Robert A. Tiede

Chartered Accountant

R.A. (Bob) Tiede, B.Comm., C.A

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Education of the Holy Trinity Roman Catholic Separate School Division No. 22

I have audited the accompanying financial statements of the Holy Trinity Roman Catholic Separate School Division No. 22, which comprise the statement of financial position as at August 31, 2013, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted 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 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.

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 the Holy Trinity Roman Catholic Separate School Division No. 22 as at August 31, 2013, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Moose Jaw, Saskatchewan
November 25, 2013

RA Tiede
Chartered Accountant

Holy Trinity Roman Catholic Separate School Division No. 22
Statement of Financial Position
as at August 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	7,639,313	6,039,162
Accounts Receivable (Note 4)	1,777,264	495,670
Portfolio Investments (Note 3)	6,144,692	11,537
Total Financial Assets	**15,561,269**	**6,546,369**
Liabilities		
Provincial Grant Overpayment	-	186,108
Accounts Payable and Accrued Liabilities (Note 6)	2,760,508	1,338,510
Long Term Debt (Note 7)	9,521,110	127,150
Liability for Employee Future Benefits (Note 8)	475,600	478,300
Deferred Revenue (Note 10)	304,807	338,691
Total Liabilities	**13,062,025**	**2,468,759**
Net Financial Assets	**2,499,244**	**4,077,610**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	22,973,183	12,936,425
Prepaid Expenses	193,255	61,948
Total Non-Financial Assets	**23,166,438**	**12,998,373**
Accumulated Surplus (Note 12)	**25,665,682**	**17,075,983**
Accumulated Surplus is comprised of:		
Accumulated surplus from operations	**25,665,682**	**17,075,983**
Total Accumulated Surplus (Note 12)	**25,665,682**	**17,075,983**

Contingent Liabilities (Note 14)
Contractual Obligations and Commitments (Note 15)

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

Approved by the Board:

Blazieko ____________________ Chairperson

____________________ Chief Financial Officer

Holy Trinity Roman Catholic Separate School Division No. 22

Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2013

	2013 Budget (Note 17)	2013 Actual	2012 Actual
REVENUES			
Property Taxation	4,050,552	3,926,531	4,064,047
Grants	17,832,342	26,654,230	18,519,132
Tuition and Related Fees	-	69,814	75,000
School Generated Funds	800,000	716,630	743,456
Complementary Services (Note 13)	319,043	616,976	204,733
Other	182,285	156,777	110,034
Total Revenues (Schedule A)	**23,184,222**	**32,140,958**	**23,716,402**
EXPENSES			
Governance	254,177	228,286	175,068
Administration	842,851	748,208	975,440
Instruction	17,894,869	18,045,761	17,015,600
Plant	2,133,510	2,500,653	2,184,713
Transportation	816,754	741,068	705,669
Tuition and Related Fees	49,000	3,000	-
School Generated Funds	800,000	525,387	702,505
Complementary Services (Note 13)	390,340	659,642	883,854
Other Expenses	5,211	99,254	8,674
Total Expenses (Schedule B)	**23,186,712**	**23,551,259**	**22,651,523**
Operating Surplus (Deficit) for the Year	**(2,490)**	**8,589,699**	**1,064,879**
Accumulated Surplus from Operations, Beginning of Year	**17,075,983**	**17,075,983**	**16,011,104**
Accumulated Surplus from Operations, End of Year	**17,073,493**	**25,665,682**	**17,075,983**

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

Holy Trinity Roman Catholic Separate School Division No. 22

Statement of Changes in Net Financial Assets
for the year ended August 31, 2013

	2013 Budget (Note 17)	2013 Actual	2012 Actual
Net Financial Assets, Beginning of Year	**4,077,610**	**4,077,610**	**4,651,212**
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(2,490)	8,589,699	1,064,879
Acquisition of Tangible Capital Assets (Schedule C)	(261,000)	(10,789,636)	(2,505,696)
Amortization of Tangible Capital Assets (Schedule C)	557,804	752,878	903,033
Net Change in Prepaid Expenses	-	(131,307)	(35,818)
	294,314	**(1,578,366)**	**(573,602)**
Change in Net Financial Assets	**294,314**	**(1,578,366)**	**(573,602)**
Net Financial Assets, End of Year	**4,371,924**	**2,499,244**	**4,077,610**

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

Holy Trinity Roman Catholic Separate School Division No. 22
Statement of Cash Flows
for the year ended August 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Operating Surplus for the Year	8,589,699	1,064,879
Add Non-Cash Items Included in Surplus (Schedule D)	752,878	903,033
Net Change in Non-Cash Operating Activities (Schedule E)	(213,595)	(173,575)
Cash Provided by Operating Activities	**9,128,982**	**1,794,337**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(10,789,636)	(2,505,696)
Cash Used by Capital Activities	**(10,789,636)**	**(2,505,696)**
INVESTING ACTIVITIES		
Cash (Used to Acquire) From Portfolio Investments	(6,133,155)	417
Cash Provided (Used) by Investing Activities	**(6,133,155)**	**417**
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	9,663,797	-
Repayment of Long Term Debt	(269,837)	(317,019)
Cash Provided (Used) by Financing Activities	**9,393,960**	**(317,019)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,600,151**	**(1,027,961)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**6,039,162**	**7,067,123**
CASH AND CASH EQUIVALENTS, END OF YEAR	**7,639,313**	**6,039,162**

REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	7,639,313	6,039,162
CASH AND CASH EQUIVALENTS, END OF YEAR	**7,639,313**	**6,039,162**

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

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	3,802,362	3,687,320	3,649,999
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	**3,802,362**	**3,687,320**	**3,649,999**
Grants in Lieu of Taxes:			
Federal Government	114,766	111,251	317,300
Provincial Government	48,809	47,315	72,346
Railways	24,068	23,331	23,088
Other	69,704	67,570	67,830
Total Grants in Lieu of Taxes	**257,347**	**249,467**	**480,564**
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	-	-
House Trailer Fees	20,322	19,700	16,143
Total Other Tax Revenues	**20,322**	**19,700**	**16,143**
Additions to Levy:			
Penalties	26,564	25,751	26,103
Other	-	-	-
Total Additions to Levy	**26,564**	**25,751**	**26,103**
Deletions from Levy:			
Discounts	(752)	(729)	(12,432)
Cancellations	(51,152)	(49,586)	(96,330)
Other Deletions	(4,139)	(5,392)	-
Total Deletions from Levy	**(56,043)**	**(55,707)**	**(108,762)**
Total Property Taxation Revenue	**4,050,552**	**3,926,531**	**4,064,047**
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	17,782,342	17,750,735	17,455,261
Other Ministry Grants	-	65,638	-
Total Ministry Grants	**17,782,342**	**17,816,373**	**17,455,261**
Other Provincial Grants	-	29,700	116,297
Federal Grants	-	-	-
Grants from Others	-	17,660	-
Total Operating Grants	**17,782,342**	**17,863,733**	**17,571,558**
Capital Grants			
Ministry of Education Capital Grants	-	8,790,497	947,574
Other Provincial Capital Grants	50,000	-	-
Other Capital Grants	-	-	-
Total Capital Grants	**50,000**	**8,790,497**	**947,574**
Total Grants	**17,832,342**	**26,654,230**	**18,519,132**

Holy Trinity Roman Catholic Separate School Division No. 22

Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	69,814	75,000
Federal Government and First Nations	-	-	-
Individuals and Other	-	-	-
Total Tuition Fees	**-**	**69,814**	**75,000**
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	**-**	**69,814**	**75,000**
Capital Fees:			
Federal/First Nations Capital Fees	-	-	-
Total Capital Tuition and Fees	**-**	**-**	**-**
Total Tuition and Related Fees Revenue	**-**	**69,814**	**75,000**
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	100,000	83,654	74,496
Other	-	-	-
Total Curricular Fees	**100,000**	**83,654**	**74,496**
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	250,000	215,790	160,864
Fundraising	150,000	142,925	289,684
Grants and Partnerships	15,000	12,711	5,391
Students Fees	145,000	129,288	137,592
Other	140,000	132,262	75,429
Total Non-Curricular Fees	**700,000**	**632,976**	**668,960**
Total School Generated Funds Revenue	**800,000**	**716,630**	**743,456**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	319,043	593,846	195,000
Ministry of Education Grants-Other	-	22,410	-
Other Provincial Grants	-	-	-
Federal Grants	-	-	-
Other Grants	-	-	-
Total Operating Grants	**319,043**	**616,256**	**195,000**
Capital Grants			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	**-**	**-**	**-**
Fees and Other Revenue			
Tuition and Related Fees	-	-	9,733
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	-	720	-
Total Fees and Other Revenue	**-**	**720**	**9,733**
Total Complementary Services Revenue	**319,043**	**616,976**	**204,733**

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

Other Revenue			
Miscellaneous Revenue	117,785	66,956	32,765
Sales & Rentals	4,500	4,629	3,900
Investments	60,000	85,192	73,369
Gain on Disposal of Capital Assets	-	-	-
Total Other Revenue	**182,285**	**156,777**	**110,034**
TOTAL REVENUE FOR THE YEAR	**23,184,222**	**32,140,958**	**23,716,402**

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Governance Expense			
Board Members Expense	64,020	68,913	55,264
Professional Development- Board Members	64,584	52,371	63,270
Advisory Committees	-	2,878	327
Elections	25,000	7,874	-
Other Governance Expenses	100,573	96,250	56,207
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	**254,177**	**228,286**	**175,068**
Administration Expense			
Salaries	451,581	419,045	561,240
Benefits	87,725	131,445	150,947
Supplies & Services	111,575	98,415	115,978
Non-Capital Furniture & Equipment	12,978	8,574	10,230
Building Operating Expenses	93,672	41,741	50,869
Communications	43,500	17,516	37,254
Travel	24,620	8,148	30,112
Professional Development	17,200	12,412	7,898
Amortization of Tangible Capital Assets	-	10,912	10,912
Total Administration Expense	**842,851**	**748,208**	**975,440**
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	12,498,430	12,922,145	12,453,755
Instructional (Teacher & LEADS Contract) Benefits	608,557	635,591	584,181
Program Support (Non-Teacher Contract) Salaries	2,787,903	2,644,653	2,201,205
Program Support (Non-Teacher Contract) Benefits	557,973	417,361	355,931
Instructional Aids	192,785	275,481	370,743
Supplies & Services	248,437	250,703	113,056
Non-Capital Furniture & Equipment	113,449	136,611	115,752
Communications	36,591	55,851	41,228
Travel	57,888	62,220	55,096
Professional Development	421,591	222,116	201,733
Student Related Expense	76,945	86,548	63,823
Amortization of Tangible Capital Assets	294,320	336,481	459,097
Total Instruction Expense	**17,894,869**	**18,045,761**	**17,015,600**

Holy Trinity Roman Catholic Separate School Division No. 22

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Plant Operation & Maintenance Expense			
Salaries	683,036	808,340	631,178
Benefits	122,769	146,464	123,684
Supplies & Services	-	56,092	9,048
Non-Capital Furniture & Equipment	38,050	9,690	28,481
Building Operating Expenses	1,058,402	1,107,820	994,240
Communications	-	2,346	-
Travel	1,840	10,224	2,665
Professional Development	4,500	4,036	4,757
Amortization of Tangible Capital Assets	224,913	355,641	390,660
Total Plant Operation & Maintenance Expense	**2,133,510**	**2,500,653**	**2,184,713**
Student Transportation Expense			
Salaries	290,748	180,279	126,855
Benefits	56,181	33,760	27,406
Supplies & Services	51,000	68,068	54,026
Non-Capital Furniture & Equipment	50,000	43,256	63,488
Building Operating Expenses	-	635	-
Communications	-	616	554
Travel	-	302	269
Professional Development	-	118	1,469
Contracted Transportation	330,254	364,189	389,238
Amortization of Tangible Capital Assets	38,571	49,845	42,364
Total Student Transportation Expense	**816,754**	**741,068**	**705,669**
Tuition and Related Fees Expense			
Tuition Fees	49,000	3,000	-
Transportation Fees	-	-	-
Total Tuition and Related Fees Expense	**49,000**	**3,000**	**-**
School Generated Funds Expense			
Supplies & Services	100,000	49,075	88,808
Cost of Sales	250,000	149,831	137,187
Non-Capital Furniture & Equipment	50,000	16,225	-
Special Programs	-	900	6,450
School Fund Expenses	400,000	309,356	470,060
Total School Generated Funds Expense	**800,000**	**525,387**	**702,505**

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	145,492	224,431	383,107
Program Support (Non-Teacher Contract) Salaries & Benefits	185,324	285,875	382,521
Transportation Salaries & Benefits	695	58,585	37,289
Instructional Aids	6,255	9,649	7,603
Supplies & Services	13,157	20,294	15,310
Non-Capital Furniture & Equipment	14,241	21,969	11,624
Communications	2,171	3,350	-
Travel	618	954	1,666
Professional Development (Non-Salary Costs)	3,926	6,056	60
Student Related Expenses	17,561	27,088	39,283
Contracted Transportation & Allowances	900	1,391	5,391
Total Complementary Services Expense	**390,340**	**659,642**	**883,854**
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,000	2,262	536
School Facilities	4,211	96,992	8,138
Total Interest and Bank Charges	**5,211**	**99,254**	**8,674**
Total Other Expense	**5,211**	**99,254**	**8,674**
TOTAL EXPENSES FOR THE YEAR	**23,186,712**	**23,551,259**	**22,651,523**

Holy Trinity Roman Catholic Separate School Division No. 22

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	333,043	274,201	19,228,326	2,326,202	598,142	84,270	488,316	1,683,199	601,625	2,237,844	**27,855,168**	**25,349,472**
Additions/Purchases	-	112,150	748,358	22,456	-	20,835	99,315	66,291	-	9,720,231	**10,789,636**	**2,505,696**
Transfers to (from)	-	-	84,275	-	-	-	-	594,013	-	(678,288)	**-**	**-**
Closing Balance as of August 31	**333,043**	**386,351**	**20,060,959**	**2,348,658**	**598,142**	**105,105**	**587,631**	**2,343,503**	**601,625**	**11,279,787**	**38,644,804**	**27,855,168**
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	44,770	12,249,584	1,040,454	202,988	47,223	110,678	1,055,543	167,503	-	**14,918,743**	**14,015,710**
Amortization of the Period	-	13,710	225,874	116,057	49,845	10,911	45,332	170,824	120,325	-	**752,878**	**903,033**
Closing Balance as of August 31	**-**	**58,480**	**12,475,458**	**1,156,511**	**252,833**	**58,134**	**156,010**	**1,226,367**	**287,828**	**-**	**15,671,621**	**14,918,743**
Net Book Value:												
Opening Balance as of September 1	333,043	229,431	6,978,742	1,285,748	395,154	37,047	377,638	627,656	434,122	2,237,844	**12,936,425**	**11,333,762**
Closing Balance as of August 31	333,043	327,871	7,585,501	1,192,147	345,309	46,971	431,621	1,117,136	313,797	11,279,787	**22,973,183**	**12,936,425**
Change in Net Book Value	**-**	**98,440**	**606,759**	**(93,601)**	**(49,845)**	**9,924**	**53,983**	**489,480**	**(120,325)**	**9,041,943**	**10,036,758**	**1,602,663**

Holy Trinity Roman Catholic Separate School Division No. 22
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)	752,878	903,033
Total Non-Cash Items Included in Surplus	**752,878**	**903,033**

Holy Trinity Roman Catholic Separate School Division No. 22
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	(1,281,594)	(186,280)
Increase (Decrease) in Provincial Grant Overpayment	(186,108)	186,108
Increase In Accounts Payable and Accrued Liabilities	1,421,998	137,884
Increase (Decrease) in Liability for Employee Future Benefits	(2,700)	36,500
Decrease in Deferred Revenue	(33,884)	(311,969)
Increase in Prepaid Expenses	(131,307)	(35,818)
Total Net Change in Non-Cash Operating Activities	**(213,595)**	**(173,575)**

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 Trinity Roman Catholic Separate School Division No. 22 and operates as "The Holy Trinity Roman Catholic Separate School Division No. 22". 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 Canadian Institute of Chartered Accountants (CICA).

Significant aspects of the accounting policies 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.

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.

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

- the liability for employee future benefits of $475,600 (2012 - $478,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $3,926,531 (2012 - $4,064,047) because final tax assessments may differ from initial estimates.
- uncollectible taxes of $12,780 (2012 - $11,400) because actual collectability may differ from initial estimates.
- accumulated amortization of $15,671,621 (2012 - $14,918,743) because the actual useful lives of tangible capital assets may differ from 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.

Cost or Amortized Cost

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. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of 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.

Portfolio Investments consist of short term deposits. 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, 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.

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	Indefinite
Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment (Lease Term)	4 years
Computer software	5 years
Capital Lease 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.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Items recorded in this category include prepaid insurance and prepaid premises rental.

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.

Short Term Borrowings are comprised of Bank indebtedness with initial maturities of one year or less and are incurred for the purpose of financing current expenditures in accordance with the provisions of *The Education Act, 1995.*

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 expenditures in accordance with the provisions of *The Education Act, 1995.* Long term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the School Division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the School Division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method 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.

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

i) Employee Pension Plans

Employees of the School Division participate in the following pension plans:

Multi-Employer Defined Benefit Plans
The School Division's employees participate in one of the following multi-employer defined benefit plans:

i) Teachers participate in the 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 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.

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.

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

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

iv) Interest Income
Interest is recognized on an accrual basis when it is earned.

v) Other (Non-Government Transfer) Contributions
Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and

collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

k) Statement of Re-measurement Gains and Losses

The school division has not presented a Statement of Re-measurement Gains or Losses because it does not have financial instruments that give rise to re-measurement gains or losses.

3. PORTFOLIO INVESTMENTS

Short term investments consist of marketable securities and guaranteed investment certificates with maturities of between three months and one year. Due to the short-term nature of the investments, market value approximates cost.

	2013	2012
Portfolio investments in the cost and amortized cost category:		
GICs	$ 44,054	$ 11,537
Term deposits	6,100,638	-
Total portfolio investments reported at cost and amortized cost	**6,144,692**	**11,537**

4. 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	$ 638,977	$ 12,780	$ 626,197	$ 137,491	$ 11,400	$ 126,091
Provincial Grant Receivable	$ 764,272	$ -	$ 764,272	$ -	$ -	$ -
Other Receivables	386,795	-	386,795	369,579	-	369,579
Total Accounts Receivable	**$ 1,790,044**	**$ 12,780**	**$ 1,777,264**	**$ 507,070**	**$ 11,400**	**$ 495,670**

5. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of $1,500,000 that bears interest at prime rate plus 1% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by taxes receivable. The line of credit was approved by the Ministry of Education on March 01, 2013. The balance drawn on the line of credit at August 31, 2013 was nil at an interest rate of bank prime rate plus 1% (August 31, 2012 - nil at an interest rate of bank prime rate plus 1%).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	$ 340,520	$ 425,853
Supplier Payments	2,408,718	596,941
Payroll Deductions	11,270	315,716
Total Accounts Payable and Accrued Liabilities	$ 2,760,508	$ 1,338,510

7. LONG-TERM DEBT

Details of long-term debt are as follows:

	2013	2012
Capital Loans:		
Royal Bank requires monthly payments of $4,884, Interest rate 2.94% per annum	273,499	-
TD Bank requires monthly payments of $51,445, Interest rate 3.58% per annum	8,732,291	-
Royal Bank requires annual payment of $26,823, Interest rate 3.69% per annum	53,646	80,469
Royal Bank requires annual payment of $30,750, Interest rate 3.49% per annum	-	30,750
Total Capital Loans	9,059,436	111,219
Capital Lease:		
Royal Bank for computer equipment; requires monthly payments of $16,217	461,674	15,931
Total Capital Leases	461,674	15,931
Total Long Term Debt	**$ 9,521,110**	**$ 127,150**

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

	Capital Loans	Capital Leases	Total
2014	$ 395,197	$ 137,311	$ **532,508**
2015	$ 409,470	$ 141,474	$ **550,944**
2016	390,539	145,762	**536,301**
2017	403,411	37,127	**440,538**
2018	396,418	-	**396,418**
Thereafter	7,064,401	-	**7,064,401**
Total	**$ 1,995,035**	**$ 461,674**	**$ 9,521,110**

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

	Capital Loans	Capital Leases	2013	2012
Principal	$ 151,803	$ 118,034	$ **269,837**	$ 317,019
Interest	86,097	10,895	**96,992**	8,138
Total	**$ 237,900**	**$ 128,929**	**$ 366,829**	**$ 325,157**

8. 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 and severance. 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.

Details of the employee future benefits are as follows:

	2013	2012
Actuarial valuation date	Aug. 31/13	Aug. 31/12
Long-term assumptions used:		
Salary escalation rate (percentage) - Teachers	3.25%	3.25%
Salary escalation rate (percentage) - Non-Teaching Staff	3.25%	3.25%
Discount rate (percentage)	3.50%	2.70%
Inflation rate (percentage)	2.25%	2.25%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	**2013**	**2012**
Accrued Benefit Obligation - beginning of year	**$ 446,400**	**$ 471,100**
Current period benefit cost	51,900	46,500
Interest cost	12,600	17,100
Benefit payments	(65,600)	(29,400)
Actuarial gains / losses	(34,900)	(58,900)
Accrued Benefit Obligation - end of year	**410,400**	**446,400**
Unamortized Net Actuarial Gains / Losses	65,200	31,900
Liability for Employee Future Benefits	**$ 475,600**	**$ 478,300**

Employee Future Benefits Expense	**2013**	**2012**
Current period benefit cost	$ 51,900	$ 46,500
Amortization of net actuarial gain / loss	(1,600)	2,300
Benefit cost	**50,300**	**48,800**
Interest cost on unfunded employee future benefits obligation	12,600	17,100
Total Employee Future Benefits Expense	**$ 62,900**	**$ 65,900**

9. 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 Province 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 Province 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	166	10	176	168
Member contribution rate (percentage of salary)	7.80%	6.05%	6.05%-7.8%	6.05%-7%
Member contributions for the year	$ 1,010,605	$ 57,475	$ 1,068,080	$ 1,178,795

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2013	2012
Number of active School Division members	131	144
Member contribution rate (percentage of salary)	7.40%	7.40%
School Division contribution rate (percentage of salary)	7.40%	7.40%
Member contributions for the year	$ 603,415	$ 489,577
School Division contributions for the year	$ 603,415	$ 489,577
Actuarial valuation date	Dec. 31/12	Dec. 31/11
Plan Assets (in thousands)	$ 1,578,536	$ 1,395,109
Plan Liabilities (in thousands)	$ 1,420,319	$ 1,627,865
Plan Surplus (Deficit)	$ 158,217	$ (232,756)

10. 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
Other deferred revenue:				
Deferred Tax Levy	299,357	5,450	-	$ 304,807
Externally Restricted Donations	25,834	-	25,834	$ -
Deferred Project Revenue	13,500	-	13,500	$ -
Total other deferred revenue	**338,691**	**5,450**	**39,334**	**304,807**
Total Deferred Revenue	**$ 338,691**	**$ 5,450**	**$ 39,334**	**$ 304,807**

11. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2013 Budget	2013 Actual	2012 Actual
Governance	121,284	107,002	-		254,177	228,286	175,068
Administration	550,490	186,806	-	10,912	842,851	748,208	975,440
Instruction	16,619,750	1,089,530	-	336,481	17,894,869	18,045,761	17,015,600
Plant	954,804	1,190,208	-	355,641	2,133,510	2,500,653	2,184,713
Transportation	214,039	477,185	-	49,844	816,754	741,068	705,669
Tuition and Related Fees	-	3,000	-	-	49,000	3,000	-
School Generated Funds	-	525,387	-	-	800,000	525,387	702,505
Complementary Services	510,306	149,336	-	-	390,340	659,642	883,854
Other	-	-	99,254	-	5,211	99,254	8,674
TOTAL	**$ 18,970,673**	**$ 3,728,454**	**$ 99,254**	**$ 752,878**	**$ 23,186,712**	**$ 23,551,259**	**$ 22,651,523**

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

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes such as capital asset and program expenditures, scholarship funds, etc. 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	12,936,426	10,789,635	(752,878)	22,973,183
Less: Debt owing on Tangible Capital Assets	127,150	9,562,072	(168,112)	9,521,110
	12,809,276	**1,227,563**	**(584,766)**	**13,452,073**
S.286 pre-April 2009 capital reserves (1)	**9,441**	**-**	**(9,441)**	**-**
PMR maintenance project allocations (2)	**-**	**149,958**	**-**	**149,958**
Internally Resricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	12,395	372	-	12,767
Designated by Board for Descretionary Use	1,201,198	50,718	(89,124)	1,162,792
	1,213,593	**51,090**	**(89,124)**	**1,175,559**
Other:				
School generated funds	-	272,407	-	272,407
Scholarship funds	37,973	794	(2,193)	36,574
School budget carryovers	-	36,614	-	36,614
Professional Development Commitment	104,020	-	(50,718)	53,302
	141,993	**309,815**	**(52,911)**	**398,897**
Unrestricted Surplus	**2,901,680**	**7,587,514**	**-**	**10,489,194**
Total Accumulated Surplus from Operations	**$ 17,075,983**	**$ 9,325,941**	**$ (736,242)**	**$ 25,665,682**

(1) S.286 pre-April 2009 Capital Reserves from Prior Years' Operating Surpluses represents capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures.

Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

(2) 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.

13. 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.

Pre-K programs are directed at children 3 and 4 years of age not yet in the K-12 system. Nutrition programs are the provision of food and snacks for children arriving at school hungry.

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Nutrition Programs	2013	2012
Revenue:				
Ministry of Education-Foundation Operating Grants	$ 377,061	$ 216,785	**$ 593,846**	**$ 195,000**
Tuition and Other Fees	-	23,130	**$ 23,130**	**9,733**
Total Revenue	**377,061**	**239,915**	**616,976**	**204,733**
Expenses:				
Instructional (Teacher & LEADS Contract) Salaries & Benefits	353,617	215,274	**568,892**	**802,916**
Instructional Aides	9,649	-	**9,649**	**7,603**
Supplies & Services	20,294	-	**20,294**	**15,310**
Non-Capital Furniture & Equipment	21,969	-	**21,969**	**11,624**
Communications	3,350	-	**3,350**	**-**
Travel	20	934	**954**	**-**
Professional Development (Non-Salary costs)	6,056	-	**6,056**	**-**
Student Related Expense	3,382	23,707	**27,088**	**39,283**
Contract Transportation	1,391	-	**1,391**	**7,118**
Total Expenses	**419,727**	**239,915**	**659,642**	**883,854**
Excess (Deficiency) of Revenue over Expenses	**$ (42,666)**	**$ -**	**$ (42,666)**	**$ (679,121)**

14. 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 expenditures in the year when judgment is rendered.

15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The School Division has ongoing commitments under operating leases for office rental and photocopiers. Anticipated future lease payments are as follows:

	Operating Leases			Capital Leases	
	Office Rental	Copier Leases	Total Operating	Computers	Total Capital
Future minimum lease payments:					
2014	44,101	24,613	$ 68,714	149,244	**149,244**
2015	-	24,613	$ 24,613	149,244	**149,244**
2016	-	24,613	$ 24,613	149,244	**149,244**
2017	-	-	$ -	37,312	**37,312**
2018	-	-	$ -	-	**-**
Total Lease Obligations	**$ 44,101**	**$ 73,839**	**$ 117,940**	**$ 485,044**	**$ 485,044**

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.

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	$ 27,223,126	$ 18,597,835
Prairie South School Division	75,000	75,000
	$ 27,298,126	**$ 18,672,835**
Expenses:		
Chinook School Division #211	$ 40,286	$ -
Five Hills Health Region	63,959	42,534
Prairie South School Division	16,409	$ -
SaskEnergy Incorporated	154,739	122,998
Saskatchewan Power Corporation	249,594	229,032
SaskTel	61,458	-
Saskatchewan Workers' Compensation Board	56,240	42,445
	$ 642,685	**$ 437,009**
Provincial Grant Receivable (Overpayment):		
Ministry of Education	**$ 764,272**	**$ (186,108)**

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.

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

17. 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.

18. COMPARATIVE INFORMATION

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

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. 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.

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.

PS3450 Financial Instruments

The school division adopted the new PS3450 Financial Instruments standard in 2013. This new standard 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.

20. RISK MANAGEMENT

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

a) 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. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

	Accounts Receivable	
	August 31, 2013	August 31, 2012
Current	$ 1,151,067	$ 369,579
Total	$ 1,151,067	$ 369,579

b) Liquidity Risk

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

	August 31, 2013			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	1,986,500	66,328	707,680	-
Long term debt	266,254	266,254	1,924,201	7,064,401
Total	$ 2,252,754	$ 332,582	$ 2,631,881	$ 7,064,401

c) Market Risk

The school division is exposed to market risks with respect to interest rates as follows:

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments. The school division also has an authorized bank line of credit of $1,500,000 with interest payable monthly at a rate of prime plus 1% per annum. 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.

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt