
Auditor's Report and Financial Statement

Of the Prairie Spirit School Division No. 206
School Division No. 2060500

For the Year Ended: August 31, 2013

James R Shields
Chief Financial Officer

C.S. Skrupski Certified General Accountant Professional Corporation
Auditor

PRAIRIE SPIRIT SCHOOL DIVISION NO. 206
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

PRAIRIE SPIRIT SCHOOL DIVISION NO. 206
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013

CONTENTS	PAGE
Management's Responsibility	1
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Operations and Accumulated Surplus from Operations	4
Statement of Changes in Net Financial Assets (Net Debt)	5
Statement of Cash Flows	6
Schedule A: Supplementary Details of Revenue	7 - 9
Schedule B: Supplementary Details of Expenses	10 - 13
Schedule C: Supplementary Details of Tangible Capital Assets	14
Schedule D: Non-Cash Items Included in Surplus	15
Schedule E: Net Change in Non-Cash Operating Activities	15
Notes to the Financial Statements	16 - 36

Management's Responsibility

To the Ratepayers,
Prairie Spirit School Division No. 206:

The School Division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards. 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 auditor.

The external auditor, C.S. Skrupski Certified General Accountant Professional Corporation, conducts an independent examination in accordance with Canadian auditing standards and expresses an opinion on the financial statements. The accompanying Independent Auditor's Report outlines the auditor's responsibilities, scope of the examination, and opinion on the School Division's financial statements. The external auditor has full and free access to, and meets periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of Prairie Spirit School Division No. 206:



Chairperson



CEO/Director of Education



Chief Financial Officer

November 25, 2013

C.S. Skrupski Certified General Accountant Professional Corporation

C.S. Skrupski
Certified General Accountant
Professional Corporation

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members of the Board of Education,
Prairie Spirit School Division No. 206:

I have audited the accompanying financial statements of Prairie Spirit School Division No. 206, which are comprised of the statement of financial position as at August 31, 2013, and the statements of operations and accumulated surplus from operations, changes in net financial assets (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 the 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

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Canadian auditing standards. Those standards require that I 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 School Division'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 School Division'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Prairie Spirit School Division No. 206 as at August 31, 2013, and the results of its operations, changes in net financial assets (net debt) and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Rosthern, Saskatchewan
November 25, 2013




Certified General Accountant
Professional Corporation

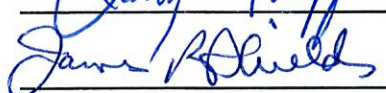
Prairie Spirit School Division No. 206
Statement of Financial Position
as at August 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	12,587,250	4,211,943
Accounts Receivable (Note 8)	21,346,213	20,771,464
Portfolio Investments (Note 4)	10,809	11,614
Total Financial Assets	33,944,272	24,995,021
Liabilities		
Provincial Grant Overpayment	-	1,631,132
Accounts Payable and Accrued Liabilities (Note 9)	2,495,242	3,924,117
Long Term Debt (Note 10)	23,980,510	7,383,584
Liability for Employee Future Benefits (Note 6)	822,800	775,500
Deferred Revenue (Note 11)	2,167,841	7,395,915
Total Liabilities	29,466,393	21,110,248
Net Financial Assets	4,477,879	3,884,773
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	118,460,944	102,714,835
Inventory of Supplies for Consumption	428,795	489,709
Prepaid Expenses	394,725	383,743
Total Non-Financial Assets	119,284,464	103,588,287
Accumulated Surplus (Note 14)	123,762,343	107,473,060
Accumulated Surplus is comprised of:		
Accumulated surplus from operations	123,762,343	107,473,060
Accumulated remeasurement gains and losses	-	-
Total Accumulated Surplus (Note 14)	123,762,343	107,473,060

Contractual Obligations and Commitments (Note 17)

Approved by the Board:





Chairperson

Chief Financial Officer

The accompanying notes and schedules are an integral part of these financial statements.
C.S. Skrupski Certified General Accountant Professional Corporation

Prairie Spirit School Division No. 206
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2013

	2013 Budget (Note 15)	2013 Actual	2012 Actual
REVENUES			
Property Taxation	32,088,953	34,424,660	31,747,619
Grants	72,822,300	81,387,520	77,490,197
Tuition and Related Fees	2,833,250	2,780,456	2,708,382
School Generated Funds	1,786,307	2,685,986	2,621,085
Complementary Services (Note 12)	759,246	1,001,341	1,633,515
External Services (Note 13)	-	83,307	100,508
Other	33,000	657,590	62,293
Total Revenues (Schedule A)	110,323,056	123,020,860	116,363,599
EXPENSES			
Governance	540,000	535,122	528,974
Administration	1,885,035	1,648,197	1,259,423
Instruction	78,853,681	78,800,341	76,691,784
Plant	12,067,131	12,703,394	11,462,049
Transportation	8,385,187	8,214,467	7,958,627
Tuition and Related Fees	629,068	511,644	447,418
School Generated Funds	1,786,307	2,681,436	2,440,802
Complementary Services (Note 12)	707,853	873,951	1,020,845
External Services (Note 13)	-	123,223	154,269
Other Expenses	1,739,457	639,802	707,139
Total Expenses (Schedule B)	106,593,719	106,731,577	102,671,330
Operating Surplus for the Year	3,729,337	16,289,283	13,692,269
Accumulated Surplus from Operations, Beginning of Year	107,473,060	107,473,060	93,780,791
Accumulated Surplus from Operations, End of Year	111,202,397	123,762,343	107,473,060

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

C.S. Skrupski Certified General Accountant Professional Corporation

Prairie Spirit School Division No. 206
Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2013

	<i>2013 Budget (Note 15)</i>	2013 Actual	2012 Actual
Net Financial Assets (Net Debt), Beginning of Year	3,884,773	3,884,773	(112,829)
Changes During the Year:			
Operating Surplus for the Year	3,729,337	16,289,283	13,692,269
Acquisition of Tangible Capital Assets (Schedule C)	(18,269,195)	(21,318,661)	(15,054,411)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	10,300	2,379
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	3,412	(2,379)
Amortization of Tangible Capital Assets (Schedule C)	5,004,480	5,558,840	5,367,977
Net Acquisition of Inventory of Supplies	-	60,914	(2,112)
Net Change in Other Non-Financial Assets	-	(10,982)	(6,121)
Change in Net Financial Assets (Net Debt)	(9,535,378)	593,106	3,997,602
Net Financial Assets (Net Debt), End of Year	(5,650,605)	4,477,879	3,884,773

The accompanying notes and schedules are an integral part of these financial statements.
C.S. Skrupski Certified General Accountant Professional Corporation

Prairie Spirit School Division No. 206
Statement of Cash Flows
for the year ended August 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Operating Surplus for the Year	16,289,283	13,692,269
Add Non-Cash Items Included in Surplus (Schedule D)	5,562,252	5,365,598
Net Change in Non-Cash Operating Activities (Schedule E)	(8,765,598)	5,975,590
Cash Provided by Operating Activities	13,085,937	25,033,457
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(21,318,661)	(15,054,411)
Proceeds on Disposal of Tangible Capital Assets	10,300	2,379
Cash (Used) by Capital Activities	(21,308,361)	(15,052,032)
INVESTING ACTIVITIES		
Proceeds on Disposal of Portfolio Investments	804	838
Cash Provided by Investing Activities	804	838
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	19,420,113	-
Repayment of Long Term Debt	(2,823,186)	(3,071,424)
Cash Provided (Used) by Financing Activities	16,596,927	(3,071,424)
INCREASE IN CASH AND CASH EQUIVALENTS	8,375,307	6,910,839
CASH AND CASH EQUIVALENTS (BANK INDEBTEDNESS), BEGINNING OF YEAR	4,211,943	(2,698,896)
CASH AND CASH EQUIVALENTS, END OF YEAR	12,587,250	4,211,943

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

C.S. Skrupski Certified General Accountant Professional Corporation

Prairie Spirit School Division No. 206
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 <i>Budget</i>	2013 Actual	2012 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	33,089,206	35,124,594	32,897,305
Total Property Tax Revenue	<u>33,089,206</u>	<u>35,124,594</u>	<u>32,897,305</u>
Grants in Lieu of Taxes:			
Federal Government	174,703	158,624	162,130
Provincial Government	60,671	33,539	90,051
Other	44,568	38,259	(31,182)
Total Grants in Lieu of Taxes	<u>279,942</u>	<u>230,422</u>	<u>220,999</u>
Other Tax Revenues:			
Treaty Land Entitlement - Rural	-	-	4,287
House Trailer Fees	77,375	86,186	86,643
Total Other Tax Revenues	<u>77,375</u>	<u>86,186</u>	<u>90,930</u>
Additions to Levy:			
Penalties	258,580	261,777	276,306
Total Additions to Levy	<u>258,580</u>	<u>261,777</u>	<u>276,306</u>
Deletions from Levy:			
Discounts	(1,458,150)	(1,490,078)	(1,395,209)
Cancellations	(158,000)	117,556	(264,864)
Other Deletions	-	94,203	(77,848)
Total Deletions from Levy	<u>(1,616,150)</u>	<u>(1,278,319)</u>	<u>(1,737,921)</u>
Total Property Taxation Revenue	<u>32,088,953</u>	<u>34,424,660</u>	<u>31,747,619</u>
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	64,873,300	64,754,718	67,700,940
Other Ministry Grants	1,733,500	21,840	206,000
Total Ministry Grants	<u>66,606,800</u>	<u>64,776,558</u>	<u>67,906,940</u>
Other Provincial Grants	-	-	490,808
Grants from Others	455,000	330,560	-
Total Operating Grants	<u>67,061,800</u>	<u>65,107,118</u>	<u>68,397,748</u>
Capital Grants			
Ministry of Education Capital Grants	5,760,500	16,280,402	9,092,449
Total Capital Grants	<u>5,760,500</u>	<u>16,280,402</u>	<u>9,092,449</u>
Total Grants	<u>72,822,300</u>	<u>81,387,520</u>	<u>77,490,197</u>

Prairie Spirit School Division No. 206
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 <i>Budget</i>	2013 Actual	2012 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	2,833,250	2,742,572	2,708,382
Individuals and Other	-	37,884	-
Total Tuition Fees	<u>2,833,250</u>	<u>2,780,456</u>	<u>2,708,382</u>
Total Operating Tuition and Related Fees	<u>2,833,250</u>	<u>2,780,456</u>	<u>2,708,382</u>
Total Tuition and Related Fees Revenue	<u>2,833,250</u>	<u>2,780,456</u>	<u>2,708,382</u>
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	130,777	131,612	209,666
Other	-	(378)	-
Total Curricular Fees	<u>130,777</u>	<u>131,234</u>	<u>209,666</u>
Non-Curricular Fees:			
Commercial Sales - GST	78,730	120,123	67,887
Commercial Sales - Non-GST	279,960	221,457	270,004
Fundraising	694,355	796,499	731,853
Grants and Partnerships	143,750	127,182	170,273
Students Fees	458,735	1,289,491	1,169,980
Other	-	-	1,422
Total Non-Curricular Fees	<u>1,655,530</u>	<u>2,554,752</u>	<u>2,411,419</u>
Total School Generated Funds Revenue	<u>1,786,307</u>	<u>2,685,986</u>	<u>2,621,085</u>
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	759,246	759,252	780,012
Ministry of Education Grants-Other	-	73,183	-
Other Provincial Grants	-	32,004	15,598
Total Operating Grants	<u>759,246</u>	<u>864,439</u>	<u>795,610</u>
Capital Grants			
Ministry of Education Capital Grants	-	136,902	837,905
Total Capital Grants	<u>-</u>	<u>136,902</u>	<u>837,905</u>
Total Complementary Services Revenue	<u>759,246</u>	<u>1,001,341</u>	<u>1,633,515</u>

Prairie Spirit School Division No. 206
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	<i>2013 Budget</i>	2013 Actual	2012 Actual
External Services			
Fees and Other Revenue			
Other Revenue	-	83,307	100,508
Total Fees and Other Revenue	-	83,307	100,508
Total External Services Revenue	-	83,307	100,508
Other Revenue			
Miscellaneous Revenue	-	514,054	-
Sales & Rentals	-	16,339	2,888
Investments	33,000	127,197	57,026
Gain on Disposal of Capital Assets	-	-	2,379
Total Other Revenue	33,000	657,590	62,293
TOTAL REVENUE FOR THE YEAR	<i>110,323,056</i>	123,020,860	116,363,599

Prairie Spirit School Division No. 206
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 <i>Budget</i>	2013 Actual	2012 <i>Actual</i>
Governance Expense			
Board Members Expense	216,000	196,721	174,109
Professional Development- Board Members	51,000	58,393	48,671
Advisory Committees	72,000	80,676	85,609
Elections	45,000	27,499	12,941
Other Governance Expenses	156,000	171,833	207,644
Total Governance Expense	540,000	535,122	528,974
Administration Expense			
Salaries	1,047,379	992,935	733,309
Benefits	195,495	161,285	119,004
Supplies & Services	175,190	83,382	116,780
Non-Capital Furniture & Equipment	40,502	22,936	27,044
Building Operating Expenses	103,397	95,832	45,711
Communications	118,389	92,386	85,586
Travel	5,000	1,946	1,875
Professional Development	62,221	40,181	1,366
Amortization of Tangible Capital Assets	137,462	157,314	128,748
Total Administration Expense	1,885,035	1,648,197	1,259,423
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	54,124,324	54,731,483	53,419,899
Instructional (Teacher & LEADS Contract) Benefits	2,788,882	3,406,786	3,256,710
Program Support (Non-Teacher Contract) Salaries	12,150,405	11,857,953	11,407,650
Program Support (Non-Teacher Contract) Benefits	2,390,580	2,188,547	1,930,413
Instructional Aids	2,887,547	2,326,031	2,621,032
Supplies & Services	759,213	877,524	652,136
Non-Capital Furniture & Equipment	570,573	485,581	574,639
Communications	281,511	216,532	157,998
Travel	657,270	566,342	454,414
Professional Development	482,141	472,318	732,785
Student Related Expense	366,495	331,263	287,951
Amortization of Tangible Capital Assets	1,394,740	1,339,981	1,196,157
Total Instruction Expense	78,853,681	78,800,341	76,691,784

Prairie Spirit School Division No. 206
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 <i>Budget</i>	2013 Actual	2012 <i>Actual</i>
Plant Operation & Maintenance Expense			
Salaries	3,937,785	3,445,170	3,308,721
Benefits	803,784	701,951	765,454
Supplies & Services	7,000	7,683	2,192
Non-Capital Furniture & Equipment	88,933	14,154	45,408
Building Operating Expenses	4,948,582	5,481,641	4,507,741
Communications	16,230	8,657	8,724
Travel	70,000	37,724	65,066
Professional Development	14,782	10,939	8,366
Amortization of Tangible Capital Assets	2,180,035	2,995,475	2,750,377
Total Plant Operation & Maintenance Expense	12,067,131	12,703,394	11,462,049
Student Transportation Expense			
Salaries	3,311,979	3,077,587	3,007,509
Benefits	632,300	576,373	556,200
Supplies & Services	1,692,640	1,674,157	1,585,522
Non-Capital Furniture & Equipment	758,500	1,242,819	975,841
Building Operating Expenses	23,000	21,819	28,554
Communications	20,216	25,864	12,839
Travel	25,000	52,836	19,725
Professional Development	13,734	8,406	10,951
Contracted Transportation	628,445	477,529	478,952
Amortization of Tangible Capital Assets	1,279,373	1,057,077	1,282,534
Total Student Transportation Expense	8,385,187	8,214,467	7,958,627
Tuition and Related Fees Expense			
Tuition Fees	596,568	490,694	427,958
Other Fees	32,500	20,950	19,460
Total Tuition and Related Fees Expense	629,068	511,644	447,418
School Generated Funds Expense			
Supplies & Services	204,232	199,343	195,075
Cost of Sales	301,230	353,630	219,051
Non-Capital Furniture & Equipment	153,650	52,363	99,668
Special Programs	-	981	300
School Fund Expenses	1,127,195	2,075,119	1,926,708
Total School Generated Funds Expense	1,786,307	2,681,436	2,440,802

Prairie Spirit School Division No. 206
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	<i>2013 Budget</i>	2013 Actual	2012 Actual
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	440,366	538,834	408,024
Program Support (Non-Teacher Contract) Salaries & Benefits	168,904	100,903	323,579
Instructional Aids	66,713	33,508	15,569
Supplies & Services	-	-	82,000
Non-Capital Furniture & Equipment	-	-	27,044
Building Operating Expenses	-	149,532	-
Travel	2,000	-	-
Student Related Expenses	-	33,460	164,629
Contracted Transportation & Allowances	17,000	8,721	-
Amortization of Tangible Capital Assets	12,870	8,993	-
Total Complementary Services Expense	707,853	873,951	1,020,845
External Service Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	-	83,307	100,508
Instructional Aids	-	38,000	43,600
Building Operating Expenses	-	1,916	-
Amortization of Tangible Capital Assets	-	-	10,161
Total External Services Expense	-	123,223	154,269

Prairie Spirit School Division No. 206
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	<i>2013 Budget</i>	2013 Actual	2012 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	51,700	28,363	45,096
Interest on Other Capital Loans and Long Term Debt:			
School Facilities	1,286,690	106,740	255,945
Other	401,067	404,347	406,098
Total Interest and Bank Charges	1,739,457	539,450	707,139
Loss on Disposal of Tangible Capital Assets	-	3,412	-
Provision for Uncollectable Taxes	-	96,940	-
Total Other Expense	1,739,457	639,802	707,139
TOTAL EXPENSES FOR THE YEAR	106,593,719	106,731,577	102,671,330

Prairie Spirit School Division No. 206
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2013

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2013	2012
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	5,979,163	4,049,888	118,835,306	5,811,978	14,656,270	576,962	11,959,445	8,167,148	171,580	12,852,156	183,059,876	171,014,025
Additions/Purchases	-	31,209	1,296,746	2,465,849	575,113	69,383	771,382	1,014,853	56,869	15,037,257	21,318,661	15,054,411
Disposals	-	-	-	-	(82,262)	-	-	-	-	-	(82,262)	(3,008,560)
Transfers to (from)	-	-	16,657	1,816,320	-	-	-	-	-	(1,832,977)	-	-
Closing Balance as of August 31	5,979,163	4,081,077	120,148,708	10,094,147	15,149,122	646,345	12,730,827	9,182,001	228,449	26,056,436	204,296,275	183,059,876

Tangible Capital Assets - Amortization:

Opening Balance as of September 1	-	2,822,554	49,294,771	1,770,101	10,191,232	452,027	9,585,733	6,155,601	73,022	-	80,345,041	77,985,624
Amortization of the Period	-	130,336	2,390,971	484,112	1,006,620	49,175	592,125	859,811	45,690	-	5,558,840	5,367,977
Disposals	-	-	-	-	(68,550)	-	-	-	-	-	(68,550)	(3,008,560)
Closing Balance as of August 31	-	2,952,890	51,685,742	2,254,213	11,129,302	501,202	10,177,858	7,015,412	118,712	-	85,835,331	80,345,041

Net Book Value:

Opening Balance as of September 1	5,979,163	1,227,314	69,540,535	4,041,877	4,465,038	124,935	2,373,712	2,011,547	98,558	12,852,156	102,714,835	93,028,402
Closing Balance as of August 31	5,979,163	1,128,187	68,462,966	7,839,934	4,019,820	145,143	2,552,969	2,166,589	109,737	26,056,436	118,460,944	102,714,835
Change in Net Book Value	-	(99,127)	(1,077,569)	3,798,057	(445,218)	20,208	179,257	155,042	11,179	13,204,280	15,746,109	9,686,433

Disposals:

Historical Cost	-	-	-	-	82,262	-	-	-	-	-	82,262	3,008,560
Accumulated Amortization	-	-	-	-	68,550	-	-	-	-	-	68,550	3,008,560
Net Cost	-	-	-	-	13,712	-	-	-	-	-	13,712	-
Price of Sale	-	-	-	-	10,300	-	-	-	-	-	10,300	2,379
Gain (loss) on Disposal	-	-	-	-	(3,412)	-	-	-	-	-	(3,412)	2,379

Prairie Spirit School Division No. 206
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2013

	2013	2012
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	5,558,840	5,367,977
Net (Gain) Loss on Disposal of Tangible Capital Assets	3,412	(2,379)
Total Non-Cash Items Included in Surplus	5,562,252	5,365,598

Prairie Spirit School Division No. 206
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2013

	2013	2012
Net Change in Non-Cash Operating Activities:		
Increase in Accounts Receivable	(574,749)	(36,668)
Increase (Decrease) in Provincial Grant Overpayment	(1,631,132)	1,631,132
Decrease In Accounts Payable and Accrued Liabilities	(1,428,875)	(524,849)
Increase in Liability for Employee Future Benefits	47,300	63,500
Increase (Decrease) in Deferred Revenue	(5,228,074)	4,850,709
Decrease (Increase) in Inventory of Supplies for Consumption	60,914	(2,112)
Increase in Prepaid Expenses	(10,982)	(6,122)
Total Net Change in Non-Cash Operating Activities	(8,765,598)	5,975,590

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

1. AUTHORITY AND PURPOSE

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

These 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 Canadian Institute of Chartered Accountants (CICA).

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

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

In 2013, the School Division adopted the new PSA standards PS1201 Financial Statement Presentation, PS2601 Foreign Currency Translation, PS3041 Portfolio Investments, PS3410 Government Transfers and PS3450 Financial Instruments.

Detailed information on the impact of the adoption of these new PSA standards is provided in Note 19, Accounting Changes.

b) Reporting Entity

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

c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Measurement Uncertainty and the Use of Estimates

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

Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, tax revenue, uncollectible taxes, useful lives of tangible capital assets and prior years tangible capital asset historical costs and related amortization.

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

- the liability for employee future benefits of \$822,800 (2012 - \$775,500), because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$34,424,660 (2012 - \$31,747,619), because final tax assessments may differ from initial estimates.
- the allowance for uncollectible taxes of \$307,134 (2012 - \$307,134) are estimates made by management, the collectibility of which may differ from the initial estimates.
- taxes receivable of \$16,604,440 (2012 - \$15,698,252), because actual collectibility may differ from initial estimates.

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

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a 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 a financial instrument. The financial assets and financial liabilities portray these rights and obligations in financial statements. Financial instruments of the School Division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long term debt.

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost.

i) Fair Value

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market. All of the School Division's financial instruments are measured at cost or amortized cost, as the School Division does not hold any portfolio investments in equity instruments that are quoted in an active market.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

ii) Cost or Amortized Cost

All financial assets and liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Impairment losses such as write-downs or write-offs are reported in the 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.

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.

Portfolio Investments consist of highly liquid securities made to obtain a return on a temporary basis with maturity terms between three months and one year. The School Division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2(e).

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

g) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the School Division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, 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 does it amortize it until it is complete and placed into service for use.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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
Vehicles - passenger	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 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 such as insurance, Saskatchewan School Boards Association fees and Workers' Compensation Board premiums which will provide economic benefits in one or more future periods.

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.

Provincial Grant Overpayment represents grants advanced to the School Division in excess of the determined entitlement and which are repayable to the provincial government.

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

Long Term Debt is comprised of capital loans and other long term debt 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.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Recognition of employee future benefits obligations commenced on September 1, 2008. The School Division recorded the full value of the obligation related to these benefits for employees' past service at this time.

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

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

i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or 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 recognized in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted revenues are amounts received 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. Restricted revenues are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The School Division's two major sources of revenues are provincial grants and property taxation.

i) Government Transfers (Grants):

Grants from governments are considered to be government transfers. In accordance with the new 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. Eligibility criteria are criteria that the School Division has to meet in order to receive the transfer. Stipulations describe how the School Division must use the transfer or the actions it must perform in order to keep the transfer.

Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the stipulations give rise to a liability. Restricted transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations, revenue is recognized in the statement of 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 School 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.

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 remeasurement gains or losses.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$21,000,000 that bears interest at Royal Bank prime minus 1.00%. This line of credit is authorized by a borrowing resolution by the Board of Education on January 25, 2006 and is secured by operating grants and tax levy. This line of credit was approved by the Ministry of Education on February 10, 2011. There was no balance drawn on the line of credit as at August 31, 2013 (August 31, 2012 - no balance drawn).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2013	2012
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
GICs	\$ 10,809	\$ 11,614
Total portfolio investments reported at cost and amortized cost	\$ 10,809	\$ 11,614

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries and Benefits	Goods and Services	Debt Service	Amortization of TCA	Budget (Note 15)	2013	2012
Governance	\$ -	\$ 535,122	\$ -	\$ -	\$ 540,000	\$ 535,122	\$ 528,974
Administration	1,154,220	336,663	-	157,314	1,885,035	1,648,197	1,259,423
Instruction	72,184,769	5,275,591	-	1,339,981	78,853,681	78,800,341	76,691,784
Plant	4,147,121	5,560,798	-	2,995,475	12,067,131	12,703,394	11,462,049
Transportation	3,653,960	3,503,430	-	1,057,077	8,385,187	8,214,467	7,958,627
Tuition and Related Fees	-	511,644	-	-	629,068	511,644	447,418
School Generated Funds	-	2,681,436	-	-	1,786,307	2,681,436	2,440,802
Complementary Services	639,737	225,221	-	8,993	707,853	873,951	1,020,845
External Services	83,307	39,916	-	-	-	123,223	154,269
Other	-	-	639,802	-	1,739,457	639,802	707,139
TOTAL	\$ 81,863,114	\$ 18,669,821	\$ 639,802	\$ 5,558,840	\$ 106,593,719	\$ 106,731,577	\$ 102,671,330

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

6. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment and compensated absence benefits to its employees. These benefits include accumulating non-vested sick leave, 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 Employee Future Benefits in the Statement of Financial Position.

	2013	2012
	2013-AUG-31	2012-AUG-31
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	3.50%	2.70%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	14	14

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

	2013	2012
Liability for Employee Future Benefits		
Accrued Benefit Obligation - beginning of year	\$ 1,047,300	\$ 765,100
Current year benefit cost	103,000	63,800
Interest cost	29,600	27,600
Benefits payments	(105,000)	(31,700)
Actuarial gains/losses	(95,300)	222,500
Accrued Benefit Obligation - end of year	979,600	1,047,300
Unamortized Net Actuarial Gains/Losses	(156,800)	(271,800)
Liability for Employee Future Benefits	\$ 822,800	\$ 775,500

	2013	2012
Employee Future Benefits Expense		
Current year benefit cost	\$ 103,000	\$ 63,800
Amortization of net actuarial gain / loss	19,700	3,800
Benefit Cost	122,700	67,600
Interest cost on unfunded employee future benefits obligation	29,600	27,600
Total Employee Future Benefits Expense	\$ 152,300	\$ 95,200

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

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:

	2013			2012
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1,001	49	1,050	1,076
Member contribution rate (percentage of salary)	6.05%	10.00%	6.05%/10.00%	6.05%/10.00%
Member contributions for the year	\$ 4,367,259	\$ 202,538	\$ 4,569,797	\$ 4,517,821

- 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.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

7. PENSION PLANS (continued)

Details of the MEPP are as follows:

	2013	2012
Number of active School Division members	798	790
Member contribution rate (percentage of salary)	8.15%	7.40%
School Division contribution rate (percentage of salary)	8.15%	7.40%
Member contributions for the year	\$ 1,481,844	\$ 1,360,917
School Division contributions for the year	\$ 1,481,844	\$ 1,360,917
Actuarial valuation date	2012-DEC-31	2011-DEC-31
Plan Assets (in thousands)	\$ 1,578,536	\$ 1,395,109
Plan Liabilities (in thousands)	\$ 1,420,319	\$ 1,627,865
Plan Surplus (Deficit) (in thousands)	\$ 158,217	\$ (232,756)

8. ACCOUNTS RECEIVABLE

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

	2013			2012		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 16,604,440	\$ 307,134	\$ 16,297,307	\$ 15,698,252	\$ 307,134	\$ 15,391,118
Provincial Grants Receivable	3,371,527	-	3,371,527	3,293,522	-	3,293,522
Other Receivables	1,677,379	-	1,677,379	2,086,824	-	2,086,824
Total Accounts Receivable	\$ 21,653,346	\$ 307,134	\$ 21,346,213	\$ 21,078,598	\$ 307,134	\$ 20,771,464

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	\$ 1,578,551	\$ 1,488,455
Supplier Payments	594,444	1,815,015
Other Payables	322,247	620,647
Total Accounts Payable and Accrued Liabilities	\$ 2,495,242	\$ 3,924,117

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

10. LONG TERM DEBT

Details of long term debt are as follows:

	2013	2012
Capital Loans		
Dalmeny Loan payable to RBC, monthly P&I bearing interest at 5.25%, expiring Jan 1/14	\$ 43,059	\$ 164,193
Energy Loan payable to RBC, monthly P&I bearing interest at 6.55% expiring July 15/14	597,066	788,932
Warman High Loan payable to RBC, monthly P&I bearing interest at 4.77%, expiring Nov 10/15	1,148,000	1,625,000
Division Office Loan payable to RBC, Monthly P&I bearing interest at 4.78%, expiring Mar 7/18	1,525,000	1,810,000
Block Projects Loan payable to RBC, Monthly P&I bearing interest at 1.95%, expiring May 9/18	1,400,000	-
Stobart Loan payable to RBC, Monthly P&I bearing interest at 2.97%, expiring May 9/33	7,221,000	-
Warman Middle Loan payable to RBC, Monthly P&I interest at 2.97%, expiring May 9/33	10,005,000	-
	21,939,125	4,388,125
Capital Leases		
Honeywell Lease #40794, monthly P&I payable to RBC with interest at 4.205%, expiring Sept. 15/16	246,226	409,442
Bus Lease #41272, monthly P&I payable to RBC with interest at 5.23% expiring Oct 1/13	34,844	339,303
Bus Lease #41936, monthly P&I payable to RBC with interest at 5.35%, expiring Aug 31/13	-	70,879
Bus Lease #42529, monthly P&I payable to RBC with interest at 5.9%, expiring Dec 3/13	3,478	27,264
Bus Lease #44762, monthly P&I payable to RBC with interest at 3.1%, expiring Jan 10/15	59,750	145,978
Bus Lease #45483, monthly P&I payable to RBC with interest at 4.99%, expiring Apr 22/15	71,650	173,306
Bus Lease #49270, monthly P&I payable to RBC with interest at 5.76%, expiring Sept 13/14	195,608	387,379
Bus Lease #49628, monthly P&I payable to RBC with interest at 5.326%, expiring July 8/14	15,352	33,581
Bus Lease #49629, monthly P&I payable to RBC with interest at 5.265%, expiring July 11/13	-	21,373
Bus Lease #26615, monthly P&I payable to RBC with interest at 5.196%, expiring Aug 14/14	178,126	333,524
Bus Lease #10094, monthly P&I payable to RBC with interest at 6.12%, expiring Aug 3/14	174,017	359,846
Bus Lease #11369, monthly P&I payable to RBC with interest at 5.465%, expiring Aug 23/14	11,580	24,212
Bus Lease #13457, monthly P&I payable to RBC with interest at 5.71%, expiring July 15/15	234,463	351,695
Bus Lease #27825, monthly P&I payable to RBC with interest at 2.47%, expiring Sept 2/16	241,177	317,677
Bus Lease #10181, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/20	386,477	-
Bus Lease #10185, monthly P&I payable to RBC with interest at 2.47%, expiring Aug 5/18	188,637	-
	2,041,385	2,995,459
Total Long Term Debt	\$ 23,980,510	\$ 7,383,584

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

10. LONG TERM DEBT (continued)

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

	Capital Loans	Capital Leases	Total
2014	\$ 1,924,059	\$ 1,130,086	\$ 3,054,145
2015	1,922,000	439,076	2,361,076
2016	1,563,000	183,223	1,746,223
2017	1,453,068	93,791	1,546,859
2018	1,392,000	96,138	1,488,138
Thereafter	13,684,998	99,071	13,784,069
Total	\$ 21,939,125	\$ 2,041,385	\$ 23,980,510

Principal and interest payments on the long term debt for 2013 are as follows:

	Capital Loans	Capital Leases	2013	2012
Principal	\$ 1,294,000	\$ 1,529,186	\$ 2,823,186	\$ 3,071,424
Interest	336,098	174,989	511,087	662,042
Total	\$ 1,630,098	\$ 1,704,175	\$ 3,334,273	\$ 3,733,466

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2012	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2013
Capital projects:				
Federal capital tuition	\$ 153,092	\$ 21,081	\$ -	\$ 174,173
Ministry of Education capital transfers	6,070,236	-	6,070,236	-
Proceeds from sale of school buildings	48,806	-	48,806	-
Total capital projects deferred revenue	6,272,134	21,081	6,119,042	174,173
Other deferred revenue:				
Property Taxes	1,123,781	1,993,668	1,123,781	1,993,668
Total other deferred revenue	1,123,781	1,993,668	1,123,781	1,993,668
Total Deferred Revenue	\$ 7,395,915	\$ 2,014,749	\$ 7,242,823	\$ 2,167,841

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

12. COMPLEMENTARY SERVICES

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

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the School Division in 2013 and 2012:

Summary of Complementary Services Revenue and Expenses, by Program	Pre-K Programs	Other Programs	2013	2012
Revenue:				
Grants	\$ 896,154	\$ 105,187	\$ 1,001,341	\$ 1,633,515
Total Revenue	896,154	105,187	1,001,341	1,633,515
Expenses:				
Salaries and Benefits	556,787	82,950	639,737	731,603
Instructional Aids	33,508	-	33,508	15,569
Supplies and Services	-	-	-	82,000
Non-Capital Equipment	-	-	-	27,044
Building Operating Expenses	149,532	-	149,532	-
Student Related Expenses	8,721	33,460	42,181	164,629
Amortization of Tangible Capital Assets	8,993	-	8,993	-
Total Expenses	757,541	116,410	873,951	1,020,845
Excess (Deficiency) of Revenue over Expenses	\$ 138,613	\$ (11,223)	\$ 127,390	\$ 612,670

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

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

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

13. EXTERNAL SERVICES

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

Following is a summary of the revenue and expenses of the External Services programs operated by the School Division in 2013 and 2012:

Summary of External Services Revenue and Expenses, by Program	Other Programs	2013	2012
Revenue:			
Tuition and Related Fees	\$ 83,307	\$ 83,307	\$ 100,508
Total Revenue	83,307	83,307	100,508
Expenses:			
Tuition Fees	38,000	38,000	43,600
Salaries and Benefits	83,307	83,307	100,508
Amortization	-	-	10,161
Building Operating Expenses	1,916	1,916	-
Total Expenses	123,223	123,223	154,269
Excess (Deficiency) of Revenue over Expenses	\$ (39,916)	\$ (39,916)	\$ (53,761)

Other programs represent costs associated with distance education programs offered by Prairie Spirit School Division and the partnership with Credenda.

Prairie Spirit School Division No. 206

**Notes to the Financial Statements
for the year ended August 31, 2013**

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 and school generated funds.

Accumulated surplus is comprised of the following two amounts:

- i) Accumulated surplus (deficit) 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 rereasurement 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. The School Division does not have financial instruments that give rise to rereasurement gains and losses.

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes. These internally restricted amounts are included in 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 2012	Additions during the year	Reductions during the year	August 31 2013
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 102,714,835	21,318,661	5,572,552	\$ 118,460,944
Less: Debt owing on Tangible Capital Assets	7,383,583	19,420,113	2,823,186	23,980,510
	<u>95,331,252</u>	<u>1,898,548</u>	<u>2,749,366</u>	<u>94,480,434</u>
PMR maintenance project allocations (1)	-	753,985	-	753,985
Internally Restricted Surplus:				
Capital projects:				
School Bus Replacement Program (<i>Replacement of Buses</i>)	-	2,500,000	-	2,500,000
Learning Technology Initiatives (<i>Replacement of Technology</i>)	578,234	1,040,997	-	1,619,231
Future Capital Projects (<i>Future capital purchases</i>)	1,322,784	-	-	1,322,784
Van Replacement (<i>Replacement of Maintenance Vans</i>)	175,822	209,178	-	385,000
Completion of Warman Community Middle School Project	-	4,127,609	-	4,127,609
PAA Project (<i>PAA program enhancement - new equipment</i>)	2,940,790	-	152,565	2,788,225
	<u>5,017,630</u>	<u>7,877,784</u>	<u>152,565</u>	<u>12,742,849</u>
Other:				
School Decentralized Budgets (<i>School budget carry forward</i>)	820,466	245,805	-	1,066,271
School Community Councils (<i>SCC carry forward</i>)	77,304	-	3,772	73,532
School Generated Funds (<i>School Generated Funds carry forward</i>)	1,289,460	-	13,967	1,275,493
Central Valley Athletic Committee (<i>carry forward balance</i>)	10,577	-	3,918	6,659
Noon Hour Supervision (<i>Accrued EDO's</i>)	268,319	-	268,319	-
Program Equity / Program Enhancement Initiatives	1,096,942	-	-	1,096,942
Facilities Department (<i>carry forward balance</i>)	1,256,973	464,811	-	1,721,784
Admin Council Reserve (<i>Division Office carry forward balance</i>)	1,281,421	-	56,105	1,225,316
Division Office PD (<i>Carry forward of Admin Council and staff PD</i>)	-	100,463	-	100,463
Finance, Facilities and Transportation PD (<i>Carry forward</i>)	-	31,030	-	31,030
Program and Staffing Review (<i>for future staff changes</i>)	-	2,000,000	-	2,000,000
	<u>6,101,462</u>	<u>2,842,109</u>	<u>346,081</u>	<u>8,597,490</u>
Unrestricted Surplus	<u>1,022,716</u>	<u>6,164,869</u>	<u>-</u>	<u>7,187,585</u>
Total Accumulated Surplus from Operations	\$ 107,473,060	\$ 19,537,295	\$ 3,248,012	\$ 123,762,343

(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.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on June 18, 2012 and the Minister of Education on August 10, 2012.

16. RELATED PARTIES

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

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

(a) 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.

	2013	2012
Revenues:		
Ministry of Education	\$81,035,120	\$76,793,389
Great Plains Regional College	25,329	25,329
	\$81,060,449	\$76,818,718
Expenses:		
Saskatoon Public School Division	\$ 30,881	\$ 48,485
Greater Saskatoon Catholic Schools	27,500	32,000
North West Regional College	98,404	53,817
Saskatoon Health Region	81,000	81,130
SaskTel	321,561	420,116
SaskPower	1,145,626	1,137,502
SaskEnergy	916,120	738,463
SGI	100,479	101,491
Sask Workers' Compensation Board	218,894	203,340
Prince Albert Parkland Health Region	35,000	35,000
	\$ 2,975,465	\$ 2,851,344
Prepaid Expenses:		
Sask Workers' Compensation Board	\$ 105,285	\$ 101,401
	\$ 105,285	\$ 101,401
Provincial Grant Overpayment Liability:		
Ministry of Education	\$ -	\$ 1,631,132
	\$ -	\$ 1,631,132

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.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Warman Community Middle School - Ministry approved project for \$33,062,171, with Ministry share being \$20,784,809. Total expenditures of \$25,274,714 to date.
- Martensville High School - completion of detailed design - Ministry approved funding of \$1,500,000. Projected to go to tender January, 2014 with an estimated cost of \$23,200,000.
- 5 relocatable classrooms for Valley Manor School and 1 relocatable classroom for Venture Heights School are currently under construction with a total Ministry approved cost of \$1,950,000.

Operating and capital lease obligations are as follows:

	Operating Leases		Capital Leases		
	Postage/Mailing	Total Operating	Buses	Honeywell Performance Contract	Total Capital
Future minimum lease payments:					
2014	\$ 10,500	\$ 10,500	\$ 1,164,980	\$ 100,847	\$ 1,265,827
2015	-	-	379,516	100,847	480,363
2016	-	-	110,195	100,847	211,042
2017	-	-	100,334	-	100,334
2018	-	-	100,334	-	100,334
Thereafter	-	-	120,373	-	120,373
Interest and executory costs	10,500	10,500	1,975,732	302,541	2,278,273
	-	-	(180,575)	(56,313)	(236,888)
Total Lease Obligations	\$ 10,500	\$ 10,500	\$ 1,795,157	\$ 246,228	\$ 2,041,385

18. SUBSEQUENT EVENTS

On October 22, 2013 the Provincial Government announced 9 new joint schools in the province with a projected completion of September, 2017. Prairie Spirit will receive funding for a total of 2 new elementary schools in the communities of Warman and Martensville.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

19. ACCOUNTING CHANGES

The School Division adopted the following new/revised Public Sector Accounting (PSA) Standards in 2013:

PS1201 Financial Statement Presentation

The School Division adopted the new PS1201 Financial Statement Presentation standard in 2013. PS1201 establishes general reporting principles and standards for the disclosure of information in financial statements, and introduces a new Statement of Remeasurement Gains and Losses which reports unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value, and accounts for amounts reclassified to the statement of operations upon derecognition or settlement. This standard is applicable to the fiscal year in which the new PS2601 Foreign Currency Translation and PS3450 Financial Instruments standards are adopted. These standards are adopted on a prospective basis, without restatement of prior period comparative amounts and accordingly, no 2012 comparatives have been provided in the new Statement of Remeasurement Gains and Losses. Implementation of PS1201, PS2601 and PS3450 required the School Division to remeasure its financial instruments at September 1, 2012 and to recognize the accumulated remeasurement gains and losses in the opening balance in the Statement of Remeasurment Gains and Losses.

The adoption of the new PS1201 standard has not impacted the School Division's financial statements as the School Division had no remeasurement gains or losses to report in 2013.

PS2601 Foreign Currency Translation

The School Division adopted the revised PS2601 Foreign Currency Translation standard in 2013. This revised standard establishes standards on how to account for and report transactions that are denominated in a foreign currency, and replaces the previous PS2600 Foreign Currency Translation. The revised PS2601 standard must be implemented in the same fiscal year as the new PS3450 Financial Instruments standard is adopted, and is adopted on a prospective basis, without restatement of prior period comparative amounts. Accordingly, the 2012 comparative amounts were not restated and have been presented in these financial statements in accordance with the accounting policies applied by the School Division immediately preceding its adoption of the revised standard.

The adoption of the revised PS2601 standard has not resulted in any changes to the measurement and recognition of foreign currency transactions or balances by the School Division.

PS3041 Portfolio Investments

The School Division adopted the new PS3041 Portfolio Investments standard in 2013. The new PS3041 This new standard establishes standards on how to account for and report portfolio investment, and replaces the previous PS3030 Temporary Investments and PS3040 Portfolio Investments standards and is applicable to the fiscal year in which the PS2601 Foreign Currency Translation and PS3450 Financial Instruments standards are adopted. The PS3041 standard refers to PS3450 for recognition and measurement of investments and is adopted on a prospective basis, without restatement of prior period comparative amounts. Accordingly, the 2012 comparative amounts were not restated and have been presented in these financial statements in accordance with the accounting policies applied by the School Division immediately preceding its adoption of the revised standard.

Previously, the School Division classified investments as either Short Term Investments or Long Term Investments, depending on the purpose and maturity of the investment. Short Term Investments were recorded at the lower of cost or market; Long Term Investments were carried at amortized cost, with write-downs to reflect any permanent impairment in value.

The adoption of the new PS3041 standard has not resulted in any changes to the measurement and recognition of portfolio investments by the School Division.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

19. ACCOUNTING CHANGES (continued)

PS3450 Financial Instruments

The School Division adopted the new PS3450 Financial Instruments standard in 2013. This new standard establishes provides guidance for the recognition, measurement and disclosure of financial instruments. The new PS3450 Financial Instruments standard is adopted on a prospective basis, without restatement of prior period comparative amounts. In accordance with the transition provisions provided in PS3450:

(a) the recognition, derecognition and measurement policies for financial instruments followed by the School Division in financial statements for periods prior to the 2013 are not reversed and, therefore, the financial statements of prior periods, including 2012 comparative amounts, have not been restated.

(b) at the beginning of the 2012-13 fiscal year, the School Division:

- (i) recognized all financial assets and financial liabilities on its statement of financial position and classified items in accordance with PS3450 standards;
- (ii) applied the criteria in PS3450 in identifying those financial assets and financial liabilities to be measured at fair value; and
- (iii) remeasured assets and liabilities as appropriate, and recognized the adjustment to September 1, 2012 amounts as an adjustment to the accumulated remeasurement gains and losses at the beginning of the 2012-13 fiscal year.

(c) no adjustments to carrying values were made to retroactively expense transaction costs applicable to items in the fair value category.

(d) the School Division established an accounting policy for the identification of embedded derivatives in contracts entered into by it. The School Division's policy, and its application, recognizes as separate assets and liabilities those embedded derivatives required to be reported in accordance with provisions of PS3450 on either a retroactive or prospective basis. The adoption of this policy has not impacted the School Division's 2013 financial statements as the School Division did not have any derivative contracts.

The adoption of the new PS3450 standard has not resulted in any changes to the measurement and recognition of the School Division's financial instruments other than additional disclosures which include the School Division's risk management practices

PS3410 Government Transfers

The School Division adopted the revised PS3410 Government Transfers standard in 2013. This revised standard establishes standards on how to account for and report government transfers (grants), with the most significant impact to the School Division pertaining to the criteria for recognition of revenue for the government transfers it receives. The revised standard allows for either prospective or retroactive implementation. The School Division has elected to apply the requirements of the revised standard on a prospective basis. Accordingly, the adoption of this revised standard did not have an impact on the School Division's comparative figures but did require additional disclosures in the notes.

Previously, government transfers (grants) that restricted how those resources were to be used were deferred and recognized in revenue as the related expenses or expenditures were incurred. The adoption of the new PS3410 required that the School Division assess government transfers (grants) received to determine if they meet the requirement for deferral as a liability, in accordance with the new standard.

The adoption of the revised PS3410 standard has not resulted in any changes to the measurement and recognition of government transfers in the School Division's 2013 financial statements.

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

20. RISK MANAGEMENT

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

i) Credit Risk

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

The aging of accounts receivable at August 31, 2013 and August 31, 2012 was:

	31-Aug-13		31-Aug-12	
	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable	Allowance for Doubtful Accounts
0-30 days	\$ 1,256,155	\$ -	\$ 1,212,422	\$ -
30-60 days	77,507	-	6,692	-
60-90 days	92,099	-	160	-
Over 90 days	251,618	-	867,550	-
Total	\$ 1,677,379	\$ -	\$ 2,086,824	\$ -
Net		\$ 1,677,379		\$ 2,086,824

Prairie Spirit School Division No. 206
Notes to the Financial Statements
for the year ended August 31, 2013

20. RISK MANAGEMENT (continued)

ii) Liquidity Risk

Liquidity risk is the risk that the School Division will not be able to meet its financial obligations as they come due. The School Division manages liquidity risk by ensuring budgets are followed and reviewed monthly and all capital purchases are funded on a cash basis. The following table sets out the contractual maturities of the School Division's financial liabilities:

	31-Aug-13			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,495,242	\$ -	\$ -	\$ -
Long term debt	1,527,072	1,527,073	7,142,296	13,784,069
Total	\$ 4,022,314	\$ 1,527,073	\$ 7,142,296	\$ 13,784,069

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 bank overdraft. The School Division has an authorized bank line of credit of \$21,000,000 with interest payable monthly at a rate of prime minus 1.00%. 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, 2013 or August 31, 2012.

The School Division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the 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, this risk is minimal as the School Division does not make a significant amount of purchases denominated on a foreign currency. The School Division did not have any financial instruments denominated in foreign currency outstanding at August 31, 2013 or August 31, 2012.

21. COMPARATIVE FIGURES

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