Government
of
Saskatchewan
Ministry of Education

Audited Financial Statements

Of the Holy Family Roman Catholic Separate School Division No. 140

School Division No. 1406000

For the Period Ending: August 31, 2016

Lisa Wonsiak
Chief Financial Officer

Cogent CPA LLP
Auditor

Note - Copy to be sent to Ministry of Education, Regina

Management's Responsibility for the Financial Statements

The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the school division's external auditors.

The external auditors, Cogent Chartered Professional Accountants LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Holy Family Roman Catholic Separate School Division No. 140:

Bruno Luchscheren
Board Chair

Gwen Keith
CEO/Director of Education

Lisa Wonsiak
Chief Financial Officer

November 9, 2016

Cogent
CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Directors of Holy Family Roman Catholic Separate School Division #140

We have audited the accompanying financial statements of Holy Family Roman Catholic Separate School Division #140, which comprise the statement of financial position as at August 31, 2016 and the statements of 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 auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained 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 Holy Family Roman Catholic Separate School Division #140 as at August 31, 2016 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Cogent CPA. LLP.

Chartered Professional Accountants

Weyburn, SK
November 9, 2016

206 Hill Avenue, Weyburn, Saskatchewan S4H 1M5
Tel: 306-842-8123 • Fax: 306-842-8171
Toll Free: 1-877-211-8123

Holy Family Roman Catholic Separate School Division No. 140

Statement of Financial Position

as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	3,505,170	3,094,990
Accounts Receivable (Note 8)	1,918,705	2,687,484
Portfolio Investments (Note 4)	4,636	5,196
Total Financial Assets	**5,428,511**	**5,787,670**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	110,916	221,605
Long-Term Debt (Note 10)	1,834,191	2,038,122
Liability for Employee Future Benefits (Note 6)	265,900	239,300
Deferred Revenue (Note 11)	357,870	335,084
Total Liabilities	**2,568,877**	**2,834,111**
Net Financial Assets	**2,859,634**	**2,953,559**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	12,420,821	11,990,602
Prepaid Expenses	208,470	106,674
Total Non-Financial Assets	**12,629,291**	**12,097,276**
Accumulated Surplus (Note 14)	**15,488,925**	**15,050,835**

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

Bruno Fuchscherer ________________ Chairperson

Lisa Worsiak ________________ Chief Financial Officer

Holy Family Roman Catholic Separate School Division No. 140

Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2016

	2016 Budget (Note 15)	2016 Actual	2015 Actual
REVENUES			
Property Taxation	6,149,844	5,946,574	5,890,438
Grants	6,933,370	6,766,597	7,283,734
School Generated Funds	350,000	364,797	316,563
Complementary Services (Note 12)	259,223	316,503	311,441
External Services (Note 13)	6,980	10,630	18,693
Other	16,300	123,323	447,834
Total Revenues (Schedule A)	**13,715,717**	**13,528,424**	**14,268,703**
EXPENSES			
Governance	201,550	144,012	160,559
Administration	1,292,770	1,042,849	1,116,452
Instruction	9,542,580	9,196,219	8,621,460
Plant	1,520,500	1,430,756	1,296,449
Transportation	355,537	400,908	293,351
Tuition and Related Fees	64,000	60,000	58,000
School Generated Funds	350,000	308,463	302,732
Complementary Services (Note 12)	296,595	380,115	266,720
External Services (Note 13)	80,465	44,376	75,360
Other Expenses	78,610	82,636	249,679
Total Expenses (Schedule B)	**13,782,607**	**13,090,334**	**12,440,762**
Operating Surplus (Deficit) for the Year	**(66,890)**	**438,090**	**1,827,941**
Accumulated Surplus from Operations, Beginning of Year	**15,050,835**	**15,050,835**	**13,222,894**
Accumulated Surplus from Operations, End of Year	**14,983,945**	**15,488,925**	**15,050,835**

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

Holy Family Roman Catholic Separate School Division No. 140

Statement of Changes in Net Financial Assets
for the year ended August 31, 2016

	2016 Budget (Note 15)	2016 Actual	2015 Actual
Net Financial Assets, Beginning of Year	**2,953,559**	**2,953,559**	**1,613,809**
Changes During the Year			
Operating Surplus (Deficit) for the Year	(66,890)	438,090	1,827,941
Acquisition of Tangible Capital Assets (Schedule C)	(178,000)	(968,312)	(1,179,551)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	6,615	87,316
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(6,615)	153,597
Amortization of Tangible Capital Assets (Schedule C)	436,997	538,093	436,426
Net Change in Other Non-Financial Assets	-	(101,796)	14,021
Change in Net Financial Assets	**192,107**	**(93,925)**	**1,339,750**
Net Financial Assets, End of Year	**3,145,666**	**2,859,634**	**2,953,559**

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

Holy Family Roman Catholic Separate School Division No. 140

Statement of Cash Flows

for the year ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus for the Year	438,090	1,827,941
Add Non-Cash Items Included in Surplus (Schedule D)	531,478	590,023
Net Change in Non-Cash Operating Activities (Schedule E)	605,680	(542,003)
Cash Provided by Operating Activities	**1,575,248**	**1,875,961**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(968,312)	(1,179,551)
Proceeds on Disposal of Tangible Capital Assets	6,615	87,316
Cash (Used) by Capital Activities	**(961,697)**	**(1,092,235)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(159)	(124)
Proceeds on Disposal of Portfolio Investments	719	87,550
Cash Provided by Investing Activities	**560**	**87,426**
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(203,931)	(200,110)
Cash (Used) by Financing Activities	**(203,931)**	**(200,110)**
INCREASE IN CASH AND CASH EQUIVALENTS	**410,180**	**671,042**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**3,094,990**	**2,423,948**
CASH AND CASH EQUIVALENTS, END OF YEAR	**3,505,170**	**3,094,990**

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

Holy Family Roman Catholic Separate School Division No. 140

Schedule A: Supplementary Details of Revenues

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	6,149,844	5,846,771	5,839,857
Total Property Tax Revenue	**6,149,844**	**5,846,771**	**5,839,857**
Grants in Lieu of Taxes			
Provincial Government	-	83,281	100,219
Total Grants in Lieu of Taxes	**-**	**83,281**	**100,219**
Additions to Levy			
Penalties	-	32,038	30,847
Total Additions to Levy	**-**	**32,038**	**30,847**
Deletions from Levy			
Cancellations	-	(15,516)	(80,485)
Total Deletions from Levy	**-**	**(15,516)**	**(80,485)**
Total Property Taxation Revenue	**6,149,844**	**5,946,574**	**5,890,438**
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	6,798,552	6,593,971	6,333,035
Total Ministry Grants	**6,798,552**	**6,593,971**	**6,333,035**
Other Provincial Grants	-	1,772	15,881
Total Operating Grants	**6,798,552**	**6,595,743**	**6,348,916**
Capital Grants			
Ministry of Education Capital Grants	134,818	170,854	934,818
Total Capital Grants	**134,818**	**170,854**	**934,818**
Total Grants	**6,933,370**	**6,766,597**	**7,283,734**

Holy Family Roman Catholic Separate School Division No. 140

Schedule A: Supplementary Details of Revenues

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
School Generated Funds Revenue			
Curricular			
Student Fees	-	4,472	6,624
Total Curricular Fees	**-**	**4,472**	**6,624**
Non-Curricular Fees			
Commercial Sales - Non-GST	-	35,240	48,201
Fundraising	-	121,407	104,437
Grants and Partnerships	-	1,100	1,317
Students Fees	-	6,102	7,400
Other	350,000	196,476	148,584
Total Non-Curricular Fees	**350,000**	**360,325**	**309,939**
Total School Generated Funds Revenue	**350,000**	**364,797**	**316,563**
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	205,080	205,080	198,744
Other Ministry Grants	54,143	111,423	112,562
Total Operating Grants	**259,223**	**316,503**	**311,306**
Fees and Other Revenue			
Other Revenue	-	-	135
Total Fees and Other Revenue	**-**	**-**	**135**
Total Complementary Services Revenue	**259,223**	**316,503**	**311,441**

Holy Family Roman Catholic Separate School Division No. 140

Schedule A: Supplementary Details of Revenues

for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Operating Grants			
Other Provincial Grants	6,980	10,630	11,943
Total Operating Grants	**6,980**	**10,630**	**11,943**
Fees and Other Revenue			
Tuition and Related Fees	-	-	6,750
Total Fees and Other Revenue	**-**	**-**	**6,750**
Total External Services Revenue	**6,980**	**10,630**	**18,693**
Other Revenue			
Miscellaneous Revenue	13,800	84,577	392,331
Sales & Rentals	2,500	3,790	5,178
Investments	-	28,341	46,625
Gain on Disposal of Capital Assets	-	6,615	3,700
Total Other Revenue	**16,300**	**123,323**	**447,834**
TOTAL REVENUE FOR THE YEAR	**13,715,717**	**13,528,424**	**14,268,703**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	47,550	37,047	38,217
Professional Development- Board Members	60,100	34,830	39,130
Other Governance Expenses	93,900	72,135	83,212
Total Governance Expense	**201,550**	**144,012**	**160,559**
Administration Expense			
Salaries	858,675	704,835	799,923
Benefits	82,835	84,515	78,481
Supplies & Services	83,900	68,121	102,429
Non-Capital Furniture & Equipment	53,200	17,728	6,693
Building Operating Expenses	141,960	101,081	64,873
Communications	16,500	18,627	13,271
Travel	19,000	10,344	14,998
Professional Development	36,700	28,990	25,637
Amortization of Tangible Capital Assets	-	8,608	10,147
Total Administration Expense	**1,292,770**	**1,042,849**	**1,116,452**
Instruction Expense			
Instructional (Teacher Contract) Salaries	6,666,010	6,627,607	6,215,371
Instructional (Teacher Contract) Benefits	339,520	374,395	343,111
Program Support (Non-Teacher Contract) Salaries	1,395,370	1,231,747	1,128,178
Program Support (Non-Teacher Contract) Benefits	221,175	229,256	218,490
Instructional Aids	345,202	241,496	267,830
Supplies & Services	147,050	159,268	157,040
Non-Capital Furniture & Equipment	87,880	74,223	86,556
Communications	34,500	33,139	31,224
Travel	64,000	20,336	31,658
Professional Development	123,990	84,967	64,823
Student Related Expense	47,965	27,006	31,877
Amortization of Tangible Capital Assets	69,918	92,779	45,302
Total Instruction Expense	**9,542,580**	**9,196,219**	**8,621,460**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	500,900	459,612	450,570
Benefits	88,940	82,668	80,187
Supplies & Services	13,250	8,664	13,860
Non-Capital Furniture & Equipment	9,000	7,204	6,687
Building Operating Expenses	547,900	472,480	404,583
Communications	4,000	4,550	2,536
Travel	19,000	17,446	12,168
Professional Development	7,000	2,426	1,116
Amortization of Tangible Capital Assets	330,510	375,706	324,742
Total Plant Operation & Maintenance Expense	**1,520,500**	**1,430,756**	**1,296,449**
Student Transportation Expense			
Salaries	148,100	127,100	122,644
Benefits	30,865	25,231	25,328
Supplies & Services	56,300	38,313	44,936
Non-Capital Furniture & Equipment	65,000	66,077	46,967
Building Operating Expenses	-	-	55
Communications	2,700	2,921	2,108
Contracted Transportation	16,000	105,547	15,594
Amortization of Tangible Capital Assets	36,572	35,719	35,719
Total Student Transportation Expense	**355,537**	**400,908**	**293,351**
Tuition and Related Fees Expense			
Tuition Fees	64,000	60,000	58,000
Total Tuition and Related Fees Expense	**64,000**	**60,000**	**58,000**
School Generated Funds Expense			
Academic Supplies & Services	25,000	3,977	7,515
Cost of Sales	75,000	73,906	83,421
School Fund Expenses	250,000	206,188	192,168
Amortization of Tangible Capital Assets	-	24,392	19,628
Total School Generated Funds Expense	**350,000**	**308,463**	**302,732**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	154,160	123,022	134,002
Program Support (Non-Teacher Contract) Salaries & Benefits	117,585	150,766	88,992
Instructional Aids	5,000	52,905	35,047
Supplies & Services	14,200	9,159	4,971
Non-Capital Furniture & Equipment	500	27,674	696
Building Operating Expenses	-	2,400	-
Communications	-	5,949	-
Travel	2,600	3,326	2,123
Professional Development (Non-Salary Costs)	2,550	4,025	-
Amortization of Tangible Capital Assets	-	889	889
Total Complementary Services Expense	**296,595**	**380,115**	**266,720**
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	75,765	43,418	72,933
Instructional Aids	-	-	300
Supplies & Services	2,600	-	822
Communications	600	35	516
Travel	500	-	381
Professional Development (Non-Salary Costs)	1,000	923	408
Total External Services Expense	**80,465**	**44,376**	**75,360**
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	3,000	8,268	2,507
Interest on Capital Loans	75,610	74,368	89,875
Total Interest and Bank Charges	**78,610**	**82,636**	**92,382**
Loss on Disposal of Tangible Capital Assets	-	-	157,297
Total Other Expense	**78,610**	**82,636**	**249,679**
TOTAL EXPENSES FOR THE YEAR	**13,782,607**	**13,090,334**	**12,440,762**

Holy Family Roman Catholic Separate School Division No. 140

Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2016

	Land Improvements	Buildings	Buildings Short-Term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Assets Under Construction	2016	2015
Tangible Capital Assets - at Cost										
Opening Balance as of September 1	16,711	13,017,125	981,954	692,206	66,452	358,326	433,924	721,196	**16,287,894**	**16,437,244**
Additions/Purchases	-	198,055	420,791	-	-	118,559	230,907	-	**968,312**	**1,179,551**
Disposals	-	-	-	-	-	(8,659)	-	-	**(8,659)**	**(1,328,901)**
Transfers to (from)	-	135,535	572,870	-	-	12,791	-	(721,196)	-	-
Closing Balance as of August 31	**16,711**	**13,350,715**	**1,975,615**	**692,206**	**66,452**	**481,017**	**664,831**	**-**	**17,247,547**	**16,287,894**
Tangible Capital Assets - Amortization										
Opening Balance as of September 1	7,129	3,239,446	127,075	418,556	38,252	142,010	324,824	-	**4,297,292**	**4,948,854**
Amortization of the Period	836	267,014	99,362	35,719	8,894	43,394	82,874	-	**538,093**	**436,426**
Disposals	-	-	-	-	-	(8,659)	-	-	**(8,659)**	**(1,087,988)**
Closing Balance as of August 31	**7,965**	**3,506,460**	**226,437**	**454,275**	**47,146**	**176,745**	**407,698**	**N/A**	**4,826,726**	**4,297,292**
Net Book Value										
Opening Balance as of September 1	9,582	9,777,679	854,879	273,650	28,200	216,316	109,100	721,196	**11,990,602**	**11,488,390**
Closing Balance as of August 31	8,746	9,844,255	1,749,178	237,931	19,306	304,272	257,133	-	**12,420,821**	**11,990,602**
Change in Net Book Value	**(836)**	**66,576**	**894,299**	**(35,719)**	**(8,894)**	**87,956**	**148,033**	**(721,196)**	**430,219**	**502,212**
Disposals										
Historical Cost	-	-	-	-	-	8,659	-	-	**8,659**	**1,328,901**
Accumulated Amortization	-	-	-	-	-	8,659	-	-	**8,659**	**1,087,988**
Net Cost	-	-	-	-	-	-	-	-	-	**240,913**
Price of Sale	-	6,005	-	-	-	610	-	-	**6,615**	**87,316**
Gain (Loss) on Disposal	**-**	**6,005**	**-**	**-**	**-**	**610**	**-**	**-**	**6,615**	**(153,597)**
Net Book Value (NBV) of Assets Pledged as Security for Debt	**-**	**-**	**-**	**42,093**	**-**	**-**	**-**	**-**	**42,093**	**49,109**

Holy Family Roman Catholic Separate School Division No. 140

Schedule D: Non-Cash Items Included in Surplus

for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	538,093	436,426
Net (Gain) Loss on Disposal of Tangible Capital Assets (Schedule C)	(6,615)	153,597
Total Non-Cash Items Included in Surplus	**531,478**	**590,023**

Holy Family Roman Catholic Separate School Division No. 140

Schedule E: Net Change in Non-Cash Operating Activities

for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	768,779	(655,370)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(110,689)	72,032
Increase in Liability for Employee Future Benefits	26,600	19,700
Increase in Deferred Revenue	22,786	7,614
(Increase) Decrease in Prepaid Expenses	(101,796)	14,021
Total Net Change in Non-Cash Operating Activities	**605,680**	**(542,003)**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

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 Family Roman Catholic Separate School Division No. 140" and operates as "the Holy Family Roman Catholic Separate School Division No. 140". 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) Basis of Accounting

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

b) Reporting Entity

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

c) Measurement Uncertainty and the Use of Estimates

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

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

- the liability for employee future benefits of $265,900 (2015 - $239,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $5,946,574 (2015 - $5,890,438) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of $538,093 (2015 - $436,426) because the actual useful lives of these assets may differ from their estimated economic lives.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 material changes in the amounts recognized or disclosed.

d) 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 the 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 instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of 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 revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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.

e) 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 represents 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 equity shares in co-operative associations. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (d).

f) 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 of the school division include land improvements, buildings, short-term buildings, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment and assets under construction.

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (leasehold improvements, portables, storage sheds outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years

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. Prepaid expenses include insurance premiums, photo copier leases, software licenses, workers' compensation premiums, consumable supplies, lease payments and tuition.

g) Liabilities

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

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

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

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

h) Employee Pension Plans

Employees of the school division participate in the following pension plans:

Multi-Employer Defined Benefit Plans
The school division's employees participate in one of the following multi-employer defined benefit plans:

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

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

i) 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

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 have a legislative right to set their own mill rates. Tax revenues are recognized on the basis of time with $1/12^{th}$ of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

Revenues from tuition fees and other fees and services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

iv) Interest Income

Interest is recognized on an accrual basis when it is earned.

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in 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.

j) 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 material remeasurement gains or losses.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of $3,000,000 that bears interest at the Royal Bank's prime rate minus 0.6% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by property taxes and ministry grants. This line of credit was approved by the Minister of Education on December 10, 2010. The balance drawn on the line of credit at August 31, 2016 was $NIL (August 31, 2015 - $NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	Cost	Cost
Co-Operative Corporations, shares	$ 4,636	$ 5,196
Total portfolio investments reported at cost and amortized cost	**$ 4,636**	**$ 5,196**

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	$ 51,397	$ 92,615	$ -	$ -	**$ 144,012**	**$ 160,559**
Administration	789,350	244,891	-	8,608	**1,042,849**	**1,116,452**
Instruction	8,463,005	640,435	-	92,779	**9,196,219**	**8,621,460**
Plant	542,280	512,770	-	375,706	**1,430,756**	**1,296,449**
Transportation	152,331	212,858	-	35,719	**400,908**	**293,351**
Tuition and Related Fees	-	60,000	-	-	**60,000**	**58,000**
School Generated Funds	-	284,071	-	24,392	**308,463**	**302,732**
Complementary Services	273,788	105,438	-	889	**380,115**	**266,720**
External Services	43,418	958	-	-	**44,376**	**75,360**
Other	-	-	82,636	-	**82,636**	**249,679**
TOTAL	**$ 10,315,569**	**$ 2,154,036**	**$ 82,636**	**$ 538,093**	**$ 13,090,334**	**$ 12,440,762**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave accumulating vacation banks and retirement gratuity. 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. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

	2016	2015
Actuarial extrapolation date	Aug. 31, 2016	Aug. 31, 2015
Long-term assumptions used:		
Discount rate at end of period	2.10%	2.50%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.20%
Expected average remaining service life (years)	16	16

Liability for Employee Future Benefits	**2016**	**2015**
Accrued Benefit Obligation - beginning of year	**$ 255,200**	**$ 202,300**
Current period service cost	27,700	16,500
Interest cost	7,000	6,100
Benefit payments	(8,900)	(2,900)
Actuarial losses	14,500	32,000
Plan amendments	-	1,200
Accrued Benefit Obligation - end of year	**295,500**	**255,200**
Unamortized Net Actuarial (Losses)	(29,600)	(15,900)
Liability for Employee Future Benefits	**$ 265,900**	**$ 239,300**

Employee Future Benefits Expense	**2016**	**2015**
Current period service cost	$ 27,700	$ 16,500
Amortization of net actuarial (gain) / loss	800	(1,200)
Plan amendments	-	1,200
Benefit cost	**28,500**	**16,500**
Interest cost	7,000	6,100
Total Employee Future Benefits Expense	**$ 35,500**	**$ 22,600**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

i) Saskatchewan Teachers' Retirement Plan (STRP)

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

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

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

	2016		2015
	STRP	**TOTAL**	**TOTAL**
Number of active School Division members	89	89	89
Member contribution rate (percentage of salary)	10.2% / 12.4%	10.2% / 12.4%	9.1% / 11.3%
Member contributions for the year	$ 687,226	$ 687,226	$ 575,679

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 FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

7. 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 Public Sector Accounting Board (PSAB) standards, 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:

	2016	2015
Number of active School Division members	73	73
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	$ 180,670	$ 166,316
School Division contributions for the year	$ 180,670	$ 166,316
Actuarial (extrapolation) valuation date	(Dec-31-2015)	Dec-31-2014
Plan Assets (in thousands)	$ 2,148,676	$ 2,006,587
Plan Liabilities (in thousands)	$ 1,831,743	$ 1,672,585
Plan Surplus (in thousands)	$ 316,933	$ 334,002

8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts.

Details of accounts receivable balances and allowances are as follows:

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	$ 1,860,251	$ -	$ 1,860,251	$ 1,824,775	$ -	$ 1,824,775
Provincial Grants Receivable	-	-	-	800,000	-	800,000
Other Receivables	58,454	-	58,454	62,709	-	62,709
Total Accounts Receivable	**$ 1,918,705**	**$ -**	**$ 1,918,705**	**$ 2,687,484**	**$ -**	**$ 2,687,484**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	$ 71,436	$ 92,404
Supplier Payments	33,891	123,285
Accrued Interest on Capital Loans	5,589	5,916
Total Accounts Payable and Accrued Liabilities	**$ 110,916**	**$ 221,605**

10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2016	2015
Capital Loans:	Weyburn Credit Union loan bearing interest of 4.84% per annum, repayable in monthly blended payments of $10,108. The loan is secured by a specific security agreement covering property taxes and ministry grant. The loan purpose is for school construction. The loan matures on May 1, 2017.	$ 96,316	$ 209,937
	Weyburn Credit Union loan bearing interest of 2.54% per annum, repayable in monthly blended payments of $1,495. The loan is secured by a specific security agreement covering a motor vehicle. The loan matured on July 1, 2016.	-	17,568
	Toronto Dominion (TD) loan bearing interest of 3.77% per annum, repayable in monthly blended payments of $11,630. The loan purpose is for school construction. The loan is unsecured and matures on June 1, 2033.	1,737,875	1,810,617
Total Long-Term Debt		**$ 1,834,191**	**$ 2,038,122**

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

	Capital Loans	Total
2017	$ 171,859	**$ 171,859**
2018	78,221	**78,221**
2019	81,215	**81,215**
2020	83,737	**83,737**
2021	87,965	**87,965**
Thereafter	1,331,194	**1,331,194**
Total	**$ 1,834,191**	**$ 1,834,191**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

10. LONG-TERM DEBT (continued)

Principal and interest payments on the long-term debt are as follows:						
		Capital Loans		2016		2015
Principal	$	203,931	$	**203,931**	$	**200,110**
Interest		74,368		**74,368**		**89,875**
Total	**$**	**278,299**	**$**	**278,299**	**$**	**289,985**

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

		Balance as at Aug. 31, 2015		Additions during the Year		Revenue recognized in the Year		Balance as at Aug. 31, 2016
Capital projects:								
Proceeds from sale of school buildings	$	281,954	$	53,616	$	46,547	$	289,023
Total capital projects deferred revenue		**281,954**		**53,616**		**46,547**		**289,023**
Other deferred revenue:								
Education Property Tax		53,130		68,847		53,130		68,847
Total other deferred revenue		**53,130**		**68,847**		**53,130**		**68,847**
Total Deferred Revenue	**$**	**335,084**	**$**	**122,463**	**$**	**99,677**	**$**	**357,870**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
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12. COMPLEMENTARY SERVICES

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

Following is a summary of the revenues and expenses of the Complementary Services programs operated by the school division in 2016 and 2015:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Early Childhood Intervention Program	FNME	English as a Second Language	French as a Second Language	2016	2015
Revenues:							
Operating Grants	$ 205,080	$ 75,673	$ 15,000	$ 15,750	$ 5,000	**$ 316,503**	**$ 311,306**
Fees and Other Revenues	-	-	-	-	-	**-**	**135**
Total Revenues	**205,080**	**75,673**	**15,000**	**15,750**	**5,000**	**316,503**	**311,441**
Expenses:							
Salaries & Benefits	177,703	92,460	-	3,625	-	**273,788**	**222,994**
Instructional Aids	5,842	25,304	5,000	12,513	4,246	**52,905**	**35,047**
Supplies and Services	2,862	5,074	-	1,223	-	**9,159**	**4,971**
Non-Capital Equipment	1,152	26,522	-	-	-	**27,674**	**696**
Building Operating Expenses	-	2,400	-	-	-	**2,400**	**-**
Communications	-	5,949	-	-	-	**5,949**	**-**
Travel	698	2,628	-	-	-	**3,326**	**2,123**
Professional Development (Non-Salary Costs)	383	1,639	-	2,003	-	**4,025**	**-**
Amortization of Tangible Capital Assets	-	889	-	-	-	**889**	**889**
Total Expenses	**188,640**	**162,865**	**5,000**	**19,364**	**4,246**	**380,115**	**266,720**
Excess (Deficiency) of Revenues over Expenses	**$ 16,440**	**$ (87,192)**	**$ 10,000**	**$ (3,614)**	**$ 754**	**$ (63,612)**	**$ 44,721**

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

Pre-K Program – is an early childhood education program supporting three and four year old children held at St. Michael, St. Mary’s and Sacred Heart Schools. It is a partnership between the Government of Saskatchewan, boards of education and communities.

Early Childhood Intervention Program – is a province-wide network of community-based supports for families of children who experience development delays. Children are often delayed in reaching developmental milestones or are born with a condition or diagnosis that makes is more difficult for them to develop at rates that are typical for a specific age group.

First Nations, Métis Education (FNME) – is a priority for the government and school division investing resources into specialized programs and initiatives for students who are First Nations or Métis.

English as a Second Language and French as a Second Language – is a priority for the government and school division investing resources into specialized programs and initiatives for students whose first language if different than the English or French Immersion schools they are attending.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
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13. EXTERNAL SERVICES

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

Following is a summary of the revenues and expenses of the External Services programs operated by the school division in 2016 and 2015:

Summary of External Services Revenues and Expenses, by Program	Child Family Services	2016	2015
Revenues:			
Operating Grants	$ 10,630	$ **10,630**	$ **11,943**
Fees and Other Revenues	-	**-**	**6,750**
Total Revenues	**10,630**	**10,630**	**18,693**
Expenses:			
Salaries & Benefits	43,418	**43,418**	**72,933**
Instructional Aids	-	**-**	**300**
Supplies and Services	-	**-**	**822**
Communications	35	**35**	**516**
Travel	-	**-**	**381**
Professional Development	923	**923**	**408**
Total Expenses	**44,376**	**44,376**	**75,360**
(Deficiency) of Revenues over Expenses	**$ (33,746)**	**$ (33,746)**	**$ (56,667)**

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

Child and Family Services – in connection with the Ministry of Social Services and Sun Country Health to provide school based family counselling and support services for students and their families that will increase opportunities for students to experience success and achieve learning in school.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
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As at August 31, 2016

14. ACCUMULATED SURPLUS

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

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future capital projects, plant operations and instructional carryovers. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 11,990,602	$ 968,312	$ 538,093	$ 12,420,821
Less: Debt owing on Tangible Capital Assets	(2,038,122)	-	(203,931)	(1,834,191)
	9,952,480	**968,312**	**334,162**	**10,586,630**
PMR maintenance project allocations (1)	**137,096**	**170,854**	**112,082**	**195,868**
Internally Restricted Surplus:				
Capital projects: (2)				
Designated for Tangible Capital Asset expenditures - Grants (2a)	214,339	-	214,339	-
Designated for Tangible Capital Asset expenditures - Capital sale (2b)	296,515	-	296,515	-
Designated for Tangible Capital Asset expenditures - Board motion (2c)	37,000	-	37,000	-
	547,854	**-**	**547,854**	**-**
Other: (3)				
School Generated Funds (3a)	131,468	94,044	130,768	94,744
School Budget Carryovers (3b)	(14,941)	(5,225)	(14,941)	(5,225)
Radville Amalgamation Agreement (3c)	125,487	-	125,487	-
Estevan Amalgamation Agreement (3d)	54,400	-	54,400	-
Professional Development (3e)	1,704	3,486	1,704	3,486
Plant Contracted Services (3f)	3,630	-	3,630	-
Ministry Grants (3g)	108,396	96,933	172,684	32,645
Facilities, Equipment and Technology (3h)	-	413,000	93,146	319,854
Transportation (3i)	-	100,000	-	100,000
Other (3j)	-	107,853	-	107,853
	410,144	**810,091**	**566,878**	**653,357**
Unrestricted Surplus	**4,003,261**	**179,887**	**130,078**	**4,053,070**
Total Accumulated Surplus	**$ 15,050,835**	**$ 2,129,144**	**$ 1,691,054**	**$ 15,488,925**

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

(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 the fiscal year are designated for future approved capital maintenance project expenditures.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
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14. ACCUMULATED SURPLUS (continued)

(2) Capital Projects represent the following:

a. Transfers received from the Ministry of Education as funding support for capital projects for the school division on a capital project submission basis. Unspent funds at the end of the fiscal year are designated for the completion of the project in the subsequent year.
b. Sale of school buildings designated for Ministry of Education and Board approved capital projects. Unspent funds at the end of the fiscal year are designated for the completion of the project in the subsequent year.
c. Board approved capital project designated for capital in the subsequent year.

(3) Other represents allocated funds that are unspent at the end of the fiscal year and are designated for future expenditures.

a. School Generated Funds – balance of funds generated by School and School Community Council activities that flow to following year.
b. School Budget Carryovers – balance of school budgets that flow to following year.
c. Radville Amalgamation Agreement – an agreement made when the division amalgamated, per board motion the restriction on these funds has expired and these funds have been moved to unrestricted for 2015-16.
d. Estevan Amalgamation Agreement – an agreement made when the division amalgamated, per board motion the restriction on these funds has expired and these funds have been moved to unrestricted for 2015-16.
e. Professional Development – balance of professional development budgets that flow to following year per employment contracts.
f. Plant Contracted Services – funds restricted for operational purposes.
g. Ministry Grants – balance of funds that flow to following year for ministry grants: First Nations and Metis Education, English as a Second Language and French as a Second Language and Early Childhood Intervention Program.
h. Facilities Equipment and Technology – funds restricted for the purpose of upgrading technology to meet strategic goals of 21st century learning and technology and facility projects carried forward from 2015-16.
i. Transportation – funds restricted for the purpose of managing an aging bus fleet.
j. Other – funds restricted for operational purposes.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 22, 2015 and the Minister of Education on August 20, 2015.

16. 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

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16. RELATED PARTIES (continued)

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.

		2016		2015
Revenues:				
Ministry of Education	$	7,081,328	$	7,591,102
SGI, Saskatchewan Government Insurance		7,456		15,881
Ministry of Social Services		10,630		11,943
Sun Country Health		-		6,750
	$	**7,099,414**	**$**	**7,625,676**
Expenses:				
Sask Energy	$	29,860	$	43,072
Sask Power		150,599		149,015
Sasktel, Sasktel Mobility		37,812		39,507
SGI, Saskatchewan Government Insurance		20,656		7,210
South East Cornerstone School		531		14,869
Sakatchewan Workers Compensation Board		25,754		19,976
	$	**265,212**	**$**	**273,649**
Accounts Receivable:				
Ministry of Education, capital grants	$	-	$	800,000
SGI, Saskatchewan Government Insurance		-		196
	$	**-**	**$**	**800,196**
Prepaid Expenses:				
Sakatchewan Workers Compensation Board	$	8,410	$	7,786
	$	**8,410**	**$**	**7,786**

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

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

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

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17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Division office lease of $1,350,292 over 9 years.
- Copier lease agreement of $50,936 over 2 years.

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Office Rental	**Copier Leases**	**Total Operating**
Future minimum lease payments:			
2017	$ 143,448	$ 25,468	**$ 168,916**
2018	144,946	25,468	**170,414**
2019	146,503	-	**146,503**
2020	148,123	-	**148,123**
2021	149,808	-	**149,808**
Thereafter	617,464	-	**617,464**
Total Lease Obligations	**$ 1,350,292**	**$ 50,936**	**$ 1,401,228**

18. 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).

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include short term accounts receivable due on demand of invoicing or contract.

The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

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18. RISK MANAGEMENT (continued)

The aging of other accounts receivable at August 31, 2016 was:

	August 31, 2016			
	Total	**Current**	**60-90 days**	**Over 90 days**
Other Receivables	$ 10,816	$ 10,816	$ -	$ -
Net Receivables	**$ 10,816**	**$ 10,816**	**$ -**	**$ -**

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 a line of credit, budget practices and forecasts.

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

	August 31, 2016			
	Within 6 months	**6 months to 1 year**	**1 to 5 years**	**> 5 years**
Accounts payable and accrued liabilities	$ 110,916	$ -	$ -	$ -
Long-term debt *(includes interest)*	130,425	97,437	697,772	1,511,839
Total	**$ 241,341**	**$ 97,437**	**$ 697,772**	**$1,511,839**

iii) 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 its authorized bank line of credit of $3,000,000 with interest payable monthly at a rate of prime minus 0.6%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no outstanding balance on this credit facility at August 31, 2016.

The school division minimizes these risks by:

- The school division minimizes these risks by holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing term deposits for short terms at fixed interest rates
- investing in Co-operative Corporations
- 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