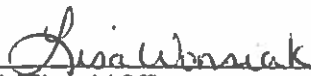

Audited Financial Statements

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

School Division No. 1406000

For the Period Ending: August 31, 2017



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:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 15, 2017



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, 2017 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, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Weyburn, SK
November 15, 2017

Chartered Professional Accountants

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

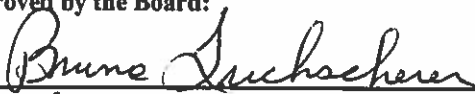
Holy Family Roman Catholic Separate School Division No. 140
Statement of Financial Position
as at August 31, 2017

	2017	2016
	\$	\$
Financial Assets		
Cash and Cash Equivalents	4,686,448	3,505,170
Accounts Receivable (Note 8)	1,804,462	1,918,705
Portfolio Investments (Note 4)	4,590	4,636
Total Financial Assets	6,495,500	5,428,511
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	444,141	110,916
Long-Term Debt (Note 10)	1,662,372	1,834,191
Liability for Employee Future Benefits (Note 6)	299,500	265,900
Deferred Revenue (Note 11)	136,811	357,870
Total Liabilities	2,542,824	2,568,877
Net Financial Assets	3,952,676	2,859,634
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	12,484,915	12,420,821
Prepaid Expenses	196,614	208,470
Total Non-Financial Assets	12,681,529	12,629,291
Accumulated Surplus (Note 14)	16,634,205	15,488,925

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, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
REVENUES	(Note 15)		
Property Taxation	6,139,493	6,085,243	5,946,574
Grants	6,941,030	7,139,997	6,766,597
School Generated Funds	350,000	373,035	364,797
Complementary Services (Note 12)	251,770	296,745	316,503
External Services (Note 13)	3,490	4,816	10,630
Other	27,000	340,884	123,323
Total Revenues (Schedule A)	13,712,783	14,240,720	13,528,424
EXPENSES			
Governance	212,002	182,382	144,012
Administration	969,818	909,773	1,042,849
Instruction	9,778,691	9,285,160	9,196,219
Plant	1,633,883	1,393,181	1,430,756
Transportation	470,817	450,930	400,908
Tuition and Related Fees	50,000	55,000	60,000
School Generated Funds	350,000	371,086	308,463
Complementary Services (Note 12)	310,174	341,201	380,115
External Services (Note 13)	76,174	39,877	44,376
Other Expenses	70,100	66,850	82,636
Total Expenses (Schedule B)	13,921,659	13,095,440	13,090,334
Operating Surplus (Deficit) for the Year	(208,876)	1,145,280	438,090
Accumulated Surplus from Operations, Beginning of Year	15,488,925	15,488,925	15,050,835
Accumulated Surplus from Operations, End of Year	15,280,049	16,634,205	15,488,925

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, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$ (Note 15)	\$	\$
Net Financial Assets, Beginning of Year	2,859,634	2,859,634	2,953,559
Changes During the Year			
Operating Surplus (Deficit) for the Year	(208,876)	1,145,280	438,090
Acquisition of Tangible Capital Assets (Schedule C)	(186,500)	(642,035)	(968,312)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	-	6,615
Net Gain on Disposal of Capital Assets (Schedule C)	-	-	(6,615)
Amortization of Tangible Capital Assets (Schedule C)	539,000	577,941	538,093
Net Change in Other Non-Financial Assets	-	11,856	(101,796)
Change in Net Financial Assets	143,624	1,093,042	(93,925)
Net Financial Assets, End of Year	3,003,258	3,952,676	2,859,634

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, 2017

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus for the Year	1,145,280	438,090
Add Non-Cash Items Included in Surplus (Schedule D)	577,941	531,478
Net Change in Non-Cash Operating Activities (Schedule E)	271,865	605,680
Cash Provided by Operating Activities	1,995,086	1,575,248
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(642,035)	(968,312)
Proceeds on Disposal of Tangible Capital Assets	-	6,615
Cash Used by Capital Activities	(642,035)	(961,697)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(159)
Proceeds on Disposal of Portfolio Investments	45	719
Cash Provided by Investing Activities	45	560
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(171,818)	(203,931)
Cash Used by Financing Activities	(171,818)	(203,931)
INCREASE IN CASH AND CASH EQUIVALENTS	1,181,278	410,180
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,505,170	3,094,990
CASH AND CASH EQUIVALENTS, END OF YEAR	4,686,448	3,505,170

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, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	6,139,493	5,976,645	5,846,771
Total Property Tax Revenue	<u>6,139,493</u>	<u>5,976,645</u>	<u>5,846,771</u>
Grants in Lieu of Taxes			
Provincial Government	-	93,259	83,281
Total Grants in Lieu of Taxes	<u>-</u>	<u>93,259</u>	<u>83,281</u>
Additions to Levy			
Penalties	-	38,504	32,038
Total Additions to Levy	<u>-</u>	<u>38,504</u>	<u>32,038</u>
Deletions from Levy			
Cancellations	-	(23,165)	(15,516)
Total Deletions from Levy	<u>-</u>	<u>(23,165)</u>	<u>(15,516)</u>
Total Property Taxation Revenue	<u>6,139,493</u>	<u>6,085,243</u>	<u>5,946,574</u>
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	6,760,176	6,907,843	6,593,971
Total Ministry Grants	<u>6,760,176</u>	<u>6,907,843</u>	<u>6,593,971</u>
Other Provincial Grants	10,000	35,949	1,772
Total Operating Grants	<u>6,770,176</u>	<u>6,943,792</u>	<u>6,595,743</u>
Capital Grants			
Ministry of Education Capital Grants	170,854	196,205	170,854
Total Capital Grants	<u>170,854</u>	<u>196,205</u>	<u>170,854</u>
Total Grants	<u>6,941,030</u>	<u>7,139,997</u>	<u>6,766,597</u>

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
School Generated Funds Revenue			
Curricular			
Student Fees	-	3,468	4,472
Total Curricular Fees	<u>-</u>	<u>3,468</u>	<u>4,472</u>
Non-Curricular Fees			
Commercial Sales - Non-GST	-	31,512	35,240
Fundraising	-	75,837	121,407
Grants and Partnerships	-	803	1,100
Students Fees	-	3,420	6,102
Other	350,000	257,995	196,476
Total Non-Curricular Fees	<u>350,000</u>	<u>369,567</u>	<u>360,325</u>
Total School Generated Funds Revenue	<u>350,000</u>	<u>373,035</u>	<u>364,797</u>
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	205,104	205,080	205,080
Other Ministry Grants	46,666	91,665	111,423
Total Operating Grants	<u>251,770</u>	<u>296,745</u>	<u>316,503</u>
Total Complementary Services Revenue	<u>251,770</u>	<u>296,745</u>	<u>316,503</u>

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
External Services			
Operating Grants			
Other Provincial Grants	3,490	4,816	10,630
Total Operating Grants	<u>3,490</u>	<u>4,816</u>	<u>10,630</u>
Total External Services Revenue	<u>3,490</u>	<u>4,816</u>	<u>10,630</u>
Other Revenue			
Miscellaneous Revenue	-	303,679	84,577
Sales & Rentals	-	-	3,790
Investments	27,000	37,205	28,341
Gain on Disposal of Capital Assets	-	-	6,615
Total Other Revenue	<u>27,000</u>	<u>340,884</u>	<u>123,323</u>
TOTAL REVENUE FOR THE YEAR	<u>13,712,783</u>	<u>14,240,720</u>	<u>13,528,424</u>

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	47,550	43,140	37,047
Professional Development - Board Members	57,202	48,003	34,830
Advisory Committees	-	3,791	3,500
Elections	10,000	3,629	-
Other Governance Expenses	97,250	83,819	68,635
Total Governance Expense	212,002	182,382	144,012
Administration Expense			
Salaries	638,347	609,202	704,835
Benefits	68,580	60,060	84,515
Supplies & Services	70,201	66,550	68,121
Non-Capital Furniture & Equipment	14,000	10,370	17,728
Building Operating Expenses	102,340	102,198	101,081
Communications	19,000	14,893	18,627
Travel	10,350	8,468	10,344
Professional Development	36,000	28,099	28,990
Amortization of Tangible Capital Assets	11,000	9,933	8,608
Total Administration Expense	969,818	909,773	1,042,849
Instruction Expense			
Instructional (Teacher Contract) Salaries	7,018,712	6,712,949	6,627,607
Instructional (Teacher Contract) Benefits	361,946	371,834	374,395
Program Support (Non-Teacher Contract) Salaries	1,254,819	1,191,062	1,231,747
Program Support (Non-Teacher Contract) Benefits	243,406	218,027	229,256
Instructional Aids	340,442	295,423	241,496
Supplies & Services	151,470	130,705	159,268
Non-Capital Furniture & Equipment	83,940	96,502	74,223
Communications	42,550	27,517	33,139
Travel	36,600	18,537	20,336
Professional Development	126,630	76,179	84,967
Student Related Expense	48,176	21,652	27,006
Amortization of Tangible Capital Assets	70,000	124,773	92,779
Total Instruction Expense	9,778,691	9,285,160	9,196,219

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	449,557	423,468	459,612
Benefits	87,012	79,198	82,668
Supplies & Services	22,650	3,513	8,664
Non-Capital Furniture & Equipment	8,000	3,627	7,204
Building Operating Expenses	634,814	480,417	472,480
Communications	6,500	4,974	4,550
Travel	17,050	14,350	17,446
Professional Development	8,300	2,401	2,426
Amortization of Tangible Capital Assets	400,000	381,233	375,706
Total Plant Operation & Maintenance Expense	1,633,883	1,393,181	1,430,756
Student Transportation Expense			
Salaries	156,601	146,473	127,100
Benefits	32,116	28,376	25,231
Supplies & Services	52,400	38,466	38,313
Non-Capital Furniture & Equipment	60,000	73,184	66,077
Communications	3,700	2,130	2,921
Contracted Transportation	129,000	126,581	105,547
Amortization of Tangible Capital Assets	37,000	35,720	35,719
Total Student Transportation Expense	470,817	450,930	400,908
Tuition and Related Fees Expense			
Tuition Fees	50,000	55,000	60,000
Total Tuition and Related Fees Expense	50,000	55,000	60,000
School Generated Funds Expense			
Academic Supplies & Services	25,000	3,638	3,977
Cost of Sales	75,000	84,988	73,906
Non-Capital Furniture & Equipment	-	11,099	-
School Fund Expenses	230,000	245,969	206,188
Amortization of Tangible Capital Assets	20,000	25,392	24,392
Total School Generated Funds Expense	350,000	371,086	308,463

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	144,821	112,804	123,022
Program Support (Non-Teacher Contract) Salaries & Benefits	138,253	187,786	150,766
Instructional Aids	7,500	22,809	52,905
Supplies & Services	8,500	9,245	9,159
Non-Capital Furniture & Equipment	-	1,557	27,674
Building Operating Expenses	-	-	2,400
Communications	950	1,076	5,949
Travel	5,050	4,602	3,326
Professional Development (Non-Salary Costs)	4,100	432	4,025
Amortization of Tangible Capital Assets	1,000	890	889
Total Complementary Services Expense	310,174	341,201	380,115
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	71,474	39,594	43,418
Supplies & Services	2,600	-	-
Communications	600	-	35
Travel	500	268	-
Professional Development (Non-Salary Costs)	1,000	15	923
Total External Services Expense	76,174	39,877	44,376
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	6,622	1,136	8,268
Interest on Capital Loans	63,478	65,714	74,368
Total Other Expense	70,100	66,850	82,636
TOTAL EXPENSES FOR THE YEAR	13,921,659	13,095,440	13,090,334

Holy Family Roman Catholic Separate School Division No. 140
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2017

	Land		Buildings		Short-Term		School Buses		Other Vehicles		Furniture and Equipment		Computer Hardware and Equipment		Assets Under Construction				
	\$		\$		\$		\$		\$		\$		\$		\$		2017	2016	
Tangible Capital Assets - at Cost																			
Opening Balance as of September 1	16,711	13,350,715	1,975,615	692,206	66,452	481,017	664,831	-	17,247,547	16,287,894									
Additions/Purchases	24,132	78,150	-	-	-	180,850	120,536	238,367	642,035	968,312									
Disposals	-	-	-	-	-	-	-	-	-	(8,659)									
Closing Balance as of August 31	40,843	13,428,865	1,975,615	692,206	66,452	661,867	785,367	238,367	17,889,582	17,247,547									
Tangible Capital Assets - Amortization																			
Opening Balance as of September 1	7,965	3,506,460	226,437	454,275	47,146	176,745	407,698	-	4,826,726	4,297,292									
Amortization of the Period	2,042	268,578	100,132	35,719	8,894	59,282	103,294	-	577,941	538,093									
Disposals	-	-	-	-	-	-	-	-	-	(8,659)									
Closing Balance as of August 31	10,007	3,775,038	326,569	489,994	56,040	236,027	510,992	N/A	5,404,667	4,826,726									
Net Book Value																			
Opening Balance as of September 1	8,746	9,844,255	1,749,178	237,931	19,306	304,272	257,133	-	12,420,821	11,990,602									
Closing Balance as of August 31	30,836	9,653,827	1,649,046	202,212	10,412	425,840	274,375	238,367	12,484,915	12,420,821									
Change in Net Book Value	22,090	(190,428)	(100,132)	(35,719)	(8,894)	121,568	17,242	238,367	64,094	430,219									
Disposals																			
Historical Cost	-	-	-	-	-	-	-	-	-	8,659									
Accumulated Amortization	-	-	-	-	-	-	-	-	-	8,659									
Net Cost	-	-	-	-	-	-	-	-	-	-									
Price of Sale	-	-	-	-	-	-	-	-	-	6,615									
Gain on Disposal	-	-	-	-	-	-	-	-	-	6,615									
Net Book Value (NBV) of Assets Pledged as Security for Debt	-	-	-	35,078	-	-	-	-	35,078	42,093									

Holy Family Roman Catholic Separate School Division No. 140
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2017

	2017	2016
	\$	\$
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	577,941	538,093
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	-	(6,615)
Total Non-Cash Items Included in Surplus	577,941	531,478

Holy Family Roman Catholic Separate School Division No. 140
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2017

	2017	2016
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	114,243	768,779
Increase (Decrease) in Accounts Payable and Accrued Liabilities	333,225	(110,689)
Increase in Liability for Employee Future Benefits	33,600	26,600
(Decrease) Increase in Deferred Revenue	(221,059)	22,786
Decrease (Increase) in Prepaid Expenses	11,856	(101,796)
Total Net Change in Non-Cash Operating Activities	271,865	605,680

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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 \$299,500 (2016 - \$265,900) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$6,085,243 (2016 - \$5,946,574) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$577,941 (2016 - \$538,093) 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, 2017

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.

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
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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 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

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

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NOTES TO THE FINANCIAL STATEMENTS
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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
As at August 31, 2017

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). 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.

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 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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 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.

k) Adoption of Public Sector Accounting Standards

On September 1, 2016, the school division adopted Public Sector Accounting standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights. Adoption of these standards has not resulted in any disclosure changes.

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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, 2017 was \$NIL (August 31, 2016 - \$NIL).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2017	2016
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Co-Operative Corporations, shares	\$ 4,590	\$ 4,636
Total portfolio investments reported at cost and amortized cost	\$ 4,590	\$ 4,636

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2017 Actual	2016 Actual
Governance	\$ 60,204	\$ 122,178	\$ -	\$ -	\$ 182,382	\$ 144,012
Administration	669,262	230,578	-	9,933	909,773	1,042,849
Instruction	8,493,872	666,515	-	124,773	9,285,160	9,196,219
Plant	502,666	509,282	-	381,233	1,393,181	1,430,756
Transportation	174,849	240,361	-	35,720	450,930	400,908
Tuition and Related Fees	-	55,000	-	-	55,000	60,000
School Generated Funds	-	345,694	-	25,392	371,086	308,463
Complementary Services	300,590	39,721	-	890	341,201	380,115
External Services	39,594	283	-	-	39,877	44,376
Other	-	-	66,850	-	66,850	82,636
TOTAL	\$10,241,037	\$2,209,612	\$ 66,850	\$ 577,941	\$13,095,440	\$13,090,334

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2017.

Details of the employee future benefits are as follows:

	2017	2016
	Aug. 31, 2017	Aug. 31, 2016
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.69%	2.10%
Inflation and productivity rate (excluding merit and promotion)		
For teachers	2.50%	3.20%
For non-teachers	3.00%	3.20%
Expected average remaining service life (years)	16	16

Liability for Employee Future Benefits	2017	2016
Accrued Benefit Obligation - beginning of year	\$ 295,500	\$ 255,200
Current period service cost	30,500	27,700
Interest cost	6,800	7,000
Benefit payments	(5,400)	(8,900)
Actuarial (gains)/losses	(42,400)	14,500
Accrued Benefit Obligation - end of year	285,000	295,500
Unamortized Net Actuarial Gains/(Losses)	14,500	(29,600)
Liability for Employee Future Benefits	\$ 299,500	\$ 265,900

Employee Future Benefits Expense	2017	2016
Current period service cost	\$ 30,500	\$ 27,700
Amortization of net actuarial loss	1,700	800
Benefit cost	32,200	28,500
Interest cost	6,800	7,000
Total Employee Future Benefits Expense	\$ 39,000	\$ 35,500

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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:

	<u>2017</u>	<u>2016</u>
	<u>TOTAL</u>	<u>TOTAL</u>
Number of active School Division members	91	89
Member contribution rate (percentage of salary)	11.3% / 13.5%	10.2% / 12.4%
Member contributions for the year	\$ 791,347	\$ 687,226

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, 2017

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:

	2017	2016
Number of active School Division members	76	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	\$ 164,480	\$ 180,670
School Division contributions for the year	\$ 164,480	\$ 180,670
Actuarial (extrapolation) valuation date	(Dec-31-2016)	Dec-31-2015
Plan Assets (in thousands)	\$ 2,323,947	\$ 2,148,676
Plan Liabilities (in thousands)	\$ 1,979,463	\$ 1,831,743
Plan Surplus (in thousands)	\$ 344,484	\$ 316,933

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:

	2017			2016		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 1,753,293	\$ -	\$ 1,753,293	\$ 1,860,251	\$ -	\$ 1,860,251
Other Receivables	51,169	-	51,169	58,454	-	58,454
Total Accounts Receivable	\$ 1,804,462	\$ -	\$ 1,804,462	\$ 1,918,705	\$ -	\$ 1,918,705

As at January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan will now be the taxing authority for education property tax. After that date, the school division will no longer earn taxation revenue.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2017	2016
Accrued Salaries and Benefits	\$ 79,972	\$ 71,436
Supplier Payments	359,018	33,891
Accrued Interest on Capital Loans	5,151	5,589
Total Accounts Payable and Accrued Liabilities	\$ 444,141	\$ 110,916

10. LONG-TERM DEBT

Details of long-term debt are as follows:

	2017	2016
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 matured on May 1, 2017.	\$ -	\$ 96,316
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.	1,662,372	1,737,875
Total Long-Term Debt	\$ 1,662,372	\$ 1,834,191

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

	Capital Loans	Total
2018	\$ 78,218	\$ 78,218
2019	81,216	81,216
2020	83,883	83,883
2021	87,575	87,575
2022	91,198	91,198
Thereafter	1,240,282	1,240,282
Total	\$ 1,662,372	\$ 1,662,372

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

10. LONG-TERM DEBT (continued)

Principal and interest payments on the long-term debt are as follows:					
	Capital Loans		2017		2016
Principal	\$	171,818	\$	171,818	\$ 203,931
Interest		65,714		65,714	74,368
Total	\$	237,532	\$	237,532	\$ 278,299

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2016	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2017
Capital projects:				
Proceeds from sale of school buildings	\$ 289,023	\$ -	\$ 289,023	\$ -
Total capital projects deferred revenue	289,023	-	289,023	-
Other deferred revenue:				
Education Property Tax	68,847	136,811	68,847	136,811
Total other deferred revenue	68,847	136,811	68,847	136,811
Total Deferred Revenue	\$ 357,870	\$ 136,811	\$ 357,870	\$ 136,811

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
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As at August 31, 2017

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 2017 and 2016:

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	2017	2016
Revenues:							
Operating Grants	\$ 205,080	\$ 75,673	\$ 10,000	\$ 5,992	\$ -	\$ 296,745	\$ 316,503
Total Revenues	205,080	75,673	10,000	5,992	-	296,745	316,503
Expenses:							
Salaries & Benefits	217,388	83,202	-	-	-	300,590	273,788
Instructional Aids	7,368	292	10,000	-	5,149	22,809	52,905
Supplies and Services	2,442	672	-	6,131	-	9,245	9,159
Non-Capital Equipment	-	1,557	-	-	-	1,557	27,674
Building Operating Expenses	-	-	-	-	-	-	2,400
Communications	-	1,076	-	-	-	1,076	5,949
Travel	305	4,297	-	-	-	4,602	3,326
Professional Development (Non-Salary Costs)	432	-	-	-	-	432	4,025
Amortization of Tangible Capital Assets	890	-	-	-	-	890	889
Total Expenses	228,825	91,096	10,000	6,131	5,149	341,201	380,115
Excess (Deficiency) of Revenues over Expenses	\$ (23,745)	\$ (15,423)	\$ -	\$ (139)	\$ (5,149)	\$ (44,456)	\$ (63,612)

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 it 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
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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 2017 and 2016:

Summary of External Services Revenues and Expenses, by Program	Child and Family Services	2017	2016
Revenues:			
Operating Grants	\$ 4,816	\$ 4,816	\$ 10,630
Total Revenues	4,816	4,816	10,630
Expenses:			
Salaries & Benefits	39,594	39,594	43,418
Communications	-	-	35
Travel	268	268	-
Professional Development	15	15	923
Total Expenses	39,877	39,877	44,376
(Deficiency) of Revenues over Expenses	\$ (35,061)	\$ (35,061)	\$ (33,746)

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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 2016	Additions during the year	Reductions during the year	August 31 2017
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 12,420,821	\$ 642,035	\$ 577,941	\$ 12,484,915
Less: Debt owing on Tangible Capital Assets	(1,834,191)	-	(171,819)	(1,662,372)
	10,586,630	642,035	406,122	10,822,543
PMR maintenance project allocations (1)	195,868	196,205	92,795	299,278
Internally Restricted Surplus:				
Capital projects: (2)				
Designated for Tangible Capital Asset expenditures - Facilities (2a)	-	560,000	238,367	321,633
Designated for Tangible Capital Asset expenditures - Technology (2b)	-	91,500	-	91,500
Designated for Tangible Capital Asset expenditures - Transportation (2c)	-	71,500	-	71,500
	-	723,000	238,367	484,633
Other: (3)				
School Generated Funds (3a)	94,744	111,098	93,948	111,894
School Budget Carryovers (3b)	(5,225)	13,954	(5,225)	13,954
Scholarship Funds (3c)	-	8,000	-	8,000
Professional Development (3d)	3,486	8,190	3,487	8,189
Ministry Grants (3e)	32,645	10,992	16,280	27,357
Facilities, Equipment and Technology (3f)	319,854	50,000	223,850	146,004
Transportation (3g)	100,000	40,000	33,083	106,917
Other (3h)	107,853	551,000	32,484	626,369
	653,357	793,234	397,907	1,048,684
Unrestricted Surplus	4,053,070	270,974	344,977	3,979,067
Total Accumulated Surplus	\$ 15,488,925	\$ 2,625,448	\$ 1,480,168	\$ 16,634,205

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.

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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 2016-17.
- g. Transportation – funds restricted for the purpose of managing an aging bus fleet.
- h. Other – funds restricted for operational purposes.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 13, 2016 and the Minister of Education on August 8, 2016.

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.

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
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16. RELATED PARTIES (continued)

	2017	2016
Revenues:		
Ministry of Education	\$ 7,400,793	\$ 7,081,328
SGI, Saskatchewan Government Insurance	9,651	7,456
Ministry of Social Services	4,816	10,630
	\$ 7,415,260	\$ 7,099,414
Expenses:		
Sask Energy	\$ 37,052	\$ 29,860
Sask Power	112,214	150,599
Sasktel, Sasktel Mobility	34,668	37,812
SGI, Saskatchewan Government Insurance	7,547	20,656
South East Cornerstone School	10,119	17,099
Sakatchewan Workers Compensation Board	25,305	25,754
	\$ 226,905	\$ 281,780
Prepaid Expenses:		
Sakatchewan Workers Compensation Board	\$ 9,068	\$ 8,410
	\$ 9,068	\$ 8,410

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 a school board loan.

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17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Bus Route Service Contract for two routes of \$100,600 over 1 year.

Operating lease obligations of the school division are as follows:

	Operating Leases			
	Office Rental	Copier Leases	Bus Lease	Total Operating
Future minimum lease payments:				
2018	\$ 144,946	\$ 25,468	\$ 43,066	\$ 213,480
2019	146,503	-	16,776	163,279
2020	148,123	-	-	148,123
2021	149,808	-	-	149,808
2022	151,559	-	-	151,559
Thereafter	465,905	-	-	465,905
Total Lease Obligations	\$ 1,206,844	\$ 25,468	\$ 59,842	\$ 1,292,154

18. ACCOUNTING CHANGES

On September 1, 2016, the school division adopted the following new standards:

- PS 3420 Inter-entity Transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective; and
- PS 3430 Restructuring Transactions. This section establishes how to account for and report restructuring transactions for both the receipt and transfer of assets and liabilities, together with related program or operating responsibilities.

The adoption of the new standards has been on a prospective basis, without restatement of prior period comparative amounts.

The adoption of the new standards has not resulted in any changes to the measurement, recognition, or disclosure of the school division's inter-entity transactions. During the year, the school division did not have any restructuring transactions.

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19. COMPARATIVE INFORMATION

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

20. SUBSEQUENT EVENTS

Subsequent to the year end the school division entered into an agreement to lease one school bus until June 30, 2019 at a total cost of \$30,892.

21. 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, 2017 was:

		August 31, 2017			
		Total	Current	60-90 days	Over 90 days
Other Receivables	\$	5,183	\$ 5,183	\$ -	\$ -
Net Receivables	\$	5,183	\$ 5,183	\$ -	\$ -

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:

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21. RISK MANAGEMENT (continued)

	August 31, 2017				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 444,141	\$ 444,141	\$ -	\$ -	\$ -
Long-term debt (includes interest)	2,209,610	69,777	69,777	558,217	1,511,839
Total	\$ 2,653,751	\$ 513,918	\$ 69,777	\$ 558,217	\$ 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, 2017.

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