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, 2018

Chief Financial Officer

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 Liebsch

Board Chair

CEO/Director of Education

Lisa Wonsiak

Chief Financial Officer

November 7, 2018

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, 2018 and the statements of operations and accumulated surplus from operations, changes in net assets and cash flow 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 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, 2018 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

Weyburn, SK
November 7, 2018

Chartered Professional Accountants

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Toll Free: 1-877-211-8123

Holy Family Roman Catholic Separate School Division No. 140

Statement of Financial Position
as at August 31, 2018

	2018	2017
	$	$
Financial Assets		
Cash and Cash Equivalents	5,347,109	4,686,448
Accounts Receivable (Note 8)	150,334	1,804,462
Portfolio Investments (Note 4)	4,984	4,590
Total Financial Assets	**5,502,427**	**6,495,500**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	291,505	444,141
Long-Term Debt (Note 10)	1,584,155	1,662,372
Liability for Employee Future Benefits (Note 6)	320,900	299,500
Deferred Revenue (Note 11)	-	136,811
Total Liabilities	**2,196,560**	**2,542,824**
Net Financial Assets	**3,305,867**	**3,952,676**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	12,618,331	12,484,915
Prepaid Expenses	262,548	196,614
Total Non-Financial Assets	**12,880,879**	**12,681,529**
Accumulated Surplus (Note 14)	**16,186,746**	**16,634,205**

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

Chairperson

Chief Financial Officer

Holy Family Roman Catholic Separate School Division No. 140

Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
	(Note 15)		
REVENUES			
Property Taxation	2,109,538	1,962,439	6,085,243
Grants	10,227,692	10,459,055	7,139,997
School Generated Funds	350,000	374,243	373,035
Complementary Services (Note 12)	245,890	287,553	296,745
External Services (Note 13)	3,490	30,479	4,816
Other	24,000	80,441	340,884
Total Revenues (Schedule A)	**12,960,610**	**13,194,210**	**14,240,720**
EXPENSES			
Governance	107,190	107,710	182,382
Administration	969,606	919,603	909,773
Instruction	9,483,542	9,362,735	9,285,160
Plant	1,590,706	1,596,350	1,393,181
Transportation	520,929	507,806	450,930
Tuition and Related Fees	58,000	59,000	55,000
School Generated Funds	350,000	391,789	371,086
Complementary Services (Note 12)	288,942	331,275	341,201
External Services (Note 13)	11,959	25,255	39,877
Other Expenses	61,576	340,146	66,850
Total Expenses (Schedule B)	**13,442,450**	**13,641,669**	**13,095,440**
Operating (Deficit) Surplus for the Year	**(481,840)**	**(447,459)**	**1,145,280**
Accumulated Surplus from Operations, Beginning of Year	**16,634,205**	**16,634,205**	**15,488,925**
Accumulated Surplus from Operations, End of Year	**16,152,365**	**16,186,746**	**16,634,205**

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, 2018

	2018 Budget	2018 Actual	2017 Actual
	$ (Note 15)	$	$
Net Financial Assets, Beginning of Year	**3,952,676**	**3,952,676**	**2,859,634**
Changes During the Year			
Operating (Deficit) Surplus for the Year	(481,840)	(447,459)	1,145,280
Acquisition of Tangible Capital Assets (Schedule C)	(275,000)	(750,689)	(642,035)
Amortization of Tangible Capital Assets (Schedule C)	539,000	617,273	577,941
Net Change in Other Non-Financial Assets	-	(65,934)	11,856
Change in Net Financial Assets	**(217,840)**	**(646,809)**	**1,093,042**
Net Financial Assets, End of Year	**3,734,836**	**3,305,867**	**3,952,676**

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, 2018

	2018	2017
	$	$
OPERATING ACTIVITIES		
Operating (Deficit) Surplus for the Year	(447,459)	1,145,280
Add Non-Cash Items Included in Surplus/Deficit (Schedule D)	617,273	577,941
Net Change in Non-Cash Operating Activities (Schedule E)	1,320,147	271,865
Cash Provided by Operating Activities	**1,489,961**	**1,995,086**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(750,689)	(642,035)
Cash Used by Capital Activities	**(750,689)**	**(642,035)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(394)	-
Proceeds on Disposal of Portfolio Investments	-	45
Cash Provided (Used) by Investing Activities	**(394)**	**45**
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(78,217)	(171,818)
Cash Used by Financing Activities	**(78,217)**	**(171,818)**
INCREASE IN CASH AND CASH EQUIVALENTS	**660,661**	**1,181,278**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**4,686,448**	**3,505,170**
CASH AND CASH EQUIVALENTS, END OF YEAR	**5,347,109**	**4,686,448**

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, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	2,109,538	1,934,415	5,976,645
Total Property Tax Revenue	**2,109,538**	**1,934,415**	**5,976,645**
Grants in Lieu of Taxes			
Provincial Government	-	6,397	93,259
Total Grants in Lieu of Taxes	**-**	**6,397**	**93,259**
Other Tax Revenues			
House Trailer Fees	-	3,110	-
Total Other Tax Revenues	**-**	**3,110**	**-**
Additions to Levy			
Penalties	-	23,147	38,504
Total Additions to Levy	**-**	**23,147**	**38,504**
Deletions from Levy			
Cancellations	-	(4,630)	(23,165)
Total Deletions from Levy	**-**	**(4,630)**	**(23,165)**
Total Property Taxation Revenue	**2,109,538**	**1,962,439**	**6,085,243**
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	10,021,487	10,212,297	6,907,843
Other Ministry Grants	-	7,979	-
Total Ministry Grants	**10,021,487**	**10,220,276**	**6,907,843**
Other Provincial Grants	10,000	14,880	35,949
Total Operating Grants	**10,031,487**	**10,235,156**	**6,943,792**
Capital Grants			
Ministry of Education Capital Grants	196,205	223,899	196,205
Total Capital Grants	**196,205**	**223,899**	**196,205**
Total Grants	**10,227,692**	**10,459,055**	**7,139,997**

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
School Generated Funds Revenue			
Curricular			
Student Fees	-	-	3,468
Total Curricular Fees	**-**	**-**	**3,468**
Non-Curricular Fees			
Commercial Sales - Non-GST	-	29,333	31,512
Fundraising	-	53,111	75,837
Grants and Partnerships	-	353	803
Students Fees	-	2,952	3,420
Other	350,000	288,494	257,995
Total Non-Curricular Fees	**350,000**	**374,243**	**369,567**
Total School Generated Funds Revenue	**350,000**	**374,243**	**373,035**
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	199,224	194,478	205,080
Other Ministry Grants	46,666	93,075	91,665
Total Operating Grants	**245,890**	**287,553**	**296,745**
Total Complementary Services Revenue	**245,890**	**287,553**	**296,745**
External Services			
Operating Grants			
Other Provincial Grants	3,490	5,979	4,816
Total Operating Grants	**3,490**	**5,979**	**4,816**
Fees and Other Revenue			
Other Revenue	-	24,500	-
Total Fees and Other Revenue	**-**	**24,500**	**-**
Total External Services Revenue	**3,490**	**30,479**	**4,816**
Other Revenue			
Miscellaneous Revenue	-	11,565	303,679
Investments	24,000	68,876	37,205
Total Other Revenue	**24,000**	**80,441**	**340,884**
TOTAL REVENUE FOR THE YEAR	**12,960,610**	**13,194,210**	**14,240,720**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
Governance Expense			
Board Members Expense	61,923	44,650	43,140
Professional Development - Board Members	6,750	10,858	48,003
Advisory Committees	9,680	6,624	3,791
Elections	-	-	3,629
Other Governance Expenses	28,837	45,578	83,819
Total Governance Expense	**107,190**	**107,710**	**182,382**
Administration Expense			
Salaries	638,799	602,974	609,202
Benefits	76,907	61,472	60,060
Supplies & Services	70,550	75,281	66,550
Non-Capital Furniture & Equipment	10,000	7,319	10,370
Building Operating Expenses	107,100	106,379	102,198
Communications	16,000	12,250	14,893
Travel	10,350	7,113	8,468
Professional Development	28,900	23,875	28,099
Amortization of Tangible Capital Assets	11,000	22,940	9,933
Total Administration Expense	**969,606**	**919,603**	**909,773**
Instruction Expense			
Instructional (Teacher Contract) Salaries	6,782,425	6,665,929	6,712,949
Instructional (Teacher Contract) Benefits	386,863	353,300	371,834
Program Support (Non-Teacher Contract) Salaries	1,316,299	1,249,504	1,191,062
Program Support (Non-Teacher Contract) Benefits	273,055	246,565	218,027
Instructional Aids	305,993	378,358	295,423
Supplies & Services	111,860	101,143	130,705
Non-Capital Furniture & Equipment	85,840	101,490	96,502
Communications	30,650	26,847	27,517
Travel	19,100	19,260	18,537
Professional Development	78,281	74,076	76,179
Student Related Expense	23,176	22,683	21,652
Amortization of Tangible Capital Assets	70,000	123,580	124,773
Total Instruction Expense	**9,483,542**	**9,362,735**	**9,285,160**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
Plant Operation & Maintenance Expense			
Salaries	447,832	425,529	423,468
Benefits	89,173	85,171	79,198
Supplies & Services	12,550	15,330	3,513
Non-Capital Furniture & Equipment	8,000	1,453	3,627
Building Operating Expenses	602,001	661,184	480,417
Communications	7,000	4,429	4,974
Travel	16,550	15,449	14,350
Professional Development	7,600	2,261	2,401
Amortization of Tangible Capital Assets	400,000	385,544	381,233
Total Plant Operation & Maintenance Expense	**1,590,706**	**1,596,350**	**1,393,181**
Student Transportation Expense			
Salaries	155,938	166,783	146,473
Benefits	34,366	29,805	28,376
Supplies & Services	46,225	41,718	38,466
Non-Capital Furniture & Equipment	95,000	79,630	73,184
Communications	3,400	2,235	2,130
Contracted Transportation	149,000	126,406	126,581
Amortization of Tangible Capital Assets	37,000	61,229	35,720
Total Student Transportation Expense	**520,929**	**507,806**	**450,930**
Tuition and Related Fees Expense			
Tuition Fees	58,000	59,000	55,000
Total Tuition and Related Fees Expense	**58,000**	**59,000**	**55,000**
School Generated Funds Expense			
Academic Supplies & Services	25,000	2,432	3,638
Cost of Sales	75,000	76,920	84,988
Non-Capital Furniture & Equipment	-	299	11,099
School Fund Expenses	230,000	289,047	245,969
Amortization of Tangible Capital Assets	20,000	23,091	25,392
Total School Generated Funds Expense	**350,000**	**391,789**	**371,086**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	$	$	$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	154,936	145,459	112,804
Program Support (Non-Teacher Contract) Salaries & Benefits	109,961	147,263	187,786
Instructional Aids	5,600	23,200	22,809
Supplies & Services	2,135	3,818	9,245
Non-Capital Furniture & Equipment	2,000	5,216	1,557
Communications	-	556	1,076
Travel	9,550	3,447	4,602
Professional Development (Non-Salary Costs)	3,760	1,427	432
Amortization of Tangible Capital Assets	1,000	889	890
Total Complementary Services Expense	**288,942**	**331,275**	**341,201**
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	11,817	11,817	39,594
Supplies & Services	115	115	-
Travel	27	13,323	268
Professional Development (Non-Salary Costs)	-	-	15
Total External Services Expense	**11,959**	**25,255**	**39,877**
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	3,100	528	1,136
Interest on Capital Loans	58,476	61,094	65,714
Total Interest and Bank Charges	**61,576**	**61,622**	**66,850**
Transfer of Taxes Receivable	-	278,524	-
Total Other Expense	**61,576**	**340,146**	**66,850**
TOTAL EXPENSES FOR THE YEAR	**13,442,450**	**13,641,669**	**13,095,440**

Holy Family Roman Catholic Separate School Division No. 140

Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2018

	Land Improvements	Buildings	Buildings Short-Term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	Assets Under Construction	2018	2017
	$	$	$	$	$	$	$	$	$	$	$
Tangible Capital Assets - at Cost											
Opening Balance as of September 1	40,843	13,428,865	1,975,615	692,206	66,452	661,867	785,367	-	238,367	**17,889,582**	**17,247,547**
Additions/Purchases	57,081	270,153	-	306,122	-	21,719	12,135	83,479	-	**750,689**	**642,035**
Transfers to (from)	-	238,367	-	-	-	-	-	-	(238,367)	-	-
Closing Balance as of August 31	**97,924**	**13,937,385**	**1,975,615**	**998,328**	**66,452**	**683,586**	**797,502**	**83,479**	**-**	**18,640,271**	**17,889,582**
Tangible Capital Assets - Amortization											
Opening Balance as of September 1	10,007	3,775,038	326,569	489,994	56,040	236,027	510,992	-	-	**5,404,667**	**4,826,726**
Amortization of the Period	4,896	269,537	100,132	61,229	5,206	61,156	98,421	16,696	-	**617,273**	**577,941**
Closing Balance as of August 31	**14,903**	**4,044,575**	**426,701**	**551,223**	**61,246**	**297,183**	**609,413**	**16,696**	**N/A**	**6,021,940**	**5,404,667**
Net Book Value											
Opening Balance as of September 1	30,836	9,653,827	1,649,046	202,212	10,412	425,840	274,375	-	238,367	**12,484,915**	**12,420,821**
Closing Balance as of August 31	83,021	9,892,810	1,548,914	447,105	5,206	386,403	188,089	66,783	-	**12,618,331**	**12,484,915**
Change in Net Book Value	**52,185**	**238,983**	**(100,132)**	**244,893**	**(5,206)**	**(39,437)**	**(86,286)**	**66,783**	**(238,367)**	**133,416**	**64,094**
Net Book Value (NBV) of Assets Pledged as Security for Debt	**-**	**-**	**-**	**28,062**	**-**	**-**	**-**	**-**	**-**	**28,062**	**35,078**

Holy Family Roman Catholic Separate School Division No. 140

Schedule D: Non-Cash Items Included in Surplus/Deficit

for the year ended August 31, 2018

	2018	2017
	$	$
Non-Cash Items Included in Surplus/ Deficit		
Amortization of Tangible Capital Assets (Schedule C)	617,273	577,941
Total Non-Cash Items Included in Surplus/Defict	**617,273**	**577,941**

Holy Family Roman Catholic Separate School Division No. 140

Schedule E: Net Change in Non-Cash Operating Activities

for the year ended August 31, 2018

	2018	2017
	$	$
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	1,654,128	114,243
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(152,636)	333,225
Increase in Liability for Employee Future Benefits	21,400	33,600
Decrease in Deferred Revenue	(136,811)	(221,059)
(Increase) Decrease in Prepaid Expenses	(65,934)	11,856
Total Net Change in Non-Cash Operating Activities	**1,320,147**	**271,865**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 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 $320,900 (2017 - $299,500) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $1,962,439 (2017 - $6,085,243) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of $617,273 (2017 - $577,941) because the actual useful lives of these assets may differ from their estimated economic 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Accounts Receivable includes taxes 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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances.

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, computer software and assets under construction.

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

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

Land 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
Computer software	5 years

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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:

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

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). 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. 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 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.

On January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan became the taxing authority for education property tax. The legislation provides authority to separate school divisions to set a bylaw to determine and apply their own mill rates for education property taxes. For the 2018 taxation year, the school division does not have such a bylaw in place.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 as revenue 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.

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, 2018 was $NIL (August 31, 2017 - $NIL).

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	**Cost**	**Cost**
Co-Operative Corporations, shares	$ 4,984	$ 4,590
Total portfolio investments reported at cost and amortized cost	**$ 4,984**	**$ 4,590**

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2018 Actual	2017 Actual
Governance	$ 42,753	$ 64,957	$ -	$ -	**$ 107,710**	**$ 182,382**
Administration	664,446	232,217	-	22,940	**919,603**	**909,773**
Instruction	8,515,298	723,857	-	123,580	**9,362,735**	**9,285,160**
Plant	510,699	700,107	-	385,544	**1,596,350**	**1,393,181**
Transportation	196,589	249,988	-	61,229	**507,806**	**450,930**
Tuition and Related Fees	-	59,000	-	-	**59,000**	**55,000**
School Generated Funds	-	368,698	-	23,091	**391,789**	**371,086**
Complementary Services	292,723	37,663	-	889	**331,275**	**341,201**
External Services	11,817	13,438	-	-	**25,255**	**39,877**
Other	-	278,524	61,622	-	**340,146**	**66,850**
TOTAL	**$ 10,234,325**	**$ 2,728,449**	**$ 61,622**	**$ 617,273**	**$ 13,641,669**	**$ 13,095,440**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 as at March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

Details of the employee future benefits are as follows:

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate (excluding merit and promotion)		
For teachers	2.50%	2.50%
For non-teachers	3.00%	3.00%
Expected average remaining service life (years)	15	16

Liability for Employee Future Benefits	**2018**	**2017**
Accrued Benefit Obligation - beginning of year	**$ 285,000**	**$ 295,500**
Current period service cost	26,100	30,500
Interest cost	8,200	6,800
Benefit payments	(11,900)	(5,400)
Actuarial gains	(44,500)	(42,400)
Accrued Benefit Obligation - end of year	**262,900**	**285,000**
Unamortized Net Actuarial Gains	58,000	14,500
Liability for Employee Future Benefits	**$ 320,900**	**$ 299,500**

Employee Future Benefits Expense	**2018**	**2017**
Current period service cost	$ 26,100	$ 30,500
Amortization of net actuarial (gain) loss	(1,000)	1,700
Benefit cost	**25,100**	**32,200**
Interest cost	8,200	6,800
Total Employee Future Benefits Expense	**$ 33,300**	**$ 39,000**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 this plan for the school division's employees are as follows:

	2018	2017
	TOTAL	TOTAL
Number of active School Division members	92	91
Member contribution rate (percentage of salary)	11.3% / 13.5%	11.3% / 13.5%
Member contributions for the year	$ 780,573	$ 791,347

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, 2018

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. 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:

	2018	2017
Number of active School Division members	84	76
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	$ 172,868	$ 164,480
School Division contributions for the year	$ 172,868	$ 164,480
Actuarial extrapolation date	**Dec-31-2017**	**Dec-31-2016**
Plan Assets (in thousands)	$ 2,469,995	$ 2,323,947
Plan Liabilities (in thousands)	$ 2,015,818	$ 1,979,463
Plan Surplus (in thousands)	$ 454,177	$ 344,484

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:

	2018			2017		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	$ -	$ -	$ -	$ 1,753,293	$ -	$ 1,753,293
Other Receivables	150,334	-	150,334	51,169	-	51,169
Total Accounts Receivable	**$ 150,334**	**$ -**	**$ 150,334**	**$ 1,804,462**	**$ -**	**$ 1,804,462**

During the year, $278,524 of taxes receivable were transferred from the school division to the Government of Saskatchewan.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	$ 59,113	$ 79,972
Supplier Payments	227,483	359,018
Accrued Interest on Capital Loans	4,909	5,151
Total Accounts Payable and Accrued Liabilities	**$ 291,505**	**$ 444,141**

10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2018	2017
Capital Loans:	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.	$ 1,584,155	$ 1,662,372
Total Long-Term Debt		**$ 1,584,155**	**$ 1,662,372**

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

	Capital Loans	Total
2019	$ 81,216	**$ 81,216**
2020	83,883	**83,883**
2021	87,575	**87,575**
2022	91,198	**91,198**
2023	94,973	**94,973**
Thereafter	1,145,310	**1,145,310**
Total	**$ 1,584,155**	**$ 1,584,155**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

10. LONG-TERM DEBT (continued)

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

	Capital Loans	2018	2017
Principal	$ 78,217	**$ 78,217**	**$ 171,818**
Interest	61,094	**61,094**	**65,714**
Total	**$ 139,311**	**$ 139,311**	**$ 237,532**

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2017	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2018
Other deferred revenue:				
Education Property Tax	$ 136,811	$ -	$ 136,811	$ -
Total Deferred Revenue	**$ 136,811**	**$ -**	**$ 136,811**	**$ -**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

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	2018	2017
Revenues:							
Operating Grants	$ 194,478	$ 75,673	$ 9,000	$ 3,402	$ 5,000	**$ 287,553**	**$ 296,745**
Total Revenues	**194,478**	**75,673**	**9,000**	**3,402**	**5,000**	**287,553**	**296,745**
Expenses:							
Salaries & Benefits	231,373	60,017	534	798	-	**292,722**	**300,590**
Instructional Aids	3,666	2,540	9,331	-	7,663	**23,200**	**22,809**
Supplies and Services	1,966	746	-	1,106	-	**3,818**	**9,245**
Non-Capital Equipment	194	5,022	-	-	-	**5,216**	**1,557**
Communications	-	556	-	-	-	**556**	**1,076**
Travel	355	3,092	-	-	-	**3,447**	**4,602**
Professional Development (Non-Salary Costs)	80	1,306	-	41	-	**1,427**	**432**
Amortization of Tangible Capital Assets	889	-	-	-	-	**889**	**890**
Total Expenses	**238,523**	**73,279**	**9,865**	**1,945**	**7,663**	**331,275**	**341,201**
Excess (Deficiency) of Revenues over Expenses	**$ (44,045)**	**$ 2,394**	**$ (865)**	**$ 1,457**	**$ (2,663)**	**$ (43,722)**	**$ (44,456)**

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 is different than the English or French Immersion schools they are attending.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

Summary of External Services Revenues and Expenses, by Program	Child and Family Services	SaskReads	SCSBA AGM	2018	2017
Revenues:					
Operating Grants	$ 5,979	$ -	$ -	**$ 5,979**	**$ 4,816**
Fees and Other Revenues	-	20,000	4,500	**24,500**	**-**
Total Revenues	**5,979**	**20,000**	**4,500**	**30,479**	**4,816**
Expenses:					
Salaries & Benefits	11,817	-	-	**11,817**	**39,594**
Supplies and Services	115	-	-	**115**	**-**
Travel	27	13,296	-	**13,323**	**268**
Professional Development	-	-	-	**-**	**15**
Total Expenses	**11,959**	**13,296**	**-**	**25,255**	**39,877**
Excess (Deficiency) of Revenues over Expenses	**$ (5,980)**	**$ 6,704**	**$ 4,500**	**$ 5,224**	**$ (35,061)**

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

Child and Family Services – in connection with the Ministry of Social Services 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.

SaskReads – Holy Family is managing the SaskReads program for 2017/18 and 2018/19. The excess of revenue over expenses are held in restricted surplus for use in the subsequent year.

Saskatchewan Catholic School Boards Association Annual General Meeting (SCSBA AGM) – Holy Family is hosting the Saskatchewan Catholic School Boards Association Annual General Meeting to be held in October 2018, in Weyburn Saskatchewan. Some registration fees have been collected and are held in restricted surplus for use in the subsequent year.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
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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 2017	Additions during the year	Reductions during the year	August 31 2018
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 12,484,915	$ 750,689	$ 617,273	$ 12,618,331
Less: Debt owing on Tangible Capital Assets	(1,662,372)	-	(78,217)	(1,584,155)
	10,822,543	**750,689**	**539,056**	**11,034,176**
PMR maintenance project allocations (1)	**299,278**	**223,899**	**252,357**	**270,820**
Internally Restricted Surplus:				
Capital projects: (2)				
Designated for Tangible Capital Asset expenditures - Facilities (2a)	321,633	540,000	270,154	591,479
Designated for Tangible Capital Asset expenditures - Technology (2b)	91,500	740,000	58,384	773,116
Designated for Tangible Capital Asset expenditures - Transportation (2c)	71,500	553,500	266,122	358,878
	484,633	**1,833,500**	**594,660**	**1,723,473**
Other: (3)				
School Generated Funds (3a)	111,894	126,095	109,758	128,231
School Budget Carryovers (3b)	13,954	(8,612)	13,954	(8,612)
Scholarship Funds (3c)	8,000	-	1,000	7,000
Professional Development (3d)	8,189	7,885	4,156	11,918
Ministry Grants (3e)	27,357	17,402	19,473	25,286
Facilities, Equipment and Technology (3f)	146,004	119,516	82,623	182,897
Transportation (3g)	106,917	133,000	194,574	45,343
Other (3h)	626,369	255,958	391,680	490,647
	1,048,684	**651,244**	**817,218**	**882,710**
Unrestricted Surplus	**3,979,067**	**-**	**1,703,500**	**2,275,567**
Total Accumulated Surplus	**$ 16,634,205**	**$ 3,459,332**	**$ 3,906,791**	**$ 16,186,746**

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 3year 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. Board approved capital for facilities project in the subsequent year.
b. Board approved capital for technology hardware in the subsequent years.
c. Board approved capital for bus renewal in the subsequent years.

(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. Scholarship Funds – balance of funds restricted for scholarships. Current funds have been restricted for the Big Butte annual $1,000 scholarship that will continue to the end of 2024/25.
d. Professional Development – balance of professional development budgets that flow to following year per employment contracts.
e. Ministry Grants – balance of funds that flow to following year for ministry grants: First Nations and Metis Education, English as a Second Language, French as a Second Language and Early Childhood Intervention Program.
f. 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 2017-18.
g. Transportation – funds restricted for the purpose of managing an aging bus fleet.
h. Other – funds restricted for operational purposes. Included are excess funds from SaskReads and SCSBA AGM (see Note 13).

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 24, 2017 and the Minister of Education on August 28, 2017.

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, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the school division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

Related Party Transactions

Transactions with these related parties have occurred and been settled on normal trade terms.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

16. RELATED PARTIES (continued)

		2018		2017
Revenues:				
Ministry of Education	$	10,742,534	$	7,400,793
SGI, Saskatchewan Government Insurance		8,880		9,651
Ministry of Social Services		5,979		4,816
Holy Trinity RCSSD #22		1,250		-
Lloydminster RCSSD #89		1,000		-
Prince Albert RCSSD #6		2,000		-
	$	**10,761,643**	**$**	**7,415,260**
Expenses:				
Sask Energy	$	32,300	$	37,052
Sask Power		161,087		153,666
Sasktel, Sasktel Mobility		34,798		34,668
Saskatchewan Government Insurance		2,248		7,547
South East Cornerstone SD #209		37,443		10,119
Sakatchewan Workers' Compensation Board		22,319		25,305
	$	**290,195**	**$**	**268,357**
Prepaid Expenses:				
Sakatchewan Workers' Compensation Board	$	7,440	$	9,068
	$	**7,440**	**$**	**9,068**

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

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Office Rental	**Bus Lease**	**Total Operating**
Future minimum lease payments:			
2019	$ 146,503	$ 16,776	**$ 163,279**
2020	148,123	-	**148,123**
2021	149,808	-	**149,808**
2022	151,559	-	**151,559**
2023	153,382	-	**153,382**
Thereafter	312,524	-	**312,524**
Total Lease Obligations	**$ 1,061,899**	**$ 16,776**	**$ 1,078,675**

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18. CORRECTION OF PRIOR PERIOD ERROR

Subsequent to the year ended August 31, 2017, the school division identified an error in the 2017 expense reported for Sask Power in Note 16 Related Parties. Due to this error, the school division's Note 16 Related Parties expenses were understated by $41,452. The prior period comparative amounts have been restated from those previously reported to correct for this error. The correction of this error has impacted the school division’s financial statements as follows: Note 16 Related Parties 2017 comparative expenses have been increased by $41,452.

19. COMPARATIVE INFORMATION

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

20. RISK MANAGEMENT

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

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.

The aging of other accounts receivable at August 31, 2018 was:

	Total	Current	60-90 days	Over 90 days
Other Receivables	$ 7,445	$ 7,445	$ -	$ -
Net Receivables	**$ 7,445**	**$ 7,445**	**$ -**	**$ -**

Receivable amounts related to GST are not applicable to credit risk, as these do not meet the definition of a financial instrument.

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20. RISK MANAGEMENT (continued)

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, 2018				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	$ 291,505	$ 291,505	$ -	$ -	$ -
Long-term debt *(includes interest)*	2,070,056	69,777	69,777	558,217	1,372,285
Total	**$ 2,361,561**	**$ 361,282**	**$ 69,777**	**$ 558,217**	**$ 1,372,285**

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% per annum. 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, 2018.

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