
Audited Financial Statements

Of the Saskatchewan Rivers School Division No. 119

School Division No. 2010500

For the Period Ending: August 31, 2017

Dr. Donald Lloyd
Chief Financial Officer

Deloitte LLP
Auditor

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



Education Centre
545 11th Street East • Prince Albert, SK • S6V 1B1
Phone: (306) 764-1571 Fax: (306) 763-4460
Robert Bratvold, Director of Education

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.

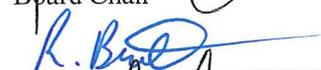
The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained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

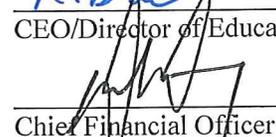
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible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

The external auditors, Deloitte LLP, conduct an independent examination in accordance with Canadian generally accepted auditing standards and express their opinion on the financial statements. The accompanying Auditor's 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 Saskatchewan Rivers School Division No. 119:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 27, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE BOARD OF EDUCATION OF SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119

We have audited the accompanying financial statements of Saskatchewan Rivers School Division No.119, which comprise the statement of financial position as at August 31, 2017, and the statements of operations and accumulated surplus from operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Rivers School Division No. 119 as at August 31, 2017, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
Licensed Professional Accountants

November 27, 2017
Prince Albert, Saskatchewan

Saskatchewan Rivers School Division No. 119
Statement of Financial Position
as at August 31, 2017

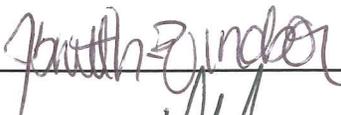
| | 2017 | 2016 |
|---|-------------------|--------------------|
| | \$ | \$ |
| Financial Assets | | |
| Cash and Cash Equivalents | 15,977,195 | 12,617,841 |
| Accounts Receivable (Note 8) | 8,341,640 | 6,833,867 |
| Portfolio Investments (Note 4) | 5,000,000 | 10,000,000 |
| Total Financial Assets | 29,318,835 | 29,451,708 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities (Note 9) | 2,039,860 | 2,082,907 |
| Liability for Employee Future Benefits (Note 6) | 3,036,600 | 2,829,200 |
| Deferred Revenue (Note 10) | 2,320,154 | 1,843,114 |
| Total Liabilities | 7,396,614 | 6,755,221 |
| Net Financial Assets | 21,922,221 | 22,696,487 |
| Non-Financial Assets | | |
| Tangible Capital Assets (Schedule C) | 75,395,178 | 77,037,565 |
| Inventory of Supplies for Consumption | 129,053 | 127,565 |
| Prepaid Expenses | 445,128 | 502,451 |
| Total Non-Financial Assets | 75,969,359 | 77,667,581 |
| Accumulated Surplus (Note 13) | 97,891,580 | 100,364,068 |

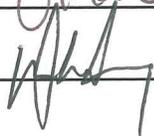
Contingent Liabilities (Note 17)

Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:





Chairperson

Chief Financial Officer

Saskatchewan Rivers School Division No. 119
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|---|------------------------|------------------------|------------------------|
| | \$ | \$ | \$ |
| REVENUES | (Note 14) | | |
| Property Taxation | 22,570,956 | 21,247,909 | 22,859,757 |
| Grants | 69,553,473 | 69,994,615 | 69,815,851 |
| Tuition and Related Fees | 1,621,416 | 2,350,234 | 2,182,137 |
| School Generated Funds | 2,280,000 | 2,103,622 | 2,096,867 |
| Complementary Services (Note 11) | 1,559,304 | 1,559,304 | 1,558,212 |
| External Services (Note 12) | 2,693,607 | 4,873,598 | 3,500,646 |
| Other | 879,100 | 1,131,754 | 1,293,681 |
| Total Revenues (Schedule A) | 101,157,856 | 103,261,036 | 103,307,151 |
| EXPENSES | | | |
| Governance | 827,289 | 840,586 | 631,778 |
| Administration | 4,122,660 | 4,197,948 | 4,089,849 |
| Instruction | 72,236,706 | 72,438,518 | 70,856,587 |
| Plant | 12,682,086 | 13,399,303 | 13,065,528 |
| Transportation | 7,237,603 | 7,241,028 | 6,973,060 |
| Tuition and Related Fees | 52,572 | 48,114 | 45,884 |
| School Generated Funds | 2,315,000 | 2,098,423 | 2,068,071 |
| Complementary Services (Note 11) | 1,748,664 | 1,687,558 | 1,691,339 |
| External Services (Note 12) | 3,111,072 | 3,717,078 | 4,186,731 |
| Other Expenses | 17,269 | 64,968 | 4,289 |
| Total Expenses (Schedule B) | 104,350,921 | 105,733,524 | 103,613,116 |
| Operating Deficit for the Year | (3,193,065) | (2,472,488) | (305,965) |
| Accumulated Surplus from Operations, Beginning of Year | 100,364,068 | 100,364,068 | 100,670,033 |
| Accumulated Surplus from Operations, End of Year | 97,171,003 | 97,891,580 | 100,364,068 |

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

Saskatchewan Rivers School Division No. 119

**Statement of Changes in Net Financial Assets
for the year ended August 31, 2017**

| | 2017 Budget | 2017 Actual | 2016 Actual |
|--|------------------------|------------------------|------------------------|
| | \$ (Note 14) | \$ | \$ |
| Net Financial Assets, Beginning of Year | 22,696,487 | 22,696,487 | 24,694,072 |
| Changes During the Year | | | |
| Operating Deficit for the Year | (3,193,065) | (2,472,488) | (305,965) |
| Acquisition of Tangible Capital Assets (Schedule C) | (2,892,295) | (4,408,645) | (7,870,448) |
| Proceeds on Disposal of Tangible Capital Assets (Schedule C) | 30,000 | 108,269 | 237,700 |
| Net Gain on Disposal of Capital Assets (Schedule C) | - | (6,889) | (90,754) |
| Amortization of Tangible Capital Assets (Schedule C) | 5,464,000 | 5,949,652 | 5,832,794 |
| Net Acquisition of Inventory of Supplies | - | (1,488) | (7,658) |
| Net Change in Other Non-Financial Assets | - | 57,323 | 206,746 |
| Change in Net Financial Assets | (591,360) | (774,266) | (1,997,585) |
| Net Financial Assets, End of Year | 22,105,127 | 21,922,221 | 22,696,487 |

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

Saskatchewan Rivers School Division No. 119
Statement of Cash Flows
for the year ended August 31, 2017

| | 2017 | 2016 |
|--|--------------------|---------------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Operating Deficit for the Year | (2,472,488) | (305,965) |
| Add Non-Cash Items Included in Deficit (Schedule D) | 5,942,763 | 5,742,040 |
| Net Change in Non-Cash Operating Activities (Schedule E) | (1,476,002) | (507,055) |
| Cash Provided by Operating Activities | 1,994,273 | 4,929,020 |
| CAPITAL ACTIVITIES | | |
| Cash Used to Acquire Tangible Capital Assets | (3,743,188) | (6,707,768) |
| Proceeds on Disposal of Tangible Capital Assets | 108,269 | 237,700 |
| Cash Used by Capital Activities | (3,634,919) | (6,470,068) |
| INVESTING ACTIVITIES | | |
| Cash Used to Acquire Portfolio Investments | (5,000,000) | (15,000,000) |
| Proceeds on Disposal of Portfolio Investments | 10,000,000 | 5,000,000 |
| Cash Provided (Used) by Investing Activities | 5,000,000 | (10,000,000) |
| FINANCING ACTIVITIES | | |
| Repayment of Long-Term Debt | - | (325,300) |
| Cash Used by Financing Activities | - | (325,300) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,359,354 | (11,866,348) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 12,617,841 | 24,484,189 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | 15,977,195 | 12,617,841 |

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

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|---|-------------------|--------------------|-------------------|
| | \$ | \$ | \$ |
| Property Taxation Revenue | | | |
| Tax Levy Revenue | | | |
| Property Tax Levy Revenue | 22,570,956 | 21,614,108 | 21,006,995 |
| Total Property Tax Revenue | 22,570,956 | 21,614,108 | 21,006,995 |
| Grants in Lieu of Taxes | | | |
| Federal Government | - | 536,328 | 569,548 |
| Provincial Government | - | 548,422 | 503,890 |
| Other | - | 152,162 | 450,521 |
| Total Grants in Lieu of Taxes | - | 1,236,912 | 1,523,959 |
| Other Tax Revenues | | | |
| House Trailer Fees | - | 60,745 | 102,878 |
| Total Other Tax Revenues | - | 60,745 | 102,878 |
| Additions to Levy | | | |
| Penalties | - | 186,497 | 205,879 |
| Other | - | 52,756 | 172,552 |
| Total Additions to Levy | - | 239,253 | 378,431 |
| Deletions from Levy | | | |
| Cancellations | - | (1,903,109) | (152,506) |
| Total Deletions from Levy | - | (1,903,109) | (152,506) |
| Total Property Taxation Revenue | 22,570,956 | 21,247,909 | 22,859,757 |
| Grants | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Operating Grant | 67,452,614 | 67,248,171 | 66,665,006 |
| Other Ministry Grants | 63,000 | 71,346 | 307,529 |
| Total Ministry Grants | 67,515,614 | 67,319,517 | 66,972,535 |
| Federal Grants | 21,300 | 20,816 | 19,566 |
| Grants from Others | 292,420 | 268,254 | 299,611 |
| Total Operating Grants | 67,829,334 | 67,608,587 | 67,291,712 |
| Capital Grants | | | |
| Ministry of Education Capital Grants | 1,724,139 | 2,386,028 | 2,524,139 |
| Total Capital Grants | 1,724,139 | 2,386,028 | 2,524,139 |
| Total Grants | 69,553,473 | 69,994,615 | 69,815,851 |
| Tuition and Related Fees Revenue | | | |
| Operating Fees | | | |
| Tuition Fees | | | |
| Federal Government and First Nations | 1,621,416 | 2,197,959 | 2,045,836 |
| Individuals and Other | - | 152,275 | 136,301 |
| Total Operating Tuition and Related Fees | 1,621,416 | 2,350,234 | 2,182,137 |
| Total Tuition and Related Fees Revenue | 1,621,416 | 2,350,234 | 2,182,137 |

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|---|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| School Generated Funds Revenue | | | |
| Curricular | | | |
| Student Fees | 30,000 | 16,012 | 15,540 |
| Total Curricular Fees | 30,000 | 16,012 | 15,540 |
| Non-Curricular Fees | | | |
| Commercial Sales - Non-GST | 150,000 | 89,938 | 90,853 |
| Fundraising | 1,400,000 | 1,248,428 | 1,292,133 |
| Grants and Partnerships | 115,000 | 136,218 | 85,289 |
| Students Fees | 285,000 | 269,262 | 292,001 |
| Other | 300,000 | 343,764 | 321,051 |
| Total Non-Curricular Fees | 2,250,000 | 2,087,610 | 2,081,327 |
| Total School Generated Funds Revenue | 2,280,000 | 2,103,622 | 2,096,867 |
| Complementary Services | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Operating Grant | 1,559,304 | 1,559,304 | 1,558,212 |
| Total Operating Grants | 1,559,304 | 1,559,304 | 1,558,212 |
| Total Complementary Services Revenue | 1,559,304 | 1,559,304 | 1,558,212 |
| External Services | | | |
| Operating Grants | | | |
| Ministry of Education Grants | | | |
| Other Ministry Grants | 2,123,865 | 4,133,881 | 1,802,653 |
| Other Provincial Grants | - | 119,040 | 952,910 |
| Other Grants | - | 10,150 | 194,169 |
| Total Operating Grants | 2,123,865 | 4,263,071 | 2,949,732 |
| Fees and Other Revenue | | | |
| Other Revenue | 569,742 | 610,527 | 550,914 |
| Total Fees and Other Revenue | 569,742 | 610,527 | 550,914 |
| Total External Services Revenue | 2,693,607 | 4,873,598 | 3,500,646 |
| Other Revenue | | | |
| Miscellaneous Revenue | 600,100 | 891,874 | 958,144 |
| Sales & Rentals | 19,000 | 20,417 | 26,149 |
| Investments | 260,000 | 212,574 | 218,634 |
| Gain on Disposal of Capital Assets | - | 6,889 | 90,754 |
| Total Other Revenue | 879,100 | 1,131,754 | 1,293,681 |
| TOTAL REVENUE FOR THE YEAR | 101,157,856 | 103,261,036 | 103,307,151 |

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|---|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Governance Expense | | | |
| Board Members Expense | 204,693 | 194,339 | 201,678 |
| Professional Development - Board Members | 154,765 | 131,073 | 124,661 |
| Advisory Committees | 33,250 | 31,094 | 31,000 |
| Elections | 74,000 | 70,759 | 12,088 |
| Other Governance Expenses | 360,581 | 413,321 | 262,351 |
| Total Governance Expense | 827,289 | 840,586 | 631,778 |
| Administration Expense | | | |
| Salaries | 2,872,001 | 2,838,509 | 2,883,467 |
| Benefits | 403,532 | 552,187 | 310,802 |
| Supplies & Services | 295,163 | 271,310 | 313,364 |
| Non-Capital Furniture & Equipment | 17,500 | 16,004 | 14,820 |
| Building Operating Expenses | 117,640 | 78,771 | 98,662 |
| Communications | 74,624 | 65,705 | 81,397 |
| Travel | 18,000 | 19,342 | 15,852 |
| Professional Development | 59,200 | 49,085 | 71,729 |
| Amortization of Tangible Capital Assets | 265,000 | 307,035 | 299,756 |
| Total Administration Expense | 4,122,660 | 4,197,948 | 4,089,849 |
| Instruction Expense | | | |
| Instructional (Teacher Contract) Salaries | 50,028,053 | 50,434,286 | 48,810,493 |
| Instructional (Teacher Contract) Benefits | 2,485,105 | 3,101,575 | 2,503,242 |
| Program Support (Non-Teacher Contract) Salaries | 11,167,450 | 10,777,439 | 10,895,820 |
| Program Support (Non-Teacher Contract) Benefits | 2,206,546 | 2,095,343 | 2,112,009 |
| Instructional Aids | 2,509,427 | 2,304,943 | 2,367,800 |
| Supplies & Services | 924,303 | 926,585 | 1,027,579 |
| Non-Capital Furniture & Equipment | 350,970 | 277,976 | 277,049 |
| Communications | 176,684 | 153,103 | 156,498 |
| Travel | 167,950 | 131,622 | 139,878 |
| Professional Development | 703,173 | 589,904 | 936,014 |
| Student Related Expense | 67,045 | 106,465 | 75,040 |
| Amortization of Tangible Capital Assets | 1,450,000 | 1,539,277 | 1,555,165 |
| Total Instruction Expense | 72,236,706 | 72,438,518 | 70,856,587 |

Saskatchewan Rivers School Division No. 119

Schedule B: Supplementary Details of Expenses for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|--|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| Plant Operation & Maintenance Expense | | | |
| Salaries | 4,433,715 | 4,380,280 | 4,337,402 |
| Benefits | 840,686 | 812,651 | 824,543 |
| Supplies & Services | 6,550 | 3,437 | 3,431 |
| Non-Capital Furniture & Equipment | 58,000 | 55,332 | 37,132 |
| Building Operating Expenses | 4,316,635 | 4,856,261 | 4,727,143 |
| Communications | 16,500 | 13,596 | 13,490 |
| Travel | 119,000 | 90,278 | 86,818 |
| Professional Development | 16,000 | 6,294 | 11,592 |
| Amortization of Tangible Capital Assets | 2,875,000 | 3,181,174 | 3,023,977 |
| Total Plant Operation & Maintenance Expense | 12,682,086 | 13,399,303 | 13,065,528 |
| Student Transportation Expense | | | |
| Salaries | 2,806,190 | 2,867,673 | 2,822,245 |
| Benefits | 560,675 | 553,498 | 547,705 |
| Supplies & Services | 910,350 | 798,415 | 762,052 |
| Non-Capital Furniture & Equipment | 347,600 | 377,913 | 307,603 |
| Building Operating Expenses | 80,096 | 67,284 | 61,960 |
| Communications | 12,500 | 11,087 | 9,051 |
| Travel | 18,000 | 8,180 | 15,895 |
| Professional Development | 10,500 | 10,619 | 6,954 |
| Contracted Transportation | 1,666,692 | 1,658,449 | 1,519,955 |
| Amortization of Tangible Capital Assets | 825,000 | 887,910 | 919,640 |
| Total Student Transportation Expense | 7,237,603 | 7,241,028 | 6,973,060 |
| Tuition and Related Fees Expense | | | |
| Tuition Fees | 52,572 | 48,114 | 45,884 |
| Total Tuition and Related Fees Expense | 52,572 | 48,114 | 45,884 |
| School Generated Funds Expense | | | |
| Academic Supplies & Services | 200,000 | 93,029 | 105,351 |
| Cost of Sales | 700,000 | 542,163 | 523,734 |
| Non-Capital Furniture & Equipment | 70,000 | 31,237 | 28,881 |
| School Fund Expenses | 1,310,000 | 1,405,527 | 1,383,638 |
| Amortization of Tangible Capital Assets | 35,000 | 26,467 | 26,467 |
| Total School Generated Funds Expense | 2,315,000 | 2,098,423 | 2,068,071 |

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

| | 2017 Budget | 2017 Actual | 2016 Actual |
|--|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Complementary Services Expense | | | |
| Instructional (Teacher Contract) Salaries & Benefits | 1,088,906 | 1,039,438 | 1,047,576 |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 554,358 | 538,553 | 526,009 |
| Instructional Aids | 89,400 | 86,374 | 82,939 |
| Supplies & Services | - | 11,060 | - |
| Non-Capital Furniture & Equipment | - | - | 4,838 |
| Professional Development (Non-Salary Costs) | - | 7,826 | 28,871 |
| Contracted Transportation & Allowances | 16,000 | 4,307 | 1,106 |
| Total Complementary Services Expense | 1,748,664 | 1,687,558 | 1,691,339 |
| External Service Expense | | | |
| Grant Transfers | - | 240,310 | 227,407 |
| Administration Salaries & Benefits | 95,618 | 87,070 | 164,362 |
| Instructional (Teacher Contract) Salaries & Benefits | 168,793 | 246,713 | 477,556 |
| Program Support (Non-Teacher Contract) Salaries & Benefits | 1,127,275 | 1,124,555 | 1,382,054 |
| Plant Operation & Maintenance Salaries & Benefits | 142,867 | 145,034 | 137,878 |
| Transportation Salaries & Benefits | 20,014 | 19,615 | 27,920 |
| Instructional Aids | 82,848 | 80,842 | 159,560 |
| Supplies & Services | 1,195,814 | 1,477,474 | 1,199,910 |
| Non-Capital Furniture & Equipment | 9,080 | 27,085 | 82,065 |
| Building Operating Expenses | 190,325 | 204,293 | 239,302 |
| Communications | 12,663 | 8,845 | 16,197 |
| Travel | 12,980 | 11,466 | 14,826 |
| Professional Development (Non-Salary Costs) | 17,596 | 18,461 | 20,703 |
| Contracted Transportation & Allowances | 21,199 | 17,526 | 29,202 |
| Amortization of Tangible Capital Assets | 14,000 | 7,789 | 7,789 |
| Total External Services Expense | 3,111,072 | 3,717,078 | 4,186,731 |
| Other Expense | | | |
| Interest and Bank Charges | | | |
| Current Interest and Bank Charges | 2,500 | - | 526 |
| Interest on Capital Loans | 14,769 | - | 3,763 |
| Total Interest and Bank Charges | 17,269 | - | 4,289 |
| Provision for Uncollectable Accounts | - | 64,968 | - |
| Total Other Expense | 17,269 | 64,968 | 4,289 |
| TOTAL EXPENSES FOR THE YEAR | 104,350,921 | 105,733,524 | 103,613,116 |

Saskatchewan Rivers School Division No. 119
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2017

| | Land | Land Improvements | Buildings | Buildings Short-Term | School Buses | Other Vehicles | Furniture and Equipment | Computer Hardware and Audio Visual Equipment | Computer Software | Assets Under Construction | 2017 | 2016 |
|---|------------------|-------------------|--------------------|----------------------|------------------|------------------|-------------------------|--|-------------------|---------------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Tangible Capital Assets - at Cost | | | | | | | | | | | | |
| Opening Balance as of September 1 | 2,573,177 | 6,849,468 | 121,608,081 | 243,086 | 10,055,801 | 1,307,313 | 4,408,697 | 6,787,881 | 370,531 | 948,814 | 155,152,849 | 149,395,514 |
| Additions/Purchases | - | 85,690 | 2,606,633 | - | 209,408 | 182,413 | 163,075 | 1,160,128 | 1,298 | - | 4,408,645 | 7,870,448 |
| Disposals | - | - | (172,065) | - | (459,779) | (106,096) | (219,970) | (1,142,483) | (39,094) | - | (2,139,487) | (2,113,113) |
| Transfers to (from) | - | - | 948,814 | - | - | - | - | - | - | (948,814) | - | - |
| Closing Balance as of August 31 | 2,573,177 | 6,935,158 | 124,991,463 | 243,086 | 9,805,430 | 1,383,630 | 4,351,802 | 6,805,526 | 332,735 | - | 157,422,007 | 155,152,849 |
| Tangible Capital Assets - Amortization | | | | | | | | | | | | |
| Opening Balance as of September 1 | - | 4,530,965 | 60,888,292 | 211,502 | 5,390,477 | 910,608 | 2,108,994 | 3,881,133 | 193,313 | - | 78,115,284 | 74,248,657 |
| Amortization of the Period | - | 257,995 | 3,082,746 | 5,379 | 705,978 | 138,408 | 434,752 | 1,257,857 | 66,537 | - | 5,949,652 | 5,832,794 |
| Disposals | - | - | (172,065) | - | (443,276) | (21,219) | (219,970) | (1,142,483) | (39,094) | - | (2,038,107) | (1,966,167) |
| Closing Balance as of August 31 | N/A | 4,788,960 | 63,798,973 | 216,881 | 5,653,179 | 1,027,797 | 2,323,776 | 3,996,507 | 220,756 | N/A | 82,026,829 | 78,115,284 |
| Net Book Value | | | | | | | | | | | | |
| Opening Balance as of September 1 | 2,573,177 | 2,318,503 | 60,719,789 | 31,584 | 4,665,324 | 396,705 | 2,299,703 | 2,906,748 | 177,218 | 948,814 | 77,037,565 | 75,146,857 |
| Closing Balance as of August 31 | 2,573,177 | 2,146,198 | 61,192,490 | 26,205 | 4,152,251 | 355,833 | 2,028,026 | 2,809,019 | 111,979 | - | 75,395,178 | 77,037,565 |
| Change in Net Book Value | - | (172,305) | 472,701 | (5,379) | (513,073) | (40,872) | (271,677) | (97,729) | (65,239) | (948,814) | (1,642,387) | 1,890,708 |
| Disposals | | | | | | | | | | | | |
| Historical Cost | - | - | 172,065 | - | 459,779 | 106,096 | 219,970 | 1,142,483 | 39,094 | - | 2,139,487 | 2,113,113 |
| Accumulated Amortization | - | - | 172,065 | - | 443,276 | 21,219 | 219,970 | 1,142,483 | 39,094 | - | 2,038,107 | 1,966,167 |
| Net Cost | - | - | - | - | 16,503 | 84,877 | - | - | - | - | 101,380 | 146,946 |
| Price of Sale | - | - | - | - | 9,998 | 98,271 | - | - | - | - | 108,269 | 237,700 |
| Gain (Loss) on Disposal | - | - | - | - | (6,505) | 13,394 | - | - | - | - | 6,889 | 90,754 |

Saskatchewan Rivers School Division No. 119

**Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2017**

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Non-Cash Items Included in Deficit | | |
| Amortization of Tangible Capital Assets (Schedule C) | 5,949,652 | 5,832,794 |
| Net Gain on Disposal of Tangible Capital Assets (Schedule C) | (6,889) | (90,754) |
| Total Non-Cash Items Included in Deficit | 5,942,763 | 5,742,040 |

Saskatchewan Rivers School Division No. 119
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2017

| | 2017 | 2016 |
|--|--------------------|------------------|
| | \$ | \$ |
| Net Change in Non-Cash Operating Activities | | |
| Increase in Accounts Receivable | (1,507,773) | (851,746) |
| Decrease in Accounts Payable and Accrued Liabilities | (708,504) | (676,066) |
| Increase in Liability for Employee Future Benefits | 207,400 | 140,300 |
| Increase in Deferred Revenue | 477,040 | 681,369 |
| Increase in Inventory of Supplies for Consumption | (1,488) | (7,658) |
| Decrease in Prepaid Expenses | 57,323 | 206,746 |
| Total Net Change in Non-Cash Operating Activities | (1,476,002) | (507,055) |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

1. AUTHORITY AND PURPOSE

The School Division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Saskatchewan Rivers School Division No. 119” and operates as “the Saskatchewan Rivers School Division No. 119”. 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) Basis of Accounting

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

b) Reporting Entity

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

c) 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 a trustee, the School Division merely administers the terms and conditions embodied in the agreement, and it 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. Trust fund activities administered by the School Division are disclosed in Note 16 of the financial statements.

d) Measurement Uncertainty and the Use of Estimates

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

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Measurement Uncertainty and the Use of Estimates (continued)

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

- the liability for employee future benefits of \$3,036,600 (2016 - \$2,829,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$21,247,909 (2016 - \$22,859,757) because final tax assessments may differ from initial estimates.
- useful lives of capital assets (Note 2(g)) and related amortization (Schedule C) of \$5,949,652 (2016 - \$5,832,794) because the actual useful lives of the capital assets may differ from their estimated economic lives.
- prior year's tangible capital asset historical costs (Schedule C) and related amortization (Schedule C) for land, land improvements, buildings, buildings short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment, and computer software because actual historical costs and related amortization may differ from initial estimates.

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

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

e) 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 the contractual provisions of 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 and accounts payable and accrued liabilities.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Financial Instruments (continued)

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. The School Division believes that it is not subject to significant unrealized foreign exchange translation gains and losses arising from its financial instruments.

f) 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.

Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful. Other receivables include First Nations tuition fees, insurance reimbursements, Frank J Dunn pool utilization charges, goods and services tax rebate and other miscellaneous items.

Portfolio Investments consist of term deposits. The School Division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2(e).

g) 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Non-Financial Assets (continued)

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the School Division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the School Division include land, land improvements, buildings, buildings – short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment, computer software, and assets under construction. Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The School Division does not capitalize interest incurred while a tangible capital asset is under construction.

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

| | |
|--|----------|
| Land improvements (pavement, fencing, lighting, etc.) | 20 years |
| Buildings | 50 years |
| Buildings – short-term (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.

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 and services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance, Saskatchewan School Boards Association fees, Saskatchewan Workers' Compensation Board premiums and software licenses.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) 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. Amounts are payable within one year.

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 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.

i) Employee 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Employee Pension Plans (continued)

- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

j) 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 the 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 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Revenue Recognition (continued)

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.

k) Statement of Remeasurement Gains 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 material remeasurement gains or losses.

l) Adoption of Public Sector Accounting Standards

On September 1, 2016, the School Division adopted Public Sector Accounting standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights.

Adoption of these standards has not resulted in any disclosure changes.

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$5,000,000 that bears interest at bank prime rate minus 0.5% with Conexus. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by funding from the Ministry of Education. This line of credit was approved by the Minister of Education on July 26, 2010. The balance drawn on the line of credit at August 31, 2017 was \$0 (August 31, 2016 - \$0).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

| | 2017 | 2016 |
|---|---------------------|----------------------|
| Portfolio investments in the cost and amortized cost category: | Cost | Cost |
| Term deposit with Conexus, 1.45% interest rate, matures March 2018 | \$ 5,000,000 | \$ 10,000,000 |
| Total portfolio investments | \$ 5,000,000 | \$ 10,000,000 |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

| Function | Salaries & Benefits | Goods & Services | Amortization of TCA | 2017 Actual | 2016 Actual |
|--------------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|
| Governance | \$ 194,339 | \$ 646,247 | \$ - | \$ 840,586 | \$ 631,778 |
| Administration | 3,390,696 | 500,217 | 307,035 | 4,197,948 | 4,089,849 |
| Instruction | 66,408,643 | 4,490,598 | 1,539,277 | 72,438,518 | 70,856,587 |
| Plant | 5,192,931 | 5,025,198 | 3,181,174 | 13,399,303 | 13,065,528 |
| Transportation | 3,421,171 | 2,931,947 | 887,910 | 7,241,028 | 6,973,060 |
| Tuition and Related Fees | - | 48,114 | - | 48,114 | 45,884 |
| School Generated Funds | - | 2,071,956 | 26,467 | 2,098,423 | 2,068,071 |
| Complementary Services | 1,577,991 | 109,567 | - | 1,687,558 | 1,691,339 |
| External Services | 1,622,987 | 2,086,302 | 7,789 | 3,717,078 | 4,186,731 |
| Other | - | 64,968 | - | 64,968 | 4,289 |
| TOTAL | \$ 81,808,758 | \$ 17,975,114 | \$ 5,949,652 | \$105,733,524 | \$ 103,613,116 |

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, retirement gratuity and earned vacation pay. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2017.

Details of the employee future benefits are as follows:

| | 2017 | 2016 |
|---|---------------------|---------------------|
| | Aug. 31, 2017 | Aug. 31, 2016 |
| Actuarial extrapolation date | | |
| Long-term assumptions used: | | |
| Discount rate at end of period | 2.69% | 2.10% |
| Inflation and productivity rate for teachers (excluding merit and promotion) | 2.50% | 3.20% |
| Inflation and productivity rate for non-teachers (excluding merit and promotion) | 3.00% | 3.20% |
| Expected average remaining service life (years) | 14 | 14 |
| Liability for Employee Future Benefits | 2017 | 2016 |
| Accrued Benefit Obligation - beginning of year | \$ 3,371,400 | \$ 3,126,800 |
| Current period benefit cost | 264,000 | 241,200 |
| Interest cost | 74,500 | 81,500 |
| Benefit payments | (170,900) | (212,600) |
| Actuarial (gains) losses | (338,000) | 134,500 |
| Accrued Benefit Obligation - end of year | 3,201,000 | 3,371,400 |
| Unamortized Net Actuarial Losses | (164,400) | (542,200) |
| Liability for Employee Future Benefits | \$ 3,036,600 | \$ 2,829,200 |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

6. EMPLOYEE FUTURE BENEFITS (continued)

| Employee Future Benefits Expense | 2017 | 2016 |
|---|-------------------|-------------------|
| Current period service cost | \$ 264,000 | \$ 241,200 |
| Amortization of net actuarial loss | 39,800 | 30,200 |
| Benefit cost | 303,800 | 271,400 |
| Interest cost | 74,500 | 81,500 |
| Total Employee Future Benefits Expense | \$ 378,300 | \$ 352,900 |

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

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

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

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

Details of the contributions to these plans for the School Division's employees are as follows:

| | 2017 | | | 2016 |
|---|--------------|-----------|---------------|---------------|
| | STRP | STSP | TOTAL | TOTAL |
| Number of active School Division members | 720 | 16 | 736 | 743 |
| Member contribution rate (percentage of salary) | 11.30% | 6.05% | 6.05 - 11.30% | 6.05 - 10.20% |
| Member contributions for the year | \$ 6,127,025 | \$ 34,788 | \$ 6,161,813 | \$ 5,455,000 |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

7. PENSION PLANS (continued)

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 Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

Details of the MEPP are as follows:

| | 2017 | 2016 |
|--|---------------|--------------|
| Number of active School Division members | 628 | 641 |
| 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 | \$ 1,636,563 | \$ 1,678,398 |
| School Division contributions for the year | \$ 1,635,810 | \$ 1,676,133 |
| Actuarial (extrapolation) valuation date | (Dec-31-2016) | Dec-31-2015 |
| Plan Assets (in thousands) | \$ 2,323,947 | \$ 2,148,676 |
| Plan Liabilities (in thousands) | \$ 1,979,463 | \$ 1,831,743 |
| Plan Surplus (in thousands) | \$ 344,484 | \$ 316,933 |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

8. ACCOUNTS RECEIVABLE

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

| | 2017 | | | 2016 | | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Total Receivable | Valuation Allowance | Net of Allowance | Total Receivable | Valuation Allowance | Net of Allowance |
| Taxes Receivable | \$ 5,562,642 | \$ - | \$ 5,562,642 | \$ 4,937,355 | \$ - | \$ 4,937,355 |
| Provincial Grants Receivable | 400,000 | - | 400,000 | 800,000 | - | 800,000 |
| Other Receivables | 2,397,666 | 18,668 | 2,378,998 | 1,096,512 | - | 1,096,512 |
| Total Accounts Receivable | \$ 8,360,308 | \$ 18,668 | \$ 8,341,640 | \$ 6,833,867 | \$ - | \$ 6,833,867 |

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

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

| | 2017 | 2016 |
|---|---------------------|---------------------|
| Accrued Salaries and Benefits | \$ 295,273 | \$ 355,343 |
| Supplier Payments | 1,711,162 | 1,700,888 |
| Other - Debenture Principal & Interest, GST payable | 33,425 | 26,676 |
| Total Accounts Payable and Accrued Liabilities | \$ 2,039,860 | \$ 2,082,907 |

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

| | Balance as at Aug. 31, 2016 | Additions during the Year | Revenue recognized in the Year | Balance as at Aug. 31, 2017 |
|--|-----------------------------|---------------------------|--------------------------------|-----------------------------|
| Capital projects: | | | | |
| Federal Capital Tuition | \$ 268,487 | \$ 86,617 | \$ - | \$ 355,104 |
| Friday Night Lights | 37,719 | - | - | 37,719 |
| Proceeds from Sale of School Buildings | 342,711 | - | - | 342,711 |
| Total capital projects deferred revenue | 648,917 | 86,617 | - | 735,534 |
| Other deferred revenue: | | | | |
| Tax Liability | 1,162,748 | 1,584,620 | 1,162,748 | 1,584,620 |
| Other Grant - Global Partners | 31,449 | - | 31,449 | - |
| Total other deferred revenue | 1,194,197 | 1,584,620 | 1,194,197 | 1,584,620 |
| Total Deferred Revenue | \$ 1,843,114 | \$ 1,671,237 | \$ 1,194,197 | \$ 2,320,154 |

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

11. COMPLEMENTARY SERVICES

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

Following is a summary of the revenues and expenses of the Complementary Services programs operated by the School Division in 2017 and 2016:

| Summary of Complementary Services Revenues and Expenses, by Program | Pre-K Program | 2017 | 2016 |
|---|---------------------|---------------------|---------------------|
| Revenues: | | | |
| Operating Grants | \$ 1,559,304 | \$ 1,559,304 | \$ 1,558,212 |
| Total Revenue | 1,559,304 | 1,559,304 | 1,558,212 |
| Expenses: | | | |
| Salaries & Benefits | 1,577,991 | 1,577,991 | 1,573,585 |
| Instructional Aids | 86,374 | 86,374 | 82,939 |
| Supplies & Services | 11,060 | 11,060 | - |
| Non-Capital Furniture & Equipment | - | - | 4,838 |
| Professional Development (Non-Salary Costs) | 7,826 | 7,826 | 28,871 |
| Contracted Transportation & Allowances | 4,307 | 4,307 | 1,106 |
| Total Expenses | 1,687,558 | 1,687,558 | 1,691,339 |
| Deficiency of Revenue over Expenses | \$ (128,254) | \$ (128,254) | \$ (133,127) |

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

Pre-K Program

The Pre-K program is a developmentally appropriate early childhood education program for three and four year old children.

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12. EXTERNAL SERVICES

External services represent those services and programs that are outside of the School Division's learning/learning support and complementary programs. These services have no direct link to the delivery of the School Division's K-12 programs nor do they directly enhance the School Division's ability to deliver its K-12 programs.

Following is a summary of the revenues and expenses of the External Services programs operated by the School Division in 2017 and 2016:

| Summary of External Services Revenues and Expenses, by Program | Kids First | Following Their Voices | First Nation-Metis Achievement | Other Programs | 2017 | 2016 |
|--|-------------------|------------------------|--------------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | | | |
| Operating Grants | \$ 1,485,038 | \$ 1,636,000 | \$ 524,771 | \$ 488,072 | \$ 4,133,881 | \$ 2,949,732 |
| Fees and Other Revenue | 150 | - | - | 739,567 | 739,717 | 550,914 |
| Total Revenue | 1,485,188 | 1,636,000 | 524,771 | 1,227,639 | 4,873,598 | 3,500,646 |
| Expenses: | | | | | | |
| Grant Transfers | - | 240,310 | - | - | 240,310 | 227,407 |
| Salaries & Benefits | 364,982 | - | 450,597 | 807,408 | 1,622,987 | 2,189,770 |
| Instructional Aids | 27,173 | - | 1,980 | 51,689 | 80,842 | 159,560 |
| Supplies & Services | 860,520 | - | 115,395 | 501,559 | 1,477,474 | 1,199,910 |
| Non-Capital Furniture & Equipment | 4,293 | - | 1,403 | 21,389 | 27,085 | 82,065 |
| Building Operating Expenses | 896 | - | - | 203,397 | 204,293 | 239,302 |
| Communications | 6,471 | - | 2,062 | 312 | 8,845 | 16,197 |
| Travel | 749 | - | 8,533 | 2,184 | 11,466 | 14,826 |
| Professional Development (Non-Salary Costs) | 14,229 | - | 336 | 3,896 | 18,461 | 20,703 |
| Contracted Transportation & Allowances | 17,526 | - | - | - | 17,526 | 29,202 |
| Amortization of Tangible Capital Assets | - | - | - | 7,789 | 7,789 | 7,789 |
| Total Expenses | 1,296,839 | 240,310 | 580,306 | 1,599,623 | 3,717,078 | 4,186,731 |
| Excess (Deficiency) of Revenue over Expenses | \$ 188,349 | \$ 1,395,690 | \$ (55,535) | \$ (371,984) | \$ 1,156,520 | \$ (686,085) |

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

Kids First Project offers support to high-risk families with young children.

Following Their Voices represent transfers from the Ministry of Education as funding support to raise the educational achievement and participation of First Nations, Metis and Inuit students.

First Nation-Metis Achievement Project represent transfers received from the Ministry of Education as funding support for developing strategies, programs and processes to support First Nations and Metis Students' graduation rates, attendance and credit attainment.

Other Programs include after school programs, cafeteria, community mobilization, eagle's nest, invitational shared services initiative, regional intersectoral committee, summer literacy camp, summer language immersion program and swimming pool.

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13. ACCUMULATED SURPLUS

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

Certain amounts of the accumulated surplus, as approved by the Board of Education, have been designated for specific future purposes. These internally restricted amounts are included in accumulated surplus presented in the statement of financial position. The School Division does not maintain separate bank accounts for the internally restricted amounts.

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13. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

| | August 31, 2016 | Additions during the year | Reductions during the year | August 31, 2017 |
|--|-----------------------|---------------------------------|----------------------------------|----------------------|
| Invested in Tangible Capital Assets: | | | | |
| Net Book Value of Tangible Capital Assets | \$ 77,037,565 | \$ - | \$ 1,642,387 | \$ 75,395,178 |
| PMR Maintenance Project Allocations (1) | (94,596) | 1,986,028 | 1,155,771 | 735,661 |
| Internally Restricted Surplus: | | | | |
| Capital projects: | | | | |
| Office Facility | 253,478 | - | 253,478 | - |
| Relocatable classrooms | 700,954 | 1,684,775 | 1,885,729 | 500,000 |
| Replacement of Track Equipment | 135,928 | - | 35,928 | 100,000 |
| Technology | 633,564 | - | 133,564 | 500,000 |
| Telephone and Paging Renewal | 268,131 | 150,000 | 392,533 | 25,598 |
| Track Resurfacing | 1,447,222 | - | - | 1,447,222 |
| Transportation | 119,830 | 713,177 | 83,007 | 750,000 |
| | 3,559,107 | 2,547,952 | 2,784,239 | 3,322,820 |
| Other reserves: | | | | |
| Consultant Professional Development | 14,231 | - | 9,960 | 4,271 |
| Future Expenditures | 61,912 | 250,000 | 70,759 | 241,153 |
| School Budget Carryovers | 92,564 | - | 9,246 | 83,318 |
| School Generated Funds Carryovers | 1,414,071 | - | 66,232 | 1,347,839 |
| | 1,582,778 | 250,000 | 156,197 | 1,676,581 |
| Other projects: | | | | |
| Eagle's Nest Project | 35,714 | - | 35,714 | - |
| Following Their Voices | - | 1,636,000 | 240,310 | 1,395,690 |
| First Nation-Metis Achievement Project | 175,133 | 524,771 | 577,444 | 122,460 |
| Invitational Shared Services Initiative - Muskoday | 7,024 | 150,000 | 150,394 | 6,630 |
| Invitational Shared Services Initiative - Wahpeton | 167,428 | 150,000 | 285,315 | 32,113 |
| Kids First Project | 42,762 | 1,485,038 | 1,294,691 | 233,109 |
| Other Projects | 65,965 | 225,028 | 120,427 | 170,566 |
| Regional Intersectoral Committee Program | 17,675 | 42,085 | 59,760 | - |
| | 511,701 | 4,212,922 | 2,764,055 | 1,960,568 |
| Unrestricted Surplus | 17,767,513 | - | 2,966,741 | 14,800,772 |
| Total Accumulated Surplus | \$ 100,364,068 | \$ 8,996,902 | \$ 11,469,390 | \$ 97,891,580 |

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13. ACCUMULATED SURPLUS (continued)

(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:

Internally restricted surplus – capital projects and other reserves

Office facility reserve represents funds available for the construction of a new administrative services building.

Relocatable classrooms reserve represents funds available to assist with capital expenditures related to construction of new facilities.

Replacement of track equipment reserve represents funds to be used to cover repair and replacement of track equipment.

Technology reserve represents funds available for purchases of technology.

Telephone and paging renewal reserve represents funds available for the purchase of telephone and paging equipment.

Track resurfacing reserve represents funds available for the School Division's portion of repair or replacement of the running surface associated with the Harry Jerome Track.

Transportation reserve represents funds available for purchase of buses.

Consultant professional development reserve represents the unspent portion of the consultant's budget to be used for teacher/staff initiated professional development.

Future expenditures reserve represents funds available for future expenditures.

School budget carryovers represent the unspent portion of budgets decentralized to schools.

School generated funds carryovers represent the unspent portion of funds generated at each school.

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13. ACCUMULATED SURPLUS (continued)

Internally restricted surplus – other projects

Eagle's Nest Project represent transfers received from the Ministry of Education as funding support for residential care, counseling, and special programming to high-risk youth.

Following Their Voices represent transfers from the Ministry of Education as funding support to raise the educational achievement and participation of First Nations, Metis and Inuit students.

First Nation-Metis Achievement Project represent transfers received from the Ministry of Education as funding support for developing strategies, programs and processes to support First Nations and Metis Students' graduation rates, attendance and credit attainment.

Invitational Shared Services Initiative represent transfers received from the Ministry of Education as funding support for a partnership with Wahpeton Dakota Nation, Muskoday First Nation, One Arrow First Nation and the Saskatoon Tribal Council to develop strategies, programs and processes to support First Nations Students' graduation rates, attendance and credit attainment.

Kids First Project represent transfers received from the Ministry of Health as funding support to high-risk families with young children.

Other Projects represent transfers received from the Ministry of Education as funding support for various external projects.

Regional Intersectoral Committee (RIC) Project represent transfers received from the Ministry of Education as funding support to contract a RIC Coordinator to advance the integrated human services agenda by building partnerships with government and non-government agencies, local interagency committees and community groups.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on June 20, 2016 and the Minister of Education on August 8, 2016.

15. RELATED PARTIES

These financial statements include transactions with related parties. The School Division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The School Division is also related to non-crown enterprises that the Government jointly controls or significantly influences.

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15. RELATED PARTIES (continued)

Related Party Transactions

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

| | 2017 | 2016 |
|---|----------------------|----------------------|
| Revenues: | | |
| Communiy Initiatives Fund | \$ 104,200 | \$ 58,600 |
| Ministry of Education | 75,398,730 | 72,857,539 |
| Ministry of Health | - | 874,310 |
| Prince Albert Roman Catholic Separate School Division No. 6 | 59,199 | 190,931 |
| Saskatchewan Government Insurance | 290,292 | 299,611 |
| Other | 70,519 | 81,538 |
| | \$ 75,922,940 | \$ 74,362,529 |
| Expenses: | | |
| Good Spirit School Division - public section trust | \$ 106,078 | \$ 78,348 |
| Living Sky School Division No. 202 | 1,200 | 1,100 |
| Prince Albert Parkland Health Region | 41,248 | 23,587 |
| Saskatchewan Government Insurance | 132,801 | 133,655 |
| Saskatchewan Power Corporation | 1,302,868 | 1,293,607 |
| Saskatchewan Telecommunications Holding Corporation | 572,392 | 267,663 |
| Saskatchewan Workers' Compensation Board | 438,329 | 408,828 |
| SaskEnergy Incorporated | 574,996 | 859,922 |
| Other | 42,605 | 74,362 |
| | \$ 3,212,517 | \$ 3,141,072 |
| Accounts Receivable: | | |
| Ministry of Education - Provincial Grants | \$ 400,000 | \$ 800,000 |
| Other | 116,932 | 160,522 |
| | \$ 516,932 | \$ 960,522 |
| Prepaid Expenses: | | |
| Saskatchewan Workers' Compensation Board | \$ 146,110 | \$ 135,273 |
| | \$ 146,110 | \$ 135,273 |
| Accounts Payable and Accrued Liabilities: | | |
| Saskatchewan Power Corporation | \$ 77,360 | \$ 57,268 |
| Saskatchewan Telecommunications Holding Corporation | 106,211 | 50,961 |
| SaskEnergy Incorporated | 8,829 | 8,020 |
| | \$ 192,400 | \$ 116,249 |

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.

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16. TRUSTS

The School Division, as the trustee, administers trust funds for the Saskatchewan Rivers School Division No. 119 of Saskatchewan Charity and Scholarship Fund. Two bank accounts are held: (1) charities and (2) scholarships. The operating cycle for these funds is January 1 to December 31. The accounts are audited by Deloitte LLP. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

| | <u>Charity</u> | <u>Scholarships</u> | <u>Total</u> <u>December 31, 2016</u> | <u>Total</u> <u>December 31, 2015</u> |
|--|-------------------|---------------------|--|--|
| Cash | \$ 184,562 | \$ 45,032 | \$ 229,594 | \$ 249,896 |
| Total Assets | \$ 184,562 | \$ 45,032 | \$ 229,594 | \$ 249,896 |
| Revenues | | | | |
| Contributions and donations | \$ 72,102 | \$ 20,500 | \$ 92,602 | \$ 144,265 |
| Interest on investments | 1,866 | 434 | 2,300 | 2,557 |
| | 73,968 | 20,934 | 94,902 | 146,822 |
| Expenses | | | | |
| In-kind & school expenditures | 94,304 | - | 94,304 | 102,297 |
| Scholarships paid | - | 20,900 | 20,900 | 23,716 |
| | 94,304 | 20,900 | 115,204 | 126,013 |
| (Deficiency) Excess of Revenue over Expenses | (20,336) | 34 | (20,302) | 20,809 |
| Trust Fund Balance, Beginning of Year | 204,898 | 44,998 | 249,896 | 229,087 |
| Trust Fund Balance, End of Year | \$ 184,562 | \$ 45,032 | \$ 229,594 | \$ 249,896 |

17. 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.

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the School Division are as follows:

- student transportation services contract, variable monthly cost based on routes, with Parkland Bus Contractors Association for the period July 1, 2015 to June 30, 2020, with a School Division option to extend the contract to June 30, 2022; and
- operating lease for multifunction printing devices, variable monthly cost based on usage expiring June 30, 2019.

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19. ACCOUNTING CHANGES

On September 1, 2016, the School Division adopted the following new standards:

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

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

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

20. SUBSEQUENT EVENTS

Subsequent to the year end the School Division entered into an agreement to purchase school buses at a total cost of \$788,270.

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).

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 municipal government, provincial government, federal government and their agencies are considered to be minimal. For other receivables, the School Division has adopted credit policies which include close monitoring of 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 impairment in collectability.

The aging of grants and other accounts receivable at August 31, 2017 was:

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21. RISK MANAGEMENT (continued)

i) Credit Risk (continued)

| | August 31, 2017 | | | | | |
|---------------------------------|---------------------|-------------------|---------------------|---------------|-----------------|-----------------|
| | Total | Current | 0-30 days | 30-60 days | 60-90 days | over 90 days |
| Grant Receivables | \$ 400,000 | \$ 400,000 | \$ - | \$ - | \$ - | \$ - |
| Other Receivables | 2,222,105 | 33,648 | 2,155,050 | 148 | 8,062 | 25,197 |
| Gross Receivables | 2,622,105 | 433,648 | 2,155,050 | 148 | 8,062 | 25,197 |
| Allowance for Doubtful Accounts | 18,668 | - | - | - | - | 18,668 |
| Net Receivables | \$ 2,603,437 | \$ 433,648 | \$ 2,155,050 | \$ 148 | \$ 8,062 | \$ 6,529 |

ii) Liquidity Risk

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

The following table sets out the contractual maturities of the School Division's financial liabilities:

| | August 31, 2017 | | | | |
|--|---------------------|---------------------|--------------------|--------------|-------------|
| | Total | Within 6 months | 6 months to 1 year | 1 to 5 years | > 5 years |
| Accounts payable and accrued liabilities | \$ 2,039,860 | \$ 2,039,860 | \$ - | \$ - | \$ - |
| Total | \$ 2,039,860 | \$ 2,039,860 | \$ - | \$ - | \$ - |

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 \$5,000,000 with interest payable monthly at a rate of prime minus 0.5%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2017.

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

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21. RISK MANAGEMENT (continued)

iii) Market Risk (continued)

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, the School Division believes that it is not subject to significant foreign exchange risk from its financial instruments.