
Audited Financial Statements

Of the Holy Family Roman Catholic Separate School Division No. 140

School Division No. 1406000

For the Period Ending: August 31, 2014

Christine Arnett
Chief Financial Officer

Dillon Hillstead Melason CGA Prof. Corp.
Auditor

Management's Responsibility for the Financial Statements

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

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

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

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


On behalf of the Holy Family Roman Catholic Separate School Division No. 140:



Board Chair



CEO/Director of Education



Chief Financial Officer

Weyburn, SK
November 6, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Holy Family Roman Catholic Separate School Division #140:

We have audited the accompanying financial statements of Holy Family Roman Catholic Separate School Division #140, which comprise the statement of financial position as at August 31, 2014 and the statements of operations, changes in net financial assets 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Holy Family Roman Catholic Separate School Division #140 as at August 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Weyburn, SK
November 6, 2014

Dillon Hillstead Melanson C.G.A. Prof. C.G.A.
Certified General Accountants

CERTIFIED GENERAL ACCOUNTANTS
206 Hill Avenue, Weyburn, Saskatchewan S4H 1M5
Tel: 306-842-8123 • Fax: 306-842-8171
Toll Free: 1-877-211-8123

Holy Family Roman Catholic Separate School Division No. 140
Statement of Financial Position
as at August 31, 2014

	2014	2013
Financial Assets		
Cash and Cash Equivalents	2,423,948	611,457
Accounts Receivable (Note 8)	2,032,114	2,236,246
Portfolio Investments (Note 4)	92,622	92,912
Total Financial Assets	4,548,684	2,940,615
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	149,573	42,071
Long Term Debt (Note 10)	2,238,232	2,456,069
Liability for Employee Future Benefits (Note 6)	219,600	201,600
Deferred Revenue (Note 11)	327,470	207,264
Total Liabilities	2,934,875	2,907,004
Net Financial Assets	1,613,809	33,611
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	11,488,390	11,182,114
Prepaid Expenses	120,695	133,903
Total Non-Financial Assets	11,609,085	11,316,017
Accumulated Surplus (Note 14)	13,222,894	11,349,628

Contingent Liabilities (Note 17)

Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Holy Family Roman Catholic Separate School Division No. 140
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
REVENUES	(Note 15)		
Property Taxation	5,727,525	5,766,662	5,397,140
Grants	5,742,145	6,968,430	6,772,778
School Generated Funds	350,000	382,748	400,366
Complementary Services (Note 12)	198,162	297,806	252,241
External Services (Note 13)	-	31,153	53,027
Other	31,904	42,923	64,775
Total Revenues (Schedule A)	12,049,736	13,489,722	12,940,327
EXPENSES			
Governance	178,550	172,697	160,692
Administration	859,424	978,140	476,764
Instruction	8,534,554	8,077,656	8,250,063
Plant	1,480,142	1,283,628	1,502,025
Transportation	280,913	292,687	283,555
Tuition and Related Fees	75,000	60,078	45,655
School Generated Funds	350,000	332,432	320,201
Complementary Services (Note 12)	260,710	253,885	263,433
External Services (Note 13)	-	70,459	70,456
Other Expenses	47,360	94,794	69,902
Total Expenses (Schedule B)	12,066,653	11,616,456	11,442,746
Operating Surplus (Deficit) for the Year	(16,917)	1,873,266	1,497,581
Accumulated Surplus from Operations, Beginning of Year	11,349,628	11,349,628	9,852,047
Accumulated Surplus from Operations, End of Year	11,332,711	13,222,894	11,349,628

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

Holy Family Roman Catholic Separate School Division No. 140

**Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
	(Note 15)		
Net Financial Assets (Net Debt), Beginning of Year	33,611	33,611	(1,235,407)
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(16,917)	1,873,266	1,497,581
Acquisition of Tangible Capital Assets (Schedule C)	(200,500)	(744,390)	(632,876)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	800	-
Net Loss on Disposal of Capital Assets (Schedule C)	-	317	-
Amortization of Tangible Capital Assets (Schedule C)	368,952	436,997	400,345
Net Change in Other Non-Financial Assets	-	13,208	3,968
Change in Net Financial Assets / Net Debt	151,535	1,580,198	1,269,018
Net Financial Assets, End of Year	185,146	1,613,809	33,611

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

Holy Family Roman Catholic Separate School Division No. 140
Statement of Cash Flows
for the year ended August 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Operating Surplus for the Year	1,873,266	1,497,581
Add Non-Cash Items Included in Surplus (Schedule D)	437,314	400,345
Net Change in Non-Cash Operating Activities (Schedule E)	463,048	(1,120,019)
Cash Provided by Operating Activities	2,773,628	777,907
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(744,390)	(632,876)
Proceeds on Disposal of Tangible Capital Assets	800	-
Cash Used by Capital Activities	(743,590)	(632,876)
INVESTING ACTIVITIES		
Proceeds on Disposal of Portfolio Investments	290	23,010
Cash Provided by Investing Activities	290	23,010
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	-	1,961,582
Repayment of Long Term Debt	(217,836)	(158,139)
Cash Provided (Used) by Financing Activities	(217,836)	1,803,443
INCREASE IN CASH AND CASH EQUIVALENTS	1,812,492	1,971,484
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	611,457	(1,360,027)
CASH AND CASH EQUIVALENTS, END OF YEAR	2,423,948	611,457

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

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	5,727,525	5,699,906	5,461,483
Total Property Tax Revenue	5,727,525	5,699,906	5,461,483
Grants in Lieu of Taxes:			
Provincial Government	-	101,913	81,999
Total Grants in Lieu of Taxes	-	101,913	81,999
Additions to Levy:			
Penalties	-	47,638	34,296
Total Additions to Levy	-	47,638	34,296
Deletions from Levy:			
Cancellations	-	(82,795)	-
Other Deletions	-	-	(180,638)
Total Deletions from Levy	-	(82,795)	(180,638)
Total Property Taxation Revenue	5,727,525	5,766,662	5,397,140
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	5,649,998	6,772,637	5,912,326
Other Ministry Grants	-	3,715	12,590
Total Ministry Grants	5,649,998	6,776,352	5,924,916
Other Provincial Grants	-	7,318	12,226
Total Operating Grants	5,649,998	6,783,670	5,937,142
Capital Grants			
Ministry of Education Capital Grants	92,147	184,760	835,636
Total Capital Grants	92,147	184,760	835,636
Total Grants	5,742,145	6,968,430	6,772,778

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
School Generated Funds Revenue			
Curricular:			
Student Fees	-	17,157	5,064
Total Curricular Fees	-	17,157	5,064
Non-Curricular Fees:			
Commercial Sales - Non-GST	-	47,014	83,254
Fundraising	-	92,458	105,097
Grants and Partnerships	-	2,152	507
Students Fees	-	12,489	7,408
Other	350,000	211,478	199,036
Total Non-Curricular Fees	350,000	365,591	395,302
Total School Generated Funds Revenue	350,000	382,748	400,366
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	-	198,162	192,435
Other Ministry Grants	198,162	97,256	58,086
Total Operating Grants	198,162	295,418	250,521
Fees and Other Revenue			
Other Revenue	-	2,388	1,720
Total Fees and Other Revenue	-	2,388	1,720
Total Complementary Services Revenue	198,162	297,806	252,241

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
External Services			
Operating Grants:			
Other Provincial Grants	-	11,795	11,632
Total Operating Grants	-	11,795	11,632
Fees and Other Revenue			
Tuition and Related Fees	-	6,750	13,500
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	-	12,608	27,895
Total Fees and Other Revenue	-	19,358	41,395
Total External Services Revenue	-	31,153	53,027
Other Revenue			
Miscellaneous Revenue	29,404	4,399	48,331
Sales & Rentals	2,500	16,363	6,920
Investments	-	22,161	9,524
Total Other Revenue	31,904	42,923	64,775
TOTAL REVENUE FOR THE YEAR	12,049,736	13,489,722	12,940,327

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	39,600	40,736	36,364
Professional Development- Board Members	58,550	52,516	41,781
Advisory Committees	-	279	-
Elections	1,000	-	3,810
Other Governance Expenses	79,400	79,166	78,737
Total Governance Expense	178,550	172,697	160,692
Administration Expense			
Salaries	594,840	585,045	258,800
Benefits	66,620	75,500	53,395
Supplies & Services	70,864	219,998	53,219
Non-Capital Furniture & Equipment	2,500	8,372	6,749
Building Operating Expenses	62,000	54,702	56,505
Communications	45,200	14,434	30,088
Travel	14,400	9,147	14,516
Professional Development	3,000	8,681	2,938
Amortization of Tangible Capital Assets	-	2,261	554
Total Administration Expense	859,424	978,140	476,764
Instruction Expense			
Instructional (Teacher Contract) Salaries	6,163,137	5,867,986	6,134,590
Instructional (Teacher Contract) Benefits	349,230	312,847	361,346
Program Support (Non-Teacher Contract) Salaries	981,425	1,034,980	790,052
Program Support (Non-Teacher Contract) Benefits	189,230	203,918	162,032
Instructional Aids	289,180	226,227	279,092
Supplies & Services	96,050	136,986	222,114
Non-Capital Furniture & Equipment	41,890	83,755	45,393
Communications	32,150	40,663	31,913
Travel	82,700	22,070	34,226
Professional Development	227,200	53,807	108,096
Student Related Expense	36,300	30,782	41,163
Amortization of Tangible Capital Assets	46,062	63,635	40,046
Total Instruction Expense	8,534,554	8,077,656	8,250,063

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	505,800	433,631	429,332
Benefits	74,365	81,112	74,608
Supplies & Services	-	30,656	226,813
Non-Capital Furniture & Equipment	7,100	7,881	1,086
Building Operating Expenses	587,750	378,354	429,754
Communications	1,200	4,021	918
Travel	15,000	13,925	15,509
Professional Development	2,200	807	3,249
Amortization of Tangible Capital Assets	286,727	333,241	320,756
Total Plant Operation & Maintenance Expense	1,480,142	1,283,628	1,502,025
Student Transportation Expense			
Salaries	111,500	98,422	120,462
Benefits	25,550	21,101	14,182
Supplies & Services	38,800	44,372	44,855
Non-Capital Furniture & Equipment	55,350	62,552	54,496
Building Operating Expenses	-	1,144	-
Communications	1,500	2,568	1,250
Travel	-	242	-
Contracted Transportation	12,050	33,800	12,146
Amortization of Tangible Capital Assets	36,163	28,486	36,164
Total Student Transportation Expense	280,913	292,687	283,555
Tuition and Related Fees Expense			
Tuition Fees	75,000	60,078	45,655
Total Tuition and Related Fees Expense	75,000	60,078	45,655
School Generated Funds Expense			
Supplies & Services	25,000	11,966	7,145
Cost of Sales	75,000	72,345	107,473
Non-Capital Furniture & Equipment	-	-	1,715
School Fund Expenses	250,000	240,371	201,609
Amortization of Tangible Capital Assets	-	7,750	2,259
Total School Generated Funds Expense	350,000	332,432	320,201

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	140,415	126,625	121,037
Program Support (Non-Teacher Contract) Salaries & Benefits	89,295	83,939	118,235
Plant Operation & Maintenance Salaries & Benefits	-	213	-
Instructional Aids	-	32,800	119
Supplies & Services	10,500	4,454	10,884
Non-Capital Furniture & Equipment	6,000	381	5,892
Building Operating Expenses	-	109	143
Communications	-	17	393
Travel	7,500	2,183	5,292
Professional Development (Non-Salary Costs)	7,000	785	870
Student Related Expenses	-	197	-
Contracted Transportation & Allowances	-	558	-
Amortization of Tangible Capital Assets	-	1,624	568
Total Complementary Services Expense	260,710	253,885	263,433
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	-	68,158	66,376
Instructional Aids	-	213	-
Supplies & Services	-	207	2,372
Communications	-	243	-
Travel	-	435	478
Professional Development (Non-Salary Costs)	-	1,046	1,230
Student Related Expenses	-	157	-
Total External Services Expense	-	70,459	70,456

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014	2014	2013
	Budget	Actual	Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	28,200	1,848	33,869
Interest on Other Capital Loans and Long Term Debt			
School Facilities	19,160	92,629	36,033
Total Interest and Bank Charges	47,360	94,477	69,902
Loss on Disposal of Tangible Capital Assets	-	317	-
Total Other Expense	47,360	94,794	69,902
TOTAL EXPENSES FOR THE YEAR	12,066,653	11,616,456	11,442,746

Holy Family Roman Catholic Separate School Division No. 140

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

	Land	Buildings	Buildings	School	Other	Furniture and	Computer Hardware and		
	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	2014	2013
Tangible Capital Assets - at Cost:									
Opening Balance as of September 1	17,641	14,052,574	465,038	595,021	58,953	205,580	304,755	15,699,562	15,066,686
Additions/Purchases	-	178,201	435,176	-	-	70,330	60,683	744,390	632,876
Disposals	-	-	-	(6,711)	-	-	-	(6,711)	-
Closing Balance as of August 31	17,641	14,230,775	900,214	588,310	58,953	275,910	365,438	16,437,241	15,699,562
Tangible Capital Assets - Amortization:									
Opening Balance as of September 1	5,923	3,670,099	30,846	448,578	35,409	92,454	234,140	4,517,448	4,117,103
Amortization of the Period	881	284,615	45,011	28,489	8,083	23,130	46,788	436,997	400,345
Disposals	-	-	-	(5,594)	-	-	-	(5,594)	-
Closing Balance as of August 31	6,804	3,954,714	75,857	471,473	43,492	115,584	280,928	4,948,851	4,517,448
Net Book Value:									
Opening Balance as of September 1	11,718	10,382,475	434,192	146,443	23,544	113,126	70,615	11,182,114	10,949,583
Closing Balance as of August 31	10,837	10,276,061	824,357	116,837	15,461	160,326	84,510	11,488,390	11,182,114
Change in Net Book Value	(881)	(106,414)	390,165	(29,606)	(8,083)	47,200	13,895	306,276	232,531
Disposals:									
Historical Cost	-	-	-	6,711	-	-	-	6,711	-
Accumulated Amortization	-	-	-	5,594	-	-	-	5,594	-
Net Cost	-	-	-	1,117	-	-	-	1,117	-
Price of Sale	-	-	-	800	-	-	-	800	-
Loss on Disposal	-	-	-	(317)	-	-	-	(317)	-
Net Book Value (NBV) of Assets Pledged as Security for Debt									
	-	-	-	56,124	-	-	-	56,124	84,186

Holy Family Roman Catholic Separate School Division No. 140
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2014

	2014	2013
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	436,997	400,345
Net Loss on Disposal of Tangible Capital Assets	317	-
Total Non-Cash Items Included in Surplus	437,314	400,345

Holy Family Roman Catholic Separate School Division No. 140
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2014

	2014	2013
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	204,132	(272,407)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	107,502	(905,383)
Increase in Liability for Employee Future Benefits	18,000	19,100
Increase in Deferred Revenue	120,206	34,703
Decrease in Prepaid Expenses	13,208	3,968
Total Net Change in Non-Cash Operating Activities	463,048	(1,120,019)

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Holy Family Roman Catholic Separate School Division No. 140” and operates as “the Holy Family Roman Catholic Separate School Division No. 140”. 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 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 and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 19 Accounting Changes.

b) Reporting Entity

The 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of Accounting

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

d) Measurement Uncertainty and the Use of Estimates

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

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

- the liability for employee future benefits of \$219,600 (2013 - \$201,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$5,766,662 (2013 - \$5,397,140) because final tax assessments may differ from initial estimates,
- useful lives of capital assets and related amortization for tangible capital assets described in Note 2 (g) because the actual useful lives of these assets may differ from their estimated economic lives.
- Prior years tangible capital asset historical costs and related amortization included in Schedule C of the financial statements because the market value of these assets may differ from their net book value.

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

and cash equivalents, accounts receivable, portfolio investments, accrued salaries and benefits, accounts payable and accrued liabilities and long term debt.

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

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Portfolio Investments consist of one term deposit and equity shares in co-operative associations. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

g) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land improvements, buildings, short term buildings, school buses, other vehicles, furniture and equipment and computer hardware and audio visual equipment. Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years

Assets under construction are not amortized until completed and placed into service for use.

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

insurance premiums, photo copier leases, software licenses, Workers' Compensation premiums and tuition fees.

h) Liabilities

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

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees.

The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

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

j) Revenue Recognition

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

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

i) Government Transfers (Grants):

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

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

iv) Interest Income

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

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$3,000,000 that bears interest at the Royal Bank's prime rate minus 0.6% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by property taxes and ministry grants. This line of credit was approved by the Minister of Education on December 10, 2010. As at August 31, 2014 there was no balance outstanding on this credit facility. (August 31, 2013, \$NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments comprised of the following:

	<u>2014</u>	<u>2013</u>
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Co-operative Corporations, shares	\$ 5,122	\$ 5,412
Term deposits	87,500	87,500
Total portfolio investments reported at cost and amortized cost	\$ 92,622	\$ 92,912

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 56,137	\$ 116,560	\$ -	\$ -	\$ 178,550	\$ 172,697	\$160,692
Administration	660,545	315,334	-	2,261	859,424	978,140	476,764
Instruction	7,419,731	594,290	-	63,635	8,534,554	8,077,656	8,250,063
Plant	524,743	425,644	-	333,241	1,480,142	1,283,628	1,502,025
Transportation	100,523	163,678	-	28,486	280,913	292,687	283,555
Tuition and Related Fees	-	60,078	-	-	75,000	60,078	45,655
School Generated Funds	-	324,682	-	7,750	350,000	332,432	320,201
Complementary Services	210,777	41,484	-	1,624	260,710	253,885	263,433
External Services	68,158	2,301	-	-	-	70,459	70,456
Other	-	-	94,794	-	47,360	94,794	69,902
TOTAL	\$ 9,040,614	\$ 2,044,051	\$ 94,794	\$ 436,997	\$ 12,066,653	\$11,616,456	\$11,442,746

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, severance, vested sick leave severance, retirement gratuity. Significant assumptions include salary escalation, discount and inflation rates and the expected average service life. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

6. EMPLOYEE FUTURE BENEFITS (continued)

Details of the employee future benefits are as follows:

	2014	2013
	Aug. 31, 2014	Aug. 31, 2013
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	2.80%	3.50%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	<i>16</i>	<i>16</i>
Liability for Employee Future Benefits		
	2014	2013
Accrued Benefit Obligation - beginning of year	\$ 165,800	\$ 163,500
Current period benefit cost	14,500	16,200
Interest cost	6,300	4,800
Benefit payments	(600)	(800)
Actuarial gains / losses	16,300	(17,900)
Accrued Benefit Obligation - end of year	202,300	165,800
Unamortized Net Actuarial Gains	17,300	35,800
Liability for Employee Future Benefits	\$ 219,600	\$ 201,600
Employee Future Benefits Expense		
	2014	2013
Current period benefit cost	\$ 14,500	\$ 16,200
Amortization of net actuarial gain	(2,200)	(1,100)
Interest cost on unfunded employee future benefits obligation	6,300	4,800
Total Employee Future Benefits Expense	\$ 18,600	\$ 19,900

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

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:

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

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

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

	2014		2013
	STRP	TOTAL	TOTAL
Number of active School Division members	85	85	80
Member contribution rate (percentage of salary)	7.80%	7.8%	7.8%
Member contributions for the year	\$ 479,871	\$ 479,871	\$ 496,691

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

7. PENSION PLANS (continued)

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

Details of the MEPP are as follows:

	<u>2014</u>	<u>2013</u>
Number of active School Division members	67	95
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	\$ 159,397	\$ 149,964
School Division contributions for the year	\$ 159,397	\$ 149,964
Actuarial valuation date	<u>Dec-31-2013</u>	<u>Dec-31-2012</u> (Restated)
Plan Assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan Liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan Surplus (in thousands)	\$ 186,314	\$ 140,648

8. ACCOUNTS RECEIVABLE

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

	<u>2014</u>			<u>2013</u>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 1,618,271	\$ -	\$ 1,618,271	\$ 1,669,634	\$ -	\$ 1,669,634
Provincial Grants Receivable	336,987	-	336,987	510,198	-	510,198
Other Receivables	76,856	-	76,856	56,414	-	56,414
Total Accounts Receivable	\$ 2,032,114	\$ -	\$ 2,032,114	\$ 2,236,246	\$ -	\$ 2,236,246

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 115,138	\$ 32,768
Supplier Payments	34,435	9,303
Total Accounts Payable and Accrued Liabilities	\$ 149,573	\$ 42,071

10. LONG-TERM DEBT

Details of long-term-term debt are as follows:

	2014	2013
Capital Loans:		
CIBC Loan bearing interest of 5.22% per annum, repayable in monthly blended payments of \$2,640. The loan is unsecured.	\$5,245	\$35,789
WCU Loan bearing interest of 4.84% per annum, repayable in monthly blended payments of \$10,108. The loan is secured by a specific security agreement covering property taxes and ministry grant.	318,211	421,379
WCU Loan bearing interest of 2.54% per annum, repayable in monthly blended payments of \$1,495. The loan is secured by a specific security agreement covering a motor vehicle.	34,851	51,691
Toronto Dominion Loan bearing interest of 3.77% per annum, repayable in monthly blended payments of \$11,631. The loan is unsecured.	1,879,925	1,947,210
Total Long Term Debt	\$ 2,238,232	\$ 2,456,069

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

	Capital Loans	Total
2015	\$ 200,667	\$ 200,667
2016	203,781	203,781
2017	171,646	171,646
2018	78,235	78,235
2019	81,236	81,236
Thereafter	1,502,667	1,502,667
Total	\$ 2,238,232	\$ 2,238,232

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

10. LONG-TERM DEBT (continued)

Principal and interest payments on the long-term debt are as follows				
	Capital Loans		2014	2013
Principal	\$	217,836	\$ 217,836	\$ 158,139
Interest		94,795	94,795	36,033
Total	\$	312,631	\$ 312,631	\$ 194,172

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2013	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2014
Property Tax	\$ 205,264	\$ 326,470	\$ 205,264	\$ 326,470
Christ the Teacher Catholic School Division, program	2,000	-	2,000	-
Kuota Club, Estevan	-	1,000	-	1,000
Total Deferred Revenue	\$ 207,264	\$ 327,470	\$ 207,264	\$ 327,470

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

12. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Early Childhood Intervention Program	FNME	English as a Second Language	2014	2013
Revenue:						
Operating Grants	\$ 198,162	\$ 74,469	\$ 10,000	\$ 12,788	\$ 295,419	\$ 250,521
Fees and Other Revenue	2,341	46	-	-	2,388	1,720
Total Revenue	200,503	74,515	10,000	12,788	297,806	252,241
Expenses:						
Salaries & Benefits	189,822	20,955	-	-	210,777	239,272
Instructional Aids	5,911	970	24,237	1,680	32,798	119
Supplies and Services	3,815	505	13	122	4,454	10,884
Non-Capital Equipment	381	-	-	-	381	5,892
Building Operating Expenses	109	-	-	-	109	143
Communications	12	5	-	-	17	393
Travel	1,248	935	-	-	2,183	5,292
Professional Development (Non-Salary Costs)	529	-	117	139	785	870
Student Related Expenses	137	60	-	-	197	-
Contacted Transportation & Allowances	558	-	-	-	558	-
Amortization of Tangible Capital Assets	1,624	-	-	-	1,624	568
Total Expenses	204,148	23,430	24,368	1,941	253,885	263,433
Excess (Deficiency) of Revenue over Expenses	\$ (3,643)	\$ 51,085	\$ (14,368)	\$ 10,847	\$ 43,921	\$ (11,192)

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

Pre-K Program – Is an early childhood education program supporting three and four year old children held at St. Michael, St. Mary's and Sacred Heart Schools. It is a partnership between the Government of Saskatchewan, boards of education and communities.

Early Childhood Intervention Program – Is a province-wide network of community-based supports for families of children who experience development delays. Children are often delayed in reaching developmental milestones or are born with a condition or

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

12. COMPLEMENTARY SERVICES (continued)

diagnosis that makes it more difficult for them to develop at rates that are typical for a specific age group.

First Nations, Métis Education (FNME) – Is a priority for the government and school division investing resources into specialized programs and initiatives for students who are First Nations or Métis.

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 2014 and 2013:

Summary of External Services Revenues and Expenses, by Program	Child, Family Services	Treaty Understandings & Language Arts Assessment	2014	2013
Revenue:				
Operating Grants	\$ 11,795	\$ -	\$ 11,795	\$ 11,632
Fees and Other Revenue	6,758	12,600	19,358	41,395
Total Revenue	18,553	12,600	31,153	53,027
Expenses:				
Salaries & Benefits	68,158	-	68,158	66,376
Instructional Aids	213	-	213	-
Supplies and Services	208	-	208	2,372
Communications	242	-	242	-
Travel	435	-	435	478
Professional Development	1,046	-	1,046	1,230
Student Related Expenses	157	-	157	-
Total Expenses	70,459	-	70,459	70,456
Excess (Deficiency) of Revenue over Expenses	\$ (51,906)	\$ 12,600	\$ (39,306)	\$ (17,429)

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

Child and Family Services – In connection with the Ministry of Social Services and Sun Country Health to provide school based family counselling and support services

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

13. EXTERNAL SERVICES (continued)

for students and their families that will increase opportunities for students to experience success and achieve learning in school.

Treaty Understandings and Language Arts – A reimbursement between the Ministry of Education and the school division for the preparation and delivery of items for use in the grade four assessment (TULA).

14. ACCUMULATED SURPLUS

Accumulated Surplus represents the financial assets and non-financial assets of the school division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the school division including school generated funds.

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future capital projects, plant operations and instructional carryovers. These internally restricted amounts are included in the accumulated surplus from operations presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

14. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 11,182,114	\$ 744,390	\$ 438,114	\$ 11,488,390
Less: Debt owing on Tangible Capital Assets	2,456,069	-	217,837	2,238,232
	8,726,045	744,390	220,277	9,250,158
PMR maintenance project allocations (1)	-	118,291	-	118,291
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures (2)	-	15,837	-	15,837
	-	15,837	-	15,837
Other:				
School generated funds	100,193	38,546	-	138,739
School budget carryovers	-	22,566	-	22,566
Plant contracted services	-	6,510	-	6,510
	100,193	67,622	-	167,815
Unrestricted Surplus	2,523,390	1,147,403	-	3,670,793
Total Accumulated Surplus from Operations	\$ 11,349,628	\$ 2,093,543	\$ 220,277	\$ 13,222,894

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

- (1) PMR Maintenance Project Allocations represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of the fiscal year are designated for future approved capital maintenance project expenditures.
- (2) Capital projects include lighting and computer equipment. Instructional carryovers include a grant project ending December 2014 and contracted services that could not be completed by August 31, 2014.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 8, 2013 with an amendment on September 11, 2013 and the Minister of Education on August 23, 2013.

16. RELATED PARTIES

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

Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

16. RELATED PARTIES (continued)

	2014	2013
Revenues:		
Ministry of Education	\$ 7,294,380	\$ 7,011,073
SGI, Saskatchewan Government Insurance	7,318	12,226
Ministry of Social Services	11,795	11,632
Sun Country Health	6,750	13,500
	\$ 7,320,243	\$ 7,034,931
Expenses:		
Lloydminster Catholic	\$ 130	\$ -
Radville Laurier Regional Park	1,033	-
Sask Ministry of Tourism	-	318
Sask Queen's Printer	-	112
Sask Government Services	56,532	-
Sask Energy	43,589	35,193
Sask Power	92,098	145,163
Sasktel, Sasktel Mobility	17,505	33,416
SGI, Saskatchewan Government Insurance	2,687	10,144
South East Cornerstone School	9,301	-
Saskatchewan Workers Compensation Board	23,572	20,268
	\$ 246,447	\$ 244,614
Accounts Receivable:		
Ministry of Education, operating grants	\$ 91,264	\$ -
Ministry of Education, capital grants	245,723	510,198
	\$ 336,987	\$ 510,198
Deferred Revenue:		
Christ the Teacher Catholic School Division	\$ -	\$ 2,000
	\$ -	\$ 2,000

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

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

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

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17. CONTINGENT LIABILITIES

The school division has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability that may result. The school division's share of settlement, if any, will be charged to expenses in the year in which the amount of settlement is determinable.

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- operating and capital lease obligations, as follows:

	Operating Leases		
	Office Rental	Copier Leases	Total Operating
Future minimum lease payments:			
2015	\$ 56,500	\$ 25,054	\$ 81,554
Total Lease Obligations	\$ 56,500	\$ 25,054	\$ 81,554

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19. ACCOUNTING CHANGES

PS 3260 Liability for Contaminated Sites

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water

or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

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

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

20. COMPARATIVE INFORMATION

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

21. SUBSEQUENT EVENTS

Subsequent to the year end the school division entered into an agreement to purchase a school bus at a total cost of \$95,911.

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22. RISK MANAGEMENT

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

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include short term accounts receivable due on demand of invoicing or contract. 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 collectability.

The aging of rent of facilities and individual accounts receivable at August 31, 2014 and August 31, 2013 was:

	August 31, 2014			August 31, 2013		
	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances
Current	\$ 5,892	\$ -	\$ 5,892	\$ -	\$ -	\$ -
0-30 days	-	-	-	650	-	650
30-60 days	40	-	40	-	-	-
Total	\$ 5,932	\$ -	\$ 5,932	\$ 650	\$ -	\$ 650

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 a line of credit, budget practices and forecasts. The following table sets out the contractual maturities of the school division's financial liabilities:

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

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22. RISK MANAGEMENT (continued)

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 149,573	\$ -	\$ -	\$ -
Long term debt	96,196	104,471	534,898	1,502,667
Total	\$ 245,769	\$ 104,471	\$ 534,898	\$ 1,502,667

iii) Market Risk

The school division is exposed to market risks with respect to interest rates.

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 portfolio investments in term deposits. The school division also has an authorized bank line of credit of \$3,000,000 with interest payable monthly at a rate of prime minus 0.60 %. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no outstanding balance on this credit facility at August 31, 2014 (2013 - \$NIL).

The school division minimizes these risks by:

- The school division minimizes these risks by holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing term deposits for short terms at fixed interest rates
- investing in Co-operative Corporations
- 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