

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying consolidated financial statements of Prairie Spirit School Division No. 206, which comprise the consolidated statement of financial position as at August 31, 2014 and the consolidated statements of operations and accumulated surplus from operations, remeasurement losses, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Prairie Spirit School Division No.206 as at August 31, 2014, and the results of its operations, its remeasurement losses, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Other Matter*

The financial statements of Prairie Spirit School Division No.206 for the year ended August 31, 2013 were audited by another auditor who expressed unmodified opinion on those financial statements on November 25, 2013.

A handwritten signature in black ink that reads "Deloitte LLP". The script is cursive and fluid, with the "D" being particularly large and stylized.

Chartered Professional Accountants  
Saskatoon, Saskatchewan  
December 3, 2014

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Financial Position**  
**as at August 31, 2014**

	2014	2013
<b>Financial Assets</b>		
Cash and Cash Equivalents	8,954,247	12,587,250
Accounts Receivable (Note 8)	21,065,426	21,346,213
Portfolio Investments (Note 4)	9,899	10,809
<b>Total Financial Assets</b>	<b>30,029,572</b>	<b>33,944,272</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	7,419,323	2,495,242
Long Term Debt and Associated Derivatives (Note 10)	21,650,891	23,980,510
Liability for Employee Future Benefits (Note 6)	927,900	822,800
Deferred Revenue (Note 11)	1,210,178	2,167,841
<b>Total Liabilities</b>	<b>31,208,292</b>	<b>29,466,393</b>
<b>(Net Debt) Net Financial Assets</b>	<b>(1,178,720)</b>	<b>4,477,879</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	129,949,650	118,460,944
Inventory of Supplies for Consumption	708,485	428,795
Prepaid Expenses	452,244	394,725
<b>Total Non-Financial Assets</b>	<b>131,110,379</b>	<b>119,284,464</b>
<b>Accumulated Surplus (Note 14)</b>	<b>129,931,659</b>	<b>123,762,343</b>
<b>Accumulated Surplus is comprised of:</b>		
Accumulated surplus from operations	130,568,214	123,762,343
Accumulated remeasurement losses	(636,555)	-
<b>Total Accumulated Surplus (Note 14)</b>	<b>129,931,659</b>	<b>123,762,343</b>

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:



Chairperson



Chief Financial Officer

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>REVENUES</b>	(Note 15)		
Property Taxation	32,895,146	33,512,996	34,424,660
Grants	68,042,373	78,305,128	81,387,520
Tuition and Related Fees	2,765,311	2,914,967	2,780,456
School Generated Funds	1,759,692	3,093,043	2,685,986
Complementary Services (Note 12)	761,970	1,267,927	1,001,341
External Services (Note 13)	-	2,280	83,307
Other	96,370	218,780	657,590
<b>Total Revenues (Schedule A)</b>	<b>106,320,862</b>	<b>119,315,121</b>	<b>123,020,860</b>
<b>EXPENSES</b>			
Governance	534,000	505,757	535,122
Administration (Note 19)	3,928,941	3,606,421	3,410,015
Instruction (Note 19)	77,584,549	78,194,356	77,038,523
Plant	12,803,087	16,538,939	12,703,394
Transportation	8,219,370	8,695,020	8,214,467
Tuition and Related Fees	613,618	640,651	511,644
School Generated Funds	1,759,692	2,656,447	2,681,436
Complementary Services (Note 12)	707,258	651,588	873,951
External Services (Note 13)	-	-	123,223
Other Expenses	1,128,898	1,020,071	639,802
<b>Total Expenses (Schedule B)</b>	<b>107,279,413</b>	<b>112,509,250</b>	<b>106,731,577</b>
<b>Operating Surplus (Deficit) for the Year</b>	<b>(958,551)</b>	<b>6,805,871</b>	<b>16,289,283</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>123,762,343</b>	<b>123,762,343</b>	<b>107,473,060</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>122,803,792</b>	<b>130,568,214</b>	<b>123,762,343</b>

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

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Remeasurement Losses**  
**as at August 31, 2014**

	2014	2013
<b>Accumulated Remeasurement Losses, Beginning of Year</b>	-	-
Unrealized losses attributable to:		
Derivatives (Note 10)	(636,555)	-
<b>Accumulated Remeasurement Losses, End of Year</b>	<b>(636,555)</b>	<b>-</b>

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

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Changes in Net Debt**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
	(Note 15)		
<b>Net Financial Assets, Beginning of Year</b>	<b>4,477,879</b>	<b>4,477,879</b>	<b>3,884,773</b>
<b>Changes During the Year:</b>			
Operating Surplus (Deficit) for the Year	(958,551)	6,805,871	16,289,283
Acquisition of Tangible Capital Assets (Schedule C)	(1,424,034)	(18,159,164)	(21,318,661)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	18,010	10,300
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(2,669)	3,412
Amortization of Tangible Capital Assets (Schedule C)	4,768,800	6,655,117	5,558,840
Net (Acquisition) of Inventory of Supplies	-	(279,690)	60,914
Net Change in Other Non-Financial Assets	-	(57,519)	(10,982)
	<b>2,386,215</b>	<b>(5,020,044)</b>	<b>593,106</b>
Net Remeasurement Losses	-	(636,555)	-
<b>Change in Net Financial Assets</b>	<b>2,386,215</b>	<b>(5,656,599)</b>	<b>593,106</b>
<b>(Net Debt) Net Financial Assets, End of Year</b>	<b>6,864,094</b>	<b>(1,178,720)</b>	<b>4,477,879</b>

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

**Prairie Spirit School Division No. 206**  
**Consolidated Statement of Cash Flows**  
**for the year ended August 31, 2014**

	<b>2014</b>	<b>2013</b>
<b>OPERATING ACTIVITIES</b>		
Operating Surplus for the Year	6,805,871	16,289,283
Add Non-Cash Items Included in Surplus (Schedule D)	6,652,448	5,562,252
Net Change in Non-Cash Operating Activities (Schedule E)	1,506,259	(8,765,598)
<b>Cash Provided by Operating Activities</b>	<b>14,964,578</b>	<b>13,085,937</b>
<b>CAPITAL ACTIVITIES</b>		
Cash (Used) to Acquire Tangible Capital Assets	(15,650,327)	(21,318,661)
Proceeds on Disposal of Tangible Capital Assets	18,010	10,300
<b>Cash (Used) by Capital Activities</b>	<b>(15,632,317)</b>	<b>(21,308,361)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on Disposal of Portfolio Investments	910	804
<b>Cash Provided by Investing Activities</b>	<b>910</b>	<b>804</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long Term Debt	-	19,420,113
Repayment of Long Term Debt	(2,966,174)	(2,823,186)
<b>Cash (Used) Provided by Financing Activities</b>	<b>(2,966,174)</b>	<b>16,596,927</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,633,003)</b>	<b>8,375,307</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>12,587,250</b>	<b>4,211,943</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>8,954,247</b>	<b>12,587,250</b>

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

**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	32,437,249	32,055,012	35,124,594
<b>Total Property Tax Revenue</b>	<b>32,437,249</b>	<b>32,055,012</b>	<b>35,124,594</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	174,703	154,547	158,624
Provincial Government	60,671	127,924	33,539
Other	44,568	(24,884)	38,259
<b>Total Grants in Lieu of Taxes</b>	<b>279,942</b>	<b>257,587</b>	<b>230,422</b>
<b>Other Tax Revenues:</b>			
House Trailer Fees	77,375	70,407	86,186
<b>Total Other Tax Revenues</b>	<b>77,375</b>	<b>70,407</b>	<b>86,186</b>
<b>Additions to Levy:</b>			
Penalties	258,580	293,533	261,777
Other	-	307,134	-
<b>Total Additions to Levy</b>	<b>258,580</b>	<b>600,667</b>	<b>261,777</b>
<b>Deletions from Levy:</b>			
Discounts	-	-	(1,490,078)
Cancellations	(158,000)	558,141	117,556
Other Deletions	-	(28,818)	94,203
<b>Total Deletions from Levy</b>	<b>(158,000)</b>	<b>529,323</b>	<b>(1,278,319)</b>
<b>Total Property Taxation Revenue</b>	<b>32,895,146</b>	<b>33,512,996</b>	<b>34,424,660</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
Operating Grant	66,649,004	67,199,751	64,754,718
Other Ministry Grants	-	31,152	21,840
<b>Total Ministry Grants</b>	<b>66,649,004</b>	<b>67,230,903</b>	<b>64,776,558</b>
Grants from Others	505,000	-	330,560
<b>Total Operating Grants</b>	<b>67,154,004</b>	<b>67,230,903</b>	<b>65,107,118</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	888,369	10,918,093	16,280,402
Other Provincial Capital Grants	-	156,132	-
<b>Total Capital Grants</b>	<b>888,369</b>	<b>11,074,225</b>	<b>16,280,402</b>
<b>Total Grants</b>	<b>68,042,373</b>	<b>78,305,128</b>	<b>81,387,520</b>



**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
Federal Government and First Nations	2,765,311	2,910,372	2,742,572
Individuals and Other	-	4,595	37,884
<b>Total Tuition Fees</b>	<b>2,765,311</b>	<b>2,914,967</b>	<b>2,780,456</b>
<b>Total Operating Tuition and Related Fees</b>	<b>2,765,311</b>	<b>2,914,967</b>	<b>2,780,456</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>2,765,311</b>	<b>2,914,967</b>	<b>2,780,456</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular:</b>			
Student Fees	156,762	179,630	131,234
<b>Total Curricular Fees</b>	<b>156,762</b>	<b>179,630</b>	<b>131,234</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - GST	144,130	173,017	120,123
Commercial Sales - Non-GST	286,000	246,313	221,457
Fundraising	573,000	900,921	796,499
Grants and Partnerships	181,866	296,172	127,182
Students Fees	417,934	1,296,990	1,289,491
<b>Total Non-Curricular Fees</b>	<b>1,602,930</b>	<b>2,913,413</b>	<b>2,554,752</b>
<b>Total School Generated Funds Revenue</b>	<b>1,759,692</b>	<b>3,093,043</b>	<b>2,685,986</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	761,970	788,217	759,252
Other Provincial Grants	-	71,364	73,183
Other Grants	-	32,004	32,004
<b>Total Operating Grants</b>	<b>761,970</b>	<b>891,585</b>	<b>864,439</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	-	376,342	136,902
<b>Total Capital Grants</b>	<b>-</b>	<b>376,342</b>	<b>136,902</b>
<b>Total Complementary Services Revenue</b>	<b>761,970</b>	<b>1,267,927</b>	<b>1,001,341</b>

**Prairie Spirit School Division No. 206**  
**Schedule A: Consolidated Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>External Services</b>			
<b>Fees and Other Revenue</b>			
Other Revenue	-	2,280	83,307
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>2,280</b>	<b>83,307</b>
<b>Total External Services Revenue</b>	<b>-</b>	<b>2,280</b>	<b>83,307</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	-	479	514,054
Sales & Rentals	-	43,440	16,339
Investments	96,370	172,192	127,197
Gain on Disposal of Capital Assets	-	2,669	-
<b>Total Other Revenue</b>	<b>96,370</b>	<b>218,780</b>	<b>657,590</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>106,320,862</b>	<b>119,315,121</b>	<b>123,020,860</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Governance Expense</b>			
Board Members Expense	230,000	212,278	196,721
Professional Development- Board Members	51,000	53,316	58,393
Advisory Committees	72,000	68,325	80,676
Elections	5,000	-	27,499
Other Governance Expenses	176,000	171,838	171,833
<b>Total Governance Expense</b>	<b>534,000</b>	<b>505,757</b>	<b>535,122</b>
<b>Administration Expense</b>			
Salaries	2,760,773	2,736,915	2,716,554
Benefits	356,369	308,825	199,484
Supplies & Services	208,155	124,120	83,382
Non-Capital Furniture & Equipment	40,502	26,370	22,936
Building Operating Expenses	100,598	95,476	95,832
Communications	116,080	84,830	92,386
Travel	55,952	18,861	1,946
Professional Development	68,050	64,653	40,181
Amortization of Tangible Capital Assets	222,462	146,371	157,314
<b>Total Administration Expense</b>	<b>3,928,941</b>	<b>3,606,421</b>	<b>3,410,015</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	53,163,245	54,444,241	53,427,800
Instructional (Teacher Contract) Benefits	2,857,672	3,159,789	3,368,587
Program Support (Non-Teacher Contract) Salaries	11,666,812	11,941,690	11,438,017
Program Support (Non-Teacher Contract) Benefits	2,637,122	2,214,284	2,188,547
Instructional Aids	2,900,327	2,064,619	2,326,031
Supplies & Services	725,129	743,277	877,524
Non-Capital Furniture & Equipment	583,405	683,206	485,581
Communications	271,093	139,145	216,532
Travel	553,300	520,470	566,342
Professional Development	491,645	392,359	472,318
Student Related Expense	340,059	321,417	331,263
Amortization of Tangible Capital Assets	1,394,740	1,569,859	1,339,981
<b>Total Instruction Expense</b>	<b>77,584,549</b>	<b>78,194,356</b>	<b>77,038,523</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	4,207,201	4,069,970	3,445,170
Benefits	871,519	787,772	701,951
Supplies & Services	8,500	4,202	7,683
Non-Capital Furniture & Equipment	88,933	47,743	14,154
Building Operating Expenses	5,338,608	7,773,955	5,481,641
Communications	18,000	10,428	8,657
Travel	70,000	52,806	37,724
Professional Development	20,291	10,197	10,939
Amortization of Tangible Capital Assets	2,180,035	3,781,866	2,995,475
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>12,803,087</b>	<b>16,538,939</b>	<b>12,703,394</b>
<b>Student Transportation Expense</b>			
Salaries	3,227,746	3,271,477	3,077,587
Benefits	677,258	626,233	576,373
Supplies & Services	1,826,639	1,797,288	1,674,157
Non-Capital Furniture & Equipment	849,679	1,230,303	1,242,819
Building Operating Expenses	28,000	22,702	21,819
Communications	44,000	40,575	25,864
Travel	32,000	51,391	52,836
Professional Development	16,200	9,720	8,406
Contracted Transportation	559,155	493,186	477,529
Amortization of Tangible Capital Assets	958,693	1,152,145	1,057,077
<b>Total Student Transportation Expense</b>	<b>8,219,370</b>	<b>8,695,020</b>	<b>8,214,467</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	585,118	609,451	490,694
Other Fees	28,500	31,200	20,950
<b>Total Tuition and Related Fees Expense</b>	<b>613,618</b>	<b>640,651</b>	<b>511,644</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	196,502	160,887	199,343
Cost of Sales	297,830	405,749	353,630
Non-Capital Furniture & Equipment	104,540	63,886	52,363
School Fund Expenses	1,160,820	2,025,925	2,076,100
<b>Total School Generated Funds Expense</b>	<b>1,759,692</b>	<b>2,656,447</b>	<b>2,681,436</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	472,962	437,124	538,834
Program Support (Non-Teacher Contract) Salaries & Benefits	144,301	146,545	100,903
Instructional Aids	60,125	59,009	33,508
Building Operating Expenses	-	4,034	149,532
Student Related Expenses	-	-	33,460
Contracted Transportation & Allowances	17,000	-	8,721
Amortization of Tangible Capital Assets	12,870	4,876	8,993
<b>Total Complementary Services Expense</b>	<b>707,258</b>	<b>651,588</b>	<b>873,951</b>
<b>External Service Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	-	-	83,307
Instructional Aids	-	-	38,000
Building Operating Expenses	-	-	1,916
<b>Total External Services Expense</b>	<b>-</b>	<b>-</b>	<b>123,223</b>

**Prairie Spirit School Division No. 206**  
**Schedule B: Consolidated Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	80,199	37,116	28,363
Interest on Other Capital Loans and Long Term Debt			
School Facilities	699,366	53,454	106,740
Other	349,333	914,160	404,347
Total Interest and Bank Charges	<b>1,128,898</b>	<b>1,004,730</b>	<b>539,450</b>
Loss on Disposal of Tangible Capital Assets	-	-	3,412
Write-Down of Tangible Capital Assets	-	15,341	-
Provision for Uncollectable Taxes	-	-	96,940
<b>Total Other Expense</b>	<b>1,128,898</b>	<b>1,020,071</b>	<b>639,802</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>107,279,413</b>	<b>112,509,250</b>	<b>106,731,577</b>

**Prairie Spirit School Division No. 206**

**Schedule C - Consolidated Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2014**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and	Computer	Assets Under		
	Land	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	Software	Construction	2014	2013
<b><i>Tangible Capital Assets - at Cost:</i></b>												
Opening Balance as of September 1	5,979,163	4,081,077	120,148,709	10,094,147	15,149,122	646,345	12,730,827	9,182,001	228,450	26,056,435	<b>204,296,275</b>	<b>183,059,876</b>
Additions/Purchases	-	37,115	-	-	1,916,262	243,221	1,387,004	804,284	269,608	13,501,670	<b>18,159,164</b>	<b>21,318,661</b>
Disposals	-	-	-	-	(489,621)	-	-	-	-	-	<b>(489,621)</b>	<b>(82,262)</b>
Transfers to (from)	-	-	30,761,164	1,876,699	-	-	-	-	-	(32,637,863)	-	-
<b>Closing Balance as of August 31</b>	<b>5,979,163</b>	<b>4,118,192</b>	<b>150,909,873</b>	<b>11,970,846</b>	<b>16,575,762</b>	<b>889,565</b>	<b>14,117,832</b>	<b>9,986,284</b>	<b>498,057</b>	<b>6,920,243</b>	<b>221,965,818</b>	<b>204,296,275</b>
<b><i>Tangible Capital Assets - Amortization:</i></b>												
Opening Balance as of September 1	-	2,952,890	51,685,742	2,254,213	11,129,302	501,202	10,177,858	7,015,412	118,712	-	<b>85,835,331</b>	<b>80,345,041</b>
Amortization of the Period	-	111,136	3,006,159	577,947	1,150,966	83,525	616,501	1,009,271	99,612	-	<b>6,655,117</b>	<b>5,558,840</b>
Disposals	-	-	-	-	(474,280)	-	-	-	-	-	<b>(474,280)</b>	<b>(68,550)</b>
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>3,064,026</b>	<b>54,691,901</b>	<b>2,832,160</b>	<b>11,805,988</b>	<b>584,727</b>	<b>10,794,359</b>	<b>8,024,683</b>	<b>218,324</b>	<b>N/A</b>	<b>92,016,167.82</b>	<b>85,835,331</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	5,979,163	1,128,187	68,462,967	7,839,934	4,019,820	145,143	2,552,969	2,166,589	109,737	26,056,435	<b>118,460,944</b>	<b>102,714,835</b>
Closing Balance as of August 31	5,979,163	1,054,166	96,217,972	9,138,686	4,769,774	304,838	3,323,473	1,961,601	279,733	6,920,243	<b>129,949,650</b>	<b>118,460,944</b>
<b>Change in Net Book Value</b>	<b>-</b>	<b>(74,021)</b>	<b>27,755,005</b>	<b>1,298,752</b>	<b>749,954</b>	<b>159,695</b>	<b>770,504</b>	<b>(204,988)</b>	<b>169,996</b>	<b>(19,136,192)</b>	<b>11,488,706</b>	<b>15,746,109</b>
<b>Disposals:</b>												
Historical Cost	-	-	-	-	489,621	-	-	-	-	-	<b>489,621</b>	<b>82,262</b>
Accumulated Amortization	-	-	-	-	474,280	-	-	-	-	-	<b>474,280</b>	<b>68,550</b>
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,341</b>	<b>13,712</b>
Price of Sale	-	-	-	-	18,010	-	-	-	-	-	<b>18,010</b>	<b>10,300</b>
<b>Gain/loss on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,669</b>	<b>(3,412)</b>

**Prairie Spirit School Division No. 206**  
**Schedule D: Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2014**

	2014	2013
<b>Non-Cash Items Included in Surplus:</b>		
Amortization of Tangible Capital Assets (Schedule C)	6,655,117	5,558,840
(Gain) Net Loss on Disposal of Tangible Capital Assets	(2,669)	3,412
<b>Total Non-Cash Items Included in Surplus</b>	<b>6,652,448</b>	<b>5,562,252</b>

**Prairie Spirit School Division No. 206**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2014**

	2014	2013
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	280,787	(574,749)
(Decrease) in Provincial Grant Overpayment	-	(1,631,132)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	2,415,244	(1,428,875)
Increase in Liability for Employee Future Benefits	105,100	47,300
(Decrease) in Deferred Revenue	(957,663)	(5,228,074)
(Increase) Decrease in Inventory of Supplies for Consumption	(279,690)	60,914
(Increase) in Prepaid Expenses	(57,519)	(10,982)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>1,506,259</b>	<b>(8,765,598)</b>



**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**1. AUTHORITY AND PURPOSE**

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Prairie Spirit School Division No. 206” and operates as “the Prairie Spirit School Division No. 206”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

Significant aspects of the accounting policies adopted by the school division are as follows:

**a) Adoption of New Public Sector Accounting (PSA) Standards**

In 2014, the school division adopted the new PSA standard PS3260 Liability for Contaminated Sites.

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 18 Accounting Changes.

**b) Reporting Entity and Consolidation**

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

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

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Controlled entities:***

Prairie Spirit Schools Foundation (the "Foundation") is incorporated under the *Saskatchewan Non-Profit Corporations Act, 1995* and was established during the year to carry on activities which are for the charitable purpose of the advancement of education and enhancement of the quality of education offered by the School Division. The Foundation has applied for a registered charity status.

**c) Basis of Accounting**

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

**d) Measurement Uncertainty and the Use of Estimates**

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

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

- the liability for employee future benefits of \$927,900 (2013 - \$822,800) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$33,512,996 (2013 - \$ 34,424,660) because final tax assessments may differ from initial estimates,
- taxes receivable of \$14,925,873 (2013 - \$16,604,441) because actual collectability may differ from initial estimates.
- The accrual for retroactive teachers' salaries related to the 2014 year of \$846,789 (2013 - \$Nil) because the actual amount in the final negotiated contract may differ from initial estimates.
- Useful lives of tangible capital assets and related amortization of \$6,655,117 (2013 - \$5,558,840) because these assets may become obsolete prior to the end of their estimated useful 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 a material changes in the amounts recognized or disclosed.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the consolidated financial statements.

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

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost. All of the financial instruments of the School Division are measured at cost or amortized cost except derivatives which are measured at fair value.

**i) Fair Value**

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

Fair value is determined by:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs other than quoted prices that are observable for the asset or liability either directly, (i.e. as prices) or indirectly (i.e. derived from prices)

The School Division's derivatives are considered Level 2 measurement.

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

**ii) Cost or Amortized Cost**

All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for 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 revenue or expense. Impairment losses such as write-downs or write-offs are reported in the consolidated statement of operations and accumulated surplus from operations.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement losses until they are realized, at which time they are transferred to the consolidated statement of operations and accumulated surplus from operations.

**f) Financial Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

**Cash and Cash Equivalents** consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

**Accounts Receivable** includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g) Non-Financial Assets**

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the school division unless they are sold.

**Tangible Capital Assets** have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land, land improvements, buildings, buildings – short term, school buses, other vehicles, furniture and equipment, computer hardware and 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.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

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,

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Saskatchewan School Boards Association fees and Workers' Compensation Board premiums.

**h) Liabilities**

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

**Accounts Payable and Accrued Liabilities** include accounts payable and accrued liabilities owing to third parties and employees for work performed, goods supplied and services rendered, but not yet paid, at the end of the fiscal period.

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

Long-term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the school division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

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

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

**i) Employee Pension Plans**

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Multi-Employer Defined Benefit Plans**

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

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

**j) Revenue Recognition**

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

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

**i) Government Transfers (Grants):**

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the consolidated 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 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**iii) Fees and Services**

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

**iv) Interest Income**

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

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

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

**3. SHORT-TERM BORROWINGS**

**Bank indebtedness** consists of a demand operating line of credit with a maximum borrowing limit of \$22,000,000 that bears interest at Royal Bank prime rate minus 1% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by operating grants and tax levy. The Minister of Education approved a line of credit of \$21,000,000 on February 10, 2011. The balance drawn on the line of credit at August 31, 2014 was \$NIL (August 31, 2013 \$NIL).

**4. PORTFOLIO INVESTMENTS**

Portfolio investments comprised of the following:

	2014	2013
<b>Portfolio investments in the cost and amortized cost category:</b>	<u><b>Cost</b></u>	<u><b>Cost</b></u>
GICs	\$ 9,899	\$ 10,809
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>\$ 9,899</b>	<b>\$ 10,809</b>



**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

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

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ -	\$ 505,757	\$ -	\$ -	\$ 534,000	\$ 505,757	\$ 535,122
Administration	3,045,740	414,310	-	146,371	3,928,941	3,606,421	3,410,015
Instruction	71,760,004	4,864,493	-	1,569,859	77,584,549	78,194,356	77,038,523
Plant	4,857,742	7,899,331	-	3,781,866	12,803,087	16,538,939	12,703,394
Transportation	3,897,710	3,645,165	-	1,152,145	8,219,370	8,695,020	8,214,467
Tuition and Related Fees	-	640,651	-	-	613,618	640,651	511,644
School Generated Funds	-	2,656,447	-	-	1,759,692	2,656,447	2,681,436
Complementary Services	583,670	63,042	-	4,876	707,258	651,588	873,951
External Services	-	-	-	-	-	-	123,223
Other	-	15,341	1,004,730	-	1,128,898	1,020,071	639,802
<b>TOTAL</b>	<b>\$ 84,144,865</b>	<b>\$ 20,704,538</b>	<b>\$ 1,004,730</b>	<b>\$ 6,655,117</b>	<b>\$ 107,279,413</b>	<b>\$ 112,509,250</b>	<b>\$ 106,731,577</b>

**6. EMPLOYEE FUTURE BENEFITS**

The school division provides certain post-employment and compensated absence benefits to its employees. These benefits include accumulating non-vested sick leave, and vacation banks. Significant assumptions include salary escalations, inflation and expected remaining service life. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the consolidated statement of financial position. Morneau Shepell, a firm of consulting actuaries, performed an actuarial valuation as at August 31, 2012 and extrapolated it to August 31, 2013 and August 31, 2014.

Details of the employee future benefits are as follows:

	<b>2014</b>	<b>2013</b>
	<b>Aug/31/2014</b>	<b>Aug/31/2013</b>
Actuarial extrapolation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	2.80%	3.50%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	14	14

The actual salary escalation rate used includes a merit and promotion percentage which varies depending on years of service of each employee.

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**6. EMPLOYEE FUTURE BENEFITS (continued)**

<b>Liability for Employee Future Benefits</b>	<b>2014</b>	<b>2013</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 979,600</b>	<b>\$ 1,047,300</b>
Current period benefit cost	93,700	103,000
Interest cost	36,900	29,600
Benefit payments	(38,400)	(105,000)
Actuarial gains / losses	88,800	(95,300)
<b>Accrued Benefit Obligation - end of year</b>	<b>1,160,600</b>	<b>979,600</b>
<b>Unamortized Net Actuarial Gains / Losses</b>	<b>(232,700)</b>	<b>(156,800)</b>
<b>Liability for Employee Future Benefits</b>	<b>\$ 927,900</b>	<b>\$ 822,800</b>

<b>Employee Future Benefits Expense</b>	<b>2014</b>	<b>2013</b>
Current period benefit cost	\$ 93,700	\$ 103,000
Amortization of net actuarial gain / loss	12,900	19,700
<b>Benefit cost</b>	<b>106,600</b>	<b>122,700</b>
<b>Interest cost on unfunded employee future benefits obligation</b>	<b>36,900</b>	<b>29,600</b>
<b>Total Employee Future Benefits Expense</b>	<b>\$ 143,500</b>	<b>\$ 152,300</b>

**7. PENSION PLANS**

**Multi-Employer Defined Benefit Plans**

Information on the multi-employer pension plans to which the school division contributes is as follows:

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

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

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**7. PENSION PLANS (continued)**

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

	<b>2014</b>			<b>2013</b>
	<b>STRP</b>	<b>STSP</b>	<b>TOTAL</b>	<b>TOTAL</b>
Number of active school division members	981	35	1,016	1,050
Member contribution rate (percentage of salary)	7.8% /10 %	6.05%/7.85%	6.05%/10%	6.05%/10%
Member contributions for the year	\$4,461,772	\$ 142,992	\$4,604,764	\$4,569,797

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
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**7. PENSION PLANS (continued)**

Details of the MEPP are as follows:

	<b>2014</b>	<b>2013</b>
Number of active school division members	801	798
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	\$ 1,629,858	\$ 1,481,844
School division contributions for the year	\$ 1,629,858	\$ 1,481,844
<b>Actuarial valuation date</b>	<b>Aug/31/2013</b>	<b>Aug/31/2012</b>
		<b>(restated)</b>
Plan assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan surplus (in thousands)	\$ 186,314	\$ 140,648

**8. ACCOUNTS RECEIVABLE**

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

	<b>2014</b>		<b>2013</b>		
	Total Receivable	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 14,925,873	\$ 14,925,873	\$ 16,604,441	\$ 307,134	\$ 16,297,307
Provincial Grants Receivable	3,913,678	3,913,678	3,371,527	-	3,371,527
Other Receivables	2,225,875	2,225,875	1,677,379	-	1,677,379
<b>Total Accounts Receivable</b>	<b>\$ 21,065,426</b>	<b>\$ 21,065,426</b>	<b>\$ 21,653,347</b>	<b>\$ 307,134</b>	<b>\$ 21,346,213</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of account payable and accrued liabilities are as follows:

	<b>2014</b>	<b>2013</b>
Accrued salaries and benefits	\$ 2,384,552	\$ 1,578,551
Supplier Payments	1,979,637	594,444
Other accrued liabilities	3,055,134	322,247
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 7,419,323</b>	<b>\$ 2,495,242</b>

**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
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**10. LONG TERM DEBT AND ASSOCIATED DERIVATIVES**

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

	<b>2014</b>	<b>2013</b>
<b>Capital Loans</b>		
Dalmeny loan payable to RBC, monthly P&I bearing interest at 5.25%, expiring Jan 1/14	\$ -	\$ 43,059
Energy loan payable to RBC, monthly P&I bearing interest at 6.55% expiring Oct/16	412,664	597,066
Warman High loan payable to RBC, monthly P&I bearing interest at 4.77%, expiring Nov 10/15	651,000	1,148,000
Division office loan payable to RBC, monthly P&I bearing interest at 4.78%, expiring Mar 7/18	1,226,000	1,525,000
Block Projects loan payable to RBC, monthly P&I bearing interest at 1.95%, expiring May 9/18	1,118,000	1,400,000
Stobart loan payable to RBC, monthly P&I bearing interest at 2.97%, expiring May 9/33	6,960,000	7,221,000
Warman Middle loan payable to RBC, monthly P&I interest at 2.97%, expiring May 9/33	9,643,000	10,005,000
	<u>20,010,664</u>	<u>21,939,125</u>
<b>Derivatives consist of long-term financial instruments created by:</b>		
Interest rate swap agreement - 4.22%, terminates November 10, 2015	11,840	-
Interest rate swap agreement - 2.97%, terminates May 9, 2033	321,666	-
Interest rate swap agreement - 1.95%, terminates May 9, 2018	9,441	-
Interest rate swap agreement - 2.97%, terminates May 9, 2033	232,174	-
Interest rate swap agreement - 4.33%, terminates April 7, 2018	61,434	-
	<u>636,555</u>	<u>-</u>
	<b>\$ 20,647,219</b>	<b>\$ 21,939,125</b>
<b>Capital Leases</b>		
Honeywell Lease, monthly P&I payable to RBC with interest at 4.205%, expiring Sept. 15/16	\$ 204,973	\$ 246,226
Bus Lease, monthly P&I payable to RBC with interest at 5.23% expiring Oct 1/13	-	34,844
Bus Lease, monthly P&I payable to RBC with interest at 5.9%, expiring Dec 3/13	-	3,478
Bus Lease, monthly P&I payable to RBC with interest at 3.1%, expiring Jan 10/15	19,260	59,750
Bus Lease, monthly P&I payable to RBC with interest at 4.99%, expiring Apr 22/15	29,981	71,650
Bus Lease, monthly P&I payable to RBC with interest at 5.76%, expiring Sept 13/14	-	195,608
Bus Lease, monthly P&I payable to RBC with interest at 5.326%, expiring July 8/14	-	15,352
Bus Lease, monthly P&I payable to RBC with interest at 5.196%, expiring Aug 14/14	-	178,126
Bus Lease, monthly P&I payable to RBC with interest at 6.12%, expiring Aug 3/14	-	174,017
Bus Lease, monthly P&I payable to RBC with interest at 5.465%, expiring Aug 23/14	-	11,580
Bus Lease, monthly P&I payable to RBC with interest at 5.71%, expiring July 15/15	111,375	234,463
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Sept 2/16	164,363	241,177
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/20	329,350	386,477
Bus Lease, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/18	144,370	188,637
	<u>1,003,672</u>	<u>2,041,385</u>
<b>Total Long Term Debt and Associated Derivatives</b>	<b>\$ 21,650,891</b>	<b>\$ 23,980,510</b>

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**10. LONG TERM DEBT AND ASSOCIATED DERIVATIVES (continued)**

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

	<b>Capital Loans</b>	<b>Capital Leases</b>	<b>Total</b>
2015	\$ 1,952,000	\$ 403,389	\$ 2,355,389
2016	1,623,000	248,036	1,871,036
2017	1,358,664	166,923	1,525,587
2018	1,184,000	101,174	1,285,174
2019	736,000	64,150	800,150
Thereafter	13,157,000	20,000	13,177,000
<b>Total</b>	<b>\$ 20,010,664</b>	<b>\$ 1,003,672</b>	<b>\$ 21,014,336</b>

Principal and interest payments on the long term debt for 2014 are as follows:

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

	<b>Capital Loans</b>	<b>Capital Leases</b>	<b>2014</b>	<b>2013</b>
Principal	\$ 1,928,461	\$ 1,037,713	\$ 2,966,174	\$ 2,823,186
Interest	732,790	327,076	1,059,866	511,087
<b>Total</b>	<b>\$ 2,661,251</b>	<b>\$ 1,364,789</b>	<b>\$ 4,026,040</b>	<b>\$ 3,334,273</b>

**11. DEFERRED REVENUE**

Details of deferred revenues are as follows:

	<b>Balance as at Aug. 31, 2013</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at Aug. 31, 2014</b>
<b>Capital projects:</b>				
Federal capital tuition	\$ 174,173	\$ 22,020	\$ -	\$ 196,193
<b>Total capital projects deferred revenue</b>	<b>174,173</b>	<b>22,020</b>	<b>-</b>	<b>196,193</b>
<b>Other deferred revenue:</b>				
Property taxes	1,993,668	1,013,985	1,993,668	1,013,985
<b>Total other deferred revenue</b>	<b>1,993,668</b>	<b>1,013,985</b>	<b>1,993,668</b>	<b>1,013,985</b>
<b>Total Deferred Revenue</b>	<b>\$ 2,167,841</b>	<b>\$ 1,036,005</b>	<b>\$ 1,993,668</b>	<b>\$ 1,210,178</b>

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**12. COMPLEMENTARY SERVICES**

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

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2014 and 2013:

<b>Summary of Complementary Services Revenues and Expenses, by Program</b>	<b>Pre-K Programs</b>	<b>Other Programs</b>	<b>2014</b>	<b>2013</b>
<b>Revenue:</b>				
Operating grants	\$ 788,217	\$ 103,368	\$ 891,585	\$ 1,001,341
Capital grants	376,342	-	376,342	-
<b>Total Revenue</b>	<b>1,164,559</b>	<b>103,368</b>	<b>1,267,927</b>	<b>1,001,341</b>
<b>Expenses:</b>				
Salaries & benefits	512,305	71,364	583,669	639,737
Instructional aids	27,005	32,004	59,009	33,508
Building operating expenses	4,034	-	4,034	149,532
Student related expenses	-	-	-	42,181
Amortization of tangible capital assets	4,876	-	4,876	8,993
<b>Total Expenses</b>	<b>548,220</b>	<b>103,368</b>	<b>651,588</b>	<b>873,951</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 616,339</b>	<b>\$ -</b>	<b>\$ 616,339</b>	<b>\$ 127,390</b>

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

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

Other programs represent the revenue and expenses for nutrition programs and program partnership with the Prince Albert Parkland Health and Saskatoon Health regions to provide program support for at risk students.

**13. EXTERNAL SERVICES**

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

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**13. EXTERNAL SERVICES** (continued)

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2014 and 2013:

<b>Summary of External Services Revenues and Expenses, by Program</b>	<b>Other Programs</b>	<b>2014</b>	<b>2013</b>
<b>Revenue:</b>			
Tuition and Related Fees	\$ 2,280	\$ 2,280	\$ 83,307
<b>Total Revenue</b>	<b>2,280</b>	<b>2,280</b>	<b>83,307</b>
<b>Expenses:</b>			
Tuition Fees	-	-	38,000
Salaries & Benefits	-	-	83,307
Building Operating	-	-	1,916
<b>Total Expenses</b>	<b>-</b>	<b>-</b>	<b>123,223</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 2,280</b>	<b>\$ 2,280</b>	<b>\$ (39,916)</b>

In 2014 there were no costs associated with external services.

**14. ACCUMULATED SURPLUS**

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

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

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



**PRAIRIE SPIRIT SCHOOL DIVISION NO. 206**  
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**14. ACCUMULATED SURPLUS (continued)**

Details of accumulated surplus are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
<b>Invested in Tangible Capital Assets:</b>				
Net book value of tangible capital assets	\$ 118,460,944	\$ 11,488,706	\$ -	\$ 129,949,650
Less: debt owing on tangible capital assets	(23,980,510)	-	(2,966,174)	(21,014,336)
	<b>94,480,434</b>	<b>11,488,706</b>	<b>(2,966,174)</b>	<b>108,935,314</b>
<b>PMR maintenance project allocations (1)</b>	<b>753,985</b>	<b>1,137,544</b>	<b>780,785</b>	1,110,744
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
School bus replacement program	2,500,000	1,366,262	1,916,262	1,950,000
Learning technology initiatives	1,619,231	-	22,821	1,596,410
Future capital projects	1,322,784	-	-	1,322,784
Van replacement	385,000	103,221	243,221	245,000
Completion of Warman Middle School project	4,127,609	-	4,127,609	-
Completion of outstanding capital projects	-	801,149	-	801,149
PAA project	2,788,225	-	1,878,733	909,492
	<b>12,742,849</b>	<b>2,270,632</b>	<b>8,188,646</b>	<b>6,824,835</b>
<b>Other:</b>				
School decentralized budgets	1,066,271	31,998	-	1,098,269
School community councils	73,532	-	1,587	71,945
School generated funds	1,275,493	152,966	-	1,428,459
Central Valley Athletic Committee	6,659	-	3,933	2,726
Program equity/ enhancement initiatives	1,096,942	-	-	1,096,942
Facilities department	1,721,784	-	6,316	1,715,468
Admin council reserve	1,225,316	-	739,736	485,580
Division office PD	100,463	-	9,078	91,385
Finance and transportation PD	31,030	7,818	-	38,848
Program and staffing review	2,000,000	-	823,000	1,177,000
	<b>8,597,490</b>	<b>192,782</b>	<b>1,583,650</b>	<b>7,206,622</b>
<b>Unrestricted surplus</b>	7,187,585	-	696,886	6,490,699
<b>Accumulated Surplus from Operations</b>	123,762,343	15,089,664	8,283,793	130,568,214
<b>Accumulated Remeasurement Losses</b>	-	-	636,555	(636,555)
<b>Total Accumulated Surplus</b>	<b>\$ 123,762,343</b>	<b>\$ 15,089,664</b>	<b>\$ 8,920,348</b>	<b>\$ 129,931,659</b>

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

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**14. ACCUMULATED SURPLUS (continued)**

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

**Capital Projects:**

School Bus Replacement Program – replacement of school buses  
Learning Technology Initiatives – replacement of technology  
Future Capital Projects – replacement of capital assets  
Van Replacement – replacement of maintenance vans  
Completion of Warman Community Middle School Project – completed in 2014  
Completion of outstanding capital projects – capital grants recorded as receivable for capital projects in Martensville, Osler and Hanley  
PAA Project – completion of renovations and equipment replacement for PAA labs

**Other:**

School Decentralized budgets – carry forward of unspent budget allocated  
School Community Councils – SCC carry forward of unspent budget allocated  
School Generated Funds – carry forward of unspent funds collected  
Central Valley Athletic Committee – carry forward of unspent budget allocated  
Program Equity/Program Enhancement initiatives – allow for one-time expenditures to bring equity to program offerings in the division  
Facilities Department – carry forward of unspent budget allocated  
Admin Council – carry forward of unspent budget allocated  
Division Office PD – carry forward of unspent budget allocated  
Finance and Transportation PD – carry forward of unspent budget allocated  
Program and Staffing Review – for future adjustments in staffing

**15. BUDGET FIGURES**

Budget figures included in the consolidated financial statements were approved by the board of education on June 17, 2013 and the Minister of Education on August 23, 2013.

**16. RELATED PARTIES**

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

**Related Party Transactions:**

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the consolidated financial statements and the table below. They are

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**16. RELATED PARTIES (continued)**

recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

	<b>2014</b>	<b>2013</b>
<b>Revenues:</b>		
Ministry of Education	\$ 79,313,555	\$ 81,035,120
Great Plains Regional College	25,329	25,329
	<b>\$ 79,338,884</b>	<b>\$ 81,060,449</b>
<b>Expenses:</b>		
Saskatoon Public S.D.	\$ 29,556	\$ 30,881
Greater Saskatoon Catholic Schools	24,789	27,500
North West Regional College	60,360	98,404
Saskatoon Health Region	81,150	81,000
SaskTel	246,987	321,561
SaskPower	1,203,920	1,145,626
SaskEnergy	639,707	916,120
SGI	133,718	100,479
Sask Workers' Compensation Board	236,478	218,894
Prince Albert Parkland Health Region	-	35,000
	<b>\$ 2,656,665</b>	<b>\$ 2,975,465</b>
<b>Prepaid Expenses:</b>		
Sask Workers' Compensation Board	\$ 122,877	\$ 105,285
	<b>\$ 122,877</b>	<b>\$ 105,285</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 3,913,678	\$ -
	<b>\$ 3,913,678</b>	<b>\$ -</b>

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

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

**17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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

- construction contract awarded to Quorex Construction for Martensville High School in the amount of \$27,164,927 over 2 years
- 4 relocatable classrooms at Valley Manor School of \$2,070,000 over 1 year

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**17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (continued)**

Operating and capital lease obligations, as follows:

	Operating Leases		Capital Leases		
	Postage/ Mailing	Total Operating	Buses	Honeywell Performance Contract	Total Capital
<b>Future minimum lease payments:</b>					
2015	\$ 10,500	<b>\$ 10,500</b>	\$ 378,879	\$ 104,063	<b>\$ 482,942</b>
2016	-	-	201,193	104,063	<b>305,256</b>
2017	-	-	116,100	104,063	<b>220,163</b>
2018	-	-	71,170	56,550	<b>127,720</b>
2019	-	-	66,700	-	<b>66,700</b>
Thereafter	-	-	20,800	-	<b>20,800</b>
	\$ 10,500	\$ 10,500	\$ 854,842	\$ 368,739	\$ 1,223,581
<b>Interest and executory costs</b>	-	-	(56,143)	(163,766)	(219,909)
<b>Total Lease Obligations</b>	<b>\$10,500</b>	<b>\$ 10,500</b>	<b>\$ 798,699</b>	<b>\$ 204,973</b>	<b>\$ 1,003,672</b>

**18. ACCOUNTING CHANGES**

**PS 3260 Liability for Contaminated Sites**

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division is directly responsible or accepts responsibility;
- the school division expects that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The adoption of the new PS3260 standard has not resulted in any changes to the measurement and recognition of liabilities in the school division's 2014 consolidated financial statements.

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**19. COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform to the current year's presentation. Salaries and benefits of \$1,761,818 were reclassified from Instruction to Administration expense.

**20. SUBSEQUENT EVENTS**

Subsequent to the year end the school division entered into an agreement to purchase 20 new school buses at a total cost of \$1,717,584 and financed by way of long term lease financing over 60 months.

**21. RISK MANAGEMENT**

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk and foreign exchange risk).

**i) Credit Risk**

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include close monitoring of overdue accounts and report monthly to the Board of Education any receivable exceeding \$100,000. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of accounts receivable other than GST receivable of \$1,126,316 (2013 - \$1,200,558) was:

	August 31, 2014		August 31, 2013	
	Accounts Receivable	Net of Allowances	Accounts Receivable	Net of Allowances
0-30 days	\$ 18,932,579	\$ 18,932,579	\$ 19,724,431	\$ 19,724,431
30-60 days	111,891	111,891	77,507	77,507
60-90 days	729,724	729,724	92,099	92,099
Over 90 days	164,916	164,916	251,618	251,618
<b>Total</b>	<b>\$ 19,939,110</b>	<b>\$ 19,939,110</b>	<b>\$ 20,145,655</b>	<b>\$ 20,145,655</b>

**ii) Liquidity Risk**

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by ensuring budgets are followed and reviewed monthly and all capital purchases are funded on a cash basis.

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**21. RISK MANAGEMENT (continued)**

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

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 7,419,323	\$ -	\$ -	\$ -
Long term debt (including interest)	1,326,500	1,326,500	7,429,664	17,287,000
<b>Total</b>	<b>\$ 8,745,823</b>	<b>\$ 1,326,500</b>	<b>\$ 7,429,664</b>	<b>\$ 17,287,000</b>

**iii) Market Risk**

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

**Interest Rate Risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to long-term debt.

The school division also has a demand operating line of credit described in Note 3 to the consolidated financial statements. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility at August 31, 2014 (2013 –\$NIL).

The school division minimizes these risks by:

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

**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, this risk is minimal as the school division does not make a significant amount of purchases denominated on a foreign currency. The school division did not have any financial instruments denominated in foreign currency outstanding at August 31, 2014 or August 31, 2013.