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

CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013

Deloitte LLP
122 1st Ave. S.
Suite 400, PCS Tower
Saskatoon SK S7K 7E5
Canada

Tel: (306) 343-4400
Fax: (306) 343-4480
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BOARD OF EDUCATION OF
ST. PAUL'S ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 20

We have audited the accompanying consolidated financial statements of St. Paul's Roman Catholic Separate School Division No. 20 (the "Division"), which comprise the consolidated statement of financial position as at August 31, 2013, and the consolidated statements of operations and accumulated surplus from operations, remeasurement gains and losses, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2013, and the results of operations, remeasurement gains and losses, changes in its net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants
Saskatoon, Saskatchewan
December 9, 2013

St. Paul's Roman Catholic Separate School Division No. 20
Consolidated Statement of Financial Position
as at August 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	10,380,689	6,520,401
Accounts Receivable (Note 3)	18,859,707	13,005,628
Portfolio Investments (Note 4)	56,100	56,100
Total Financial Assets	**29,296,496**	**19,582,129**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	10,199,155	7,612,133
Long Term Debt and Associated Derivatives (Note 6)	16,048,005	17,165,487
Liability for Employee Future Benefits (Note 7)	4,171,400	4,196,800
Deferred Revenue (Note 8)	3,613,272	5,334,826
Total Liabilities	**34,031,832**	**34,309,246**
Net Debt	**(4,735,336)**	**(14,727,117)**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	126,187,606	116,144,739
Prepaid Expenses	424,098	373,229
Total Non-Financial Assets	**126,611,704**	**116,517,968**
Accumulated Surplus	**121,876,368**	**101,790,851**
Accumulated Surplus is comprised of:		
Accumulated surplus from operations (Note 10)	**122,077,336**	**101,790,851**
Accumulated remeasurement losses	**(200,968)**	**-**
Total Accumulated Surplus	**121,876,368**	**101,790,851**

Contractual Obligations and Committments (Note 17)

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

Approved by the Board:

Diane Boyko ______________________ Chairperson

______________________ Chief Financial Officer

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

Consolidated Statement of Operations and Accumulated Surplus from Operations

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
	(Note 13)		
REVENUES			
Property Taxation	44,978,095	44,351,498	42,881,872
Grants	118,285,794	134,726,424	114,532,703
Tuition and Related Fees	1,037,004	1,540,702	1,287,605
School Generated Funds	4,125,694	3,839,107	3,683,013
Complementary Services (Note 9)	1,578,171	1,595,611	1,430,000
Other	1,421,603	1,493,255	1,496,850
Total Revenues (Schedule A)	**171,426,361**	**187,546,597**	**165,312,043**
EXPENSES (Note 11)			
Governance	807,270	760,732	724,700
Administration	1,669,748	1,702,624	1,583,711
Instruction	122,649,512	123,785,595	122,735,361
Plant	19,628,162	28,907,691	23,830,336
Transportation	6,307,142	5,707,083	5,308,880
Tuition and Related Fees	-	49,980	4,402
School Generated Funds	3,987,829	3,598,176	3,552,010
Complementary Services (Note 9)	1,573,624	1,907,275	1,272,854
Other Expenses	815,949	840,956	781,447
Total Expenses (Schedule B)	**157,439,236**	**167,260,112**	**159,793,701**
Operating Surplus for the Year	**13,987,125**	**20,286,485**	**5,518,342**
Accumulated Surplus from Operations, Beginning of Year	**101,790,851**	**101,790,851**	**96,272,509**
Accumulated Surplus	**115,777,976**	**122,077,336**	**101,790,851**

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

St. Paul's Roman Catholic Separate School Division No. 20
Consolidated Statement of Remeasurement Losses
for the year ended August 31, 2013

	2013
Accumulated Remeasurement Gains (Losses), Beginning of Year	**-**
Unrealized losses attributable to:	
Derivatives (Note 6)	(200,968)
Accumulated Remeasurement Losses, End of Year (Note 16)	**(200,968)**

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

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

Consolidated Statement of Changes in Net Debt

for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
	(Note 13)		
Net Debt, Beginning of Year	**(14,727,117)**	**(14,727,117)**	**(7,632,967)**
Changes During the Year:			
Operating Surplus for the Year	13,987,125	20,286,485	5,518,342
Acquisition of Tangible Capital Assets (Schedule C)	(27,994,436)	(15,719,379)	(18,569,405)
Net Loss on Disposal of Capital Assets (Schedule C)		-	25,975
Amortization of Tangible Capital Assets (Schedule C)	4,791,758	5,676,512	5,448,759
Net Change of Other Non-Financial Assets	-	-	463,591
Net Acquisition of Prepaid Expenses	-	(50,869)	18,588
	(9,215,553)	**10,192,749**	**(7,094,150)**
Net Remeasurement Losses	-	(200,968)	-
Change in Net Debt	**(9,215,553)**	**9,991,781**	**(7,094,150)**
Net Debt, End of Year	**(23,942,670)**	**(4,735,336)**	**(14,727,117)**

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

St. Paul's Roman Catholic Separate School Division No. 20
Consolidated Statement of Cash Flows
for the year ended August 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Operating Surplus for the Year	20,286,485	5,518,342
Add Non-Cash Items Included in Surplus (Schedule D)	5,676,512	5,474,734
Net Change in Non-Cash Operating Activities (Schedule E)	(10,229,709)	(14,154,142)
Cash Provided (Used) by Operating Activities	**15,733,288**	**(3,161,066)**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(10,554,550)	(15,738,495)
Cash Used by Capital Activities	**(10,554,550)**	**(15,738,495)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(10,000)
Proceeds on Disposal of Portfolio Investments	-	10,000
Cash Provided by Investing Activities	**-**	**-**
FINANCING ACTIVITIES		
Other Non-Financial Assets	-	463,591
Increase in Obligations Under Capital Lease	265,501	-
Proceeds from Issuance of Long Term Debt	-	12,440,154
Repayment of Long Term Debt	(1,583,951)	(1,432,460)
Cash (Used) Provided by Financing Activities	**(1,318,450)**	**11,471,285**
INCREASE (DECREASE) IN CASH	**3,860,288**	**(7,428,276)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**6,520,401**	**13,948,677**
CASH AND CASH EQUIVALENTS, END OF YEAR	**10,380,689**	**6,520,401**
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	10,380,689	6,520,401
CASH AND CASH EQUIVALENTS, END OF YEAR	**10,380,689**	**6,520,401**

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

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

Schedule A: Consolidated 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	44,568,358	42,225,728	42,034,392
Revenue from Supplemental Levies	-	956,546	201,354
Total Property Tax Revenue	**44,568,358**	**43,182,274**	**42,235,746**
Grants in Lieu of Taxes:			
Federal Government	410,480	310,530	368,651
Provincial Government	816,934	771,647	771,098
Other	390,970	503,594	512,932
Total Grants in Lieu of Taxes	**1,618,384**	**1,585,771**	**1,652,681**
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	437
House Trailer Fees	30,825	20,953	20,885
Total Other Tax Revenues	**30,825**	**20,953**	**21,322**
Additions to Levy:			
Penalties	17,960	16,887	19,908
Other	43,947	98,028	17,466
Total Additions to Levy	**61,907**	**114,915**	**37,374**
Deletions from Levy:			
Discounts	(1,301,379)	(78,225)	(105,005)
Cancellations	-	(47,710)	(61,975)
Other Deletions	-	(426,480)	(898,271)
Total Deletions from Levy	**(1,301,379)**	**(552,415)**	**(1,065,251)**
Total Property Taxation Revenue	**44,978,095**	**44,351,498**	**42,881,872**
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	96,174,235	100,403,678	99,082,160
Other Ministry Grants	-	544,357	335,572
Total Ministry Grants	**96,174,235**	**100,948,035**	**99,417,732**
Other Provincial Grants	288,242	574,926	495,092
Federal Grants	-	207,899	-
Grants from Others	500,000	11,301	553,824
Total Operating Grants	**96,962,477**	**101,742,161**	**100,466,648**
Capital Grants			
Ministry of Education Capital Grants	21,323,317	32,974,684	13,585,735
Other Capital Grants	-	9,579	480,320
Total Capital Grants	**21,323,317**	**32,984,263**	**14,066,055**
Total Grants	**118,285,794**	**134,726,424**	**114,532,703**

St. Paul's Roman Catholic Separate School Division No. 20
Schedule A: Consolidated 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	135,000	131,300	48,500
Individuals and Other	900,000	1,408,967	1,238,283
Total Tuition Fees	**1,035,000**	**1,540,267**	**1,286,783**
Transportation Fees	2,004	435	822
Total Operating Tuition and Related Fees	**1,037,004**	**1,540,702**	**1,287,605**
Total Tuition and Related Fees Revenue	**1,037,004**	**1,540,702**	**1,287,605**
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	14,798	12,980	6,105
Total Curricular Fees	**14,798**	**12,980**	**6,105**
Non-Curricular Fees:			
Commercial Sales - Non-GST	45,703	31,252	34,954
Fundraising	814,502	891,398	756,169
Grants and Partnerships	514,076	466,157	548,517
Students Fees	2,691,615	2,258,753	2,207,580
Other	45,000	178,567	129,688
Total Non-Curricular Fees	**4,110,896**	**3,826,127**	**3,676,908**
Total School Generated Funds Revenue	**4,125,694**	**3,839,107**	**3,683,013**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	1,578,171	1,595,611	1,430,000
Total Operating Grants	**1,578,171**	**1,595,611**	**1,430,000**
Total Complementary Services Revenue	**1,578,171**	**1,595,611**	**1,430,000**
Other Revenue			
Miscellaneous Revenue	548,556	775,980	879,002
Sales & Rentals	731,308	646,071	566,236
Investments	141,739	71,204	51,612
Total Other Revenue	**1,421,603**	**1,493,255**	**1,496,850**
TOTAL REVENUE FOR THE YEAR	**171,426,361**	**187,546,597**	**165,312,043**

St. Paul's Roman Catholic Separate School Division No. 20
Schedule B: Consolidated Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Governance Expense			
Board Members Expense	234,391	232,775	230,985
Professional Development - Board Members	56,248	34,742	35,708
Advisory Committee	6,993	4,170	-
Elections	62,423	81,067	1,076
Other Governance Expenses	447,215	407,978	456,931
Total Governance Expense	**807,270**	**760,732**	**724,700**
Administration Expense			
Salaries	1,067,637	1,043,608	995,941
Benefits	187,631	175,482	177,106
Supplies & Services	257,285	187,347	198,700
Non-Capital Furniture & Equipment	4,100	4,186	54,967
Building Operating Expenses	82,410	204,202	63,223
Communications	55,880	(2,445)	79,688
Travel	3,583	1,433	4,131
Professional Development	9,500	9,101	8,238
Amortization of Tangible Capital Assets	1,722	79,710	1,717
Total Administration Expense	**1,669,748**	**1,702,624**	**1,583,711**
Instruction Expense			
Instructional Salaries	85,688,006	85,796,200	84,412,759
Instructional Benefits	4,718,022	4,232,330	4,376,992
Non-Teaching Support Salaries	19,843,885	20,467,542	20,270,476
Non-Teaching Support Benefits	4,241,336	4,414,797	4,324,330
Instructional Aids	2,453,938	2,865,262	3,171,404
Supplies & Services	1,304,689	1,562,515	1,574,355
Non-Capital Furniture & Equipment	706,308	743,786	766,198
Communications	580,449	386,795	476,283
Travel	278,976	247,103	296,404
Professional Development	894,013	550,609	501,214
Student Related Expense	788,195	838,833	773,135
Amortization of Tangible Capital Assets	1,151,695	1,679,823	1,791,811
Total Instruction Expense	**122,649,512**	**123,785,595**	**122,735,361**

St. Paul's Roman Catholic Separate School Division No. 20
Schedule B: Consolidated Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Plant Operation & Maintenance Expense			
Salaries	6,095,892	5,989,758	5,974,624
Benefits	1,280,033	1,214,110	1,235,347
Supplies & Services	20,393	11,468	1,328
Non-Capital Furniture & Equipment	35,609	113,066	91,690
Building Operating Expenses	8,480,541	17,579,483	12,800,191
Communications	-	316	80
Travel	78,263	82,410	73,337
Professional Development	4,500	1,266	921
Amortization of Tangible Capital Assets	3,632,931	3,915,814	3,652,818
Total Plant Operation & Maintenance Expense	**19,628,162**	**28,907,691**	**23,830,336**
Student Transportation Expense			
Salaries and Benefits	16,443	14,303	13,421
Contracted Transportation	6,290,699	5,692,780	5,295,459
Total Student Transportation Expense	**6,307,142**	**5,707,083**	**5,308,880**
Tuition and Related Fees Expense			
Tuition Fees	-	49,980	4,402
Total Tuition and Related Fees Expense	**-**	**49,980**	**4,402**
School Generated Funds Expense			
Supplies & Services	14,333	10,721	10,435
Cost of Sales	23,876	23,951	29,221
School Fund Expenses	3,949,620	3,563,504	3,512,354
Total School Generated Funds Expense	**3,987,829**	**3,598,176**	**3,552,010**
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	993,404	966,848	760,889
Program Support (Non-Teacher Contract) Salaries & Benefits	523,991	412,563	230,631
Instructional Aids	5,000	1,691	217
Supplies & Services	15,819	1,818	6,106
Travel	-	194	1,016
Professional Development (Non-Salary Costs)	5,000	1,656	1,203
Student Related Expenses	25,000	27,752	20,089
Contracted Transportation & Allowances	-	493,588	250,291
Amortization of Tangible Capital Assets	5,410	1,165	2,412
Total Complementary Services Expense	**1,573,624**	**1,907,275**	**1,272,854**

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

Schedule B: Consolidated 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	54,548	153,810	108,852
Interest on Other Capital Loans and Long Term Debt			
School Facilities	761,401	687,146	646,620
Total Interest and Bank Charges	**815,949**	**840,956**	**755,472**
Loss on Disposal of Tangible Capital Assets	-	-	25,975
Total Other Expense	**815,949**	**840,956**	**781,447**
TOTAL EXPENSES FOR THE YEAR	**157,439,236**	**167,260,112**	**159,793,701**

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

Schedule C - Consolidated Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2013

	Land	Land Improvements	Buildings	Buildings Short term	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Assets Under Construction	2013	2012
Tangible Capital Assets - at Cost:											
Opening Balance as of September 1, 2012	9,578,065	1,111,514	128,492,888	28,695,027	293,997	4,352,317	7,037,784	771,637	20,711,758	201,044,987	185,166,348
Additions/Purchases	-	-	419,180	108,886	-	357,720	1,790,675	172,626	12,870,292	15,719,379	18,569,405
Disposals	-	-	-	-	-	(746,812)	(1,719,718)	(611,046)	-	(3,077,576)	(2,690,766)
Transfers to (from)	-	-	16,422,639	1,018,653	-	264,852	133,520	-	(17,839,664)	-	-
Closing Balance as of August 31, 2013	9,578,065	1,111,514	145,334,707	29,822,566	293,997	4,228,077	7,242,261	333,217	15,742,386	213,686,790	201,044,987
Tangible Capital Assets - Amortization:											
Opening Balance as of September 1, 2012	-	441,963	56,425,089	20,294,964	281,613	2,270,784	4,466,262	719,573	-	84,900,248	82,116,280
Amortization for the Year	-	52,436	2,825,069	846,466	12,384	424,019	1,449,076	67,062	-	5,676,512	5,448,759
Disposals	-	-	-	-	-	(746,812)	(1,719,718)	(611,046)	-	(3,077,576)	(2,664,791)
Closing Balance as of August 31, 2013	-	494,399	59,250,158	21,141,430	293,997	1,947,991	4,195,620	175,589	-	87,499,184	84,900,248
Net Book Value:											
Opening Balance as of September 1, 2012	9,578,065	669,551	72,067,799	8,400,063	12,384	2,081,533	2,571,522	52,064	20,711,758	116,144,739	103,050,068
Closing Balance as of August 31, 2013	9,578,065	617,115	86,084,549	8,681,136	-	2,280,086	3,046,641	157,628	15,742,386	126,187,606	116,144,739
Change in Net Book Value	-	(52,436)	14,016,750	281,073	(12,384)	198,553	475,119	105,564	(4,969,372)	10,042,867	13,094,671
Disposals:											
Historical Cost	-	-	-	-	-	746,812	1,719,718	611,046	-	3,077,576	2,690,766
Accumulated Amortization	-	-	-	-	-	746,812	1,719,718	611,046	-	3,077,576	2,664,791
Net Cost	-	-	-	-	-	-	-	-	-	-	25,975
Loss on Disposal	-	-	-	-	-	-	-	-	-	-	(25,975)

St. Paul's Roman Catholic Separate School Division No. 20
Schedule D: Consolidated Non-Cash Items Included in Surplus
for the year ended August 31, 2013

	2013	2012
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	5,676,512	5,448,759
Net Loss on Disposal of Tangible Capital Assets	-	25,975
Total Non-Cash Items Included in Surplus	**5,676,512**	**5,474,734**

St. Paul's Roman Catholic Separate School Division No. 20
Schedule E: Consolidated Net Change in Non-Cash Operating Activities
for the year ended August 31, 2013

	2013	2012
Net Change in Non-Cash Operating Activities:		
Increase in Accounts Receivable	(5,854,079)	(6,617,831)
Decrease In Accounts Payable and Accrued Liabilities	(2,577,807)	(5,076,557)
(Decrease) Increase in Liability for Employee Future Benefits	(25,400)	302,700
Decrease in Deferred Revenue	(1,721,554)	(2,781,042)
(Increase) Decrease in Prepaid Expenses	(50,869)	18,588
Total Net Change in Non-Cash Operating Activities	**(10,229,709)**	**(14,154,142)**

1. AUTHORITY AND PURPOSE

St. Paul's Roman Catholic Separate School Division No. 20 ("the School Division") is a corporate body established by Catholic electors to provide an educational system, and operates as the Greater Saskatoon Catholic School Board. Governance is the authority of the Board of Education to set the policies and practices for the Division within the guidelines of *The Education Act, 1995* and *The Education Regulations, 1986.* The School Division provides education services to residents within its boundaries and is governed by an elected board of trustees.

The School Division is funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the School Division's boundaries at mill rates determined by the provincial government and agreed to by the Board of Education, although separate school divisions continue to have the right to set their own mill rates. The School Division is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Canadian Institute of Chartered Accountants (CICA). Significant aspects of the accounting policies as adopted by the School Division are as follows:

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

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

Detailed information on the impact of the adoption of these new PSA standards is provided in Note 16 Accounting Changes.

b) Reporting Entity and Consolidation

The consolidated financial statements include all of the assets, liabilities, revenues and expenses of the School Division reporting entity. The School Division reporting entity is comprised of all the organizations which are controlled by the School Division and the School Division's share of partnerships.

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

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

The School Division has a share in one partnership.

- Humboldt Collegiate Institute – 60.4% (2011/12 – 60.5%)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect reported amounts 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 future employee benefits of $4,171,400 (2012 - $4,196,800) because actual experience may differ significantly from actuarial estimations.
- Property taxation revenue of $44,351,498 (2012 - $42,881,872) because final tax assessments may differ from initial estimates.
- Useful lives of tangible capital assets and related amortization for buildings, vehicles and equipment because these assets may become obsolete prior to the end of their estimated useful lives.
- Prior year's tangible capital asset historical costs and related amortization for buildings, vehicles and equipment because these assets may become obsolete prior to the end of their estimated useful lives.

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

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require 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 and associated derivates.

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost. All of the financial instruments of the School Division are measured at cost or amortized cost except for derivatives which are measured at fair value.

i. Fair Value

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market and derivatives. Any associated transaction costs are

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

expensed upon initial recognition. Unrealized changes in fair value are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized, at which time they are transferred to the Consolidated Statement of Operations.

Fair value is determined by:

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

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

When a decline in fair value is determined to be other than temporary, the amount of the loss is removed from any accumulated reameasurement gains and reported in the statement of operations.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses until they are realized, at which time they are transferred to the statement of operations.

ii) Cost or Amortized Cost
All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of 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 consolidated 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 and bank deposits held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized, and any eligibility criteria have been met. Other

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

Portfolio Investments consist of guaranteed investment certificates and are carried at cost. Where there has been a permanent impairment in value of a portfolio investment, the investment is written down to reflect the loss in value.

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

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
Vehicles – passenger	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

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

h) Liabilities

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

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 with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

Deferred revenue from non-government sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered, revenue from facility rentals is recognized as the services are delivered, and revenue from property taxes is earned through the passage of time.

i) Employee Pension Plans

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

i) Teachers participate in the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The School Division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

j) Revenue Recognition

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

i) Government Transfers (Grants):
Grants from governments are considered to be government transfers. In accordance with 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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 $1/12^{th}$ 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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

3. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Consolidated Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of 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	$ 4,228,272	$ -	$ 4,228,272	$ 4,018,118	$ -	$ 4,018,118
Provincial Grants Receivable	13,075,219	-	13,075,219	7,362,648	-	7,362,648
Other Receivables	1,556,216	-	1,556,216	1,624,862	-	1,624,862
Total Accounts Receivable	$ 18,859,707	$ -	$ 18,859,707	$ 13,005,628	$ -	$ 13,005,628

4. PORTFOLIO INVESTMENTS

Portfolio Investments are comprised of the following:

	2013	2012
Portfolio investments in the cost and amortized cost category:	Cost	Cost
NatCan GIC, interest of 3.21% payable January 6, due January 6, 2016	$ 11,600	$ 11,600
National Bank of Canada GIC, interest of 2.75%, payable October 16, due October 16, 2016	10,000	10,000
BMO Advisors Advantage GIC, interest of 4.25% payable January 23, due January 23, 2014	34,500	34,500
Total portfolio investments reported at cost and amortized cost	56,100	56,100
Total portfolio investments	$ 56,100	$ 56,100

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	$ 1,656,965	$ 1,959,865
Supplier Payments	8,529,476	4,326,912
Other	12,714	1,325,356
Total Accounts Payable and Accrued Liabilities	$ 10,199,155	$ 7,612,133

St. Paul's Roman Catholic Separate School Division #20
Consolidated Notes to the Financial Statements
for the year ended August 31, 2013

6. LONG TERM DEBT AND ASSOCIATED DERIVATIVES

Details of long term debt are as follows:

			2013		2012
Capital Loans:	Royal Bank Bankers' Acceptance Loan - offering rate plus spread of 0.35% (2012 - 0.5%), ten year loan revolving quarterly at progressively smaller amounts until October 2016 (offering rate at August 31, 2013 was 1.275%).		3,772,000		4,823,000
	Derivatives consist of long-term financial instrument created by interest rate swap agreement - 4.6%, terminates October 2016. The mark-to-market value of the interest rate swap as of August 31, 2013 and 2012 was a liability of $200,968 and $342,614 respectively.		200,968		(notional amount equal to the above)
	Royal Bank 4.25% twenty year fixed rate loan, payable in blended monthly instalments of $77,106 until December 2031.		11,804,404		12,184,570
			15,777,372		17,007,570
Capital Leases	Five year capital lease for Konica Minolta multifunction printing devices, variable monthly cost per copy payment based on usage, bearing interest at 5.25%, expiring September 30, 2013.		12,468		157,917
	Five year capital lease for Konica Minolta multifunction printing devices, variable monthly cost per copy payment based on usage, bearing interest at 7.55%, expiring June 30, 2018.		258,165		-
			270,633		157,917
Total Long Term Debt and Associated Derivatives		$	16,048,005	$	17,165,487

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

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

	Capital Loans	Capital Leases	Total
2014	1,519,770	58,468	1,578,238
2015	1,552,256	49,593	1,601,849
2016	1,624,856	53,467	1,678,323
2017	960,305	57,644	1,017,949
2018	513,640	51,461	565,101
Thereafter	9,405,577		9,405,577
Total	$ 15,576,404	$ 270,633	$ 15,847,037

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

	Capital Loans	Capital Leases	2013	2012
Principal	$ 1,431,166	$ 152,785	$ 1,583,951	$ 1,432,460
Interest	679,007	8,140	687,147	608,615
Total	$ 2,110,173	$ 160,925	$ 2,271,098	$ 2,041,075

7. EMPLOYEE FUTURE BENEFITS

The Division provides certain post-employment and compensated absence benefits to its employees. These benefits include accumulating non-vested sick leave, severance, and vacation banks. The liability associated with these benefits is calculated based on the present value of expected future payments pro-rated for service and is included in Employee Future Benefits in the Consolidated Statement of Financial Position.

	2013	2012
Actuarial valuation (or extrapolation) date	31-Aug-13	31-Aug-12
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.25%
Discount rate (percentage)	3.50%	2.70%
Inflation rate (percentage)	2.25%	2.25%
Expected average remaining service life (years)	14	14

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

7. EMPLOYEE FUTURE BENEFITS (Cont'd)

Liability for Employee Future Benefits	2013	2012
Accrued Benefit Obligation - beginning of year	$ 3,707,500	$ 4,162,800
Current period benefit cost	303,600	320,700
Interest cost	102,900	149,200
Benefit payments	(402,400)	(190,200)
Actuarial gains / losses	(277,400)	(735,000)
Accrued Benefit Obligation - end of year	3,434,200	3,707,500
Unamortized Net Actuarial Gains / Losses	737,200	489,300
Liability for Employee Future Benefits	$ 4,171,400	$ 4,196,800

Employee Future Benefits Expense	2013	2012
Current service cost	$ 303,600	$ 320,700
Amortization of net actuarial gain / loss	(29,500)	23,000
Benefit cost	274,100	343,700
Interest cost on unfunded employee future benefits obligation	102,900	149,200
Total Employee Future Benefits Expense	$ 377,000	$ 492,900

8. 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:				
Capital Grants from Others	47,056	20,000	(9,579)	57,477
Total capital projects deferred revenue	47,056	20,000	(9,579)	57,477
Other deferred revenue:				
School Fees	2,352	-	(2,352)	-
International Student Program Tuition	691,461	853,473	(691,461)	853,473
Facility Rentals	-	11,240	-	11,240
Property Tax Income	4,593,957	2,691,082	(4,593,957)	2,691,082
Total other deferred revenue	5,287,770	3,555,795	(5,287,770)	3,555,795
Total Deferred Revenue	$ 5,334,826	$ 3,575,795	$ (5,297,349)	$ 3,613,272

9. 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.

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	2013	2012
Revenue:			
Operating Grants	$ 1,595,611	$ 1,595,611	$ 1,430,000
Total Revenue	1,595,611	1,595,611	1,430,000
Expenses:			
Salaries & Benefits	1,379,411	1,379,411	991,521
Instructional Aids	1,691	1,691	217
Supplies and Services	1,818	1,818	6,105
Travel	194	194	1,016
Professional Development (Non-Salary Costs)	1,656	1,656	1,203
Student Related Expenses	27,752	27,752	20,089
Contacted Transportation & Allowances	493,588	493,588	250,291
Amortization of Tangible Capital Assets	1,165	1,165	2,412
Total Expenses	1,907,275	1,907,275	1,272,854
(Deficiency) Excess of Revenue over Expenses	$ (311,664)	$ (311,664)	$ 157,146

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

10. ACCUMULATED SURPLUS

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

Accumulated surplus is comprised of the following two amounts:

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

Certain amounts of the accumulated surplus from operations, as approved by the Board of Education, have been designated for specific future purposes such as school generated funds,

10. ACCUMULATED SURPLUS (Cont'd)

scholarships and future capital asset expenditures. These internally restricted amounts are included in the accumulated surplus from operations presented in the Consolidated Statement of Financial Position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus from operations 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	$ 116,144,739	$ 10,042,867	$ -	$ 126,187,606
Less: Debt owing on Tangible Capital Assets	17,165,487	-	1,318,450	15,847,037
	98,979,252	10,042,867	(1,318,450)	110,340,569
PMR maintenance project allocations	-	1,150,654	-	1,150,654
Internally Restricted Surplus:				
Capital Projects:				
Designated for tangible capital asset expenditures	-	18,761,068	-	18,761,068
Other:				
Federal Tuition and Project Funding	6,578	174	-	6,752
School generated funds	1,028,767	139,068	-	1,167,835
Scholarship funds	204,952	5,512	-	210,464
Saskatoon French School	817,022	81,701	-	898,723
Oskāyak High School	1,151,185	186,676	-	1,337,861
	3,208,504	19,174,199	-	22,382,703
Deficit	(396,905)	-	11,399,685	(11,796,590)
Total Accumulated Surplus from Operations	$ 101,790,851	$ 30,367,720	$ 10,081,235	$ 122,077,336

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

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

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

ii) Federal Tuition and Project Funding is the capital portion of tuition charged to on-reserve students.

10. ACCUMULATED SURPLUS (Cont'd)

iii) School generated funds are the excess of revenue over expenses from funds collected from school activities at the school level.

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

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

11. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2013 Budget	2013 Actual	2012 Actual
Governance	$ 232,775	$ 527,957	$ -	$ -	$ 807,270	$ 760,732	$ 724,700
Administration	1,219,090	403,824	-	79,710	1,669,748	1,702,624	1,583,711
Instruction	114,910,869	7,194,903	-	1,679,823	122,649,512	123,785,595	122,735,361
Plant	7,203,868	17,788,009	-	3,915,814	19,628,162	28,907,691	23,830,336
Transportation	14,303	5,692,780	-	-	6,307,142	5,707,083	5,308,880
Tuition and Related Fees	-	49,980	-	-	-	49,980	4,402
School Generated Funds	-	3,598,176	-	-	3,987,829	3,598,176	3,552,010
Complementary Services	1,379,411	526,699	-	1,165	1,573,624	1,907,275	1,272,854
Other - Interest	-	13,972	826,984	-	815,949	840,956	781,447
TOTAL	$ 124,960,316	$ 35,796,300	$ 826,984	$ 5,676,512	$ 157,439,236	$ 167,260,112	$ 159,793,701

12. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

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

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

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The School Division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these consolidated financial statements do not include any expense for 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

12. PENSION PLANS (Cont'd)

benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

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

	2013			2012
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1,203	35	1,238	1,206
Member contribution rate (percentage of salary)	7.80% - 10%	6.05% - 7.85%	6.05% - 10.0%	6.05% - 10.0%
Member contributions for the year	$ 6,865,332	$ 204,027	$ 7,069,359	$ 7,294,648

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

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

Details of the MEPP are as follows:

	2013	2012
Number of active School Division members	749	800
Member contribution rate (percentage of salary)	8.15%	7.40%
School Division contribution rate (percentage of salary)	8.15%	7.40%
Member contributions for the year	$ 1,987,128	$ 1,908,286
School Division contributions for the year	$ 1,987,128	$ 1,908,286
Actuarial valuation date (extrapolated)	31-Dec-12	31-Dec-11
Plan Assets (in thousands)	$ 1,578,536	$ 1,395,109
Plan Liabilities (in thousands)	$ 1,420,319	$ 1,627,865
Plan Surplus (Deficit) (in thousands)	$ 158,217	$ (232,756)

13. BUDGET FIGURES

The budget figures included in these consolidated financial statements are made up of:

- The School Division budget that was approved by the Board of Education on June 25, 2012 and the Minister of Education on August 10, 2012.
- The School Division's proportionate share of HCI's budget that was approved by the Board of Education on June 11, 2012.

Details of the consolidated budget figures are as follows:

	St. Paul Budget	HCI Budget	Total Consolidated Budget
REVENUE			
Property Taxation	44,978,095	-	44,978,095
Grants	116,461,639	1,824,155	118,285,794
Tuition and Related Fees	1,037,004	-	1,037,004
School Generated Funds	4,014,120	111,574	4,125,694
Complementary Services	1,578,171	-	1,578,171
Other	1,419,791	1,812	1,421,603
TOTAL REVENUE	169,488,820	1,937,541	171,426,361
EXPENDITURES			
Governance	800,276	6,994	807,270
Administration	1,669,748	-	1,669,748
Instruction	121,102,142	1,547,370	122,649,512
Plant	19,395,157	233,005	19,628,162
Transportation	6,302,102	5,040	6,307,142
School Generated Funds	3,884,276	103,553	3,987,829
Complementary Services	1,573,624	-	1,573,624
Other	815,949	-	815,949
TOTAL EXPENDITURES	155,543,274	1,895,962	157,439,236
SURPLUS FOR THE YEAR	13,945,546	41,579	13,987,125

14. PARTNERSHIP

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

The following is a schedule of relevant financial information as stated within the financial statements for the partnership for the year ended August 31, 2013. These amounts represent 100% of the partnership's financial position and activities.

		2013		2012
Financial Assets	$	74,689	$	17,952
Tangible Capital Assets		17,387,086		17,844,104
Total Assets	$	17,461,775	$	17,862,056
Accumulated Surplus		74,689		17,952
Total Accumulated Surplus	$	17,536,464	$	17,880,008
Revenue	$	3,228,133	$	1,693,997
Expenses		(3,153,444)		(1,676,045)
Total Operating Surplus	$	74,689	$	17,952

The above amounts have been proportionately consolidated in the School Division's consolidated financial statements at the School Division's partnership share of 60.4% (2012 – 60.5%). After adjusting accounting policies to be consistent with those of the school division and eliminating transactions between the partnership and the School Division, the following amounts have been included in the School Division's consolidated financial statements:

		2013		2012
Financial Assets	$	45,112	$	10,861
Tangible Capital Assets	$	12,017,571	$	12,332,432
Revenue	$	1,949,942	$	1,024,868
Expenses	$	(1,904,830)	$	(1,014,007)

15. RELATED PARTIES

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

Related Party Transactions

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange

15. RELATED PARTIES (Cont'd)

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

	2013	2012
Revenues:		
Ministry of Education	$ 135,518,330	$ 114,433,467
Saskatchewan Government Insurance	503,702	475,000
Ministry of Advanced Education	71,224	19,592
	$ 136,093,256	$ 114,928,059
Expenses:		
Saskatchewan Arts Board	-	270
Saskatchewan Transportation Company	1,226	3,322
Saskatchewan Power Corporation	936,222	874,400
Saskatchewan Telecommunications Holding Corporation	544,851	487,714
SaskEnergy Incorporated	1,651,097	1,341,541
Workers' Compensation Board (Saskatchewan)	317,267	293,470
	$ 3,450,663	$ 3,000,717
Accounts Receivable:		
Ministry of Education	$ 13,075,219	$ 7,362,648
	$ 13,075,219	$ 7,362,648
Prepaid Expenses:		
Workers' Compensation Board (Saskatchewan)	$ 112,097	$ 100,952
	$ 112,097	$ 100,952
Provincial Grant Overpayment:		
Ministry of Education	$ -	$ 309,857
	$ -	$ 309,857
Accounts Payable and Accrued Liabilities:		
Horizon School Division No. 205	$ -	$ 1,302,619
Saskatchewan Power Corporation	66,456	73,639
Saskatchewan Telecommunications Holding Corporation	28,995	39,278
SaskEnergy Incorporated	-	19,037
	$ 95,451	$ 1,434,573

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.

15. 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 School Division recognized an unrealized loss on a derivative instrument in the current year and recorded this loss in the Statement of Remeasurement Losses.

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

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

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

Previously, the School Division classified investments as either Short-Term Investments or Long-Term Investments, depending on the purpose and maturity of the investment. Short-Term Investments were recorded at the lower of cost or market; Long-Term Investments were carried

16. ACCOUNTING CHANGES (Cont'd)

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 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 Consolidated 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 School Division has prospectively adopted the new PS3450 standard.

In the current year, the School Division has recorded a $200,968 derivate consisting of a long term financial instrument created by an interest rate swap agreement. This amount is disclosed in Note 6 of the Consolidated Financial Statements. The adoption of the new standard also added 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.

16. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Construction contracts and commitments

In spring 2011, Phase 1 of a major renovation project commenced at E.D. Feehan Catholic High School, and is expected to wrap up in the fall of 2013. The project is approximately 95% complete at year-end. The cost of the renovation will be shared with the Ministry of Education. The value of the contract is $5.4 million.

On June 28, 2012, Quorex Construction Services Ltd. was awarded the tender for construction management services for the major renovation and addition at Holy Cross High School. The Ministry of Education has approved a total of $24.2 million towards the project, with $8.2 million of that to be funded by the School Division. The project commenced in April 2013 and is scheduled to be completed in December 2014.

In September 2012, EllisDon Corporation commenced construction of the new Holy Family Catholic Elementary School in the Willowgrove area of Saskatoon. The joint project between the City of Saskatoon and Saskatoon Public School Division No. 13 will also house a jointly owned fifty space daycare and community space as well as a public elementary school owned by Saskatoon Public School Division No. 13. The cost of the project is to be shared with the Ministry of Education and the other two partners. The total value of the contract is $31.7 million and the School Division's share is $15.2 million. The estimated date of completion is September 2014.

On February 27, 2013 the Board of Education awarded Clark Builders the contract for the major renovation and addition to Georges Vanier Catholic Elementary School. The cost of the project is to be shared with the Ministry of Education. The total value of the contract is $10.4 million and the School Division's share is $3.6 million. The estimated date of completion is April 2015.

On April 8, 2013 the Board of Education awarded Gabriel Construction Ltd. the contract for the major renovation and addition to Ècole St. Matthew Catholic Elementary School. The cost of the project is to be shared with the Ministry of Education. The total value of the contract is $11.3 million and the School Division's share is $4.0 million. The estimated date of completion is August 2015.

Operating contracts and commitments

The School Division leases instructional space for its Opening Doors Program from REM Holdings Inc. On May 14 2013, the School Division signed a three year lease for the period ending August 31, 2016.

On May 11, 2013 the School Division signed a new five year capital lease with Konica Minolta Business Solutions (Canada) Ltd. As of year-end, 60 of 212 machines had been delivered and were in use. The lease is paid through a monthly cost per copy charged. The annual guaranteed minimum number of copies is 21.5 million. The current copier lease expires in September 2013.

17. CONTRACTUALOBLIGATIONS AND COMMITMENTS (Cont'd)

	Operating Leases		Capital Leases	
	Instructional Space	Total Operating	Multifunction copiers	Total Capital
Future minimum lease payments:				
2014	$ 46,200	$ 46,200	58,468	$ 58,468
2015	46,200	46,200	49,593	49,593
2016	46,200	46,200	53,467	53,467
2017	-	-	57,644	57,644
2018	-	-	51,461	51,461
	$ 138,600	$ 138,600	$ 270,633	$ 270,633
Interest costs	-	-	54,100	54,100
Total Lease Obligations	$ 138,600	$ 138,600	$ 324,733	$ 324,733

18. COMPARATIVE INFORMATION

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

Revenues of $4,933,426 were reclassified out of External Services. $4,583,776 was reclassified to Grants and $349,650 was reclassified to Other.

Expenses of $5,383,741 were reclassified out of External Services. $4,435,420 was reclassified to Instruction, $545,454 was reclassified to Plant and $402,867 was reclassified to Transportation.

Revenues of $1,162,501 were reclassified out of Complementary Services. $1,153,471 was reclassified to Grants and $9,030 was reclassified to Other.

Expenses of $2,344,467 were reclassified from Complementary Services to Instruction. Transportation expense of $250,291 was reclassified to Complementary Services from Transportation.

19. RISK MANAGEMENT

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

i) Credit Risk

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

19. RISK MANAGEMENT (Cont'd)

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	$	12,498,131	$	-	$	7,425,878	$	-
30-60 days		166,545		-		283,280		-
60-90 days		576,015		-		397,206		-
Over 90 days		1,390,744		-		881,146		-
Total	$	14,631,435	$	-	$	8,987,510	$	-
Net			$	14,631,435			$	8,987,510

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	
Accounts payable and accrued liabilities		8,378,422		1,820,733		-		-
Long term debt (including interest)		1,196,480		1,106,850		6,888,359		12,337,047
Total	$	9,574,902	$	2,927,583	$	6,888,359	$	12,337,047

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, bank indebtedness, and long-term debt. The School Division also has an authorized bank line of credit of $20 million with interest payable monthly at a rate of prime minus 0.7%, which was approved by the Ministry of Education on January 21, 2013. 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 use of fixed rate terms and derivates consisting of a long term financial instrument created by interest rate swap agreements on variable interest debt.

19. RISK MANAGEMENT (Cont'd)

Foreign Currency Risk:
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The School Division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, this risk is minimal as the School Division does not make a significant amount of purchases denominated on a foreign currency. As at August 31, 2013 the School Division had accounts payable of $1,237 denominated in U.S. dollars and converted to Canadian dollars at $1 USD to $1.05 CAD (2012 - $0).