

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, Cogent Chartered Professional Accountants LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Northwest School Division No. 203:


Board Chair


CEO/Director of Education


Chief Financial Officer

November 20, 2018

Cogent

CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Board of Education of Northwest School Division No. 203:

We have audited the accompanying financial statements of the Northwest School Division No. 203, which comprise the statement of financial position as at August 31, 2018, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Northwest School Division No. 203 as at August 31, 2018 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Meadow Lake, Saskatchewan
November 20, 2018

Cogent Chartered Professional Accountants LLP

Chartered Professional Accountants

Battleford

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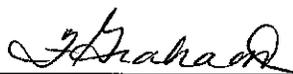
Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2018

	2018	2017
	\$	\$
Financial Assets		
Cash and Cash Equivalents	11,684,814	2,046,715
Accounts Receivable (Note 8)	2,444,886	16,166,281
Portfolio Investments (Note 4)	173,219	169,039
Total Financial Assets	14,302,919	18,382,035
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,551,805	1,480,285
Long-Term Debt (Note 10)	1,979,116	2,281,241
Liability for Employee Future Benefits (Note 6)	846,400	819,400
Deferred Revenue (Note 11)	886,165	825,745
Total Liabilities	5,263,486	5,406,671
Net Financial Assets	9,039,433	12,975,364
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	59,098,005	59,647,666
Inventory of Supplies for Consumption	494,154	504,100
Prepaid Expenses	323,599	345,886
Total Non-Financial Assets	59,915,758	60,497,652
Total Accumulated Surplus (Note 14)	68,955,191	73,473,016

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Northwest School Division No. 203
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
REVENUES	(Note 15)		
Property Taxation	9,197,988	8,646,081	26,919,686
Grants	44,476,967	44,472,675	28,800,224
Tuition and Related Fees	3,088,068	2,888,719	3,004,108
School Generated Funds	2,440,000	2,260,743	2,170,890
Complementary Services (Note 12)	1,064,736	1,048,933	1,039,525
External Services (Note 13)	386,998	387,000	1,242,100
Other	90,000	388,408	476,645
Total Revenues (Schedule A)	60,744,757	60,092,559	63,653,178
EXPENSES			
Governance	261,382	263,582	395,434
Administration	2,793,446	2,719,536	2,717,086
Instruction	40,638,114	40,409,944	40,559,662
Plant	8,656,599	8,704,443	8,539,178
Transportation	5,643,774	5,799,832	5,801,018
Tuition and Related Fees	500,972	589,180	590,773
School Generated Funds	2,440,000	2,123,200	2,596,635
Complementary Services (Note 12)	1,752,708	1,800,768	1,785,998
External Services (Note 13)	386,998	462,260	2,306,414
Other Expenses	75,904	1,737,639	91,398
Total Expenses (Schedule B)	63,149,897	64,610,384	65,383,596
Operating Deficit for the Year	(2,405,140)	(4,517,825)	(1,730,418)
Accumulated Surplus from Operations, Beginning of Year	73,473,016	73,473,016	75,203,434
Accumulated Surplus from Operations, End of Year	71,067,876	68,955,191	73,473,016

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

Northwest School Division No. 203
Statement of Changes in Net Financial Assets
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
	(Note 15)		
Net Financial Assets, Beginning of Year	12,975,364	12,975,364	16,148,963
Changes During the Year			
Operating Deficit for the Year	(2,405,140)	(4,517,825)	(1,730,418)
Acquisition of Tangible Capital Assets (Schedule C)	(3,250,000)	(3,324,198)	(5,253,006)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	12,441	24,678
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	58,058	(21,411)
Amortization of Tangible Capital Assets (Schedule C)	4,001,270	3,803,360	3,700,063
Net Acquisition of Inventory of Supplies	-	9,946	57,211
Net Change in Other Non-Financial Assets	-	22,287	49,284
Change in Net Financial Assets	(1,653,870)	(3,935,931)	(3,173,599)
Net Financial Assets, End of Year	11,321,494	9,039,433	12,975,364

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

Northwest School Division No. 203
Statement of Cash Flows
for the year ended August 31, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Operating (Deficit) for the Year	(4,517,825)	(1,730,418)
Add Non-Cash Items Included in Deficit (Schedule D)	3,861,418	3,678,652
Net Change in Non-Cash Operating Activities (Schedule E)	13,912,568	(201,483)
Cash Provided by Operating Activities	13,256,161	1,746,751
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(3,324,198)	(5,253,006)
Proceeds on Disposal of Tangible Capital Assets	12,441	24,678
Cash-Used by Capital Activities	(3,311,757)	(5,228,328)
Cash Used to Acquire Portfolio Investments	(4,180)	(6,747)
Cash Used by Investing Activities	(4,180)	(6,747)
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(302,125)	(370,090)
Cash Used by Financing Activities	(302,125)	(370,090)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,638,099	(3,858,414)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,046,715	5,905,129
CASH AND CASH EQUIVALENTS, END OF YEAR	11,684,814	2,046,715

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

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	9,197,988	8,646,081	26,444,291
Total Property Tax Revenue	9,197,988	8,646,081	26,444,291
Grants in Lieu of Taxes			
Federal Government	-	-	85,303
Provincial Government	-	-	188,744
Other	-	-	23,248
Total Grants in Lieu of Taxes	-	-	297,295
Other Tax Revenues			
House Trailer Fees	-	-	24,100
Total Other Tax Revenues	-	-	24,100
Additions to Levy			
Penalties	-	-	199,742
Other	-	-	23,816
Total Additions to Levy	-	-	223,558
Deletions from Levy			
Cancellations	-	-	(69,558)
Total Deletions from Levy	-	-	(69,558)
Total Property Taxation Revenue	9,197,988	8,646,081	26,919,686
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	43,077,794	42,481,892	26,884,532
Other Ministry Grants	-	102,215	55,466
Total Ministry Grants	43,077,794	42,584,107	26,939,998
Other Provincial Grants	40,000	32,491	38,909
Grants from Others	175,000	164,946	180,376
Total Operating Grants	43,292,794	42,781,544	27,159,283
Capital Grants			
Ministry of Education Capital Grants	1,184,173	1,691,131	1,640,941
Total Capital Grants	1,184,173	1,691,131	1,640,941
Total Grants	44,476,967	44,472,675	28,800,224

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	2,938,068	2,812,925	2,890,923
Individuals and Other	20,000	-	34,512
Total Tuition Fees	2,958,068	2,812,925	2,925,435
Transportation Fees	50,000	75,794	78,673
Total Operating Tuition and Related Fees	3,008,068	2,888,719	3,004,108
Capital Fees			
Federal/First Nations Capital Fees	80,000	-	-
Total Capital Tuition and Fees	80,000	-	-
Total Tuition and Related Fees Revenue	3,088,068	2,888,719	3,004,108
School Generated Funds Revenue			
Curricular			
Student Fees	159,000	150,889	173,240
Total Curricular Fees	159,000	150,889	173,240
Non-Curricular Fees			
Fundraising	1,038,000	1,093,869	1,096,365
Grants and Partnerships	224,000	253,550	184,655
Students Fees	799,000	589,256	582,817
Other	220,000	173,179	133,813
Total Non-Curricular Fees	2,281,000	2,109,854	1,997,650
Total School Generated Funds Revenue	2,440,000	2,260,743	2,170,890
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	827,736	828,012	852,180
Other Provincial Grants	26,000	23,544	-
Federal Grants	211,000	196,877	186,595
Total Operating Grants	1,064,736	1,048,433	1,038,775
Fees and Other Revenue			
Other Revenue	-	500	750
Total Fees and Other Revenue	-	500	750
Total Complementary Services Revenue	1,064,736	1,048,933	1,039,525

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
External Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	386,998	387,000	397,752
Other Ministry Grants	-	-	844,348
Total Operating Grants	<u>386,998</u>	<u>387,000</u>	<u>1,242,100</u>
Total External Services Revenue	386,998	387,000	1,242,100
Other Revenue			
Miscellaneous Revenue	35,000	261,910	376,971
Sales & Rentals	5,000	20,221	18,250
Investments	50,000	98,577	57,746
Gain on Disposal of Capital Assets	-	7,700	23,678
Total Other Revenue	90,000	388,408	476,645
TOTAL REVENUE FOR THE YEAR	60,744,757	60,092,559	63,653,178

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	107,000	97,641	109,212
Professional Development - Board Members	8,250	30,753	75,820
Advisory Committees	40,656	43,510	50,571
Professional Development - Advisory Committees	-	646	-
Elections	2,000	165	12,295
Other Governance Expenses	103,476	90,867	147,536
Total Governance Expense	261,382	263,582	395,434
Administration Expense			
Salaries	2,141,615	2,148,051	2,129,321
Benefits	215,222	215,478	217,064
Supplies & Services	99,500	71,733	79,045
Non-Capital Furniture & Equipment	8,000	9,767	6,754
Building Operating Expenses	38,000	39,296	50,937
Communications	32,000	27,544	25,012
Travel	75,000	58,471	58,038
Professional Development	50,000	41,405	48,751
Amortization of Tangible Capital Assets	134,109	107,791	102,164
Total Administration Expense	2,793,446	2,719,536	2,717,086
Instruction Expense			
Instructional (Teacher Contract) Salaries	28,486,711	28,676,943	28,548,761
Instructional (Teacher Contract) Benefits	1,355,129	1,410,807	1,418,318
Program Support (Non-Teacher Contract) Salaries	5,899,372	5,732,578	5,638,285
Program Support (Non-Teacher Contract) Benefits	987,569	976,537	970,929
Instructional Aids	958,000	856,928	1,067,679
Supplies & Services	625,000	715,985	801,375
Non-Capital Furniture & Equipment	780,000	615,123	692,609
Communications	121,000	82,195	120,019
Travel	190,000	192,809	200,028
Professional Development	361,000	241,101	275,871
Student Related Expense	206,000	196,345	184,010
Amortization of Tangible Capital Assets	668,333	712,593	641,778
Total Instruction Expense	40,638,114	40,409,944	40,559,662

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	2,028,785	2,010,658	2,074,641
Benefits	534,169	579,229	512,735
Supplies & Services	30,000	27,263	40,415
Non-Capital Furniture & Equipment	25,000	17,254	15,189
Building Operating Expenses	3,887,659	3,880,287	3,720,506
Communications	13,500	12,336	15,251
Travel	95,000	116,685	104,176
Professional Development	5,000	8,277	9,832
Amortization of Tangible Capital Assets	2,037,486	2,052,454	2,046,433
Total Plant Operation & Maintenance Expense	8,656,599	8,704,443	8,539,178
Student Transportation Expense			
Salaries	2,641,485	2,639,054	2,769,096
Benefits	459,304	480,200	473,306
Supplies & Services	794,000	869,678	751,273
Non-Capital Furniture & Equipment	454,000	773,798	764,853
Building Operating Expenses	30,000	39,123	40,580
Communications	37,000	34,083	38,486
Travel	55,000	35,572	45,971
Professional Development	20,000	13,820	19,034
Contracted Transportation	85,000	79,036	87,257
Amortization of Tangible Capital Assets	1,067,985	835,468	811,162
Total Student Transportation Expense	5,643,774	5,799,832	5,801,018
Tuition and Related Fees Expense			
Tuition Fees	500,972	589,180	590,773
Total Tuition and Related Fees Expense	500,972	589,180	590,773
School Generated Funds Expense			
Academic Supplies & Services	127,000	110,229	216,083
Cost of Sales	861,000	967,089	1,023,033
Non-Capital Furniture & Equipment	26,000	12,215	33,121
School Fund Expenses	1,426,000	1,033,667	1,324,398
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	2,440,000	2,123,200	2,596,635

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	565,995	573,845	572,849
Program Support (Non-Teacher Contract) Salaries & Benefits	832,840	850,767	822,064
Transportation Salaries & Benefits	117,670	120,610	117,618
Instructional Aids	110,000	112,119	102,266
Supplies & Services	27,500	26,908	68,861
Non-Capital Furniture & Equipment	1,000	4,593	3,336
Building Operating Expenses	-	16,825	-
Communications	2,000	3,137	3,298
Travel	12,000	9,309	11,177
Professional Development (Non-Salary Costs)	6,000	8,079	3,664
Student Related Expenses	52,000	51,285	55,267
Amortization of Tangible Capital Assets	25,703	23,291	25,598
Total Complementary Services Expense	1,752,708	1,800,768	1,785,998
External Service Expense			
Grant Transfers	-	-	1,888,696
Transportation Salaries & Benefits	223,244	243,177	231,110
Supplies & Services	66,500	89,357	73,455
Non-Capital Furniture & Equipment	25,000	54,422	34,804
Communications	3,600	2,871	2,640
Travel	-	(4)	-
Professional Development (Non-Salary Costs)	1,000	674	740
Contracted Transportation & Allowances	-	-	2,041
Amortization of Tangible Capital Assets	67,654	71,763	72,928
Total External Services Expense	386,998	462,260	2,306,414
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	1,000	580	2,455
Interest on Capital Loans	74,904	75,732	86,676
Total Interest and Bank Charges	75,904	76,312	89,131
Transfer of Taxes Receivable	-	2,209,291	-
Loss on Disposal of Tangible Capital Assets	-	65,758	2,267
Provision for Uncollectable Accounts	-	(613,722)	-
Total Other Expense	75,904	1,737,639	91,398
TOTAL EXPENSES FOR THE YEAR	63,149,897	64,610,384	65,383,596

Northwest School Division No. 203

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2018**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and	Computer	Assets		
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	Under Construction	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	1,296,261	2,233,740	93,372,402	1,234,114	11,287,092	1,347,756	3,042,831	1,993,029	127,342	1,461,796	117,396,363	113,268,110
Additions/Purchases	-	46,611	1,097,899	5,919	1,159,265	75,728	436,911	247,715	19,613	234,537	3,324,198	5,253,006
Disposals	(9,195)	-	(24,132)	-	(360,920)	(55,768)	(88,090)	(817,661)	-	-	(1,355,766)	(1,124,753)
Transfers to (from)	-	34	59,784	178,524	-	-	684,418	-	539,036	(1,461,796)	-	-
Closing Balance as of August 31	1,287,066	2,280,385	94,505,953	1,418,557	12,085,437	1,367,716	4,076,070	1,423,083	685,991	234,537	119,364,795	117,396,363
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	1,363,507	45,920,910	429,098	6,347,907	914,635	1,173,383	1,520,782	78,475	-	57,748,697	55,170,120
Amortization of the Period	-	86,627	1,878,118	55,846	896,582	155,794	308,216	284,617	137,560	-	3,803,360	3,700,063
Disposals	-	-	(964)	-	(322,784)	(55,768)	(88,090)	(817,661)	-	-	(1,285,267)	(1,121,486)
Closing Balance as of August 31	N/A	1,450,134	47,798,064	484,944	6,921,705	1,014,661	1,393,509	987,738	216,035	N/A	60,266,790	57,748,697
Net Book Value												
Opening Balance as of September 1	1,296,261	870,233	47,451,492	805,016	4,939,185	433,121	1,869,448	472,247	48,867	1,461,796	59,647,666	58,097,990
Closing Balance as of August 31	1,287,066	830,251	46,707,889	933,613	5,163,732	353,055	2,682,561	435,345	469,956	234,537	59,098,005	59,647,666
Change in Net Book Value	(9,195)	(39,982)	(743,603)	128,597	224,547	(80,066)	813,113	(36,902)	421,089	(1,227,259)	(549,661)	1,549,676
Disposals												
Historical Cost	9,195	-	24,132	-	360,920	55,768	88,090	817,661	-	-	1,355,766	1,124,753
Accumulated Amortization	-	-	964	-	322,784	55,768	88,090	817,661	-	-	1,285,267	1,121,486
Net Cost	9,195	-	23,168	-	38,136	-	-	-	-	-	70,499	3,267
Price of Sale	3,728	-	13	-	2,950	5,750	-	-	-	-	12,441	24,678
Gain (Loss) on Disposal	(5,467)	-	(23,155)	-	(35,186)	5,750	-	-	-	-	(58,058)	21,411

Northwest School Division No. 203
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2018

	2018	2017
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	3,803,360	3,700,063
Net (Gain) Loss on Disposal of Tangible Capital Assets (Schedule C)	58,058	(21,411)
Total Non-Cash Items Included in Deficit	3,861,418	3,678,652

Northwest School Division No. 203
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2018

	2018	2017
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	13,721,395	(791,457)
Increase in Accounts Payable and Accrued Liabilities	71,520	338,695
Increase in Liability for Employee Future Benefits	27,000	55,800
Increase in Deferred Revenue	60,420	88,984
Decrease in Inventory of Supplies for Consumption	9,946	57,211
Decrease in Prepaid Expenses	22,287	49,284
Total Net Change in Non-Cash Operating Activities	13,912,568	(201,483)

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Northwest School Division No. 203” and operates as “the Northwest School Division No. 203”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Basis of Accounting

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

b) Reporting Entity

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

c) 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 \$846,400 (2017 - \$819,400) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$8,646,081 (2017 - \$26,919,686) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$0 (2017 - \$730,000) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$3,803,360 (2017 - \$3,700,063) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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

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

d) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in 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.

e) Financial Assets

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

Cash and Cash Equivalents consist of cash, 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 taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents

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management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

Portfolio Investments consist of GICs and Co-op equity accounts. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (d).

f) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the school division include land, land improvements, buildings, buildings – short-term, school buses, other vehicles, furniture and equipment, computer hardware, computer software, audio visual equipment, and assets under construction.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

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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 insurance premiums, Saskatchewan School Boards Association membership fees and software licenses.

g) Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

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 loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered; revenue from contractual services is recognized as the services are delivered; and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

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h) 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.

i) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The school division's sources of revenues include the following:

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. Government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar

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taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

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

iii) Fees and Services

Revenues from tuition fees and other fees and services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

iv) Interest Income

Interest is recognized as revenue when it is earned.

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

j) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

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3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$12,000,000 that bears interest at a rate of prime less 0.75% per annum with Royal Bank of Canada. This line of credit is authorized by a borrowing resolution by the board of education and is unsecured. This line of credit was approved by the Minister of Education on February 5, 2013. There was no balance outstanding on this credit facility as of August 31, 2018 (August 31, 2017 – no balance outstanding).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs - A Craig - RBC 5 in 1 GIC - Investment Date Feb 5/18 - 5 Year Term - Non-Redeemable - Interest Rate is 1.8%	\$ 85,250	\$ 85,250
Co-op Equity	87,969	83,789
Total portfolio investments reported at cost and amortized cost	\$ 173,219	\$ 169,039

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2018 Actual	2017 Actual
Governance	\$ 72,769	\$ 190,813	\$ -	\$ -	\$ 263,582	\$ 395,434
Administration	2,363,529	248,216	-	107,791	2,719,536	2,717,086
Instruction	36,796,865	2,900,486	-	712,593	40,409,944	40,559,662
Plant	2,589,887	4,062,102	-	2,052,454	8,704,443	8,539,178
Transportation	3,119,254	1,845,110	-	835,468	5,799,832	5,801,018
Tuition and Related Fees	-	589,180	-	-	589,180	590,773
School Generated Funds	-	2,123,200	-	-	2,123,200	2,596,635
Complementary Services	1,545,222	232,255	-	23,291	1,800,768	1,785,998
External Services	243,177	147,320	-	71,763	462,260	2,306,414
Other	-	-	1,737,639	-	1,737,639	91,398
TOTAL	\$46,730,703	\$12,338,682	\$ 1,737,639	\$ 3,803,360	\$ 64,610,384	\$ 65,383,596

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave and retirement gratuity. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

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Details of the employee future benefits are as follows:

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate (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	15

Liability for Employee Future Benefits	2018	2017
Accrued Benefit Obligation - beginning of year	\$ 1,107,300	\$ 1,272,400
Current period service cost	92,200	110,400
Interest cost	31,300	27,800
Benefit payments	(126,400)	(125,600)
Actuarial gains	(152,200)	(179,100)
Plan amendments	-	1,400
Accrued Benefit Obligation - end of year	952,200	1,107,300
Unamortized Net Actuarial Losses	(105,800)	(287,900)
Liability for Employee Future Benefits	\$ 846,400	\$ 819,400

Employee Future Benefits Expense	2018	2017
Current period service cost	\$ 92,200	\$ 110,400
Amortization of net actuarial loss	29,900	41,800
Plan amendments	-	1,400
Benefit cost	122,100	153,600
Interest cost	31,300	27,800
Total Employee Future Benefits Expense	\$ 153,400	\$ 181,400

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the school division contributes is as follows:

i) **Saskatchewan Teachers' Retirement Plan (STRP) and Saskatchewan Teachers' Superannuation Plan (STSP)**

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

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

Details of the contributions to these plans for the school division's employees are as follows:

	2018			2017
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	418	10	428	426
Member contribution rate (percentage of salary)	11.30 - 13.50%	6.05 - 7.85%	6.05 - 13.50%	6.05 - 13.50%
Member contributions for the year	\$ 3,476,635	\$ 20,038	\$ 3,496,673	\$ 3,527,426

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.

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Details of the MEPP are as follows:

	2018	2017
Number of active School Division members	412	399
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 970,183	\$ 964,927
School Division contributions for the year	\$ 970,183	\$ 964,927
Actuarial extrapolation date	Dec-31-2017	Dec-31-2016
Plan Assets (in thousands)	\$ 2,469,995	\$ 2,323,947
Plan Liabilities (in thousands)	\$ 2,015,818	\$ 1,979,463
Plan Surplus (in thousands)	\$ 454,177	\$ 344,484

8. ACCOUNTS RECEIVABLE

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

	2018			2017		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ -	\$ -	\$ -	\$ 14,618,743	\$ 730,000	\$ 13,888,743
Provincial Grants Receivable	800,000	-	800,000	938,599	-	938,599
First Nation Tuition Receivable	1,383,336	-	1,383,336	1,046,636	-	1,046,636
Other Receivables	261,550	-	261,550	292,303	-	292,303
Total Accounts Receivable	\$ 2,444,886	\$ -	\$ 2,444,886	\$ 16,896,281	\$ 730,000	\$ 16,166,281

During the year, \$2,209,291 of taxes receivable were transferred from the school division to the Government of Saskatchewan.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	\$ 176,659	\$ 95,450
Supplier Payments	1,356,865	1,365,380
Accrued Audit Fees	18,281	19,455
Total Accounts Payable and Accrued Liabilities	\$ 1,551,805	\$ 1,480,285

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10. LONG-TERM DEBT

Details of long-term debt are as follows:

		2018	2017
Capital Loan (1):	Royal Bank of Canada Date of Maturity: April 30, 2018 Interest Rate: 2.82% Term: 60 Months Repayable in Monthly Blended Payments of \$20,057	\$ -	\$ 160,050
Capital Loan (2):	Royal Bank of Canada Date of Maturity: June 26, 2019 Interest Rate: 2.79% Term: 60 Months Repayable in Monthly Blended Payments of \$4,608	45,544	98,777
Capital Loan (3):	Innovation Credit Union Date of Maturity: July 31, 2024 Interest Rate: 3.63% Term: 120 Months Repayable in Monthly Blended Payments of \$13,398	1,933,572	2,022,414
Total Long-Term Debt		\$ 1,979,116	\$ 2,281,241

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

	Capital Loan (3)	Capital Loan (2)	Total
2019	\$ 92,121	\$ 45,544	\$ 137,665
2020	95,458	-	95,458
2021	99,104	-	99,104
2022	102,703	-	102,703
2023	106,500	-	106,500
Thereafter	1,437,686	-	1,437,686
Total	\$ 1,933,572	\$ 45,544	\$ 1,979,116

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Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2018	2017
Principal	\$ 302,125	\$ 302,125	\$ 370,090
Interest	75,732	75,732	86,676
Total	\$ 377,857	\$ 377,857	\$ 456,766

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2017	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2018
Capital projects:				
Federal capital tuition	\$ 555,772	\$ 95,324	\$ -	\$ 651,096
Hillmond Soil Remediation Capital Loan Revenue	4,609	-	-	4,609
Total capital projects deferred revenue	560,381	95,324	-	655,705
Other deferred revenue:				
Scholarships	192,192	88,711	73,951	206,952
Technology Consortium	29,070	-	29,070	-
Playground Fundraising	44,102	23,508	44,102	23,508
Total other deferred revenue	265,364	112,219	147,123	230,460
Total Deferred Revenue	\$ 825,745	\$ 207,543	\$ 147,123	\$ 886,165

12. 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:

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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2018	2017
Revenues:				
Operating Grants	\$ 828,012	\$ 220,421	\$ 1,048,433	\$ 1,039,525
Fees and Other Revenues	-	500	500	-
Total Revenues	828,012	220,921	1,048,933	1,039,525
Expenses:				
Salaries & Benefits	1,087,710	457,512	1,545,222	1,512,531
Instructional Aids	22,713	89,406	112,119	102,266
Supplies and Services	11,825	15,083	26,908	68,861
Non-Capital Equipment	3,774	819	4,593	3,336
Building Operating Expenses	-	16,825	16,825	-
Communications	2,246	891	3,137	3,298
Travel	6,120	3,189	9,309	11,177
Professional Development (Non-Salary Costs)	3,040	5,039	8,079	3,664
Student Related Expenses	4,823	46,462	51,285	55,267
Amortization of Tangible Capital Assets	-	23,291	23,291	25,598
Total Expenses	1,142,251	658,517	1,800,768	1,785,998
Deficiency of Revenues over Expenses	\$ (314,239)	\$ (437,596)	\$ (751,835)	\$ (746,473)

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

Pre-K Programs: Pre-K programming provides educational services to students aged 3 and 4.

Other Programs: Includes noon-hour and after-school activities, addiction awareness, alternative education, behavioural interventionists, wellness, nutrition, elders, mentorship, employment readiness, early reading initiatives, physical education, literacy, and music.

13. 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.

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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	Other Programs	2018	2017
Revenues:			
Operating Grants	\$ 387,000	\$ 387,000	\$ 1,242,100
Total Revenues	387,000	387,000	1,242,100
Expenses:			
Grant Transfers	-	-	1,888,696
Salaries & Benefits	243,177	243,177	231,110
Supplies and Services	89,357	89,357	73,455
Non-Capital Equipment	54,422	54,422	34,804
Communications	2,871	2,871	2,640
Travel	(4)	(4)	-
Professional Development	674	674	740
Contracted Transportation & Allowances	-	-	2,041
Amortization of Tangible Capital Assets	71,763	71,763	72,928
Total Expenses	462,260	462,260	2,306,414
Deficiency of Revenues over Expenses	\$ (75,260)	\$ (75,260)	\$(1,064,314)

The purpose and nature of the External Services program is to provide transportation to schools within the City of Lloydminster for students who reside within the Northwest School Division boundary.

14. 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 such as school generated funds and Preventative Maintenance and Renewal (PMR). 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 internally restricted amounts, with the exception of the Federal Capital Reserves.

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Details of accumulated surplus are as follows:

	August 31 2017	Additions during the year	Reductions during the year	August 31 2018
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 59,647,666	\$ 3,324,198	\$ 3,873,859	\$ 59,098,005
Less: Debt owing on Tangible Capital Assets	(2,281,241)	-	(302,125)	(1,979,116)
	57,366,425	3,324,198	3,571,734	57,118,889
PMR maintenance project allocations (1)	1,751,262	1,354,699	1,308,079	1,797,882
Internally Restricted Surplus:				
Other:				
School generated funds (2)	408,257	120,151	-	528,408
First Nation & Metis Program (3)	5,000	5,243	-	10,243
MLTC - Aboriginal Resources (4)	5,000	-	330	4,670
	418,257	125,394	330	543,321
Unrestricted Surplus	13,937,072	-	4,441,973	9,495,099
Total Accumulated Surplus	\$ 73,473,016	\$ 4,804,291	\$ 9,322,116	\$ 68,955,191

- (1) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

The purpose and nature of each Internally Restricted Surplus amount is as follows:

- (2) **School generated funds** are monies raised by the school, or under the auspices of the school, through curricular and extra-curricular fees for the sole use of the school. The principal of each school, subject to the rules of the School Board, may raise, hold, administer and expend these funds for the purposes of the school. Only revenue and expenses of school generated funds controlled by the division are included in the statement of financial activities and fund balances. To be deemed as controlled, the school division must have the unilateral authority to make decisions as to when, how and on what the funds are to be spent. Year-end cash balances of all school generated funds are included in the statement of financial position.
- (3) **First Nation & Metis Program** funding received within the year to be restricted for 2018/19 First Nation & Metis Programming.
- (4) **Meadow Lake Tribal Council (MLTC)** restricted funding for Aboriginal Resources.

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15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 26, 2017 and the Minister of Education on August 28, 2017.

16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the school division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

Related Party Transactions

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

	2018	2017
Revenues:		
Ministry of Education	\$ 45,490,250	\$ 30,675,219
Ministry of Economy	214,568	204,428
SGI	164,946	179,372
	\$ 45,869,764	\$ 31,059,019
Expenses:		
Ministry of Finance	\$ 59,711	\$ 68,909
North West Regional College	91,536	96,073
Prairie South School Division #210	3,040	1,500
Sask Energy	321,071	321,305
Sask Tel	84,799	549,232
Sask Power	877,130	862,562
Sask Workers Compensation Board	246,951	174,682
St. Paul's R.C.S.S.D.#20	9,000	-
Sun West School Division # 207	31,250	39,633
Other	-	13,778
	\$ 1,724,488	\$ 2,127,674
Accounts Receivable:		
Ministry of Education	\$ 800,000	\$ 938,599
SGI	-	504
Ministry of Economy	38,513	21,595
	\$ 838,513	\$ 960,698

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A portion of the operating grant revenue from the Ministry of Education includes funding allocated to principal and interest repayments on some school board loans.

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Gymnasium/ Parking Rental	Shop Rental	Total Operating
Future minimum lease payments:			
2019	\$ 36,552	\$ 16,825	\$ 53,377
2020	36,552	-	36,552
2021	36,552	-	36,552
2022	36,552	-	36,552
2023	36,552	-	36,552
Thereafter	36,552	-	36,552
Total Lease Obligations	\$ 219,312	\$ 16,825	\$ 236,137

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).

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 the analysis of the financial position of its customers and the regular review of their credit limits in order to reduce its credit risk, as well as 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.

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The aging of grants and other accounts receivable as at August 31, 2018 was:

	August 31, 2018					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000
First Nation Tuition Receivables	1,383,336	-	-	-	-	1,383,336
Other Receivables	181,254	99,215	-	-	-	82,039
Gross Receivables	\$ 2,364,590	\$ 99,215	\$ -	\$ -	\$ -	\$ 2,265,375

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 forecasting.

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

	August 31, 2018				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,551,805	\$ 1,551,805	\$ -	\$ -	\$ -
Long-term debt	1,979,116	73,387	64,278	403,765	1,437,686
Total	\$ 3,530,921	\$ 1,625,192	\$ 64,278	\$ 403,765	\$ 1,437,686

iii) Market Risk

The school division is exposed to market risks with respect to interest 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 \$12,000,000 with interest payable monthly at a rate of prime less 0.75 % per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2018 (2017 – no balance outstanding).

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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
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt