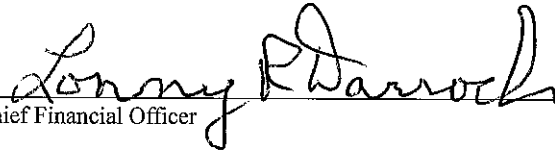

Audited Financial Statements

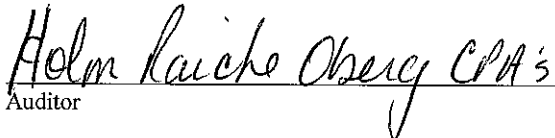
Of the Living Sky School Division No. 202

School Division No. 2020500

For the Period Ending: August 31, 2019



Chief Financial Officer



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.

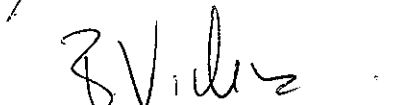
The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained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

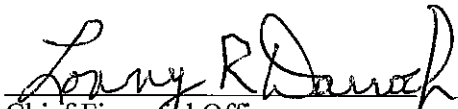
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible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

The external auditors, Holm Raiche Oberg Chartered Professional Accountants P.C. Ltd., conduct an independent examination in accordance with Canadian 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 Living Sky School Division No. 202:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 27, 2019



Holm Raiche Oberg
Chartered Professional Accountants P.C. Ltd.

1321 101st Street
North Battleford, Saskatchewan
S9A 0Z9

Phone: (306) 445-6291
Fax: (306) 445-3882
Email: info@hrocpa.ca
Website: www.hrocpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Board of Living Sky School Division No. 202

Opinion

We have audited the financial statements of Living Sky School Division No. 202 (the organization), 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 organization 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 those 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 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.

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

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

(continues)

Graham K. Holm, CPA, CA*
(Retired)

Loralie A. Raiche, CPA, CA, CFP*

Dallan D. Oberg, CPA, CA*

*Denotes a professional corporation



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 generally accepted auditing standards 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 generally accepted auditing standards, 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 organization'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 organization'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 organization 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.

North Battleford, Saskatchewan



Chartered Professional Accountants

Living Sky School Division No. 202
Statement of Financial Position
as at August 31, 2019

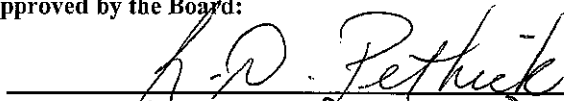
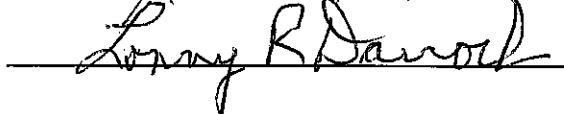
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	2019	2018
	\$	\$
Financial Assets		(Restated - Note 16)
Cash and Cash Equivalents	21,760,211	24,592,353
Accounts Receivable (Note 7)	730,562	326,618
Portfolio Investments (Note 3)	162,818	157,595
Total Financial Assets	22,653,591	25,076,566
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	2,550,105	3,813,785
Long-Term Debt (Note 9)	97,022	142,754
Liability for Employee Future Benefits (Note 5)	1,519,700	1,463,000
Deferred Revenue (Note 10)	987,687	2,051,414
Total Liabilities	5,154,514	7,470,953
Net Financial Assets	17,499,077	17,605,613
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	32,438,402	34,734,982
Inventory of Supplies for Consumption	209,742	214,973
Prepaid Expenses	214,752	179,167
Total Non-Financial Assets	32,862,896	35,129,122
Accumulated Surplus (Note 13)	50,361,973	52,734,735

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

Living Sky School Division No. 202
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
	(Note 14)		(Restated - Note 16)
REVENUES			
Property Taxes and Other Related	-	-	8,723,397
Grants	59,742,235	61,120,771	52,392,046
Tuition and Related Fees	5,449,920	5,860,776	4,867,558
School Generated Funds	2,000,000	2,007,447	2,113,943
Complementary Services (Note 11)	1,638,772	1,666,603	1,663,046
External Services (Note 12)	878,748	1,074,077	1,087,697
Other	665,000	1,523,253	846,131
Total Revenues (Schedule A)	70,374,675	73,252,927	71,693,818
EXPENSES			
Governance	351,356	361,232	333,111
Administration	2,593,735	2,785,813	2,552,532
Instruction	48,213,604	47,388,856	48,097,324
Plant	10,069,120	10,869,006	9,150,088
Transportation	7,198,504	7,463,090	7,424,309
Tuition and Related Fees	440,788	598,173	387,005
School Generated Funds	2,000,000	1,880,659	1,934,758
Complementary Services (Note 11)	2,826,651	2,989,706	3,143,471
External Services (Note 12)	1,047,205	1,282,900	1,766,378
Other	-	6,254	127,033
Total Expenses (Schedule B)	74,740,963	75,625,689	74,916,009
Operating (Deficit) for the Year	(4,366,288)	(2,372,762)	(3,222,191)
Accumulated Surplus from Operations, Beginning of Year	52,734,735	52,734,735	55,956,926
Accumulated Surplus from Operations, End of Year	48,368,447	50,361,973	52,734,735

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

Living Sky School Division No. 202
Statement of Changes in Net Financial Assets
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
	(Note 14)		(Restated - Note 16)
Net Financial Assets, Beginning of Year	17,605,613	17,605,613	18,877,252
Changes During the Year			
Operating (Deficit) for the Year	(4,366,288)	(2,372,762)	(3,222,191)
Acquisition of Tangible Capital Assets (Schedule C)	(100,000)	(1,083,706)	(1,683,824)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	125,874	104,680
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(71,830)	(26,688)
Amortization of Tangible Capital Assets (Schedule C)	3,800,000	3,326,242	3,566,447
Net Acquisition of Inventory of Supplies	-	5,231	(10,712)
Net Change in Other Non-Financial Assets	-	(35,585)	649
Change in Net Financial Assets	(666,288)	(106,536)	(1,271,639)
Net Financial Assets, End of Year	16,939,325	17,499,077	17,605,613

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

Living Sky School Division No. 202
Statement of Cash Flows
for the year ended August 31, 2019

	2019	2018
	\$	\$
OPERATING ACTIVITIES		(Restated - Note 16)
Operating (Deficit) for the Year	(2,372,762)	(3,222,191)
Add Non-Cash Items Included in Deficit (Schedule D)	3,254,412	3,539,759
Net Change in Non-Cash Operating Activities (Schedule E)	(2,705,005)	15,129,716
Cash (Used) Provided by Operating Activities	(1,823,355)	15,447,284
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(1,083,706)	(1,683,824)
Proceeds on Disposal of Tangible Capital Assets	125,874	104,680
Cash (Used) by Capital Activities	(957,832)	(1,579,144)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(5,223)	(16,485)
Cash (Used) by Investing Activities	(5,223)	(16,485)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	195,685
Repayment of Long-Term Debt	(45,732)	(148,243)
Cash (Used) Provided by Financing Activities	(45,732)	47,442
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,832,142)	13,899,097
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	24,592,353	10,693,256
CASH AND CASH EQUIVALENTS, END OF YEAR	21,760,211	24,592,353

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

Living Sky School Division No. 202
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	-	-	8,489,207
Total Property Tax Revenue	-	-	8,489,207
Grants in Lieu of Taxes			
Federal Government	-	-	49,529
Provincial Government	-	-	163,895
Other	-	-	42,425
Total Grants in Lieu of Taxes	-	-	255,849
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	-	4,852
House Trailer Fees	-	-	5,555
Total Other Tax Revenues	-	-	10,407
Additions to Levy			
Penalties	-	-	144,865
Total Additions to Levy	-	-	144,865
Deletions from Levy			
Cancellations	-	-	(176,931)
Total Deletions from Levy	-	-	(176,931)
Total Property Taxes and Other Related Revenue	-	-	8,723,397
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	57,659,496	58,726,816	49,970,703
Other Ministry Grants	100,000	67,885	164,782
Total Ministry Grants	57,759,496	58,794,701	50,135,485
Other Provincial Grants	50,000	-	-
Federal Grants	-	183,051	289,212
Grants from Others	250,000	217,142	284,610
Total Operating Grants	58,059,496	59,194,894	50,709,307
Capital Grants			
Ministry of Education Capital Grants	1,682,739	1,925,877	1,682,739
Total Capital Grants	1,682,739	1,925,877	1,682,739
Total Grants	59,742,235	61,120,771	52,392,046

Living Sky School Division No. 202
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	5,239,920	4,605,383	4,634,093
Individuals and Other	-	-	6,597
Total Tuition Fees	5,239,920	4,605,383	4,640,690
Transportation Fees	10,000	5,225	12,022
Other Related Fees	200,000	189,939	214,846
Total Operating Tuition and Related Fees	5,449,920	4,800,547	4,867,558
Capital Fees			
Federal/First Nations Capital Fees	-	1,060,229	-
Total Capital Tuition and Fees	-	1,060,229	-
Total Tuition and Related Fees Revenue	5,449,920	5,860,776	4,867,558
School Generated Funds Revenue			
Curricular			
Student Fees	135,000	149,000	157,503
Total Curricular Fees	135,000	149,000	157,503
Non-Curricular Fees			
Commercial Sales - Non-GST	150,000	128,553	116,027
Fundraising	840,000	856,782	944,028
Grants and Partnerships	50,000	62,774	52,101
Students Fees	525,000	512,645	593,295
Other	300,000	297,693	250,989
Total Non-Curricular Fees	1,865,000	1,858,447	1,956,440
Total School Generated Funds Revenue	2,000,000	2,007,447	2,113,943
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,552,272	1,552,383	1,534,788
Other Ministry Grants	-	43,544	43,544
Other Grants	20,000	-	10,200
Total Operating Grants	1,572,272	1,595,927	1,588,532
Fees and Other Revenue			
Tuition and Related Fees	20,500	23,757	17,611
Other Revenue	46,000	46,919	56,903
Total Fees and Other Revenue	66,500	70,676	74,514
Total Complementary Services Revenue	1,638,772	1,666,603	1,663,046

Living Sky School Division No. 202
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			
Operating Grant	688,748	388,798	487,830
Other Ministry Grants	-	300,000	345,000
Total Operating Grants	688,748	688,798	832,830
Fees and Other Revenue			
Gain on Disposal of Capital Assets	-	71,246	47,052
Other Revenue	190,000	314,033	207,815
Total Fees and Other Revenue	190,000	385,279	254,867
Total External Services Revenue	878,748	1,074,077	1,087,697
Other Revenue			
Miscellaneous Revenue	210,000	900,181	301,264
Sales & Rentals	205,000	222,697	225,853
Investments	-	399,791	319,014
Gain on Disposal of Capital Assets	250,000	584	-
Total Other Revenue	665,000	1,523,253	846,131
TOTAL REVENUE FOR THE YEAR	70,374,675	73,252,927	71,693,818

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Governance Expense			(Restated - Note 16)
Board Members Expense	171,000	165,559	162,418
Professional Development - Board Members	20,000	21,762	9,291
Grants to School Community Councils	45,356	33,300	28,863
Other Governance Expenses	115,000	140,611	132,539
Total Governance Expense	351,356	361,232	333,111
Administration Expense			
Salaries	1,956,477	2,117,691	1,884,249
Benefits	210,828	234,299	287,723
Supplies & Services	135,630	128,981	113,028
Non-Capital Furniture & Equipment	29,500	18,498	21,162
Building Operating Expenses	25,500	65,775	44,657
Communications	47,300	41,860	34,781
Travel	44,500	43,440	33,299
Professional Development	44,000	39,500	38,118
Amortization of Tangible Capital Assets	100,000	95,769	95,515
Total Administration Expense	2,593,735	2,785,813	2,552,532
Instruction Expense			
Instructional (Teacher Contract) Salaries	31,270,305	31,647,644	32,727,423
Instructional (Teacher Contract) Benefits	1,624,611	1,677,134	1,660,009
Program Support (Non-Teacher Contract) Salaries	7,700,216	7,528,081	7,668,926
Program Support (Non-Teacher Contract) Benefits	1,653,710	1,644,267	1,579,272
Instructional Aids	1,802,593	1,111,324	989,449
Supplies & Services	959,147	794,897	812,013
Non-Capital Furniture & Equipment	461,059	279,036	241,421
Communications	242,924	178,832	193,306
Travel	131,150	135,999	123,297
Professional Development	539,834	334,541	288,145
Student Related Expense	328,055	790,329	401,481
Amortization of Tangible Capital Assets	1,500,000	1,266,772	1,412,582
Total Instruction Expense	48,213,604	47,388,856	48,097,324

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			(Restated - Note 16)
Salaries	2,813,630	2,761,624	2,790,632
Benefits	758,251	732,184	718,323
Supplies & Services	9,000	1,883	10,424
Non-Capital Furniture & Equipment	24,000	1,441	16,293
Building Operating Expenses	5,004,739	6,116,489	4,291,048
Communications	7,500	6,613	7,716
Travel	47,000	35,525	59,869
Professional Development	5,000	2,575	7,346
Amortization of Tangible Capital Assets	1,400,000	1,210,672	1,248,437
Total Plant Operation & Maintenance Expense	10,069,120	10,869,006	9,150,088
Student Transportation Expense			
Salaries	2,044,617	1,951,768	1,922,636
Benefits	426,866	400,987	388,393
Supplies & Services	684,600	857,294	763,320
Non-Capital Furniture & Equipment	601,000	467,843	468,247
Building Operating Expenses	54,500	74,469	58,020
Communications	3,900	4,444	4,280
Travel	1,000	2,684	1,225
Professional Development	5,000	2,210	317
Contracted Transportation	2,577,021	2,951,137	3,011,468
Amortization of Tangible Capital Assets	800,000	750,254	806,403
Total Student Transportation Expense	7,198,504	7,463,090	7,424,309
Tuition and Related Fees Expense			
Tuition Fees	440,788	598,173	387,005
Total Tuition and Related Fees Expense	440,788	598,173	387,005
School Generated Funds Expense			
Academic Supplies & Services	50,000	59,067	43,003
Cost of Sales	320,000	296,459	275,827
Non-Capital Furniture & Equipment	-	7,964	1,490
School Fund Expenses	1,630,000	1,517,169	1,614,438
Total School Generated Funds Expense	2,000,000	1,880,659	1,934,758

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Complementary Services Expense			(Restated - Note 16)
Tuition Fees	-	728	7,665
Instructional (Teacher Contract) Salaries & Benefits	539,714	577,946	835,485
Program Support (Non-Teacher Contract) Salaries & Benefits	2,101,937	2,269,936	2,102,832
Instructional Aids	45,000	28,539	29,802
Supplies & Services	140,000	100,414	156,156
Non-Capital Furniture & Equipment	-	-	3,792
Communications	-	894	-
Travel	-	2,344	915
Professional Development (Non-Salary Costs)	-	2,315	2,208
Student Related Expenses	-	6,590	4,616
Total Complementary Services Expense	2,826,651	2,989,706	3,143,471
External Service Expense			
Grant Transfers	200,000	200,000	732,945
Tuition Fees	95,000	75,234	124,024
Administration Salaries & Benefits	10,000	65	20
Instructional (Teacher Contract) Salaries & Benefits	337,735	503,815	446,983
Program Support (Non-Teacher Contract) Salaries & Benefits	141,470	145,040	140,724
Instructional Aids	-	1,548	-
Supplies & Services	190,000	217,091	178,312
Building Operating Expenses	-	29,323	34,743
Communications	-	789	2,193
Travel	-	823	221
Professional Development (Non-Salary Costs)	-	196	339
Student Related Expenses	-	35,393	37,317
Contracted Transportation & Allowances	73,000	70,808	65,047
Amortization of Tangible Capital Assets	-	2,775	3,510
Total External Services Expense	1,047,205	1,282,900	1,766,378

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Other Expense			(Restated - Note 16)
Interest and Bank Charges			
Current Interest and Bank Charges	-	2,028	230
Interest on Capital Loans	-	-	2,005
Interest on Other Long-Term Debt	-	4,226	7,898
Total Interest and Bank Charges	-	6,254	10,133
Transfer of Taxes Receivable	-	-	96,536
Loss on Disposal of Tangible Capital Assets	-	-	20,364
Total Other Expense	-	6,254	127,033
TOTAL EXPENSES FOR THE YEAR	74,740,963	75,625,689	74,916,009

Living Sky School Division No. 202
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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>												(Restated - Note 16)
Opening Balance as of September 1	993,470	46,133	83,719,395	1,545,781	8,468,320	599,208	14,112,126	4,857,427	762,167	11,938	115,115,965	114,897,150
Additions/Purchases	-	190,884	-	-	114,614	41,662	211,919	434,781	89,846	-	1,083,706	1,683,824
Disposals	(14,648)	-	(88,876)	-	(182,732)	-	-	-	-	-	(286,256)	(1,465,009)
Closing Balance as of August 31	978,822	237,017	83,630,519	1,545,781	8,400,202	640,870	14,324,045	5,292,208	852,013	11,938	115,913,415	115,115,965
<i>Tangible Capital Assets - Amortization</i>												
Opening Balance as of September 1	-	2,307	58,083,806	1,286,194	4,858,165	535,020	11,202,812	3,705,728	706,951	-	80,380,983	78,201,553
Amortization of the Period	-	11,851	1,242,078	56,115	657,984	29,728	686,028	603,215	39,243	-	3,326,242	3,566,447
Disposals	-	-	(59,066)	-	(173,146)	-	-	-	-	-	(232,212)	(1,387,017)
Closing Balance as of August 31	N/A	14,158	59,266,818	1,342,309	5,343,003	564,748	11,888,840	4,308,943	746,194	N/A	83,475,013	80,380,983
Net Book Value												
Opening Balance as of September 1	993,470	43,826	25,635,589	259,587	3,610,155	64,188	2,909,314	1,151,699	55,216	11,938	34,734,982	36,695,597
Closing Balance as of August 31	978,822	222,859	24,363,701	203,472	3,057,199	76,122	2,435,205	983,265	105,819	11,938	32,438,402	34,734,982
Change in Net Book Value	(14,648)	179,033	(1,271,888)	(56,115)	(552,956)	11,934	(474,109)	(168,434)	50,603	-	(2,296,580)	(1,960,615)
Disposals												
Historical Cost	14,648	-	88,876	-	182,732	-	-	-	-	-	286,256	1,465,009
Accumulated Amortization	-	-	59,066	-	173,146	-	-	-	-	-	232,212	1,387,017
Net Cost	14,648	-	29,810	-	9,586	-	-	-	-	-	54,044	77,992
Price of Sale	-	-	115,704	-	10,170	-	-	-	-	-	125,874	104,680
Gain (Loss) on Disposal	(14,648)	-	85,894	-	584	-	-	-	-	-	71,830	26,688

Closing net book value of tangible capital assets includes total leased tangible capital assets of \$95,499 (2018 - \$143,248) representing \$95,499 (2018 - \$143,248) in Furniture and Equipment. Amortization of \$47,749 (2018 - \$47,749) has been recorded on these assets.

Living Sky School Division No. 202
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2019

	2019	2018
	\$	\$
Non-Cash Items Included in Deficit		(Restated - Note 16)
Amortization of Tangible Capital Assets (Schedule C)	3,326,242	3,566,447
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(71,830)	(26,688)
Total Non-Cash Items Included in Deficit	3,254,412	3,539,759

Living Sky School Division No. 202
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		
(Increase) Decrease in Accounts Receivable	(403,944)	14,821,039
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(1,263,680)	1,331,533
Increase in Liability for Employee Future Benefits	56,700	121,500
(Decrease) in Deferred Revenue	(1,063,727)	(1,134,293)
Decrease (Increase) in Inventory of Supplies for Consumption	5,231	(10,712)
(Increase) Decrease in Prepaid Expenses	(35,585)	649
Total Net Change in Non-Cash Operating Activities	(2,705,005)	15,129,716

Living Sky School Division No. 202
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 Living Sky School Division No. 202” and operates as “Living Sky School Division No. 202”. 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) 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.

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

- the liability for employee future benefits of \$1,519,700 (2018: \$1,463,000) because actual experience may differ significantly from actuarial estimations.
- valuation allowance for other receivables of \$26,468 (2018: \$26,468) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization for \$3,326,242 (2018: \$3,566,447) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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

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

c) 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

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

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 the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and long-term debt.

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 expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

Gains and losses on financial instruments, measured at cost or amortized cost, are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. 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.

d) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

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

Portfolio Investments consist of term deposits and equity in co-operatives. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (c).

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

e) Non-Financial Assets

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the school division unless they are sold.

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations.

Tangible capital assets 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 and light duty trucks and vans	5 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

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

f) 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.

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

Long-Term Debt is comprised of capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the school division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

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.

g) Employee Pension 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.

h) 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.

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

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 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.

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 recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2019	2018
Portfolio investments in the cost or amortized cost category:	<u>Cost</u>	<u>Cost</u>
Term deposits	\$ 68,600	\$ 88,600
Credit Union Member Rewards	50,444	33,618
Member Equity in Co-op Organizations	43,774	35,377
Total portfolio investments reported at cost or amortized cost	\$ 162,818	\$ 157,595

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Notes to the Financial Statements
As at August 31, 2019

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2019 Actual	2018 Actual
						(Restated - Note 16)
Governance	\$ 165,559	\$ 195,673	\$ -	\$ -	\$ 361,232	\$ 333,111
Administration	2,351,990	338,054	-	95,769	2,785,813	2,552,532
Instruction	42,497,126	3,624,958	-	1,266,772	47,388,856	48,097,324
Plant	3,493,808	6,164,526	-	1,210,672	10,869,006	9,150,088
Transportation	2,352,755	4,360,081	-	750,254	7,463,090	7,424,309
Tuition and Related Fees	-	598,173	-	-	598,173	387,005
School Generated Funds	-	1,880,659	-	-	1,880,659	1,934,758
Complementary Services	2,847,882	141,824	-	-	2,989,706	3,143,471
External Services	648,920	631,205	-	2,775	1,282,900	1,766,378
Other	-	-	6,254	-	6,254	127,033
TOTAL	\$54,358,040	\$17,935,153	\$ 6,254	\$ 3,326,242	\$75,625,689	\$74,916,009

5. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include non-vested sick leave payout, vacation banks and paid-time-off banks. 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.

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 (excluding merit and promotion) - Teachers	2.50%	2.50%
Inflation and productivity rate (excluding merit and promotion) - Non-Teachers	3.00%	3.00%
Expected average remaining service life (years)	14	14

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

Liability for Employee Future Benefits	2019	2018
Accrued Benefit Obligation - beginning of year	\$ 1,220,900	\$ 1,382,100
Current period service cost	112,600	129,100
Interest cost	38,700	39,900
Benefit payments	(84,700)	(57,100)
Actuarial (gains) losses	161,200	(273,100)
Accrued Benefit Obligation - end of year	1,448,700	1,220,900
Unamortized Net Actuarial Gains	71,000	242,100
Liability for Employee Future Benefits	\$ 1,519,700	\$ 1,463,000

Employee Future Benefits Expense	2019	2018
Current period service cost	\$ 112,600	\$ 129,100
Amortization of net actuarial (gain) loss	(9,900)	9,600
Benefit cost	102,700	138,700
Interest cost	38,700	39,900
Total Employee Future Benefits Expense	\$ 141,400	\$ 178,600

6. 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	471	6	477	487
Member contribution rate (percentage of salary)	9.50 % / 11.70 %	6.05 % / 7.85 %	6.05 % / 11.70 %	6.05 % / 13.50 %
Member contributions for the year	\$ 3,302,030	\$ 3,544	\$ 3,305,574	\$ 3,927,754

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

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:

	2019	2018
Number of active School Division members	490	495
Member contribution rate (percentage of salary)	9.00%	8.15% / 9.00%
School Division contribution rate (percentage of salary)	9.00%	8.15% / 9.00%
Member contributions for the year	\$ 1,315,471	\$ 1,180,957
School Division contributions for the year	\$ 1,315,471	\$ 1,180,957
Actuarial extrapolation 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

7. 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
Other Receivables	\$ 757,030	\$ 26,468	\$ 730,562	\$ 353,086	\$ 26,468	\$ 326,618
Total Accounts Receivable	\$ 757,030	\$ 26,468	\$ 730,562	\$ 353,086	\$ 26,468	\$ 326,618

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2019	2018
		(Restated)
Accrued Salaries and Benefits	\$ 601,536	\$ 943,674
Supplier Payments	1,945,378	2,865,423
Other - Accrued Interest	3,191	4,688
Total Accounts Payable and Accrued Liabilities	\$ 2,550,105	\$ 3,813,785

9. LONG-TERM DEBT

Details of long-term debt are as follows:

	2019	2018
		(Restated)
Capital Lease: Concentra Bank - Copier lease repayable in annual installments of \$51,453 including interest at 4.34%. The lease is due November, 2020.	\$ 97,022	\$ 142,754
Total Long-Term Debt	\$ 97,022	\$ 142,754

Future principal repayments over the next 2 years are estimated as follows:		
	Capital Leases	Total
2020	\$ 47,558	\$ 47,558
2021	49,464	49,464
Total	\$ 97,022	\$ 97,022

Principal and interest payments on the long-term debt are as follows:		
	2019	2018
Principal	\$ 45,732	\$ 148,243
Interest	4,226	9,903
Total	\$ 49,958	\$ 158,146

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

10. 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	\$ 2,037,169	\$ 10,746	\$ 1,060,228	\$ 987,687
Total capital projects deferred revenue	2,037,169	10,746	1,060,228	987,687
Non-Capital deferred revenue:				
Other	14,245	-	14,245	-
Total non-capital deferred revenue	14,245	-	14,245	-
Total Deferred Revenue	\$ 2,051,414	\$ 10,746	\$ 1,074,473	\$ 987,687

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 Programs	Community & Inter- Agency Liaison	Other Programs	2019	2018
Revenues:					
Operating Grants	\$889,488	\$ 662,895	\$ 43,544	\$ 1,595,927	\$ 1,588,532
Fees and Other Revenues	-	-	70,676	70,676	74,514
Total Revenues	889,488	662,895	114,220	1,666,603	1,663,046
Expenses:					
Tuition & Other Related Fees	728	-	-	728	7,665
Salaries & Benefits	872,556	1,975,326	-	2,847,882	2,938,317
Instructional Aids	25,966	-	2,573	28,539	29,802
Supplies and Services	2,481	-	97,933	100,414	156,156
Non-Capital Equipment	-	-	-	-	3,792
Communications	-	-	894	894	-
Travel	2,344	-	-	2,344	915
Professional Development (Non-Salary Costs)	2,315	-	-	2,315	2,208
Student Related Expenses	6,590	-	-	6,590	4,616
Total Expenses	912,980	1,975,326	101,400	2,989,706	3,143,471
Excess (Deficiency) of Revenues over Expenses	\$ (23,492)	\$(1,312,431)	\$ 12,820	\$(1,323,103)	\$(1,480,425)

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.

Living Sky School Division No. 202
Notes to the Financial Statements
As at August 31, 2019

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	Invitational Shared Services Initiative	Following Their Voices	Cafeteria	Associate Schools*	Other Programs	2019	2018
Revenues:							
Operating Grants	\$ 300,000	\$ -	\$ -	\$ 388,798	\$ -	\$ 688,798	\$ 832,830
Fees and Other Revenues	-	134,668	179,365	7,000	64,246	385,279	254,867
Total Revenues	300,000	134,668	179,365	395,798	64,246	1,074,077	1,087,697
Expenses:							
Grant Transfers	200,000	-	-	-	-	200,000	732,945
Tuition & Other Related Fees	-	-	-	75,234	-	75,234	124,024
Salaries & Benefits	91,579	128,541	143,144	285,316	340	648,920	587,727
Instructional Aids	-	373	-	1,175	-	1,548	-
Supplies and Services	-	-	217,091	-	-	217,091	178,312
Building Operating Expenses	-	-	-	26,088	3,235	29,323	34,743
Communications	-	-	-	789	-	789	2,193
Travel	-	823	-	-	-	823	221
Professional Development	-	-	-	196	-	196	339
Student Related Expenses	20,335	8,058	-	7,000	-	35,393	37,317
Contracted Transportation & Allowances	-	-	-	-	70,808	70,808	65,047
Amortization of Tangible Capital Assets	-	-	-	-	2,775	2,775	3,510
Total Expenses	311,914	137,795	360,235	395,798	77,158	1,282,900	1,766,378
Excess (Deficiency) of Revenues over Expenses	\$ (11,914)	\$ (3,127)	\$ (180,870)	\$ -	\$ (12,912)	\$ (208,823)	\$ (678,681)

*Associate Schools – see table below for details of revenues and expenses by school.

Summary of Associate School Revenues and Expenses, Details by School	Heritage Christian Academy	Meadow Lake Christian Academy	2019	2018
Revenues:				
Operating Grants	\$ 209,353	\$ 179,445	\$ 388,798	\$ 487,830
Fees and Other Revenues	7,000	-	7,000	-
Total Revenues	216,353	179,445	395,798	487,830
Expenses:				
Tuition & Other Related Fees	19,073	56,161	75,234	124,024
Salaries & Benefits	162,616	122,700	285,316	335,789
Instructional Aids	641	534	1,175	-
Building Operating Expenses	26,088	-	26,088	28,017
Communications	789	-	789	-
Professional Development	146	50	196	-
Student Related Expenses	7,000	-	7,000	-
Total Expenses	216,353	179,445	395,798	487,830
Excess (Deficiency) of Revenues over Expenses	\$ -	\$ -	\$ -	\$ -

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, for example, school generated funds,

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As at August 31, 2019

scholarship funds, grants, etc. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the designated assets.

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:	(Restated - Note 16)			
Net Book Value of Tangible Capital Assets	\$ 34,734,982	\$ 1,083,706	\$ 3,380,286	\$ 32,438,402
Less: Debt owing on Tangible Capital Assets	(142,754)	-	(45,732)	(97,022)
	34,592,228	1,083,706	3,334,554	32,341,380
PMR maintenance project allocations (1)	2,954,905	1,925,877	1,777,310	3,103,472
Designated Assets:				
Capital Projects:				
Designated for tangible capital asset expenditures	11,400	-	-	11,400
	11,400	-	-	11,400
Other:				
Early Learning Intensive Supports Grant	-	40,000	10,859	29,141
Facilities Renewal	5,472,859	-	-	5,472,859
Invitational Shared Services Initiative Grant	61,081	300,000	313,476	47,605
Jordan's Principle	287,954	183,051	361,088	109,917
LINC PD	113,617	-	-	113,617
Mental Health Capacity Building Grant	-	290,787	156,541	134,246
Safe Talk Training Grant	-	9,000	4,767	4,233
Scholarship funds	157,197	10,914	13,330	154,781
School Based Budgets	2,028,723	-	-	2,028,723
School Generated Funds	1,157,406	114,260	-	1,271,666
Tax Loss Compensations	3,711,713	-	-	3,711,713
	12,990,550	948,012	860,061	13,078,501
Unrestricted Surplus	2,185,652	-	358,432	1,827,220
Total Accumulated Surplus	\$ 52,734,735	\$ 3,957,595	\$ 6,330,357	\$ 50,361,973

- (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.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 9, 2018, and the Minister of Education on August 22, 2018.

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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 FirstCanada ULC for the period July 1, 2018, to June 30, 2025, with a school division option to extend the contract to June 30, 2028. Costs for the current year were \$3,056,043 (2018 - \$1,889,699).
- Capital lease obligations, as follows:

	Capital Leases	
	Copiers	Total Capital
Future minimum lease payments:		
2020	\$ 51,453	\$ 51,453
2021	51,455	51,455
Total future minimum lease payments	102,908	102,908
Interest and executory costs	(5,886)	(5,886)
Total Lease Obligations	\$ 97,022	\$ 97,022

16. CORRECTION OF PRIOR PERIOD ERROR

Subsequent to the year ended August 31, 2018, the school division identified an error in interpretation of tangible capital assets. In prior years, roof replacements, boiler replacements, and building renovations were included in tangible capital assets. However, starting the 2018-19 school year, the Ministry of Education clarified the capitalization policy to state that the expenditure of costs that restore tangible capital assets to working condition and do not add space are to be expensed. As a result, the school division's tangible capital assets, accumulated amortization, and certain expenditures have been restated from those previously reported to account for correction of error. The restatement has impacted the school division's financial statements as follows:

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		Aug 31 2018		Aug 31 2018
		Previous Balance	Adjustment	Restated Balance
Statement of Financial Position				
	Tangible Capital Assets	41,143,863	(6,408,881)	34,734,982
	Total Non-Financial Assets	41,538,003	(6,408,881)	35,129,122
	Accumulated Surplus	59,143,616	(6,408,881)	52,734,735
Statement of Operations and Accumulated Surplus from Operations				
	Expenses - plant	8,514,466	635,622	9,150,088
	Expenses - school generated funds	1,922,519	12,239	1,934,758
	Total Expenses	74,268,148	647,861	74,916,009
	Operating Surplus (Deficit) for the Year	(2,574,330)	(647,861)	(3,222,191)
	Accumulated Surplus from Operations, Beginning of Year	61,717,946	(5,761,020)	55,956,926
	Accumulated Surplus from Operations, End of Year	59,143,616	(6,408,881)	52,734,735
Statement of Changes in Net Financial Assets				
	Operating (Deficit) for the Year	(2,574,330)	(647,861)	(3,222,191)
	Acquisition of Tangible Capital Assets	(2,486,064)	802,240	(1,683,824)
	Amortization of Tangible Capital Assets	3,720,826	(154,379)	3,566,447
Statement of Cash Flows				
	Operating Activities			
	Operating (Deficit) for the Year	(2,574,330)	(647,861)	(3,222,191)
	Add Non-Cash Items Included in Deficit	3,694,138	(154,379)	3,539,759
	Cash Provided by Operating Activities	16,249,524	(802,240)	15,447,284
	Capital Activities			
	Cash Used to Acquire Tangible Capital Assets	(2,486,064)	802,240	(1,683,824)
	Cash (Used) by Capital Activities	(2,381,384)	802,240	(1,579,144)
Schedule B: Supplementary Details of Expenses				
	Plant Operation & Maintenance Expense			
	Building Operating Expenses	3,501,047	790,001	4,291,048
	Amortization of Tangible Capital Assets	1,402,816	(154,379)	1,248,437
	Total Plant Operation & Maintenance Expense	8,514,466	635,622	9,150,088
	School Generated Funds Expense			
	School Fund Expenses	1,602,199	12,239	1,614,438
	Total School Generated Funds Expense	1,922,519	12,239	1,934,758
	Total Expenses for the Year	74,268,148	647,861	74,916,009
Schedule C - Supplementary Details of Tangible Capital Assets				
	Tangible Capital Assets - at Cost			
	Opening Balances as of September 1	121,248,720	(6,351,570)	114,897,150
	Additions/Purchases	2,486,064	(802,240)	1,683,824
	Closing Balances as of August 31	122,269,775	(7,153,810)	115,115,965
	Tangible Capital Assets - Amortization			
	Opening Balances as of September 1	78,792,103	(590,550)	78,201,553
	Amortization for the Period	3,720,826	(154,379)	3,566,447
	Closing Balances as of August 31	81,125,912	(744,929)	80,380,983
	Net Book Value			
	Opening Balances as of September 1	42,456,617	(5,761,020)	36,695,597
	Closing Balance as of August 31	41,143,863	(6,408,881)	34,734,982
	Change in Net Book Value	(1,312,754)	(647,861)	(1,960,615)

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17. COMPARATIVE INFORMATION

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

18. RISK MANAGEMENT

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

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. 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 as at August 31, 2019 was:

August 31, 2019						
	Total	0-30 days	30-60 days	60-90 days	Over 90 days	
Other Receivables	\$ 669,723	\$ 123,736	\$ 593	\$ -	\$ 545,394	
Gross Receivables	669,723	123,736	593	-	545,394	
Allowance for Doubtful Accounts	(26,468)	-	-	-	(26,468)	
Net Receivables	\$ 643,255	\$ 123,736	\$ 593	\$ -	\$ 518,926	

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, budget practices, monitoring, and forecasts.

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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	\$ 2,550,105	\$ 2,550,105	\$ -	\$ -	\$ -
Long-term debt	97,022	47,558	-	49,464	-
Total	\$ 2,647,127	\$ 2,597,663	\$ -	\$ 49,464	\$ -

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 \$5,800,000 with interest payable monthly at a rate of prime 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,
- 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 and,
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, the school division believes that it is not subject to significant foreign exchange risk from its financial instruments.