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Audited Financial Statements

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Of the Prairie South School Division No. 210

School Division No. 2100500

For the Period Ending: August 31, 2015

Bernard Girardin
Chief Financial Officer

Stark & Marsh CPA LLP
Auditor

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

[REDACTED]

November 24, 2015

Management's Responsibility for the Financial Statements

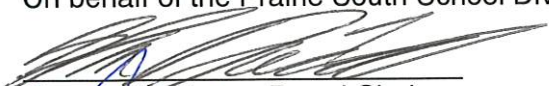
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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, Stark & Marsh CPA 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 Prairie South School Division No. 210:


Shawn Davidson - Board Chair


Anthony D. Baldwin - CEO/Director of Education


Bernard Girardin - Chief Financial Officer

To the Board of Trustees of Prairie South School Division No. 210:

We have audited the accompanying financial statements of Prairie South School Division No. 210, which comprise the statement of financial position as at August 31, 2015, and the statement 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prairie South School Division No. 210 as at August 31, 2015, and the results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



CPA LLP

Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 24, 2015

Prairie South School Division No. 210
Statement of Financial Position
as at August 31, 2015

	2015	2014
Financial Assets		
Cash and Cash Equivalents	16,110,549	17,000,562
Accounts Receivable (Note 8)	14,323,714	13,415,420
Portfolio Investments (Note 4)	55,736	72,989
Total Financial Assets	30,489,999	30,488,971
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	4,493,446	5,527,712
Long-Term Debt (Note 10)	1,161,319	1,512,647
Liability for Employee Future Benefits (Note 6)	2,248,400	2,100,200
Deferred Revenue (Note 11)	2,499,948	2,208,930
Total Liabilities	10,403,113	11,349,489
Net Financial Assets	20,086,886	19,139,482
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	52,026,754	52,749,252
Inventory of Supplies for Consumption	36,890	166,136
Prepaid Expenses	591,654	625,927
Total Non-Financial Assets	52,655,298	53,541,315
Accumulated Surplus (Note 14)	72,742,184	72,680,797

Contingent Liabilities (Note 18)

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

Approved by the Board:





Chairperson

Chief Financial Officer

Prairie South School Division No. 210
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
REVENUES	(Note 15)		
Property Taxation	29,795,904	30,024,395	29,568,054
Grants	47,423,971	50,926,473	49,013,538
Tuition and Related Fees	99,752	71,322	49,071
School Generated Funds	1,238,000	1,157,353	1,217,018
Complementary Services (Note 12)	555,226	558,796	555,549
External Services (Note 13)	3,734,864	3,829,008	4,460,129
Other	397,500	616,846	411,739
Total Revenues (Schedule A)	83,245,217	87,184,193	85,275,098
EXPENSES			
Governance	575,811	512,057	528,827
Administration	3,441,556	3,168,974	3,004,953
Instruction	55,543,205	56,711,432	55,756,422
Plant	13,081,956	12,554,531	13,979,496
Transportation	7,483,576	7,091,542	7,288,118
Tuition and Related Fees	75,000	98,818	113,897
School Generated Funds	1,238,000	1,124,638	1,095,858
Complementary Services (Note 12)	2,096,934	2,058,975	2,036,235
External Services (Note 13)	3,538,238	3,821,968	4,378,862
Other Expenses	65,216	(20,129)	(99,546)
Total Expenses (Schedule B)	87,139,492	87,122,806	88,083,122
Operating Surplus/(Deficit) for the Year	(3,894,275)	61,387	(2,808,024)
Accumulated Surplus from Operations, Beginning of Year	72,680,797	72,680,797	75,488,821
Accumulated Surplus from Operations, End of Year	68,786,522	72,742,184	72,680,797

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

Prairie South School Division No. 210
Statement of Changes in Net Financial Assets
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	19,139,482	19,139,482	20,491,868
Changes During the Year:			
Operating Surplus/(Deficit) for the Year	(3,894,275)	61,387	(2,808,024)
Acquisition of Tangible Capital Assets (Schedule C)	(2,521,080)	(4,431,604)	(3,776,487)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	87,735	126,445
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(82,934)	(118,828)
Amortization of Tangible Capital Assets (Schedule C)	5,223,466	5,149,301	5,384,216
Net Acquisition of Inventory of Supplies	-	129,246	18,394
Net Change in Other Non-Financial Assets	-	34,273	(178,102)
Change in Net Financial Assets	(1,191,889)	947,404	(1,352,386)
Net Financial Assets, End of Year	17,947,593	20,086,886	19,139,482

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

Prairie South School Division No. 210
Statement of Cash Flows
for the year ended August 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Operating Surplus/(Deficit) for the Year	61,387	(2,808,024)
Add Non-Cash Items Included in Surplus/(Deficit) (Schedule D)	5,066,367	5,265,388
Net Change in Non-Cash Operating Activities (Schedule E)	(1,339,823)	(229,258)
Cash Provided by Operating Activities	3,787,931	2,228,106
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(4,431,604)	(3,776,487)
Proceeds on Disposal of Tangible Capital Assets	87,735	126,445
Cash (Used) by Capital Activities	(4,343,869)	(3,650,042)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(27,909)	(33,063)
Proceeds on Disposal of Portfolio Investments	45,162	35,250
Cash Provided by Investing Activities	17,253	2,187
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(351,328)	(334,829)
Cash (Used) by Financing Activities	(351,328)	(334,829)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(890,013)	(1,754,578)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,000,562	18,755,140
CASH AND CASH EQUIVALENTS, END OF YEAR	16,110,549	17,000,562

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

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	28,405,904	28,421,418	27,979,408
Revenue from Supplemental Levies	120,000	103,893	200,306
Total Property Tax Revenue	28,525,904	28,525,311	28,179,714
Grants in Lieu of Taxes:			
Federal Government	504,347	425,124	450,907
Provincial Government	234,012	237,677	238,652
Railways	338,726	408,765	335,907
Other	269,582	260,657	271,882
Total Grants in Lieu of Taxes	1,346,667	1,332,223	1,297,348
Other Tax Revenues:			
Treaty Land Entitlement - Rural	-	13,839	5,716
House Trailer Fees	100,000	123,276	105,479
Total Other Tax Revenues	100,000	137,115	111,195
Additions to Levy:			
Penalties	153,333	188,764	180,528
Other	10,000	84,172	12,257
Total Additions to Levy	163,333	272,936	192,785
Deletions from Levy:			
Cancellations	-	(167,928)	(193,648)
Other Deletions	(340,000)	(75,262)	(19,340)
Total Deletions from Levy	(340,000)	(243,190)	(212,988)
Total Property Taxation Revenue	29,795,904	30,024,395	29,568,054
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	45,955,387	48,323,531	46,606,562
Other Ministry Grants	42,000	800	109,234
Total Ministry Grants	45,997,387	48,324,331	46,715,796
Other Provincial Grants	267,500	-	409,821
Grants from Others	-	325,246	33,787
Total Operating Grants	46,264,887	48,649,577	47,159,404
Capital Grants			
Ministry of Education Capital Grants	1,094,584	2,261,713	1,844,584
Other Capital Grants	64,500	15,183	9,550
Total Capital Grants	1,159,084	2,276,896	1,854,134
Total Grants	47,423,971	50,926,473	49,013,538

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	30,000	29,275	29,150
Federal Government and First Nations	12,794	10,413	12,321
Individuals and Other	56,958	31,634	7,600
Total Tuition Fees	99,752	71,322	49,071
Total Operating Tuition and Related Fees	99,752	71,322	49,071
Total Tuition and Related Fees Revenue	99,752	71,322	49,071
School Generated Funds Revenue			
Curricular:			
Student Fees	77,000	30,903	16,619
Total Curricular Fees	77,000	30,903	16,619
Non-Curricular Fees:			
Commercial Sales - GST	775,000	696,487	788,815
Commercial Sales - Non-GST	32,000	33,370	5,120
Fundraising	124,000	115,136	55,604
Grants and Partnerships	90,000	71,779	74,402
Students Fees	140,000	152,519	191,233
Other	-	57,159	85,225
Total Non-Curricular Fees	1,161,000	1,126,450	1,200,399
Total School Generated Funds Revenue	1,238,000	1,157,353	1,217,018
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	513,014	513,012	511,476
Other Ministry Grants	-	30,098	29,800
Other Provincial Grants	-	12,536	12,463
Other Grants	42,212	3,150	1,810
Total Operating Grants	555,226	558,796	555,549
Total Complementary Services Revenue	555,226	558,796	555,549

Prairie South School Division No. 210
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
External Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	3,390,120	3,535,457	3,752,976
Other Provincial Grants	69,700	36,334	62,045
Total Operating Grants	3,459,820	3,571,791	3,815,021
Fees and Other Revenue			
Tuition and Related Fees	-	4,278	4,613
Gain on Disposal of Capital Assets	-	69,594	101,648
Other Revenue	275,044	183,345	538,847
Total Fees and Other Revenue	275,044	257,217	645,108
Total External Services Revenue	3,734,864	3,829,008	4,460,129
Other Revenue			
Miscellaneous Revenue	88,500	307,344	65,255
Sales & Rentals	52,000	62,304	57,649
Investments	250,000	233,858	271,655
Gain on Disposal of Capital Assets	7,000	13,340	17,180
Total Other Revenue	397,500	616,846	411,739
TOTAL REVENUE FOR THE YEAR	83,245,217	87,184,193	85,275,098

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Governance Expense			
Board Members Expense	214,466	195,849	191,946
Professional Development- Board Members	62,100	51,313	45,423
Advisory Committees	53,400	47,293	41,421
Elections	16,000	4,442	687
Other Governance Expenses	229,845	213,160	249,350
Total Governance Expense	575,811	512,057	528,827
Administration Expense			
Salaries	2,536,871	2,380,955	2,241,150
Benefits	361,541	313,732	295,157
Supplies & Services	219,205	203,731	207,423
Non-Capital Furniture & Equipment	975	397	690
Building Operating Expenses	104,800	87,874	97,613
Communications	36,850	31,665	31,485
Travel	71,060	47,827	43,338
Professional Development	77,760	77,404	59,732
Amortization of Tangible Capital Assets	32,494	25,389	28,365
Total Administration Expense	3,441,556	3,168,974	3,004,953
Instruction Expense			
Instructional (Teacher Contract) Salaries	37,854,427	39,124,090	38,328,003
Instructional (Teacher Contract) Benefits	2,244,284	2,415,927	2,320,480
Program Support (Non-Teacher Contract) Salaries	7,616,192	7,506,894	7,296,803
Program Support (Non-Teacher Contract) Benefits	1,576,344	1,658,368	1,613,380
Instructional Aids	1,629,314	1,661,174	1,536,210
Supplies & Services	911,142	798,244	830,557
Non-Capital Furniture & Equipment	333,991	382,652	415,473
Communications	315,723	224,413	224,078
Travel	217,623	238,862	237,016
Professional Development	595,413	406,921	371,043
Student Related Expense	531,815	597,333	538,977
Amortization of Tangible Capital Assets	1,716,937	1,696,554	2,044,402
Total Instruction Expense	55,543,205	56,711,432	55,756,422

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Plant Operation & Maintenance Expense			
Salaries	3,369,160	3,519,963	3,390,697
Benefits	785,047	703,785	718,157
Supplies & Services	50,450	39,320	29,982
Non-Capital Furniture & Equipment	19,600	119,350	30,082
Building Operating Expenses	6,184,024	5,568,856	7,321,622
Communications	14,000	9,424	7,870
Travel	104,000	105,850	95,654
Professional Development	14,280	13,089	6,928
Amortization of Tangible Capital Assets	2,541,395	2,474,894	2,378,504
Total Plant Operation & Maintenance Expense	13,081,956	12,554,531	13,979,496
Student Transportation Expense			
Salaries	3,390,897	3,164,783	3,207,047
Benefits	753,232	732,039	757,724
Supplies & Services	1,362,008	1,201,156	1,380,905
Non-Capital Furniture & Equipment	495,900	490,692	477,360
Building Operating Expenses	89,500	68,823	73,266
Communications	30,650	16,797	16,870
Travel	1,200	708	856
Professional Development	14,500	8,091	11,782
Contracted Transportation	416,274	459,710	433,085
Amortization of Tangible Capital Assets	929,415	948,743	929,223
Total Student Transportation Expense	7,483,576	7,091,542	7,288,118
Tuition and Related Fees Expense			
Tuition Fees	75,000	98,818	113,897
Total Tuition and Related Fees Expense	75,000	98,818	113,897
School Generated Funds Expense			
Supplies & Services	70,000	3,819	10,514
Cost of Sales	610,000	583,261	554,160
School Fund Expenses	558,000	537,558	531,184
Total School Generated Funds Expense	1,238,000	1,124,638	1,095,858

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Complementary Services Expense			
Tuition Fees	17,000	-	-
Instructional (Teacher Contract) Salaries & Benefits	899,719	1,033,362	953,204
Program Support (Non-Teacher Contract) Salaries & Benefit	773,880	665,571	679,129
Supplies & Services	300,400	260,246	301,171
Communications	3,300	2,807	2,307
Travel	17,200	27,452	23,994
Professional Development (Non-Salary Costs)	8,500	5,794	4,355
Student Related Expenses	73,710	60,794	69,126
Amortization of Tangible Capital Assets	3,225	2,949	2,949
Total Complementary Services Expense	2,096,934	2,058,975	2,036,235
External Service Expense			
Other Fees	1,057,789	754,197	1,048,395
Administration Salaries & Benefits	-	141,419	150,120
Instructional (Teacher Contract) Salaries & Benefits	2,212,641	2,671,184	2,915,094
Program Support (Non-Teacher Contract) Salaries & Benefit	142,558	155,589	164,664
Transportation Salaries & Benefits	-	1,632	2,306
Supplies & Services	5,080	11,810	2,390
Non-Capital Furniture & Equipment	-	557	461
Building Operating Expenses	8,300	745	3,768
Communications	650	316	730
Travel	11,200	2,930	3,404
Professional Development (Non-Salary Costs)	3,760	3,962	2,401
Student Related Expenses	96,260	76,854	84,356
Amortization of Tangible Capital Assets	-	773	773
Total External Services Expense	3,538,238	3,821,968	4,378,862

Prairie South School Division No. 210
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Other Expense			
Interest and Bank Charges:			
Interest on Other Capital Loans and Long-Term Debt			
Other	65,216	65,232	81,716
Total Interest and Bank Charges	65,216	65,232	81,716
Provision for Uncollectable Taxes	-	(85,361)	(181,262)
Total Other Expense	65,216	(20,129)	(99,546)
TOTAL EXPENSES FOR THE YEAR	87,139,492	87,122,806	88,083,122

Prairie South School Division No. 210
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2015

	Land		Buildings		School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under	2015	2014
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Equipment	Software	Construction		
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	1,718,010	419,324	96,894,081	2,615,210	12,196,960	726,685	5,356,212	7,910,342	135,942	654,892	128,627,658	126,385,989
Additions/Purchases	-	-	132,646	-	697,111	54,044	575,367	1,469,504	288	1,502,644	4,431,604	3,776,487
Disposals	-	-	(24,833)	-	(223,299)	(45,000)	(116,020)	-	-	-	(409,152)	(1,534,818)
Transfers to (from)	-	-	389,023	-	-	-	-	-	-	(389,023)	-	-
Closing Balance as of August 31	1,718,010	419,324	97,390,917	2,615,210	12,670,772	735,729	5,815,559	9,379,846	136,230	1,768,513	132,650,110	128,627,658
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	245,502	58,322,171	1,690,742	7,472,039	642,830	1,810,695	5,617,483	76,944	-	75,878,406	72,021,391
Amortization of the Period	-	18,482	2,109,967	54,556	871,611	46,165	591,752	1,431,454	25,314	-	5,149,301	5,384,216
Disposals	-	-	(20,032)	-	(223,299)	(45,000)	(116,020)	-	-	-	(404,351)	(1,527,201)
Closing Balance as of August 31	N/A	263,984	60,412,106	1,745,298	8,120,351	643,995	2,286,427	7,048,937	102,258	N/A	80,623,356	75,878,406
Net Book Value:												
Opening Balance as of September 1	1,718,010	173,822	38,571,910	924,468	4,724,921	83,855	3,545,517	2,292,859	58,998	654,892	52,749,252	54,364,598
Closing Balance as of August 31	1,718,010	155,340	36,978,811	869,912	4,550,421	91,734	3,529,132	2,330,909	33,972	1,768,513	52,026,754	52,749,252
Change in Net Book Value	-	(18,482)	(1,593,099)	(54,556)	(174,500)	7,879	(16,385)	38,050	(25,026)	1,113,621	(722,498)	(1,615,346)
Disposals:												
Historical Cost	-	-	24,833	-	223,299	45,000	116,020	-	-	-	409,152	1,534,818
Accumulated Amortization	-	-	20,032	-	223,299	45,000	116,020	-	-	-	404,351	1,527,201
Net Cost	-	-	4,801	-	-	-	-	-	-	-	4,801	7,617
Price of Sale	1,725	-	74,395	-	7,890	652	3,073	-	-	-	87,735	126,445
Gain on Disposal	1,725	-	69,594	-	7,890	652	3,073	-	-	-	82,934	118,828
Net Book Value (NBV) of Assets Pledged as Security for Debt												
	-	-	-	-	1,161,319	-	-	-	-	-	1,161,319	1,512,648

Prairie South School Division No. 210
Schedule D: Non-Cash Items Included in Surplus/(Deficit)
for the year ended August 31, 2015

	2015	2014
Non-Cash Items Included in Surplus/(Deficit):		
Amortization of Tangible Capital Assets (Schedule C)	5,149,301	5,384,216
Net (Gain) on Disposal of Tangible Capital Assets	(82,934)	(118,828)
Total Non-Cash Items Included in Surplus/(Deficit)	5,066,367	5,265,388

Prairie South School Division No. 210
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2015

	2015	2014
Net Change in Non-Cash Operating Activities:		
(Increase) in Accounts Receivable	(908,294)	(82,078)
(Decrease) Increase In Accounts Payable and Accrued Liabilitie	(1,034,266)	453,784
Increase in Liability for Employee Future Benefits	148,200	129,000
Increase (Decrease) in Deferred Revenue	291,018	(570,256)
Decrease in Inventory of Supplies for Consumption	129,246	18,394
Decrease (Increase) in Prepaid Expenses	34,273	(178,102)
Total Net Change in Non-Cash Operating Activities	(1,339,823)	(229,258)

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1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Prairie South School Division No. 210” and operates as “Prairie South School Division No. 210”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Basis of Accounting

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

b) Reporting Entity

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

c) Trust Funds

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

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

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d) Measurement Uncertainty and the Use of Estimates

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

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

- the liability for employee future benefits of \$2,248,400 (2014 - \$2,100,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$30,024,395 (2014 - \$29,568,054) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$1,136,703 (2014 - \$1,222,064) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$5,149,301 (2014 - \$5,384,216) because the actual useful lives of the capital assets may differ from their estimated economic lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

e) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long-term debt.

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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.

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

f) Financial Assets

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

Cash and Cash Equivalents consist of cash, 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.

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

Portfolio Investments consist of term deposits and guaranteed investment certificates at amortized cost and unrealized equity in Saskatchewan co-operatives and credit unions. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

g) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the school division include land, land improvements, buildings, 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	4 years
Computer software	5 years

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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 Saskatchewan School Board Association fees; building, vehicle and liability insurance; Workers' Compensation fees; software licensing and maintenance; professional development opportunities and Five Hills Health District services.

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

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

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

i) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). 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.

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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.

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

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deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

k) Statement of Remeasurement Gains and Losses

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

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$15,000,000 that bears interest at Bank prime rate minus 0.50% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by property taxes and operating grants receivable. This line of credit was approved by the Minister of Education on November 16, 2011. The balance drawn on the line of credit at August 31, 2015 was \$0 (August 31, 2014 - \$0).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

Portfolio investments in the cost and amortized cost category:	2015 Cost	2014 Cost
Conexus Credit Union Term Deposit	\$ 12,806	\$ 12,726
CIBC Long Term GIC	-	14,000
Conexus Credit Union Term Deposit	-	2,616
Innovation Credit Union Term Deposit	9,007	8,785
CIBC Term Deposit	1,035	-
Royal Bank GIC	5,315	5,273
CIBC Flexible GIC	11,430	11,339
Equity in co-operatives	15,386	17,488
Credit Union equity funds	757	762
Total portfolio investments reported at cost and amortized cost	\$ 55,736	\$ 72,989

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2015 Actual	2014 Actual
Governance	\$ 191,799	\$ 320,258	\$ -	\$ -	\$ 512,057	\$ 528,827
Administration	2,694,687	448,898	-	25,389	3,168,974	3,004,953
Instruction	50,705,279	4,309,599	-	1,696,554	56,711,432	55,756,422
Plant	4,223,749	5,855,888	-	2,474,894	12,554,531	13,979,496
Transportation	3,896,823	2,245,976	-	948,743	7,091,542	7,288,118
Tuition and Related Fees	-	98,818	-	-	98,818	113,897
School Generated Funds	-	1,124,638	-	-	1,124,638	1,095,858
Complementary Services	1,698,932	357,094	-	2,949	2,058,975	2,036,235
External Services	2,828,394	992,801	-	773	3,821,968	4,378,862
Other	-	(85,361)	65,232	-	(20,129)	(99,546)
TOTAL	\$66,239,663	\$15,668,609	\$65,232	\$ 5,149,302	\$87,122,806	\$88,083,122

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include non-vested accumulating sick leave, severance benefits (vested sick leave) and accumulating vacation banks. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and estimated the Liability for Employee Future Benefits as at August 31, 2015.

Details of the employee future benefits are as follows:

	2015	2014
Actuarial extrapolation date	31-Aug-15	31-Aug-14
Long-term assumptions used:		
Discount rate	2.50%	2.80%
Inflation rate and productivity rate (excluding merit and promotion)	3.20%	3.25%
Expected average remaining service life (years)	12	12

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Liability for Employee Future Benefits	2015	2014
Accrued Benefit Obligation - beginning of year	\$ 2,100,200	\$ 1,861,400
Current period benefit cost	181,900	176,200
Interest cost	62,600	70,500
Benefit payments	(96,300)	(46,900)
Actuarial losses	510,400	124,600
Plan amendments	-	(85,600)
Accrued Benefit Obligation - end of year	2,758,800	2,100,200
Unamortized Net Actuarial Losses	(510,400)	-
Liability for Employee Future Benefits	\$ 2,248,400	\$ 2,100,200

Employee Future Benefits Expense	2015	2014
Current period benefit cost	\$ 181,900	\$ 176,200
Amortization of net actuarial gain	-	(6,500)
Plan amendments	-	(64,300)
Benefit cost	181,900	105,400
Interest cost	62,600	70,500
Total Employee Future Benefits Expense	\$ 244,500	\$ 175,900

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:

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	2015			2014
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	661	37	698	676
Member contribution rate (percentage of salary)	9.1-11.3%	6.05-7.85%	6.05%-11.3%	6.05%-11.3%
Member contributions for the year	\$ 4,132,871	\$ 83,052	\$ 4,215,923	\$ 3,504,558

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with PSAB requirements, 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:

	2015	2014
Number of active School Division members	660	645
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	\$ 1,298,793	\$ 1,225,527
School Division contributions for the year	\$ 1,298,793	\$ 1,225,527
Actuarial (extrapolation) valuation date	(31-Dec-14)	31-Dec-13
Plan Assets (in thousands)	\$ 2,006,587	\$ 1,685,167
Plan Liabilities (in thousands)	\$ 1,672,585	\$ 1,498,853
Plan Surplus (in thousands)	\$ 334,002	\$ 186,314

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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:

	2015			2014		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 13,690,501	\$ 1,136,703	\$ 12,553,798	\$ 13,341,771	\$ 1,222,064	\$ 12,119,707
Provincial Grants Receivable	1,040,925	-	1,040,925	811,403	-	811,403
Other Receivables	728,991	-	728,991	484,310	-	484,310
Total Accounts Receivable	\$ 15,460,417	\$ 1,136,703	\$ 14,323,714	\$ 14,637,484	\$ 1,222,064	\$ 13,415,420

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2015	2014
Accrued Salaries and Benefits	\$ 2,277,696	\$ 2,841,353
Supplier Payments	1,650,261	2,138,803
Staff funds	6,165	5,197
Construction contract holdbacks & other contractual liabilities	559,324	542,359
Total Accounts Payable and Accrued Liabilities	\$ 4,493,446	\$ 5,527,712

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NOTES TO THE FINANCIAL STATEMENTS
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10. LONG-TERM DEBT

Details of long-term debt are as follows:

	Interest Rate	Maturity Date	Payment Amount	Payment Frequency	Balance as at Aug 31, 2015	Balance as at Aug 31, 2014
Capital Loan: <i>CIBC</i>	4.82%	31-Aug-18	34,712	Monthly	\$1,161,319	\$1,512,647
Total Long Term Debt					\$1,161,319	\$1,512,647

Future principal repayments over the next 3 years are estimated as follows:

	Capital Loan	Total
2016	\$ 368,642	\$ 368,642
2017	386,808	386,808
2018	405,869	405,869
Total	\$ 1,161,319	\$ 1,161,319

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

	Capital Loan	2015	2014
Principal	\$ 351,328	\$ 351,328	\$ 334,829
Interest	65,216	65,216	81,715
Total	\$ 416,544	\$ 416,544	\$ 416,544

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11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2014	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2015
Capital projects:				
Federal capital tuition	\$ 3,847	\$ 387	\$ -	\$ 4,234
Proceeds from sale of school buildings	640,156	-	-	640,156
Peacock School gym floor and School Governance Association Room	16,020	1,500	2,000	15,520
Legacy division capital project	2,528	-	-	2,528
Playground donations	27,082	-	21,662	5,420
Peacock auditorium improvement fee	29,866	8,400	-	38,266
Coronach School Treadmill	130	-	-	130
Eyebrow Entryway Project	-	5,900	-	5,900
Mortlach School Projects	-	9,475	-	9,475
Lafleche School Technology Upgrade	11,049	-	5,000	6,049
Assiniboia High Science Lab	8,082	-	5,082	3,000
Capital Projects at School Level	-	26,775	-	26,775
Assiniboia High Library Project	-	2,826	-	2,826
William Grayson Books	-	369	-	369
Empire School Library Project	-	5,400	-	5,400
Empire School Donation for Create our Future	86	-	-	86
Mossbank School Donation for iPad Cart	1,923	-	1,923	-
Total capital projects deferred revenue	740,769	61,032	35,667	766,134
Other deferred revenue:				
Property tax	1,439,621	1,690,121	1,439,624	1,690,118
Rentals, tuition & donations	28,540	41,264	26,108	43,696
Total other deferred revenue	1,468,161	1,731,385	1,465,732	1,733,814
Total Deferred Revenue	\$ 2,208,930	\$ 1,792,417	\$ 1,501,399	\$ 2,499,948

12. COMPLEMENTARY SERVICES

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

Following is a summary of the revenues and expenses of the Complementary Services programs operated by the school division in 2015 and 2014:

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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Nutrition	Other Programs	2015	2014
Revenue:						
Operating Grants	\$ 513,012	\$ 12,536	\$ 30,098	\$ -	\$ 555,646	\$ 553,739
Fees and Other Revenue	-	-	3,150	-	3,150	1,810
Total Revenue	513,012	12,536	33,248	-	558,796	555,549
Expenses:						
Salaries & Benefits	1,160,812	290,286	65,663	182,172	1,698,933	1,632,333
Supplies and Services	983	142,201	-	117,062	260,246	301,171
Communications	766	2,041	-	-	2,807	2,307
Travel	6,170	21,282	-	-	27,452	23,994
Professional Development (Non-Salary Costs)	2,209	3,585	-	-	5,794	4,355
Student Related Expenses	-	812	59,982	-	60,794	69,126
Amortization of Tangible Capital Assets	-	-	-	2,949	2,949	2,949
Total Expenses	1,170,940	460,207	125,645	302,183	2,058,975	2,036,235
(Deficiency) of Revenue over Expenses	\$ (657,928)	\$ (447,671)	\$ (92,397)	\$ (302,183)	\$ (1,500,179)	\$ (1,480,686)

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

Pre-K programs

Prekindergarten programs provide in-school programs for children of preschool age. The school division operated eleven prekindergarten programs in the 2014/15 (eleven in 2013/14) school year: Assiniboia Seventh Avenue School, Empire School, King George School, Lafleche General School, Lindale School, Prince Arthur Community School, Westmount School, William Grayson School, Sunningdale School and two French prekindergarten programs operated at Gravelbourg Elementary School and Palliser Heights School.

Interagency Services

Interagency services represent health, daycare and social services programs provided by the school division in conjunction with outside agencies for at risk students and families, and occupational therapy services provided by the school division to students.

Nutrition

The school division provides nutritious breakfasts, snacks and meals to students in need.

Other

Programs stated as other include opportunity to learn and community supports for students, families and communities in schools designated by the school division.

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

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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 2015 and 2014:

Summary of External Services Revenues and Expenses, by Program	Caronport High School	Cornerstone Christian School	Bus Services	Cognitive Disability Strategies	Food Services	Other Programs	2015	2014
Revenue:								
Operating Grants	\$ 1,155,397	\$ 2,380,060	\$ -	\$ 36,334	\$ -	\$ -	\$ 3,571,791	\$ 3,815,021
Fees and Other Revenue	-	-	4,278	-	118,701	64,644	187,623	645,108
Gain on Disposal of Tangible Capital Assets	-	-	-	-	-	69,594	69,594	-
Total Revenue	1,155,397	2,380,060	4,278	36,334	118,701	134,238	3,829,008	4,460,129
Expenses:								
Other Related Fees	166,436	587,761	-	-	-	-	754,197	1,048,395
Salaries & Benefits	986,922	1,790,840	1,632	21,629	103,496	65,305	2,969,824	3,232,184
Supplies and Services	-	-	1,446	-	-	10,364	11,810	2,390
Non-Capital Equipment	-	-	557	-	-	-	557	461
Building Operating Expenses	-	-	-	-	-	745	745	3,768
Communications	-	-	-	316	-	-	316	730
Travel	-	-	-	1,290	1,640	-	2,930	3,404
Professional Development	2,039	1,459	-	464	-	-	3,962	2,401
Student Related Expenses	-	-	-	-	76,854	-	76,854	84,356
Amortization of Tangible Capital Assets	-	-	-	-	-	773	773	773
Total Expenses	1,155,397	2,380,060	3,635	23,699	181,990	77,187	3,821,968	4,378,862
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ 643	\$ 12,635	\$ (63,289)	\$ 57,051	\$ 7,040	\$ 81,267

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

Caronport High School and Cornerstone Christian School – Associate Schools

Pursuant to agreements, the school division provides professional teaching staff and related services to two independent schools operating within the school division.

Bus Services

The school division provides a small amount of bus transport services to Holy Trinity Roman Catholic Separate School Division and the associate schools.

Food Services

The school division operates concessions at Riverview Collegiate, A.E. Peacock Collegiate and Central Collegiate to offer nutritious meals to students.

Cognitive Disabilities Initiatives

Pursuant to agreements, the school division provides staff to support the development delivery of individual support plans for persons affected by cognitive disabilities in the Southeast Region of the province.

Other

The school division operates a small number of rental housing units (i.e. teacherages). The units are rented at market rates to staff. The school division has employees that are seconded to other organizations such as Prairie South Teachers' Association.

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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, for example, school generated funds, capital and school division projects. 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.

Details of accumulated surplus are as follows:

	August 31, 2014	Additions during the Year	Reductions during the Year	August 31, 2015
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 52,749,252	\$ -	\$ (722,498)	\$ 52,026,754
Less: Debt owing on Tangible Capital Assets	1,512,647	-	(351,328)	1,161,319
	51,236,605	-	(371,170)	50,865,435
PMR maintenance project allocation (1)	1,563,026	1,383,650	(134,146)	2,812,530
Internally Restricted Surplus:				
Capital Projects:				
Incomplete Board approved tangible capital asset projects	1,469,916	1,774,500	(2,047,825)	1,196,591
Gravelbourg School consolidation	653,846	1,000,000	(1,495,775)	158,071
Gravelbourg Elementary replace sewer line	-	39,775	-	39,775
Other:				
Incomplete Board approved practical applied arts program	610,000	-	(222,884)	387,116
Board approved allocation for school bus purchases	-	57,858	-	57,858
Board approved allocation for future elections	12,000	18,000	-	30,000
Saskatchewan Government Insurance Driver Training Grant	-	707,691	(458,693)	248,998
School generated funds	1,087,313	71,471	-	1,158,784
School Community Council carry forwards	129,244	-	(212)	129,032
School budget carry forwards	962,455	-	(446,940)	515,515
Cognitive Disabilities Program Grant	81,246	36,334	(23,698)	93,882
Child Nutrition & Development Grant	30,261	30,098	(25,598)	34,761
Total Internally Restricted Surplus:	5,036,281	3,735,727	(4,721,625)	4,050,383
Unrestricted Surplus	14,844,885	168,951	-	15,013,836
Total Accumulated Surplus	\$ 72,680,797	\$ 5,288,328	\$ (5,226,941)	\$ 72,742,184

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

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

- Capital projects – Board motions for capital projects that have not been completed.
- The Board has approved a three year project for the enhancement of practical applied arts programming and the 14/15 year was the second of three years for this program.
- The Board has approved an allocation in each year for the costs of elections held every four years for the Board of Education.
- Saskatchewan Government Insurance (SGI) pays the school division the costs of student driver training and has paid more than required at the date of these statements.
- School generated funds – funds held at the school level and decisions are made with respect to the criteria for the collecting and expensing of such funds. School division guidelines are provided for each criteria.
- School budget and School Community Council budget carry forwards – Board motions have provided authority for schools and School Community Councils to carry forward 100% of unspent budgetary allocations for both operating and professional development budgeted amounts over expenditures.
- Cognitive disabilities program grant – funding for a staff member and supplies and services for students in need.
- Child Nutrition & Development Grant - The Ministry of Education provides a grant for students' nutrition and development.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 6, 2014 and the Minister of Education on August 12, 2014.

16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries,

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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.

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	2015	2014
Revenues:		
Ministry of Education	\$ 54,688,575	\$ 53,065,811
SGI	304,000	422,229
Sask. Workers' Compensation Board	176,540	37,089
Ministry of Social Services	48,870	133,755
Palliser Regional Library	-	6,861
Holy Trinity Roman Catholic School Division	3,864	5,295
Sask. School Board Association	188,040	-
Cornerstone Christian School	-	8,307
Good Spirit School Division	12,045	-
Prairie Spirit School Division	2,550	5,250
Sun West School Division	2,600	9,200
Other	14,452	20,049
	\$ 55,441,536	\$ 53,713,846
Expenses:		
Briercrest College & Seminary	\$ 52,119	\$ 33,406
Caronport High School	147,965	527,838
Cornerstone Christian School	524,705	530,258
Five Hills Health Region	112,570	117,926
Minister of Finance	33,865	32,603
Organization of Saskatchewan Arts Councils	10,658	-
Sask Polytechnic	1,320	-
Sask. Education Leadership Unit	12,482	5,409
Sask. School Board Association	1,027,570	1,047,455
Sask. Workers' Compensation Board	223,832	224,510
SaskEnergy	622,159	619,432
SaskPower	1,058,995	1,108,332
Sasktel	34,119	228,438
SGI	147,198	116,013
Good Spirit School Division	15,010	15,568
St. Paul's R.C.S.S.D. No. 20	500	500
Holy Trinity Roman Catholic School Division	99,916	117,598
North East School Division	6,300	500
Regina Catholic School Division	1,080	-
Saskatoon Public School Division	18,672	8,750
Sun West School Division	36,675	21,000
University of Regina	607	5,104
Other	5,907	4,583
	\$ 4,194,224	\$ 4,765,223

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	2015	2014
Accounts Receivable:		
Ministry of Education	\$ 1,039,775	\$ 900,287
Caronport High School	25,804	18,595
Cornerstone Christian School	50,903	46,048
Good Spirit School Division	13,123	-
Living Sky School Division	4,175	-
Northwest School Division	3,150	-
Prairie Spirit School Division	2,550	-
St. Paul's R.C.S.S.D. No. 20	1,050	-
Sun West School Division	2,600	-
Other	3,292	4,920
	\$ 1,146,422	\$ 969,850
Prepaid Expenses:		
Five Hills Health Region	\$ 9,880	\$ 9,167
Good Spirit School Division	9,789	-
Sask. Workers' Compensation Board	67,899	70,430
SGI	88,356	99,971
Sask. School Board Association	38,705	37,632
Other	4,193	2,963
	\$ 218,822	\$ 220,163
Accounts Payable and Accrued Liabilities:		
Minister of Finance	\$ 1,264	\$ 2,768
SaskEnergy	3,492	39,781
SaskPower	79,241	71,404
Sasktel	21,693	16,871
Caronport High School	24,975	58,498
Cornerstone Christian School	66,151	28,159
Holy Trinity Roman Catholic School Division	99,036	183,269
Five Hills Health Region	-	27,615
Other	901	500
	\$ 296,753	\$ 428,865

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 financial statements or notes thereto.

17. TRUSTS

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The school division, as the trustee, administers trust funds for banked salary for teacher deferred salary leaves, legacy scholarships, subsidiary organizations related to Saskatchewan High School Athletics Association (this includes - South Central District and Moose Jaw High School Association) and other scholarships entrusted to the school division by individuals. The trust assets and transactions are not included in the financial statements.

South Central District Association requested the incorporation of their financial information into the school division's accounting software to ensure accuracy and timeliness of information. These funds were received, in trust, in October 2014 and are shown in the notes below. As no financial statements were completed in the preceding year, there is no comparative information shown.

Information about these trusts is as follows:

	Scholarships		Deferred Salaries		District No. 1 Bursary Fund Inc.		School Athletic Assoc		Total	Total
	2015	2014	2015	2014	As at Dec. 31, 2014	As at Dec. 31, 2013	2015	2014	2015	2014
Cash and short-term investments	\$ 216,048	\$ 215,781	\$ 37,633	\$ 10,259	\$ 479,683	\$ 468,523	\$ 70,818	\$ 35,482	\$ 804,182	\$ 730,045
Accounts Receivable	-	-	-	-	-	-	6,607	4,212	6,607	4,212
Portfolio investments	100,000	102,396	-	-	652,712	659,222	-	-	752,712	761,618
Total Assets	\$ 316,048	\$ 318,177	\$ 37,633	\$ 10,259	\$ 1,132,395	\$ 1,127,745	\$ 77,425	\$ 39,694	\$ 1,563,501	\$ 1,495,875
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 3,300	\$ 1,750	\$ 26,354	\$ 10,680	\$ 29,654	\$ 12,430
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 3,300	\$ 1,750	\$ 26,354	\$ 10,680	\$ 29,654	\$ 12,430
Revenues										
Contributions and donations	\$ 34,848	\$ 9,627	\$ 27,308	\$ 10,246	\$ 3,565	\$ 5,214	\$ -	\$ -	\$ 65,721	\$ 25,087
Tournament Fees	-	-	-	-	-	-	75,542	67,750	75,542	67,750
Interest on investments	2,984	4,036	546	292	37,970	39,124	104	5	41,604	43,457
	37,832	13,663	27,854	10,538	41,535	44,338	75,646	67,755	182,867	136,294
Expenses										
Student Related Expenses	40,441	16,905	-	-	35,249	40,355	60,072	62,844	135,762	120,104
Deferred Salaries Payment	-	-	-	187,176	-	-	-	-	-	187,176
Administration	-	-	-	-	3,186	3,351	35	780	3,221	4,131
Loss on Sale of Investments	-	-	-	-	-	1,030	-	-	-	1,030
	40,441	16,905	-	187,176	38,435	44,736	60,107	63,624	138,983	312,441
Excess (Deficiency) of Revenue over Expenses	(2,609)	(3,242)	27,854	(176,638)	3,100	(398)	15,539	4,131	43,884	(176,147)
Trust Fund Balance, Beginning of Year	318,657	321,899	9,779	186,417	1,125,995	1,126,393	35,532	24,883	1,489,963	1,659,592
Trust Fund Balance, End of Year	\$ 316,048	\$ 318,657	\$ 37,633	\$ 9,779	\$ 1,129,095	\$ 1,125,995	\$ 51,071	\$ 29,014	\$ 1,533,847	\$ 1,483,445

** As South Central District Association was not included in the financial information for 2014, the opening balance of \$6,518 has been included in the 2015 Trust Fund Balance, Beginning of Year which represents the difference between the 2014 Trust Fund Balance, End of Year of \$29,014 and the 2015 Trust Fund Balance, Beginning of Year of \$35,532.

18. CONTINGENT LIABILITIES

Litigation

The school division has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, the only liability recorded at this point in time is the deductible amount for insurance purposes.

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The school division's share of settlement, if any, over and above the deductible will be charged to expenses in the year which amount is determinable.

Insurance Claims

The school division has two outstanding insurance claims as at the date of the financial statements. The total amount of the claims cannot be determined at this time and therefore the only liability recorded is the deductible for which the school division will be ultimately responsible.

Loan Guarantee

The school division has guaranteed a loan with CIBC on property currently owned by Cornerstone Christian School, an associate school of the school division. The corresponding Title Transfer agreement with the school would provide the school division with the title to the educational real property of Cornerstone Christian School upon default of the loan.

The loan was renegotiated on September 28, 2012 in the amount of \$822,000 with BMO.

The balance of the loan at August 31, 2015 is \$611,666 principal and interest and the loan is in good standing. The loan is a 10 year term at a fixed rate of 3.46% per annum.

19. 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 the financial position of its customer and regular review of any overdue accounts. The school division does not have a significance 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 an impairment in collectability.

The aging of grants and other accounts receivable as at August 31, 2015 was:

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	August 31, 2015					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 1,040,925	\$ 1,040,925	\$ -	\$ -	\$ -	\$ -
Other Receivables	434,873	386,682	8,349	15,248	23,544	1,050
Gross Receivables	1,475,798	1,427,607	8,349	15,248	23,544	1,050
Allowance for Doubtful Accounts	-	-	-	-	-	-
Net Receivables	\$ 1,475,798	\$ 1,427,607	\$ 8,349	\$ 15,248	\$ 23,544	\$ 1,050

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 has guaranteed a loan for Cornerstone Christian School. The principal and interest repayment amount outstanding at August 31, 2015 is in good standing. The school division manages liquidity risk by maintaining adequate cash balances to cover its obligations, budget practices and projections of future need of funds.

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

	August 31, 2015			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 4,416,717	\$ 69,659	\$ 7,070	\$ -
Long-term debt (including interest)	208,272	208,272	833,088	-
Total	\$ 4,624,989	\$ 277,931	\$ 840,158	\$ -

iii) Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments. The school division also has an authorized line of credit with our financial institution of \$15,000,000 with interest at Bank prime rate minus 0.5% per annum. Changes in the Bank prime rate can cause fluctuations in interest payment and cash flows. There was no balance outstanding on this credit facility as of August 31, 2015.

The school division minimizes these risks by:

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- 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.

Foreign Currency Risk

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