BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Directors
Light of Christ Roman Catholic Separate School Division No. 16
North Battleford, Saskatchewan

We have audited the accompanying financial statements of Light of Christ Roman Catholic Separate School Division No. 16, which comprise the statement of financial position as at August 31, 2013, the statements of operations and accumulated surplus (deficit), changes in net financial assets (net debt) and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

Auditors' 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 auditors' 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 Light of Christ Roman Catholic Separate School Division No. 16 as at August 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Baert Cameron Odishaw La Cock

Chartered Accountants

North Battleford, Saskatchewan
November 27, 2013

Light of Christ Roman Catholic Separate School Division No.16

Statement of Financial Position
as at August 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	2,567,435	1,639,207
Accounts Receivable (Note 8)	858,169	1,679,933
Inventories for Sale	5,770	5,770
Portfolio Investments (Note 4)	11,074	10,694
Total Financial Assets	**3,442,448**	**3,335,604**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	709,876	671,870
Liability for Employee Future Benefits (Note 6)	252,800	242,300
Deferred Revenue (Note 10)	62,445	440,647
Total Liabilities	**1,025,121**	**1,354,817**
Net Financial Assets	**2,417,327**	**1,980,787**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	8,190,120	8,513,791
Inventory of Supplies for Consumption	51,723	48,199
Prepaid Expenses	83,125	87,503
Total Non-Financial Assets	**8,324,968**	**8,649,493**
Accumulated Surplus (Note 13)	**10,742,295**	**10,630,280**
Accumulated Surplus is comprised of:		
Accumulated surplus from operations	**10,742,295**	**10,630,280**
Accumulated remeasurement gains and losses	-	-
Total Accumulated Surplus (Note 13)	**10,742,295**	**10,630,280**

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

_____ Chairperson

_____ Chief Financial Officer

Light of Christ Roman Catholic Separate School Division No.16

Statement of Operations and Accumulated Surplus from Operations

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
	(Note 14)		
REVENUES			
Property Taxation	2,142,571	1,982,850	2,134,508
Grants	17,218,453	16,888,955	18,002,130
Tuition and Related Fees	845,767	773,626	839,158
School Generated Funds	604,000	992,447	843,470
Complementary Services (Note 11)	388,908	416,157	302,251
External Services (Note 12)	569,856	546,468	580,014
Other	111,691	266,467	106,249
Total Revenues (Schedule A)	**21,881,246**	**21,866,970**	**22,807,780**
EXPENSES			
Governance	200,483	181,536	190,672
Administration	483,144	465,809	427,285
Instruction	16,558,300	15,783,210	15,995,946
Plant	2,876,652	3,045,111	2,604,553
Transportation	429,519	390,160	378,110
Tuition and Related Fees	50,530	1,200	54,837
School Generated Funds	604,000	964,890	836,441
Complementary Services (Note 11)	371,880	355,508	252,472
External Services (Note 12)	700,309	559,531	595,084
Other Expenses	43,053	8,000	633,239
Total Expenses (Schedule B)	**22,317,870**	**21,754,955**	**21,968,639**
Operating Surplus (Deficit) for the Year	**(436,624)**	**112,015**	**839,141**
Accumulated Surplus from Operations, Beginning of Year	**10,630,280**	**10,630,280**	**9,791,139**
Accumulated Surplus from Operations, End of Year	**10,193,656**	**10,742,295**	**10,630,280**

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

Light of Christ Roman Catholic Separate School Division No.16

Statement of Cash Flows

for the year ended August 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Operating Surplus for the Year	112,015	839,141
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	661,328	1,261,246
Net Change in Non-Cash Operating Activities (Schedule E)	492,922	(1,542,041)
Cash Provided by Operating Activities	**1,266,265**	**558,346**
CAPITAL ACTIVITIES		
Cash (Used) to Acquire Tangible Capital Assets	(337,657)	(518,136)
Cash (Used) by Capital Activities	**(337,657)**	**(518,136)**
INVESTING ACTIVITIES		
Cash (Used) to Acquire Portfolio Investments	(380)	-
Cash (Used) by Investing Activities	**(380)**	**-**
INCREASE IN CASH AND CASH EQUIVALENTS	**928,228**	**40,210**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**1,639,207**	**1,598,997**
CASH AND CASH EQUIVALENTS, END OF YEAR	**2,567,435**	**1,639,207**
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	2,567,435	1,639,207
CASH AND CASH EQUIVALENTS, END OF YEAR	**2,567,435**	**1,639,207**

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

Light of Christ Roman Catholic Separate School Division No.16

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	2,073,586	1,988,990	2,069,898
Total Property Tax Revenue	**2,073,586**	**1,988,990**	**2,069,898**
Grants in Lieu of Taxes:			
Federal Government	-	2,728	1,304
Provincial Government	51,366	1,881	40,366
Other	71,857	4,210	70,904
Total Grants in Lieu of Taxes	**123,223**	**8,819**	**112,574**
Other Tax Revenues:			
House Trailer Fees	3,200	(8,074)	876
Total Other Tax Revenues	**3,200**	**(8,074)**	**876**
Additions to Levy:			
Penalties	2,696	3,295	3,907
Total Additions to Levy	**2,696**	**3,295**	**3,907**
Deletions from Levy:			
Discounts	-	(3,144)	(17,297)
Cancellations	(60,134)	(7,036)	(35,450)
Total Deletions from Levy	**(60,134)**	**(10,180)**	**(52,747)**
Total Property Taxation Revenue	**2,142,571**	**1,982,850**	**2,134,508**
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	16,844,177	16,128,018	17,134,811
Other Ministry Grants	45,000	137,015	157,019
Total Ministry Grants	**16,889,177**	**16,265,033**	**17,291,830**
Other Provincial Grants	55,000	39,231	-
Total Operating Grants	**16,944,177**	**16,304,264**	**17,291,830**
Capital Grants			
Ministry of Education Capital Grants	274,276	584,691	657,180
Other Provincial Capital Grants	-	-	53,120
Total Capital Grants	**274,276**	**584,691**	**710,300**
Total Grants	**17,218,453**	**16,888,955**	**18,002,130**

Light of Christ Roman Catholic Separate School Division No.16

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:			
Federal Government and First Nations	818,812	751,633	788,379
Individuals and Other	-	-	(37)
Total Tuition Fees	**818,812**	**751,633**	**788,342**
Transportation Fees	26,955	21,993	31,623
Total Operating Tuition and Related Fees	**845,767**	**773,626**	**819,965**
Capital Fees:			
Federal/First Nations Capital Fees	-	-	19,193
Total Capital Tuition and Fees	**-**	**-**	**19,193**
Total Tuition and Related Fees Revenue	**845,767**	**773,626**	**839,158**
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	60,000	51,722	54,064
Other	5,000	7,737	7,323
Total Curricular Fees	**65,000**	**59,459**	**61,387**
Non-Curricular Fees:			
Commercial Sales - GST	47,000	11,138	16,029
Commercial Sales - Non-GST	15,000	82,961	40,528
Fundraising	95,000	122,465	121,155
Grants and Partnerships	56,000	75,151	54,534
Students Fees	250,000	573,065	446,908
Other	76,000	68,208	102,929
Total Non-Curricular Fees	**539,000**	**932,988**	**782,083**
Total School Generated Funds Revenue	**604,000**	**992,447**	**843,470**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	388,908	416,157	302,251
Total Operating Grants	**388,908**	**416,157**	**302,251**
Total Complementary Services Revenue	**388,908**	**416,157**	**302,251**

Light of Christ Roman Catholic Separate School Division No.16

Schedule A: Supplementary Details of Revenue

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	479,856	408,167	477,477
Total Operating Grants	**479,856**	**408,167**	**477,477**
Fees and Other Revenue			
Tuition and Related Fees	-	20,000	-
Other Revenue	90,000	118,301	102,537
Total Fees and Other Revenue	**90,000**	**138,301**	**102,537**
Total External Services Revenue	**569,856**	**546,468**	**580,014**
Other Revenue			
Miscellaneous Revenue	92,700	217,198	66,112
Sales & Rentals	18,691	23,576	28,890
Investments	300	25,693	11,247
Total Other Revenue	**111,691**	**266,467**	**106,249**
TOTAL REVENUE FOR THE YEAR	**21,881,246**	**21,866,970**	**22,807,780**

Light of Christ Roman Catholic Separate School Division No.16

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Governance Expense			
Board Members Expense	56,680	56,027	62,965
Professional Development- Board Members	45,500	24,196	26,727
Advisory Committees	5,800	6,400	5,600
Elections	5,700	8,991	-
Other Governance Expenses	86,803	85,922	95,380
Total Governance Expense	**200,483**	**181,536**	**190,672**
Administration Expense			
Salaries	290,750	299,057	278,728
Benefits	44,097	48,208	40,924
Supplies & Services	81,486	29,185	42,327
Non-Capital Furniture & Equipment	12,000	13,075	11,581
Building Operating Expenses	22,000	34,762	22,291
Communications	15,400	21,408	17,040
Travel	5,829	5,740	5,397
Professional Development	6,500	7,019	4,115
Amortization of Tangible Capital Assets	5,082	7,355	4,882
Total Administration Expense	**483,144**	**465,809**	**427,285**
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	11,450,592	11,078,812	11,142,701
Instructional (Teacher & LEADS Contract) Benefits	673,497	665,959	635,430
Program Support (Non-Teacher Contract) Salaries	2,487,517	2,352,907	2,513,359
Program Support (Non-Teacher Contract) Benefits	434,383	404,775	415,365
Instructional Aids	463,273	422,843	390,189
Supplies & Services	309,930	232,564	260,415
Non-Capital Furniture & Equipment	159,834	98,190	97,318
Communications	45,374	34,142	38,917
Travel	77,819	78,781	77,932
Professional Development	145,970	90,006	107,271
Student Related Expense	122,124	119,607	128,388
Amortization of Tangible Capital Assets	187,987	204,624	188,661
Total Instruction Expense	**16,558,300**	**15,783,210**	**15,995,946**

Light of Christ Roman Catholic Separate School Division No.16

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

	2013 Budget	2013 Actual	2012 Actual
Plant Operation & Maintenance Expense			
Salaries	815,789	810,214	785,704
Benefits	141,361	128,211	122,328
Supplies & Services	25,738	25,454	23,158
Non-Capital Furniture & Equipment	10,600	13,153	5,435
Building Operating Expenses	1,423,003	1,602,018	1,209,888
Communications	3,300	1,517	1,460
Travel	18,449	14,365	17,398
Professional Development	3,000	830	1,069
Amortization of Tangible Capital Assets	435,412	449,349	438,113
Total Plant Operation & Maintenance Expense	**2,876,652**	**3,045,111**	**2,604,553**
Student Transportation Expense			
Supplies & Services	-	320	-
Communications	-	-	124
Professional Development	-	357	-
Contracted Transportation	429,519	389,483	372,926
Amortization of Tangible Capital Assets	-	-	5,060
Total Student Transportation Expense	**429,519**	**390,160**	**378,110**
Tuition and Related Fees Expense			
Tuition Fees	30,200	1,200	6,300
Other Fees	20,330	-	48,537
Total Tuition and Related Fees Expense	**50,530**	**1,200**	**54,837**
School Generated Funds Expense			
Supplies & Services	65,000	65,487	51,377
Cost of Sales	62,000	68,960	56,720
Non-Capital Furniture & Equipment	7,000	5,937	1,229
Special Programs	405,000	812,016	673,773
School Fund Expenses	65,000	12,490	53,342
Total School Generated Funds Expense	**604,000**	**964,890**	**836,441**

Light of Christ Roman Catholic Separate School Division No.16

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	250,075	223,884	156,629
Program Support (Non-Teacher Contract) Salaries & Benefits	97,355	103,113	60,242
Instructional Aids	17,600	15,998	6,550
Non-Capital Furniture & Equipment	-	3,628	3,120
Building Operating Expenses	-	-	20,715
Professional Development (Non-Salary Costs)	450	114	72
Student Related Expenses	6,400	8,308	5,144
Contracted Transportation & Allowances	-	463	-
Total Complementary Services Expense	**371,880**	**355,508**	**252,472**
External Service Expense			
Other Fees	231,800	163,362	228,158
Instructional (Teacher & LEADS Contract) Salaries & Benefits	23,716	24,876	24,874
Program Support (Non-Teacher Contract) Salaries & Benefits	295,593	258,001	234,691
Plant Operation & Maintenance Salaries & Benefits	-	-	640
Instructional Aids	32,100	6,138	9,965
Supplies & Services	83,300	94,906	83,413
Non-Capital Furniture & Equipment	2,500	3,900	317
Communications	1,700	1,231	1,099
Travel	1,500	1,991	275
Professional Development (Non-Salary Costs)	4,200	2,246	3,229
Student Related Expenses	21,400	2,529	8,423
Contracted Transportation & Allowances	2,500	351	-
Total External Services Expense	**700,309**	**559,531**	**595,084**

Light of Christ Roman Catholic Separate School Division No.16

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	12,000	8,000	8,677
Interest on Debentures			
School Facilities	-	-	33
Interest on Other Capital Loans and Long Term Debt			
School Facilities	31,053	-	-
Total Interest and Bank Charges	**43,053**	**8,000**	**8,710**
Loss on Disposal of Tangible Capital Assets	-	-	624,529
Total Other Expense	**43,053**	**8,000**	**633,239**
TOTAL EXPENSES FOR THE YEAR	**22,317,870**	**21,754,955**	**21,968,639**

Light of Christ Roman Catholic Separate School Division No.16

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	387,921	624,956	20,279,891	121,911	-	84,500	1,150,673	459,640	-	394,563	23,504,055	23,810,171
Additions/Purchases	-	-	-	30,624	-	-	60,256	145,948	-	100,829	337,657	518,136
Disposals	-	-	-	-	-	-	-	-	-		-	(824,252)
Transfers to (from)	-	-	-	495,392	-	-	-	-	-	(495,392)	-	
Closing Balance as of August 31	387,921	624,956	20,279,891	647,927	-	84,500	1,210,929	605,588	-	-	23,841,712	23,504,055
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	622,778	13,031,749	61,002	-	84,500	936,195	254,040	-	-	14,990,264	14,553,271
Amortization of the Period	-	143	404,626	30,865	-	-	123,154	102,540	-	-	661,328	636,715
Disposals	-	-	-	-	-	-	-	-	-	-	-	(199,723)
Closing Balance as of August 31	NIL	622,921	13,436,375	91,867	-	84,500	1,059,349	356,580	-	NIL	15,651,592	14,990,264
Net Book Value:												
Opening Balance as of September 1	387,921	2,178	7,248,142	60,909	-	-	214,478	205,600	-	394,563	8,513,791	9,256,900
Closing Balance as of August 31	387,921	2,035	6,843,516	556,060	-	-	151,580	249,008	-	-	8,190,120	8,513,791
Change in Net Book Value	-	(143)	(404,626)	495,151	-	-	(62,898)	43,408	-	(394,563)	(323,671)	(743,109)
Disposals:												
Historical Cost	-	-	-	-	-	-	-	-	-	-	-	824,252
Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	-	199,722
Net Cost	-	-	-	-	-	-	-	-	-	-	-	624,530
Price of Sale											-	20,000
Deferred Proceeds: Min of Education Portion												(15,000)
Deferred Proceeds: School Division Portion												(5,000)
Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	-	624,530
Net Book Value (NBV) of Assets Pledged as Security for Debt											-	

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Light of Christ Roman Catholic Separate School Division No.16

Schedule D: Non-Cash Items Included in Surplus / Deficit

for the year ended August 31, 2013

	2013	2012
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	661,328	636,716
Net Loss on Disposal of Tangible Capital Assets	-	624,530
Total Non-Cash Items Included in Surplus / Deficit	**661,328**	**1,261,246**

Light of Christ Roman Catholic Separate School Division No.16

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:		
Decrease (Increase) in Accounts Receivable	821,764	(922,335)
(Increase) in Inventories for Sale	-	(5,768)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	38,006	(162,834)
Increase in Liability for Employee Future Benefits	10,500	16,000
(Decrease) in Deferred Revenue	(378,202)	(477,739)
(Increase) in Inventory of Supplies for Consumption	(3,524)	(3,049)
Decrease in Prepaid Expenses	4,378	13,684
Total Net Change in Non-Cash Operating Activities	**492,922**	**(1,542,041)**

LIGHT OF CHRST ROMAN CATHOLIC SEPARATE SCHOOL DIVISION No. 16
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2013

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Light of Christ Roman Catholic Separate School Division No. 16" and operates as "the Light of Christ Roman Catholic Separate School division No. 16". 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 18 Accounting Changes.

b) Reporting Entity

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

c) Trust Funds

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

Trust funds are not included in the financial statements as they are not controlled by the school division.

d) 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.

e) 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 $252,800 (2012 - $242,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $1,982,850 (2012 - $2,134,508) because final tax assessments may differ from initial estimates,
- useful lives of capital assets and related amortization for computer hardware because of the changing demand for new products and unexpected equipment failures
- prior years tangible capital asset historical costs and related amortization as per note 2(h).

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 change in the amounts recognized or disclosed.

f) 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, accrued salaries and benefits, accounts payable, and accrued liabilities.

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.

g) 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 include 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.

Inventories for Sale consist of consumables which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Portfolio Investments consist of equities with Innovation Credit Union and the Battlefords Co-op and are carried at amortized cost.

h) 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, other vehicles, furniture and equipment, and assets under construction. Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

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

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

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

Inventory of Supplies for Consumption consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for fees to Saskatchewan School Boards Association and Saskatchewan Catholic School Boards Association as well as insurance, and Workers Compensation which will provide economic benefits in one or more future periods.

i) 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 and short-term loans with initial maturities of one year or less and are incurred for the purpose of financing current expenses 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.

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 and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

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

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

j) 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.

Defined Contribution Plans

The School division's Support Staff participate in a defined contribution pension plan. The School division's contributions to the plan are expensed when due.

k) 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.

The school division's two major sources of revenues are provincial grants and property taxation.

i) **Government Transfers (Grants):**
Grants from governments are considered to be government transfers. In accordance with the new PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Eligibility criteria are criteria that the school division has to meet in order to receive the transfer. Stipulations describe how the school division must use the transfer or the actions it must perform in order to keep the transfer.

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

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

ii) **Property taxation:**
Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan: 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.

l) **Statement of Remeasurement Gain and Losses**
The school division has not presented a Statement of Remeasurement Gains or Losses because it does not have financial instruments that give rise to remeasurement or losses.

3. 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 *bank prime minus 0.5% per annum*. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by grants and taxes. This line of credit was approved by the Minister of Education on May 14, 2013. The balance drawn on the line of credit at August 31, 2013 was $0.00 at an interest rate of 2.5 % (August 31, 2012 - $ 0.00 at an interest rate of 2.5%).

4. PORTFOLIO INVESTMENTS

Portfolio Investments are comprised of the following:

	2013	2012
Portfolio investments in the cost and amortized cost category:	**Cost**	**Cost**
Innovation Credit Union - Equity	$ 10,000.00	$ 10,000.00
Battlefords District Co-op	1,074	694
Total portfolio investments reported at cost and amortized cost	**11,074**	**10,694**
Total portfolio investments	**$ 11,074**	**$ 10,694**

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2013 Budget	2013 Actual	2012 Actual
Governance	$ 59,483	$ 122,053	$ -	$ 200,483	$ 181,535.51	$ 190,672
Administration	347,266	111,189	7,355	483,144	465,810	427,285
Instruction	14,502,453	1,076,133	204,624	16,558,300	15,783,210	15,995,946
Plant	938,425	1,657,337	449,349	2,876,652	3,045,111	2,604,553
Transportation	-	390,160	-	429,519	390,160	378,110
Tuition and Related Fees	-	1,200	-	50,530	1,200	54,837
School Generated Funds	-	964,890	-	604,000	964,890	836,441
Complementary Services	326,997	28,511	-	371,880	355,508	252,472
External Services	282,877	276,654	-	700,309	559,531	595,084
Other	-	8,000	-	43,053	8,000	633,239
TOTAL	**$ 16,457,501**	**$ 4,636,127**	**$ 661,328**	**$ 22,317,870**	**$ 21,754,955**	**$ 21,968,639**

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 and retirement gratuity liabilities. Significant assumptions include the average remaining service life of employees and the amount of benefit payments. The liability associated with these benefits is calculated at 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 (extrapolation) date	Aug. 31, 2013	Aug. 31, 2012
Long-term assumptions used:		
Salary escalation rate (percentage) - Teachers	3.25%	3.25%
Salary escalation rate (percentage) - Non-Teachers	3.25%	3.20%
Discount rate (percentage)	3.50%	2.70%
Inflation rate (percentage)	2.25%	2.25%
Expected average remaining service life (years)	*15 years*	*15 years*

Liability for Employee Future Benefits	**2013**	**2012**
Accrued Benefit Obligation - beginning of year	**$ 300,700**	**$ 246,500**
Current period benefit cost	24,500	16,600
Interest cost	8,400	8,800
Benefit payments	(26,500)	(10,900)
Actuarial gains / losses	(26,900)	39,700
Accrued Benefit Obligation - end of year	**280,200**	**300,700**
Unamortized Net Actuarial Gains / Losses	**(27,400)**	**(58,400)**
Liability for Employee Future Benefits	**$ 252,800**	**$ 242,300**

Employee Future Benefits Expense	**2013**	**2012**
Current period benefit cost	$ 24,500	$ 16,600
Amortization of net actuarial gain / loss	4,100	1,500
Benefit cost	**28,600**	**18,100**
Interest cost on unfunded employee future benefits obligation	**8,400**	**8,800**
Total Employee Future Benefits Expense	**$ 37,000**	**$ 26,900**

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the school division contributes is as follows:

i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP):

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

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the

employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

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

	2013			2012
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	*180*	*16*	*196*	*210*
Member contribution rate (percentage of salary)	10.00%	7.85%	10%/7.85%	10%\7.85%
Member contributions for the year	$ 887,696	$ 33,012	$ 920,708	$ 921,315

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	18	19
Member contribution rate (percentage of salary)	7.4%/8.15%	7.40%
School Division contribution rate (percentage of salary)	7.4%/8.15%	7.40%
Member contributions for the year	$ 55,028	$ 55,625
School Division contributions for the year	$ 55,028	$ 55,625
	(in thousands)	
Actuarial valuation date	Dec. 31, 2012	Dec. 31, 2011
Plan Assets	$ 1,578,536	$ 1,395,109
Plan Liabilities	$ 1,420,319	$ 1,627,865
Plan Surplus (Deficit)	$ 158,217	$ (232,756)

Defined Contribution Plans

The Employee Pension Plan is funded by employer and employee contributions at rates determined by the school division. Pension benefits are based on accumulated contributions and investment earnings. Under the defined contribution plan, the school division's obligations are limited to its contributions.

Details of the Employee Pension Plan are as follows:

	2013	2012
Number of active School Division members	89	92
Member contribution rate (percentage of salary)	6.50%	6.25%
School Division contribution rate (percentage of salary)	6.50%	6.25%
Member contributions for the year	$ 183,599	$ 182,181
School Division contributions for the year	$ 176,353	$ 175,947

8. ACCOUNTS RECEIVABLE

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

	2013			2012		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	$ 270,563	$ -	$ 270,563	$ 480,692	$ -	$ 480,692
Provincial Grants Receivable	406,552	-	406,552	800,136	-	800,136
Other Receivables	181,054	-	181,054	399,105	-	399,105
Total Accounts Receivable	**$ 858,169**	**$ -**	**$ 858,169**	**$ 1,679,933**	**$ -**	**$ 1,679,933**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payables and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	$ 320,442	$ 296,275
Supplier Payments	69,018	106,850
Other - Copier Account & Scholarship Account	320,416	268,745
Total Accounts Payable and Accrued Liabilities	$ 709,876	$ 671,870

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
Capital projects:				
Federal capital tuition	$ 62,653	$ 39,224	$ 39,432	$ 62,445
Proceeds from sale of school buildings	20,000	-	20,000	-
Total capital projects deferred revenue	82,653	39,224	59,432	62,445
Other deferred revenue:				
Youth in Custody	226,536	-	226,536	-
JP II Roof Rplacement Capital Project	131,458	-	131,458	-
Total other deferred revenue	357,994	-	357,994	-
Total Deferred Revenue	$ 440,647	$ 39,224	$ 417,426	$ 62,445

11. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	**Pre-K Programs**	**2013**	**2012**
Revenue:			
Operating Grants	$ 416,157	$ 416,157	$ 302,251
Total Revenue	416,157	416,157	302,251
Expenses:			
Salaries & Benefits	326,997	326,997	216,871
Instructional Aids	15,998	15,998	6,550
Non-Capital Equipment	3,628	3,628	3,120
Building Operating Expenses	-	-	20,715
Professional Development (Non-Salary	114	114	72
Student Related Expenses	8,771	8,771	5,144
Total Expenses	355,508	355,508	252,472
Excess (Deficiency) of Revenue over Expenses	$ 60,649	$ 60,649	$ 49,779

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

i) The school division operates three Pre-K programs located at Holy Family School, Notre Dame School and St. Mary's School. These programs are available for students from the age of three to five.

12. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Servery	Literacy Camp	Youth in Custody	Eagle's Nest	2013	2012
Revenue:						
Operating Grants	$ -	$ 20,000	$ 226,537	$ 161,630	$ 408,167	$ 580,014
Fees and Other Revenue	118,301	20,000	-	-	138,301	-
Total Revenue	**118,301**	**40,000**	**226,537**	**161,630**	**546,468**	**580,014**
Expenses:						
Other Fees	-	-	-	163,362	163,362	-
Salaries & Benefits	70,976	24,876	187,025	-	282,877	259,565
Instructional Aids	-	558	5,580	-	6,138	9,965
Supplies and Services	87,530	400	6,976	-	94,906	313,627
Non-Capital Equipment	2,779	-	1,121	-	3,900	-
Communications	-	1,231	-	-	1,231	-
Travel	1,730	-	261	-	1,991	275
Professional Development	1,155	-	1,091	-	2,246	3,229
Student Related Expenses	-	2,254	275	-	2,529	8,423
Contracted Transportation & Allowances	-	351	-	-	351	-
Total Expenses	**164,171**	**29,669**	**202,329**	**163,362**	**559,531**	**595,084**
Excess (Deficiency) of Revenue over Expenses	**$ (45,870)**	**$ 10,331**	**$ 24,208**	**$ (1,732)**	**$ (13,063)**	**$ (15,070)**

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

i) The school division operates a servery at John Paul II High School. This servery provides food and drink services to the students during a school day.

ii) The government of Saskatchewan has an agreement with the school division to provide funding to the North Battleford Eagles' Nest Youth Ranch. The funding flows directly through the school division to the external organization.

iii) The school division employs a number of employees at the North Battleford Youth in Custody and provides financial administration. The program operates in North Battlefords and offers educational programing to youth that are in custody.

iv) The school division, along with Living Sky School Division No. 202, hosts a summer literacy camp on an annual basis.

13. ACCUMULATED SURPLUS

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

Accumulated surplus is comprised of the following two amounts:

i) Accumulated surplus (deficit) from operations, which represents the accumulated balance of net surplus arising from the operations of the school division and school generated funds as detailed in the table below; and

ii) Accumulated remeasurement gains and losses, which represents the unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value. As represented in the Statement of Financial Position, the school division did not experience 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 for school generated funds, school budgets and Youth in Custody. 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	$ 8,513,791	$ -	$ 323,671	$ 8,190,120
	8,513,791	**-**	**323,671**	**8,190,120**
PMR maintenance project allocations (1)	**-**	**169,367**	**-**	**169,367**
Internally Resricted Surplus:				
Other:				
School generated funds	274,836	27,557	-	302,393
School budget carryovers	157,692	-	48,419	109,273
Youth in Custody	-	24,208	-	24,208
	432,528	**51,765**	**48,419**	**435,874**
Unrestricted Surplus	**1,683,961**	**262,973**	**-**	**1,946,934**
Total Accumulated Surplus from Operations	**$ 10,630,280**	**$ 484,105**	**$ 372,090**	**$ 10,742,295**

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

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

i) School Generated Funds- Schools have financial reserves from fundraising and school fees. The surplus or deficit is carried over year to year and only used at the school level.
ii) School budget carryovers- All schools have allocated budgets to operate the school. These financial allocations are used throughout the year but any surplus or deficit is carried over to the next year.
iii) Youth in Custody- The school division employs a number of employees at the North Battleford Youth in Custody and provides financial administration. The program operates in the Battlefords and offers educational programming to youth that are in custody. Accumulated receipts in excess of accumulated expenditures are considered internally restricted surpluses to be used for future operations.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on May 29, 2012 and the Ministry of Education on August 10, 2012.

15. RELATED PARTIES

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

(a) 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	$ 17,237,891	$ 18,406,487
Workers Compensation Board	12,635	23,307
Prairie North Health Region	22,210	22,189
SGI	39,231	53,120
Living Sky School Division No. 202	20,000	20,000
	$ 17,331,969	**$ 18,525,102**
Expenses:		
SaskPower	$ 255,763	$ 261,781
SaskEnergy	166,688	170,984
SaskTel	39,082	43,192
Workers Compensation Board	31,816	31,028
SGI	0	2,713
Living Sky School Division No. 202	48,735	38,961
North West Regional College	250	4,917
St. Paul's RCSSD	2,500	2,500
Regina Public Schools	50	880
Regina Catholic Schools	0	500
Eagle's nest Youth Ranch INC.	163,362	228,158
Prairie North Health Region	13,662	18,039
	$ 721,907	**$ 803,652**
Accounts Receivable:		
Ministry of Education	$ 406,552	$ 800,136
	$ 406,552	**$ 800,136**
Prepaid Expenses:		
Workers Compensation Board	$ 10,391	$ 10,208
	$ 10,391	**$ 10,208**
Accounts Payable and Accrued Liabilities:		
Ministry of Finance	$ 174	$ -
SaskEnergy	6,204	-
SaskPower	17,782	-
	$ 24,161	**$ -**
Deferred Revenue:		
Ministry of Education	$ -	$ 131,458
	$ -	**$ 131,458**

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.

16. TRUSTS

The school division, as the trustees, administers trust funds for scholarships. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

	Trust Fund	
	2013	2012
Cash and short-term investments	$ 32,043	$ 33,578
Total Assets	**$ 32,043**	**$ 33,578**
Revenues		
Contributions and donations	$ 443	$ 465
	443	465
Expenses		
Scholarships	2,000	2,000
	2,000	2,000
Excess of Revenue over Expenses	(1,557)	(1,535)
Trust Fund Balance, Beginning of Year	32,044	33,578
Trust Fund Balance, End of Year	**$ 30,487**	**$ 32,043**

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

	Operating Leases			
	Connect Energy (Natural Gas)	Southland Transportation Ltd. (School Bus Contract)	TLC Driver Training (Driver Education)	Total Operating
Future minimum lease payments:				
2014	$ 143,500	$ 366,300	$ 42,500	$ 552,300
2015	143,500	372,960	42,500	558,960
2016	143,500	379,620	45,000	568,120
2017	143,500	-	-	143,500
2018	143,500	-	-	143,500
Thereafter	-	-	-	-
Total Lease Obligations	**$ 717,500**	**$ 1,118,880**	**$ 130,000**	**$ 1,966,380**

18. ACCOUNTING CHANGES

PS1201 Financial Statement Presentation

The school division adopted the new PS1201 Financial Statement Presentation standard in 2013. PS1201 establishes general reporting principles and standards for

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

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

PS2601 Foreign Currency Translation

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

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

PS3041 Portfolio Investments

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

Previously, the school division classified investments as either Short-Term Investments or Long-Term Investments, depending on the purpose and maturity of the investment. Short-Term Investments were recorded at the lower of cost or market; Long-Term Investments were carried at amortized cost, with write-downs to reflect

any permanent impairment in value. The adoption of the new PS3041 standard has not resulted in any changes to the measurement and recognition of portfolio investments by the school division.

PS3450 Financial Instruments

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

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

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

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

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

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

PS3410 Government Transfers

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

Previously, government transfers (grants) that restricted how those resources were to be used were deferred and recognized in revenue as the related expenses or expenditures were incurred. The adoption of the new PS3410 required that the school division assess government transfers (grants) received to determine if they meet the requirement for deferral as a liability, in accordance with the new standard. The adoption of the revised PS3410 standard has not resulted in any changes to the measurement and recognition of government transfers in the school division's 2013 financial statements.

19. Comparative Information

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

20. Risk Management

The school division is exposed to financial risks from its financial assets and liabilities.

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include the analysis of the financial position of its customers, regular review of customer credit limits and close monitoring of overdue accounts. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

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

	August 31, 2013		August 31, 2012	
	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts
Current	$ -	$ -	$ -	$ -
0-30 days	-	-	-	-
30-60 days	-	-	-	-
60-90 days	-	-	-	-
Over 90 days	20,805	-	-	-
Total	$ 20,805	$ -	$ -	$ -
Net	-	$ 20,805		$ -

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, budget practices and monitoring, and

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

	August 31, 2013			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Bank indebtedness	$ -	$ -	$ -	$ -
Provincial grant overpayment	-	-	-	-
Accounts payable and accrued liabilities	155,959	7,448	57,009	100,000
Short term loans	-	-	-	-
Long term debt	-	-	-	-
Total	$ 155,959	$ 7,448	$ 57,009	$ 100,000

iii) Market Risk

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

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents, portfolio investments, and bank indebtedness. The school division also has an authorized bank line of credit of $ with interest payable monthly at a rate of prime minus 0.5%. 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 (2012 - $0.00).

The school division minimizes these risks by holding cash in an account at a Canadian bank, denominated in Canadian currency and managing cash flows to minimize utilization of its bank line of credit.

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, this risk is minimal as the school division does not make a significant amount of purchases denominated on a foreign currency. The school division did not have any financial instruments denominated in foreign currency outstanding at August 31, 2013 or August 31, 2012.