

KENDALL & PANDYA

Chartered Accountants

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* Operating as professional corporations

INDEPENDENT AUDITOR'S REPORT

To the Directors of Creighton School Division No. 111

Report on the Financial Statements

We have audited the accompanying financial statements of Creighton School Division No. 111, which comprise the balance sheets as at August 31, 2014 and 2013, and the statements of operations, changes in net assets and cash flows for the years 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 audits. We conducted our audits in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained in our audits 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 Creighton School Division No. 111 as at August 31, 2014 and 2013 and its operations and cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Flin Flon, Manitoba
November 12, 2014

Kendall & Pandya
CHARTERED ACCOUNTANTS

Creighton School Division No. 111
Statement of Financial Position
as at August 31, 2014

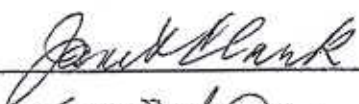

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	2014	2013
Financial Assets		
Cash and Cash Equivalents	1,705,411	1,826,684
Accounts Receivable (Note 8)	384,517	355,908
Portfolio Investments (Note 4)	91,762	93,447
Total Financial Assets	2,181,690	2,276,039
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	60,466	117,500
Long Term Debt (Note 10)	137,853	194,336
Liability for Employee Future Benefits (Note 6)	313,100	276,200
Deferred Revenue (Note 11)	129,863	268,725
Total Liabilities	641,282	856,761
Net Financial Assets	1,540,408	1,419,278
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	4,024,710	4,116,006
Inventory of Supplies for Consumption	37,794	35,827
Prepaid Expenses	16,490	15,879
Total Non-Financial Assets	4,078,994	4,167,711
Accumulated Surplus (Note 13)	5,619,402	5,586,989

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

Creighton School Division No. 111
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 14)		
REVENUES			
Property Taxation	954,969	1,030,846	993,134
Grants	4,610,965	4,551,259	4,909,047
Tuition and Related Fees	520,101	475,141	492,601
School Generated Funds	158,400	94,394	85,698
Complementary Services (Note 12)	127,062	127,062	126,608
Other	161,000	203,396	179,064
Total Revenues (Schedule A)	6,532,497	6,482,098	6,786,152
EXPENSES			
Governance	109,470	99,956	114,022
Administration	378,764	387,014	355,426
Instruction	4,341,260	4,426,806	4,314,640
Plant	734,869	774,331	762,746
Transportation	436,635	433,903	414,889
Tuition and Related Fees	188,034	181,319	163,367
School Generated Funds	158,400	91,851	100,608
Complementary Services (Note 12)	127,062	132,944	115,940
Other Expenses	58,007	(78,439)	26,049
Total Expenses (Schedule B)	6,532,501	6,449,685	6,367,687
Operating Surplus (Deficit) for the Year	(4)	32,413	418,465
Accumulated Surplus from Operations, Beginning of Year	5,586,989	5,586,989	5,168,524
Accumulated Surplus from Operations, End of Year	5,586,985	5,619,402	5,586,989

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

Creighton School Division No. 111
Statement of Changes in Net Financial Assets
for the year ended August 31, 2014

	2014 Budget (Note 14)	2014 Actual	2013 Actual
Net Financial Assets, Beginning of Year	1,419,278	1,419,278	1,062,043
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(4)	32,413	418,465
Acquisition of Tangible Capital Assets (Schedule C)	(94,000)	(135,912)	(276,871)
Amortization of Tangible Capital Assets (Schedule C)	206,635	227,208	214,902
Net Acquisition of Inventory of Supplies	-	(1,968)	1,308
Net Change in Other Non-Financial Assets	-	(611)	(569)
Change in Net Financial Assets	112,631	121,130	357,235
Net Financial Assets, End of Year	1,531,909	1,540,408	1,419,278

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

Creighton School Division No. 111
Statement of Cash Flows
for the year ended August 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Operating Surplus for the Year	32,413	418,465
Add Non-Cash Items Included in Surplus (Schedule D)	227,208	214,902
Net Change in Non-Cash Operating Activities (Schedule E)	(190,184)	200,254
Cash Provided by Operating Activities	69,438	833,621
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(135,912)	(276,871)
Cash (Used) by Capital Activities	(135,912)	(276,871)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(2,315)	(578)
Proceeds on Disposal of Portfolio Investments	4,000	-
Cash Provided (Used) by Investing Activities	1,685	(578)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	2,315	578
Repayment of Long Term Debt	(58,798)	(52,699)
Cash (Used) by Financing Activities	(56,483)	(52,121)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(121,273)	504,051
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,826,684	1,322,634
CASH AND CASH EQUIVALENTS, END OF YEAR	1,705,411	1,826,684

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

Creighton School Division No. 111
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	954,969	999,325	963,378
Total Property Tax Revenue	<u>954,969</u>	<u>999,325</u>	<u>963,378</u>
Grants in Lieu of Taxes:			
Federal Government	-	4,971	7,077
Provincial Government	-	9,916	13,535
Total Grants in Lieu of Taxes	<u>-</u>	<u>14,887</u>	<u>20,612</u>
Other Tax Revenues:			
House Trailer Fees	-	7,485	6,899
Total Other Tax Revenues	<u>-</u>	<u>7,485</u>	<u>6,899</u>
Additions to Levy:			
Penalties	-	9,157	18,126
Other	-	49	-
Total Additions to Levy	<u>-</u>	<u>9,206</u>	<u>18,126</u>
Deletions from Levy:			
Cancellations	-	(57)	(15,881)
Total Deletions from Levy	<u>-</u>	<u>(57)</u>	<u>(15,881)</u>
Total Property Taxation Revenue	<u>954,969</u>	<u>1,030,846</u>	<u>993,134</u>
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	4,537,965	4,448,910	4,725,282
Other Ministry Grants	70,000	53,258	44,681
Total Ministry Grants	<u>4,607,965</u>	<u>4,502,168</u>	<u>4,769,963</u>
Other Provincial Grants	3,000	30,416	25,145
Total Operating Grants	<u>4,610,965</u>	<u>4,532,584</u>	<u>4,795,108</u>
Capital Grants			
Ministry of Education Capital Grants	-	18,675	113,939
Total Capital Grants	<u>-</u>	<u>18,675</u>	<u>113,939</u>
Total Grants	<u>4,610,965</u>	<u>4,551,259</u>	<u>4,909,047</u>

Creighton School Division No. 111
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	476,801	431,841	443,295
Total Tuition Fees	476,801	431,841	443,295
Transportation Fees	37,000	37,000	43,006
Other Related Fees	6,300	6,300	6,300
Total Operating Tuition and Related Fees	520,101	475,141	492,601
Total Tuition and Related Fees Revenue	520,101	475,141	492,601
School Generated Funds Revenue			
Curricular:			
Student Fees	-	8,566	7,502
Total Curricular Fees	-	8,566	7,502
Non-Curricular Fees:			
Fundraising	158,400	85,828	78,196
Total Non-Curricular Fees	158,400	85,828	78,196
Total School Generated Funds Revenue	158,400	94,394	85,698
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	127,062	127,062	126,608
Total Operating Grants	127,062	127,062	126,608
Total Complementary Services Revenue	127,062	127,062	126,608
Other Revenue			
Miscellaneous Revenue	156,000	188,345	166,155
Investments	5,000	15,051	12,909
Total Other Revenue	161,000	203,396	179,064
TOTAL REVENUE FOR THE YEAR	6,532,497	6,482,098	6,786,152

Creighton School Division No. 111
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	50,970	50,456	54,693
Professional Development- Board Members	16,000	6,555	9,614
Advisory Committees	3,000	3,000	3,000
Elections	-	-	908
Other Governance Expenses	39,500	39,945	45,807
Total Governance Expense	109,470	99,956	114,022
Administration Expense			
Salaries	264,338	258,802	252,886
Benefits	51,375	53,246	55,050
Supplies & Services	21,981	40,898	28,223
Non-Capital Furniture & Equipment	1,500	722	1,473
Communications	7,600	7,136	7,731
Travel	29,970	22,328	8,585
Professional Development	2,000	2,804	400
Amortization of Tangible Capital Assets	-	1,078	1,078
Total Administration Expense	378,764	387,014	355,426
Instruction Expense			
Instructional (Teacher Contract) Salaries	2,628,339	2,666,709	2,539,036
Instructional (Teacher Contract) Benefits	125,716	136,087	136,286
Program Support (Non-Teacher Contract) Salaries	883,295	873,287	924,856
Program Support (Non-Teacher Contract) Benefits	216,694	203,145	211,314
Instructional Aids	162,950	187,381	169,234
Supplies & Services	69,582	101,158	94,353
Non-Capital Furniture & Equipment	39,429	48,935	31,663
Communications	15,600	13,013	14,630
Travel	14,355	4,263	4,355
Professional Development	41,500	50,309	50,182
Student Related Expense	73,800	66,742	69,797
Amortization of Tangible Capital Assets	70,000	75,777	68,934
Total Instruction Expense	4,341,260	4,426,806	4,314,640

Creighton School Division No. 111
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	247,544	242,204	226,010
Benefits	62,560	56,804	51,684
Non-Capital Furniture & Equipment	2,500	962	1,147
Building Operating Expenses	290,950	329,343	344,355
Communications	500	488	483
Travel	815	813	813
Amortization of Tangible Capital Assets	130,000	143,717	138,254
Total Plant Operation & Maintenance Expense	734,869	774,331	762,746
Student Transportation Expense			
Supplies & Services	74,600	83,738	73,010
Non-Capital Furniture & Equipment	4,000	9,239	6,374
Contracted Transportation	351,400	334,291	328,870
Amortization of Tangible Capital Assets	6,635	6,635	6,635
Total Student Transportation Expense	436,635	433,903	414,889
Tuition and Related Fees Expense			
Tuition Fees	188,034	181,319	163,367
Total Tuition and Related Fees Expense	188,034	181,319	163,367
School Generated Funds Expense			
Supplies & Services	14,000	8,217	10,090
School Fund Expenses	144,400	83,634	90,518
Total School Generated Funds Expense	158,400	91,851	100,608

Creighton School Division No. 111
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	92,709	91,889	81,012
Program Support (Non-Teacher Contract) Salaries & Benefits	31,560	34,716	28,978
Plant Operation & Maintenance Salaries & Benefits	1,793	4,950	4,950
Instructional Aids	1,000	1,389	1,000
Total Complementary Services Expense	127,062	132,944	115,940
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	100	3,921	5,951
Interest on Other Capital Loans and Long Term Debt			
School Facilities	54,765	-	-
Other	3,142	-	-
Total Interest and Bank Charges	58,007	3,921	5,951
Provision for Uncollectable Taxes	-	(82,360)	20,098
Total Other Expense	58,007	(78,439)	26,049
TOTAL EXPENSES FOR THE YEAR	6,532,501	6,449,685	6,367,687

Creighton School Division No. 111

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

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	2014	2013
<i>Tangible Capital Assets - at Cost:</i>											
Opening Balance as of September 1	101,084	501,705	6,802,526	111,093	79,621	33,818	1,570,833	273,027	31,987	9,505,694	9,228,823
Additions/Purchases	-	-	-	-	-	-	68,254	67,658	-	135,912	276,871
Closing Balance as of August 31	101,084	501,705	6,802,526	111,093	79,621	33,818	1,639,087	340,685	31,987	9,641,606	9,505,694
<i>Tangible Capital Assets - Amortization:</i>											
Opening Balance as of September 1	-	456,711	3,327,370	34,595	33,175	33,818	1,345,661	155,721	2,637	5,389,688	5,174,786
Amortization of the Period	-	3,226	134,936	5,556	6,635	-	46,507	30,348	-	227,208	214,902
Closing Balance as of August 31	N/A	459,937	3,462,306	40,151	39,810	33,818	1,392,168	186,069	2,637	5,616,896	5,389,688
<i>Net Book Value:</i>											
Opening Balance as of September 1	101,084	44,994	3,475,156	76,498	46,446	-	225,172	117,306	29,350	4,116,006	4,054,037
Closing Balance as of August 31	101,084	41,768	3,340,220	70,942	39,811	-	246,919	154,616	29,350	4,024,710	4,116,006
Change in Net Book Value	-	(3,226)	(134,936)	(5,556)	(6,635)	-	21,747	37,310	-	(91,296)	61,969

Creighton School Division No. 111
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2014

	2014	2013
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	227,208	214,902
Total Non-Cash Items Included in Surplus	227,208	214,902

Creighton School Division No. 111
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2014

	2014	2013
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(28,609)	135,860
(Decrease) in Provincial Grant Overpayment	-	(59,887)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(57,034)	99,074
Increase (Decrease) in Liability for Employee Future Benefits	36,900	(6,200)
Increase (Decrease) in Deferred Revenue	(138,862)	30,667
Decrease (Increase) in Inventory of Supplies for Consumption	(1,968)	1,308
(Increase) in Prepaid Expenses	(611)	(569)
Total Net Change in Non-Cash Operating Activities	(190,184)	200,254

CREIGHTON SCHOOL DIVISION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Creighton School Division No. 111" and operates as "the Creighton School Division No.111". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

CREIGHTON SCHOOL DIVISION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

d) Basis of Accounting

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

e) Measurement Uncertainty and the Use of Estimates

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

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

- the liability for employee future benefits of \$ 313,100 (2013 - \$ 276,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 1,030,846 (2013 - \$ 993,134) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 26,876 (2013 - \$ 109,236) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization for \$ 227,208 (2013 - \$ 214,902) because all assets referred to in note 2h are based on best estimates and are subject to measurement uncertainty.
- prior years tangible capital asset historical costs and related amortization for all assets referred to in note 2h are based on best estimates and are subject to measurement uncertainty.

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.

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 and long term debt.

CREIGHTON SCHOOL DIVISION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

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

i) Fair Value

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market.

Any associated transaction costs are expensed upon initial recognition. Unrealized changes in fair value 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 and accumulated surplus from operations.

Fair value is determined by quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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 in Canadian dollars at the exchange rate prevailing at the financial statement date.

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 and accumulated surplus.

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

CREIGHTON SCHOOL DIVISION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

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

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

Portfolio Investments consist of mutual funds. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (f).

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, land improvements, buildings, buildings – short term, school buses, other vehicles, furniture and equipment, computer hardware and software and audio visual equipment.

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

CREIGHTON SCHOOL DIVISION NO. 111
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	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 goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include Insurance premiums and Workers' Compensation premiums.

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.

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

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

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal

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year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

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

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 Saskatchewan Teachers' Retirement Plan (STRP). The school division's obligation for this plan is limited to collecting and remitting contributions of the employees at rates determined by the plan.
- 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.

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.

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

i) Government Transfers (Grants):

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

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ii) Property Taxation:

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the 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.

1) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because there were no remeasurement gains or losses from financial instruments.

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3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$250,000 that bears interest at Bank prime rate. This line of credit is authorized by a borrowing resolution by the board of education and is secured by a general security agreement. This line of credit was approved by the Minister of Education on January 12, 2011. The balance drawn on the line of credit at August 31, 2014 was \$ nil (August 31, 2013 - \$ nil).

4. PORTFOLIO INVESTMENTS

Portfolio investments comprised of the following:

	2014		2013	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Portfolio investments in the fair value category:				
<i>RBC Money Market Funds, no maturity, interest 2.53%</i>	\$ 91,762	\$ 91,762	\$ 93,447	\$ 93,447
Total portfolio investments reported at fair value	91,762	91,762	93,447	93,447
Total portfolio investments		\$ 91,762		\$ 93,447

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 34,430	\$ 65,526	\$ -	\$ -	\$ 109,470	\$ 99,956	\$ 114,022
Administration	312,048	73,888	-	1,078	378,764	387,014	355,426
Instruction	3,879,228	471,801	-	75,777	4,341,260	4,426,806	4,314,640
Plant	299,008	331,606	-	143,717	734,869	774,331	762,746
Transportation	-	427,268	-	6,635	436,635	433,903	414,889
Tuition and Related Fees	-	181,319	-	-	188,034	181,319	163,367
School Generated Funds	-	91,851	-	-	158,400	91,851	100,608
Complementary Services	126,605	6,339	-	-	127,062	132,944	115,940
Other	-	(82,360)	3,921	-	58,007	(78,439)	26,049
TOTAL	\$4,651,319	\$1,567,237	\$3,921	\$227,208	\$ 6,532,501	\$6,449,685	\$6,367,687

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6. EMPLOYEE FUTURE BENEFITS

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

Details of the employee future benefits are as follows:

	2014	2013
	31-Aug-14	31-Aug-13
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	2.80%	3.50%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2014	2013
Accrued Benefit Obligation - beginning of year	\$ 248,400	\$ 266,100
Current period benefit cost	51,200	52,400
Interest cost	10,100	7,700
Benefit payments	(22,800)	(65,500)
Actuarial gains / losses	11,300	(12,300)
Accrued Benefit Obligation - end of year	298,200	248,400
Unamortized Net Actuarial Gains	14,900	27,800
Liability for Employee Future Benefits	\$ 313,100	\$ 276,200

Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 51,200	\$ 52,400
Amortization of net actuarial loss	(1,600)	(800)
Benefit cost	49,600	51,600
Interest cost on unfunded employee future benefits obligation	10,100	7,700
Total Employee Future Benefits Expense	\$ 59,700	\$ 59,300

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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):

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

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

Details of the contributions to this plan for the school division's employees are as follows:

	2014	2013
Number of active School Division members	51	53
Member contribution rate (percentage of salary)	7% / 10 %	7% / 10 %
Member contributions for the year	\$ 223,412	\$ 232,283

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

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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:

	2014	2013
Number of active School Division members	37	36
Member contribution rate (percentage of salary)	8.15%	7.4/8.15%
School Division contribution rate (percentage of salary)	8.15%	7.4/8.15%
Member contributions for the year	\$ 95,490	\$ 83,812
School Division contributions for the year	\$ 95,490	\$ 83,812
		31-Dec-12
Actuarial valuation date	31-Dec-13	(Restated)
Plan Assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan Liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan Surplus (in thousands)	\$ 186,314	\$ 140,648

8. ACCOUNTS RECEIVABLE

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

	2014			2013		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 126,738	\$ 26,876	\$ 99,862	\$ 160,105	\$ 109,236	\$ 50,869
Provincial Grants Receivable	49,287	-	49,287	113,290	-	113,290
Other Receivables	235,368	-	235,368	191,749	-	191,749
Total Accounts Receivable	\$ 411,393	\$ 26,876	\$ 384,517	\$ 465,144	\$ 109,236	\$ 355,908

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 40,085	\$ -
Supplier Payments	20,381	117,500
Total Accounts Payable and Accrued Liabilities	\$ 60,466	\$ 117,500

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10. LONG-TERM DEBT

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

		2014	2013
Capital Loans:	<i>Royal Bank Loan, Monthly installments of \$4826 including interest at 3.92%, secured by a general security agreement. Due 2015.</i>	\$ 50,091	\$ 104,889
		<u>50,091</u>	<u>104,889</u>
Other Long-Term Debt	<i>Scholarship Liability-Schawa</i>	87,762	89,447
		<u>87,762</u>	<u>89,447</u>
Total Long Term Debt		\$ 137,853	\$ 194,336

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

	Capital Loans	Other LT Debt	Total
2015	\$ 50,091	\$ 4,000	\$ 54,091
2016	-	4,000	4,000
2017	-	4,000	4,000
2018	-	4,000	4,000
2019	-	4,000	4,000
Thereafter	-	67,762	67,762
Total	\$ 50,091	\$ 87,762	\$ 137,853

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

	Capital Loans	2014	2013
Principal	\$ 58,798	\$ 58,798	\$ 52,699
Interest	3,109	3,109	5,213
Total	\$ 61,907	\$ 61,907	\$ 57,912

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11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2013	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2014
Capital projects:				
Federal capital tuition	\$ 56,131	\$ 12,981	\$ (20,044)	\$ 49,068
Total capital projects deferred revenue	56,131	12,981	(20,044)	49,068
Other deferred revenue:				
Town of Creighton - Taxes Collected	167,553	80,795	(167,553)	80,795
Affinity Credit Union-Individual Achievement	25,041	-	(25,041)	-
Community Initiative and referral grant	20,000	-	(20,000)	-
Total other deferred revenue	212,594	80,795	(212,594)	80,795
Total Deferred Revenue	\$ 268,725	\$ 93,776	\$ (232,638)	\$ 129,863

12. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	2014	2013
Revenue:			
Operating Grants	\$ 127,062	\$ 127,062	\$ 126,608
Total Revenue	127,062	127,062	126,608
Expenses:			
Salaries & Benefits	126,605	126,605	109,990
Instructional Aids	1,389	1,389	1,000
Building Operating Expenses	4,950	4,950	4,950
Total Expenses	132,944	132,944	115,940
Excess (Deficiency) of Revenue over Expenses	\$ (5,882)	\$ (5,882)	\$ 10,668

The purpose and nature of Pre-K Programs is to provide early learning opportunities for at risk 3 and 4 year old children.

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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 including school generated funds.

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purposes such as school generated funds, capital reserves and unrestricted funds. These internally restricted amounts are included in the accumulated surplus from operations presented in the statement of financial position. The school division does maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 4,116,006	\$ 135,912	\$ 227,208	\$ 4,024,710
Less: Debt owing on Tangible Capital Assets	(104,889)	54,798	-	(50,091)
	4,011,117	190,710	227,208	3,974,619
S.286 pre-April 2009 capital reserves (1)	164,880	-	-	164,880
PMR maintenance project allocations (2)	7,421	9,473	16,894	-
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	226,347	-	-	226,347
Other PBCN Capital Reserve	56,131	12,981	20,044	49,068
	282,478	12,981	20,044	275,415
Other:				
School generated funds	13,087	2,542	-	15,629
	13,087	2,542	-	15,629
Unrestricted Surplus	1,108,006	80,853	-	1,188,859
Total Accumulated Surplus from Operations	\$ 5,586,989	\$ 296,559	\$ 264,146	\$5,619,402

(1) **S.286 pre-April 2009 Capital Reserves** represent capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

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

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

Capital Projects - Facility upkeep and replacement of capital equipment.

Other - School generated funds - Capture fundraising initiatives carried on by the school.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 22, 2013 and the Minister of Education on August 23, 2013.

15. RELATED PARTIES

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

Related Party Transactions:

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

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	2014	2013
Revenues:		
Ministry of Education	\$ 4,647,905	\$ 5,010,510
Northern Village of Denare Beach	183,312	196,046
Northern Town of Creighton	816,120	758,162
Northern Municipal Trust Account	34,914	38,387
Northern Sport Culture & Recreation	50,000	3,250
Sask Sport	8,750	-
Northern Lights School Division	31,416	25,145
	\$ 5,772,417	\$ 6,031,500
Expenses:		
Grants to Local School Boards	\$ 3,000	\$ 3,000
Saskatchewan School Boards Association	21,000	21,000
	\$ 24,000	\$ 24,000
Accounts Receivable:		
Northern Village of Denare Beach	\$ 82,095	\$ 113,290
Northern Municipal Trust Account	44,643	116,393
Northern Sport Culture & Recreation	22,500	-
Ministry of Education	49,287	43,712
Northern Lights School Division	30,416	25,145
	\$ 228,941	\$ 298,540
Deferred Revenue:		
Northern Town of Creighton	\$ 80,795	\$ 167,554
Community Initiatives and Referrals	-	20,000
	\$ 80,795	\$ 187,554

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

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

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

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16. TRUSTS

The school division, as the trustee, administers trust fund for Creighton School Division Student Scholarship Foundation Inc. The trust assets and transactions are not included in the financial statements.

Information about this trust is as follows:

	<u>2014</u>	<u>2013</u>
Cash and short-term investments	\$ 19	\$ 3,527
Portfolio investments	111,680	107,376
Total Assets	\$ 111,699	\$ 110,903
Revenues		
Interest on investments	8,305	7,153
	8,305	7,153
Expenses		
Materials and supplies	7,509	5,998
	7,509	5,998
Excess of Revenue over Expenses	796	1,155
Trust Fund Balance, Beginning of Year	110,903	109,748
Trust Fund Balance, End of Year	\$ 111,699	\$ 110,903

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligation and commitment of the school division is an agreement to purchase Enterprise Building Integrator Life-Cycle Management from Honeywell Building Solutions at a total cost of \$36,050.

18. ACCOUNTING CHANGES

PS 3260 Liability for Contaminated Sites

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division:
 - directly responsible; or
 - accepts responsibility

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- the school division expects that future economic benefits will be given up;
and
- a reasonable estimate of the amount can be made.

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

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. 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.

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

	August 31, 2014			August 31, 2013		
	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0-30 days	117,306	-	117,306	25,145	-	25,145
30-60 days	20,946	-	20,946	19,465	-	19,465
60-90 days	-	-	-	-	-	-
Over 90 days	273,141	26,876	246,265	420,534	109,236	311,298
Total	\$ 411,393	\$ 26,876	\$ 384,517	\$ 465,144	\$ 109,236	\$ 355,908

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, monitoring and forecasts.

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

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 20,381	\$ 40,085	\$ -	\$ -
Long term debt	28,207	25,884	16,000	67,762
Total	\$ 48,588	\$ 65,969	\$ 16,000	\$ 67,762

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 and portfolio investments.

The school division also has an authorized bank line of credit of \$250,000 with interest payable monthly at a rate of prime. 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, 2014.

The school division minimizes these risks by

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

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, this risk is minimal as the school division does not make a significant amount of purchases denominated on a foreign currency. The school division did not have any financial instruments denominated in foreign currency outstanding at August 31, 2014 or August 31, 2013.