
Audited Financial Statements

Of the Saskatchewan Rivers School Division No. 119

School Division No. 2010500

For the Period Ending: August 31, 2019

Jerrold Pidborochynski
Chief Financial Officer

Deloitte LLP
Auditor

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

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 auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Saskatchewan Rivers School Division No. 119:



Board Chair



CEO/Director of Education



Chief Financial Officer

November 25, 2019

Independent Auditor's Report

To the Trustees of the Board of Education of
Saskatchewan Rivers School Division No. 119

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saskatchewan Rivers School Division No. 119 (the "the School Division"), which comprise the statement of financial position as at August 31, 2019, and the statements of operations and accumulated surplus from operations, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2019, 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 ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the School Division in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the School Division's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the School Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the School Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Prince Albert, Saskatchewan
November 25, 2019

Saskatchewan Rivers School Division No. 119

Statement of Financial Position
as at August 31, 2019


	2019	2018
	\$	\$
Financial Assets		
Cash and Cash Equivalents	22,641,128	21,633,152
Accounts Receivable (Note 6)	1,312,078	3,679,806
Total Financial Assets	23,953,206	25,312,958
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	1,708,665	1,257,661
Liability for Employee Future Benefits (Note 4)	3,268,500	3,202,600
Deferred Revenue (Note 8)	951,551	869,537
Total Liabilities	5,928,716	5,329,798
Net Financial Assets	18,024,490	19,983,160
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	68,222,399	72,256,316
Inventory of Supplies for Consumption	130,280	125,987
Prepaid Expenses	556,627	438,095
Total Non-Financial Assets	68,909,306	72,820,398
Accumulated Surplus (Note 11)	86,933,796	92,803,558


Contingent Liabilities (Note 14)

Contractual Obligations and Commitments (Note 15)

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, 2019

	2019	2019	2018
	Budget	Actual	Actual
	\$	\$	\$
REVENUES	(Note 12)		
Property Taxes and Other Related Grants	-	54,254	7,916,084
Tuition and Related Fees	90,771,822	89,251,381	81,885,492
School Generated Funds	2,087,952	2,498,297	2,072,565
Complementary Services (Note 9)	2,280,000	2,221,030	2,235,533
External Services (Note 10)	1,542,876	1,742,988	1,515,072
Other	2,732,797	5,816,423	6,319,373
	794,934	1,148,894	1,480,329
Total Revenues (Schedule A)	100,210,381	102,733,267	103,424,448
EXPENSES			
Governance	347,392	352,996	312,419
Administration	3,284,323	3,230,629	3,500,669
Instruction	71,848,292	72,326,160	71,141,143
Plant	15,541,446	14,963,554	14,514,492
Transportation	7,237,298	7,194,494	7,210,453
Tuition and Related Fees	69,072	56,413	58,465
School Generated Funds	2,305,000	2,292,637	2,284,789
Complementary Services (Note 9)	1,654,247	1,658,690	1,651,279
External Services (Note 10)	3,085,638	6,291,532	5,589,521
Other	2,500	235,924	2,249,240
Total Expenses (Schedule B)	105,375,208	108,603,029	108,512,470
Operating Deficit for the Year	(5,164,827)	(5,869,762)	(5,088,022)
Accumulated Surplus from Operations, Beginning of Year	92,803,558	92,803,558	97,891,580
Accumulated Surplus from Operations, End of Year	87,638,731	86,933,796	92,803,558

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, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$ (Note 12)	\$	\$
Net Financial Assets, Beginning of Year	19,983,160	19,983,160	21,922,221
Changes During the Year			
Operating Deficit for the Year	(5,164,827)	(5,869,762)	(5,088,022)
Acquisition of Tangible Capital Assets (Schedule C)	(1,982,673)	(1,611,772)	(2,851,520)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	10,000	14,187	116,358
Net Gain on Disposal of Capital Assets (Schedule C)	-	(8,235)	(68,428)
Amortization of Tangible Capital Assets (Schedule C)	5,947,500	5,639,737	5,942,452
Net Acquisition of Inventory of Supplies	-	(4,293)	3,066
Net Change in Other Non-Financial Assets	-	(118,532)	7,033
Change in Net Financial Assets	(1,190,000)	(1,958,670)	(1,939,061)
Net Financial Assets, End of Year	18,793,160	18,024,490	19,983,160

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, 2019**

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Operating Deficit for the Year	(5,869,762)	(5,088,022)
Add Non-Cash Items Included in Deficit (Schedule D)	5,631,502	5,874,024
Net Change in Non-Cash Operating Activities (Schedule E)	2,768,621	2,553,275
Cash Provided by Operating Activities	2,530,361	3,339,277
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(1,536,572)	(2,799,678)
Proceeds on Disposal of Tangible Capital Assets	14,187	116,358
Cash (Used) by Capital Activities	(1,522,385)	(2,683,320)
INVESTING ACTIVITIES		
Proceeds on Disposal of Portfolio Investments	-	5,000,000
Cash Provided by Investing Activities	-	5,000,000
INCREASE IN CASH AND CASH EQUIVALENTS	1,007,976	5,655,957
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	21,633,152	15,977,195
CASH AND CASH EQUIVALENTS, END OF YEAR	22,641,128	21,633,152

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, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Property Taxes and Other Related Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	-	-	7,105,512
Total Property Tax Revenue	-	-	7,105,512
Grants in Lieu of Taxes			
Federal Government	-	-	489,851
Provincial Government	-	-	236,523
Total Grants in Lieu of Taxes	-	-	726,374
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	54,254	-
House Trailer Fees	-	-	43,894
Total Other Tax Revenues	-	54,254	43,894
Additions to Levy			
Penalties	-	-	40,534
Other	-	-	104,323
Total Additions to Levy	-	-	144,857
Deletions from Levy			
Cancellations	-	-	(104,553)
Total Deletions from Levy	-	-	(104,553)
Total Property Taxes and Other Related Revenue	-	54,254	7,916,084
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	87,979,308	85,931,460	78,475,814
Other Ministry Grants	158,361	188,090	190,238
Total Ministry Grants	88,137,669	86,119,550	78,666,052
Federal Grants	42,600	228,653	228,837
Grants from Others	294,180	272,677	293,230
Total Operating Grants	88,474,449	86,620,880	79,188,119
Capital Grants			
Ministry of Education Capital Grants	2,297,373	2,630,501	2,697,373
Total Capital Grants	2,297,373	2,630,501	2,697,373
Total Grants	90,771,822	89,251,381	81,885,492

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	2,087,952	2,387,669	1,941,172
Individuals and Other	-	110,628	131,393
Total Operating Tuition and Related Fees	2,087,952	2,498,297	2,072,565
Total Tuition and Related Fees Revenue	2,087,952	2,498,297	2,072,565
School Generated Funds Revenue			
Curricular			
Student Fees	30,000	16,265	12,136
Total Curricular Fees	30,000	16,265	12,136
Non-Curricular Fees			
Commercial Sales - Non-GST	150,000	91,445	103,515
Fundraising	1,400,000	1,471,080	1,361,991
Grants and Partnerships	115,000	82,276	90,250
Students Fees	285,000	243,778	251,503
Other	300,000	316,186	416,138
Total Non-Curricular Fees	2,250,000	2,204,765	2,223,397
Total School Generated Funds Revenue	2,280,000	2,221,030	2,235,533
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,542,876	1,542,988	1,515,072
Other Ministry Grants	-	200,000	-
Total Operating Grants	1,542,876	1,742,988	1,515,072
Total Complementary Services Revenue	1,542,876	1,742,988	1,515,072

Saskatchewan Rivers School Division No. 119
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	2,118,133	4,023,754	4,099,816
Other Provincial Grants	-	54,634	82,021
Other Grants	45,231	1,070,103	1,547,384
Total Operating Grants	2,163,364	5,148,491	5,729,221
Fees and Other Revenue			
Other Revenue	569,433	667,932	590,152
Total Fees and Other Revenue	569,433	667,932	590,152
Total External Services Revenue	2,732,797	5,816,423	6,319,373
Other Revenue			
Miscellaneous Revenue	536,024	767,782	1,140,096
Sales & Rentals	19,000	23,833	20,703
Investments	239,910	349,044	251,102
Gain on Disposal of Capital Assets	-	8,235	68,428
Total Other Revenue	794,934	1,148,894	1,480,329
TOTAL REVENUE FOR THE YEAR	100,210,381	102,733,267	103,424,448

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	134,187	145,263	114,876
Professional Development - Board Members	21,595	22,480	17,078
Grants to School Community Councils	61,132	59,712	54,735
Other Governance Expenses	130,478	125,541	125,730
Total Governance Expense	347,392	352,996	312,419
Administration Expense			
Salaries	2,202,939	2,203,833	2,264,523
Benefits	277,331	258,899	345,411
Supplies & Services	256,549	230,466	372,649
Non-Capital Furniture & Equipment	23,500	31,969	15,719
Building Operating Expenses	91,380	82,323	82,164
Communications	63,024	58,593	57,264
Travel	15,400	12,455	12,708
Professional Development	54,200	54,601	41,298
Amortization of Tangible Capital Assets	300,000	297,490	308,933
Total Administration Expense	3,284,323	3,230,629	3,500,669
Instruction Expense			
Instructional (Teacher Contract) Salaries	49,923,921	49,877,525	49,957,128
Instructional (Teacher Contract) Benefits	2,378,762	2,514,406	2,540,202
Program Support (Non-Teacher Contract) Salaries	11,315,638	11,099,242	10,741,228
Program Support (Non-Teacher Contract) Benefits	2,293,237	2,213,525	2,076,537
Instructional Aids	2,115,963	1,952,762	2,136,850
Supplies & Services	914,303	1,047,935	970,815
Non-Capital Furniture & Equipment	358,214	1,230,754	308,187
Communications	144,045	147,833	147,885
Travel	130,450	108,389	100,005
Professional Development	674,359	647,205	550,260
Student Related Expense	59,400	51,054	62,111
Amortization of Tangible Capital Assets	1,540,000	1,435,530	1,549,935
Total Instruction Expense	71,848,292	72,326,160	71,141,143

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	4,554,623	4,504,745	4,429,469
Benefits	896,027	888,198	836,956
Supplies & Services	6,550	303	4,205
Non-Capital Furniture & Equipment	58,000	36,732	40,881
Building Operating Expenses	6,674,746	6,331,717	5,898,542
Communications	16,500	15,020	14,208
Travel	119,000	126,686	121,691
Professional Development	16,000	13,495	8,577
Amortization of Tangible Capital Assets	3,200,000	3,046,658	3,159,963
Total Plant Operation & Maintenance Expense	15,541,446	14,963,554	14,514,492
Student Transportation Expense			
Salaries	2,783,251	2,810,820	2,790,218
Benefits	576,901	558,855	533,242
Supplies & Services	852,520	865,016	873,222
Non-Capital Furniture & Equipment	327,500	298,024	355,608
Building Operating Expenses	83,648	104,993	74,369
Communications	12,500	9,842	11,282
Travel	11,500	7,918	11,764
Professional Development	10,500	5,764	6,980
Contracted Transportation	1,703,978	1,705,487	1,664,403
Amortization of Tangible Capital Assets	875,000	827,775	889,365
Total Student Transportation Expense	7,237,298	7,194,494	7,210,453
Tuition and Related Fees Expense			
Tuition Fees	69,072	56,413	58,465
Total Tuition and Related Fees Expense	69,072	56,413	58,465
School Generated Funds Expense			
Academic Supplies & Services	200,000	93,777	117,019
Cost of Sales	700,000	670,538	597,117
Non-Capital Furniture & Equipment	70,000	58,524	45,868
School Fund Expenses	1,310,000	1,445,303	1,498,318
Amortization of Tangible Capital Assets	25,000	24,495	26,467
Total School Generated Funds Expense	2,305,000	2,292,637	2,284,789

Saskatchewan Rivers School Division No. 119
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	998,813	1,034,431	1,032,233
Program Support (Non-Teacher Contract) Salaries & Benefits	554,253	534,417	526,385
Instructional Aids	86,400	87,896	76,675
Professional Development (Non-Salary Costs)	10,781	415	14,738
Contracted Transportation & Allowances	4,000	1,531	1,248
Total Complementary Services Expense	1,654,247	1,658,690	1,651,279
External Service Expense			
Grant Transfers	-	2,735,616	2,243,811
Administration Salaries & Benefits	92,739	96,243	89,763
Instructional (Teacher Contract) Salaries & Benefits	273,363	462,302	350,923
Program Support (Non-Teacher Contract) Salaries & Benefits	1,016,013	1,104,084	1,083,643
Plant Operation & Maintenance Salaries & Benefits	148,739	150,680	144,139
Transportation Salaries & Benefits	18,408	17,472	18,616
Instructional Aids	29,500	77,195	71,580
Supplies & Services	1,044,120	1,247,457	1,290,220
Non-Capital Furniture & Equipment	12,200	5,947	7,978
Building Operating Expenses	385,337	298,985	205,265
Communications	8,250	7,143	8,056
Travel	12,169	9,115	12,781
Professional Development (Non-Salary Costs)	21,300	58,590	41,895
Contracted Transportation & Allowances	16,000	12,914	13,062
Amortization of Tangible Capital Assets	7,500	7,789	7,789
Total External Services Expense	3,085,638	6,291,532	5,589,521
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	2,500	1,331	-
Total Interest and Bank Charges	2,500	1,331	-
Transfer of Taxes Receivable	-	-	2,254,115
Provision for Uncollectable Accounts	-	234,593	(4,875)
Total Other Expense	2,500	235,924	2,249,240
TOTAL EXPENSES FOR THE YEAR	105,375,208	108,603,029	108,512,470

Saskatchewan Rivers School Division No. 119
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2019

	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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	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
Additions/Purchases	-	111,618	287,709	-	765,195	133,894	180,649	132,707	-	-	1,611,772	2,851,520
Disposals	-	-	-	-	(480,788)	(31,867)	(241,640)	(781,033)	(151,382)	-	(1,686,710)	(2,730,415)
Transfers to (from)	-	-	118,044	-	-	-	-	-	-	(118,044)	-	-
Closing Balance as of August 31	2,573,177	7,046,776	126,060,380	243,086	9,807,328	1,428,483	4,469,839	5,665,003	174,102	-	157,468,174	157,543,112
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	5,046,956	66,884,824	221,058	5,368,911	1,086,232	2,624,411	3,785,404	269,000	-	85,286,796	82,026,829
Amortization of the Period	-	201,002	3,025,292	4,177	683,328	116,951	446,556	1,127,610	34,821	-	5,639,737	5,942,452
Disposals	-	-	-	-	(474,836)	(31,867)	(241,640)	(781,033)	(151,382)	-	(1,680,758)	(2,682,485)
Closing Balance as of August 31	N/A	5,247,958	69,910,116	225,235	5,577,403	1,171,316	2,829,327	4,131,981	152,439	N/A	89,245,775	85,286,796
Net Book Value												
Opening Balance as of September 1	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
Closing Balance as of August 31	2,573,177	1,798,818	56,150,264	17,851	4,229,925	257,167	1,640,512	1,533,022	21,663	-	68,222,399	72,256,316
Change in Net Book Value	-	(89,384)	(2,619,539)	(4,177)	75,915	16,943	(265,907)	(994,903)	(34,821)	(118,044)	(4,033,917)	(3,138,862)
Disposals												
Historical Cost	-	-	-	-	480,788	31,867	241,640	781,033	151,382	-	1,686,710	2,730,415
Accumulated Amortization	-	-	-	-	474,836	31,867	241,640	781,033	151,382	-	1,680,758	2,682,485
Net Cost	-	-	-	-	5,952	-	-	-	-	-	5,952	47,930
Price of Sale	-	-	-	-	12,572	1,615	-	-	-	-	14,187	116,358
Gain on Disposal	-	-	-	-	6,620	1,615	-	-	-	-	8,235	68,428

Saskatchewan Rivers School Division No. 119
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2019

	2019	2018
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	5,639,737	5,942,452
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(8,235)	(68,428)
Total Non-Cash Items Included in Deficit	5,631,502	5,874,024

Saskatchewan Rivers School Division No. 119
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2019

	2019	2018
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	2,367,728	4,661,834
Increase (Decrease) in Accounts Payable and Accrued Liabilities*	375,804	(834,041)
Increase in Liability for Employee Future Benefits	65,900	166,000
Increase (Decrease) in Deferred Revenue	82,014	(1,450,617)
Decrease (Increase) in Inventory of Supplies for Consumption	(4,293)	3,066
Decrease (Increase) in Prepaid Expenses	(118,532)	7,033
Total Net Change in Non-Cash Operating Activities	2,768,621	2,553,275

* This amount does not include the \$75,200 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, 2019

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.

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) 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 13 of the financial statements.

c) 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, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) 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 \$3,268,500 (2018 - \$3,202,600) because actual experience may differ significantly from actuarial estimations.
- uncollectible accounts receivables of \$200,000 (2018 - \$nil) because actual collectability may differ from initial estimates.
- useful lives of capital assets (Note 2(f)) and related amortization (Schedule C) of \$5,639,737 (2018 - \$5,942,452) 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.

d) 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, 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, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) 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.

Remeasurement gains and losses have not been recognized by the School Division in a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material gains or losses.

e) 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 provincial grants receivable and other receivables. Provincial grants receivable represent capital 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.

f) 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, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) 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 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.

g) 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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Liabilities (continued)

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.

h) 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, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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, except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Transfers with stipulations are recorded as deferred revenue and, recognized as revenue in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

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.

Prior to January 1, 2018, the School Division levied and collected property tax on a calendar year basis. Uniform education property tax mill rates were set by the Government of Saskatchewan. Tax revenues were 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. Tax revenue for September to December 2017 was based on the actual amounts reported by the municipalities for the calendar taxation 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 as revenue when it is earned.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) 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 are deferred until the resources are used for the purpose specified, at which time the contributions are recorded as revenue. In-kind contributions are recorded at their fair value when they are received.

3. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2019 Actual	2018 Actual
Governance	\$ 145,263	\$ 207,733	\$ -	\$ 352,996	\$ 312,419
Administration	2,462,732	470,407	297,490	3,230,629	3,500,669
Instruction	65,704,698	5,185,932	1,435,530	72,326,160	71,141,143
Plant	5,392,943	6,523,953	3,046,658	14,963,554	14,514,492
Transportation	3,369,675	2,997,044	827,775	7,194,494	7,210,453
Tuition and Related Fees	-	56,413	-	56,413	58,465
School Generated Funds	-	2,268,142	24,495	2,292,637	2,284,789
Complementary Services	1,568,848	89,842	-	1,658,690	1,651,279
External Services	1,830,781	4,452,962	7,789	6,291,532	5,589,521
Other	-	235,924	-	235,924	2,249,240
TOTAL	\$80,474,940	\$22,488,352	\$ 5,639,737	\$108,603,029	\$ 108,512,470

4. 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, 2019.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

4. EMPLOYEE FUTURE BENEFITS (continued)

Details of the employee future benefits are as follows:

	2019	2018
Long-term assumptions used:		
Discount rate at end of period	1.93%	3.00%
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	2019	2018
Accrued Benefit Obligation - beginning of year	\$ 2,740,700	\$ 3,201,000
Current period benefit cost	204,800	232,700
Interest cost	85,400	90,000
Benefit payments	(196,400)	(172,400)
Actuarial (gain)/loss	342,500	(610,600)
Accrued Benefit Obligation - end of year	3,177,000	2,740,700
Unamortized Net Actuarial Gain	91,500	461,900
Liability for Employee Future Benefits	\$ 3,268,500	\$ 3,202,600

Employee Future Benefits Expense	2019	2018
Current period service cost	\$ 204,800	\$ 232,700
Amortization of net actuarial (gain)/loss	(27,900)	15,700
Benefit cost	176,900	248,400
Interest cost	85,400	90,000
Total Employee Future Benefits Expense	\$ 262,300	\$ 338,400

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

5. 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:

	2019			2018
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	713	11	724	720
Member contribution rate (percentage of salary)	9.50%	6.05%	6.05 - 9.50%	6.05 - 11.30%
Member contributions for the year	\$ 5,167,703	\$ 22,343	\$ 5,190,046	\$ 6,098,979

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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

5. PENSION PLANS (continued)

ii) Municipal Employees' Pension Plan (MEPP) (continued)

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:

	2019	2018
Number of active School Division members	618	621
Member contribution rate (percentage of salary)	9.00%	9.00%
School Division contribution rate (percentage of salary)	9.00%	9.00%
Member contributions for the year	\$ 1,798,620	\$ 1,617,291
School Division contributions for the year	\$ 1,798,620	\$ 1,607,885
Actuarial extrapolation valuation date	Dec-31-2018	Dec-31-2017
Plan Assets (in thousands)	\$ 2,487,505	\$ 2,469,995
Plan Liabilities (in thousands)	\$ 2,024,269	\$ 2,015,818
Plan Surplus (in thousands)	\$ 463,236	\$ 454,177

6. 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:

	2019			2018		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Other Receivables	1,512,078	200,000	1,312,078	3,479,806	-	3,479,806
Total Accounts Receivable	\$ 1,512,078	\$ 200,000	\$ 1,312,078	\$ 3,679,806	\$ -	\$ 3,679,806

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2019	2018
Accrued Salaries and Benefits	\$ 261,965	\$ 329,529
Supplier Payments	1,373,042	901,155
Other - Debenture Principal & Interest, GST payable	73,658	26,977
Total Accounts Payable and Accrued Liabilities	\$ 1,708,665	\$ 1,257,661

8. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2018	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2019
Capital projects:				
Federal Capital Tuition	\$ 435,669	\$ 12,921	\$ -	\$ 448,590
Friday Night Lights	37,719	-	-	37,719
Proceeds from Sale of School Buildings	342,711	-	-	342,711
Total capital projects deferred revenue	816,099	12,921	-	829,020
Non-Capital deferred revenue:				
Other Grant - Global Partners	53,438	122,531	53,438	122,531
Total non-capital deferred revenue	53,438	122,531	53,438	122,531
Total Deferred Revenue	\$ 869,537	\$ 135,452	\$ 53,438	\$ 951,551

9. 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	2019	2018
Revenues:			
Operating Grants	\$ 1,742,988	\$ 1,742,988	\$ 1,515,072
Total Revenue	1,742,988	1,742,988	1,515,072
Expenses:			
Salaries & Benefits	1,568,848	1,568,848	1,558,618
Instructional Aids	87,896	87,896	76,675
Professional Development (Non-Salary Costs)	415	415	14,738
Contracted Transportation & Allowances	1,531	1,531	1,248
Total Expenses	1,658,690	1,658,690	1,651,279
Excess (Deficiency) of Revenue over Expenses	\$ 84,298	\$ 84,298	\$ (136,207)

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

10. 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	2019	2018
Revenues:						
Operating Grants	\$ 912,983	\$ 2,833,844	\$ 570,002	\$ 831,662	\$ 5,148,491	\$ 5,729,221
Fees and Other Revenue	-	-	-	667,932	667,932	590,152
Total Revenue	912,983	2,833,844	570,002	1,499,594	5,816,423	6,319,373
Expenses:						
Grant Transfers	-	2,735,616	-	-	2,735,616	2,243,811
Salaries & Benefits	355,539	164,534	452,946	857,762	1,830,781	1,687,084
Instructional Aids	28,891	-	3,338	44,966	77,195	71,580
Supplies & Services	573,634	1,534	117,462	554,827	1,247,457	1,290,220
Non-Capital Furniture & Equipment	619	-	863	4,465	5,947	7,978
Building Operating Expenses	1,036	-	-	297,949	298,985	205,265
Communications	5,222	-	1,921	-	7,143	8,056
Travel	804	169	7,658	484	9,115	12,781
Professional Development (Non-Salary Costs)	12,340	40,805	941	4,504	58,590	41,895
Contracted Transportation & Allowances	12,914	-	-	-	12,914	13,062
Amortization of Tangible Capital Assets	-	-	-	7,789	7,789	7,789
Total Expenses	990,999	2,942,658	585,129	1,772,746	6,291,532	5,589,521
Excess (Deficiency) of Revenue over Expenses	\$ (78,016)	\$ (108,814)	\$ (15,127)	\$ (273,152)	\$ (475,109)	\$ 729,852

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, 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, 2019

11. 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, or designated assets, are included in accumulated surplus presented in the statement of financial position. The School Division does not maintain separate bank accounts for designated assets.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

11. ACCUMULATED SURPLUS (continued)

Details of accumulated surplus are as follows:

	August 31, 2018	Additions during the year	Reductions during the year	August 31, 2019
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 72,256,316	\$ 1,611,772	\$ 5,645,689	\$ 68,222,399
PMR Maintenance Project Allocations (1)	1,317,995	2,630,501	2,143,852	1,804,644
Designated Assets:				
Capital projects:				
Maintenance Vehicles	90,000	-	90,000	-
Replacement of Track Equipment	100,000	-	-	100,000
Technology	400,921	-	146,182	254,739
Track Resurfacing	1,421,880	-	-	1,421,880
Transportation	750,000	640,195	765,195	625,000
	2,762,801	640,195	1,001,377	2,401,619
Other reserves:				
Consultant Professional Development	-	1,330	-	1,330
Future Expenditures	241,153	-	-	241,153
School Budget Carryovers	113,293	-	66,260	47,033
School Generated Funds Carryovers	1,270,884	-	59,484	1,211,400
	1,625,330	1,330	125,744	1,500,916
Other projects:				
Following Their Voices	2,228,554	2,833,844	2,942,658	2,119,740
First Nation-Metis Achievement Project	65,865	570,002	585,129	50,738
Invitational Shared Services Initiative - Muskoday	636	150,000	143,779	6,857
Invitational Shared Services Initiative - Wahpeton	9,469	150,000	145,592	13,877
Kids First Project	509,325	912,983	990,999	431,309
Other Projects	256,522	481,663	308,470	429,715
	3,070,371	5,098,492	5,116,627	3,052,236
Unrestricted Surplus	11,770,745	-	1,818,763	9,951,982
Total Accumulated Surplus	\$ 92,803,558	\$ 9,982,290	\$ 15,852,052	\$ 86,933,796

(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.

SASKATCHEWAN RIVERS SCHOOL DIVISION NO. 119
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

12. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on May 14, 2018 and the Minister of Education on August 22, 2018.

13. 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:

	Charity		Scholarships		Total December 31, 2018		Total December 31, 2017	
Cash	\$	209,095	\$	69,963	\$	279,058	\$	354,107
Total Assets	\$	209,095	\$	69,963	\$	279,058	\$	354,107
Revenues								
Contributions and donations	\$	51,567	\$	21,055	\$	72,622	\$	302,084
Interest on investments		3,806		1,302		5,108		2,800
		55,373		22,357		77,730		304,884
Expenses								
In-kind & school expenditures		129,854		-		129,854		168,331
Scholarships paid		-		22,925		22,925		12,040
		129,854		22,925		152,779		180,371
Excess (Deficiency) of Revenue over Expenses		(74,481)		(568)		(75,049)		124,513
Trust Fund Balance, Beginning of Year		283,576		70,531		354,107		229,594
Trust Fund Balance, End of Year	\$	209,095	\$	69,963	\$	279,058	\$	354,107

14. 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.

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15. 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 \$1,515,156 (2018 - \$1,456,376).
- operating lease for multifunction printing devices, variable monthly cost based on usage expiring June 30, 2022. Costs for the current year were \$229,824 (2018 - \$228,537).

16. 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 other accounts receivable at August 31, 2019 was:

		August 31, 2019								
		Total	0-30 days	30-60 days	60-90 days	over 90 days				
Gross Receivables	\$	1,386,569	\$	367,650	\$	4,242	\$	217	\$	1,014,460
Allowance for Doubtful Accounts		200,000	-	-	-					200,000
Net Receivables	\$	1,186,569	\$	367,650	\$	4,242	\$	217	\$	814,460

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16. RISK MANAGEMENT (continued)

i) Credit Risk (continued)

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:

	August 31, 2019				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,708,665	\$ 1,708,665	\$ -	\$ -	\$ -
Total	\$ 1,708,665	\$ 1,708,665	\$ -	\$ -	\$ -

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 0.50% 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, 2019.

The School Division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- managing cash flows to minimize utilization of its bank line of credit

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.