284,250	27,221,358
Capital Grants			
Ministry of Education Capital Grants	826,429	2,562,496	826,429
Total Capital Grants	826,429	2,562,496	826,429
Total Grants	29,308,721	31,846,746	28,047,787

Northwest School Division No. 203
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	2,479,512	2,830,171	2,227,633
Individuals and Other	40,000	22,640	23,006
Total Tuition Fees	2,519,512	2,852,811	2,250,639
Transportation Fees	45,000	59,161	62,165
Total Operating Tuition and Related Fees	2,564,512	2,911,972	2,312,804
Capital Fees			
Federal/First Nations Capital Fees	80,000	-	-
Total Capital Tuition and Fees	80,000	-	-
Total Tuition and Related Fees Revenue	2,644,512	2,911,972	2,312,804
School Generated Funds Revenue			
Curricular			
Student Fees	141,000	164,443	160,095
Total Curricular Fees	141,000	164,443	160,095
Non-Curricular Fees			
Fundraising	912,000	1,067,966	1,000,386
Grants and Partnerships	158,000	236,939	265,622
Students Fees	1,028,000	731,937	798,779
Other	317,000	158,398	199,527
Total Non-Curricular Fees	2,415,000	2,195,240	2,264,314
Total School Generated Funds Revenue	2,556,000	2,359,683	2,424,409
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	851,676	851,676	823,860
Other Ministry Grants	-	48,588	23,310
Other Provincial Grants	26,000	70,000	85,000
Federal Grants	211,000	180,860	179,342
Other Grants	25,000	-	-
Total Operating Grants	1,113,676	1,151,124	1,111,512
Capital Grants			
Ministry of Education Capital Grants	-	-	19,447
Total Capital Grants	-	-	19,447
Fees and Other Revenue			
Tuition and Related Fees	38,000	-	(25,000)
Other Revenue	-	1,600	200
Total Fees and Other Revenue	38,000	1,600	(24,800)
Total Complementary Services Revenue	1,151,676	1,152,724	1,106,159

Northwest School Division No. 203
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			
Operating Grant	440,656	440,652	264,960
Total Operating Grants	440,656	440,652	264,960
Total External Services Revenue	440,656	440,652	264,960
Other Revenue			
Miscellaneous Revenue	35,000	451,119	151,080
Sales & Rentals	3,000	14,891	15,548
Investments	50,000	76,251	61,389
Gain on Disposal of Capital Assets	-	56,205	24,290
Total Other Revenue	88,000	598,466	252,307
TOTAL REVENUE FOR THE YEAR	63,014,281	65,663,212	60,700,022

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	107,000	124,598	114,951
Professional Development- Board Members	87,000	51,940	71,782
Advisory Committees	101,000	49,970	57,014
Professional Development - Advisory Committees	5,000	113	1,758
Elections	3,000	971	2,098
Other Governance Expenses	149,000	162,069	147,560
Total Governance Expense	452,000	389,661	395,163
Administration Expense			
Salaries	2,215,300	2,114,376	2,135,978
Benefits	246,322	222,613	224,757
Supplies & Services	115,870	98,191	89,472
Non-Capital Furniture & Equipment	12,000	7,542	7,828
Building Operating Expenses	48,000	40,762	42,419
Communications	41,000	34,388	32,238
Travel	83,000	89,972	86,518
Professional Development	50,000	52,787	78,313
Amortization of Tangible Capital Assets	78,525	123,357	109,970
Total Administration Expense	2,890,017	2,783,988	2,807,493
Instruction Expense			
Instructional (Teacher Contract) Salaries	28,289,000	28,236,941	27,460,811
Instructional (Teacher Contract) Benefits	1,376,754	1,470,799	1,481,770
Program Support (Non-Teacher Contract) Salaries	5,586,300	5,717,834	5,295,183
Program Support (Non-Teacher Contract) Benefits	958,014	985,389	926,576
Instructional Aids	1,528,000	1,144,779	1,182,701
Supplies & Services	555,000	664,258	666,610
Non-Capital Furniture & Equipment	901,000	848,859	236,317
Communications	127,700	137,022	134,772
Travel	220,000	223,233	193,456
Professional Development	701,700	359,136	310,311
Student Related Expense	351,000	195,110	246,360
Amortization of Tangible Capital Assets	853,739	596,893	684,340
Total Instruction Expense	41,448,207	40,580,253	38,819,207

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	1,967,500	2,110,264	1,932,136
Benefits	451,385	427,023	449,674
Supplies & Services	96,500	44,577	24,704
Non-Capital Furniture & Equipment	65,500	15,778	14,512
Building Operating Expenses	3,846,500	3,752,066	3,514,465
Communications	18,000	17,091	14,949
Travel	118,000	104,971	105,278
Professional Development	30,000	4,890	16,861
Amortization of Tangible Capital Assets	1,804,175	1,979,886	1,790,131
Total Plant Operation & Maintenance Expense	8,397,560	8,456,546	7,862,710
Student Transportation Expense			
Salaries	2,567,200	2,803,417	2,661,994
Benefits	454,019	485,736	467,404
Supplies & Services	905,200	693,672	851,761
Non-Capital Furniture & Equipment	477,000	675,212	655,126
Building Operating Expenses	38,500	41,319	33,733
Communications	42,000	38,811	38,514
Travel	68,000	53,169	63,239
Professional Development	25,000	15,374	21,345
Contracted Transportation	220,000	79,764	129,556
Amortization of Tangible Capital Assets	813,891	771,477	754,536
Total Student Transportation Expense	5,610,810	5,657,951	5,677,208
Tuition and Related Fees Expense			
Tuition Fees	462,572	533,710	462,462
Total Tuition and Related Fees Expense	462,572	533,710	462,462
School Generated Funds Expense			
Academic Supplies & Services	115,000	158,522	110,887
Cost of Sales	774,000	860,459	791,966
Non-Capital Furniture & Equipment	17,000	25,576	34,447
School Fund Expenses	1,650,000	1,188,609	1,367,974
Total School Generated Funds Expense	2,556,000	2,233,166	2,305,274

Northwest School Division No. 203
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	540,349	558,642	549,150
Program Support (Non-Teacher Contract) Salaries & Benefits	643,722	817,824	766,166
Transportation Salaries & Benefits	117,300	118,175	111,096
Instructional Aids	127,000	107,774	111,526
Supplies & Services	29,000	66,529	75,394
Non-Capital Furniture & Equipment	-	6,496	8,411
Building Operating Expenses	-	-	6,738
Communications	3,000	1,702	922
Travel	12,000	9,995	8,633
Professional Development (Non-Salary Costs)	6,000	6,317	4,162
Student Related Expenses	27,000	49,689	38,465
Amortization of Tangible Capital Assets	7,955	25,703	23,646
Total Complementary Services Expense	1,513,326	1,768,846	1,704,309
External Service Expense			
Grant Transfers	-	-	200,000
Administration Salaries & Benefits	-	1,765	-
Program Support (Non-Teacher Contract) Salaries & Benefits	-	-	2,544
Transportation Salaries & Benefits	191,509	224,864	186,284
Supplies & Services	84,500	65,101	69,794
Non-Capital Furniture & Equipment	25,000	46,547	31,737
Communications	2,600	2,641	2,206
Travel	-	61	80
Professional Development (Non-Salary Costs)	1,500	595	67
Student Related Expenses	-	-	2,251
Amortization of Tangible Capital Assets	135,547	67,654	59,157
Total External Services Expense	440,656	409,228	554,120
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	92,500	1,210	7,619
Interest on Capital Loans	96,468	97,748	108,124
Total Interest and Bank Charges	188,968	98,958	115,743
Loss on Disposal of Tangible Capital Assets	-	243,204	5,276
Provision for Uncollectable Accounts	-	99,334	-
Total Other Expense	188,968	441,496	121,019
TOTAL EXPENSES FOR THE YEAR	63,960,116	63,254,845	60,708,965

Northwest School Division No. 203
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2016

	Land	Improvements	Buildings	Short-Term	Buildings	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Assets		2015
									Audio Visual Equipment	Software	
Tangible Capital Assets - at Cost											
Opening Balance as of September 1	1,301,401	83,762,566	405,965	10,796,504	1,204,417	2,308,594	2,472,315	103,055	8,205,195	112,381,588	109,063,862
Additions/Purchases	-	239,972	304,248	699,733	382,329	577,984	106,478	-	185,458	2,545,655	4,466,237
Disposals	(1,875)	-	-	(502,504)	(326,652)	-	(828,102)	-	-	(1,659,133)	(1,148,510)
Transfers to (from)	-	8,207,608	-	-	-	1,935	-	-	(8,209,543)	-	-
Closing Balance as of August 31	1,299,527	2,061,548	455,418	10,993,733	1,260,094	2,888,513	1,750,691	103,055	181,109	113,268,110	112,381,588
Tangible Capital Assets - Amortization											
Opening Balance as of September 1	-	1,200,580	42,231,975	374,785	5,712,214	959,698	1,042,126	32,396	-	52,893,293	50,558,120
Amortization of the Period	-	77,158	1,833,488	7,689	833,571	155,371	286,943	20,611	-	3,564,970	3,421,780
Disposals	-	-	-	-	(502,504)	(266,942)	(518,699)	-	-	(1,288,144)	(1,086,606)
Closing Balance as of August 31	N/A	1,277,738	44,065,463	382,474	6,043,281	848,127	1,329,069	53,007	N/A	55,170,120	52,893,293
Net Book Value											
Opening Balance as of September 1	1,301,401	620,997	41,530,591	31,180	5,084,290	244,720	1,266,468	70,660	8,205,195	59,488,296	58,505,744
Closing Balance as of August 31	1,299,527	783,810	48,208,959	72,945	4,950,452	411,967	1,559,444	50,048	181,109	58,097,990	59,488,296
Change in Net Book Value	(1,875)	162,813	6,678,368	41,764	(133,838)	167,247	292,976	(20,612)	(8,024,085)	(1,390,306)	982,552
Disposals											
Historical Cost	1,875	-	-	502,504	326,652	-	828,102	-	-	1,659,132	1,148,510
Accumulated Amortization	-	-	-	502,504	266,942	-	518,699	-	-	1,288,144	1,086,606
Net Cost	1,875	-	-	-	59,710	-	309,403	-	-	370,988	61,904
Price of Sale	2,000	-	-	10,600	105,191	-	66,200	-	-	183,989	80,918
Gain (Loss) on Disposal	125	-	-	10,600	45,480	-	(243,204)	-	-	(186,999)	19,014

Northwest School Division No. 203
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)	3,564,970	3,421,780
Net Loss (Gain) on Disposal of Tangible Capital Assets (Schedule C)	186,999	(19,014)
Total Non-Cash Items Included in Surplus / Deficit	3,751,969	3,402,766

Northwest School Division No. 203
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		
Decrease in Accounts Receivable	1,099,913	2,160,172
Decrease in Accounts Payable and Accrued Liabilities	(82,022)	(2,816,282)
Increase in Liability for Employee Future Benefits	38,600	21,100
Increase in Deferred Revenue	102,697	152,488
Decrease (Increase) in Inventory of Supplies for Consumption	14,504	(27,321)
Decrease (Increase) in Prepaid Expenses	34,181	(182,313)
Total Net Change in Non-Cash Operating Activities	1,207,873	(692,156)

NORTHWEST SCHOOL DIVISION NO. 203
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 Northwest School Division No. 203" and operates as "the Northwest School Division No. 203". 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) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

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

- the liability for employee future benefits of \$ 763,600 (2015 - \$ 725,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 26,352,969 (2015 - \$ 26,291,596) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$ 690,000 (2015 - \$ 690,000) because actual collectability may differ from initial estimates.

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- useful lives of capital assets and related amortization of \$3,564,970 (2015 - \$3,421,780) 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.

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 financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long-term debt.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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

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.

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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 GICs and Co-op equity accounts. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (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, computer software, audio visual equipment, 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.

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

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*.

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Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered; revenue from contractual services is recognized as the services are delivered; and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

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.

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

i) Government Transfers (Grants)

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

ii) Property Taxation

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

iii) Fees and Services

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

iv) Interest Income

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

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v) Other (Non-Government Transfer) Contributions

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

j) Statement of Remeasurement Gains and Losses

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

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$12,000,000 that bears interest at a rate of prime less 0.75% per annum with Royal Bank of Canada. This line of credit is authorized by a borrowing resolution by the board of education and is unsecured. This line of credit was approved by the Minister of Education on February 5, 2013. There was no balance outstanding on this credit facility as of August 31, 2016 (August 31, 2015 – no balance outstanding).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs - A Craig - RBC 5 in 1 GIC - Investment Date Feb 5/13 - 5 Year Term - Non-Redeemable - Interest Rate is 2.2%	\$ 85,250	\$ 85,250
Co-op Equity	77,042	60,179
Total portfolio investments reported at cost and amortized cost	\$ 162,292	\$ 145,429

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 87,117	\$ 302,544	\$ -	\$ -	\$ 389,661	\$ 395,163
Administration	2,336,989	323,642	-	123,357	2,783,988	2,807,493
Instruction	36,410,963	3,572,397	-	596,893	40,580,253	38,819,207
Plant	2,537,287	3,939,373	-	1,979,886	8,456,546	7,862,710
Transportation	3,289,153	1,597,321	-	771,477	5,657,951	5,677,208
Tuition and Related Fees	-	533,710	-	-	533,710	462,462
School Generated Funds	-	2,233,166	-	-	2,233,166	2,305,274
Complementary Services	1,494,641	248,502	-	25,703	1,768,846	1,704,309
External Services	226,629	114,945	-	67,654	409,228	554,120
Other	-	-	441,496	-	441,496	121,019
TOTAL	\$ 46,382,779	\$ 12,865,600	\$ 441,496	\$ 3,564,970	\$ 63,254,845	\$ 60,708,965

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 retirement gratuity. 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
	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)	15	15

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 1,198,300	\$ 1,039,700
Current period service cost	100,400	83,200
Interest cost	31,100	30,700
Benefit payments	(129,900)	(118,900)
Actuarial losses	72,500	163,600
Accrued Benefit Obligation - end of year	1,272,400	1,198,300
Unamortized Net Actuarial Losses	(508,800)	(473,300)
Liability for Employee Future Benefits	\$ 763,600	\$ 725,000

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Employee Future Benefits Expense	2016	2015
Current period service cost	\$ 100,400	\$ 83,200
Amortization of net actuarial loss	37,000	26,100
Benefit cost	137,400	109,300
Interest cost	31,100	30,700
Total Employee Future Benefits Expense	\$ 168,500	\$ 140,000

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	444	12	456	503
Member contribution rate (percentage of salary)	10.20%/12.40%	6.05% / 7.85%	6.05-10.20% / 7.85-12.40%	6.05-9.10% / 10.00-11.30%
Member contributions for the year	\$ 3,135,778	\$ 23,656	\$ 3,159,434	\$ 2,786,488

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.

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

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

	2016	2015
Number of active School Division members	464	372
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	\$ 977,615	\$ 913,252
School Division contributions for the year	\$ 977,615	\$ 913,252
Actuarial (extrapolation) valuation date	(Dec/31/2015)	Dec/31/2014
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

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	\$ 13,729,259	\$ 690,000	\$ 13,039,259	\$ 11,885,543	\$ 690,000	\$ 11,195,543
Provincial Grants Receivable	1,077,199	-	1,077,199	2,328,639	-	2,328,639
First Nation Tuition Receivable	996,935	-	996,935	-	-	-
Other Receivables	261,431	-	261,431	2,950,555	-	2,950,555
Total Accounts Receivable	\$ 16,064,824	\$ 690,000	\$ 15,374,824	\$ 17,164,737	\$ 690,000	\$ 16,474,737

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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	\$ 39,668	\$ 159,675
Supplier Payments	1,082,467	1,046,348
Accrued Audit Fees	19,455	17,589
Total Accounts Payable and Accrued Liabilities	\$ 1,141,590	\$ 1,223,612

10. LONG-TERM DEBT

Details of long-term debt are as follows:

	2016	2015
Capital Loan (1): <i>Royal Bank of Canada</i> <i>Date of Maturity: April 30, 2018</i> <i>Interest Rate: 2.82%</i> <i>Term: 60 Months</i> <i>Repayable in Monthly Blended</i> <i>Payments of \$20,057</i>	\$ 392,649	\$ 618,789
Capital Loan (2): <i>Royal Bank of Canada</i> <i>Date of Maturity: June 26, 2019</i> <i>Interest Rate: 2.79%</i> <i>Term: 60 Months</i> <i>Repayable in Monthly Blended</i> <i>Payments of \$4,608</i>	150,519	200,841
Capital Loan (3): <i>Innovation Credit Union</i> <i>Date of Maturity: Jul 31, 2024</i> <i>Interest Rate: 3.63%</i> <i>Term: 120 Months</i> <i>Repayable in Monthly Blended</i> <i>Payments of \$13,398</i>	2,108,163	2,190,718
Total Long-Term Debt	\$ 2,651,331	\$ 3,010,348

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Future principal repayments over the next 5 years are estimated as follows:				
	Capital Loan (3)	Capital Loan (2)	Capital Loan (1)	Total
2016	\$ 85,749	\$ 51,762	\$ 232,662	\$ 370,173
2017	88,842	53,225	159,987	302,054
2018	92,121	45,532	-	137,653
2019	95,458	-	-	95,458
2020	99,104	-	-	99,104
Thereafter	1,646,889	-	-	1,646,889
Total	\$ 2,108,163	\$ 150,519	\$ 392,649	\$ 2,651,331

Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2016	2015
Principal	\$ 359,017	\$ 359,017	\$ 372,827
Interest	97,748	97,748	108,124
Total	\$ 456,765	\$ 456,765	\$ 480,951

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	\$ 368,644	\$ 92,372	\$ -	\$ 461,016
Hillmond Soil Remediation Capital Loan Revenue	4,609	-	-	4,609
Total capital projects deferred revenue	373,253	92,372	-	465,625
Other deferred revenue:				
Scholarships	141,130	64,748	27,291	178,587
Technology Consortium	29,070	-	-	29,070
Playground Fundraising	67,971	2,138	34,930	35,179
Tuition	22,640	5,660	-	28,300
Total other deferred revenue	260,811	72,546	62,221	271,136
Total Deferred Revenue	\$ 634,064	\$ 164,918	\$ 62,221	\$ 736,761

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.

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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 Programs	Other Programs	2016	2015
Revenues:				
Operating Grants	\$ 923,176	\$ 229,548	\$1,152,724	\$1,106,159
Total Revenues	923,176	229,548	1,152,724	1,106,159
Expenses:				
Salaries & Benefits	1,056,970	437,670	1,494,640	1,426,412
Instructional Aids	28,737	79,037	107,774	111,526
Supplies and Services	9,149	57,380	66,529	75,394
Non-Capital Equipment	6,283	213	6,496	8,411
Building Operating Expenses	-	-	-	6,738
Communications	1,702	-	1,702	922
Travel	5,890	4,105	9,995	8,633
Professional Development (Non-Salary Costs)	3,104	3,213	6,317	4,162
Student Related Expenses	3,863	45,827	49,690	38,465
Amortization of Tangible Capital Assets	-	25,703	25,703	23,646
Total Expenses	1,115,698	653,148	1,768,846	1,704,309
Deficiency of Revenues over Expenses	\$ (192,522)	\$ (423,600)	\$ (616,122)	\$ (598,151)

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

Pre-K programs: Pre-K programing provides educational services to students aged 3 and 4.

Other Programs: Includes noon-hour and after-school activities, addiction awareness, alternative education, behavioural interventionists, wellness, nutrition, elders, mentorship, employment readiness, early reading initiatives, physical education, literacy, and music.

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:

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Summary of External Services Revenues and Expenses, by Program	Other Programs	2016	2015
Revenues:			
Operating Grants	\$ 440,652	\$ 440,652	\$ 264,960
Total Revenues	440,652	440,652	264,960
Expenses:			
Grant Transfers	-	-	200,000
Salaries & Benefits	226,629	226,629	188,828
Communications	2,641	2,641	2,206
Travel	61	61	80
Professional Development	595	595	67
Contracted Transportation & Allowances	111,648	111,648	103,782
Amortization of Tangible Capital Assets	67,654	67,654	59,157
Total Expenses	409,228	409,228	554,120
Excess (Deficiency) of Revenues over Expenses	\$ 31,424	\$ 31,424	\$ (289,160)

The purpose and nature of the External Services program is to provide transportation to schools within the City of Lloydminster for students who reside within the Northwest School Division boundary.

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 such as school generated funds and Preventative Maintenance and Renewal (PMR). These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts, with the exception of the Federal Capital Reserves.

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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	\$ 59,488,296	\$ -	\$ 1,390,306	\$ 58,097,990
Less: Debt owing on Tangible Capital Assets	(3,010,348)	-	(359,017)	(2,651,331)
	56,477,948	-	1,031,289	55,446,659
PMR maintenance project allocations (1)	944,246	1,028,529	378,998	1,593,777
Internally Restricted Surplus:				
Other:				
School generated funds (2)	1,147,375	443	-	1,147,818
Pre-K projects (3)	6,089	-	-	6,089
First Nation & Metis Program (4)	-	33,000	-	33,000
	1,153,464	33,443	-	1,186,907
Unrestricted Surplus	14,219,409	2,756,682	-	16,976,091
Total Accumulated Surplus	\$ 72,795,067	\$ 3,818,654	\$ 1,410,287	\$ 75,203,434

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

- (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.
- (2) **School generated funds** are monies raised by the school, or under the auspices of the school, through curricular and extra-curricular fees for the sole use of the school. The principal of each school, subject to the rules of the School Board, may raise, hold, administer and expend these funds for the purposes of the school. Only revenue and expenses of school generated funds controlled by the division are included in the statement of financial activities and fund balances. To be deemed as controlled, the school division must have the unilateral authority to make decisions as to when, how and on what the funds are to be spent. Year-end cash balances of all school generated funds are included in the Statement of Financial Position.
- (3) **Pre-K** funding received within the year to be restricted for future pre-k projects.
- (4) **First Nation & Metis Program** funding received within the year to be restricted for 16/17 First Nation & Metis Programming.

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15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 11, 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.

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.

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

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

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

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	2016	2015
Revenues:		
Ministry of Education	\$ 32,982,671	\$ 28,998,977
Ministry of Economy	197,712	196,093
SGI	149,702	141,947
Prairie North Reg Health	70,000	85,000
Councils of Ministers of Ed	21,510	16,483
	\$ 33,421,595	\$ 29,438,500
Expenses:		
Sask Power	\$ 810,941	\$ 768,680
Sask Tel	313,448	187,847
Sask Energy	357,319	391,448
North West Regional College	80,201	85,380
Sask Workers Compensation Board	83,538	132,600
Saskatchewan Ministry of Government	75	-
Turtleford Agencies	141,370	145,364
Ministry of Finance	-	74,979
Multiworks Corporation	27,078	20,507
Sun West School Division	39,500	22,750
Good Spirit School Division	3,611	3,692
Greater Saskatoon Catholic School Division	1,500	-
Lloydminster Public School Division	131	281
Lloydminster RCSSD #89	1,200	960
SGI	225	33,816
Saskatoon Public School Division	1,440	2,000
Living Sky School Division #202	1,950	250
Prairie South School Division #210	6,250	-
Prairie Valley School Division	45	-
Prince Albert Catholic School Division	250	-
Saskatchewan Polytechnic	-	669
St. Paul's R.C.S.S.D. #20	-	1,000
STC Lines	2,150	1,523
Other	-	200
	\$ 1,872,222	\$ 1,873,945
Accounts Receivable:		
Ministry of Education	\$ 1,077,199	\$ 2,328,639
SGI	750	-
Chinook School Division	-	746
	\$ 1,077,949	\$ 2,329,385
Accounts Payable and Accrued Liabilities:		
Sask Tel	\$ 1,406	\$ -
Ministry of Economy	13,651	-
Ministry of Finance	3,831	-
	\$ 18,888	\$ -

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17. CONTINGENT LIABILITIES

Under a capital agreement with Flying Dust First Nation dated July 1, 2000 the school division may be liable for an estimated amount of \$844,348. 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.

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Gymnasium Rental	Computer Lease	Total Operating
Future minimum lease payments:			
2017	\$ 15,877	\$ 543,212	\$ 559,089
2018	15,877	543,212	559,089
2019	15,877	-	15,877
2020	15,877	-	15,877
2021	15,877	-	15,877
Thereafter	15,877	-	15,877
Total Lease Obligations	\$ 95,262	\$ 1,086,424	\$ 1,181,686

19. COMPARATIVE INFORMATION

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

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).

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

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include the analysis of the financial position of its customers and the regular review of their credit limits in order to reduce its credit risk, as well as close monitoring of overdue accounts.

The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of grants and other accounts receivable as at August 31, 2016 was:

	August 31, 2016					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 1,077,199	\$ 1,077,199	\$ -	\$ -	\$ -	\$ -
First Nation Tuition Receivables	996,935	-	-	-	-	996,935
Other Receivables	171,517	159,199	8,998	3,000	-	320
Gross Receivables	\$ 2,245,651	\$ 1,236,398	\$ 8,998	\$ 3,000	-	\$ 997,255

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, budget practices, monitoring, and forecasting.

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	\$ 1,141,590	\$ -	\$ -	\$ -
Long-term debt	-	370,173	634,269	1,646,889
Total	\$ 1,141,590	\$ 370,173	\$ 634,269	\$ 1,646,889

iii) Market Risk

The school division is exposed to market risks with respect to interest rates, as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents, portfolio investments.

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The school division also has an authorized bank line of credit of \$12,000,000 with interest payable monthly at a rate of prime less 0.75 % per annum. 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 (2015 – no balance outstanding).

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt

