
**LIGHT OF CHRIST ROMAN CATHOLIC
SEPARATE SCHOOL DIVISION NO. 16**

FINANCIAL STATEMENTS

AUGUST 31, 2014

**BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS**

BAERT CAMERON ODISHAW LA COCK
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Directors
Light of Christ Roman Catholic Separate School Division No. 16
North Battleford, Saskatchewan

We have audited the accompanying financial statements of Light of Christ Roman Catholic Separate School Division No. 16, which comprise the statement of financial position as at August 31, 2014, the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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 Light of Christ Roman Catholic Separate School Division No. 16 as at August 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

North Battleford, Saskatchewan
November 25, 2014

Light of Christ Roman Catholic Separate School Division No. 16
Statement of Financial Position
as at August 31, 2014

	2014	2013
Financial Assets		
Cash and Cash Equivalents	4,637,153	2,567,435
Accounts Receivable (Note 8)	494,527	858,169
Inventories for Sale	2,042	5,770
Portfolio Investments (Note 4)	10,052	11,074
Total Financial Assets	5,143,774	3,442,448
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	741,928	709,876
Liability for Employee Future Benefits (Note 6)	279,500	252,800
Deferred Revenue (Note 10)	81,021	62,445
Total Liabilities	1,102,449	1,025,121
Net Financial Assets	4,041,325	2,417,327
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	7,733,212	8,190,120
Inventory of Supplies for Consumption	33,422	51,723
Prepaid Expenses	75,698	83,125
Total Non-Financial Assets	7,842,332	8,324,968
Accumulated Surplus (Note 13)	11,883,657	10,742,295

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

Light of Christ Roman Catholic Separate School Division No. 16
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
REVENUES	(Note 14)		
Property Taxation	2,291,330	2,231,375	1,982,850
Grants	17,487,540	18,047,740	16,888,955
Tuition and Related Fees	569,784	749,336	773,626
School Generated Funds	860,000	875,612	992,447
Complementary Services (Note 11)	482,732	466,331	416,157
External Services (Note 12)	269,537	371,545	546,468
Other	151,912	269,158	266,467
Total Revenues (Schedule A)	22,112,835	23,011,097	21,866,970
EXPENSES			
Governance	195,711	185,919	181,536
Administration	1,196,922	1,150,017	937,280
Instruction	16,011,291	15,675,552	15,311,739
Plant	2,849,080	2,532,847	3,045,111
Transportation	469,955	579,583	390,160
Tuition and Related Fees	30,200	53,000	1,200
School Generated Funds	860,000	887,192	964,890
Complementary Services (Note 11)	414,804	418,699	355,508
External Services (Note 12)	359,643	378,925	559,531
Other Expenses	12,000	8,001	8,000
Total Expenses (Schedule B)	22,399,606	21,869,735	21,754,955
Operating Surplus (Deficit) for the Year	(286,771)	1,141,362	112,015
Accumulated Surplus from Operations, Beginning of Year	10,742,295	10,742,295	10,630,280
Accumulated Surplus from Operations, End of Year	10,455,524	11,883,657	10,742,295

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

Light of Christ Roman Catholic Separate School Division No. 16
Statement of Changes in Net Financial Assets
for the year ended August 31, 2014

	2014 Budget (Note 14)	2014 Actual	2013 Actual
Net Financial Assets, Beginning of Year	2,417,327	2,417,327	1,980,787
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(286,771)	1,141,362	112,015
Acquisition of Tangible Capital Assets (Schedule C)	(108,000)	(134,511)	(337,657)
Amortization of Tangible Capital Assets (Schedule C)	567,062	591,419	661,328
Net Acquisition of Inventory of Supplies	-	18,301	(3,524)
Net Change in Other Non-Financial Assets	-	7,427	4,378
Change in Net Financial Assets	172,291	1,623,998	436,540
Net Financial Assets, End of Year	2,589,618	4,041,325	2,417,327

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

Light of Christ Roman Catholic Separate School Division No. 16**Statement of Cash Flows
for the year ended August 31, 2014**

	2014	2013
OPERATING ACTIVITIES		
Operating Surplus for the Year	1,141,362	112,015
Add Non-Cash Items Included in Surplus (Schedule D)	591,419	661,328
Net Change in Non-Cash Operating Activities (Schedule E)	470,426	492,922
Cash Provided by Operating Activities	2,203,207	1,266,265
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(134,511)	(337,657)
Cash (Used) by Capital Activities	(134,511)	(337,657)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	1,022	(380)
Cash Provided (Used) by Investing Activities	1,022	(380)
INCREASE IN CASH AND CASH EQUIVALENTS	2,069,718	928,228
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,567,435	1,639,207
CASH AND CASH EQUIVALENTS, END OF YEAR	4,637,153	2,567,435

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

Light of Christ Roman Catholic Separate School Division No. 16

Schedule A: Supplementary Details of Revenue

for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	2,180,145	2,033,903	1,988,990
Total Property Tax Revenue	2,180,145	2,033,903	1,988,990
Grants in Lieu of Taxes:			
Federal Government	3,860	4,871	2,728
Provincial Government	34,046	89,299	1,881
Other	67,413	103,671	4,210
Total Grants in Lieu of Taxes	105,319	197,841	8,819
Other Tax Revenues:			
House Trailer Fees	3,032	1,995	(8,074)
Total Other Tax Revenues	3,032	1,995	(8,074)
Additions to Levy:			
Penalties	2,834	4,811	3,295
Total Additions to Levy	2,834	4,811	3,295
Deletions from Levy:			
Cancellations	-	(7,175)	(7,036)
Other Deletions	-	-	(3,144)
Total Deletions from Levy	-	(7,175)	(10,180)
Total Property Taxation Revenue	2,291,330	2,231,375	1,982,850
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	17,196,733	17,478,692	16,128,018
Other Ministry Grants	45,000	270,483	137,015
Total Ministry Grants	17,241,733	17,749,175	16,265,033
Other Provincial Grants	56,440	41,990	39,231
Grants from Others	20,000	-	-
Total Operating Grants	17,318,173	17,791,165	16,304,264
Capital Grants			
Ministry of Education Capital Grants	169,367	256,575	584,691
Total Capital Grants	169,367	256,575	584,691
Total Grants	17,487,540	18,047,740	16,888,955

Light of Christ Roman Catholic Separate School Division No. 16
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Federal Government and First Nations	537,784	731,136	751,633
Total Tuition Fees	537,784	731,136	751,633
Transportation Fees	32,000	18,200	21,993
Total Operating Tuition and Related Fees	569,784	749,336	773,626
Total Tuition and Related Fees Revenue	569,784	749,336	773,626
School Generated Funds Revenue			
Curricular:			
Student Fees	68,000	53,504	59,459
Total Curricular Fees	68,000	53,504	59,459
Non-Curricular Fees:			
Commercial Sales - GST	20,000	8,427	11,138
Commercial Sales - Non-GST	42,000	80,051	82,961
Fundraising	122,000	151,129	122,465
Grants and Partnerships	55,000	68,937	75,151
Students Fees	450,000	462,727	573,065
Other	103,000	50,837	68,208
Total Non-Curricular Fees	792,000	822,108	932,988
Total School Generated Funds Revenue	860,000	875,612	992,447
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	482,732	466,331	416,157
Total Operating Grants	482,732	466,331	416,157
Total Complementary Services Revenue	482,732	466,331	416,157

Light of Christ Roman Catholic Separate School Division No. 16
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
External Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	159,537	207,423	408,167
Other Grants		20,000	
Total Operating Grants	159,537	227,423	408,167
Fees and Other Revenue			
Tuition and Related Fees	-	20,000	20,000
Other Revenue	110,000	124,122	118,301
Total Fees and Other Revenue	110,000	144,122	138,301
Total External Services Revenue	269,537	371,545	546,468
Other Revenue			
Miscellaneous Revenue	111,936	208,774	217,198
Sales & Rentals	28,676	25,480	23,576
Investments	11,300	34,904	25,693
Total Other Revenue	151,912	269,158	266,467
TOTAL REVENUE FOR THE YEAR	22,112,835	23,011,097	21,866,970

Light of Christ Roman Catholic Separate School Division No. 16

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	60,339	51,625	56,027
Professional Development- Board Members	34,000	38,311	24,196
Advisory Committees	6,600	5,600	6,400
Elections	2,200	2,426	8,991
Other Governance Expenses	92,572	87,957	85,922
Total Governance Expense	195,711	185,919	181,536
Administration Expense			
Salaries	934,844	873,935	756,113
Benefits	83,716	68,904	62,623
Supplies & Services	51,482	72,925	29,185
Non-Capital Furniture & Equipment	14,000	11,129	13,075
Building Operating Expenses	26,779	27,989	34,762
Communications	18,750	19,278	21,408
Travel	25,900	24,543	5,740
Professional Development	36,600	42,818	7,019
Amortization of Tangible Capital Assets	4,851	8,496	7,355
Total Administration Expense	1,196,922	1,150,017	937,280
Instruction Expense			
Instructional (Teacher Contract) Salaries	11,126,591	10,939,738	10,621,756
Instructional (Teacher Contract) Benefits	662,652	637,524	651,544
Program Support (Non-Teacher Contract) Salaries	2,477,090	2,371,722	2,352,907
Program Support (Non-Teacher Contract) Benefits	444,723	440,144	404,775
Instructional Aids	323,044	379,376	422,843
Supplies & Services	381,757	297,233	232,564
Non-Capital Furniture & Equipment	124,385	137,930	98,190
Communications	44,383	40,343	34,142
Travel	58,777	70,314	78,781
Professional Development	123,065	101,196	90,006
Student Related Expense	119,997	117,879	119,607
Amortization of Tangible Capital Assets	124,827	142,153	204,624
Total Instruction Expense	16,011,291	15,675,552	15,311,739

Light of Christ Roman Catholic Separate School Division No. 16
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	820,622	821,799	810,214
Benefits	155,370	137,172	128,211
Supplies & Services	26,410	1,483	25,454
Non-Capital Furniture & Equipment	10,600	14,603	13,153
Building Operating Expenses	1,373,945	1,099,901	1,602,018
Communications	3,300	1,779	1,517
Travel	18,449	15,001	14,365
Professional Development	3,000	339	830
Amortization of Tangible Capital Assets	437,384	440,770	449,349
Total Plant Operation & Maintenance Expense	2,849,080	2,532,847	3,045,111
Student Transportation Expense			
Salaries	-	66,371	-
Benefits	-	11,330	-
Supplies & Services	-	533	320
Professional Development	-	-	357
Contracted Transportation	469,955	501,349	389,483
Total Student Transportation Expense	469,955	579,583	390,160
Tuition and Related Fees Expense			
Tuition Fees	30,200	3,000	1,200
Other Fees	-	50,000	-
Total Tuition and Related Fees Expense	30,200	53,000	1,200
School Generated Funds Expense			
Supplies & Services	68,500	61,666	65,487
Cost of Sales	60,000	69,222	68,960
Non-Capital Furniture & Equipment	1,500	6,983	5,937
School Fund Expenses	730,000	749,321	824,506
Total School Generated Funds Expense	860,000	887,192	964,890

Light of Christ Roman Catholic Separate School Division No. 16
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	261,431	276,056	223,884
Program Support (Non-Teacher Contract) Salaries & Benefits	114,593	114,571	103,113
Instructional Aids	38,000	14,432	15,998
Supplies & Services	-	500	-
Non-Capital Furniture & Equipment	-	-	3,628
Travel	-	1,682	-
Professional Development (Non-Salary Costs)	780	1,033	114
Student Related Expenses	-	10,377	8,308
Contracted Transportation & Allowances	-	48	463
Total Complementary Services Expense	414,804	418,699	355,508
External Service Expense			
Other Fees	-	-	163,362
Instructional (Teacher Contract) Salaries & Benefits	25,600	24,188	24,876
Program Support (Non-Teacher Contract) Salaries & Benefits	170,643	252,745	258,001
Instructional Aids	43,200	3,982	6,138
Supplies & Services	90,800	89,679	94,906
Non-Capital Furniture & Equipment	2,500	149	3,900
Communications	1,700	1,599	1,231
Travel	1,500	1,731	1,991
Professional Development (Non-Salary Costs)	3,500	904	2,246
Student Related Expenses	20,200	1,653	2,529
Contracted Transportation & Allowances	-	2,295	351
Total External Services Expense	359,643	378,925	559,531

Light of Christ Roman Catholic Separate School Division No. 16
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	12,000	8,001	8,000
Total Interest and Bank Charges	<u>12,000</u>	<u>8,001</u>	<u>8,000</u>
Total Other Expense	12,000	8,001	8,000
TOTAL EXPENSES FOR THE YEAR	22,399,606	21,869,735	21,754,955

Light of Christ Roman Catholic Separate School Division No. 16

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2014

	Land	Land Improvements	Buildings	Buildings Short term	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	2014	2013
<i>Tangible Capital Assets - at Cost:</i>									
Opening Balance as of September 1	387,921	624,956	20,279,891	647,927	84,500	1,210,929	605,588	23,841,712	23,504,055
Additions/Purchases	-	-	-	-	-	64,163	70,348	134,511	337,657
Closing Balance as of August 31	387,921	624,956	20,279,891	647,927	84,500	1,275,092	675,936	23,976,223	23,841,712
<i>Tangible Capital Assets - Amortization:</i>									
Opening Balance as of September 1	-	622,921	13,436,375	91,867	84,500	1,059,349	356,580	15,651,592	14,990,264
Amortization of the Period	-	143	404,628	30,865	-	40,614	115,169	591,419	661,328
Closing Balance as of August 31	-	623,064	13,841,003	122,732	84,500	1,099,963	471,749	16,243,011	15,651,592
Net Book Value:									
Opening Balance as of September 1	387,921	2,035	6,843,516	556,060	-	151,580	249,008	8,190,120	8,513,791
Closing Balance as of August 31	387,921	1,892	6,438,888	525,195	-	175,129	204,187	7,733,212	8,190,120
Change in Net Book Value	-	(143)	(404,628)	(30,865)	-	23,549	(44,821)	(456,908)	(323,671)

Light of Christ Roman Catholic Separate School Division No. 16
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2014

	2014	2013
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	591,419	661,328
Total Non-Cash Items Included in Surplus	591,419	661,328

Light of Christ Roman Catholic Separate School Division No. 16
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2014

	2014	2013
Net Change in Non-Cash Operating Activities:		
Decrease in Accounts Receivable	363,642	821,764
Decrease in Inventories for Sale	3,728	-
Increase in Accounts Payable and Accrued Liabilities	32,052	38,006
Increase in Liability for Employee Future Benefits	26,700	10,500
Increase (Decrease) in Deferred Revenue	18,576	(378,202)
Decrease (Increase) in Inventory of Supplies for Consumption	18,301	(3,524)
Decrease in Prepaid Expenses	7,427	4,378
Total Net Change in Non-Cash Operating Activities	470,426	492,922

LIGHT OF CHRIST ROMAN CATHOLIC SEPARATE SCHOOL DIVISION No. 16
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Light of Christ Roman Catholic Separate School Division No. 16" and operates as "the Light of Christ Roman Catholic Separate School Division No. 16". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Adoption of New Public Sector Accounting (PSA) Standards

In 2014, the school division adopted the new PSA standard PS3260 Liability for Contaminated Sites.

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 18 - Accounting Changes.

b) Reporting Entity

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

c) Trust Funds

Trust funds are properties assigned to the school division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As trustee, the school division merely administers the terms and conditions embodied in the agreement and has no unilateral authority to change the conditions set out in the trust indenture.

Trust funds are not included in the financial statements as they are not controlled by the school division.

LIGHT OF CHRIST ROMAN CATHOLIC SEPARATE SCHOOL DIVISION No. 16
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

d) Basis of Accounting

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

e) Measurement Uncertainty and the Use of Estimates

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

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

- the liability for employee future benefits of \$279,500 (2013 - \$252,800) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$2,231,375 (2013 - \$1,982,850) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$591,419 (2013 - \$661,328) because the actual useful lives may differ from initial estimates.

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

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

f) Financial Instruments

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

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

LIGHT OF CHRIST ROMAN CATHOLIC SEPARATE SCHOOL DIVISION No. 16
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

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

g) Financial Assets

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

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

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

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

Inventories for Sale consist of consumables which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

Portfolio Investments consist of equities with Innovation Credit Union and the Battlefords Co-op. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (f).

h) 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.

LIGHT OF CHRIST ROMAN CATHOLIC SEPARATE SCHOOL DIVISION No. 16
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

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

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 (portables, storage sheds, outbuildings, garages)	20 years
Other vehicles – passenger	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years

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

Inventory of Supplies for Consumption consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include fees to Saskatchewan School Boards Association membership fees as well as insurance, and Workers Compensation which will provide economic benefits in one or more future periods.

i) 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.

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

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

j) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Defined Contribution Plans

The school division's support staff participate in a defined contribution pension plan. The school division's contributions to the plan are expensed when due.

k) 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.

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The school division's sources of revenues include the following:

i) Government Transfers (Grants):

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation:

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan 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.

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.

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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.

l) Statement of Remeasurement Gains and Losses

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

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$1,500,000 that bears interest at bank prime minus 0.75% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by grants and taxes. This line of credit was approved by the Minister of Education on May 14, 2013. The balance drawn on the line of credit at August 31, 2014 was \$0.00 (August 31, 2013 - \$0.00).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2014	2013
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Innovation Credit Union - Equity	\$ 10,000	\$ 10,000
Battlefords District Co-op	52	1,074
Total portfolio investments	\$ 10,052	\$ 11,074

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 67,375	\$ 118,544	\$ -	\$ 195,711	\$ 185,919	\$ 181,536
Administration	942,839	198,682	8,496	1,196,922	1,150,017	937,280
Instruction	14,389,128	1,144,271	142,153	16,011,291	15,675,552	15,311,739
Plant	958,971	1,133,106	440,770	2,849,080	2,532,847	3,045,111
Transportation	77,701	501,882	-	469,955	579,583	390,160
Tuition and Related Fees	-	53,000	-	30,200	53,000	1,200
School Generated Funds	-	887,192	-	860,000	887,192	964,890
Complementary Services	390,627	28,072	-	414,804	418,699	355,508
External Services	276,933	101,992	-	359,643	378,925	559,531
Other	-	8,001	-	12,000	8,001	8,000
TOTAL	\$17,103,574	\$ 4,174,742	\$ 591,419	\$22,399,606	\$21,869,735	\$ 21,754,955

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 and retirement gratuity liabilities. Significant assumptions include the average remaining service life of employees and the amount of benefit payments. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position.

Details of the employee future benefits are as follows:

	2014	2013
	August 31, 2014	August 31, 2013
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	2.80%	3.50%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	<i>15 years</i>	<i>15 years</i>

Liability for Employee Future Benefits	2014	2013
Accrued Benefit Obligation - beginning of year	\$ 280,200	\$ 300,700
Current period benefit cost	22,400	24,500
Interest cost	10,400	8,400
Benefit payments	(8,400)	(26,500)
Actuarial gains / losses	25,000	(26,900)
Accrued Benefit Obligation - end of year	329,600	280,200
Unamortized Net Actuarial Gains / Losses	(50,100)	(27,400)
Liability for Employee Future Benefits	\$ 279,500	\$ 252,800

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Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 22,400	\$ 24,500
Amortization of net actuarial gain / loss	2,300	4,100
Benefit cost	24,700	28,600
Interest cost on unfunded employee future benefits obligation	10,400	8,400
Total Employee Future Benefits Expense	\$ 35,100	\$ 37,000

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

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

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

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	178	11	189	196
Member contribution rate (percentage of salary)	10.00%	7.85%	10%/7.85%	10%/7.85%
Member contributions for the year	\$ 926,921	\$ 22,905	\$ 949,826	\$ 920,708

- 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.

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

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

Details of the MEPP are as follows:

	<u>2014</u>	<u>2013</u>
Number of active School Division members	17	18
Member contribution rate (percentage of salary)	8.15%	7.4%/8.15%
School Division contribution rate (percentage of salary)	8.15%	7.4%/8.15%
Member contributions for the year	\$ 54,368	\$ 55,028
School Division contributions for the year	\$ 54,368	\$ 55,028
	Dec-31-2013	Dec-31-2012
Actuarial valuation date		(Restated)
Plan Assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan Liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan Surplus (in thousands)	\$ 186,314	\$ 140,648

Defined Contribution Plans

The Employee Pension Plan is funded by employer and employee contributions at rates determined by the school division. Pension benefits are based on accumulated contributions and investment earnings. Under the defined contribution plan, the school division's obligations are limited to its contributions.

Details of the Employee Pension Plan are as follows:

	<u>2014</u>	<u>2013</u>
Number of active School Division members	90	89
Member contribution rate (percentage of salary)	6.50%/8.15%	6.50%
School Division contribution rate (percentage of salary)	6.50%/8.15%	6.50%
Member contributions for the year	\$ 157,817	\$ 183,599
School Division contributions for the year	\$ 153,384	\$ 176,353

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8. ACCOUNTS RECEIVABLE

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

	2014		2013	
	Total Receivable	Net of Allowance	Total Receivable	Net of Allowance
Taxes Receivable	\$ 29,536	\$ 29,536	\$ 270,563	\$ 270,563
Provincial Grants Receivable	206,605	\$ 206,605	406,552	\$ 406,552
Other Receivables	258,386	\$ 258,386	181,054	\$ 181,054
Total Accounts Receivable	\$ 494,527	\$ 494,527	\$ 858,169	\$ 858,169

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 365,580	\$ 320,442
Supplier Payments	122,549	69,018
Due to other boards	82,455	-
Payroll Deductions	(17,328)	-
Other - Copier Account & Scholarship Account	188,672	320,416
Total Accounts Payable and Accrued Liabilities	\$ 741,928	\$ 709,876

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2013	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2014
Capital projects:				
Federal capital tuition	\$ 62,445	\$ 18,576	\$ -	\$ 81,021
Total capital projects deferred revenue	62,445	18,576	-	81,021
Total Deferred Revenue	\$ 62,445	\$ 18,576	\$ -	81,021

11. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	2014	2013
Revenue:			
Operating Grants	\$ 466,331	\$466,331	\$416,157
Total Revenue	466,331	466,331	416,157
Expenses:			
Salaries & Benefits	390,627	390,627	326,997
Instructional Aids	14,432	14,432	15,998
Supplies and Services	500	500	-
Non-Capital Equipment	-	-	3,628
Travel	1,682	1,682	-
Professional Development (Non-Salary Costs)	1,033	1,033	114
Student Related Expenses	10,377	10,377	8,771
Contacted Transportation & Allowances	48	48	-
Total Expenses	418,699	418,699	355,508
Excess of Revenue over Expenses	\$ 47,632	\$ 47,632	\$ 60,649

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

- i) The school division operates three and a half Pre-K programs located at Holy Family School Notre Dame School, Rivier Elementary School and St. Mary's School. These programs are available for students from the age of three to five.

12. 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 revenue and expenses of the External Services programs operated by the school division in 2014 and 2013:

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Summary of External Services Revenues and Expenses, by Program	Sastery	Literacy Camp	Youth in Custody	2014	2013
Revenue:					
Operating Grants	\$ -	\$ 20,000	\$ 207,423	\$ 227,423	\$ 408,167
Other Grants	-	20,000	-	20,000	-
Fees and Other Revenue	124,122	-	-	124,122	138,301
Total Revenue	124,122	40,000	207,423	371,545	546,468
Expenses:					
Other Fees	-	-	-	-	163,362
Salaries & Benefits	80,422	23,238	167,260	270,920	282,877
Instructional Aids	-	-	-	-	6,138
Supplies and Services	87,409	4,382	7,677	99,468	94,906
Non-Capital Equipment	234	-	-	234	3,900
Communications	-	1,103	496	1,599	1,231
Travel	1,731	-	-	1,731	1,991
Professional Development	-	328	576	904	2,246
Student Related Expenses	-	1,729	45	1,774	2,529
Contacted Transportation & Allowances	-	2,295	-	2,295	351
Total Expenses	169,796	33,075	176,054	378,925	559,531
Excess (Deficiency) of Revenue over Expenses	\$ (45,674)	\$ 6,925	\$ 31,369	\$ (7,380)	\$ (13,063)

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

- i) The school division operates a servery at John Paul II High School. This servery provides food and drink services to students during a school day.
- ii) The school division, along with Living Sky School Division No. 202, hosts a summer literacy camp on an annual basis.
- iii) The school division employs a number of employees at the North Battleford Youth in Custody and provides financial administration. The program operates in North Battleford and offers educational programming to youth that are in custody.

13. 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 from operations, as approved by the board of education, have been designated for specific future purposes for school generated funds, school budgets, and Youth in Custody. These internally restricted amounts are included in the accumulated surplus from operations presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

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Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 8,190,120	\$ -	\$ 456,908	\$ 7,733,212
	8,190,120	-	456,908	7,733,212
PMR maintenance project allocations (1)	169,367	216,202	51,275	334,294
Internally Restricted Surplus:				
Other:				
School generated funds	302,393	-	11,580	290,813
School budget carryovers	109,273	-	49,223	60,050
ISSI Grad Coach Initiative	-	150,000	60,076	89,924
Youth in Custody	24,208	31,369	-	55,577
Intercom/Telephony Replacement	-	250,000	-	250,000
Maintenance Equipment Replacement	-	40,000	-	40,000
Snow Removal	-	40,000	-	40,000
	435,874	511,369	120,879	826,364
Unrestricted Surplus	1,946,934	1,042,853	-	2,989,787
Total Accumulated Surplus from Operations	\$ 10,742,295	\$ 1,770,424	\$ 629,062	\$ 11,883,657

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

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

- i) School generated funds – Schools have financial reserves from fundraising and school fees. The surplus or deficit is carried over year to year and only used at the school level.
- ii) School budget carryovers – All schools have allocated budgets to operate the school. These financial allocations are used throughout the year, but any surplus or deficit is carried over to the next year.
- iii) ISSI Grad Coach Initiative – The school division has an agreement with Living Sky School Division No. 202, Treaty Six Education and Sakewew High School to jointly manage a grad coach program at all three high schools in North Battleford. Funds are restricted to program expenditures for the duration of the three year program.
- iv) Youth in Custody – The school division employs a number of employees at the North Battleford Youth in Custody and provides financial administration. The program operates in the Battlefords and offers educational programming to youth that are in custody. Accumulated receipts in excess of accumulated expenditures are considered internally restricted surpluses to be used for future operations.
- v) Intercom/Telephony Replacement – This line item represents the funds to be used to replace the aging intercom and telephony systems in the school division.

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- vi) Maintenance Equipment Replacement – This line item represents the funds to be used to replace the existing maintenance equipment.
- vii) Snow Removal – This line item represents the funds to be used to cover unpredictable costs associated with snow removal.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 7, 2013 and the Minister of Education on August 23, 2013.

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

15. RELATED PARTIES

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

Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

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	2014	2013
Revenues:		
Ministry of Education	\$ 18,699,503	\$ 17,237,891
Workers Compensation Board	7,639	12,635
Prairie North Health Region	22,044	22,210
SGI	41,991	39,233
Living Sky School Division No. 202	5,572	20,000
	\$18,776,749	\$17,331,969
Expenses:		
SaskPower	\$ 271,323	\$ 255,763
SaskEnergy	184,809	166,688
SaskTel	39,802	39,082
Workers Compensation Board	50,795	31,816
Living Sky School Division No. 202	23,487	48,735
North West Regional College	-	250
St. Paul's RCSSD	-	2,500
Regina Public Schools	-	50
Eagle's Nest Youth Rance	-	163,362
Prairie North Health Region	15,400	13,661
	\$ 585,616	\$ 721,907
Accounts Receivable:		
Ministry of Education	\$ 206,605	\$ 406,552
Living Sky School Division No. 202	20,000	-
	\$ 226,605	\$ 406,552
Prepaid Expenses:		
Workers Compensation Board	\$ 16,822	\$ 10,391
	\$ 16,822	\$ 10,391
Accounts Payable and Accrued Liabilities:		
Ministry of Finance	\$ -	\$ 174
SaskEnergy	-	6,204
SaskPower	-	17,782
Living Sky School Division No. 202	32,455	-
	\$ 32,455	\$ 24,160

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

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

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16. TRUSTS

The school division, as the trustee, administers a trust fund for scholarships. The trust assets and transactions are not included in the financial statements.

Information about this trust is as follows:

	Trust Fund	
	2014	2013
Cash and short-term investments	\$ 30,487	\$ 32,043
Total Assets	\$ 30,487	\$ 32,043
Revenues		
Contributions and donations	\$ 424	\$ 443
	424	443
Expenses		
Scholarships	2,000	2,000
	2,000	2,000
Deficit of Revenue over Expenses	(1,576)	(1,557)
Trust Fund Balance, Beginning of Year	30,487	32,044
Trust Fund Balance, End of Year	\$ 28,911	\$ 30,487

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

	Operating Leases			
	Connect Energy (Natural Gas)	Southland Transportation (School Bus Contract)	TLC Driver Training (Driver Education)	Total Operating
Future minimum lease payments:				
2015	\$ 143,500	\$ 372,960	\$ 42,500	\$ 558,960
2016	143,500	379,620	42,500	565,620
2017	143,500	-	-	143,500
2018	143,500	-	-	143,500
Total Lease Obligations	\$ 574,000	\$ 752,580	\$ 85,000	\$ 1,411,580

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18. ACCOUNTING CHANGES

PS 3260 Liability for Contaminated Sites

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division:
 - directly responsible; or
 - accepts responsibility
- the school division expects that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The adoption of the new PS3260 standard has not resulted in any changes to the measurement and recognition of liabilities in the school division's 2014 financial statements.

19. 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 the analysis of the financial position of its customers, regular review of their credit limits in order to reduce its credit risk and close monitoring of overdue accounts.

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

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

	August 31, 2014		August 31, 2013	
	Accounts Receivable	Net of Allowances	Accounts Receivable	Net of Allowances
Current	\$ -	\$ -	\$ -	\$ -
0-30 days	-	-	-	-
30-60 days	-	-	-	-
60-90 days	-	-	-	-
Over 90 days	20,805	20,805	20,805	20,805
Total	\$ 20,805	\$ 20,805	\$ 20,805	\$ 20,805

The school division's credit risk is limited to receivables for tuition from surrounding First Nations. Provincial grants receivable, taxes receivable and the school division's other receivables present minimal risk and have not been included in this table.

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, budget practices and monitoring, and forecasts.

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

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 586,949	\$ -	\$ 54,979	\$ 100,000
Total	\$ 586,949	\$ -	\$ 54,979	\$ 100,000

iii) Market Risk

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

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iv) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents.

The school division also has an authorized bank line of credit of \$ 1,500,000 with interest payable monthly at a rate of prime minus 0.5%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2014 (2013-\$0).

The school division minimizes these risks by holding cash in an account at a Canadian bank, denominated in Canadian currency and managing cash flows to minimize utilization of its bank line of credit.