
Audited Financial Statements

Of the Saskatchewan Rivers School Division No. 119

School Division No. 2010500

For the Period Ending: August 31, 2018

Jerrold Pidborochynski
Chief Financial Officer

Deloitte LLP
Auditor

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

Management's Responsibility for the Financial Statements


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

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

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

The external auditors, 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 26, 2018

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, 2018, 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, 2018, 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 26, 2018
Prince Albert, Saskatchewan


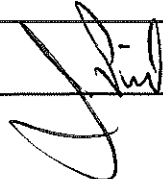
Saskatchewan Rivers School Division No. 119
Statement of Financial Position
as at August 31, 2018

	2018	2017
	\$	\$
Financial Assets		
Cash and Cash Equivalents	21,633,152	15,977,195
Accounts Receivable (Note 8)	3,679,806	8,341,640
Portfolio Investments (Note 4)	-	5,000,000
Total Financial Assets	25,312,958	29,318,835
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,257,661	2,039,860
Liability for Employee Future Benefits (Note 6)	3,202,600	3,036,600
Deferred Revenue (Note 10)	869,537	2,320,154
Total Liabilities	5,329,798	7,396,614
Net Financial Assets	19,983,160	21,922,221
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	72,256,316	75,395,178
Inventory of Supplies for Consumption	125,987	129,053
Prepaid Expenses	438,095	445,128
Total Non-Financial Assets	72,820,398	75,969,359
Accumulated Surplus (Note 13)	92,803,558	97,891,580

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, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$ (Note 14)	\$	\$
REVENUES			
Property Taxation	7,792,223	7,916,084	21,247,909
Grants	81,039,619	81,885,492	69,994,615
Tuition and Related Fees	1,861,620	2,072,565	2,350,234
School Generated Funds	2,280,000	2,235,533	2,103,622
Complementary Services (Note 11)	1,514,580	1,515,072	1,559,304
External Services (Note 12)	2,687,566	6,319,373	4,873,598
Other	766,101	1,480,329	1,131,754
Total Revenues (Schedule A)	97,941,709	103,424,448	103,261,036
EXPENSES			
Governance	324,922	312,419	840,586
Administration	3,788,287	3,500,669	4,197,948
Instruction	70,102,193	71,141,143	72,438,518
Plant	14,688,059	14,514,492	13,399,303
Transportation	7,265,337	7,210,453	7,241,028
Tuition and Related Fees	57,572	58,465	48,114
School Generated Funds	2,305,000	2,284,789	2,098,423
Complementary Services (Note 11)	1,678,041	1,651,279	1,687,558
External Services (Note 12)	2,976,549	5,589,521	3,717,078
Other Expenses	2,500	2,249,240	64,968
Total Expenses (Schedule B)	103,188,460	108,512,470	105,733,524
Operating Deficit for the Year	(5,246,751)	(5,088,022)	(2,472,488)
Accumulated Surplus from Operations, Beginning of Year	97,891,580	97,891,580	100,364,068
Accumulated Surplus from Operations, End of Year	92,644,829	92,803,558	97,891,580

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, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$ (Note 14)	\$	\$
Net Financial Assets, Beginning of Year	21,922,221	21,922,221	22,696,487
Changes During the Year			
Operating Deficit for the Year	(5,246,751)	(5,088,022)	(2,472,488)
Acquisition of Tangible Capital Assets (Schedule C)	(2,065,449)	(2,851,520)	(4,408,645)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	30,000	116,358	108,269
Net Gain on Disposal of Capital Assets (Schedule C)	-	(68,428)	(6,889)
Amortization of Tangible Capital Assets (Schedule C)	5,837,500	5,942,452	5,949,652
Net Acquisition of Inventory of Supplies	-	3,066	(1,488)
Net Change in Other Non-Financial Assets	-	7,033	57,323
Change in Net Financial Assets	(1,444,700)	(1,939,061)	(774,266)
Net Financial Assets, End of Year	20,477,521	19,983,160	21,922,221

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, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Operating Deficit for the Year	(5,088,022)	(2,472,488)
Add Non-Cash Items Included in Deficit (Schedule D)	5,874,024	5,942,763
Net Change in Non-Cash Operating Activities (Schedule E)	2,553,275	(1,476,002)
Cash Provided by Operating Activities	3,339,277	1,994,273
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(2,799,678)	(3,743,188)
Proceeds on Disposal of Tangible Capital Assets	116,358	108,269
Cash (Used) by Capital Activities	(2,683,320)	(3,634,919)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(5,000,000)
Proceeds on Disposal of Portfolio Investments	5,000,000	10,000,000
Cash Provided by Investing Activities	5,000,000	5,000,000
INCREASE IN CASH AND CASH EQUIVALENTS	5,655,957	3,359,354
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,977,195	12,617,841
CASH AND CASH EQUIVALENTS, END OF YEAR	21,633,152	15,977,195

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, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	7,792,223	7,105,512	21,614,108
Total Property Tax Revenue	7,792,223	7,105,512	21,614,108
Grants in Lieu of Taxes			
Federal Government	-	489,851	536,328
Provincial Government	-	236,523	548,422
Other	-	-	152,162
Total Grants in Lieu of Taxes	-	726,374	1,236,912
Other Tax Revenues			
House Trailer Fees	-	43,894	60,745
Total Other Tax Revenues	-	43,894	60,745
Additions to Levy			
Penalties	-	40,534	186,497
Other	-	104,323	52,756
Total Additions to Levy	-	144,857	239,253
Deletions from Levy			
Cancellations	-	(104,553)	(1,903,109)
Total Deletions from Levy	-	(104,553)	(1,903,109)
Total Property Taxation Revenue	7,792,223	7,916,084	21,247,909
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	78,653,811	78,475,814	67,248,171
Other Ministry Grants	63,000	190,238	71,346
Total Ministry Grants	78,716,811	78,666,052	67,319,517
Federal Grants	42,600	228,837	20,816
Grants from Others	294,180	293,230	268,254
Total Operating Grants	79,053,591	79,188,119	67,608,587
Capital Grants			
Ministry of Education Capital Grants	1,986,028	2,697,373	2,386,028
Total Capital Grants	1,986,028	2,697,373	2,386,028
Total Grants	81,039,619	81,885,492	69,994,615

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	1,861,620	1,941,172	2,197,959
Individuals and Other	-	131,393	152,275
Total Operating Tuition and Related Fees	1,861,620	2,072,565	2,350,234
Total Tuition and Related Fees Revenue	1,861,620	2,072,565	2,350,234
School Generated Funds Revenue			
Curricular			
Student Fees	30,000	12,136	16,012
Total Curricular Fees	30,000	12,136	16,012
Non-Curricular Fees			
Commercial Sales - Non-GST	150,000	103,515	89,938
Fundraising	1,400,000	1,361,991	1,248,428
Grants and Partnerships	115,000	90,250	136,218
Students Fees	285,000	251,503	269,262
Other	300,000	416,138	343,764
Total Non-Curricular Fees	2,250,000	2,223,397	2,087,610
Total School Generated Funds Revenue	2,280,000	2,235,533	2,103,622
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,514,580	1,515,072	1,559,304
Total Operating Grants	1,514,580	1,515,072	1,559,304
Total Complementary Services Revenue	1,514,580	1,515,072	1,559,304

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	2,118,133	4,099,816	4,133,881
Other Provincial Grants	-	82,021	119,040
Other Grants	-	1,547,384	10,150
Total Operating Grants	<u>2,118,133</u>	<u>5,729,221</u>	<u>4,263,071</u>
Fees and Other Revenue			
Other Revenue	569,433	590,152	610,527
Total Fees and Other Revenue	<u>569,433</u>	<u>590,152</u>	<u>610,527</u>
Total External Services Revenue	<u>2,687,566</u>	<u>6,319,373</u>	<u>4,873,598</u>
Other Revenue			
Miscellaneous Revenue	510,089	1,140,096	891,874
Sales & Rentals	19,000	20,703	20,417
Investments	237,012	251,102	212,574
Gain on Disposal of Capital Assets	-	68,428	6,889
Total Other Revenue	<u>766,101</u>	<u>1,480,329</u>	<u>1,131,754</u>
TOTAL REVENUE FOR THE YEAR	<u>97,941,709</u>	<u>103,424,448</u>	<u>103,261,036</u>

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	75,222	114,876	194,339
Professional Development - Board Members	7,500	17,078	131,073
Advisory Committees	58,080	54,735	31,094
Elections	-	-	70,759
Other Governance Expenses	184,120	125,730	413,321
Total Governance Expense	324,922	312,419	840,586
Administration Expense			
Salaries	2,531,941	2,264,523	2,838,509
Benefits	463,168	345,411	552,187
Supplies & Services	249,514	372,649	271,310
Non-Capital Furniture & Equipment	17,500	15,719	16,004
Building Operating Expenses	93,640	82,164	78,771
Communications	62,924	57,264	65,705
Travel	15,400	12,708	19,342
Professional Development	54,200	41,298	49,085
Amortization of Tangible Capital Assets	300,000	308,933	307,035
Total Administration Expense	3,788,287	3,500,669	4,197,948
Instruction Expense			
Instructional (Teacher Contract) Salaries	48,375,133	49,957,128	50,434,286
Instructional (Teacher Contract) Benefits	2,311,247	2,540,202	3,101,575
Program Support (Non-Teacher Contract) Salaries	11,146,972	10,741,228	10,777,439
Program Support (Non-Teacher Contract) Benefits	2,187,608	2,076,537	2,095,343
Instructional Aids	2,224,381	2,136,850	2,304,943
Supplies & Services	883,814	970,815	926,585
Non-Capital Furniture & Equipment	394,894	308,187	277,976
Communications	147,290	147,885	153,103
Travel	126,950	100,005	131,622
Professional Development	669,859	550,260	589,904
Student Related Expense	74,045	62,111	106,465
Amortization of Tangible Capital Assets	1,560,000	1,549,935	1,539,277
Total Instruction Expense	70,102,193	71,141,143	72,438,518

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	4,483,016	4,429,469	4,380,280
Benefits	845,007	836,956	812,651
Supplies & Services	6,550	4,205	3,437
Non-Capital Furniture & Equipment	58,000	40,881	55,332
Building Operating Expenses	6,118,986	5,898,542	4,856,261
Communications	16,500	14,208	13,596
Travel	119,000	121,691	90,278
Professional Development	16,000	8,577	6,294
Amortization of Tangible Capital Assets	3,025,000	3,159,963	3,181,174
Total Plant Operation & Maintenance Expense	14,688,059	14,514,492	13,399,303
Student Transportation Expense			
Salaries	2,737,915	2,790,218	2,867,673
Benefits	546,810	533,242	553,498
Supplies & Services	887,450	873,222	798,415
Non-Capital Furniture & Equipment	327,500	355,608	377,913
Building Operating Expenses	80,096	74,369	67,284
Communications	12,500	11,282	11,087
Travel	18,000	11,764	8,180
Professional Development	10,500	6,980	10,619
Contracted Transportation	1,724,566	1,664,403	1,658,449
Amortization of Tangible Capital Assets	920,000	889,365	887,910
Total Student Transportation Expense	7,265,337	7,210,453	7,241,028
Tuition and Related Fees Expense			
Tuition Fees	57,572	58,465	48,114
Total Tuition and Related Fees Expense	57,572	58,465	48,114
School Generated Funds Expense			
Academic Supplies & Services	200,000	117,019	93,029
Cost of Sales	700,000	597,117	542,163
Non-Capital Furniture & Equipment	70,000	45,868	31,237
School Fund Expenses	1,310,000	1,498,318	1,405,527
Amortization of Tangible Capital Assets	25,000	26,467	26,467
Total School Generated Funds Expense	2,305,000	2,284,789	2,098,423

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	1,020,267	1,032,233	1,039,438
Program Support (Non-Teacher Contract) Salaries & Benefits	536,663	526,385	538,553
Instructional Aids	86,400	76,675	86,374
Supplies & Services	-	-	11,060
Professional Development (Non-Salary Costs)	30,711	14,738	7,826
Contracted Transportation & Allowances	4,000	1,248	4,307
Total Complementary Services Expense	1,678,041	1,651,279	1,687,558
External Service Expense			
Grant Transfers	-	2,243,811	240,310
Administration Salaries & Benefits	86,323	89,763	87,070
Instructional (Teacher Contract) Salaries & Benefits	168,559	350,923	246,713
Program Support (Non-Teacher Contract) Salaries & Benefits	1,010,248	1,083,643	1,124,555
Plant Operation & Maintenance Salaries & Benefits	141,825	144,139	145,034
Transportation Salaries & Benefits	20,014	18,616	19,615
Instructional Aids	92,345	71,580	80,842
Supplies & Services	1,183,592	1,290,220	1,477,474
Non-Capital Furniture & Equipment	11,380	7,978	27,085
Building Operating Expenses	190,325	205,265	204,293
Communications	12,663	8,056	8,845
Travel	12,980	12,781	11,466
Professional Development (Non-Salary Costs)	17,596	41,895	18,461
Contracted Transportation & Allowances	21,199	13,062	17,526
Amortization of Tangible Capital Assets	7,500	7,789	7,789
Total External Services Expense	2,976,549	5,589,521	3,717,078
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	2,500	-	-
Total Interest and Bank Charges	2,500	-	-
Transfer of Taxes Receivable	-	2,254,115	-
Provision for Uncollectable Accounts	-	(4,875)	64,968
Total Other Expense	2,500	2,249,240	64,968
TOTAL EXPENSES FOR THE YEAR	103,188,460	108,512,470	105,733,524

Saskatchewan Rivers School Division No. 119

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2018

	Land		Buildings	School	Other	Furniture and	Computer Hardware and	Computer	Assets			
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	Under Construction	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	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
Additions/Purchases	-	-	663,164	-	764,125	-	331,048	973,740	1,399	118,044	2,851,520	4,408,645
Disposals	-	-	-	-	(1,046,634)	(57,174)	(152,020)	(1,465,937)	(8,650)	-	(2,730,415)	(2,139,487)
Closing Balance as of August 31	2,573,177	6,935,158	125,654,627	243,086	9,522,921	1,326,456	4,530,830	6,313,329	325,484	118,044	157,543,112	157,422,007
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	4,788,960	63,798,973	216,881	5,653,179	1,027,797	2,323,776	3,996,507	220,756	-	82,026,829	78,115,284
Amortization of the Period	-	257,996	3,085,851	4,177	714,436	115,609	452,655	1,254,834	56,894	-	5,942,452	5,949,652
Disposals	-	-	-	-	(998,704)	(57,174)	(152,020)	(1,465,937)	(8,650)	-	(2,682,485)	(2,038,107)
Closing Balance as of August 31	N/A	5,046,956	66,884,824	221,058	5,368,911	1,086,232	2,624,411	3,785,404	269,000	N/A	85,286,796	82,026,829
Net Book Value												
Opening Balance as of September 1	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
Closing Balance as of August 31	2,573,177	1,888,202	58,769,803	22,028	4,154,010	240,224	1,906,419	2,527,925	56,484	118,044	72,256,316	75,395,178
Change in Net Book Value	-	(257,996)	(2,422,687)	(4,177)	1,759	(115,609)	(121,607)	(281,094)	(55,495)	118,044	(3,138,862)	(1,642,387)
Disposals												
Historical Cost	-	-	-	-	1,046,634	57,174	152,020	1,465,937	8,650	-	2,730,415	2,139,487
Accumulated Amortization	-	-	-	-	998,704	57,174	152,020	1,465,937	8,650	-	2,682,485	2,038,107
Net Cost	-	-	-	-	47,930	-	-	-	-	-	47,930	101,380
Price of Sale	-	-	-	-	99,133	17,225	-	-	-	-	116,358	108,269
Gain on Disposal	-	-	-	-	51,203	17,225	-	-	-	-	68,428	6,889

Saskatchewan Rivers School Division No. 119

Schedule D: Non-Cash Items Included in Deficit for the year ended August 31, 2018

	2018	2017
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	5,942,452	5,949,652
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(68,428)	(6,889)
Total Non-Cash Items Included in Deficit	5,874,024	5,942,763

Saskatchewan Rivers School Division No. 119

Schedule E: Net Change in Non-Cash Operating Activities for the year ended August 31, 2018

	2018	2017
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	4,661,834	(1,507,773)
Decrease in Accounts Payable and Accrued Liabilities*	(834,041)	(708,504)
Increase in Liability for Employee Future Benefits	166,000	207,400
(Decrease) Increase in Deferred Revenue	(1,450,617)	477,040
Decrease (Increase) in Inventory of Supplies for Consumption	3,066	(1,488)
Decrease in Prepaid Expenses	7,033	57,323
Total Net Change in Non-Cash Operating Activities	2,553,275	(1,476,002)

* This amount does not include the \$51,842 decrease in accounts payable and accrued liabilities related to the acquisition of tangible capital assets.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 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, 2018

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 \$3,202,600 (2017 - \$3,036,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$7,916,084 (2017 - \$21,247,909) because final tax assessments may differ from initial estimates.
- useful lives of capital assets (Note 2(g)) and related amortization (Schedule C) of \$5,942,452 (2017 - \$5,949,652) 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, 2018

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. Financial 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, 2018

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, 2018

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.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). The plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. 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.

On January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan became the taxing authority for education property tax. As of that date, the School Division no longer earns taxation revenue.

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 as revenue when it is earned.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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.

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% per annum 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, 2018 was \$0 (August 31, 2017 - \$0).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Term deposit with Conexus	\$ -	\$ 5,000,000
Total portfolio investments	\$ -	\$ 5,000,000

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2018 Actual	2017 Actual
Governance	\$ 114,876	\$ 197,543	\$ -	\$ 312,419	\$ 840,586
Administration	2,609,934	581,802	308,933	3,500,669	4,197,948
Instruction	65,315,095	4,276,113	1,549,935	71,141,143	72,438,518
Plant	5,266,425	6,088,104	3,159,963	14,514,492	13,399,303
Transportation	3,323,460	2,997,628	889,365	7,210,453	7,241,028
Tuition and Related Fees	-	58,465	-	58,465	48,114
School Generated Funds	-	2,258,322	26,467	2,284,789	2,098,423
Complementary Services	1,558,618	92,661	-	1,651,279	1,687,558
External Services	1,687,084	3,894,648	7,789	5,589,521	3,717,078
Other	-	2,249,240	-	2,249,240	64,968
TOTAL	\$79,875,492	\$22,694,526	\$ 5,942,452	\$108,512,470	\$ 105,733,524

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, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

Details of the employee future benefits are as follows:

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate for teachers (excluding merit and promotion)	2.50%	2.50%
Inflation and productivity rate for non-teachers (excluding merit and promotion)	3.00%	3.00%
Expected average remaining service life (years)	14	14

Liability for Employee Future Benefits	2018	2017
Accrued Benefit Obligation - beginning of year	\$ 3,201,000	\$ 3,371,400
Current period benefit cost	232,700	264,000
Interest cost	90,000	74,500
Benefit payments	(172,400)	(170,900)
Actuarial gains	(610,600)	(338,000)
Accrued Benefit Obligation - end of year	2,740,700	3,201,000
Unamortized Net Actuarial Gain/(Loss)	461,900	(164,400)
Liability for Employee Future Benefits	\$ 3,202,600	\$ 3,036,600

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

6. EMPLOYEE FUTURE BENEFITS (continued)

Employee Future Benefits Expense	2018	2017
Current period service cost	\$ 232,700	\$ 264,000
Amortization of net actuarial loss	15,700	39,800
Benefit cost	248,400	303,800
Interest cost	90,000	74,500
Total Employee Future Benefits Expense	\$ 338,400	\$ 378,300

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) and 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:

	2018			2017
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	712	8	720	736
Member contribution rate (percentage of salary)	11.30%	6.05%	6.05 - 11.30%	6.05 - 11.30%
Member contributions for the year	\$ 6,077,297	\$ 21,682	\$ 6,098,979	\$ 6,161,813

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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. 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:

	2018	2017
Number of active School Division members	621	628
Member contribution rate (percentage of salary)	9.00%	8.15%
School Division contribution rate (percentage of salary)	9.00%	8.15%
Member contributions for the year	\$ 1,617,291	\$ 1,636,563
School Division contributions for the year	\$ 1,607,885	\$ 1,635,810
Actuarial extrapolation valuation date	Dec-31-2017	Dec-31-2016
Plan Assets (in thousands)	\$ 2,469,995	\$ 2,323,947
Plan Liabilities (in thousands)	\$ 2,015,818	\$ 1,979,463
Plan Surplus (in thousands)	\$ 454,177	\$ 344,484

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

	2018			2017		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ -	\$ -	\$ -	\$ 5,562,642	\$ -	\$ 5,562,642
Provincial Grants Receivable	200,000	-	200,000	400,000	-	400,000
Other Receivables	3,479,806	-	3,479,806	2,397,666	18,668	2,378,998
Total Accounts Receivable	\$ 3,679,806	\$ -	\$ 3,679,806	\$ 8,360,308	\$ 18,668	\$ 8,341,640

During the year, \$2,254,115 of taxes receivable were transferred from the school division to the Government of Saskatchewan.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	\$ 329,529	\$ 295,273
Supplier Payments	901,155	1,711,162
Other - Debenture Principal & Interest, GST payable	26,977	33,425
Total Accounts Payable and Accrued Liabilities	\$ 1,257,661	\$ 2,039,860

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2017	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2018
Capital projects:				
Federal Capital Tuition	\$ 355,104	\$ 80,565	\$ -	\$ 435,669
Friday Night Lights	37,719	-	-	37,719
Proceeds from Sale of School Buildings	342,711	-	-	342,711
Total capital projects deferred revenue	735,534	80,565	-	816,099
Other deferred revenue:				
Tax Liability	1,584,620	-	1,584,620	-
Other Grant - Global Partners	-	53,438	-	53,438
Total other deferred revenue	1,584,620	53,438	1,584,620	53,438
Total Deferred Revenue	\$ 2,320,154	\$ 134,003	\$ 1,584,620	\$ 869,537

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Program	2018	2017
Revenues:			
Operating Grants	\$ 1,515,072	\$ 1,515,072	\$ 1,559,304
Total Revenue	1,515,072	1,515,072	1,559,304
Expenses:			
Salaries & Benefits	1,558,618	1,558,618	1,577,991
Instructional Aids	76,675	76,675	86,374
Supplies & Services	-	-	11,060
Professional Development (Non-Salary Costs)	14,738	14,738	7,826
Contracted Transportation & Allowances	1,248	1,248	4,307
Total Expenses	1,651,279	1,651,279	1,687,558
Deficiency of Revenue over Expenses	\$ (136,207)	\$ (136,207)	\$ (128,254)

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

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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:

Summary of External Services Revenues and Expenses, by Program	Kids First	Following Their Voices	First Nation-Metis Achievement	Other Programs	2018	2017
Revenues:						
Operating Grants	\$ 1,223,912	\$ 3,233,481	\$ 570,002	\$ 701,826	\$ 5,729,221	\$ 4,133,881
Fees and Other Revenue	-	-	-	590,152	590,152	739,717
Total Revenue	1,223,912	3,233,481	570,002	1,291,978	6,319,373	4,873,598
Expenses:						
Grant Transfers	-	2,243,811	-	-	2,243,811	240,310
Salaries & Benefits	349,243	120,936	459,930	756,975	1,687,084	1,622,987
Instructional Aids	25,116	-	2,231	44,233	71,580	80,842
Supplies & Services	540,528	3,567	152,638	593,487	1,290,220	1,477,474
Non-Capital Furniture & Equipment	2,437	-	-	5,541	7,978	27,085
Building Operating Expenses	978	-	-	204,287	205,265	204,293
Communications	6,171	-	1,885	-	8,056	8,845
Travel	3,187	1,081	7,303	1,210	12,781	11,466
Professional Development (Non-Salary Costs)	6,974	31,221	2,609	1,091	41,895	18,461
Contracted Transportation & Allowances	13,062	-	-	-	13,062	17,526
Amortization of Tangible Capital Assets	-	-	-	7,789	7,789	7,789
Total Expenses	947,696	2,400,616	626,596	1,614,613	5,589,521	3,717,078
Excess (Deficiency) of Revenue over Expenses	\$ 276,216	\$ 832,865	\$ (56,594)	\$ (322,635)	\$ 729,852	\$ 1,156,520

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 represents 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 represents 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

13. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

	August 31, 2017	Additions during the year	Reductions during the year	August 31, 2018
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 75,395,178	\$ 2,851,520	\$ 5,990,382	\$ 72,256,316
PMR Maintenance Project Allocations (1)	735,661	2,297,373	1,715,039	1,317,995
Internally Restricted Surplus:				
Capital projects:				
Maintenance Vehicles	-	90,000	-	90,000
Relocatable Classrooms	500,000	-	500,000	-
Replacement of Track Equipment	100,000	-	-	100,000
Technology	500,000	-	99,079	400,921
Telephone and Paging Renewal	25,598	-	25,598	-
Track Resurfacing	1,447,222	-	25,342	1,421,880
Transportation	750,000	764,125	764,125	750,000
	3,322,820	854,125	1,414,144	2,762,801
Other reserves:				
Consultant Professional Development	4,271	6,780	11,051	-
Future Expenditures	241,153	-	-	241,153
School Budget Carryovers	83,318	29,975	-	113,293
School Generated Funds Carryovers	1,347,839	-	76,955	1,270,884
	1,676,581	36,755	88,006	1,625,330
Other projects:				
Following Their Voices	1,395,690	3,233,480	2,400,616	2,228,554
First Nation-Metis Achievement Project	122,460	570,002	626,597	65,865
Invitational Shared Services Initiative - Muskoday	6,630	150,000	155,994	636
Invitational Shared Services Initiative - Wahpeton	32,113	150,000	172,644	9,469
Kids First Project	233,109	1,223,912	947,696	509,325
Other Projects	170,566	351,827	265,871	256,522
	1,960,568	5,679,221	4,569,418	3,070,371
Unrestricted Surplus	14,800,772	-	3,030,027	11,770,745
Total Accumulated Surplus	\$ 97,891,580	\$ 11,718,994	\$ 16,807,016	\$ 92,803,558

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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

Maintenance vehicles reserve represents funds available for purchases of vehicles for the maintenance department.

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

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.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on April 24, 2017 and the Minister of Education on August 28, 2017.

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, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the School Division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

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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.

	2018	2017
Revenues:		
Community Initiatives Fund	\$ 80,052	\$ 104,200
Ministry of Education	87,111,359	75,398,730
Living Sky School Division No. 202	479,213	54,743
Prince Albert Roman Catholic Separate School Division No. 6	76,569	59,199
Saskatchewan Government Insurance	293,230	290,292
Saskatchewan Workers' Compensation Board	195,244	-
Other	17,749	70,519
	\$ 88,253,416	\$ 75,977,683
Expenses:		
Battlefords First Nation Joint Board of Education	\$ 91,932	\$ -
Good Spirit School Division No. 204 - Public Section Trust	83,367	106,078
Living Sky School Division No. 202	28,675	1,200
Northern Lights School Division No. 113	206,565	-
Prairie Spirit School Division No. 206	64,372	395
Prairie Valley School Division No. 208	68,196	-
Saskatchewan Government Insurance	133,889	132,801
Saskatchewan Health Authority	15,243	41,248
Saskatchewan Power Corporation	1,392,913	1,302,868
Saskatchewan Telecommunications Holding Corporation	263,341	572,392
Saskatchewan Workers' Compensation Board	443,775	438,329
Saskatoon Public School Division	133,689	-
SaskEnergy Incorporated	581,977	574,996
St. Paul's Roman Catholic Separate School Division No. 20	75,135	-
Other	195,661	42,605
	\$ 3,778,730	\$ 3,212,912
Accounts Receivable:		
Ministry of Education - Provincial Grants	\$ 200,000	\$ 400,000
Living Sky School Division No. 202	479,213	-
Other	200,391	116,932
	\$ 879,604	\$ 516,932
Prepaid Expenses:		
Saskatchewan Workers' Compensation Board	\$ 147,478	\$ 146,110
	\$ 147,478	\$ 146,110
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ 70,256	\$ 77,360
Saskatchewan Telecommunications Holding Corporation	5,515	106,211
SaskEnergy Incorporated	11,103	8,829
	\$ 86,874	\$ 192,400

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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, 2017</u>	<u>Total</u> <u>December 31, 2016</u>
Cash	\$ 283,576	\$ 70,531	\$ 354,107	\$ 229,594
Total Assets	\$ 283,576	\$ 70,531	\$ 354,107	\$ 229,594
Revenues				
Contributions and donations	\$ 265,093	\$ 36,991	\$ 302,084	\$ 92,602
Interest on investments	2,252	548	2,800	2,300
	267,345	37,539	304,884	94,902
Expenses				
In-kind & school expenditures	168,331	-	168,331	94,304
Scholarships paid	-	12,040	12,040	20,900
	168,331	12,040	180,371	115,204
Excess (Deficiency) of Revenue over Expenses	99,014	25,499	124,513	(20,302)
Trust Fund Balance, Beginning of Year	184,562	45,032	229,594	249,896
Trust Fund Balance, End of Year	\$ 283,576	\$ 70,531	\$ 354,107	\$ 229,594

17. CONTINGENT LIABILITIES

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. Costs for the current year were \$1,456,376 (2017 - \$1,406,101).
- operating lease for multifunction printing devices, variable monthly cost based on usage expiring June 30, 2019. Costs for the current year were \$228,537 (2017 - \$219,826).

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

19. COMPARATIVE INFORMATION

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

20. RISK MANAGEMENT

The School Division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk 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, 2018 was:

	August 31, 2018						
	Total	Current	0-30 days	30-60 days	60-90 days	over 90 days	
Grant Receivables	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	
Other Receivables	3,374,669	1,105,248	235	25,031	274	2,243,881	
Net Receivables	\$ 3,574,669	\$ 1,305,248	\$ 235	\$ 25,031	\$ 274	\$ 2,243,881	

Receivable amounts related to GST are not applicable to credit risk, as these do not meet the definition of a financial instrument.

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:

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20. RISK MANAGEMENT (continued)

ii) Liquidity Risk (continued)

	August 31, 2018				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,257,661	\$ 1,257,661	\$ -	\$ -	\$ -
Total	\$ 1,257,661	\$ 1,257,661	\$ -	\$ -	\$ -

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% per annum. 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, 2018.

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

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.