

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Holy Trinity Roman Catholic Separate School Division No. 22

We have audited the accompanying financial statements of Holy Trinity Roman Catholic Separate School Division No.22 which comprise the statement of financial position as at August 31, 2014 and the statements of operations and accumulated surplus (deficit) from operations, statements of changes in net financial assets (net debt) and cash flows for the year then ended, with related schedules and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 school division'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 school division's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2014 and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Holy Trinity Roman Catholic Separate School Division No. 22 for the year ended August 31, 2013 were audited by another auditor who expressed an unmodified opinion on those statements on November 25, 2013.

November 20, 2014
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Accountants

Holy Trinity Roman Catholic Separate School Division No. 22


Statement of Financial Position as at August 31, 2014

	2014	2013
Financial Assets		
Cash and Cash Equivalents	7,598,943	7,639,313
Accounts Receivable (Note 4)	1,615,477	1,777,264
Portfolio Investments (Note 3)	490,179	6,144,692
Total Financial Assets	9,704,599	15,561,269
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	3,609,445	2,760,508
Long Term Debt (Note 7)	9,302,246	9,521,110
Liability for Employee Future Benefits (Note 8)	524,500	475,600
Deferred Revenue (Note 10)	255,220	304,807
Total Liabilities	13,691,411	13,062,025
Net Financial Assets (Net Debt)	(3,986,812)	2,499,244
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	36,866,828	22,973,183
Prepaid Expenses	300,612	193,255
Total Non-Financial Assets	37,167,440	23,166,438
Accumulated Surplus (Note 12)	33,180,628	25,665,682

Contractual Obligations and Commitments (Note 14)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Holy Trinity Roman Catholic Separate School Division No. 22
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 16)		
REVENUES			
Property Taxation	3,862,724	3,782,629	3,926,531
Grants	18,413,574	26,924,274	26,929,033
Tuition and Related Fees	-	107,869	69,814
School Generated Funds	800,000	506,706	716,630
Complementary Services (Note 13)	350,000	342,594	342,173
Other	121,657	177,080	156,777
Total Revenues (Schedule A)	23,547,955	31,841,152	32,140,958
EXPENSES			
Governance	232,464	282,244	228,286
Administration	1,595,991	1,823,310	1,369,047
Instruction	17,273,104	17,273,983	17,424,922
Plant	2,201,060	2,529,647	2,500,653
Transportation	816,847	796,457	741,068
Tuition and Related Fees	24,000	6,750	3,000
School Generated Funds	800,000	422,147	525,387
Complementary Services (Note 13)	644,855	825,943	659,642
Other Expenses	352,409	365,724	99,254
Total Expenses (Schedule B)	23,940,730	24,326,205	23,551,259
Operating Surplus (Deficit) for the Year	(392,775)	7,514,947	8,589,699
Accumulated Surplus from Operations, Beginning of Year	25,665,682	25,665,682	17,075,983
Accumulated Surplus from Operations, End of Year	25,272,907	33,180,628	25,665,682

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

Holy Trinity Roman Catholic Separate School Division No. 22

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

	2014 Budget	2014 Actual	2013 Actual
	(Note 16)		
Net Financial Assets, Beginning of Year	2,499,244	2,499,244	4,077,610
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(392,775)	7,514,947	8,589,699
Acquisition of Tangible Capital Assets (Schedule C)	(1,127,000)	(14,796,884)	(10,789,636)
Amortization of Tangible Capital Assets (Schedule C)	752,879	903,240	752,878
Net Change in Other Non-Financial Assets	-	(107,359)	(131,307)
Change in Net Financial Assets / Net Debt	(766,896)	(6,486,056)	(1,578,366)
Net Financial Assets (Net Debt), End of Year	1,732,348	(3,986,812)	2,499,244

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

Holy Trinity Roman Catholic Separate School Division No. 22
Statement of Cash Flows
for the year ended August 31, 2014

	2014	2013
OPERATING ACTIVITIES		
Operating Surplus for the Year	7,514,947	8,589,699
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	903,240	752,878
Net Change in Non-Cash Operating Activities (Schedule E)	902,680	(213,595)
Cash Provided by Operating Activities	9,320,867	9,128,982
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(14,796,884)	(10,789,636)
Cash (Used) by Capital Activities	(14,796,884)	(10,789,636)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(6,133,155)
Proceeds on Disposal of Portfolio Investments	5,654,513	-
Cash Provided (Used) by Investing Activities	5,654,513	(6,133,155)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	334,176	9,663,797
Repayment of Long Term Debt	(553,041)	(269,837)
Cash Provided (Used) by Financing Activities	(218,865)	9,393,960
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40,369)	1,600,151
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,639,313	6,039,162
CASH AND CASH EQUIVALENTS, END OF YEAR	7,598,943	7,639,313

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

Holy Trinity Roman Catholic Separate School Division No. 22

Schedule A: Supplementary Details of Revenue for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	3,630,687	3,555,776	3,687,320
Total Property Tax Revenue	3,630,687	3,555,776	3,687,320
Grants in Lieu of Taxes:			
Federal Government	90,582	88,770	111,251
Provincial Government	50,262	47,755	47,315
Railways	21,944	17,714	23,331
Other	64,470	67,339	67,570
Total Grants in Lieu of Taxes	227,258	221,578	249,467
Other Tax Revenues:			
House Trailer Fees	15,343	14,144	19,700
Total Other Tax Revenues	15,343	14,144	19,700
Additions to Levy:			
Penalties	24,810	25,904	25,751
Total Additions to Levy	24,810	25,904	25,751
Deletions from Levy:			
Cancellations	(35,374)	(34,773)	(50,315)
Other Deletions	-	-	(5,392)
Total Deletions from Levy	(35,374)	(34,773)	(55,707)
Total Property Taxation Revenue	3,862,724	3,782,629	3,926,531
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	17,660,804	18,527,743	18,025,538
Other Ministry Grants	-	78,770	65,638
Total Ministry Grants	17,660,804	18,606,513	18,091,176
Other Provincial Grants	50,000	-	29,700
Grants from Others	-	-	17,660
Total Operating Grants	17,710,804	18,606,513	18,138,536
Capital Grants			
Ministry of Education Capital Grants	702,770	8,317,761	8,790,497
Total Capital Grants	702,770	8,317,761	8,790,497
Total Grants	18,413,574	26,924,274	26,929,033

Holy Trinity Roman Catholic Separate School Division No. 22

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:			
School Boards	-	107,869	69,814
Total Tuition Fees	-	107,869	69,814
Total Tuition and Related Fees Revenue	-	107,869	69,814
School Generated Funds Revenue			
Curricular:			
Student Fees	120,000	61,995	83,654
Total Curricular Fees	120,000	61,995	83,654
Non-Curricular Fees:			
Commercial Sales - Non-GST	248,000	141,802	215,790
Fundraising	174,000	101,079	142,925
Grants and Partnerships	32,000	11,525	12,711
Students Fees	104,000	104,219	129,288
Other	122,000	86,086	132,262
Total Non-Curricular Fees	680,000	444,711	632,976
Total School Generated Funds Revenue	800,000	506,706	716,630
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	350,000	320,184	319,043
Other Ministry Grants	-	22,410	22,410
Total Operating Grants	350,000	342,594	341,453
Fees and Other Revenue			
Other Revenue	-	-	720
Total Fees and Other Revenue	-	-	720
Total Complementary Services Revenue	350,000	342,594	342,173
Other Revenue			
Miscellaneous Revenue	71,657	55,814	66,956
Sales & Rentals	-	2,599	4,629
Investments	50,000	118,667	85,192
Total Other Revenue	121,657	177,080	156,777
TOTAL REVENUE FOR THE YEAR	23,547,955	31,841,152	32,140,958

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	44,020	85,220	68,913
Professional Development - Board Members	69,584	66,968	52,371
Advisory Committees	-	674	2,878
Elections	-	-	7,874
Other Governance Expenses	118,860	129,382	96,250
Total Governance Expense	232,464	282,244	228,286
Administration Expense			
Salaries	1,126,342	1,382,576	1,039,884
Benefits	117,209	118,069	131,445
Supplies & Services	159,603	101,799	98,415
Non-Capital Furniture & Equipment	17,187	11,312	8,574
Building Operating Expenses	43,250	102,839	41,741
Communications	41,500	35,174	17,516
Travel	38,400	31,382	8,148
Professional Development	52,500	32,572	12,412
Amortization of Tangible Capital Assets	-	7,587	10,912
Total Administration Expense	1,595,991	1,823,310	1,369,047
Instruction Expense			
Instructional (Teacher Contract) Salaries	11,827,354	12,168,066	12,301,306
Instructional (Teacher Contract) Benefits	568,899	617,533	635,591
Program Support (Non-Teacher Contract) Salaries	2,566,811	2,497,368	2,644,653
Program Support (Non-Teacher Contract) Benefits	509,536	454,220	417,361
Instructional Aids	770,203	289,461	275,481
Supplies & Services	78,110	238,629	250,703
Non-Capital Furniture & Equipment	137,512	231,918	136,611
Communications	33,729	51,917	55,851
Travel	83,232	32,682	62,220
Professional Development	282,074	138,474	222,116
Student Related Expense	124,495	94,423	86,548
Amortization of Tangible Capital Assets	291,149	459,292	336,481
Total Instruction Expense	17,273,104	17,273,983	17,424,922

Holy Trinity Roman Catholic Separate School Division No. 22
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	744,461	799,845	808,340
Benefits	144,740	138,764	146,464
Supplies & Services	15,500	13,867	56,092
Non-Capital Furniture & Equipment	31,500	19,749	9,690
Building Operating Expenses	855,746	1,142,154	1,107,820
Communications	-	2,364	2,346
Travel	3,640	23,200	10,224
Professional Development	4,500	3,189	4,036
Amortization of Tangible Capital Assets	400,973	386,515	355,641
Total Plant Operation & Maintenance Expense	2,201,060	2,529,647	2,500,653
Student Transportation Expense			
Salaries	260,190	183,629	180,279
Benefits	52,091	40,591	33,760
Supplies & Services	61,500	70,522	68,068
Non-Capital Furniture & Equipment	50,000	94,104	43,256
Building Operating Expenses	-	-	635
Communications	-	581	616
Travel	-	-	302
Professional Development	-	247	118
Contracted Transportation	332,309	356,938	364,189
Amortization of Tangible Capital Assets	60,757	49,845	49,845
Total Student Transportation Expense	816,847	796,457	741,068
Tuition and Related Fees Expense			
Tuition Fees	-	1,050	3,000
Transportation Fees	24,000	5,700	-
Total Tuition and Related Fees Expense	24,000	6,750	3,000
School Generated Funds Expense			
Supplies & Services	145,500	43,184	49,075
Cost of Sales	184,000	105,188	149,831
Non-Capital Furniture & Equipment	23,500	14,517	16,225
School Fund Expenses	447,000	259,258	310,256
Total School Generated Funds Expense	800,000	422,147	525,387

Holy Trinity Roman Catholic Separate School Division No. 22
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	369,905	411,677	224,431
Program Support (Non-Teacher Contract) Salaries & Benefits	252,726	300,064	285,875
Transportation Salaries & Benefits	-	41,244	58,585
Instructional Aids	15,096	14,039	9,649
Supplies & Services	-	6,490	20,294
Non-Capital Furniture & Equipment	-	17,830	21,969
Communications	-	1,354	3,350
Travel	-	638	954
Professional Development (Non-Salary Costs)	-	5,727	6,056
Student Related Expenses	7,128	25,871	27,088
Contracted Transportation & Allowances	-	1,009	1,391
Total Complementary Services Expense	644,855	825,943	659,642
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,000	1,272	2,262
School Facilities	351,409	364,452	96,992
Total Interest and Bank Charges	352,409	365,724	99,254
Total Other Expense	352,409	365,724	99,254
TOTAL EXPENSES FOR THE YEAR	23,940,730	24,326,205	23,551,259

Holy Trinity Roman Catholic Separate School Division No. 22

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	Assets Under Construction	2014	2013
<i>Tangible Capital Assets - at Cost:</i>												
Opening Balance as of September 1	333,043	386,351	20,060,959	2,348,658	598,142	105,105	587,631	2,343,503	601,625	11,279,787	38,644,805	27,855,168
Additions/Purchases	995,864	-	12,939,019	-	-	-	700,763	161,238	-	-	14,796,884	10,789,637
Transfers to (from)	200,232	-	11,079,555	-	-	-	-	-	-	(11,279,787)	-	-
Closing Balance as of August 31	1,529,139	386,351	44,079,533	2,348,658	598,142	105,105	1,288,394	2,504,741	601,625	-	53,441,689	38,644,805
<i>Tangible Capital Assets - Amortization:</i>												
Opening Balance as of September 1	-	58,480	12,475,458	1,156,511	252,833	58,134	156,010	1,226,367	287,828	-	15,671,621	14,918,743
Amortization of the Period	-	19,318	242,526	117,180	49,845	15,079	54,582	296,385	108,325	-	903,240	752,878
Closing Balance as of August 31	N/A	77,798	12,717,984	1,273,691	302,678	73,213	210,592	1,522,752	396,153	N/A	16,574,861	15,671,621
Net Book Value:												
Opening Balance as of September 1	333,043	327,871	7,585,501	1,192,147	345,309	46,971	431,621	1,117,136	313,797	11,279,787	22,973,184	12,936,425
Closing Balance as of August 31	1,529,139	308,553	31,361,549	1,074,967	295,464	31,892	1,077,802	981,989	205,472	-	36,866,828	22,973,184
Change in Net Book Value	1,196,096	(19,318)	23,776,048	(117,180)	(49,845)	(15,079)	646,181	(135,147)	(108,325)	(11,279,787)	13,893,644	10,036,759

Holy Trinity Roman Catholic Separate School Division No. 22
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)	903,240	752,878
Total Non-Cash Items Included in Surplus / Deficit	903,240	752,878

Holy Trinity Roman Catholic Separate School Division No. 22
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	161,787	(1,281,594)
Decrease in Provincial Grant Overpayment	-	(186,108)
Increase In Accounts Payable and Accrued Liabilities	848,937	1,421,998
Increase (Decrease) in Liability for Employee Future Benefits	48,900	(2,700)
(Decrease) in Deferred Revenue	(49,587)	(33,884)
(Increase) in Prepaid Expenses	(107,357)	(131,307)
Total Net Change in Non-Cash Operating Activities	902,680	(213,595)

HOLY TRINITY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 22
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

1. AUTHORITY AND PURPOSE

The School Division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Holy Trinity Roman Catholic Separate School Division No. 22 and operates as “The Holy Trinity Roman Catholic Separate School Division No. 22”. The School Division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

c) Basis of Accounting

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

d) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 \$524,500 (2013 - \$475,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$3,782,629 (2013 - \$3,926,531) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$16,445 (2013 - \$12,780) because actual collectability may differ from initial estimates.
- accumulated amortization of \$16,574,861 (2013 - \$15,671,621) because the actual useful lives of tangible capital assets may differ from estimates.

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

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material changes in the amounts recognized or disclosed.

e) **Financial Instruments**

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to a financial instrument. The financial assets and financial liabilities portray these rights and obligations in financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long term debt.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

f) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

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

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

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

Portfolio Investments consist of GICs and short term deposits. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

g) Non Financial Assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and land improvements, buildings, buildings short term, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets, and assets under construction. Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The School Division does not capitalize interest incurred while a tangible capital asset is under construction.

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

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

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

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

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Long Term Debt is comprised of capital loans and other long term debt with initial maturities of more than one year and are incurred for the purpose of financing capital expenditures in accordance with the provisions of *The Education Act, 1995*. Long term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the School Division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Property taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan and agreed to by the Board of Education, although separate school divisions continue to have a legislative right to set their own mill rate. 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.

k) Statement of Re-measurement Gains and Losses

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

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3. PORTFOLIO INVESTMENTS

Portfolio investments comprised of the following:

	2014	2013
Portfolio investments in the cost and amortized cost category:		
GICs	\$ 42,887	\$ 44,054
Term deposits	447,292	6,100,638
Total portfolio investments reported at cost and amortized cost	\$ 490,179	\$ 6,144,692

4. ACCOUNTS RECEIVABLE

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

	2014			2013		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 822,267	\$ 16,445	\$ 805,822	\$ 638,977	\$ 12,780	\$ 626,197
Provincial Grant Receivable	226,849	-	226,849	764,272	-	764,272
Other Receivables	582,806	-	582,806	386,795	-	386,795
Total Accounts Receivable	\$ 1,631,922	\$ 16,445	\$ 1,615,477	\$ 1,790,044	\$ 12,780	\$ 1,777,264

5. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$1,500,000 that bears interest at prime rate plus 1% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by taxes receivable. The line of credit was approved by the Ministry of Education on March 01, 2013. The balance drawn on the line of credit at August 31, 2014 was nil (August 31, 2013 - nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 306,485	\$ 340,520
Supplier Payments	3,315,674	2,408,718
Payroll Deductions	(12,714)	11,270
Total Accounts Payable and Accrued Liabilities	\$ 3,609,445	\$ 2,760,508

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NOTES TO THE FINANCIAL STATEMENTS
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7. LONG-TERM DEBT

Details of long-term debt are as follows:

	2014	2013
Capital Loans:		
RBC, monthly payments of \$4,884, Interest @ 2.94% per annum, Matures Apr 2018, Secured by asset	\$ 214,891	\$ 273,499
TD Bank, monthly payments of \$51,445, Interest @ 3.58% per annum, Matures May 2033, Secured by asset	8,448,134	8,732,291
RBC, annual payment of \$26,823, Interest @ 3.69% per annum, Matures Dec 2014, Secured by asset	26,823	53,646
TD Bank, monthly payments of \$5,986.73, Interest @ 2.88% per annum, Matures Nov 2018, Secured by asset	287,477	-
Total Capital Loans	8,977,325	9,059,436
Capital Lease:		
Royal Bank for computer equipment; requires monthly payments of \$13,058	324,921	461,674
Total Capital Leases	324,921	461,674
Total Long Term Debt	\$ 9,302,246	\$ 9,521,110

Principal repayments over the next 5 years are estimated as follows:			
	Capital Loans	Capital Leases	Total
2015	\$ 470,888	\$ 141,474	\$ 612,362
2016	456,823	145,762	602,585
2017	471,644	37,685	509,329
2018	466,643	-	466,643
2019	388,674	-	388,674
Thereafter	6,722,653	-	6,722,653
Total	\$ 8,977,325	\$ 324,921	\$ 9,302,246

Principal and interest payments on the long-term debt are as follows				
	Capital Loans	Capital Leases	2014	2013
Principal	\$ 416,287	\$ 136,754	\$ 553,041	\$ 269,837
Interest	349,574	14,878	364,452	96,992
Total	\$ 765,861	\$ 151,632	\$ 917,493	\$ 366,829

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8. EMPLOYEE FUTURE BENEFITS

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

Details of the employee future benefits are as follows:

	2014	2013
	<u>Aug. 31/14</u>	<u>Aug. 31/13</u>
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate (percentage) - Teachers	3.25	3.25
Salary escalation rate (percentage) - Non-Teaching Staff	3.25	3.25
Discount rate (percentage)	2.80	3.50
Inflation rate (percentage)	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	\$ 410,400	\$ 446,400
Current period benefit cost	48,200	51,900
Interest cost	15,900	12,600
Benefit payments	(11,300)	(65,600)
Actuarial gains / losses	32,400	(34,900)
Accrued Benefit Obligation - end of year	495,600	410,400
Unamortized Net Actuarial Gains	28,900	65,200
Liability for Employee Future Benefits	\$ 524,500	\$ 475,600

Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 48,200	\$ 51,900
Amortization of net actuarial (gain)	(3,900)	(1,600)
Benefit cost	44,300	50,300
Interest cost on unfunded employee future benefits obligation	15,900	12,600
Total Employee Future Benefits Expense	\$ 60,200	\$ 62,900

9. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

The STRP and STSP are funded by contributions by the participating employee members and the Province of Saskatchewan. The School Division's obligation to

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

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

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	164	6	170	176
Member contribution rate (percentage of salary)	7.80%	6.05%	6.05%-7.8%	6.05%-7.8%
Member contributions for the year	\$ 1,018,971	\$ 37,479	\$ 1,056,450	\$ 1,068,080

- ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

HOLY TRINITY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 22
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9. PENSION PLANS (CONTINUED)

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

Details of the MEPP are as follows:

	2014	2013
Number of active School Division members	123	131
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	\$ 618,877	\$ 603,415
School Division contributions for the year	\$ 618,877	\$ 603,415
Actuarial valuation date	Dec-31-2013	Dec-31-2012 (Restated)
Plan Assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan Liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan Surplus (Deficit)	\$ 186,314	\$ 140,648

10. 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
Other deferred revenue:				
Deferred Tax Levy	\$ 304,807	\$ -	\$ 49,587	\$ 255,220
Total other deferred revenue	304,807	-	49,587	255,220
Total Deferred Revenue	\$ 304,807	\$ -	\$ 49,587	\$ 255,220

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

11. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 152,188	\$ 130,056	\$ -	\$ -	\$ 232,464	\$ 282,244	\$ 228,286
Administration	1,500,645	315,078	-	7,587	1,595,991	1,823,310	1,369,047
Instruction	15,737,188	1,077,504	-	459,292	17,273,104	17,273,983	17,424,922
Plant	938,609	1,204,523	-	386,515	2,201,060	2,529,647	2,500,653
Transportation	224,220	522,392	-	49,845	816,847	796,457	741,068
Tuition and Related Fees	-	6,750	-	-	24,000	6,750	3,000
School Generated Funds	-	422,147	-	-	800,000	422,147	525,387
Complementary Services	752,985	72,958	-	-	644,855	825,943	659,642
Other	-	-	365,724	-	352,409	365,724	99,254
TOTAL	\$ 19,305,835	\$ 3,751,408	\$ 365,724	\$ 903,239	\$ 23,940,730	\$ 24,326,205	\$ 23,551,259

12. ACCUMULATED SURPLUS

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

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes such as capital asset and program expenditures, scholarship funds, etc. These internally restricted amounts are included in the Accumulated Surplus presented in the Statement of Financial Position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

HOLY TRINITY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 22
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12. ACCUMULATED SURPLUS (CONTINUED)

Details of accumulated surplus 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	\$ 22,973,183	\$ 14,432,631	\$ (903,240)	\$ 36,502,574
Less: Debt owing on Tangible Capital Assets	9,521,110	260,654	(479,518)	9,302,246
	\$ 13,452,073	\$ 14,171,977	\$ (423,722)	\$ 27,200,328
PMR maintenance project allocations (1)	\$ 149,958	\$ 191,426	\$ (156,452)	\$ 184,932
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	\$ 12,767	\$ 789,524	\$ (34)	\$ 802,257
Designated by Board for discretionary use	1,162,792	-	(607,024)	555,768
	\$ 1,175,559	\$ 789,524	\$ (607,058)	\$ 1,358,025
Other:				
School generated funds	\$ 272,407	\$ 506,425	\$ (442,320)	\$ 336,512
Scholarship funds	36,574	16,495	(9,075)	43,994
Unused government grants	-	97,553	(50,162)	47,391
Unused agency grants	-	28,624	(9,103)	19,521
School budget carryovers	36,614	446,394	(433,168)	49,840
Professional development commitment	53,302	104,358	(96,116)	61,544
	\$ 398,897	\$ 1,199,849	\$ (1,039,944)	\$ 558,802
Unrestricted Surplus	\$ 10,489,194	\$ -	\$ (6,610,654)	\$ 3,878,540
Total Accumulated Surplus from Operations	\$ 25,665,682	\$ 16,352,776	\$ (8,837,830)	\$ 33,180,628

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

13. COMPLEMENTARY SERVICES

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

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13. COMPLEMENTARY SERVICES (CONTINUED)

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Nutrition Programs	2014	2013
Revenue:				
Ministry of Education-Foundation Operating Grants	\$ 320,184	\$ 22,410	\$ 342,594	\$ 319,043
Tuition and Other Fees	-	-	\$ -	23,130
Total Revenue	\$ 320,184	\$ 22,410	\$ 342,594	\$ 342,173
Expenses:				
Salaries & Benefits	\$ 663,144	\$ 89,841	\$ 752,985	\$ 568,892
Instructional Aides	14,039	-	14,039	9,649
Supplies & Services	6,490	-	6,490	20,294
Non-Capital Furniture & Equipment	17,830	-	17,830	21,969
Communications	1,354	-	1,354	3,350
Travel	83	555	638	954
Professional Development (Non-Salary costs)	5,727	-	5,727	6,056
Student Related Expense	2,072	23,800	25,871	27,088
Contract Transportation	1,009		1,009	1,391
Total Expenses	\$ 711,749	\$ 114,196	\$ 825,943	\$ 659,642
(Deficiency) of Revenue over Expenses	\$ (391,565)	\$ (91,786)	\$ (483,349)	\$ (317,469)

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NOTES TO THE FINANCIAL STATEMENTS
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14. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Operating and capital lease obligations of the school division are as follows:

	Operating Leases			Capital Leases	
	Office Rental	Copier Leases	Total Operating	Computers	Total Capital
Future minimum lease payments:					
2015	\$ 50,408	\$ 24,613	\$ 75,021	\$ 141,474	\$ 141,474
2016	50,408	24,613	75,021	145,762	145,762
2017	50,408	-	50,408	37,685	37,685
2018	50,408	-	50,408	-	-
2019	50,408	-	50,408	-	-
Total Lease Obligations	\$ 252,039	\$ 49,226	\$ 301,265	\$ 324,921	\$ 324,921

15. RELATED PARTIES

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

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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15. RELATED PARTIES (CONTINUED)

Revenues:			
Ministry of Education	\$	27,266,868	\$ 27,223,126
Prairie South School Division		107,869	75,000
	\$	27,374,737	\$ 27,298,126
Expenses:			
Chinook School Division #211	\$	128,056	\$ 40,286
Five Hills Health Region		31,765	63,959
Prairie South School Division		13,440	\$ 16,409
SaskEnergy Incorporated		144,886	154,739
Saskatchewan Power Corporation		276,564	249,594
SaskTel		60,701	61,458
Saskatchewan Workers' Compensation Board		55,165	56,240
	\$	710,577	\$ 642,685
Provincial Grant Receivable:			
Ministry of Education	\$	226,849	\$ 764,272

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.

16. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 03, 2013 and the Minister of Education on August 23, 2013.

17. COMPARATIVE INFORMATION

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

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
- 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. RISK MANAGEMENT

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

a) Credit Risk

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

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19. RISK MANAGEMENT (CONTINUED)

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

	Accounts Receivable	
	August 31, 2014	August 31, 2013
Current	\$ 1,615,477	\$ 1,777,264
Total	\$ 1,615,477	\$ 1,777,264

b) Liquidity Risk

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

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 3,360,924	\$ 56,886	\$ 191,635	-
Long term debt	306,181	306,181	1,967,231	6,722,653
Total	\$ 3,667,105	\$ 363,067	\$ 2,158,866	\$ 6,722,653

c) Market Risk

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

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments. The school division also has an authorized bank line of credit of \$1,500,000 with interest payable monthly at a rate of prime plus 1% per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2014.

The school division minimizes these risks by:

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