Audited Financial Statements

Of the Living Sky School Division No. 202

School Division No. 2020500

For the Period Ending: August 31, 2021

Lonny R. Darroch
Chief Financial Officer

HRO Chartered Professional Accountants.
Auditor

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

Saskatchewan

Management's Responsibility for the Financial Statements

The financial statements of Living Sky School Division No. 202 have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Living Sky School Division No. 202's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Education is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointee by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by HRO Chartered Professional Accountants, in accordance with Canadian public sector accounting standards (PSAS).

On behalf of the Living Sky School Division No. 202:

R. D. Pethick
Board Chair

B. Vidlin
CEO/Director of Education

Lonny R. Darroch
Chief Financial Officer

November 24, 2021

HRO
AN ASSOCIATION OF
CHARTERED PROFESSIONAL
ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members 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, 2021, 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, 2021, and the results of its operations and 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. 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 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.

Emphasis of Matter

We draw attention to Note 18 to the financial statements, which describes subsequent events related to the global COVID-19 pandemic declared by the World Health Organization. Our opinion is not modified in respect of this matter.

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 organization'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 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)

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.

HRO

North Battleford, Saskatchewan
November 24, 2021

Chartered Professional Accountants

Living Sky School Division No. 202

Statement of Financial Position
as at August 31, 2021

	2021	2020
	$	$
Financial Assets		
Cash and Cash Equivalents	26,968,343	24,531,158
Accounts Receivable (Note 7)	821,396	591,845
Portfolio Investments (Note 3)	188,434	182,220
Total Financial Assets	**27,978,173**	**25,305,223**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	4,008,264	3,539,040
Long-Term Debt (Note 9)	191,635	300,501
Liability for Employee Future Benefits (Note 5)	1,713,200	1,620,700
Deferred Revenue (Note 10)	1,112,054	1,174,091
Total Liabilities	**7,025,153**	**6,634,332**
Net Financial Assets	**20,953,020**	**18,670,891**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	29,459,353	30,330,698
Inventory of Supplies Held for Consumption	234,419	227,605
Prepaid Expenses	406,645	425,622
Total Non-Financial Assets	**30,100,417**	**30,983,925**
Accumulated Surplus (Note 13)	**51,053,437**	**49,654,816**

Contractual Obligations and Commitments (Note 15)

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

Approved by the Board:

R. D. Pethick — Chairperson

Lonny R. Darroch — Chief Financial Officer

Living Sky School Division No. 202

Statement of Operations and Accumulated Surplus from Operations

for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$ (Note 14)	$	$
REVENUES			
Property Taxes and Other Related	-	14,126	6,352
Grants	61,691,757	69,265,759	62,125,462
Tuition and Related Fees	4,097,480	5,047,682	5,363,235
School Generated Funds	2,000,000	621,369	1,450,253
Complementary Services (Note 11)	1,851,514	1,870,687	1,816,042
External Services (Note 12)	933,012	1,099,008	957,748
Other	925,000	885,997	890,843
Total Revenues (Schedule A)	**71,498,763**	**78,804,628**	**72,609,935**
EXPENSES			
Governance	417,670	420,888	343,925
Administration	2,976,476	2,999,863	2,833,836
Instruction	47,044,521	49,768,325	46,803,200
Plant	9,919,929	11,033,167	9,695,789
Transportation	8,119,212	7,616,170	6,907,934
Tuition and Related Fees	780,340	332,595	811,362
School Generated Funds	2,000,000	686,652	1,260,995
Complementary Services (Note 11)	3,248,259	3,268,005	3,324,221
External Services (Note 12)	1,053,109	1,271,167	1,326,311
Other	-	9,175	9,519
Total Expenses (Schedule B)	**75,559,516**	**77,406,007**	**73,317,092**
Operating Surplus (Deficit) for the Year	**(4,060,753)**	**1,398,621**	**(707,157)**
Accumulated Surplus from Operations, Beginning of Year	**49,654,816**	**49,654,816**	**50,361,973**
Accumulated Surplus from Operations, End of Year	**45,594,063**	**51,053,437**	**49,654,816**

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, 2021

	2021 Budget	2021 Actual	2020 Actual
	$ (Note 14)	$	$
Net Financial Assets, Beginning of Year	**18,670,891**	**18,670,891**	**17,499,077**
Changes During the Year			
Operating Surplus (Deficit) for the Year	(4,060,753)	1,398,621	(707,157)
Acquisition of Tangible Capital Assets (Schedule C)	(706,803)	(2,263,096)	(1,173,484)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	118,787	7,181
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(111,462)	(681)
Amortization of Tangible Capital Assets (Schedule C)	3,420,000	3,127,116	3,274,688
Net Acquisition of Inventory of Supplies	-	(6,814)	(17,863)
Net Change in Other Non-Financial Assets	-	18,977	(210,870)
Change in Net Financial Assets / Net Debt	**(1,347,556)**	**2,282,129**	**1,171,814**
Net Financial Assets, End of Year	**17,323,335**	**20,953,020**	**18,670,891**

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, 2021

	2021	2020
	$	$
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	1,398,621	(707,157)
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,015,654	3,274,007
Net Change in Non-Cash Operating Activities (Schedule E)	282,299	1,186,323
Cash Provided by Operating Activities	**4,696,574**	**3,753,173**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(2,263,096)	(1,173,484)
Proceeds on Disposal of Tangible Capital Assets	118,787	7,181
Cash (Used) by Capital Activities	**(2,144,309)**	**(1,166,303)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(6,214)	(19,402)
Cash (Used) by Investing Activities	**(6,214)**	**(19,402)**
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	251,037
Repayment of Long-Term Debt	(108,866)	(47,558)
Cash (Used) Provided by Financing Activities	**(108,866)**	**203,479**
INCREASE IN CASH AND CASH EQUIVALENTS	**2,437,185**	**2,770,947**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**24,531,158**	**21,760,211**
CASH AND CASH EQUIVALENTS, END OF YEAR	**26,968,343**	**24,531,158**

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, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
Property Taxes and Other Related Revenue			
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	14,126	6,352
Total Other Tax Revenues	**-**	**14,126**	**6,352**
Total Property Taxes and Other Related Revenue	**-**	**14,126**	**6,352**
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	59,207,665	59,645,246	58,891,493
Other Ministry Grants	1,797,688	3,260,418	2,023,983
Total Ministry Grants	**61,005,353**	**62,905,664**	**60,915,476**
Other Provincial Grants	-	5,695,315	-
Federal Grants	250,000	477,517	998,609
Grants from Others	250,000	187,263	211,377
Total Operating Grants	**61,505,353**	**69,265,759**	**62,125,462**
Capital Grants			
Ministry of Education Capital Grants	186,404	-	-
Total Capital Grants	**186,404**	**-**	**-**
Total Grants	**61,691,757**	**69,265,759**	**62,125,462**

Living Sky School Division No. 202
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	4,092,480	5,040,647	5,110,115
Individuals and Other	-	-	7,799
Total Tuition Fees	**4,092,480**	**5,040,647**	**5,117,914**
Transportation Fees	5,000	7,035	-
Other Related Fees	-	-	245,321
Total Operating Tuition and Related Fees	**4,097,480**	**5,047,682**	**5,363,235**
Total Tuition and Related Fees Revenue	**4,097,480**	**5,047,682**	**5,363,235**
School Generated Funds Revenue			
Curricular			
Student Fees	135,000	42,990	111,793
Total Curricular Fees	**135,000**	**42,990**	**111,793**
Non-Curricular Fees			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	150,000	44,313	103,255
Fundraising	840,000	285,850	643,364
Grants and Partnerships	50,000	32,258	24,130
Students Fees	525,000	125,271	376,076
Other	300,000	90,687	191,635
Total Non-Curricular Fees	**1,865,000**	**578,379**	**1,338,460**
Total School Generated Funds Revenue	**2,000,000**	**621,369**	**1,450,253**
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,567,122	1,567,122	1,561,960
Other Ministry Grants	50,000	94,332	93,727
Other Provincial Grants	174,392	157,917	136,630
Federal Grants	-	-	-
Other Grants	-	-	-
Total Operating Grants	**1,791,514**	**1,819,371**	**1,792,317**
Fees and Other Revenue			
Tuition and Related Fees	10,000	-	(21,492)
Other Revenue	50,000	51,316	45,217
Total Fees and Other Revenue	**60,000**	**51,316**	**23,725**
Total Complementary Services Revenue	**1,851,514**	**1,870,687**	**1,816,042**

Living Sky School Division No. 202
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
External Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	641,252	509,512	458,281
Other Ministry Grants	-	300,000	200,000
Other Provincial Grants	101,760	-	-
Other Grants	-	133,305	-
Total Operating Grants	**743,012**	**942,817**	**658,281**
Fees and Other Revenue			
Gain on Disposal of Capital Assets	-	65,663	-
Other Revenue	190,000	90,528	299,467
Total Fees and Other Revenue	**190,000**	**156,191**	**299,467**
Total External Services Revenue	**933,012**	**1,099,008**	**957,748**
Other Revenue			
Miscellaneous Revenue	325,000	451,069	368,238
Sales & Rentals	250,000	209,167	219,580
Investments	-	179,962	295,844
Gain on Disposal of Capital Assets	350,000	45,799	7,181
Total Other Revenue	**925,000**	**885,997**	**890,843**
TOTAL REVENUE FOR THE YEAR	**71,498,763**	**78,804,628**	**72,609,935**

Living Sky School Division No. 202

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
Governance Expense			
Board Members Expense	179,386	159,290	160,220
Professional Development - Board Members	20,000	248	11,422
Grants to School Community Councils	43,284	18,724	16,011
Elections	30,000	18,340	500
Other Governance Expenses	145,000	224,286	155,772
Total Governance Expense	**417,670**	**420,888**	**343,925**
Administration Expense			
Salaries	2,281,819	2,341,482	2,200,741
Benefits	266,577	294,435	255,088
Supplies & Services	122,030	123,535	121,431
Non-Capital Furniture & Equipment	21,000	15,146	15,793
Building Operating Expenses	61,750	48,052	41,692
Communications	39,300	36,832	38,410
Travel	46,000	14,434	39,094
Professional Development	38,000	27,269	25,217
Amortization of Tangible Capital Assets	100,000	98,678	96,370
Total Administration Expense	**2,976,476**	**2,999,863**	**2,833,836**
Instruction Expense			
Instructional (Teacher Contract) Salaries	30,694,882	32,725,192	31,055,723
Instructional (Teacher Contract) Benefits	1,698,682	1,851,365	1,705,782
Program Support (Non-Teacher Contract) Salaries	7,644,457	8,131,033	7,584,214
Program Support (Non-Teacher Contract) Benefits	1,744,430	1,783,297	1,727,498
Instructional Aids	1,593,421	1,956,806	1,002,422
Supplies & Services	816,181	841,806	947,746
Non-Capital Furniture & Equipment	352,595	365,833	309,388
Communications	194,331	183,880	173,720
Travel	102,201	80,225	99,252
Professional Development	600,215	184,830	224,994
Student Related Expense	303,126	583,847	697,676
Amortization of Tangible Capital Assets	1,300,000	1,080,211	1,274,785
Total Instruction Expense	**47,044,521**	**49,768,325**	**46,803,200**

Living Sky School Division No. 202

Schedule B: Supplementary Details of Expenses

for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
Plant Operation & Maintenance Expense			
Salaries	2,756,853	3,161,424	2,654,689
Benefits	840,184	1,047,975	819,348
Supplies & Services	2,000	26,998	26,481
Non-Capital Furniture & Equipment	5,000	1,300	226
Building Operating Expenses	5,052,892	5,526,860	4,947,400
Communications	7,500	8,714	6,538
Travel	30,500	51,257	25,823
Professional Development	5,000	795	3,212
Amortization of Tangible Capital Assets	1,220,000	1,207,844	1,212,072
Total Plant Operation & Maintenance Expense	**9,919,929**	**11,033,167**	**9,695,789**
Student Transportation Expense			
Salaries	2,048,568	2,030,425	1,973,068
Benefits	470,864	446,917	438,085
Supplies & Services	657,000	754,980	583,290
Non-Capital Furniture & Equipment	780,000	425,233	420,332
Building Operating Expenses	62,700	53,219	68,444
Communications	4,500	4,990	4,038
Travel	1,000	-	63
Professional Development	2,500	-	352
Contracted Transportation	3,292,080	3,160,023	2,728,801
Amortization of Tangible Capital Assets	800,000	740,383	691,461
Total Student Transportation Expense	**8,119,212**	**7,616,170**	**6,907,934**
Tuition and Related Fees Expense			
Tuition Fees	780,340	332,595	811,362
Total Tuition and Related Fees Expense	**780,340**	**332,595**	**811,362**
School Generated Funds Expense			
Academic Supplies & Services	50,000	23,185	26,990
Cost of Sales	320,000	128,651	228,056
Non-Capital Furniture & Equipment	-	(3,323)	497
School Fund Expenses	1,630,000	538,139	1,005,452
Total School Generated Funds Expense	**2,000,000**	**686,652**	**1,260,995**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	$	$
Complementary Services Expense			
Tuition Fees	-	-	1,275
Other Fees	-	907	-
Instructional (Teacher Contract) Salaries & Benefits	632,974	682,581	669,908
Program Support (Non-Teacher Contract) Salaries & Benefits	2,475,285	2,483,576	2,458,013
Instructional Aids	20,000	33,721	61,958
Supplies & Services	120,000	52,186	70,841
Non-Capital Furniture & Equipment	-	460	2,419
Communications	-	1,388	865
Travel	-	608	711
Professional Development (Non-Salary Costs)	-	2,192	29,139
Student Related Expenses	-	10,328	29,092
Contracted Transportation & Allowances	-	58	-
Total Complementary Services Expense	**3,248,259**	**3,268,005**	**3,324,221**
External Service Expense			
Grant Transfers	200,000	200,000	200,000
Tuition Fees	143,167	95,430	125,948
Administration Salaries & Benefits	2,500	58	1,614
Instructional (Teacher Contract) Salaries & Benefits	296,531	622,664	588,763
Program Support (Non-Teacher Contract) Salaries & Benefits	147,911	151,080	157,002
Instructional Aids	-	1,287	1,255
Supplies & Services	190,000	131,524	148,675
Non-Capital Furniture & Equipment	-	37	-
Building Operating Expenses	-	27,517	31,096
Communications	-	1,227	1,266
Travel	-	-	119
Professional Development (Non-Salary Costs)	-	241	126
Student Related Expenses	-	30,633	9,550
Contracted Transportation & Allowances	73,000	9,469	60,897
Total External Services Expense	**1,053,109**	**1,271,167**	**1,326,311**

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	$	**$**	**$**
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	-	(281)	26
Interest on Debentures	-	-	-
Interest on Other Long-Term Debt	-	9,456	2,993
Total Interest and Bank Charges	**-**	**9,175**	**3,019**
Loss on Disposal of Tangible Capital Assets	-	-	6,500
Total Other Expense	**-**	**9,175**	**9,519**
TOTAL EXPENSES FOR THE YEAR	**75,559,516**	**77,406,007**	**73,317,092**

Living Sky School Division No. 202

Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2021

	Land	Land Improvements	Buildings	Buildings Short-Term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	2021	2020
	$	$	$	$	$	$	$	$	$	$	$
Tangible Capital Assets - at Cost											
Opening Balance as of September 1	972,322	395,287	82,502,249	1,526,881	8,218,346	640,870	14,809,886	5,833,519	852,013	**115,751,373**	**115,913,415**
Additions/Purchases	-	8,796	-	-	1,324,133	-	651,156	270,660	8,351	**2,263,096**	**1,173,484**
Disposals	(7,325)	-	(51,901)	-	(824,316)	(25,079)	-	-	-	**(908,621)**	**(1,335,526)**
Closing Balance as of August 31	**964,997**	**404,083**	**82,450,348**	**1,526,881**	**8,718,163**	**615,791**	**15,461,042**	**6,104,179**	**860,364**	**117,105,848**	**115,751,373**
Tangible Capital Assets - Amortization											
Opening Balance as of September 1	-	24,606	59,373,331	1,378,441	5,760,338	594,476	12,658,467	4,852,217	778,799	**85,420,675**	**83,475,013**
Amortization of the Period	-	20,203	1,216,601	35,852	652,403	29,729	681,697	457,223	33,408	**3,127,116**	**3,274,688**
Disposals	-	-	(51,901)	-	(824,316)	(25,079)	-	-	-	**(901,296)**	**(1,329,026)**
Closing Balance as of August 31	**N/A**	**44,809**	**60,538,031**	**1,414,293**	**5,588,425**	**599,126**	**13,340,164**	**5,309,440**	**812,207**	**87,646,495**	**85,420,675**
Net Book Value											
Opening Balance as of September 1	972,322	370,681	23,128,918	148,440	2,458,008	46,394	2,151,419	981,302	73,214	**30,330,698**	**32,438,402**
Closing Balance as of August 31	964,997	359,274	21,912,317	112,588	3,129,738	16,665	2,120,878	794,739	48,157	**29,459,353**	**30,330,698**
Change in Net Book Value	**(7,325)**	**(11,407)**	**(1,216,601)**	**(35,852)**	**671,730**	**(29,729)**	**(30,541)**	**(186,563)**	**(25,057)**	**(871,345)**	**(2,107,704)**
Disposals											
Historical Cost	7,325	-	51,901	-	824,316	25,079	-	-	-	**908,621**	**1,335,526**
Accumulated Amortization	-	-	51,901	-	824,316	25,079	-	-	-	**901,296**	**1,329,026**
Net Cost	**7,325**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,325**	**6,500**
Price of Sale	-	-	72,988	-	45,799	-	-	-	-	**118,787**	**7,181**
Gain (Loss) on Disposal	**(7,325)**	**-**	**72,988**	**-**	**45,799**	**-**	**-**	**-**	**-**	**111,462**	**681**

Closing costs of leased tangible capital assets of $251,037 (2020 - $442,034) representing $251,037 (2020 - $442,034) in Furniture and Equipment are included within the above amounts. Accumulated amortization of $125,518 (2020 - $206,007) has been recorded on these assets.

Living Sky School Division No. 202

Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2021

	2021	2020
	$	$
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets (Schedule C)	3,127,116	3,274,688
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(111,462)	(681)
Total Non-Cash Items Included in Surplus / Deficit	**3,015,654**	**3,274,007**

Living Sky School Division No. 202

Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2021

	2021	2020
	$	$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	(229,551)	138,717
Increase in Accounts Payable and Accrued Liabilities	469,224	988,935
Increase in Liability for Employee Future Benefits	92,500	101,000
Increase (Decrease) in Deferred Revenue	(62,037)	186,404
(Increase) in Inventory of Supplies Held for Consumption	(6,814)	(17,863)
Decrease (Increase) in Prepaid Expenses	18,977	(210,870)
Total Net Change in Non-Cash Operating Activities	**282,299**	**1,186,323**

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

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 "the 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 $1,713,200 (2020 - $1,620,700) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization for $87,646,495 (2020 - $85,420,675) 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 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).

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 Held 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.

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

Employees of the school division participate in the following pension plans:

Multi-Employer Defined Benefit Plans

The school division's employees participate in one of the following multi-employer defined benefit plans:

i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). 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 that meet the definition of a liability 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) 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.

iii) Interest Income

Interest is recognized as revenue when it is earned.

iv) 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:

	2021	2020
Portfolio investments in the cost or amortized cost category:	**Cost**	**Cost**
Term deposits	$ 68,600	$ 68,600
Credit Union Member Rewards	63,312	61,166
Member Equity in Co-op Organizations	56,522	52,454
Total portfolio investments	**$ 188,434**	**$ 182,220**

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2021 Actual	2020 Actual
Governance	$ 159,290	$ 261,598	$ -	$ -	**$ 420,888**	**$ 343,925**
Administration	2,635,917	265,268	-	98,678	**2,999,863**	**2,833,836**
Instruction	44,490,887	4,197,227	-	1,080,211	**49,768,325**	**46,803,200**
Plant	4,209,399	5,615,924	-	1,207,844	**11,033,167**	**9,695,789**
Transportation	2,477,342	4,398,445	-	740,383	**7,616,170**	**6,907,934**
Tuition and Related Fees	-	332,595	-	-	**332,595**	**811,362**
School Generated Funds	-	686,652	-	-	**686,652**	**1,260,995**
Complementary Services	3,166,157	101,848	-	-	**3,268,005**	**3,324,221**
External Services	773,802	497,365	-	-	**1,271,167**	**1,326,311**
Other	-	-	9,175	-	**9,175**	**9,519**
TOTAL	**$57,912,794**	**$16,356,922**	**$ 9,175**	**$ 3,127,116**	**$77,406,007**	**$73,317,092**

5. 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, accumulating vacation banks, and accumulating paid time off (PTO) 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. HUB International Limited, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2021 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2021.

Details of the employee future benefits are as follows:

	2021	2020
Long-term assumptions used:		
Discount rate at end of period (per annum)	1.97%	1.54%
Inflation and productivity rate - Teachers (excluding merit and promotion) (per annum)	2.50%	2.50%
Inflation and productivity rate - Non-Teachers (excluding merit and promotion) (per annum)	3.00%	3.00%
Expected average remaining service life (years)	13	14

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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Liability for Employee Future Benefits	2021	2020
Accrued Benefit Obligation - beginning of year	**$ 1,617,300**	**$ 1,448,700**
Current period service cost	146,600	134,900
Interest cost	26,600	29,900
Benefit payments	(69,500)	(65,400)
Actuarial (gains) losses	(469,800)	69,200
Plan amendments	(17,700)	-
Accrued Benefit Obligation - end of year	**1,233,500**	**1,617,300**
Unamortized net actuarial gains	479,700	3,400
Liability for Employee Future Benefits	**$ 1,713,200**	**$ 1,620,700**

Employee Future Benefits Expense	2021	2020
Current period service cost	$ 146,600	$ 134,900
Amortization of net actuarial loss	6,500	1,600
Plan amendments	(17,700)	-
Benefit cost	**135,400**	**136,500**
Interest cost	26,600	29,900
Total Employee Future Benefits Expense	**$ 162,000**	**$ 166,400**

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.

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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Details of the contributions to these plans for the school division's employees are as follows:

	2021			2020
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	447	3	450	460
Member contribution rate (percentage of salary)	9.50% /11.70 %	6.05% /7.85 %	6.05% /11.70 %	6.05%/11.70%
Member contributions for the year	$ 3,323,350	$ 1,159	$ 3,324,509	$ 3,299,656

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:

	2021	2020
Number of active School Division members	511	472
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	$ 1,374,442	$ 1,311,477
School Division contributions for the year	$ 1,374,442	$ 1,311,477
Actuarial extrapolation date	Dec/31/2020	Dec/31/2019
Plan Assets (in thousands)	$ 3,221,426	$ 2,819,222
Plan Liabilities (in thousands)	$ 2,382,526	$ 2,160,754
Plan Surplus (in thousands)	$ 838,900	$ 658,468

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

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:

	2021			2020		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Other Receivables	$ 821,396	$ -	$ 821,396	$ 591,845	$ -	$ 591,845
Total Accounts Receivable	**$ 821,396**	**$ -**	**$ 821,396**	**$ 591,845**	**$ -**	**$ 591,845**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2021	2020
Accrued Salaries and Benefits	$ 1,964,535	$ 1,819,600
Supplier Payments	2,043,225	1,717,151
Accrued Interest Payable	504	2,289
Total Accounts Payable and Accrued Liabilities	**$ 4,008,264**	**$ 3,539,040**

9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2021	2020
Capital Leases:	Concentra Bank - Copier Lease repayable in annual installments of $51,453 including interest at 4.34%. The lease is due November 2020.	$ -	$ 49,464
	Concentra Bank - Copier Lease repayable in annual installments of $63,804 including interest at 3.994%. The lease is due August 2024.	191,635	251,037
Total Long-Term Debt (Note 15)		**$ 191,635**	**$ 300,501**

Future principal repayments over the next 5 years are estimated as follows:

	Capital Leases	Total
2022	$ 61,581	**$ 61,581**
2023	63,846	**63,846**
2024	66,208	**66,208**
Total	**$ 191,635**	**$ 191,635**

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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Principal and interest payments on the long-term debt are as follows:		
	2021	2020
Principal	$ 108,866	$ 47,588
Interest	9,456	2,993
Total	**$ 118,322**	**$ 50,581**

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at August 31, 2020	Additions during the Year	Revenue recognized in the Year	Balance as at August 31, 2021
Capital projects:				
Federal capital tuition	$ 987,687	$ -	$ 987,687	$ -
Total capital projects deferred revenue	**987,687**	**-**	**987,687**	**-**
Non-Capital deferred revenue:				
Jordan's Principle	-	1,589,571	477,517	1,112,054
Climate Action Incentive Fund	186,404	155,841	342,245	-
Total non-capital deferred revenue	**186,404**	**1,745,412**	**819,762**	**1,112,054**
Total Deferred Revenue	**$ 1,174,091**	**$ 1,745,412**	**$ 1,807,449**	**$ 1,112,054**

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:

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community & Inter-Agency Liaison	Other Programs	2021	2020
Revenues:					
Operating Grants	$ 985,122	$ 582,000	$ 252,249	**$ 1,819,371**	**$ 1,792,317**
Fees and Other Revenues	-	-	51,316	**51,316**	**23,725**
Total Revenues	**985,122**	**582,000**	**303,565**	**1,870,687**	**1,816,042**
Expenses:					
Tuition & Other Related Fees	907	-	-	**907**	**1,275**
Salaries & Benefits	946,118	2,022,035	198,004	**3,166,157**	**3,127,921**
Instructional Aids	23,034	-	10,687	**33,721**	**61,958**
Supplies and Services	6,684	-	45,502	**52,186**	**70,841**
Non-Capital Equipment	460	-	-	**460**	**2,419**
Communications	19	-	1,369	**1,388**	**865**
Travel	608	-	-	**608**	**711**
Professional Development (Non-Salary Costs)	169	-	2,023	**2,192**	**29,139**
Student Related Expenses	4,076	-	6,252	**10,328**	**29,092**
Contracted Transportation & Allowances	-	-	58	**58**	**-**
Total Expenses	**982,075**	**2,022,035**	**263,895**	**3,268,005**	**3,324,221**
Excess (Deficiency) of Revenues over Expenses	**$ 3,047**	**$ (1,440,035)**	**$ 39,670**	**$ (1,397,318)**	**$ (1,508,179)**

12. EXTERNAL SERVICES

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

Following is a summary of the revenues and expenses of the External Services programs operated by the school division:

Summary of External Services Revenues and Expenses, by Program	Invitational Shared Services Initiative	Following Their Voices	Cafeteria	Associate Schools*	Other Programs	2021	2020
Revenues:							
Operating Grants	$ 300,000	$ 133,305	$ -	$ 509,512	$ -	**$ 942,817**	**$ 658,281**
Fees and Other Revenues	-	-	88,528	-	67,663	**156,191**	**299,467**
Total Revenues	**300,000**	**133,305**	**88,528**	**509,512**	**67,663**	**1,099,008**	**957,748**
Expenses:							
Grant Transfers	200,000	-	-	-	-	**200,000**	**200,000**
Tuition & Other Related Fees	-	-	-	95,430	-	**95,430**	**125,948**
Salaries & Benefits	63,773	170,213	-	387,677	152,139	**773,802**	**747,379**
Instructional Aids	-	-	-	1,287	-	**1,287**	**1,255**
Supplies and Services	-	-	131,524	-	-	**131,524**	**148,675**
Non-Capital Equipment	-	-	-	37	-	**37**	**-**
Building Operating Expenses	-	-	-	24,113	3,404	**27,517**	**31,096**
Communications	-	-	-	1,227	-	**1,227**	**1,266**
Travel	-	-	-	-	-	**-**	**119**
Professional Development	-	-	-	241	-	**241**	**126**
Student Related Expenses	31,133	-	-	(500)	-	**30,633**	**9,550**
Contracted Transportation & Allowances	-	-	-	-	9,469	**9,469**	**60,897**
Total Expenses	**294,906**	**170,213**	**131,524**	**509,512**	**165,012**	**1,271,167**	**1,326,311**
Excess (Deficiency) of Revenues over Expenses	**$ 5,094**	**$ (36,908)**	**$ (42,996)**	**$ -**	**$ (97,349)**	**$ (172,159)**	**$ (368,563)**

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

LIVING SKY SCHOOL DIVISION NO. 202
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As at August 31, 2021

Summary of Associate School Revenues and Expenses, Details by School	Heritage Christian School	Meadow Lake Christian Academy	2021	2020
Revenues:				
Operating Grants	$ 220,484	$ 289,028	**$ 509,512**	**$ 458,281**
Fees and Other Revenues	-	-	**-**	**4,000**
Total Revenues	**220,484**	**289,028**	**509,512**	**462,281**
Expenses:				
Tuition & Other Related Fees	6,505	88,925	**95,430**	**125,948**
Salaries & Benefits	188,154	199,523	**387,677**	**306,758**
Instructional Aids	707	580	**1,287**	**1,255**
Non-Capital Equipment	37	-	**37**	**-**
Building Operating Expenses	24,113	-	**24,113**	**26,928**
Communications	1,227	-	**1,227**	**1,266**
Professional Development	241	-	**241**	**126**
Student Related Expenses	(500)	-	**(500)**	**-**
Total Expenses	**220,484**	**289,028**	**509,512**	**462,281**
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. These internally restricted amounts, or designated assets, are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for designated assets.

Details of accumulated surplus are as follows:

LIVING SKY SCHOOL DIVISION NO. 202
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	August 31 2020	Additions during the year	Reductions during the year	August 31 2021
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 30,330,698	$ 2,263,096	$ 3,134,441	$ 29,459,353
Less: Debt owing on Tangible Capital Assets	(300,501)	-	(108,866)	(191,635)
	30,030,197	**2,263,096**	**3,025,575**	**29,267,718**
PMR maintenance project allocations (1)	**3,406,744**	**1,883,629**	**1,208,870**	**4,081,503**
Federal capital tuition reserves (2)	**-**	**996,158**	**-**	**996,158**
Education Emergency Pandemic Support program allocation (3)	**-**	**5,695,315**	**3,483,048**	**2,212,267**
Designated Assets:				
Capital Projects:				
Designated for tangible capital asset expenditures	11,400	-	-	11,400
	11,400	**-**	**-**	**11,400**
Other:				
Early Learning Intensive Supports Grant	46,532	50,000	25,979	70,553
Facilties Renewal	5,472,859	-	-	5,472,859
Invitational Shared Services Initiative Grant	47,893	300,000	294,906	52,987
Jordan's Principle	495,908	-	495,908	-
LINC PD	113,617	-	-	113,617
Mental Health Capacity Building Grant	36,950	157,917	172,025	22,842
Mental Health Supports Grant	10,285	17,825	-	28,110
Pandemic Savings	1,063,232	-	1,063,232	-
Sask Arts Board Grant	8,608	-	8,608	-
Safe Talk Training Grant	4,233	-	-	4,233
Scholarship funds	145,154	8,766	15,997	137,923
School Based Budgets	2,028,723	-	-	2,028,723
School Generated Funds	1,356,137	-	85,914	1,270,223
Tax Loss Compensations	3,711,713	-	-	3,711,713
	14,541,844	**534,508**	**2,162,569**	**12,913,783**
Unrestricted Surplus	**1,664,631**	**-**	**94,023**	**1,570,608**
Total Accumulated Surplus	**$ 49,654,816**	**$ 11,372,706**	**$ 9,974,085**	**$ 51,053,437**

(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.

(2) **Federal Capital Tuition Reserves** represent reserves that were created as a result of Ministry of Education direction to set aside a portion of the tuition collected from First Nations students. These reserves are to be used to fund future capital projects for schools with First Nations students.

(3) **Education Emergency Pandemic Support Program Allocation** represent transfers received from the Ministry of Finance in 2020-21 to support costs related to the COVID-19 pandemic in the current and following school year. Unspent funds at the end of the 2021-22 school year must be repaid to the Government of Saskatchewan.

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on May 13, 2020 and the Minister of Education on August 14, 2020.

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 $3,250,454 (2020 - $2,803,929).

Capital lease obligations of the school division are as follows:

	Copiers	Total Capital
Future minimum lease payments:		
2022	$ 68,653	**$ 68,653**
2023	68,653	**68,653**
2024	68,653	**68,653**
Total future minimum lease payments	205,959	**205,959**
Less: Interest and executory costs	14,324	**14,324**
Total Lease Obligations	**$ 191,635**	**$ 191,635**

16. SUBSEQUENT EVENTS

Subsequent to the year end the school division entered into an agreement to purchase school buses at a total cost of $669,057.

17. 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, 2021, was:

	August 31, 2021				
	Total	**0-30 days**	**30-60 days**	**60-90 days**	**Over 90 days**
Other Receivables	$ 710,130	$ 192,199	$ -	$ -	$ 517,931
Net Receivables	**$ 710,130**	**$ 192,199**	**$ -**	**$ -**	**$ 517,931**

Receivable amounts related to GST and PST 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.

The following table sets out the contractual maturities of the school division's financial liabilities:

	August 31, 2021				
	Total	**Within 6 months**	**6 months to 1 year**	**1 to 5 years**	**> 5 years**
Accounts payable and accrued liabilities	$ 4,008,264	$ 4,008,264	$ -	$ -	$ -
Long-term debt	191,635	-	61,581	130,054	-
Total	**$ 4,199,899**	**$ 4,008,264**	**$ 61,581**	**$ 130,054**	**$ -**

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, 2021.

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.

18. COVID-19 PANDEMIC

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The school division continues to assess and monitor the impact of COVID-19 on its financial condition. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the school division's financial position and operations.