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## Audited Financial Statements

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Of the Prairie South School Division No. 210

School Division No. 2100500

For the Period Ending: August 31, 2014

Bernard Girardin  
Chief Financial Officer

Stark & Marsh, Chartered Accountants LLP  
Auditor

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

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November 25, 2014

### **Management's Responsibility for the Financial Statements**

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

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

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

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

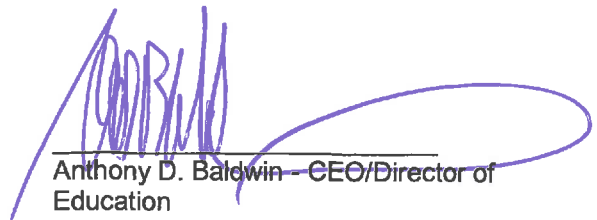
On behalf of the Board of Education of the Prairie South School Division of Saskatchewan  
No. 210.



Shawn Davidson - Board Chair



Bernard Girardin -Chief Financial Officer



Anthony D. Baldwin - CEO/Director of  
Education



## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Prairie South School Division No. 210:

We have audited the accompanying financial statements of Prairie South School Division No. 210, which comprise the statement of financial position as at August 31, 2014, and the statement of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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 Prairie South School Division No. 210 as at August 31, 2014, and the results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

  
Chartered Accountants, LLP

Swift Current, Saskatchewan  
November 25, 2014

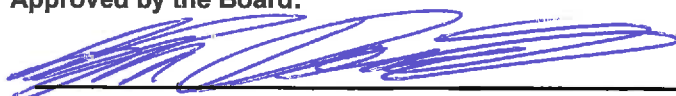
**Prairie South School Division No. 210**  
**Statement of Financial Position**  
**as at August 31, 2014**

	2014	2013
<b>Financial Assets</b>		
Cash and Cash Equivalents	17,000,562	18,755,140
Accounts Receivable (Note 8)	13,415,420	13,333,342
Portfolio Investments (Note 4)	72,989	75,176
<b>Total Financial Assets</b>	<b>30,488,971</b>	<b>32,163,658</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	5,527,712	5,073,928
Long Term Debt (Note 10)	1,512,647	1,847,476
Liability for Employee Future Benefits (Note 6)	2,100,200	1,971,200
Deferred Revenue (Note 11)	2,208,930	2,779,186
<b>Total Liabilities</b>	<b>11,349,489</b>	<b>11,671,790</b>
<b>Net Financial Assets</b>	<b>19,139,482</b>	<b>20,491,868</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	52,749,252	54,364,598
Inventory of Supplies for Consumption	166,136	184,530
Prepaid Expenses	625,927	447,825
<b>Total Non-Financial Assets</b>	<b>53,541,315</b>	<b>54,996,953</b>
<b>Accumulated Surplus (Note 14)</b>	<b>72,680,797</b>	<b>75,488,821</b>

Contingent Liabilities (Note 18)

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

**Approved by the Board:**



Chairperson



Chief Financial Officer

**Prairie South School Division No. 210**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>REVENUES</b>	(Note 15)		
Property Taxation	29,505,075	29,568,054	29,225,371
Grants	47,696,666	49,013,538	52,481,846
Tuition and Related Fees	97,458	49,071	41,757
School Generated Funds	1,228,000	1,217,018	1,308,315
Complementary Services (Note 12)	523,791	555,549	627,232
External Services (Note 13)	4,561,943	4,460,129	4,318,551
Other	562,125	411,739	688,139
<b>Total Revenues (Schedule A)</b>	<b>84,175,058</b>	<b>85,275,098</b>	<b>88,691,211</b>
<b>EXPENSES</b>			
Governance	581,673	528,827	600,764
Administration	3,337,589	3,004,953	3,082,325
Instruction	55,533,596	55,756,422	55,616,312
Plant	13,743,184	13,979,496	15,276,283
Transportation	7,235,310	7,288,118	7,213,086
Tuition and Related Fees	72,500	113,897	76,430
School Generated Funds	1,228,000	1,095,858	1,220,566
Complementary Services (Note 12)	2,110,890	2,036,235	2,240,534
External Services (Note 13)	4,374,878	4,378,862	4,304,039
Other Expenses	81,816	(99,546)	97,456
<b>Total Expenses (Schedule B)</b>	<b>88,299,436</b>	<b>88,083,122</b>	<b>89,727,795</b>
<b>Operating (Deficit) for the Year</b>	<b>(4,124,378)</b>	<b>(2,808,024)</b>	<b>(1,036,584)</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>75,488,821</b>	<b>75,488,821</b>	<b>76,525,405</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>71,364,443</b>	<b>72,680,797</b>	<b>75,488,821</b>

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

**Prairie South School Division No. 210**  
**Statement of Changes in Net Financial Assets**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
	(Note 15)		
<b>Net Financial Assets, Beginning of Year</b>	<b>20,491,868</b>	<b>20,491,868</b>	<b>21,675,573</b>
<b>Changes During the Year:</b>			
Operating (Deficit) for the Year	(4,124,378)	(2,808,024)	(1,036,584)
Acquisition of Tangible Capital Assets (Schedule C)	(4,414,830)	(3,776,487)	(5,292,249)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	126,445	8,545
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(118,828)	(8,545)
Amortization of Tangible Capital Assets (Schedule C)	5,419,137	5,384,216	5,014,115
Net Acquisition of Inventory of Supplies	-	18,394	129,521
Net Change in Other Non-Financial Assets	-	(178,102)	1,492
<b>Change in Net Financial Assets</b>	<b>(3,120,071)</b>	<b>(1,352,386)</b>	<b>(1,183,705)</b>
<b>Net Financial Assets, End of Year</b>	<b>17,371,797</b>	<b>19,139,482</b>	<b>20,491,868</b>

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

**Prairie South School Division No. 210**  
**Statement of Cash Flows**  
**for the year ended August 31, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Operating (Deficit) for the Year	(2,808,024)	(1,036,584)
Add Non-Cash Items Included in Deficit (Schedule D)	5,265,388	5,005,570
Net Change in Non-Cash Operating Activities (Schedule E)	(229,258)	(3,256,485)
<b>Cash Provided by Operating Activities</b>	<b>2,228,106</b>	<b>712,501</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(3,776,487)	(5,292,249)
Proceeds on Disposal of Tangible Capital Assets	126,445	8,545
<b>Cash (Used) by Capital Activities</b>	<b>(3,650,042)</b>	<b>(5,283,704)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(33,063)	(43,387)
Proceeds on Disposal of Portfolio Investments	35,250	241,291
<b>Cash Provided by Investing Activities</b>	<b>2,187</b>	<b>197,904</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Long Term Debt	(334,829)	(319,103)
<b>Cash (Used) by Financing Activities</b>	<b>(334,829)</b>	<b>(319,103)</b>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,754,578)</b>	<b>(4,692,402)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>18,755,140</b>	<b>23,447,542</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>17,000,562</b>	<b>18,755,140</b>

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

**Prairie South School Division No. 210**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	29,505,075	27,979,408	28,086,859
Revenue from Supplemental Levies	-	200,306	111,207
<b>Total Property Tax Revenue</b>	<b>29,505,075</b>	<b>28,179,714</b>	<b>28,198,066</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	-	450,907	488,959
Provincial Government	-	238,652	241,972
Railways	-	335,907	408,648
Other	-	271,882	276,151
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>1,297,348</b>	<b>1,415,730</b>
<b>Other Tax Revenues:</b>			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	5,716	-
House Trailer Fees	-	105,479	117,213
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>111,195</b>	<b>117,213</b>
<b>Additions to Levy:</b>			
Penalties	-	180,528	175,467
Other	-	12,257	6,687
<b>Total Additions to Levy</b>	<b>-</b>	<b>192,785</b>	<b>182,154</b>
<b>Deletions from Levy:</b>			
Cancellations	-	(193,648)	(328,674)
Other Deletions	-	(19,340)	(359,118)
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(212,988)</b>	<b>(687,792)</b>
<b>Total Property Taxation Revenue</b>	<b>29,505,075</b>	<b>29,568,054</b>	<b>29,225,371</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
Operating Grant	45,781,201	46,606,562	49,916,307
Other Ministry Grants	32,000	109,234	91,898
<b>Total Ministry Grants</b>	<b>45,813,201</b>	<b>46,715,796</b>	<b>50,008,205</b>
Other Provincial Grants	276,000	409,821	252,255
Grants from Others	-	33,787	55,777
<b>Total Operating Grants</b>	<b>46,089,201</b>	<b>47,159,404</b>	<b>50,316,237</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	1,607,465	1,844,584	2,154,402
Other Capital Grants	-	9,550	11,207
<b>Total Capital Grants</b>	<b>1,607,465</b>	<b>1,854,134</b>	<b>2,165,609</b>
<b>Total Grants</b>	<b>47,696,666</b>	<b>49,013,538</b>	<b>52,481,846</b>



**Prairie South School Division No. 210**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
School Boards	30,000	29,150	27,775
Federal Government and First Nations	10,500	12,321	12,532
Individuals and Other	56,958	7,600	1,450
<b>Total Tuition Fees</b>	<b>97,458</b>	<b>49,071</b>	<b>41,757</b>
<b>Total Operating Tuition and Related Fees</b>	<b>97,458</b>	<b>49,071</b>	<b>41,757</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>97,458</b>	<b>49,071</b>	<b>41,757</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular:</b>			
Student Fees	51,000	16,619	18,949
<b>Total Curricular Fees</b>	<b>51,000</b>	<b>16,619</b>	<b>18,949</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - GST	733,000	788,815	819,438
Commercial Sales - Non-GST	32,000	5,120	40,076
Fundraising	139,000	55,604	135,999
Grants and Partnerships	71,000	74,402	103,534
Students Fees	121,000	191,233	169,008
Other	81,000	85,225	21,311
<b>Total Non-Curricular Fees</b>	<b>1,177,000</b>	<b>1,200,399</b>	<b>1,289,366</b>
<b>Total School Generated Funds Revenue</b>	<b>1,228,000</b>	<b>1,217,018</b>	<b>1,308,315</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	511,478	511,476	509,664
Other Ministry Grants	-	29,800	102,409
Other Provincial Grants	-	12,463	-
Other Grants	12,313	1,810	14,055
<b>Total Operating Grants</b>	<b>523,791</b>	<b>555,549</b>	<b>626,128</b>
<b>Fees and Other Revenue</b>			
Other Revenue	-	-	1,104
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>-</b>	<b>1,104</b>
<b>Total Complementary Services Revenue</b>	<b>523,791</b>	<b>555,549</b>	<b>627,232</b>

**Prairie South School Division No. 210**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>External Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	4,106,860	3,752,976	3,759,742
Other Provincial Grants	69,700	62,045	-
Other Grants	-	-	86,364
<b>Total Operating Grants</b>	<b>4,176,560</b>	<b>3,815,021</b>	<b>3,846,106</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	4,613	3,766
Gain on Disposal of Capital Assets	-	101,648	-
Other Revenue	385,383	538,847	468,679
<b>Total Fees and Other Revenue</b>	<b>385,383</b>	<b>645,108</b>	<b>472,445</b>
<b>Total External Services Revenue</b>	<b>4,561,943</b>	<b>4,460,129</b>	<b>4,318,551</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	163,650	65,255	325,481
Sales & Rentals	52,000	57,649	59,782
Investments	339,500	271,655	294,331
Gain on Disposal of Capital Assets	6,975	17,180	8,545
<b>Total Other Revenue</b>	<b>562,125</b>	<b>411,739</b>	<b>688,139</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>84,175,058</b>	<b>85,275,098</b>	<b>88,691,211</b>

**Prairie South School Division No. 210**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Governance Expense</b>			
Board Members Expense	213,966	191,946	198,551
Professional Development- Board Members	61,500	45,423	50,538
Advisory Committees	79,400	41,421	42,013
Elections	12,000	687	55,490
Other Governance Expenses	214,807	249,350	254,172
<b>Total Governance Expense</b>	<b>581,673</b>	<b>528,827</b>	<b>600,764</b>
<b>Administration Expense</b>			
Salaries	2,462,016	2,241,150	2,256,180
Benefits	337,448	295,157	295,315
Supplies & Services	239,951	207,423	198,522
Non-Capital Furniture & Equipment	850	690	705
Building Operating Expenses	104,600	97,613	209,678
Communications	35,750	31,485	36,951
Travel	42,060	43,338	32,278
Professional Development	70,360	59,732	22,950
Amortization of Tangible Capital Assets	44,554	28,365	29,746
<b>Total Administration Expense</b>	<b>3,337,589</b>	<b>3,004,953</b>	<b>3,082,325</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	37,758,698	38,328,003	38,227,141
Instructional (Teacher Contract) Benefits	2,246,669	2,320,480	2,235,548
Program Support (Non-Teacher Contract) Salaries	7,518,013	7,296,803	7,380,796
Program Support (Non-Teacher Contract) Benefits	1,680,096	1,613,380	1,685,421
Instructional Aids	1,589,965	1,536,210	1,531,968
Supplies & Services	940,919	830,557	1,081,372
Non-Capital Furniture & Equipment	310,123	415,473	293,517
Communications	319,073	224,078	258,661
Travel	245,773	237,016	261,646
Professional Development	558,731	371,043	486,138
Student Related Expense	519,015	538,977	522,628
Amortization of Tangible Capital Assets	1,846,521	2,044,402	1,651,476
<b>Total Instruction Expense</b>	<b>55,533,596</b>	<b>55,756,422</b>	<b>55,616,312</b>

**Prairie South School Division No. 210**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	3,298,980	3,390,697	3,475,738
Benefits	801,067	718,157	665,567
Supplies & Services	19,950	29,982	33,005
Non-Capital Furniture & Equipment	19,000	30,082	31,373
Building Operating Expenses	6,921,925	7,321,622	8,493,516
Communications	10,000	7,870	11,482
Travel	98,000	95,654	136,810
Professional Development	14,280	6,928	10,194
Amortization of Tangible Capital Assets	2,559,982	2,378,504	2,418,598
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>13,743,184</b>	<b>13,979,496</b>	<b>15,276,283</b>
<b>Student Transportation Expense</b>			
Salaries	3,330,705	3,207,047	3,213,658
Benefits	771,686	757,724	740,421
Supplies & Services	1,151,255	1,380,905	1,236,443
Non-Capital Furniture & Equipment	450,710	477,360	527,412
Building Operating Expenses	91,250	73,266	94,952
Communications	20,650	16,870	22,178
Travel	2,000	856	1,289
Professional Development	7,500	11,782	13,772
Contracted Transportation	441,474	433,085	453,051
Amortization of Tangible Capital Assets	968,080	929,223	909,910
<b>Total Student Transportation Expense</b>	<b>7,235,310</b>	<b>7,288,118</b>	<b>7,213,086</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	72,500	113,897	76,430
<b>Total Tuition and Related Fees Expense</b>	<b>72,500</b>	<b>113,897</b>	<b>76,430</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	21,000	10,514	53,317
Cost of Sales	607,000	554,160	584,585
School Fund Expenses	600,000	531,184	582,664
<b>Total School Generated Funds Expense</b>	<b>1,228,000</b>	<b>1,095,858</b>	<b>1,220,566</b>

**Prairie South School Division No. 210**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Complementary Services Expense</b>			
Tuition Fees	17,000	-	-
Instructional (Teacher Contract) Salaries & Benefits	956,526	953,204	970,257
Program Support (Non-Teacher Contract) Salaries & Benefits	700,984	679,129	765,593
Supplies & Services	316,400	301,171	331,517
Communications	3,300	2,307	4,699
Travel	18,200	23,994	48,511
Professional Development (Non-Salary Costs)	6,500	4,355	15,028
Student Related Expenses	91,980	69,126	101,980
Amortization of Tangible Capital Assets	-	2,949	2,949
<b>Total Complementary Services Expense</b>	<b>2,110,890</b>	<b>2,036,235</b>	<b>2,240,534</b>
<b>External Service Expense</b>			
Other Fees	1,454,289	1,048,395	1,093,282
Administration Salaries & Benefits	-	150,120	150,389
Instructional (Teacher Contract) Salaries & Benefits	2,649,617	2,915,094	2,800,031
Program Support (Non-Teacher Contract) Salaries & Benefits	152,222	164,664	153,694
Transportation Salaries & Benefits	-	2,306	2,615
Supplies & Services	5,080	2,390	3,570
Non-Capital Furniture & Equipment	-	461	866
Building Operating Expenses	8,900	3,768	15,218
Communications	650	730	514
Travel	11,200	3,404	2,407
Professional Development (Non-Salary Costs)	3,760	2,401	1,381
Student Related Expenses	89,160	84,356	78,637
Amortization of Tangible Capital Assets	-	773	1,435
<b>Total External Services Expense</b>	<b>4,374,878</b>	<b>4,378,862</b>	<b>4,304,039</b>

**Prairie South School Division No. 210**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	100	-	15
Interest on Other Capital Loans and Long Term Debt			
Other	81,716	81,716	97,441
Total Interest and Bank Charges	<u>81,816</u>	<u>81,716</u>	<u>97,456</u>
Provision for Uncollectable Taxes	-	(181,262)	-
<b>Total Other Expense</b>	<b>81,816</b>	<b>(99,546)</b>	<b>97,456</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>88,299,436</b>	<b>88,083,122</b>	<b>89,727,795</b>

**Prairie South School Division No. 210**

**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
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	1,718,010	414,093	95,912,347	2,615,210	12,698,203	702,556	4,915,597	6,559,848	129,836	720,289	126,385,989	121,560,438
Additions/Purchases	-	5,231	302,347	-	686,895	30,065	748,248	1,350,494	6,106	647,101	3,776,487	5,292,249
Disposals	-	-	(33,111)	-	(1,188,138)	(5,936)	(307,633)	-	-	-	(1,534,818)	(466,698)
Transfers to (from)	-	-	712,498	-	-	-	-	-	-	(712,498)	-	-
<b>Closing Balance as of August 31</b>	<b>1,718,010</b>	<b>419,324</b>	<b>96,894,081</b>	<b>2,615,210</b>	<b>12,196,960</b>	<b>726,685</b>	<b>5,356,212</b>	<b>7,910,342</b>	<b>135,942</b>	<b>654,892</b>	<b>128,627,658</b>	<b>126,385,989</b>
<b>Tangible Capital Assets - Amortization:</b>												
Opening Balance as of September 1	-	227,020	56,259,386	1,636,597	7,805,718	610,629	1,584,292	3,847,993	49,756	-	72,021,391	67,473,974
Amortization of the Period	-	18,482	2,088,279	54,145	854,459	38,137	534,036	1,769,490	27,188	-	5,384,216	5,014,115
Disposals	-	-	(25,494)	-	(1,188,138)	(5,936)	(307,633)	-	-	-	(1,527,201)	(466,698)
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>245,502</b>	<b>58,322,171</b>	<b>1,690,742</b>	<b>7,472,039</b>	<b>642,830</b>	<b>1,810,695</b>	<b>5,617,483</b>	<b>76,944</b>	<b>N/A</b>	<b>75,878,406</b>	<b>72,021,391</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	1,718,010	187,073	39,652,961	978,613	4,892,485	91,927	3,331,305	2,711,855	80,080	720,289	54,364,598	54,086,464
Closing Balance as of August 31	1,718,010	173,822	38,571,910	924,468	4,724,921	83,855	3,545,517	2,292,859	58,998	654,892	52,749,252	54,364,598
<b>Change in Net Book Value</b>	<b>-</b>	<b>(13,251)</b>	<b>(1,081,051)</b>	<b>(54,145)</b>	<b>(167,564)</b>	<b>(8,072)</b>	<b>214,212</b>	<b>(418,996)</b>	<b>(21,082)</b>	<b>(65,397)</b>	<b>(1,615,346)</b>	<b>278,134</b>
<b>Disposals:</b>												
Historical Cost	-	-	33,111	-	1,188,138	5,936	307,633	-	-	-	1,534,818	466,698
Accumulated Amortization	-	-	25,494	-	1,188,138	5,936	307,633	-	-	-	1,527,201	466,698
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>7,617</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,617</b>	<b>-</b>
Price of Sale	802	-	109,265	-	13,594	226	2,558	-	-	-	126,445	8,545
<b>Gain/loss on Disposal</b>	<b>802</b>	<b>-</b>	<b>101,648</b>	<b>-</b>	<b>13,594</b>	<b>226</b>	<b>2,558</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,828</b>	<b>8,545</b>
<b>Net Book Value (NBV) of Assets Pledged as Security for Debt</b>												
	-	-	-	-	1,512,648	-	-	-	-	-	1,512,648	1,847,476

**Prairie South School Division No. 210**  
**Schedule D: Non-Cash Items Included in Deficit**  
**for the year ended August 31, 2014**

	2014	2013
<b>Non-Cash Items Included in Deficit</b>		
Amortization of Tangible Capital Assets (Schedule C)	5,384,216	5,014,115
Net (Gain) on Disposal of Tangible Capital Assets	(118,828)	(8,545)
<b>Total Non-Cash Items Included in Deficit</b>	<b>5,265,388</b>	<b>5,005,570</b>

**Prairie South School Division No. 210**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2014**

	2014	2013
<b>Net Change in Non-Cash Operating Activities:</b>		
(Increase) in Accounts Receivable	(82,078)	(50,333)
(Decrease) in Provincial Grant Overpayment	-	(1,747,384)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	453,784	(1,797,860)
Increase (Decrease) in Liability for Employee Future Benefits	129,000	(7,800)
Increase (Decrease) in Deferred Revenue	(570,256)	215,879
Decrease in Inventory of Supplies for Consumption	18,394	129,521
Decrease (Increase) in Prepaid Expenses	(178,102)	1,492
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(229,258)</b>	<b>(3,256,485)</b>



**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-1**

**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 Prairie South School Division No 210” and operates as “the Prairie South School Division No. 210”. 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 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 19 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 agreements, 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.

**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 \$2,100,200 (2013 - \$1,971,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$29,568,054 (2013 - \$29,225,371) because final tax assessments may differ from estimates.
- uncollectible taxes of \$1,222,064 (2013 - \$1,403,326) because actual collectability may differ from initial estimates.
- the teacher accrual for retroactive salaries related to the 2014 year of \$648,541 (2013 - \$0) because the actual amount in the final negotiated contract may differ from initial estimates.
- useful lives of capital assets and the related amortization for \$5,384,216 (2013 - \$5,014,115) because the actual useful lives of the capital assets may differ from their economic lives.
- prior years tangible capital asset historical costs and related amortization for these assets may become obsolete prior to the end of their estimated useful lives.

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

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 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.

**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.

**Portfolio Investments** consist of term deposits and guaranteed investment certificates carried at amortized cost and unrealized equity in Saskatchewan co-operatives and credit unions. 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	4 years
Computer software	5 years

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

Assets that have an 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 such as Saskatchewan School Board Association fees; building, vehicle and liability insurance; Workers' Compensation fees; software licensing and maintenance, professional development opportunities and Five Hills Health District services 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.

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

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

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

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

**iii) Fees and Services**

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

**iv) Interest Income**

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

**v) Other (Non-Government Transfer) Contributions**

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

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**l) Statement of Remeasurement Gain and Losses**

The school division has not presented a Statement of Remeasurement Gains or 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 \$15,000,000 that bears interest at Bank prime rate minus 0.50% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by property taxes and operating grants receivable. This line of credit was approved by the Minister of Education on November 16, 2011. 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 comprised of the following:

	<b>2014</b>	<b>2013</b>
<b>Portfolio investments in the cost and amortized cost category:</b>	<b>Cost</b>	<b>Cost</b>
Conexus Credit Union Term Deposit	\$ 12,726	\$ 12,726
CIBC Long Term GIC	14,000	14,000
Conexus Credit Union Term Deposit	2,616	2,581
Innovation Credit Union Term Deposit	8,785	8,623
CIBC Term Deposit	-	1,016
Royal Bank GIC	5,273	5,231
CIBC Flexible GIC	11,339	11,249
Equity in co-operatives	17,488	19,374
Credit Union equity funds	762	376
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>\$ 72,989</b>	<b>\$ 75,176</b>

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

<b>Function</b>	<b>Salaries &amp; Benefits</b>	<b>Goods &amp; Services</b>	<b>Debt Service</b>	<b>Amortization of TCA</b>	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
Governance	\$ 186,914	\$ 341,913	\$ -	\$ -	\$ 581,673	\$ 528,827	\$ 600,764
Administration	2,536,307	440,281	-	28,365	3,337,589	3,004,953	3,082,325
Instruction	49,558,666	4,153,354	-	2,044,402	55,533,596	55,756,422	55,616,312
Plant	4,108,854	7,492,138	-	2,378,504	13,743,184	13,979,496	15,276,283
Transportation	3,964,771	2,394,124	-	929,223	7,235,310	7,288,118	7,213,086
Tuition and Related Fees	-	113,897	-	-	72,500	113,897	76,430
School Generated Funds	-	1,095,858	-	-	1,228,000	1,095,858	1,220,566
Complementary Services	1,632,333	400,953	-	2,949	2,110,890	2,036,235	2,240,534
External Services	3,232,184	1,145,905	-	773	4,374,878	4,378,862	4,304,039
Other	-	(181,262)	81,716	-	81,816	(99,546)	97,456
<b>TOTAL</b>	<b>\$65,220,029</b>	<b>\$17,397,161</b>	<b>\$81,716</b>	<b>\$ 5,384,216</b>	<b>\$88,299,436</b>	<b>\$88,083,122</b>	<b>\$89,727,795</b>



**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**6. EMPLOYEE FUTURE BENEFITS**

The school division provides certain post-employment and compensated absence benefits and termination benefits to its employees. These benefits include accumulating non-vested sick leave, severance benefits, and vacation banks. These benefits generally accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. Significant assumptions include discount rate, inflation and salary scale. 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
Actuarial valuation date	31-Aug-14	31-Aug-13
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)	12	12

Liability for Employee Future Benefits	2014	2013
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 1,861,400</b>	<b>\$ 2,022,600</b>
Current period benefit cost	176,200	185,300
Interest cost	70,500	56,200
Benefit payments	(46,900)	(255,100)
Actuarial gains / losses	124,600	(147,600)
Plan amendments	(85,600)	-
<b>Accrued Benefit Obligation - end of year</b>	<b>2,100,200</b>	<b>1,861,400</b>
<b>Unamortized Net Actuarial Gains</b>	<b>-</b>	<b>109,800</b>
<b>Liability for Employee Future Benefits</b>	<b>\$ 2,100,200</b>	<b>\$ 1,971,200</b>

Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 176,200	\$ 185,300
Amortization of net actuarial gain / loss	(6,500)	5,800
Plan amendments	(64,300)	-
<b>Benefit cost</b>	<b>105,400</b>	<b>191,100</b>
<b>Interest cost on unfunded employee future benefits obligation</b>	<b>70,500</b>	<b>56,200</b>
<b>Total Employee Future Benefits Expense</b>	<b>\$ 175,900</b>	<b>\$ 247,300</b>

**7. PENSION PLANS**

**Multi-Employer Defined Benefit Plans**

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

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

- a) 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	639	37	676	672
Member contribution rate (percentage of salary)	7.8%/11.30%	6.05% / 6.9%	6.05% / 11.3%	6.05 - 10%
Member contributions for the year	\$ 3,373,418	\$ 131,140	\$ 3,504,558	\$3,518,839

- b) 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.

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Details of the MEPP are as follows:

	2014	2013
Number of active School Division members	645	648
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	\$ 1,225,527	\$ 1,240,112
School Division contributions for the year	\$ 1,225,527	\$ 1,240,112
Actuarial valuation date	31-Dec-13	31-Dec-12 (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	\$13,341,771	\$ 1,222,064	\$12,119,707	\$ 13,355,097	\$ 1,403,326	\$11,951,771
Provincial Grants Receivable	811,403	-	811,403	593,597	-	593,597
Other Receivables	484,310	-	484,310	787,974	-	787,974
<b>Total Accounts Receivable</b>	<b>\$14,637,484</b>	<b>\$ 1,222,064</b>	<b>\$13,415,420</b>	<b>\$ 14,736,668</b>	<b>\$ 1,403,326</b>	<b>\$13,333,342</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of account payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 2,841,353	\$ 2,010,329
Supplier Payments	2,138,803	2,723,082
Staff funds	5,197	3,808
Constuction contract holdbacks & other contractual liabilities	542,359	336,709
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 5,527,712</b>	<b>\$ 5,073,928</b>

**10. LONG-TERM DEBT**

Details of long-term debt are as follows:

	Interest Rate	Maturity Date	Payment Amount	Payment Frequency	Balance as at Aug 31, 2014	Balance as at Aug 31, 2013	
Capital Loans:	CIBC	4.82%	31-Aug-18	34,712	Monthly	\$ 1,512,647	\$ 1,847,476
<b>Total Long Term Debt</b>					<b>\$ 1,512,647</b>	<b>\$ 1,847,476</b>	

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

<b>Future principal repayments over the next 5 years are estimated as follows:</b>		
	<b>Capital Loans</b>	<b>Total</b>
2015	\$ 351,328	\$ 351,328
2016	368,642	368,642
2017	386,808	386,808
2018	405,869	405,869
<b>Total</b>	<b>\$ 1,512,647</b>	<b>\$ 1,512,647</b>

<b>Principal and interest payments on the long-term debt are as follows:</b>			
	<b>Capital Loans</b>	<b>2014</b>	<b>2013</b>
Principal	\$ 334,829	\$ 334,829	\$ 319,103
Interest	81,715	81,715	97,441
<b>Total</b>	<b>\$ 416,544</b>	<b>\$ 416,544</b>	<b>\$ 416,544</b>

**11. DEFERRED REVENUE**

Details of deferred revenues are as follows:

	<b>Balance as at Aug. 31, 2013</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at Aug. 31, 2014</b>
<b>Capital projects:</b>				
Federal capital tuition	\$ 3,407	\$ 440	\$ -	\$ 3,847
Proceeds from sale of school buildings	640,156	-	-	640,156
Peacock gym floor	14,020	-	-	14,020
Legacy division capital project	2,528	-	-	2,528
Playground donations	4,468	22,614	-	27,082
Peacock auditorium improvement fee	21,626	8,240	-	29,866
Coronach School Treadmill	130	-	-	130
Peacock Donations to School Governance Association Room	2,000	-	-	2,000
Lafleche School Technology Upgrade	8,049	3,000	-	11,049
Assiniboia High Science Lab	8,082	-	-	8,082
Empire School Donation for Create our Future	-	500	414	86
Mossbank School Donation for iPad Cart	-	1,923	-	1,923
<b>Total capital projects deferred revenue</b>	<b>704,466</b>	<b>36,717</b>	<b>414</b>	<b>740,769</b>
<b>Other deferred revenue:</b>				
Property tax	2,069,088	1,439,624	2,069,091	1,439,621
Rentals, tuition & donations	5,632	28,516	5,608	28,540
<b>Total other deferred revenue</b>	<b>2,074,720</b>	<b>1,468,140</b>	<b>2,074,699</b>	<b>1,468,161</b>
<b>Total Deferred Revenue</b>	<b>\$ 2,779,186</b>	<b>\$ 1,504,857</b>	<b>\$ 2,075,113</b>	<b>\$ 2,208,930</b>

**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:

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Nutrition	Other Programs	2014	2013
<b>Revenue:</b>						
Operating Grants	\$ 511,476	\$ 12,463	\$ 29,800	\$ -	\$ 553,739	\$ 626,128
Fees and Other Revenue	-	-	1,810	-	1,810	1,104
<b>Total Revenue</b>	<b>511,476</b>	<b>12,463</b>	<b>31,610</b>	<b>-</b>	<b>555,549</b>	<b>627,232</b>
<b>Expenses:</b>						
Salaries & Benefits	1,065,608	286,664	109,792	170,269	1,632,333	1,735,850
Supplies and Services	563	147,305	-	153,303	301,171	331,517
Communications	537	1,770	-	-	2,307	4,699
Travel	5,581	18,413	-	-	23,994	48,511
Professional Development (Non-Salary Costs)	2,302	2,053	-	-	4,355	15,028
Student Related Expenses	21,945	1,430	45,751	-	69,126	101,980
Amortization of Tangible Capital Assets	-	2,949	-	-	2,949	2,949
<b>Total Expenses</b>	<b>1,096,536</b>	<b>460,584</b>	<b>155,543</b>	<b>323,572</b>	<b>2,036,235</b>	<b>2,240,534</b>
<b>(Deficiency) of Revenue over Expenses</b>	<b>\$ (585,060)</b>	<b>\$ (448,121)</b>	<b>\$ (123,933)</b>	<b>\$ (323,572)</b>	<b>\$ (1,480,686)</b>	<b>\$ (1,613,302)</b>

**Pre-K programs**

Prekindergarten programs provide in-school programs for children of preschool age. The School Division operated eleven prekindergarten programs in the 2013/14 (eleven in 2012/13) school year: Assiniboia Seventh Avenue School, Empire School, King George School, Lafleche General School, Lindale School, Prince Arthur Community School, Westmount School, William Grayson School, Sunningdale School and two French prekindergarten programs operated at Gravelbourg Elementary School and Palliser Heights School.

**Interagency Services**

Interagency services represent health, daycare and social services programs provided by the School Division in conjunction with outside agencies for at risk students and families, and occupational therapy services provided by the School Division to students.

**Nutrition**

The School Division provides nutritious breakfasts, snacks and meals to students in need.

**Other**

Programs stated as other include opportunity to learn and community supports for students, families and communities in schools designated by the School Division.

**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:

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-14**

Summary of External Services Revenues and Expenses, by Program	Caronport High School	Cornerstone Christian School	Bus Services	Cognitive Disability Strategies	Food Services	Other Programs	2014	2013
<b>Revenue:</b>								
Operating Grants	\$ 1,511,673	\$ 2,241,303	\$ -	\$ 62,045	\$ -	\$ -	\$ 3,815,021	\$ 3,846,106
Fees and Other Revenue	-	-	4,613	-	132,032	508,463	645,108	472,445
<b>Total Revenue</b>	<b>1,511,673</b>	<b>2,241,303</b>	<b>4,613</b>	<b>62,045</b>	<b>132,032</b>	<b>508,463</b>	<b>4,460,129</b>	<b>4,318,551</b>
<b>Expenses:</b>								
Tuition Fees	527,450	520,945	-	-	-	-	1,048,395	1,093,282
Salaries & Benefits	982,584	1,720,154	2,307	37,074	97,420	392,645	3,232,184	3,106,729
Supplies and Services	-	-	1,845	545	-	-	2,390	3,570
Non-Capital Equipment	-	-	461	-	-	-	461	866
Building Operating Expenses	-	-	-	-	-	3,768	3,768	15,218
Communications	-	-	-	730	-	-	730	514
Travel	-	-	-	1,861	1,543	-	3,404	2,407
Professional Development	1,639	204	-	558	-	-	2,401	1,381
Student Related Expenses	-	-	-	-	84,356	-	84,356	78,637
Amortization of Tangible Capital Assets	-	-	-	-	-	773	773	1,435
<b>Total Expenses</b>	<b>1,511,673</b>	<b>2,241,303</b>	<b>4,613</b>	<b>40,768</b>	<b>183,319</b>	<b>397,186</b>	<b>4,378,862</b>	<b>4,304,039</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,277</b>	<b>\$ (51,287)</b>	<b>\$ 111,277</b>	<b>\$ 81,267</b>	<b>\$ 14,512</b>

**Caronport High School and Cornerstone Christian School – Associate Schools**

Pursuant to agreements, the school division provides professional teaching staff and related services to two independent schools operating within the school division.

**Bus Services**

The school division provides a small amount of bus transport services to Holy Trinity Roman Catholic Separate School Division and the associate schools.

**Food Services**

The school division operates concessions at Riverview Collegiate, A.E. Peacock Collegiate and Central Collegiate to offer nutritious meals to students.

**Cognitive Disabilities Initiatives**

Pursuant to agreements, the school division provides staff to support the development delivery of individual support plans for persons affected by cognitive disabilities in the Southeast Region of the province.

**Other**

The school division operates a small number of rental housing units (i.e. teacherages). The units are rented at market rates to staff. The school division has employees that are seconded to other organizations such as Saskatchewan High School Athletics Association (SHSAA), Prairie South Teachers' Association and the Saskatchewan Ministry of Education.

**14. ACCUMULATED SURPLUS**

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

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-15**

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purposes, for example, school generated funds and capital reserves. 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.

Details of accumulated surplus are as follows:

	August 31, 2013	Additions during the Year	Reductions during the Year	August 31, 2014
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 54,364,598	\$ -	\$(1,615,346)	\$ 52,749,252
Less: Debtowing on Tangible Capital Assets	1,847,476	-	(334,829)	1,512,647
	<b>52,517,122</b>	<b>-</b>	<b>(1,280,517)</b>	<b>51,236,605</b>
<b>PMR maintenance project allocation</b>	<b>857,465</b>	<b>1,094,584</b>	<b>(389,023)</b>	<b>1,563,026</b>
<b>Internally Restricted Surplus:</b>				
<b>Capital Projects:</b>				
Incomplete Board approved tangible capital asset projects	993,058	3,000,000	(2,523,142)	1,469,916
Gravelbourg School consolidation	161,712	750,000	(257,866)	653,846
<b>Other:</b>				
Incomplete Board approved practical applied arts program	2,596,672	-	(1,986,672)	610,000
Incomplete Board approved South Hill revitalization program	240,000	-	(240,000)	-
Board approved allocation for future elections	-	12,000	-	12,000
School generated funds	972,444	114,869	-	1,087,313
School Community Council carry forwards	95,099	34,145	-	129,244
School budget carry forwards	877,410	85,045	-	962,455
Cognitive Disabilities Program Grant	59,967	62,045	(40,766)	81,246
Creative Partnerships Innovation Grant	35,000	-	(35,000)	-
Child Nutrition & Development Grant	17,897	29,800	(17,436)	30,261
Community Initiative Grant	2,082	-	(2,082)	-
	<b>6,051,341</b>	<b>4,087,904</b>	<b>(5,102,964)</b>	<b>5,036,281</b>
<b>Unrestricted Surplus</b>	<b>16,062,893</b>	<b>-</b>	<b>(1,218,008)</b>	<b>14,844,885</b>
<b>Total Accumulated Surplus</b>	<b>\$ 75,488,821</b>	<b>\$ 5,182,488</b>	<b>\$(7,990,512)</b>	<b>\$ 72,680,797</b>

- (i) **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:

- 1) Capital projects – Board motions for capital projects that have not been completed.

- 2) The Board has approved a three year project for the enhancement of practical applied arts programming and the 12/13 year was the first of three years for this program.
- 3) The Board has approved the allocation for \$12,000 in each year for the costs of elections held every four years for the Board of Education.
- 4) School generated funds – funds held at the school level and decisions are made with respect to the criteria for the collecting and expensing of such funds. Division guidelines are provided for each criteria.
- 5) School budget and school community council budget carry forwards – Board motions have provided authority for schools and School Community councils to carry forward 100% of unspent budgetary allocations for both operating and professional development budgeted amounts over expenditures.
- 6) Cognitive disabilities program grant – funding for a staff member and supplies and services for students in need.
- 7) Child Nutrition & Development Grant - The Ministry of Education provides a grant for students' nutrition and development.

**15. BUDGET FIGURES**

Budget figures included in the financial statements have been derived from the budget approved by the board of education on May 7, 2013 and the Minister of Education on August 23, 2013.

**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.



**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-17**

	2014	2013
<b>Revenues:</b>		
Ministry of Education	\$ 53,065,811	\$ 56,892,350
SGI	422,229	206,964
Sask. Workers' Compensation Board	37,089	49,655
Ministry of Social Services	133,755	98,719
Holy Trinity Roman Catholic School Division	5,295	17,800
Palliser Regional Library	6,861	5,722
Sask. Arts Board	-	10,063
Sask. School Board Association	-	10,311
Cornerstone Christian School	8,307	-
Prairie Spirit School Division	5,250	-
Sun West School Division	9,200	-
Other	20,049	23,817
	<b>\$ 53,713,846</b>	<b>\$ 57,315,401</b>
<b>Expenses:</b>		
Briercrest College & Seminary	\$ 33,406	\$ 61,941
Caronport High School	527,838	530,652
Cornerstone Christian School	530,258	584,315
Five Hills Health Region	117,926	130,821
Holy Trinity Roman Catholic School Division	117,598	191,877
Minister of Finance	32,603	42,494
Sask. Education Leadership Unit	5,409	9,805
SaskEnergy	619,432	715,468
SaskPower	1,108,332	1,070,354
Sask. Workers' Compensation Board	224,510	200,601
Saskatoon Public School Division	8,750	5,575
Sasktel	228,438	364,040
SGI	116,013	99,326
St. Paul's R.C.S.S.D. No20	500	4,680
Good Spirit School Division	15,568	16,239
North East School Division	500	5,500
Sask. School Board Association	1,047,455	1,091,689
Sun West School Division	21,000	9,500
University of Regina	5,104	-
Other	4,583	670
	<b>\$ 4,765,223</b>	<b>\$ 5,135,547</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 900,287	\$ 593,597
Holy Trinity Roman Catholic School Division	-	4,144
Caronport High School	18,595	-
Cornerstone Christian School	46,048	-
SGI	-	5,080
Other	4,920	307
	<b>\$ 969,850</b>	<b>\$ 603,128</b>
<b>Prepaid Expenses:</b>		
Five Hills Health Region	\$ 9,167	\$ 9,881
Sask. Workers' Compensation Board	70,430	63,735
SGI	99,971	66,412
Sask. School Board Association	37,632	35,413
Other	2,963	3,277
	<b>\$ 220,163</b>	<b>\$ 178,718</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
Minister of Finance	\$ 2,768	\$ 3,939
SaskEnergy	39,781	69,540
SaskPower	71,404	79,372
Sasktel	16,871	18,394
Caronport High School	58,498	33,140
Cornerstone Christian School	28,159	-
Holy Trinity Roman Catholic School Division	183,269	-
Five Hills Health Region	27,615	-
Other	500	547
	<b>\$ 428,865</b>	<b>\$ 204,932</b>

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-18**

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.

**17. TRUSTS**

The school division, as the trustee, administers trust funds for banked salary for teacher deferred salary leaves, legacy scholarships, and other scholarships entrusted to the school division by individuals. The trust assets and transactions are not included in the financial statements.

Moose Jaw High School Athletics Association requested the incorporation of their financial information into the School Division's accounting software to ensure accuracy and timeliness of information. These funds were received, in trust, in January 2014 and are shown in the notes below. As no financial statements were completed in the preceding year, there is no comparative information shown.

Information about these trusts is as follows:

	Scholarships		Deferred Salaries		District No. 1 Bursary Fund Inc.		School Athletic Assoc		Total	
	2014	2013	2014	2013	As at Dec.	As at Dec.	2014	2013	2014	2013
					31, 2013	31, 2012				
Cash and short-term investments	\$215,781	\$218,973	\$10,259	\$186,897	\$468,523	\$59,006	\$35,482	\$-	\$730,045	\$464,876
Accounts Receivable	-	-	-	-	-	-	4,212	-	4,212	-
Portfolio investments	102,396	102,446	-	-	659,222	1,067,387	-	-	761,618	1,169,833
<b>Total Assets</b>	<b>\$318,177</b>	<b>\$321,419</b>	<b>\$10,259</b>	<b>\$186,897</b>	<b>\$1,127,745</b>	<b>\$1,126,393</b>	<b>\$39,694</b>	<b>\$-</b>	<b>\$1,495,875</b>	<b>\$1,634,709</b>
Accounts Payable	\$-	\$-	\$-	\$-	\$-	\$-	\$10,680	\$-	\$10,680	\$-
<b>Total Liabilities</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$10,680</b>	<b>\$-</b>	<b>\$10,680</b>	<b>\$-</b>
<b>Revenues</b>										
Contributions and donations	\$9,627	\$60,668	\$10,246	\$54,313	\$5,214	\$44,543	\$-	\$-	\$25,087	\$159,524
Tournament Fees	-	-	-	-	-	-	67,750	-	67,750	-
Interest on investments	4,036	5,284	292	-	39,124	43,941	5	-	43,457	49,225
	13,663	65,952	10,538	54,313	44,338	88,484	67,755	-	136,294	208,749
<b>Expenses</b>										
Student Related Expenses	16,905	24,292	-	-	40,355	40,535	62,844	-	120,104	64,827
Deferred Salaries Payment	-	-	187,176	-	-	-	-	-	187,176	-
Administration	-	-	-	-	3,351	1,513	780	-	4,131	1,513
Loss on Sale of Investments	-	-	-	-	1,030	-	-	-	1,030	-
	16,905	24,292	187,176	-	44,736	42,048	63,624	-	312,441	66,340
<b>Excess of Revenue over Expenses</b>	<b>(3,242)</b>	<b>41,660</b>	<b>(176,638)</b>	<b>54,313</b>	<b>(398)</b>	<b>46,436</b>	<b>4,131</b>	<b>-</b>	<b>(176,147)</b>	<b>142,409</b>
<b>Trust Fund Balance, Beginning of Year</b>	<b>321,899</b>	<b>280,239</b>	<b>186,417</b>	<b>132,104</b>	<b>1,126,393</b>	<b>1,079,957</b>	<b>24,883</b>	<b>-</b>	<b>1,659,592</b>	<b>1,492,300</b>
<b>Trust Fund Balance, End of Year</b>	<b>\$318,657</b>	<b>\$321,899</b>	<b>\$9,779</b>	<b>\$186,417</b>	<b>\$1,125,995</b>	<b>\$1,126,393</b>	<b>\$29,014</b>	<b>\$-</b>	<b>\$1,483,445</b>	<b>\$1,634,709</b>

**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, the only liability recorded at this point in time is the deductible amount for insurance purposes. The school division's share of settlement, if any, over and above the deductible will be charged to expenses in the year which amount is determinable.

**Insurance Claims**

The school division has two outstanding insurance claims as at the date of these statements. The total amount of the claims cannot be determined at this time and therefore the only liability recorded is the deductible for which the school division will be ultimately responsible.

**Loan Guarantee**

The school division has guaranteed a loan with CIBC on property currently owned by Cornerstone Christian School, an associate school of the School Division. The corresponding Title Transfer agreement with the school would provide the School Division with the title to the educational real property of Cornerstone Christian School upon default of the loan.

The loan was renegotiated on September 28, 2012 in the amount of \$822,000 with BMO.

The balance of the loan at August 31, 2014 is \$680,194 principal and interest and the loan is in good standing. The loan is a 10 year term at a fixed rate of 3.46%.

**19. 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.

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**20. COMPARATIVE INFORMATION**

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

**21. RISK MANAGEMENT**

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

a) **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 financial position of its customer and regular review of any overdue accounts. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

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

	August 31, 2014			August 31, 2013		
	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances
Current	\$ 436,119	\$ -	\$ 436,119	\$ 771,482	\$ -	\$ 771,482
0-30 days	8,349	-	8,349	6,874	-	6,874
30-60 days	15,248	-	15,248	5,624	-	5,624
60-90 days	23,544	-	23,544	3,994	-	3,994
Over 90 days	1,050	-	1,050	-	-	-
<b>Total</b>	<b>\$ 484,310</b>	<b>\$ -</b>	<b>\$ 484,310</b>	<b>\$ 787,974</b>	<b>\$ -</b>	<b>\$ 787,974</b>

b) **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 has guaranteed a loan for Cornerstone Christian School. The amount outstanding at August 31, 2014 is \$680,194 principal and interest and the loan is in good standing. The school division manages liquidity risk by maintaining adequate cash balances to cover its obligations, budget practices and projections of future need of funds. The following table sets out the contractual maturities of the school division's financial liabilities:

**PRAIRIE SOUTH SCHOOL DIVISION NO. 210**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**N-21**

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 4,980,156	\$ 540,486	\$ 7,070	-
Long term debt (including interest)	208,272	208,272	1,249,632	-
<b>Total</b>	<b>\$5,188,428</b>	<b>\$ 748,758</b>	<b>\$1,256,702</b>	<b>\$ -</b>

**c) Market Risk**

The school division is exposed to market risks with respect to interest rates and foreign currency exchange rates, as follows:

**d) 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, portfolio investments, and long-term debt. The school division also has an authorized bank line of credit of \$15,000,000. There was no balance outstanding on this credit facility as of August 31, 2014.

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- 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.

**e) 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. The school division had accounts payable of \$2,247 denominated in U.S. dollars and converted to Canadian dollars at \$2,469 (2013 - \$954 U.S. dollars converted to Canadian dollars at \$1,016).