

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
South East Cornerstone School Division No. 209

We have audited the accompanying financial statements of South East Cornerstone School Division No. 209 which comprise the statement of financial position as at August 31, 2014 and the statements of operations and accumulated surplus from operations, remeasurement losses, changes in net financial assets, and cash flows for the year then ended, with related schedules 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 of 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 school division'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 school division'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, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2014, and the results of its operations, its remeasurement losses, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

November 27, 2014
Regina, Saskatchewan


Chartered Accountants

South East Cornerstone School Division No. 209

Statement of Financial Position
as at August 31, 2014

| | 2014 | 2013 |
|---|--------------------|--------------------|
| Financial Assets | | |
| Cash and Cash Equivalents | 1,544,291 | 1,754,457 |
| Accounts Receivable (Note 8) | 30,979,573 | 31,887,414 |
| Inventories for Sale | 14,963 | 8,278 |
| Portfolio Investments (Note 4) | 132,902 | 121,300 |
| Total Financial Assets | 32,671,729 | 33,771,449 |
| Liabilities | | |
| Bank Indebtedness (Note 3) | 7,281,147 | 12,543,217 |
| Accounts Payable and Accrued Liabilities (Note 9) | 5,093,390 | 2,478,081 |
| Long Term Debt (Note 10) | 7,612,828 | 472,700 |
| Liability for Employee Future Benefits (Note 6) | 741,400 | 668,600 |
| Deferred Revenue (Note 11) | 575,666 | 562,274 |
| Total Liabilities | 21,304,431 | 16,724,872 |
| Net Financial Assets | 11,367,298 | 17,046,577 |
| Non-Financial Assets | | |
| Tangible Capital Assets (Schedule C) | 126,789,455 | 112,977,414 |
| Inventory of Supplies for Consumption | 554,457 | 496,143 |
| Prepaid Expenses | 269,456 | 464,822 |
| Total Non-Financial Assets | 127,613,368 | 113,938,379 |
| Accumulated Surplus | 138,980,666 | 130,984,956 |
| Accumulated Surplus is comprised of: | | |
| Accumulated surplus from operations (Note 14) | 138,980,763 | 130,984,997 |
| Accumulated remeasurement losses | (97) | (41) |
| Total Accumulated Surplus | 138,980,666 | 130,984,956 |

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:



Chairperson



Chief Financial Officer

South East Cornerstone School Division No. 209
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|---|------------------------|------------------------|------------------------|
| | (Note 15) | | |
| REVENUES | | | |
| Property Taxation | 52,996,612 | 52,458,818 | 50,143,337 |
| Grants | 50,224,454 | 49,731,898 | 49,801,012 |
| Tuition and Related Fees | 1,223,000 | 1,488,481 | 1,284,507 |
| School Generated Funds | 2,720,000 | 2,906,347 | 2,920,868 |
| Complementary Services (Note 12) | 1,259,906 | 1,438,255 | 1,392,103 |
| External Services (Note 13) | 378,400 | 324,548 | 420,981 |
| Other | 356,400 | 572,732 | 722,067 |
| Total Revenues (Schedule A) | 109,158,772 | 108,921,079 | 106,684,875 |
| EXPENSES | | | |
| Governance | 634,800 | 643,701 | 602,060 |
| Administration | 3,301,648 | 3,316,382 | 2,972,737 |
| Instruction | 69,814,183 | 67,771,372 | 65,974,855 |
| Plant | 13,890,063 | 13,455,240 | 13,061,440 |
| Transportation | 9,792,688 | 9,760,097 | 9,152,774 |
| Tuition and Related Fees | 10,000 | 278,296 | 7,500 |
| School Generated Funds | 2,773,702 | 2,810,685 | 2,710,060 |
| Complementary Services (Note 12) | 2,066,502 | 2,007,644 | 1,894,211 |
| External Services (Note 13) | 474,987 | 411,996 | 496,140 |
| Other Expenses | 123,720 | 469,900 | 209,191 |
| Total Expenses (Schedule B) | 102,882,293 | 100,925,313 | 97,080,968 |
| Operating Surplus for the Year | 6,276,479 | 7,995,766 | 9,603,907 |
| Accumulated Surplus from Operations, Beginning of Year | 130,984,997 | 130,984,997 | 121,381,090 |
| Accumulated Surplus from Operations, End of Year | 137,261,476 | 138,980,763 | 130,984,997 |

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

South East Cornerstone School Division No. 209
Statement of Remeasurement Losses
as at August 31, 2014

| | 2014 | 2013 |
|--|------|------|
| Accumulated Remeasurement Losses, Beginning of Year | (41) | - |
| Unrealized losses attributable to: | | |
| Foreign exchange | (56) | (41) |
| Net remeasurement losses for the year | (56) | (41) |
| Accumulated Remeasurement Losses, End of Year | (97) | (41) |

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

South East Cornerstone School Division No. 209

**Statement of Changes in Net Financial Assets
for the year ended August 31, 2014**

| | 2014 Budget | 2014 Actual | 2013 Actual |
|--|------------------------|------------------------|------------------------|
| | (Note 15) | | |
| Net Financial Assets, Beginning of Year | 17,046,577 | 17,046,577 | 16,078,752 |
| Changes During the Year: | | | |
| Operating Surplus for the Year | 6,276,479 | 7,995,766 | 9,603,907 |
| Acquisition of Tangible Capital Assets (Schedule C) | (21,266,553) | (20,971,608) | (15,010,248) |
| Proceeds on Disposal of Tangible Capital Assets (Schedule C) | - | 19,072 | 268,245 |
| Net Loss (Gain) on Disposal of Capital Assets (Schedule C) | - | 921 | (99,724) |
| Amortization of Tangible Capital Assets (Schedule C) | 7,470,815 | 7,139,574 | 6,194,289 |
| Net Acquisition of Inventory of Supplies | - | (58,314) | 2,219 |
| Net Change in Other Non-Financial Assets | - | 195,366 | 9,178 |
| | (7,519,259) | (5,679,223) | 967,866 |
| Net Remeasurement Losses | - | (56) | (41) |
| Change in Net Financial Assets | (7,519,259) | (5,679,279) | 967,825 |
| Net Financial Assets, End of Year | 9,527,318 | 11,367,298 | 17,046,577 |

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

South East Cornerstone School Division No. 209
Statement of Cash Flows
for the year ended August 31, 2014

| | 2014 | 2013 |
|--|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Operating Surplus for the Year | 7,995,766 | 9,603,907 |
| Add Non-Cash Items Included in Surplus (Schedule D) | 7,140,495 | 6,094,565 |
| Net Change in Non-Cash Operating Activities (Schedule E) | 3,739,709 | (6,426,581) |
| Cash Provided by Operating Activities | 18,875,970 | 9,271,891 |
| CAPITAL ACTIVITIES | | |
| Cash Used to Acquire Tangible Capital Assets | (20,971,608) | (15,010,248) |
| Proceeds on Disposal of Tangible Capital Assets | 19,072 | 268,245 |
| Cash Used by Capital Activities | (20,952,536) | (14,742,003) |
| INVESTING ACTIVITIES | | |
| Cash (Used) to Acquire Portfolio Investments | (11,602) | (11,499) |
| Cash (Used) by Investing Activities | (11,602) | (11,499) |
| FINANCING ACTIVITIES | | |
| Proceeds from Issuance of Long Term Debt | 7,708,585 | - |
| Repayment of Long Term Debt | (568,457) | (978,301) |
| Cash Used for Other Non-Financial Assets | (56) | (41) |
| Cash Provided (Used) by Financing Activities | 7,140,072 | (978,342) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 5,051,904 | (6,459,953) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | (10,788,760) | (4,328,807) |
| CASH AND CASH EQUIVALENTS, END OF YEAR | (5,736,856) | (10,788,760) |
| REPRESENTED ON THE FINANCIAL STATEMENTS BY: | | |
| Cash and Cash Equivalents | 1,544,291 | 1,754,457 |
| Bank Indebtedness | (7,281,147) | (12,543,217) |
| CASH AND CASH EQUIVALENTS, END OF YEAR | (5,736,856) | (10,788,760) |

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

South East Cornerstone School Division No. 209
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 | 52,996,612 | 51,802,410 | 51,258,976 |
| Total Property Tax Revenue | <u>52,996,612</u> | <u>51,802,410</u> | <u>51,258,976</u> |
| Grants in Lieu of Taxes: | | | |
| Federal Government | - | 175,650 | 136,814 |
| Provincial Government | - | 229,135 | 225,439 |
| Railways | - | 263,592 | (38,881) |
| Other | - | 51,627 | 194,406 |
| Total Grants in Lieu of Taxes | <u>-</u> | <u>720,004</u> | <u>517,778</u> |
| Other Tax Revenues: | | | |
| Treaty Land Entitlement - Rural | - | 51,057 | - |
| House Trailer Fees | - | 52,350 | 67,929 |
| Total Other Tax Revenues | <u>-</u> | <u>103,407</u> | <u>67,929</u> |
| Additions to Levy: | | | |
| Penalties | - | 270,389 | 179,018 |
| Other | - | - | 80,172 |
| Total Additions to Levy | <u>-</u> | <u>270,389</u> | <u>259,190</u> |
| Deletions from Levy: | | | |
| Cancellations | - | (437,392) | (1,380,840) |
| Other Deletions | - | - | (579,696) |
| Total Deletions from Levy | <u>-</u> | <u>(437,392)</u> | <u>(1,960,536)</u> |
| Total Property Taxation Revenue | <u>52,996,612</u> | <u>52,458,818</u> | <u>50,143,337</u> |
| Grants: | | | |
| Operating Grants | | | |
| Ministry of Education Grants: | | | |
| Operating Grant | 38,301,954 | 39,392,555 | 38,212,871 |
| Other Ministry Grants | - | 46,012 | 24,939 |
| Total Ministry Grants | <u>38,301,954</u> | <u>39,438,567</u> | <u>38,237,810</u> |
| Other Provincial Grants | 441,300 | 381,300 | 455,597 |
| Grants from Others | 8,000 | 9,270 | 10,152 |
| Total Operating Grants | <u>38,751,254</u> | <u>39,829,137</u> | <u>38,703,559</u> |
| Capital Grants | | | |
| Ministry of Education Capital Grants | 7,473,200 | 7,553,187 | 6,764,121 |
| Other Capital Grants | 4,000,000 | 2,349,574 | 4,333,332 |
| Total Capital Grants | <u>11,473,200</u> | <u>9,902,761</u> | <u>11,097,453</u> |
| Total Grants | <u>50,224,454</u> | <u>49,731,898</u> | <u>49,801,012</u> |

South East Cornerstone School Division No. 209
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: | | | |
| School Boards | 90,000 | 48,500 | 92,500 |
| Federal Government and First Nations | 1,088,000 | 1,337,464 | 1,148,752 |
| Individuals and Other | - | 52,495 | - |
| Total Tuition Fees | 1,178,000 | 1,438,459 | 1,241,252 |
| Transportation Fees | 45,000 | 50,022 | 43,255 |
| Total Operating Tuition and Related Fees | 1,223,000 | 1,488,481 | 1,284,507 |
| Total Tuition and Related Fees Revenue | 1,223,000 | 1,488,481 | 1,284,507 |
| School Generated Funds Revenue | | | |
| Curricular: | | | |
| Student Fees | 20,000 | 43,215 | 36,202 |
| Total Curricular Fees | 20,000 | 43,215 | 36,202 |
| Non-Curricular Fees: | | | |
| Commercial Sales - Non-GST | 550,000 | 642,767 | 566,863 |
| Fundraising | 1,200,000 | 1,290,473 | 1,169,589 |
| Grants and Partnerships | 100,000 | 129,280 | 143,448 |
| Students Fees | 400,000 | 471,606 | 335,939 |
| Other | 450,000 | 329,006 | 668,827 |
| Total Non-Curricular Fees | 2,700,000 | 2,863,132 | 2,884,666 |
| Total School Generated Funds Revenue | 2,720,000 | 2,906,347 | 2,920,868 |
| Complementary Services | | | |
| Operating Grants: | | | |
| Ministry of Education Grants: | | | |
| Operating Grant | 511,478 | 511,476 | 552,964 |
| Other Ministry Grants | 118,386 | 756,471 | 689,190 |
| Other Provincial Grants | 546,792 | 70,883 | 69,899 |
| Other Grants | 38,250 | 54,250 | 38,250 |
| Total Operating Grants | 1,214,906 | 1,393,080 | 1,350,303 |
| Fees and Other Revenue | | | |
| Tuition and Related Fees | 45,000 | 44,175 | 41,800 |
| Other Revenue | - | 1,000 | - |
| Total Fees and Other Revenue | 45,000 | 45,175 | 41,800 |
| Total Complementary Services Revenue | 1,259,906 | 1,438,255 | 1,392,103 |

South East Cornerstone School Division No. 209
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|--|----------------|----------------|----------------|
| <hr/> | | | |
| External Services | | | |
| Fees and Other Revenue | | | |
| Other Revenue | 378,400 | 324,548 | 420,981 |
| Total Fees and Other Revenue | <u>378,400</u> | <u>324,548</u> | <u>420,981</u> |
| <hr/> | | | |
| Total External Services Revenue | 378,400 | 324,548 | 420,981 |
| <hr/> | | | |
| Other Revenue | | | |
| Miscellaneous Revenue | 71,000 | 261,543 | 240,036 |
| Sales & Rentals | 85,400 | 88,430 | 113,912 |
| Investments | 200,000 | 205,259 | 169,888 |
| Gain on Disposal of Capital Assets | - | 17,500 | 198,231 |
| <hr/> | | | |
| Total Other Revenue | 356,400 | 572,732 | 722,067 |
| <hr/> | | | |
| TOTAL REVENUE FOR THE YEAR | 109,158,772 | 108,921,079 | 106,684,875 |
| <hr/> | | | |

South East Cornerstone School Division No. 209

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|---|-------------------|-------------------|-------------------|
| Governance Expense | | | |
| Board Members Expense | 182,500 | 203,917 | 182,794 |
| Professional Development- Board Members | 119,000 | 149,714 | 92,737 |
| Advisory Committees | 90,000 | 68,924 | 75,258 |
| Professional Development - Advisory Committees | - | 33 | - |
| Elections | - | 990 | 30,555 |
| Other Governance Expenses | 243,300 | 220,123 | 220,716 |
| Total Governance Expense | 634,800 | 643,701 | 602,060 |
| Administration Expense | | | |
| Salaries | 2,333,275 | 2,325,086 | 2,120,927 |
| Benefits | 289,899 | 264,733 | 249,914 |
| Supplies & Services | 225,425 | 301,655 | 215,100 |
| Non-Capital Furniture & Equipment | 10,000 | 17,723 | 9,609 |
| Building Operating Expenses | 143,505 | 156,416 | 174,421 |
| Communications | 89,400 | 69,777 | 85,833 |
| Travel | 124,770 | 52,152 | 36,643 |
| Professional Development | - | 38,541 | - |
| Amortization of Tangible Capital Assets | 85,374 | 90,299 | 80,290 |
| Total Administration Expense | 3,301,648 | 3,316,382 | 2,972,737 |
| Instruction Expense | | | |
| Instructional (Teacher Contract) Salaries | 45,709,938 | 46,055,354 | 44,525,703 |
| Instructional (Teacher Contract) Benefits | 2,609,134 | 2,396,392 | 2,301,515 |
| Program Support (Non-Teacher Contract) Salaries | 9,640,758 | 8,721,222 | 8,612,570 |
| Program Support (Non-Teacher Contract) Benefits | 2,010,558 | 1,811,617 | 1,747,143 |
| Instructional Aids | 2,558,590 | 2,923,451 | 2,908,325 |
| Supplies & Services | 1,473,671 | 953,867 | 1,069,194 |
| Non-Capital Furniture & Equipment | 833,443 | 880,444 | 927,150 |
| Communications | 271,450 | 267,518 | 266,500 |
| Travel | 909,443 | 385,931 | 920,361 |
| Professional Development | - | 382,358 | - |
| Student Related Expense | 488,021 | 412,222 | 368,514 |
| Amortization of Tangible Capital Assets | 3,309,177 | 2,580,996 | 2,327,880 |
| Total Instruction Expense | 69,814,183 | 67,771,372 | 65,974,855 |

South East Cornerstone School Division No. 209
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

| | 2014 Budget | 2014 Actual | 2013 Actual |
|--|------------------------|------------------------|------------------------|
| Plant Operation & Maintenance Expense | | | |
| Salaries | 4,252,734 | 4,010,840 | 3,757,348 |
| Benefits | 852,544 | 762,294 | 695,359 |
| Supplies & Services | 37,700 | 47,722 | 237,198 |
| Non-Capital Furniture & Equipment | 292,500 | 79,158 | 117,709 |
| Building Operating Expenses | 5,202,045 | 4,856,098 | 5,148,134 |
| Communications | 21,500 | 32,133 | 28,417 |
| Travel | 117,600 | 179,226 | 167,741 |
| Professional Development | - | 15,687 | - |
| Amortization of Tangible Capital Assets | 3,113,440 | 3,472,082 | 2,909,534 |
| Total Plant Operation & Maintenance Expense | 13,890,063 | 13,455,240 | 13,061,440 |
| Student Transportation Expense | | | |
| Salaries | 3,320,364 | 3,259,596 | 3,060,603 |
| Benefits | 653,052 | 661,911 | 616,622 |
| Supplies & Services | 1,255,750 | 1,504,611 | 1,271,525 |
| Non-Capital Furniture & Equipment | 534,000 | 607,836 | 410,254 |
| Building Operating Expenses | 68,136 | 64,009 | 61,405 |
| Communications | 39,000 | 39,506 | 41,569 |
| Travel | 32,000 | 44,666 | 37,337 |
| Professional Development | - | 442 | - |
| Contracted Transportation | 3,033,217 | 2,688,223 | 2,861,594 |
| Amortization of Tangible Capital Assets | 857,169 | 889,297 | 791,865 |
| Total Student Transportation Expense | 9,792,688 | 9,760,097 | 9,152,774 |
| Tuition and Related Fees Expense | | | |
| Tuition Fees | 10,000 | 278,296 | 7,500 |
| Total Tuition and Related Fees Expense | 10,000 | 278,296 | 7,500 |
| School Generated Funds Expense | | | |
| Supplies & Services | 75,000 | 96,206 | 85,116 |
| Cost of Sales | 650,000 | 772,182 | 706,730 |
| Non-Capital Furniture & Equipment | 150,000 | 158,604 | 154,333 |
| School Fund Expenses | 1,800,000 | 1,680,427 | 1,682,795 |
| Amortization of Tangible Capital Assets | 98,702 | 103,266 | 81,086 |
| Total School Generated Funds Expense | 2,773,702 | 2,810,685 | 2,710,060 |

South East Cornerstone School Division No. 209
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 | 857,758 | 766,223 | 746,779 |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 1,004,275 | 1,044,986 | 903,202 |
| Instructional Aids | 19,170 | 34,034 | 61,614 |
| Supplies & Services | 67,780 | 74,693 | 88,924 |
| Non-Capital Furniture & Equipment | 1,515 | 3,299 | 5,253 |
| Building Operating Expenses | 7,000 | 1,664 | 4,087 |
| Communications | 6,550 | 10,424 | 10,647 |
| Travel | 94,454 | 50,284 | 68,251 |
| Professional Development (Non-Salary Costs) | - | 17,483 | - |
| Student Related Expenses | 8,000 | 4,554 | 5,454 |
| Total Complementary Services Expense | 2,066,502 | 2,007,644 | 1,894,211 |
| External Service Expense | | | |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 175,409 | 160,733 | 161,350 |
| Supplies & Services | 275,000 | 228,639 | 319,074 |
| Building Operating Expenses | 17,625 | 18,990 | 12,082 |
| Amortization of Tangible Capital Assets | 6,953 | 3,634 | 3,634 |
| Total External Services Expense | 474,987 | 411,996 | 496,140 |

South East Cornerstone School Division No. 209

**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 | 112,500 | 101,831 | 126,250 |
| Interest on Other Capital Loans and Long Term Debt | | | |
| School Facilities | 11,220 | 330,670 | 40,944 |
| Other | - | - | 1,266 |
| Total Interest and Bank Charges | <u>123,720</u> | <u>432,501</u> | <u>168,460</u> |
| Loss on Disposal of Tangible Capital Assets | - | 18,421 | 98,507 |
| Provision for Uncollectable Taxes | - | 18,978 | (57,776) |
| Total Other Expense | 123,720 | 469,900 | 209,191 |
| TOTAL EXPENSES FOR THE YEAR | 102,882,293 | 100,925,313 | 97,080,968 |

South East Cornerstone School Division No. 209
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2014

| | Land | | Buildings | | School | Other | Furniture and | Computer Hardware and | Computer | Assets Under | | |
|--|------------------|------------------|--------------------|------------------|-------------------|------------------|-------------------|-----------------------|------------------|---------------------|--------------------|--------------------|
| | Land | Improvements | Buildings | Short term | Buses | Vehicles | Equipment | Audio Equipment | Software | Construction | 2014 | 2013 |
| Tangible Capital Assets - at Cost: | | | | | | | | | | | | |
| Opening Balance as of September 1 | 4,397,064 | 3,442,447 | 132,978,180 | 4,265,087 | 10,958,812 | 1,661,959 | 13,796,168 | 14,790,883 | 1,461,332 | 25,318,052 | 213,069,984 | 198,291,866 |
| Additions/Purchases | - | 20,665 | - | - | 991,019 | 194,886 | 595,620 | 2,928,748 | - | 16,240,670 | 20,971,608 | 15,010,248 |
| Disposals | (16,105) | - | - | - | - | (70,325) | (78,582) | - | - | - | (165,012) | (232,130) |
| Transfers to (from) | - | - | 30,439,210 | - | - | - | 29,816 | - | - | (30,469,026) | - | - |
| Closing Balance as of August 31 | 4,380,959 | 3,463,112 | 163,417,390 | 4,265,087 | 11,949,831 | 1,786,520 | 14,343,022 | 17,719,631 | 1,461,332 | 11,089,696 | 233,876,580 | 213,069,984 |
| Tangible Capital Assets - Amortization: | | | | | | | | | | | | |
| Opening Balance as of September 1 | - | 3,203,049 | 64,160,153 | 966,098 | 6,951,316 | 1,321,387 | 12,230,108 | 9,907,498 | 1,352,961 | - | 100,092,570 | 93,961,890 |
| Amortization of the Period | - | 52,351 | 3,257,710 | 195,324 | 704,980 | 145,453 | 357,097 | 2,361,828 | 64,831 | - | 7,139,574 | 6,194,289 |
| Disposals | - | - | - | - | - | (70,325) | (74,694) | - | - | - | (145,019) | (63,609) |
| Closing Balance as of August 31 | N/A | 3,255,400 | 67,417,863 | 1,161,422 | 7,656,296 | 1,396,515 | 12,512,511 | 12,269,326 | 1,417,792 | N/A | 107,087,125 | 100,092,570 |
| Net Book Value: | | | | | | | | | | | | |
| Opening Balance as of September 1 | 4,397,064 | 239,398 | 68,818,027 | 3,298,989 | 4,007,496 | 340,572 | 1,566,060 | 4,883,385 | 108,371 | 25,318,052 | 112,977,414 | 104,329,976 |
| Closing Balance as of August 31 | 4,380,959 | 207,712 | 95,999,527 | 3,103,665 | 4,293,535 | 390,005 | 1,830,511 | 5,450,305 | 43,540 | 11,089,696 | 126,789,455 | 112,977,414 |
| Change in Net Book Value | (16,105) | (31,686) | 27,181,500 | (195,324) | 286,039 | 49,433 | 264,451 | 566,920 | (64,831) | (14,228,356) | 13,812,041 | 8,647,438 |
| Disposals: | | | | | | | | | | | | |
| Historical Cost | 16,105 | - | - | - | - | 70,325 | 78,582 | - | - | - | 165,012 | 232,130 |
| Accumulated Amortization | - | - | - | - | - | 70,325 | 74,694 | - | - | - | 145,019 | 63,609 |
| Net Cost | 16,105 | - | - | - | - | - | 3,888 | - | - | - | 19,993 | 168,521 |
| Price of Sale | 552 | - | - | - | - | 17,500 | 1,020 | - | - | - | 19,072 | 268,245 |
| Gain/loss on Disposal | (15,553) | - | - | - | - | 17,500 | (2,868) | - | - | - | (921) | 99,724 |

South East Cornerstone School Division No. 209
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) | 7,139,574 | 6,194,289 |
| Net (Gain) Loss on Disposal of Tangible Capital Assets | 921 | (99,724) |
| Total Non-Cash Items Included in Surplus | 7,140,495 | 6,094,565 |

South East Cornerstone School Division No. 209
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 | 907,841 | 2,935,950 |
| Decrease (Increase) in Inventories for Sale | (6,685) | 6,061 |
| (Decrease) in Provincial Grant Overpayment | - | (1,572,745) |
| Increase (Decrease) In Accounts Payable and Accrued Liabilities | 2,615,309 | (2,813,449) |
| Increase in Liability for Employee Future Benefits | 72,800 | 54,300 |
| Increase (Decrease) in Deferred Revenue | 13,392 | (5,048,095) |
| Decrease (Increase) in Inventory of Supplies for Consumption | (58,314) | 2,219 |
| Decrease in Prepaid Expenses | 195,366 | 9,178 |
| Total Net Change in Non-Cash Operating Activities | 3,739,709 | (6,426,581) |

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
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 South East Cornerstone School Division No. 209" and operates as "the South East Cornerstone School Division No. 209". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the school division's boundaries at mill rates determined by the provincial government. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 20 Accounting Changes.

b) Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity. The school division reporting entity is comprised of all the organizations which are controlled by the school division.

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 (Note 17).

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$ 741,400 (2013 - \$ 668,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 52,458,818 (2013 - \$ 50,143,337) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 59,985 (2013 - \$ 41,007) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related accumulated amortization of \$107,087,125 (2013-\$100,092,570) because the actual useful lives of the capital assets may differ from their estimated economic lives.
- prior years tangible capital asset historical costs and related amortization represents an estimate for assets owned at September 1, 2009. At the time assets were capitalized in 2009 (with the implementation of PS3150) historical cost records were not available for all assets; therefore, other methods, such as deflated replacement costs, were used to determine a best estimate of historical costs and accumulated amortization.

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

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

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

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities and long term debt.

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.

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.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement losses until they are realized, at which time they are transferred to the statement of operations and accumulated surplus from operations.

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 and bank deposits 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.

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories for Sale consist of school clothing and shop supplies 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 first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business.

Portfolio Investments consist of the equity held at various Co-operative stores across the school division. 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.

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, buildings – short term, school buses, other vehicles, furniture and equipment, computer hardware and software, 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 (portables, storage sheds, outbuildings, garages) | 20 years |
| School buses | 12 years |
| Other vehicles – passenger | 5 years |
| Other vehicles – heavy (graders, 1 ton truck, etc.) | 10 years |
| Furniture and equipment | 10 years |
| Computer hardware and audio visual equipment | 5 years |
| Computer software | 5 years |

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

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 insurance, membership fees, and rental fees.

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.

Short-Term Borrowings are comprised of bank indebtedness and short-term loans with initial maturities of one year or less and are incurred for the purpose of financing current expenses in accordance with the provisions of *The Education Act, 1995*.

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 represents 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

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

i) Government Transfers (Grants):

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

ii) Property taxation:

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12th 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

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

iii) Fees and Services

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

iv) Interest Income

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

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$20,000,000 that bears interest at 0.025% below the bank prime rate. This line of credit is authorized by a borrowing resolution by the board of education. This line of credit was approved by the Minister of Education on October 29, 2012. The balance drawn on the line of credit at August 31, 2014 was \$7,281,147 at an interest rate of 2.75% (August 31, 2013 - \$ 12,543,217 at an interest rate of 2.75%).

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

| | 2014 | 2013 |
|--|-------------------|-------------------|
| Portfolio investments in the cost and amortized cost category: | Cost | Cost |
| Co-op Equity | \$ 132,902 | \$ 121,300 |
| Total portfolio investments reported at cost and amortized cost | \$ 132,902 | \$ 121,300 |

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

| Function | Salaries & Benefits | Goods & Services | Debt Service | Amortization of TCA | 2014 Budget | 2014 Actual | 2013 Actual |
|--------------------------|----------------------|---------------------|-------------------|---------------------|----------------------|----------------------|----------------------|
| Governance | \$ 206,512 | \$ 437,189 | \$ - | \$ - | \$ 634,800 | \$ 643,701 | \$ 602,060 |
| Administration | 2,589,819 | 636,264 | - | 90,299 | 3,301,648 | 3,316,382 | 2,972,737 |
| Instruction | 58,984,584 | 6,205,792 | - | 2,580,996 | 69,814,183 | 67,771,372 | 65,974,855 |
| Plant | 4,773,134 | 5,210,024 | - | 3,472,082 | 13,890,063 | 13,455,240 | 13,061,440 |
| Transportation | 3,921,507 | 4,949,293 | - | 889,297 | 9,792,688 | 9,760,097 | 9,152,774 |
| Tuition and Related Fees | - | 278,296 | - | - | 10,000 | 278,296 | 7,500 |
| School Generated Funds | - | 2,707,419 | - | 103,266 | 2,773,702 | 2,810,685 | 2,710,060 |
| Complementary Services | 1,811,209 | 196,435 | - | - | 2,066,502 | 2,007,644 | 1,894,211 |
| External Services | 160,733 | 247,629 | - | 3,634 | 474,987 | 411,996 | 496,140 |
| Other | - | 37,399 | 432,501 | - | 123,720 | 469,900 | 209,191 |
| TOTAL | \$ 72,447,498 | \$20,905,740 | \$ 432,501 | \$ 7,139,574 | \$102,882,293 | \$100,925,313 | \$ 97,080,968 |

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. Significant assumptions include the following:

- Demographic assumptions (those that predict future employee behavior) have been harmonized where possible with the pension plan that employees belong to.
- Assumptions regarding the buildup and usage of certain benefits have been developed based on the experience of the employees noted in the data submitted by the school division, supplemented where required by experience of a valuator.
- The discount rate has been determined based on the Province of Saskatchewan borrowing costs for durations similar to the benefit obligation, provided by Ministry of Finance.

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.

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

6. EMPLOYEE FUTURE BENEFITS (Continued)

Details of the employee future benefits are as follows:

| | 2014 | 2013 |
|---|-------------------|-------------------|
| | AUG/31/2014 | AUG/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) | 15 | 15 |
| | | |
| Liability for Employee Future Benefits | 2014 | 2013 |
| Accrued Benefit Obligation - beginning of year | \$ 673,500 | \$ 693,000 |
| Current period benefit cost | 63,500 | 70,000 |
| Interest cost | 25,500 | 20,000 |
| Benefit payments | (17,500) | (41,500) |
| Actuarial gains / losses | 63,800 | (68,000) |
| Accrued Benefit Obligation - end of year | 808,800 | 673,500 |
| Unamortized Net Actuarial Losses | (67,400) | (4,900) |
| Liability for Employee Future Benefits | \$ 741,400 | \$ 668,600 |
| | | |
| Employee Future Benefits Expense | 2014 | 2013 |
| Current period benefit cost | \$ 63,500 | \$ 70,000 |
| Amortization of net actuarial loss | 1,300 | 5,800 |
| Benefit cost | 64,800 | 75,800 |
| Interest cost on unfunded employee future benefits obligation | 25,500 | 20,000 |
| Total Employee Future Benefits Expense | \$ 90,300 | \$ 95,800 |

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.

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

7. PENSION PLANS (Continued)

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 | 767 | 34 | 801 | 783 |
| Member contribution rate (percentage of salary) | 7.80% | 6.60% | 7.8%/6.6% | 7.8%/6.05% |
| Member contributions for the year | \$ 3,695,674 | \$ 85,352 | \$ 3,781,026 | \$3,756,828 |

ii) Municipal Employees' Pension Plan (MEPP)

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

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

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

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify 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.

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

7. PENSION PLANS (Continued)

Details of the MEPP are as follows:

| | 2014 | 2013 |
|--|--------------------|---------------------------------------|
| Number of active School Division members | 655 | 638 |
| 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 | \$ 1,482,676 | \$ 1,333,770 |
| School Division contributions for the year | \$ 1,482,676 | \$ 1,333,770 |
| Actuarial valuation date | Dec-31-2013 | Dec-31-2012 restated |
| Plan Assets (in thousands) | \$ 1,685,167 | \$ 1,560,967 |
| Plan Liabilities (in thousands) | \$ 1,498,853 | \$ 1,420,319 |
| Plan Surplus (in thousands) | \$ 186,314 | \$ 140,648 |

8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of account receivable balances and allowances are as follows:

| | 2014 | | | 2013 | | |
|----------------------------------|---------------------|------------------------|---------------------|---------------------|------------------------|---------------------|
| | Total Receivable | Valuation Allowance | Net of Allowance | Total Receivable | Valuation Allowance | Net of Allowance |
| Taxes Receivable | \$ 28,393,396 | \$ 59,985 | \$ 28,333,411 | \$ 30,219,494 | \$ 41,007 | \$ 30,178,487 |
| Provincial Grants Receivable | 992,923 | - | 992,923 | 587,599 | - | 587,599 |
| Other Receivables | 1,653,239 | - | 1,653,239 | 1,121,328 | - | 1,121,328 |
| Total Accounts Receivable | \$31,039,558 | \$ 59,985 | \$30,979,573 | \$31,928,421 | \$ 41,007 | \$31,887,414 |

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

| | 2014 | 2013 |
|---|---------------------|---------------------|
| Accrued Salaries and Benefits | \$ 1,478,038 | \$ 977,211 |
| Supplier Payments | 3,603,288 | 1,499,838 |
| Other Payables | 12,064 | 1,032 |
| Total Accounts Payable and Accrued Liabilities | \$ 5,093,390 | \$ 2,478,081 |

SOUTH EAST CORNERSTONE SCHOOL DIVISION NO. 209
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2014

10. LONG-TERM DEBT

Details of long-term-term debt are as follows:

| Capital Loans: | 2014 | 2013 |
|---|---------------------|-------------------|
| Bank of Montreal-Carnduff-Monthly pmts \$32,040 inc int(5.15%) Expires Oct 2013 | - | 87,987 |
| Bank of Montreal-Lampman-Monthly pmts \$26,921 inc int(4.48%) Expires Nov 2014 | 72,430 | 384,713 |
| RBC Insurance-Oxbow-Monthly pmts \$48,768.31 inc int(4.5%) Expires Oct 2033 | 7,540,398 | - |
| Total Long Term Debt | \$ 7,612,828 | \$ 472,700 |

Principal repayment over the next 5 years:

| Capital Loans | Capital Loans | Total |
|---------------|---------------------|---------------------|
| 2015 | \$ 352,315 | \$ 352,315 |
| 2016 | 257,601 | 257,601 |
| 2017 | 269,667 | 269,667 |
| 2018 | 282,298 | 282,298 |
| 2019 | 295,520 | 295,520 |
| Thereafter | 6,155,427 | 6,155,427 |
| Total | \$ 7,612,828 | \$ 7,612,828 |

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

| Capital Loans | 2014 | 2013 |
|---------------|-------------------|---------------------|
| Principal | \$ 568,457 | \$ 978,301 |
| Interest | 330,670 | 42,210 |
| Total | \$ 899,127 | \$ 1,020,511 |

11. 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 | \$ 517,847 | \$ 52,156 | \$ - | \$ 570,003 |
| Total capital projects deferred revenue | 517,847 | 52,156 | - | 570,003 |
| Other deferred revenue: | | | | |
| Tuition - International Students | 44,427 | 5,663 | 44,427 | 5,663 |
| Total other deferred revenue | 44,427 | 5,663 | 44,427 | 5,663 |
| Total Deferred Revenue | \$ 562,274 | \$ 57,819 | \$ 44,427 | \$ 575,666 |

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12. COMPLEMENTARY SERVICES

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

Following is a summary of the 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 | Early Learning Programs | Community Schools | Family School Liaisons | First Nations | 2014 | 2013 |
|---|---------------------|-------------------------|--------------------|------------------------|---------------------|---------------------|---------------------|
| Revenue: | | | | | | | |
| Operating Grants | \$ 511,476 | \$ - | \$ - | \$ - | \$ - | \$ 511,476 | \$ 552,964 |
| Other Ministry of Ed Grants | 68,741 | 612,645 | 13,460 | - | 61,625 | 756,471 | 689,190 |
| Other Provincial Grants | - | - | - | 70,883 | - | 70,883 | 69,899 |
| Other Grants | - | 16,000 | - | 38,250 | - | 54,250 | 38,250 |
| Tuition & Related Fees | - | - | - | 44,175 | - | 44,175 | - |
| Other Misc. Revenue | - | 1,000 | - | - | - | 1,000 | 41,800 |
| Total Revenue | 580,217 | 629,645 | 13,460 | 153,308 | 61,625 | 1,438,255 | 1,392,103 |
| Expenses: | | | | | | | |
| Salaries & Benefits | 724,758 | 400,776 | 77,347 | 455,127 | 153,201 | 1,811,209 | 1,649,981 |
| Instructional Aids | 10,891 | 20,837 | - | 1,016 | 1,290 | 34,034 | 61,614 |
| Supplies and Services | 2,329 | 18,595 | 13,460 | 31 | 40,278 | 74,693 | 88,924 |
| Non-Capital Equipment | 96 | 328 | - | 600 | 2,275 | 3,299 | 5,253 |
| Building Operating Expenses | - | 1,664 | - | - | - | 1,664 | 4,087 |
| Communications | 13 | 6,800 | - | 3,611 | - | 10,424 | 10,647 |
| Travel | 2,770 | 37,632 | - | 7,087 | 2,795 | 50,284 | 68,251 |
| Professional Development (Non-Salary Costs) | 1,165 | 8,915 | - | 7,033 | 370 | 17,483 | - |
| Student Related Expenses | 4,554 | - | - | - | - | 4,554 | 5,454 |
| Total Expenses | 746,576 | 495,547 | 90,807 | 474,505 | 200,209 | 2,007,644 | 1,894,211 |
| Excess (Deficiency) of Revenue over Expenses | \$ (166,359) | \$ 134,098 | \$ (77,347) | \$ (321,197) | \$ (138,584) | \$ (569,389) | \$ (502,108) |

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

- **Pre-K (Prekindergarten)** is a developmentally-appropriate early childhood education program for three and four year old children. The school division has 8 programs being offered in 6 different schools as well as one Pre-K/K Pilot program.
- **Early Learning** consists of Early Childhood Intervention Programs (ECIPs) which are a province-wide network of community-based supports for families of children who experience developmental delays. ECIPs utilize a strength-based approach to deliver family-focused, home- and centre-based services to families.
- **Community School** is a program to recognize areas that have a high percentage of at risk students due to socio-economic factors. The school division has 1 Community School.
- **Family School Liaisons** liaise between home, school and community. Liaisons provide counselling for students and their parents pertaining to social emotional barriers that prevent students from realizing their full potential at school and within the community. The school division has 5.5 FTE's for Family School Liaisons.
- **First Nations** includes a First Nations educator to assist in sharing traditional First Nation and Metis ways of knowing across the division. Our division has also implemented direct in-home services and traditional support to First Nation and Metis vulnerable children ages 0-5.

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

| Summary of External Services Revenues and Expenses, by Program | Cafeteria | Teacherages | 2014 | 2013 |
|---|--------------------|-----------------|--------------------|--------------------|
| Revenue: | | | | |
| Sales & Rentals | \$ 300,546 | \$ 24,002 | \$ 324,548 | \$ 420,981 |
| Total Revenue | 300,546 | 24,002 | 324,548 | 420,981 |
| Expenses: | | | | |
| Salaries & Benefits | 160,733 | - | 160,733 | 161,350 |
| Supplies and Services | 228,639 | 4,067 | 232,706 | 319,074 |
| Building Operating Expenses | - | 14,923 | 14,923 | 12,082 |
| Amortization of Tangible Capital Assets | 3,634 | - | 3,634 | 3,634 |
| Total Expenses | 393,006 | 18,990 | 411,996 | 496,140 |
| Excess (Deficiency) of Revenue over Expenses | \$ (92,460) | \$ 5,012 | \$ (87,448) | \$ (75,159) |

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

- **Cafeterias** are offered in 2 schools within the school division, providing students the option of purchasing meals on site.
- **Teacherages** are housing owned by the school division. The school division owns 6 residences which are primarily rented to teachers.

14. ACCUMULATED SURPLUS

Accumulated Surplus represents the financial assets and non-financial assets of the school division less liabilities. Accumulated surplus is comprised of the following two amounts:

- i) Accumulated surplus from operations, which represents the accumulated balance of net surplus arising from the operations of the school division and school generated funds as detailed in the table below; and
- ii) Accumulated remeasurement losses, which represents the unrealized losses associated with foreign exchange and changes in value for financial instruments recorded at fair value as detailed in the statement of remeasurement losses.

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purposes such as school generated funds, Pre-K funding related to the start up grant funding for Carnduff and Kids First programming. These internally restricted amounts are included in the accumulated surplus from operations presented in the statement of financial position. The school division does maintain a separate bank account for a portion of the internally restricted amounts.

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14. ACCUMULATED SURPLUS (Continued)

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 | \$ 112,977,414 | \$ 13,832,034 | \$ 19,993 | \$ 126,789,455 |
| Less: Debt owing on Tangible Capital Assets | (472,700) | (7,708,584) | (568,456) | (7,612,828) |
| | 112,504,714 | 6,123,450 | (548,463) | 119,176,627 |
| PMR maintenance project allocations (1) | 806,753 | 1,218,928 | 725,036 | 1,300,645 |
| Internally Restricted Surplus: | | | | |
| Other: | | | | |
| School generated funds | - | 1,522,672 | - | 1,522,672 |
| Pre K (Start up Grant for Carnduff) | - | 26,241 | - | 26,241 |
| Kids First Program | - | 55,495 | - | 55,495 |
| | - | 1,604,408 | - | 1,604,408 |
| Unrestricted Surplus | 17,673,530 | - | 774,447 | 16,899,083 |
| Total Accumulated Surplus from Operations | \$ 130,984,997 | \$ 8,946,786 | \$ 951,020 | \$ 138,980,763 |

- (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:

School Generated Funds represent residual funds from activities held at the school level (fundraising, non-curricular student fees, canteen, etc). These funds are restricted surplus and held for specific school use.

Pre K represents residual funds from Pre-K start up grants that were put toward upgrading classrooms for a new Pre K program at Carnduff School.

Kids First Program represents residual funds from KidsFirst which is a voluntary program that helps vulnerable families to become the best parents they can be and to have the healthiest children possible by enhancing knowledge, providing support and building on family strengths.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 20, 2013 and the Minister of Education on August 23, 2013.

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16. RELATED PARTIES

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

Related Party Transactions:

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

| | 2014 | 2013 |
|--|----------------------|----------------------|
| Revenues: | | |
| Ministry of Education | \$ 48,263,206 | \$ 46,265,731 |
| Ministry of Social Services | 70,883 | 69,899 |
| Southeast Regional College | 4,725 | 43,094 |
| Saskatchewan Worker's Compensation Board | 7,402 | 37,841 |
| Saskatchewan Government Insurance | 381,300 | 455,598 |
| Other Related Parties | 7,500 | 7,000 |
| | \$ 48,735,016 | \$ 46,879,163 |
| Expenses: | | |
| Holy Family RCSSD # 140 | \$ - | \$ 277,554 |
| Ministry of Finance | 19,373 | 23,715 |
| Sask Power/Sask Energy | 2,238,116 | 2,576,860 |
| Sask Tel | 460,768 | 899,455 |
| Sask Ed Leadership Unit | 10,913 | 7,517 |
| Saskatchewan Worker's Compensation Board | 158,052 | 146,564 |
| Saskatchewan Government Insurance | 151,705 | 117,880 |
| Southeast Regional College | 270,802 | 18,940 |
| Other Related Parties | 21,338 | 39,841 |
| | \$ 3,331,067 | \$ 4,108,326 |
| Accounts Receivable: | | |
| Ministry of Education | \$ 992,923 | \$ 587,599 |
| | \$ 992,923 | \$ 587,599 |
| Accounts Payable and Accrued Liabilities: | | |
| Sask Power/Sask Energy | \$ 106,081 | \$ 1,090 |
| Sask Tel | 25,670 | 208,304 |
| Other Related Parties | 21 | 1,170 |
| | \$ 131,772 | \$ 210,564 |

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16. RELATED PARTIES (Continued)

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

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

17. TRUSTS

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

Information about these trusts is as follows:

| | Total | Total |
|--|--------------------|--------------------|
| | <u>2014</u> | <u>2013</u> |
| Cash and short-term investments | \$ 735,889 | \$ 730,191 |
| Portfolio investments | 29,276 | 28,385 |
| Total Assets | \$ 765,165 | \$ 758,576 |
| Revenues | | |
| Contributions and donations | \$ 21,515 | \$ 36,368 |
| Interest on investments | 10,420 | 9,652 |
| | 31,935 | 46,020 |
| Expenses | | |
| Scholarships Issued | 25,346 | 24,634 |
| | 25,346 | 24,634 |
| Excess of Revenue over Expenses | 6,589 | 21,386 |
| Trust Fund Balance, Beginning of Year | 758,576 | 737,190 |
| Trust Fund Balance, End of Year | \$ 765,165 | \$ 758,576 |

18. CONTINGENT LIABILITIES

Litigation:

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

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19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Construction contract # 2 with HDH Architects and Quorex Construction Services for the remodeling of Weyburn Comprehensive High School in the amount of \$21,250,660. At August 31, 2014, 24.22% of this contract has been completed. The project is estimated to be completed by October 31, 2015.
- operating and capital lease obligations, as follows:

| | Operating Leases | | |
|---------------------------------------|------------------|-------------------|-------------------|
| | Office Rental | Copier Leases | Total Operating |
| Future minimum lease payments: | | | |
| 2015 | \$ 18,653 | \$ 200,489 | \$ 219,142 |
| 2016 | - | 200,489 | 200,489 |
| 2017 | - | 200,489 | 200,489 |
| Interest and executory costs | - | - | - |
| Total Lease Obligations | \$ 18,653 | \$ 601,467 | \$ 620,120 |

20. 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.

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21. COMPARATIVE INFORMATION

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

22. RISK MANAGEMENT

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

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. 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 provincial grants and other 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 | \$ 992,923 | \$ 992,923 | \$ 587,599 | \$ 587,599 |
| 0-30 days | 815,679 | 815,679 | 569,903 | 569,903 |
| 30-60 days | 22,402 | 22,402 | 24,823 | 24,823 |
| 60-90 days | 326,955 | 326,955 | 39,820 | 39,820 |
| Over 90 days | 488,203 | 488,203 | 486,782 | 486,782 |
| Total | \$ 2,646,162 | \$ 2,646,162 | \$ 1,708,927 | \$ 1,708,927 |

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 performing quarterly forecasts and reports as well as maintaining an operating line of credit as a temporary means of meeting the financial obligations. The following table sets out the contractual maturities of the school division's financial liabilities:

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22. RISK MANAGEMENT (Continued)

| August 31, 2014 | | | | |
|--|---------------------|-----------------------|---------------------|---------------------|
| | Within 6 months | 6 months to 1 year | 1 to 5 years | > 5 years |
| Bank indebtedness | \$ 7,281,147 | \$ - | \$ - | \$ - |
| Accounts payable and accrued liabilities | 5,093,390 | - | - | - |
| Long term debt | 227,870 | 124,445 | 1,105,086 | 6,155,427 |
| Total | \$12,602,407 | \$ 124,445 | \$ 1,105,086 | \$ 6,155,427 |

iii) Market Risk

The school division is exposed to market risks with respect to interest rates and foreign currency exchange 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 cash and cash equivalents, and portfolio investments. The school division also has an authorized bank line of credit of \$ 20,000,000 with interest payable monthly at a rate of prime less 0.025 %. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. The balance outstanding on this credit facility at August 31, 2014 was \$ 7,281,147 (2013 - \$ 12,543,217).

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- 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.

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, this risk is minimal as the school division does not make a significant amount of purchases denominated on a foreign currency. As at August 31, 2014 the school division had a cash balance of \$1,014 denominated in U.S. dollars and converted to Canadian dollars at \$1.0959 USD - \$1,111.24 CAD (2013 - \$1.0652 USD - \$677 CAD).