

**CHARTERED ACCOUNTANTS**

R.F. Perkins, B.Comm., F.C.A.\*  
R.D. Hauta, B.Comm., C.A.\*  
M.W. Close, B.Comm., C.A.\*  
A.R. Bertoia, B.Comm., C.A.\*

**Associates:**

G.A. Close, C.A.\*  
W.H. Massey, B.Comm., CMA

117 - 1st Avenue West  
KINDERSLEY, SASK. S0L 1S0  
P.O. Box 1507

**INDEPENDENT AUDITORS' REPORT**

To the Chairman and Board Members of the  
Sun West School Division No. 207

We have audited the accompanying financial statements of Sun West School Division No. 207, which comprise the statement of financial position as at August 31, 2014, and the statements of operations and accumulated surplus from operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

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

**Auditor's 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence supporting 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 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 the Sun West School Division No. 207 as at August 31, 2014, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Close Perkins & Hauta*

KINDERSLEY, Saskatchewan

Chartered Accountants

November 25, 2014



**Sun West School Division No. 207**  
**Statement of Financial Position**  
**as at August 31, 2014**

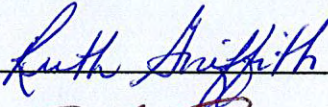
	2014	2013
<b>Financial Assets</b>		
Cash and Cash Equivalents	15,452,080	20,579,591
Accounts Receivable (Note 8)	8,844,028	9,083,643
Portfolio Investments (Note 4)	77,648	95,203
<b>Total Financial Assets</b>	<b>24,373,756</b>	<b>29,758,437</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	819,221	127,348
Liability for Employee Future Benefits (Note 6)	390,400	358,500
Deferred Revenue (Note 10)	48,594	73,548
<b>Total Liabilities</b>	<b>1,258,215</b>	<b>559,396</b>
<b>Net Financial Assets</b>	<b>23,115,541</b>	<b>29,199,041</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	58,430,785	53,117,271
Inventory of Supplies for Consumption	306,579	301,723
Prepaid Expenses	211,917	209,784
<b>Total Non-Financial Assets</b>	<b>58,949,281</b>	<b>53,628,778</b>
<b>Accumulated Surplus (Note 12)</b>	<b>82,064,822</b>	<b>82,827,819</b>

Contingent Liabilities (Note 15)

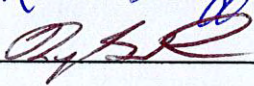
Contractual Obligations and Commitments (Note 16)

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

Approved by the Board:

 \_\_\_\_\_

Chairperson

 \_\_\_\_\_

Chief Financial Officer



**Sun West School Division No. 207**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>REVENUES</b>	(Note 13)		
Property Taxation	27,264,517	26,506,188	25,110,449
Grants	29,447,332	31,542,071	32,882,503
Tuition and Related Fees	211,005	245,444	153,495
School Generated Funds	1,775,000	1,646,300	1,585,270
Complementary Services (Note 11)	302,470	324,475	320,064
Other	437,313	574,886	518,166
<b>Total Revenues (Schedule A)</b>	<b>59,437,637</b>	<b>60,839,364</b>	<b>60,569,947</b>
<b>EXPENSES</b>			
Governance	465,410	608,749	389,900
Administration	2,520,338	2,779,290	2,270,334
Instruction	40,056,207	41,092,911	37,957,926
Plant	7,894,677	8,835,710	8,252,318
Transportation	6,481,902	6,285,579	5,798,721
Tuition and Related Fees	51,410	90,125	-
School Generated Funds	1,775,000	1,616,748	1,560,363
Complementary Services (Note 11)	323,210	274,994	267,754
Other Expenses	1,500	18,255	(72,983)
<b>Total Expenses (Schedule B)</b>	<b>59,569,654</b>	<b>61,602,361</b>	<b>56,424,333</b>
<b>Operating (Deficit) Surplus for the Year</b>	<b>(132,017)</b>	<b>(762,997)</b>	<b>4,145,614</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>82,827,819</b>	<b>82,827,819</b>	<b>78,682,206</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>82,695,802</b>	<b>82,064,822</b>	<b>82,827,819</b>

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



**Sun West School Division No. 207**  
**Statement of Changes in Net Financial Assets**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
	(Note 13)		
<b>Net Financial Assets, Beginning of Year</b>	<b>29,199,041</b>	<b>29,199,041</b>	<b>27,390,271</b>
<b>Changes During the Year:</b>			
Operating (Deficit) Surplus for the Year	(132,017)	(762,997)	4,145,614
Acquisition of Tangible Capital Assets (Schedule C)	(4,428,023)	(9,122,254)	(5,757,375)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	117,789	15,453
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(47,953)	(5,940)
Amortization of Tangible Capital Assets (Schedule C)	3,418,880	3,738,904	3,419,948
Net Acquisition of Inventory of Supplies	-	(4,856)	(18,290)
Net Change in Other Non-Financial Assets	-	(2,133)	9,360
<b>Change in Net Financial Assets</b>	<b>(1,141,160)</b>	<b>(6,083,501)</b>	<b>1,808,770</b>
<b>Net Financial Assets, End of Year</b>	<b>28,057,881</b>	<b>23,115,541</b>	<b>29,199,041</b>

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



**Sun West School Division No. 207**  
**Statement of Cash Flows**  
**for the year ended August 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Operating (Deficit) Surplus for the Year	(762,997)	4,145,614
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,690,951	3,414,008
Net Change in Non-Cash Operating Activities (Schedule E)	931,445	(1,269,404)
<b>Cash Provided by Operating Activities</b>	<b>3,859,399</b>	<b>6,290,218</b>
<b>CAPITAL ACTIVITIES</b>		
Cash (Used) to Acquire Tangible Capital Assets	(9,122,254)	(5,757,375)
Proceeds on Disposal of Tangible Capital Assets	117,789	15,453
<b>Cash (Used) by Capital Activities</b>	<b>(9,004,465)</b>	<b>(5,741,922)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on Disposal Portfolio Investments	17,555	12,147
<b>Cash Provided by Investing Activities</b>	<b>17,555</b>	<b>12,147</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,127,512)</b>	<b>560,443</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>20,579,591</b>	<b>20,019,148</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>15,452,080</b>	<b>20,579,591</b>

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



**Sun West School Division No. 207**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	26,900,755	26,150,666	25,395,054
<b>Total Property Tax Revenue</b>	<b>26,900,755</b>	<b>26,150,666</b>	<b>25,395,054</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	146,525	122,211	116,123
Provincial Government	115,000	135,685	133,903
Other	50,000	41,699	61,878
<b>Total Grants in Lieu of Taxes</b>	<b>311,525</b>	<b>299,595</b>	<b>311,904</b>
<b>Other Tax Revenues:</b>			
House Trailer Fees	25,000	23,830	27,800
<b>Total Other Tax Revenues</b>	<b>25,000</b>	<b>23,830</b>	<b>27,800</b>
<b>Additions to Levy:</b>			
Penalties	27,237	114,637	113,052
Other	-	-	47,455
<b>Total Additions to Levy</b>	<b>27,237</b>	<b>114,637</b>	<b>160,507</b>
<b>Deletions from Levy:</b>			
Cancellations	-	(25,465)	(784,816)
Other Deletions	-	(57,075)	-
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(82,540)</b>	<b>(784,816)</b>
<b>Total Property Taxation Revenue</b>	<b>27,264,517</b>	<b>26,506,188</b>	<b>25,110,449</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
Operating Grant	28,699,661	30,387,702	31,130,379
Other Ministry Grants	-	-	67,996
<b>Total Ministry Grants</b>	<b>28,699,661</b>	<b>30,387,702</b>	<b>31,198,375</b>
Other Provincial Grants	175,188	165,581	140,151
Federal Grants	-	-	30,300
Grants from Others	-	30,900	6,800
<b>Total Operating Grants</b>	<b>28,874,849</b>	<b>30,584,183</b>	<b>31,375,626</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	572,483	942,888	1,442,877
Other Capital Grants	-	15,000	64,000
<b>Total Capital Grants</b>	<b>572,483</b>	<b>957,888</b>	<b>1,506,877</b>
<b>Total Grants</b>	<b>29,447,332</b>	<b>31,542,071</b>	<b>32,882,503</b>



**Sun West School Division No. 207**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
Individuals and Other	7,500	17,694	7,500
<b>Total Tuition Fees</b>	<b>7,500</b>	<b>17,694</b>	<b>7,500</b>
Transportation Fees	3,505	-	3,505
Other Related Fees	200,000	227,750	142,490
<b>Total Operating Tuition and Related Fees</b>	<b>211,005</b>	<b>245,444</b>	<b>153,495</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>211,005</b>	<b>245,444</b>	<b>153,495</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular:</b>			
Student Fees	50,000	41,239	69,994
<b>Total Curricular Fees</b>	<b>50,000</b>	<b>41,239</b>	<b>69,994</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - Non-GST	335,000	409,427	392,514
Fundraising	800,000	515,011	546,772
Grants and Partnerships	40,000	25,377	8,596
Students Fees	220,000	203,718	183,738
Other	330,000	451,528	383,656
<b>Total Non-Curricular Fees</b>	<b>1,725,000</b>	<b>1,605,061</b>	<b>1,515,276</b>
<b>Total School Generated Funds Revenue</b>	<b>1,775,000</b>	<b>1,646,300</b>	<b>1,585,270</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	259,170	324,375	301,564
Other Ministry Grants	43,300	-	18,500
<b>Total Operating Grants</b>	<b>302,470</b>	<b>324,375</b>	<b>320,064</b>
<b>Fees and Other Revenue</b>			
Other Revenue	-	100	-
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>100</b>	<b>-</b>
<b>Total Complementary Services Revenue</b>	<b>302,470</b>	<b>324,475</b>	<b>320,064</b>



**Sun West School Division No. 207**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	211,313	285,433	244,461
Sales & Rentals	26,000	13,675	13,696
Investments	200,000	227,825	254,069
Gain on Disposal of Capital Assets	-	47,953	5,940
<b>Total Other Revenue</b>	<b>437,313</b>	<b>574,886</b>	<b>518,166</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>59,437,637</b>	<b>60,839,364</b>	<b>60,569,947</b>



**Sun West School Division No. 207**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Governance Expense</b>			
Board Members Expense	133,740	133,414	131,584
Professional Development- Board Members	78,300	170,958	82,717
Advisory Committees	76,000	71,360	48,063
Elections	10,000	458	10,960
Other Governance Expenses	167,370	232,559	116,576
<b>Total Governance Expense</b>	<b>465,410</b>	<b>608,749</b>	<b>389,900</b>
<b>Administration Expense</b>			
Salaries	1,929,817	2,095,059	1,703,107
Benefits	204,629	236,151	198,895
Supplies & Services	123,890	155,123	99,304
Non-Capital Furniture & Equipment	25,000	7,616	8,990
Building Operating Expenses	42,000	34,613	46,556
Communications	42,748	49,718	43,232
Travel	69,000	82,922	78,381
Professional Development	53,000	75,421	56,797
Amortization of Tangible Capital Assets	30,254	42,667	35,071
<b>Total Administration Expense</b>	<b>2,520,338</b>	<b>2,779,290</b>	<b>2,270,334</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	27,614,582	28,349,209	27,098,673
Instructional (Teacher Contract) Benefits	1,317,171	1,441,704	1,343,854
Program Support (Non-Teacher Contract) Salaries	5,126,117	5,521,537	4,859,150
Program Support (Non-Teacher Contract) Benefits	1,030,101	1,052,137	932,213
Instructional Aids	1,530,048	1,298,006	916,376
Supplies & Services	807,099	1,043,302	748,381
Non-Capital Furniture & Equipment	650,502	375,346	383,681
Communications	168,878	150,450	167,708
Travel	553,676	388,562	368,598
Professional Development	295,850	286,485	166,458
Student Related Expense	142,467	154,006	114,667
Amortization of Tangible Capital Assets	819,716	1,032,167	858,167
<b>Total Instruction Expense</b>	<b>40,056,207</b>	<b>41,092,911</b>	<b>37,957,926</b>



**Sun West School Division No. 207**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	2,332,635	2,440,290	2,232,375
Benefits	427,920	437,981	409,155
Supplies & Services	31,000	17,580	7,784
Non-Capital Furniture & Equipment	58,000	56,039	49,088
Building Operating Expenses	3,080,094	3,789,094	3,583,218
Communications	11,700	12,579	6,741
Travel	52,500	67,802	54,558
Professional Development	7,500	5,799	1,048
Amortization of Tangible Capital Assets	1,893,328	2,008,546	1,908,351
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>7,894,677</b>	<b>8,835,710</b>	<b>8,252,318</b>
<b>Student Transportation Expense</b>			
Salaries	2,677,455	2,793,890	2,598,934
Benefits	560,606	552,923	510,259
Supplies & Services	1,515,782	1,417,918	1,318,902
Non-Capital Furniture & Equipment	646,520	539,847	478,188
Building Operating Expenses	79,300	78,701	68,667
Communications	21,022	26,543	13,352
Travel	72,000	27,526	35,013
Professional Development	9,000	8,428	9,339
Contracted Transportation	224,635	184,279	147,707
Amortization of Tangible Capital Assets	675,582	655,524	618,360
<b>Total Student Transportation Expense</b>	<b>6,481,902</b>	<b>6,285,579</b>	<b>5,798,721</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	44,410	90,125	-
Transportation Fees	7,000	-	-
<b>Total Tuition and Related Fees Expense</b>	<b>51,410</b>	<b>90,125</b>	<b>-</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	26,000	14,686	18,758
Cost of Sales	400,000	408,241	400,098
Non-Capital Furniture & Equipment	11,000	15,625	32,741
School Fund Expenses	1,338,000	1,178,196	1,108,766
<b>Total School Generated Funds Expense</b>	<b>1,775,000</b>	<b>1,616,748</b>	<b>1,560,363</b>



**Sun West School Division No. 207**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	230,737	205,562	200,775
Program Support (Non-Teacher Contract) Salaries & Benefits	55,000	45,954	37,250
Transportation Salaries & Benefits	20,000	19,166	18,438
Instructional Aids	6,000	3,231	6,380
Supplies & Services	2,500	-	612
Non-Capital Furniture & Equipment	-	-	72
Travel	500	844	1,641
Professional Development (Non-Salary Costs)	2,473	-	1,211
Student Related Expenses	-	207	54
Contracted Transportation & Allowances	6,000	30	1,321
<b>Total Complementary Services Expense</b>	<b>323,210</b>	<b>274,994</b>	<b>267,754</b>
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,500	894	898
Total Interest and Bank Charges	<b>1,500</b>	<b>894</b>	<b>898</b>
Contaminated Sites	-	57,777	-
Provision for Uncollectable Taxes	-	(40,416)	(73,881)
<b>Total Other Expense</b>	<b>1,500</b>	<b>18,255</b>	<b>(72,983)</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>59,569,654</b>	<b>61,602,361</b>	<b>56,424,333</b>



Sun West School Division No. 207  
Schedule C - Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2014

	Land		Buildings		School	Other	Furniture and	Computer Hardware and	Computer	Assets		
	Land	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	Software	Under Construction	2014	2013
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	1,024,234	3,094,548	81,785,123	906,769	10,590,146	524,292	5,197,125	2,261,144	352,372	1,524,164	107,259,917	102,782,452
Additions/Purchases	-	257,186	445,189	139,802	977,710	105,808	1,321,435	1,070,516	66,850	4,737,759	9,122,254	5,757,375
Disposals	(2,610)	-	-	(13,981)	(449,144)	(45,703)	-	-	-	-	(511,438)	(633,218)
Write-Downs	-	-	-	-	-	-	(1,293,447)	(24,520)	-	-	(1,317,967)	(646,692)
Transfers to (from)	-	-	4,076,493	-	-	-	-	-	-	(4,076,493)	-	-
<b>Closing Balance as of August 31</b>	<b>1,021,624</b>	<b>3,351,734</b>	<b>86,306,805</b>	<b>1,032,590</b>	<b>11,118,712</b>	<b>584,397</b>	<b>5,225,113</b>	<b>3,307,140</b>	<b>419,222</b>	<b>2,185,430</b>	<b>114,552,766</b>	<b>107,259,917</b>
<b>Tangible Capital Assets - Amortization:</b>												
Opening Balance as of September 1	-	2,858,519	39,745,069	582,607	6,591,387	395,965	2,829,468	918,799	220,833	-	54,142,646	51,993,095
Amortization of the Period	-	64,194	1,726,942	43,727	601,307	57,077	517,595	644,256	83,806	-	3,738,904	3,419,948
Disposals	-	-	-	(13,169)	(382,731)	(45,703)	-	-	-	-	(441,602)	(623,705)
Write-Downs	-	-	-	-	-	-	(1,293,447)	(24,520)	-	-	(1,317,967)	(646,692)
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>2,922,713</b>	<b>41,472,011</b>	<b>613,165</b>	<b>6,809,963</b>	<b>407,339</b>	<b>2,053,616</b>	<b>1,538,535</b>	<b>304,639</b>	<b>N/A</b>	<b>56,121,981</b>	<b>54,142,646</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	1,024,234	236,030	42,040,055	324,162	3,998,759	128,327	2,367,657	1,342,345	131,539	1,524,164	53,117,271	50,789,357
Closing Balance as of August 31	1,021,624	429,021	44,834,795	419,424	4,308,748	177,058	3,171,497	1,768,605	114,583	2,185,430	58,430,785	53,117,271
<b>Change in Net Book Value</b>	<b>(2,610)</b>	<b>192,992</b>	<b>2,794,740</b>	<b>95,262</b>	<b>309,989</b>	<b>48,731</b>	<b>803,840</b>	<b>426,260</b>	<b>(16,956)</b>	<b>661,266</b>	<b>5,313,514</b>	<b>2,327,914</b>
<b>Disposals:</b>												
Historical Cost	2,610	-	-	13,981	449,144	45,703	-	-	-	-	511,438	633,218
Accumulated Amortization	-	-	-	13,169	382,731	45,703	-	-	-	-	441,602	623,705
<b>Net Cost</b>	<b>2,610</b>	<b>-</b>	<b>-</b>	<b>812</b>	<b>66,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,836</b>	<b>9,513</b>
Price of Sale	6,638	-	-	-	103,551	7,600	-	-	-	-	117,789	15,453
<b>Gain/loss on Disposal</b>	<b>4,028</b>	<b>-</b>	<b>-</b>	<b>(812)</b>	<b>37,138</b>	<b>7,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,953</b>	<b>5,940</b>



**Sun West School Division No. 207**  
**Schedule D: Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2014**

	2014	2013
<b>Non-Cash Items Included in Surplus:</b>		
Amortization of Tangible Capital Assets (Schedule C)	3,738,904	3,419,948
Net (Gain) on Disposal of Tangible Capital Assets	(47,953)	(5,940)
<b>Total Non-Cash Items Included in Surplus</b>	<b>3,690,951</b>	<b>3,414,008</b>

**Sun West School Division No. 207**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2014**

	2014	2013
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	239,615	(778,338)
(Decrease) in Provincial Grant Overpayment	-	(581,518)
Increase In Accounts Payable and Accrued Liabilities	691,873	67,895
Increase in Liability for Employee Future Benefits	31,900	12,400
(Decrease) Increase in Deferred Revenue	(24,954)	19,087
(Increase) in Inventory of Supplies for Consumption	(4,856)	(18,290)
(Increase) Decrease in Prepaid Expenses	(2,133)	9,360
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>931,445</b>	<b>(1,269,404)</b>



*Note - 1*

**SUN WEST SCHOOL DIVISION NO. 207**  
**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 Sun West School Division No. 207 and operates as the Sun West School Division No. 207. 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 17 Accounting Changes.

**b) Reporting Entity**

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

**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 financial statements, and the reported amounts of revenues and expenses during the year.



**SUN WEST SCHOOL DIVISION NO. 207**  
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Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$ 390,400 (2013 - \$ 358,500 ) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 26,506,188 (2013 - \$ 25,110,449 ) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 649,797 (2013 - \$ 690,213) because actual collectability may differ from initial estimates.
- accrued liabilities for contaminated sites of \$ 57,777 because the actual remediation expense may differ from the valuation estimates.
- prior years tangible capital asset historical costs and related amortization for buildings, vehicles, and equipment because these assets may become obsolete prior to the end of their estimated useful lives.

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

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

**e) Financial Instruments**

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

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.

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.



**SUN WEST SCHOOL DIVISION NO. 207**  
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Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date.

**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 GIC's, Canada Savings Bonds, and Co-op equity. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2(e).

**g) Non-Financial Assets**

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

**Tangible Capital Assets** have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land and land improvements, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, and assets under construction. Tangible capital assets are recorded at



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

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

Land improvements (pavement, fencing, lighting, etc.)	10-20 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	5 years
Computer software	5 years

Asset 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.

**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 Canadian Student Leadership Conference expenses, Insurance premiums, Workers Compensation premiums, and Kenaston Community Recreation Board for rental.

#### **h) Liabilities**

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

**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 year.



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 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.

**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.



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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.

**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 1/12<sup>th</sup> 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



**SUN WEST SCHOOL DIVISION NO. 207**  
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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 Remeasurement Gains and Losses**

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to remeasurement gains or losses.

**3. SHORT-TERM BORROWINGS**

**Bank indebtedness** consists of a demand operating line of credit with a maximum borrowing limit of \$20,000,000 that bears interest at (RBC Bank prime rate minus 0.60% per annum). This line of credit is authorized by a borrowing resolution by the board of education. This line of credit was approved by the Minister of Education on February 21, 2013. 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: Guaranteed investment certificates that range from .8% to 1.3% interest rates and will be maturing October 2014, May and June 2015.

	2014	2013
<b>Portfolio investments in the cost and amortized cost category:</b>	<u>Cost</u>	<u>Cost</u>
GICs	\$ 33,906	\$ 52,036
Canada Savings Bonds	-	100
Co-op Equity	43,742	43,067
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>77,648</b>	<b>95,203</b>
<b>Total portfolio investments</b>	<b>\$ 77,648</b>	<b>\$ 95,203</b>

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 375,732	\$ 233,017	\$ -	\$ 465,410	\$ 608,749	\$ 389,900
Administration	2,331,210	405,413	42,667	2,520,338	2,779,290	2,270,334
Instruction	36,364,588	3,696,156	1,032,167	40,056,207	41,092,911	37,957,926
Plant	2,878,271	3,948,893	2,008,546	7,894,677	8,835,710	8,252,318
Transportation	3,346,813	2,283,242	655,524	6,481,902	6,285,579	5,798,721
Tuition and Related Fees	-	90,125	-	51,410	90,125	-
School Generated Funds	-	1,616,748	-	1,775,000	1,616,748	1,560,363
Complementary Services	251,517	23,477	-	323,210	274,994	267,754
Other	-	18,255	-	1,500	18,255	(72,983)
<b>TOTAL</b>	<b>\$45,548,131</b>	<b>\$12,315,326</b>	<b>\$ 3,738,904</b>	<b>\$ 59,569,654</b>	<b>\$61,602,361</b>	<b>\$56,424,333</b>



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 accumulated non-vested sick leave. Significant assumptions include discount rate, inflation, productivity, merit, promotion, mortality, withdrawal, and retirement. 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. Mornau Shepell, a firm of consulting actuaries, performed an actuarial valuation as at August 31, 2012 and extrapolated it to August 31, 2014.

Details of the employee future benefits are as follows:

	<b>2014</b>	<b>2013</b>
	Aug/31/2014	Aug/31/2013
Actuarial extrapolation 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)	13	13

<b>Liability for Employee Future Benefits</b>	<b>2014</b>	<b>2013</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 385,300</b>	<b>\$ 414,000</b>
Current period benefit cost	34,300	37,400
Interest cost	14,300	11,600
Benefit payments	(19,600)	(42,100)
Actuarial losses / (gains)	32,700	(35,600)
<b>Accrued Benefit Obligation - end of year</b>	<b>447,000</b>	<b>385,300</b>
<b>Unamortized Net Actuarial Losses</b>	<b>(56,600)</b>	<b>(26,800)</b>
<b>Liability for Employee Future Benefits</b>	<b>\$ 390,400</b>	<b>\$ 358,500</b>

<b>Employee Future Benefits Expense</b>	<b>2014</b>	<b>2013</b>
Current period benefit cost	\$ 34,300	\$ 37,400
Amortization of net actuarial gain / loss	2,900	5,500
<b>Benefit cost</b>	<b>37,200</b>	<b>42,900</b>
<b>Interest cost on unfunded employee future benefits obligation</b>	<b>14,300</b>	<b>11,600</b>
<b>Total Employee Future Benefits Expense</b>	<b>\$ 51,500</b>	<b>\$ 54,500</b>



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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) or Saskatchewan Teachers' Superannuation Plan (STSP):

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

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

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

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	444	27	471	483
Member contribution rate (percentage of salary)	7.8% & 11.3%	6.05% & 7.85%	6.05%-11.3%	6.05%-10%
Member contributions for the year	\$ 2,276,220	\$ 57,956	\$ 2,334,176	\$ 2,272,068

- 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



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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:

	<b>2014</b>	<b>2013</b>
Number of active School Division members	498	464
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 907,711	\$ 782,019
School Division contributions for the year	\$ 907,711	\$ 782,019
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 (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:

	<b>2014</b>			<b>2013</b>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 8,310,957	\$ 649,797	\$ 7,661,160	\$ 9,039,824	\$ 690,213	\$ 8,349,611
Provincial Grants Receivable	646,090	-	646,090	448,427	-	448,427
Other Receivables	536,777	-	536,777	285,604	-	285,604
<b>Total Accounts Receivable</b>	<b>\$ 9,493,825</b>	<b>\$ 649,797</b>	<b>\$ 8,844,028</b>	<b>\$ 9,773,855</b>	<b>\$ 690,213</b>	<b>\$ 9,083,643</b>

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	<b>2014</b>	<b>2013</b>
Accrued Salaries and Benefits	\$ 437,828	\$ 2,057
Supplier Payments	323,616	117,947
Liability for Contaminated Sites	57,777	-
Minister of Finance PST	-	7,344
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 819,221</b>	<b>\$ 127,348</b>



**SUN WEST SCHOOL DIVISION NO. 207**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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
<b>Other deferred revenue:</b>				
Non Capital - Other	73,548	1,164	26,118	48,594
<b>Total other deferred revenue</b>	<b>73,548</b>	<b>1,164</b>	<b>26,118</b>	<b>48,594</b>
<b>Total Deferred Revenue</b>	<b>\$ 73,548</b>	<b>\$ 1,164</b>	<b>\$ 26,118</b>	<b>\$ 48,594</b>

**11. COMPLEMENTARY SERVICES**

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	2014	2013
<b>Revenue:</b>			
Operating Grants	\$ 324,375	\$ 324,375	\$ 320,064
Fees and Other Revenue	100	100	-
<b>Total Revenue</b>	<b>324,475</b>	<b>324,475</b>	<b>320,064</b>
<b>Expenses:</b>			
Salaries & Benefits	270,682	270,682	256,463
Instructional Aids	3,231	3,231	6,380
Supplies and Services	-	-	612
Non-Capital Equipment	-	-	72
Travel	844	844	1,641
Professional Development (Non-Salary Costs)	-	-	1,211
Student Related Expenses	207	207	54
Contacted Transportation & Allowances	30	30	1,321
<b>Total Expenses</b>	<b>274,993</b>	<b>274,993</b>	<b>267,754</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ 49,482</b>	<b>\$ 49,482</b>	<b>\$ 52,310</b>

**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 including school generated funds.



**SUN WEST SCHOOL DIVISION NO. 207**  
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Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purpose of school generated funds, teacher's professional development reserve, school budget carryovers, and capital projects. These internally restricted amounts are included in the accumulated surplus from operations presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 53,117,271	\$ 9,122,254	\$ 3,808,740	\$ 58,430,785
	<b>53,117,271</b>	<b>9,122,254</b>	<b>3,808,740</b>	<b>58,430,785</b>
<b>S.286 pre-April 2009 capital reserves (1)</b>	<b>1,356,374</b>	<b>-</b>	<b>1,223,841</b>	<b>132,533</b>
<b>PMR maintenance project allocations (2)</b>	<b>572,483</b>	<b>731,638</b>	<b>572,483</b>	<b>731,638</b>
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
Designated for tangible capital asset expenditures	1,585,332	-	-	1,585,332
	<b>1,585,332</b>	<b>-</b>	<b>-</b>	<b>1,585,332</b>
<b>Other:</b>				
School generated funds	646,896	29,552	-	676,448
Teacher professional development reserve	172,569	-	29,879	142,690
School budget carryovers	160,118	-	1,339	158,779
	<b>979,583</b>	<b>29,552</b>	<b>31,218</b>	<b>977,917</b>
<b>Unrestricted Surplus</b>	<b>25,216,777</b>	<b>-</b>	<b>5,010,161</b>	<b>20,206,617</b>
<b>Total Accumulated Surplus from Operations</b>	<b>\$ 82,827,819</b>	<b>\$ 9,883,444</b>	<b>\$ 10,646,443</b>	<b>\$ 82,064,822</b>

- (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.

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

The board approves certain amounts of the accumulated surplus to be designated for such things as school generated funds, decentralized school budgets, and teacher professional development.



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**13. BUDGET FIGURES**

Budget figures included in the financial statements were approved by the board of education on May 28, 2013 and the Minister of Education on August 23, 2013.

**14. 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.

	2014	2013
<b>Revenues:</b>		
Ministry of Education	\$ 31,654,965	\$ 32,942,826
SGI	124,026	140,150
School Divisions	189,000	110,000
	<b>\$ 31,967,991</b>	<b>\$ 33,192,976</b>
<b>Expenses:</b>		
Saskatchewan Power Corporation	\$ 797,774	\$ 742,101
Saskatchewan Telecommunications	142,292	323,450
SaskEnergy Incorporated	535,858	747,647
Workers' Compensation Board	109,884	42,364
Municipal Employees Pension Plan	907,711	782,019
Other	247,502	125,993
	<b>\$ 2,741,020</b>	<b>\$ 2,763,574</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 646,090	\$ 448,427
	<b>\$ 646,090</b>	<b>\$ 448,427</b>
<b>Prepaid Expenses:</b>		
Workers' Compensation Board	\$ 57,750	\$ 52,800
	<b>\$ 57,750</b>	<b>\$ 52,800</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
Ministry of Finance	\$ -	\$ 7,344
	<b>\$ -</b>	<b>\$ 7,344</b>



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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.

## **15. CONTINGENT LIABILITIES**

### **Litigations:**

The school division has been named as a plaintiff in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability that may result. The school division's share of settlement, if any, will be charged to expenses in the year in which the amount is determinable.

The school division has also been named as a defendant in certain legal actions in which damages have been sought. The estimated amount claimed is yet to be determined. The outcome of these actions is not determinable as at the date of reporting, and accordingly no provision has been made in these financial statements for any liability that may result. The school division's share of the settlement, if any, will be charged to expenses in the year in which the amount is determinable.

## **16. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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

- Construction contract for Kindersley Composite School Served in the amount of \$296,829 over 2 years
- Construction contract for the Westberry boiler in the amount of \$207,100 over 2 years
- Construction contract for Outlook Elementary School for the replacement of the roof the amount of the contract is still being negotiated over 2 years
- Construction contract for the Division Conference Centre in the amount of \$931,896 over 2 years
- Construction contract for the Outlook High School Home Economics Lab in the amount of \$835,900 over 2 years
- Construction contract for the Outlook Elementary School for Air Quality in the amount of \$1,002,353 over 2 years
- Construction contract for the Rosetown Central High School Air Quality in the amount of \$98,584 over 2 years
- Construction contract for Westcliffe School roof in the amount of \$403,992 over 2 years
- Construction contract for Elrose School roof in the amount of \$449,627 over 2 years



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*Note - 15*

Operating lease obligations, as follows:

	Operating Leases	
	Copier Leases	Total Operating
<b>Future minimum lease payments:</b>		
2015	\$ 124,135	\$ 124,135
2016	103,555	103,555
2017	83,677	83,677
2018	5,179	5,179
	\$ 316,546	\$ 316,546
<b>Total Lease Obligations</b>	<b>\$ 316,546</b>	<b>\$ 316,546</b>

## 17. 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.

This change has been applied prospectively as the effect of the new accounting policy is not reasonably determinable for the cumulative effect of the change or for individual prior periods. Consequently, prior year comparatives have not been restated to reflect this new accounting policy and comparisons between the current and prior fiscal years may not be meaningful.

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the school division is obligated or likely to be obligated to incur such costs. The liability estimate includes costs



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that are directly attributable to the remediation activities, and reflects the costs required to bring the site up to the current environmental standard for its use prior to contamination. The liability is recorded net of any expected recoveries.

The school division recognized an estimated liability of \$ 57,777 (2013 \$NIL) for remediation for Marengo and Bladworth using a quote from the company that will be performing the removal and the decontamination of the soil. The nature of the liability is contamination from old fuel tanks.

## **18. COMPARATIVE INFORMATION**

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

## **19. RISK MANAGEMENT**

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

### **i) Credit Risk**

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. Other receivables are minimal and relate largely to school generated funds. All accounts are settled on a monthly basis and as such, aging of accounts receivable rarely occurs. The credit risk related to other receivables are considered to be minimal. Management reviews accounts receivables on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

### **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, and utilizing budget practices.

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

	<b>August 31, 2014</b>	
	<b>Within 6 months</b>	<b>6 months to 1 year</b>
Accounts payable and accrued liabilities	245,045	574,176
<b>Total</b>	<b>\$ 245,045</b>	<b>\$ 574,176</b>



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**iii) Market Risk**

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

**iv) 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 minimally to portfolio investments.

The school division also has an authorized bank line of credit of \$20,000,000 with interest payable monthly at a rate of prime minus 0.60 %. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was nil balance outstanding on this credit facility as of August 31, 2014 and August 31, 2013.

The school division minimizes these risks by

- Holding cash in an account at a Canadian bank, denominated in Canadian currency
- Investing in GICs and term deposits for short term and fixed interest rates

**v) 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.