ST. PAUL'S ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 20

CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2016

Management's Responsibility for the Consolidated Financial Statements

The school division's management is responsible for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

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

The external auditors, Deloitte LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the consolidated financial statements. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the school division's consolidated financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the St. Paul's Roman Catholic Separate School Division No. 20:

Diane Boyko

Board Chair

Greg Chatlain

CEO/Director of Education

Chief Financial Officer

November 28, 2016

Deloitte.

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Independent Auditor's Report

To the Trustees of the Board of Education of
St. Paul's Roman Catholic Separate School Division No. 20

We have audited the accompanying consolidated financial statements of St. Paul's Roman Catholic Separate School Division No. 20, which comprise the consolidated statement of financial position as at August 31, 2016, and the consolidated statements of operations and accumulated surplus from operations, remeasurement gains and 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 St. Paul's Roman Catholic Separate School Division No. 20 as at August 31, 2016, and the results of its operations, its remeasurement gains and losses, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Professional Accountants

Saskatoon, Saskatchewan
November 28, 2016

St. Paul's Roman Catholic Separate School Division No. 20
Consolidated Statement of Financial Position
as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	17,162,379	13,766,637
Accounts Receivable (Note 3)	9,133,998	10,367,402
Portfolio Investments (Note 4)	56,100	56,100
Total Financial Assets	**26,352,477**	**24,190,139**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	8,059,298	6,244,275
Long-Term Debt and Associated Derivatives (Note 7)	36,697,046	39,637,637
Liability for Employee Future Benefits (Note 8)	4,780,700	4,528,900
Deferred Revenue (Note 9)	3,630,146	2,653,840
Total Liabilities	**53,167,190**	**53,064,652**
Net Debt	**(26,814,713)**	**(28,874,513)**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	239,219,260	155,277,120
Prepaid Expenses	680,489	409,856
Total Non-Financial Assets	**239,899,749**	**155,686,976**
Accumulated Surplus (Note 11)	**213,085,036**	**126,812,463**
Accumulated Surplus is comprised of:		
Accumulated Surplus from Operations	213,087,940	126,857,488
Accumulated Remeasurement Losses	(2,904)	(45,025)
Total Accumulated Surplus (Note 11)	**213,085,036**	**126,812,463**

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

Diane Boyko

_______________________ Chairperson

_______________________ Chief Financial Officer

St. Paul's Roman Catholic Separate School Division No. 20

Consolidated Statement of Operations and Accumulated Surplus from Operations

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
REVENUES			
Property Taxation	48,135,798	47,532,409	47,054,701
Grants	206,537,078	209,778,729	133,541,620
Tuition and Related Fees	2,019,632	2,345,731	2,187,106
School Generated Funds	3,428,514	4,056,908	4,124,890
Complementary Services (Note 10)	1,814,844	1,814,844	1,758,466
Other	1,417,488	2,432,347	2,112,263
Total Revenues (Schedule A)	**263,353,354**	**267,960,968**	**190,779,046**
EXPENSES			
Governance	786,084	736,060	832,852
Administration	6,250,126	6,533,121	6,194,606
Instruction	133,004,947	132,007,117	129,304,255
Plant	24,624,284	27,128,017	33,931,354
Transportation	7,727,798	7,231,195	6,871,486
School Generated Funds	3,470,514	3,908,654	3,891,334
Complementary Services (Note 10)	2,415,415	2,240,519	2,303,195
Other Expenses	1,982,375	1,945,833	2,135,574
Total Expenses (Schedule B)	**180,261,543**	**181,730,516**	**185,464,656**
Operating Surplus for the Year	**83,091,811**	**86,230,452**	**5,314,390**
Accumulated Surplus from Operations, Beginning of Year	**126,857,488**	**126,857,488**	**121,543,098**
Accumulated Surplus from Operations, End of Year	**209,949,299**	**213,087,940**	**126,857,488**

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

St. Paul's Roman Catholic Separate School Division No. 20
Consolidated Statement of Remeasurement Gains and Losses
as at August 31, 2016

	2016	2015
Accumulated Remeasurement Losses, Beginning of Year	**(45,025)**	**(109,169)**
Unrealized gains attributable to:		
Derivatives (Note 7)	42,121	64,144
Accumulated Remeasurement Losses, End of Year	**(2,904)**	**(45,025)**

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

St. Paul's Roman Catholic Separate School Division No. 20

Consolidated Statement of Changes in Net Debt

for the year ended August 31, 2016

	2016 Budget (Note 14)	2016 Actual	2015 Actual
Net Debt, Beginning of Year	**(28,874,513)**	**(28,874,513)**	**(25,779,043)**
Changes During the Year:			
Operating Surplus for the Year	83,091,811	86,230,452	5,314,390
Acquisition of Tangible Capital Assets (Schedule C)	(89,327,466)	(91,026,860)	(15,483,459)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	1,300	1,200
Gain on Disposal of Tangible Capital Assets (Schedule C)	-	(1,300)	(1,200)
Amortization of Tangible Capital Assets (Schedule C)	6,606,325	7,084,720	7,010,160
Net Change in Other Non-Financial Assets	-	(270,633)	(705)
	370,670	**2,017,679**	**(3,159,614)**
Net Remeasurement Gains	-	42,121	64,144
Change in Net Debt	**370,670**	**2,059,800**	**(3,095,470)**
Net Debt, End of Year	**(28,503,843)**	**(26,814,713)**	**(28,874,513)**

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

St. Paul's Roman Catholic Separate School Division No. 20

Consolidated Statement of Cash Flows

for the year ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus for the Year	86,230,452	5,314,390
Add (Deduct) Non-Cash Items Included in Surplus (Schedule D)	(77,490,892)	768,101
Net Change in Non-Cash Operating Activities (Schedule E)	3,624,912	6,719,470
Cash Provided by Operating Activities	**12,364,472**	**12,801,961**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(6,071,560)	(13,948,945)
Proceeds on Disposal of Tangible Capital Assets	1,300	1,200
Cash Used by Capital Activities	**(6,070,260)**	**(13,947,745)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(11,600)	-
Proceeds on Disposal of Portfolio Investments	11,600	-
Cash Provided by Investing Activities	**-**	**-**
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	866,356
Repayment of Long-Term Debt	(2,898,470)	(2,759,379)
Cash Used by Financing Activities	**(2,898,470)**	**(1,893,023)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**3,395,742**	**(3,038,807)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**13,766,637**	**16,805,444**
CASH AND CASH EQUIVALENTS, END OF YEAR	**17,162,379**	**13,766,637**

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

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St. Paul's Roman Catholic Separate School Division No. 20

Schedule A: Consolidated Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	46,413,312	45,659,662	45,065,096
Revenue from Supplemental Levies	729,326	434,427	513,459
Total Property Tax Revenue	**47,142,638**	**46,094,089**	**45,578,555**
Grants in Lieu of Taxes			
Federal Government	255,742	663,294	388,621
Provincial Government	635,702	740,201	724,435
Other	416,494	557,692	533,690
Total Grants in Lieu of Taxes	**1,307,938**	**1,961,187**	**1,646,746**
Other Tax Revenues			
Treaty Land Entitlement - Urban	-	-	52,286
House Trailer Fees	20,709	17,778	18,204
Total Other Tax Revenues	**20,709**	**17,778**	**70,490**
Additions to Levy			
Penalties	16,567	19,702	18,874
Other	91,120	132,925	188,969
Total Additions to Levy	**107,687**	**152,627**	**207,843**
Deletions from Levy			
Cancellations	(45,560)	(48,169)	(66,162)
Other Deletions	(397,614)	(645,103)	(382,771)
Total Deletions from Levy	**(443,174)**	**(693,272)**	**(448,933)**
Total Property Taxation Revenue	**48,135,798**	**47,532,409**	**47,054,701**
Grants			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	114,708,021	115,619,391	113,117,659
Other Ministry Grants	673,937	784,310	672,034
Total Ministry Grants	**115,381,958**	**116,403,701**	**113,789,693**
Other Provincial Grants	583,829	218,474	478,377
Grants from Others	-	191,103	187,638
Total Operating Grants	**115,965,787**	**116,813,278**	**114,455,708**
Capital Grants			
Ministry of Education Capital Grants	90,285,276	92,573,747	19,069,666
Other Capital Grants	286,015	391,704	16,246
Total Capital Grants	**90,571,291**	**92,965,451**	**19,085,912**
Total Grants	**206,537,078**	**209,778,729**	**133,541,620**

St. Paul's Roman Catholic Separate School Division No. 20

Schedule A: Consolidated Supplementary Details of Revenues

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
School Boards	100,000	85,878	128,974
Federal Government and First Nations	110,000	126,334	119,424
Individuals and Other	1,809,180	2,133,019	1,938,708
Total Tuition Fees	**2,019,180**	**2,345,231**	**2,187,106**
Transportation Fees	452	500	-
Total Tuition and Related Fees Revenue	**2,019,632**	**2,345,731**	**2,187,106**
School Generated Funds Revenue			
Curricular			
Student Fees	-	11,934	11,535
Total Curricular Fees	**-**	**11,934**	**11,535**
Non-Curricular Fees			
Commercial Sales - Non-GST	30,314	44,078	65,574
Fundraising	864,656	997,095	927,561
Grants and Partnerships	452,172	583,087	499,293
Students Fees	1,953,162	2,264,743	2,407,847
Other	128,210	155,971	213,080
Total Non-Curricular Fees	**3,428,514**	**4,044,974**	**4,113,355**
Total School Generated Funds Revenue	**3,428,514**	**4,056,908**	**4,124,890**
Complementary Services			
Operating Grants			
Ministry of Education Operating Grants	1,814,844	1,814,844	1,732,225
Capital Grants			
Ministry of Education Capital Grants	-	-	26,241
Total Complementary Services Revenue	**1,814,844**	**1,814,844**	**1,758,466**
Other Revenue			
Miscellaneous Revenue	658,773	1,625,678	1,377,225
Sales & Rentals	685,375	741,552	639,862
Investments	73,340	63,817	93,976
Gain on Disposal of Tangible Capital Assets	-	1,300	1,200
Total Other Revenue	**1,417,488**	**2,432,347**	**2,112,263**
TOTAL REVENUE FOR THE YEAR	**263,353,354**	**267,960,968**	**190,779,046**

St. Paul's Roman Catholic Separate School Division No. 20

Schedule B: Consolidated Supplementary Details of Expenses

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	260,301	250,316	252,479
Professional Development- Board Members	58,998	45,716	47,499
Advisory Committees	1,825	3,362	892
Elections	-	10,472	54,455
Other Governance Expenses	464,960	426,194	477,527
Total Governance Expense	**786,084**	**736,060**	**832,852**
Administration Expense			
Salaries	4,897,588	5,032,302	4,714,631
Benefits	704,396	750,332	704,303
Supplies & Services	243,221	299,338	241,912
Non-Capital Furniture & Equipment	4,441	1,795	5,310
Building Operating Expenses	255,823	247,540	356,735
Travel	1,596	36,253	33,367
Professional Development	15,000	13,646	6,404
Amortization of Tangible Capital Assets	128,061	151,915	131,944
Total Administration Expense	**6,250,126**	**6,533,121**	**6,194,606**
Instruction Expense			
Instructional (Teacher Contract) Salaries	93,896,180	93,561,280	91,079,907
Instructional (Teacher Contract) Benefits	4,939,686	4,685,614	4,688,440
Program Support (Non-Teacher Contract) Salaries	19,807,563	19,469,831	19,341,875
Program Support (Non-Teacher Contract) Benefits	4,264,883	4,261,917	4,335,335
Instructional Aids	2,816,023	3,703,411	2,992,367
Supplies & Services	2,147,555	1,505,362	1,795,276
Non-Capital Furniture & Equipment	668,900	566,122	768,844
Communications	552,493	405,616	568,420
Travel	282,165	242,630	240,297
Professional Development	808,588	552,867	568,924
Student Related Expense	1,127,634	1,154,174	1,063,396
Amortization of Tangible Capital Assets	1,693,277	1,898,293	1,861,174
Total Instruction Expense	**133,004,947**	**132,007,117**	**129,304,255**

St. Paul's Roman Catholic Separate School Division No. 20

Schedule B: Consolidated Supplementary Details of Expenses

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	6,772,735	6,963,450	6,586,233
Benefits	1,390,242	1,381,445	1,333,857
Supplies & Services	12,107	2,198	917
Non-Capital Furniture & Equipment	100,496	100,210	67,238
Building Operating Expenses	11,472,696	13,557,171	20,848,761
Communications	332	446	248
Travel	87,355	82,202	69,370
Professional Development	4,500	7,551	8,852
Amortization of Tangible Capital Assets	4,783,821	5,033,344	5,015,878
Total Plant Operation & Maintenance Expense	**24,624,284**	**27,128,017**	**33,931,354**
Student Transportation Expense			
Salaries	136,498	138,207	132,701
Benefits	24,451	12,715	12,423
Contracted Transportation	7,566,849	7,080,273	6,726,362
Total Student Transportation Expense	**7,727,798**	**7,231,195**	**6,871,486**
School Generated Funds Expense			
Academic Supplies & Services	-	1,387	7,428
Cost of Sales	24,272	33,258	46,680
School Fund Expenses	3,446,242	3,874,009	3,837,226
Total School Generated Funds Expense	**3,470,514**	**3,908,654**	**3,891,334**

St. Paul's Roman Catholic Separate School Division No. 20
Schedule B: Consolidated Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	1,136,169	1,148,771	1,154,273
Program Support (Non-Teacher Contract) Salaries & Benefits	501,846	487,490	426,426
Instructional Aids	5,000	-	36,309
Non-Capital Furniture & Equipment	5,000	-	-
Travel	-	213	711
Professional Development (Non-Salary Costs)	1,500	-	3,365
Student Related Expenses	28,000	29,800	28,201
Contracted Transportation & Allowances	736,734	573,077	652,746
Amortization of Tangible Capital Assets	1,166	1,168	1,164
Total Complementary Services Expense	**2,415,415**	**2,240,519**	**2,303,195**
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	158,424	125,025	186,950
Interest on Capital Loans	1,791,038	1,787,895	1,903,809
Interest on Other Long-Term Debt	32,913	32,913	44,815
Total Interest and Bank Charges	**1,982,375**	**1,945,833**	**2,135,574**
Total Other Expense	**1,982,375**	**1,945,833**	**2,135,574**
TOTAL EXPENSES FOR THE YEAR	**180,261,543**	**181,730,516**	**185,464,656**

St. Paul's Roman Catholic Separate School Division No. 20

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

	Land	Land Improvements	Buildings	Buildings Short-Term	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction	2016	2015
Tangible Capital Assets - at Cost											
Opening Balance as of September 1	9,578,065	1,150,487	184,703,879	36,246,273	402,177	4,732,491	8,372,623	449,542	6,441,178	**252,076,715**	**237,469,888**
Additions/Purchases	-	-	216,505	-	143,958	562,344	1,410,226	67,635	88,626,192	**91,026,860**	**15,483,459**
Disposals	-	-	-	-	(27,255)	(147,827)	(1,207,176)	(32,287)	-	**(1,414,545)**	**(876,632)**
Transfers to (from)	-	34,629	1,000,340	721,810	-	241,555	-	-	(1,998,334)	**-**	**-**
Closing Balance as of August 31	**9,578,065**	**1,185,116**	**185,920,724**	**36,968,083**	**518,880**	**5,388,563**	**8,575,673**	**484,890**	**93,069,036**	**341,689,030**	**252,076,715**
Tangible Capital Assets - Amortization											
Opening Balance as of September 1	-	593,562	65,648,512	23,210,809	281,425	2,195,736	4,660,171	209,380	-	**96,799,595**	**90,666,067**
Amortization of the Period	-	46,514	3,533,081	1,104,058	52,994	535,136	1,715,954	96,983	-	**7,084,720**	**7,010,160**
Disposals	-	-	-	-	(27,255)	(147,827)	(1,207,176)	(32,287)	-	**(1,414,545)**	**(876,632)**
Closing Balance as of August 31	**N/A**	**640,076**	**69,181,593**	**24,314,867**	**307,164**	**2,583,045**	**5,168,949**	**274,076**	**N/A**	**102,469,770**	**96,799,595**
Net Book Value											
Opening Balance as of September 1	9,578,065	556,925	119,055,367	13,035,464	120,752	2,536,755	3,712,452	240,162	6,441,178	**155,277,120**	**146,803,821**
Closing Balance as of August 31	9,578,065	545,040	116,739,131	12,653,216	211,716	2,805,518	3,406,724	210,814	93,069,036	**239,219,260**	**155,277,120**
Change in Net Book Value	**-**	**(11,885)**	**(2,316,236)**	**(382,248)**	**90,964**	**268,763**	**(305,728)**	**(29,348)**	**86,627,858**	**83,942,140**	**8,473,299**
Disposals											
Historical Cost	-	-	-	-	27,255	147,827	1,207,176	32,287	-	**1,414,545**	**876,632**
Accumulated Amortization	-	-	-	-	27,255	147,827	1,207,176	32,287	-	**1,414,545**	**876,632**
Net Cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Proceeds on Disposal	-	-	-	-	1,300	-	-	-	-	**1,300**	**1,200**
Gain on Disposal	**-**	**-**	**-**	**-**	**1,300**	**-**	**-**	**-**	**-**	**1,300**	**1,200**

St. Paul's Roman Catholic Separate School Division No. 20

Schedule D: Consolidated Non-Cash Items Included in Surplus

for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	7,084,720	7,010,160
In-Kind Ministry of Education Capital Grant for Joint-Use Schools Project included in Surplus (Note 18)	(84,574,312)	(6,240,859)
Gain on Disposal of Tangible Capital Assets (Schedule C)	(1,300)	(1,200)
Total Non-Cash Items Included in Surplus	**(77,490,892)**	**768,101**

St. Paul's Roman Catholic Separate School Division No. 20

Schedule E: Consolidated Net Change in Non-Cash Operating Activities

for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	1,233,404	8,422,874
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,434,035	(2,363,078)
Increase in Liability for Employee Future Benefits	251,800	188,100
Increase in Deferred Revenue	976,306	472,279
(Increase) in Prepaid Expenses	(270,633)	(705)
Total Net Change in Non-Cash Operating Activities	**3,624,912**	**6,719,470**

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 St. Paul's Roman Catholic Separate School Division No. 20" and operates as "the St. Paul's Roman Catholic Separate School Division No. 20". The School Division provides education services to residents within its boundaries 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 and agreed to by the Board of Education, although separate school divisions continue to have a legislative right to set their own mill rates. The School Division is exempt from income tax.

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 as adopted by the School Division are as follows:

a) Basis of Accounting

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

b) Reporting Entity and Consolidation

The consolidated financial statements include all 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 and the School Division's share of partnerships.

Partnerships
A partnership represents a contractual arrangement between the School Division and a party or parties outside the School Division reporting entity. The partners have significant clearly defined common goals, make a financial investment in the partnership, share control of decision making, and share, on an equitable basis, the significant risks and benefits associated with the operations of the partnership.

Partnerships are accounted for on a proportionate consolidation basis whereby the School Division's pro-rata share of the partnership's assets, liabilities, revenues and expenses are combined on a line by line basis. The partnership's accounting policies are consistent with the accounting policies of the School Division. Inter-company balances and transactions between the School Division and the partnership have been eliminated.

The School Division has an interest in one partnership:

- Humboldt Collegiate Institute – 58.8% (2015 – 55.4%)

c) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 consolidated financial statements exists for:

- The liability for future employee benefits of $4,780,700 (2015 - $4,528,900) because actual experience may differ significantly from actuarial estimations.
- Property taxation revenue of $47,532,409 (2015 - $47,054,701) because final tax assessments may differ from initial estimates.
- Useful lives of tangible capital assets and related amortization $7,084,720 (2015 - $7,010,160) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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

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

d) Financial Instruments

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

Financial instruments are assigned to one of 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 for derivatives which are measured at fair value.

i) Fair Value

Fair value measurement applies to financial derivatives. Any associated transaction costs are expensed upon initial recognition. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized, at which time they are transferred to the Consolidated Statement of Operations and Accumulated Surplus from Operations.

Fair value is determined by:

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from any accumulated remeasurement gains and reported in the Consolidated Statement of Operations and Accumulated Surplus from Operations.

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

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 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 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. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the Consolidated Statement of Operations and Accumulated Surplus from Operations in the period the gain or loss occurs.

e) Financial Assets

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

Cash and Cash Equivalents consist of cash and bank deposits held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. 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 and are carried at cost. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (d).

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) Non- Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the School Division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the School Division include land, land improvements, buildings, buildings – short term, other vehicles, furniture and equipment, computer hardware and audio visual equipment, computer software, capital lease assets and assets under construction.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The School Division does not capitalize interest incurred while a tangible capital asset is under construction, nor amortize it until it is complete and placed into service.

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

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
Other vehicles	5 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.

Prepaid Expenses are prepaid amounts for goods or services such as insurance, Saskatchewan School Boards Association fees, Workers' Compensation premiums and software licenses which will provide economic benefits in one or more future periods.

g) Liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

Long-Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995.* Long-term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the School Division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

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

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 facility rentals is recognized as the services are delivered, and revenue from property taxes is earned through the passage of time.

h) Employee Pension 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 standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

i) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.
The School Division's sources of revenues include the following:

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 and agreed to by the Board of Education, although separate school divisions have a legislative right to set their own mill rates. Tax revenues are recognized on the basis of time with $1/12^{th}$ of estimated total tax revenue recorded in each month of the School Division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the School Division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the School Division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the School Division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

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

iv) Interest Income

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

v) Other (Non-Government Transfer) Contributions

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

3. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Consolidated Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of accounts receivable balances and allowances are as follows:

3. ACCOUNTS RECEIVABLE (Cont'd)

	2016		2015	
	Total Receivable	Net of Allowance	Total Receivable	Net of Allowance
Taxes Receivable	$ 1,232,569	$ 1,232,569	$ 1,097,668	$ 1,097,668
Provincial Grants Receivable	6,248,747	6,248,747	7,890,991	7,890,991
Other Receivables	1,652,682	1,652,682	1,378,743	1,378,743
Total Accounts Receivable	$ 9,133,998	$ 9,133,998	$ 10,367,402	$ 10,367,402

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	**Cost**	**Cost**
NatCan GIC, interest of 3.21%, due January 6, 2016	$ -	$ 11,600
Canadian Western Bank GIC, interest of 2.35%, due January 6, 2021	11,600	-
National Bank of Canada GIC, interest of 2.75%, due October 17, 2016	10,000	10,000
ING Bank of Canada GIC, interest of 2.70%, due January 23, 2019	34,500	34,500
Total portfolio investments	**$ 56,100**	**$ 56,100**

5. SHORT-TERM BORROWINGS

The School Division has a demand operating line of credit with a maximum borrowing limit of $28 million (2015 – $20 million) that bears interest at prime minus 0.75% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is unsecured. This line of credit was approved by the Minister of Education on June 19, 2015. There was no balance drawn on the line of credit at August 31, 2016 (August 31, 2015 - $0).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	$ 2,360,558	$ 2,246,562
Supplier Payments	5,672,302	3,966,772
Other	26,438	30,941
Total Accounts Payable and Accrued Liabilities	$ 8,059,298	$ 6,244,275

7. LONG-TERM DEBT AND ASSOCIATED DERIVATIVES

Details of long-term debt are as follows:

		2016	2015
Capital Loans	Royal Bank Bankers' Acceptance Loan - offering rate of 4.60% plus spread of 0.35%, ten year loan revolving quarterly at progressively smaller amounts until October 2016 (offering rate at August 31, 2016 was 0.889%).	$311,000	$1,519,000
	Royal Bank 4.25% twenty year fixed rate loan, payable in blended monthly instalments of $77,106 until December 2031.	10,411,522	10,883,378
	BMO 5.01% twenty year fixed rate loan, payable in blended monthly instalments of $179,973 until December 2033.	24,985,800	25,869,524
	BMO 1.98% five year fixed rate loan, payable in blended monthly instalments of $15,422 until March 2020.	639,593	810,223
		36,347,915	39,082,125
Capital Leases	Five year capital lease for Konica Minolta multifunction printing devices, variable monthly cost per copy payment based on usage, bearing interest at 7.55%, expiring June 30, 2018.	346,227	510,487
		346,227	510,487
Derivatives	Derivatives consist of long-term financial instrument created by interest rate swap agreement - 4.60%, terminates October 2016. The derivative is recorded at fair value.	2,904	45,025
		2,904	45,025
Total Long-Term Debt and Associated Derivatives		$ 36,697,046	$ 39,637,637

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

Principal repayments over the next 5 years are estimated as follows:

	Capital Loans	Capital Leases	Total
2017	$ 1,961,358	$ 177,092	$ 2,138,450
2018	1,667,784	169,135	1,836,919
2019	1,743,646	-	1,743,646
2020	1,745,552	-	1,745,552
2021	1,718,055	-	1,718,055
Thereafter	27,511,520	-	27,511,520
Total	$ 36,347,915	$ 346,227	$ 36,694,142

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

	Capital Loans	Capital Leases	2016	2015
Principal	$ 2,734,209	$ 164,261	$ 2,898,470	$ 2,759,379
Interest	1,787,895	32,913	1,820,808	1,948,624
Total	$ 4,522,104	$ 197,174	$ 4,719,278	$ 4,708,003

8. 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, severance, and vacation banks. The liability associated with these benefits is calculated based on the present value of expected future payments pro-rated for service and is included in Liability for Employee Future Benefits in the Consolidated Statement of Financial Position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

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

8. EMPLOYEE FUTURE BENEFITS (Cont'd)

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	$ 5,332,700	$ 3,901,400
Current period service cost	456,200	320,000
Interest cost	139,700	115,200
Benefit payments	(399,200)	(215,600)
Actuarial losses	220,800	1,211,700
Accrued Benefit Obligation - end of year	5,750,200	5,332,700
Unamortized Net Actuarial Losses	(969,500)	(803,800)
Liability for Employee Future Benefits	$ 4,780,700	$ 4,528,900

Employee Future Benefits Expense	2016	2015
Current service cost	$ 456,200	$ 320,000
Amortization of net actuarial loss (gain)	55,100	(31,500)
Benefit cost	511,300	288,500
Interest cost	139,700	115,200
Total Employee Future Benefits Expense	$ 651,000	$ 403,700

9. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Capital projects				
Federal capital tuition	$ 11,927	$ 5,019	$ -	$ 16,946
Other Non-Government deferred capital transfers	51,651	1,000,000	(391,704)	659,947
Total capital projects deferred revenue	63,578	1,005,019	(391,704)	676,893
Other deferred revenue				
International Student Program tuition	1,691,982	1,952,162	(1,691,982)	1,952,162
Facility rentals	6,057	14,072	(6,057)	14,072
Property tax income	892,223	987,019	(892,223)	987,019
Total other deferred revenue	2,590,262	2,953,253	(2,590,262)	2,953,253
Total Deferred Revenue	$ 2,653,840	$ 3,958,272	$ (2,981,966)	$ 3,630,146

10. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	2016	2015
Revenue:			
Operating Grants	$1,814,844	$1,814,844	$1,732,225
Capital Grants	-	-	26,241
Total Revenue	1,814,844	1,814,844	1,758,466
Expenses:			
Salaries & Benefits	1,636,262	1,636,262	1,580,699
Instructional Aids	-	-	36,309
Travel	213	213	711
Professional Development (Non-Salary Costs)	-	-	3,365
Student Related Expenses	29,800	29,800	28,201
Contracted Transportation & Allowances	573,076	573,076	652,746
Amortization of Tangible Capital Assets	1,168	1,168	1,164
Total Expenses	2,240,519	2,240,519	2,303,195
Deficiency of Revenue over Expenses	$ (425,675)	$ (425,675)	$ (544,729)

Pre-kindergarten is a targeted early intervention program offered to vulnerable children in the community. Each classroom has a maximum of 16 students with a professional teacher and an educational assistant assigned to the classroom. The School Division has 28 (2015 – 28) pre-kindergarten programs in eleven schools.

11. 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 gains and losses, which represents the unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value as detailed in the Consolidated Statement of Remeasurement Gains and 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 school generated funds, scholarships and future capital asset expenditures. 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.

St. Paul's Roman Catholic Separate School Division No. 20
Notes to the Consolidated Financial Statements
for the year ended August 31, 2016

11. ACCUMULATED SURPLUS (Cont'd)

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets				
Net Book Value of Tangible Capital Assets	$ 155,277,120	$ 83,942,140	$ -	$ 239,219,260
Less: Debt owing on Tangible Capital Assets	39,637,637	-	2,940,591	36,697,046
	115,639,483	83,942,140	(2,940,591)	202,522,214
PMR maintenance project allocations	2,264,002	2,469,856	2,265,908	2,467,950
Internally Restricted Surplus				
Capital projects				
Designated for tangible capital asset expenditures	1,053,795	-	518,994	534,801
Other				
Telephone system replacement	200,000	-	200,000	-
Textbook replacement	100,000	-	100,000	-
Technology refresh	300,000	600,000	300,000	600,000
Invitational Shared Services Initiative	148,325	150,000	298,325	-
Modular classroom moves	300,000	-	149,258	150,742
Modular classroom project surplus	163,565	-	-	163,565
School decentralized budget carryover	84,051	40,030	84,051	40,030
Claims fluctuation reserve	100,000	-	-	100,000
JUSP planning grant	117,066	334,000	348,985	102,081
Vehicle replacement fund	90,000	-	90,000	-
School generated funds	1,230,955	32,500	-	1,263,455
Scholarship funds	216,282	5,843	900	221,225
Humboldt Collegiate Institute	163,859	73,395	-	237,254
Saskatoon French School	205,024	117,382	-	322,406
Oskāyak High School	1,394,305	33,323	203,452	1,224,176
	5,867,227	1,386,473	2,293,965	4,959,735
Unrestricted Surplus	3,086,776	51,265	-	3,138,041
Total Accumulated Surplus from Operations	126,857,488	87,849,734	1,619,282	213,087,940
Accumulated Remeasurement Losses	(45,025)	42,121	-	(2,904)
Total Accumulated Surplus	$ 126,812,463	$ 87,891,855	$ 1,619,282	$ 213,085,036

11. ACCUMULATED SURPLUS (Cont'd)

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 is as follows:

i) Designated for tangible capital asset expenditures are capital grants received or receivable from the Ministry of Education that have not yet been spent on the designated project.

ii) Telephone system replacement is set aside for 2015-2016 expenses related to the voice-over internet protocol phone system replacement.

iii) Textbook replacement funds are set aside to help meet future textbook replacement needs in the division.

iv) Technology refresh funds are set aside to update obsolete information technology infrastructure.

v) Invitational Shared Services Initiative is a joint program between the School Division and Saskatoon Tribal Council. Grant not spent in the year is required to be set aside for the next year's programming.

vi) Modular Classroom Moves is funding set aside to relocate modular classrooms at the completion of the major renovations and addition projects nearing completion in the summer of 2015.

vii) The Modular Classroom Project Surplus is set aside to offset future costs associated with incompatibility issues with existing units.

viii) School Decentralized Budget Carryover is funding set aside for schools to use in the following school year with up to 10% of their current year budget remaining.

ix) Claims Fluctuation Reserve is funds withdrawn from the employee benefits plan to offset future costs.

x) JUSP Planning Grant funds were received from the Ministry of Education and the unspent portion is being set aside to offset future costs associated with the School Division being part of the JUSP planning process.

xi) Vehicle Replacement Fund has been set aside to offset the cost of two new service vans and purchase a tractor budgeted for in 2014-2015 that was back ordered.

xii) School Generated Funds are the excess of revenue over expenses from funds collected from school activities at the school level.

11. ACCUMULATED SURPLUS (Cont'd)

xiii) Scholarship Funds consist of monies donated from third parties that is used to pay scholarships to students based on defined criteria and internally allocated funds set aside as a professional development fund for senior administration.

xiv) The Humboldt Collegiate Institute allocation is revenues in excess of expenses resulting from the School Division's share of the operations of the school. The school is jointly administered with Horizon School Division No. 205.

xv) The Saskatoon French School and Oskāyak High School allocations are revenues in excess of expenses resulting from the operations of the respective schools. Both schools are administered by the School Division and work with a council elected by the school community as outlined in the tripartite agreement for each school.

12. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	$ 250,316	$ 485,744	$ -	$ -	$ 736,060	$ 832,852
Administration	5,782,634	598,572	-	151,915	6,533,121	6,194,606
Instruction	121,978,642	8,130,182	-	1,898,293	132,007,117	129,304,255
Plant	8,344,895	13,749,778	-	5,033,344	27,128,017	33,931,354
Transportation	150,922	7,080,273	-	-	7,231,195	6,871,486
School Generated Funds	-	3,908,654	-	-	3,908,654	3,891,334
Complementary Services	1,636,261	603,090	-	1,168	2,240,519	2,303,195
Other - Interest	-	13,943	1,931,890	-	1,945,833	2,135,574
TOTAL	$ 138,143,670	$ 34,570,236	$ 1,931,890	$ 7,084,720	$ 181,730,516	$ 185,464,656

13. 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

13. PENSION PLANS (Cont'd)

employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these consolidated financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

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

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1,166	11	1,177	1,167
Member contribution rate (percentage of salary)	10.20% - 12.40%	6.05% - 7.85%	6.05% - 12.40%	6.05% - 12.40%
Member contributions for the year	$ 10,204,904	$ 59,605	$ 10,264,509	$ 8,926,254

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.

Details of the MEPP are as follows:

	2016	2015
Number of active School Division members	743	733
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	$ 2,236,479	$ 2,197,494
School Division contributions for the year	$ 2,236,527	$ 2,197,494
Actuarial valuation (extrapolation) date	(31-Dec-15)	31-Dec-14
Plan Assets (in thousands)	$ 2,148,676	$ 2,006,587
Plan Liabilities (in thousands)	$ 1,831,743	$ 1,672,585
Plan Surplus (in thousands)	$ 316,933	$ 334,002

14. BUDGET FIGURES

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

15. PARTNERSHIP

The School Division operates Humboldt Collegiate Institute (HCI) under a joint operating agreement between the School Division and Horizon School Division No. 205. The purpose of the partnership is to provide secondary education to the Catholic and Public students of Humboldt and surrounding area. Any distribution (recovery) of annual operating surplus (deficit) is shared between the partners according to their proportionate share of the student population for the given fiscal year.

The following is a schedule of relevant financial information as stated within the financial statements for the partnership for the year ended August 31, 2016. These amounts represent 100% of the partnership's financial position and activities.

	2016	2015
Financial Assets	$ -	$ 113,773
Tangible Capital Assets	15,900,815	16,382,745
Total Assets	$ 15,900,815	$ 16,496,518
Financial Liabilities	$ -	$ 113,773
Accumulated Surplus	15,900,815	16,382,745
Total Liabilities and Accumulated Surplus	$ 15,900,815	$ 16,496,518
Revenue	$ 3,509,206	$ 3,331,706
Expenses	(3,384,366)	(3,396,246)
Total Operating Surplus (Deficit)	$ 124,840	$ (64,540)
Less: Allocated to Horizon School Division No. 205	(51,445)	28,765
Less: Allocated to St. Paul's Roman Catholic Separate School Division No. 20	(73,395)	35,775
Total Accumulated Surplus	$ -	$ -

The above amounts have been proportionately consolidated in the School Division's consolidated financial statements at the School Division's partnership share of 58.8% (2015 – 55.4%). After adjusting accounting policies to be consistent with those of the School Division and eliminating transactions between the partnership and the School Division, the following amounts have been included in the School Division's consolidated financial statements:

	2016	2015
Tangible Capital Assets	$ 10,988,233	$ 11,324,469
Financial Liabilities	$ -	$ 35,775
Revenue	$ 2,063,104	$ 1,846,824
Expenses	$ (1,989,709)	$ (1,882,599)

15. PARTNERSHIP (Cont'd)

The School Division's allocation of the accumulated balance of net operating surplus including school generated funds arising from the operations of HCI has been included in internally restricted surplus as disclosed in Note 11 – Accumulated Surplus.

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

	2016	2015
Revenues		
Ministry of Education	$ 210,792,292	$ 134,617,825
Saskatchewan Government Insurance	218,474	478,377
	$ 211,010,766	$ 135,096,202
Expenses		
Saskatchewan Power Corporation	$ 1,119,312	$ 1,140,866
Saskatchewan Telecommunications Holding Corporation	247,096	379,060
SaskEnergy Incorporated	737,162	1,021,104
Workers' Compensation Board (Saskatchewan)	333,737	334,764
	$ 2,437,307	$ 2,875,794
Accounts Receivable		
Ministry of Education	$ 6,248,747	$ 7,890,991
Horizon S.D. No. 205	148,712	75,317
	$ 6,397,459	$ 7,966,308
Prepaid Expenses		
Workers' Compensation Board (Saskatchewan)	$ 131,857	$ 125,746
	$ 131,857	$ 125,746
Accounts Payable and Accrued Liabilities		
Saskatchewan Power Corporation	$ 103,050	$ 96,713
Saskatchewan Telecommunications Holding Corporation	30,105	24,848
SaskEnergy Incorporated	8,020	13,940
	$ 141,175	$ 135,501

16. RELATED PARTIES (Cont'd)

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.

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

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Construction Contracts and Commitments

On April 11, 2016 the School Division awarded the tender to VCM Construction Ltd. for the construction of four modular classrooms. The value of the contract was $1,218,999 and the project was 97% complete at August 31, 2016.

On June 20, 2016, Eikon Contracting Inc. was awarded the contract to move four modular classrooms. The value of the contract was $201,704 and was 73% complete at August 31, 2016.

On June 20, 2016, VCM Construction Ltd. was awarded a contract to repair gymnasium wall structural deficiencies at St. Michael Elementary School. The value of the contract was $490,123 and was 39% complete at August 31, 2016.

On June 20, 2016 the School Division awarded the tender to Graham Construction to construct a new sports field and pavilion at Holy Cross High School. The value of the contract was $845,000 and is funded by a private donation. The project was 25% complete at August 31, 2016.

Operating Contracts and Commitments

On August 25, 2016 the School Division signed a seven-year contract with First Canada ULC for student transportation services, expiring June 30, 2023. The School Division has a right to extend the contract for an additional three years.

The School Division leases instructional space for its Opening Doors Program from 2PRO Terra Holdings Ltd. On July 20, 2016, the School Division signed a three-year lease extension for the period ending August 31, 2019.

On May 11, 2013 the School Division signed a five-year capital lease with Konica Minolta Business Solutions (Canada) Ltd. The lease is paid through a monthly cost per copy charged. The annual guaranteed minimum number of copies is 21.5 million. The lease expires June 2018.

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS (Cont'd)

Operating and capital lease obligations of the school division are as follows:

	Operating Leases		Capital Leases	
	Instructional Space	Total Operating	Multifunction copiers	Total Capital
Future minimum lease payments:				
2017	$ 46,200	$ 46,200	$ 177,092	$ 177,092
2018	46,200	46,200	169,135	169,135
2019	46,200	46,200	-	-
	$ 138,600	$ 138,600	$ 346,227	$ 346,227
Interest costs	-	-	26,364	26,364
Total Lease Obligations	$ 138,600	$ 138,600	$ 372,591	$ 372,591

18. JOINT-USE SCHOOLS PROJECT AGREEMENT

In August 2015, the Government of Saskatchewan entered into a 32 year public-private partnership with Joint Use Mutual Partnership (JUMP) to design, finance, build and maintain the following schools on behalf of the School Division:

- St. Kateri Tekakwitha Catholic School - Stonebridge (Saskatoon)
- St. Thérèse of Lisieux Catholic School - Rosewood (Saskatoon)
- St. Lorenzo Ruiz Catholic School - Hampton Village (Saskatoon)
- St. Nicholas Catholic School - Evergreen (Saskatoon)
- Holy Mary Catholic School - Martensville
- Holy Trinity Catholic School - Warman

The Government of Saskatchewan will be responsible for all capital, maintenance and operating payments over the term of the public-private partnership agreement with ownership of the schools vesting with the School Division. Under the Accountability Agreement between the Government of Saskatchewan and School Division, the School Division receives the benefit of payments made by the Government of Saskatchewan. Therefore, during period of construction, the school division will record capital grant revenue from the Ministry of Education and tangible capital assets on the percentage of completion basis.

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

19. RISK MANAGEMENT (Cont'd)

receivables, the School Division has adopted credit policies which include close monitoring of overdue accounts. The School Division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

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

	August 31, 2016				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	$ 6,248,747	$ 6,248,747	$ -	$ -	$ -
Other Receivables	1,263,879	480,681	32,544	(831)	751,485
Net Receivables	$ 7,512,626	$ 6,729,428	$ 32,544	$ (831)	$ 751,485

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, budget practices and monitoring and forecasts. The following table sets out the contractual maturities of the School Division's financial liabilities:

	August 31, 2016			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	$ 8,059,298	$ -	$ -	$ -
Long term debt (including interest)	2,066,826	1,733,596	13,375,555	36,196,493
Total	$ 10,126,124	$ 1,733,596	$ 13,375,555	$ 36,196,493

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 long-term debt. The School Division also has an authorized bank line of credit of $28 million with interest payable monthly at a rate of prime minus 0.7%, which was approved by the Ministry of Education on June 19, 2015. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2016 (2015 -$0).

The School Division minimizes these risks by:

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

19. RISK MANAGEMENT (Cont'd)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The School Division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations;

however, this risk is minimal as the School Division does not make a significant amount of purchases denominated on a foreign currency. As at August 31, 2016 the School Division had accounts payable of $50 denominated in U.S. dollars and converted to Canadian dollars at $1 USD to $1.31 CAD (2015 - $1,003).

The School Division is also exposed to currency risk on its interest rate swap derivative denominated in U.S. dollars. As at August 31, 2015 the mark to market adjustment related to the derivative was $2,216 denominated in U.S. dollars and converted to Canadian dollars at $1 USD to $1.31 CAD (2015 – $34,115).