



## Management's Responsibility for the Financial Statements

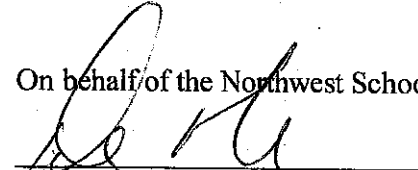
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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.

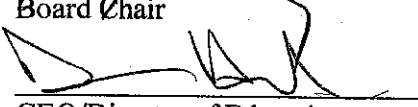
The external auditors, Dillon, Hillstead, Melanson CGA Prof Corp. conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination 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:



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Board Chair



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CEO/Director of Education



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Chief Financial Officer

October 31<sup>st</sup>, 2014



## 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, 2014, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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, 2014 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  
October 31, 2014

*Dillon Hillstead Melanson C.G.A. Prof. Corp.*

Dillon Hillstead Melanson CGA Prof Corp.  
Chartered Professional Accountants

**CERTIFIED GENERAL ACCOUNTANTS**  
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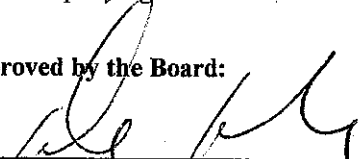
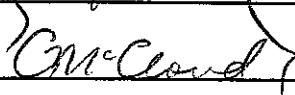
**Northwest School Division No. 203**  
**Statement of Financial Position**  
**as at August 31, 2014**

	2014	2013
<b>Financial Assets</b>		
Cash and Cash Equivalents	3,311,637	53,776
Accounts Receivable (Note 8)	18,634,909	17,463,758
Portfolio Investments (Note 4)	164,733	154,143
<b>Total Financial Assets</b>	<b>22,111,279</b>	<b>17,671,677</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	4,039,894	1,977,409
Long Term Debt (Note 10)	3,383,175	1,052,343
Liability for Employee Future Benefits (Note 6)	703,900	643,300
Deferred Revenue (Note 11)	481,576	449,220
<b>Total Liabilities</b>	<b>8,608,545</b>	<b>4,122,272</b>
<b>Net Financial Assets</b>	<b>13,502,734</b>	<b>13,549,405</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	58,505,744	53,403,465
Inventory of Supplies for Consumption	548,494	-
Prepaid Expenses	247,039	85,336
<b>Total Non-Financial Assets</b>	<b>59,301,277</b>	<b>53,488,801</b>
<b>Accumulated Surplus (Note 14)</b>	<b>72,804,010</b>	<b>67,038,206</b>

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

  
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Chairperson

Chief Financial Officer

**Northwest School Division No. 203**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>REVENUES</b>	(Note 15)		
Property Taxation	25,302,380	25,553,402	25,596,828
Grants	28,435,525	32,666,702	28,293,740
Tuition and Related Fees	2,914,520	2,470,545	2,513,353
School Generated Funds	2,530,650	2,530,692	2,567,738
Complementary Services (Note 12)	965,155	1,162,238	991,779
External Services (Note 13)	-	329,305	-
Other	68,030	519,985	573,936
<b>Total Revenues (Schedule A)</b>	<b>60,216,260</b>	<b>65,232,869</b>	<b>60,537,374</b>
<b>EXPENSES</b>			
Governance	487,000	328,553	361,887
Administration	2,556,044	2,518,155	2,292,929
Instruction	39,719,443	38,531,911	37,538,957
Plant	8,119,488	7,824,045	8,053,184
Transportation	6,005,575	5,535,607	5,664,823
Tuition and Related Fees	403,000	366,057	274,901
School Generated Funds	2,530,650	2,453,218	2,459,751
Complementary Services (Note 12)	1,548,365	1,494,539	1,866,562
External Services (Note 13)	-	329,305	-
Other Expenses	113,063	85,675	126,526
<b>Total Expenses (Schedule B)</b>	<b>61,482,628</b>	<b>59,467,065</b>	<b>58,639,520</b>
<b>Operating Surplus (Deficit) for the Year</b>	<b>(1,266,368)</b>	<b>5,765,804</b>	<b>1,897,854</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>67,038,206</b>	<b>67,038,206</b>	<b>65,140,352</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>65,771,838</b>	<b>72,804,010</b>	<b>67,038,206</b>

*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, 2014**

	2014 Budget (Note 15)	2014 Actual	2013 Actual
<b>Net Financial Assets, Beginning of Year</b>	<b>13,549,405</b>	<b>13,549,405</b>	<b>11,266,566</b>
<b>Changes During the Year:</b>			
Operating Surplus (Deficit) for the Year	(1,266,368)	5,765,804	1,897,854
Acquisition of Tangible Capital Assets (Schedule C)	(5,822,874)	(8,413,257)	(2,584,097)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	83,141	405,198
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(33,161)	(316,310)
Amortization of Tangible Capital Assets (Schedule C)	3,403,711	3,261,000	2,858,758
Net Acquisition of Inventory of Supplies	-	(548,494)	-
Net Change in Other Non-Financial Assets	-	(161,703)	21,436
<b>Change in Net Financial Assets</b>	<b>(3,685,531)</b>	<b>(46,671)</b>	<b>2,282,839</b>
<b>Net Financial Assets, End of Year</b>	<b>9,863,874</b>	<b>13,502,734</b>	<b>13,549,405</b>

*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, 2014**

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Operating Surplus for the Year	5,765,804	1,897,854
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	3,227,838	2,542,448
Net Change in Non-Cash Operating Activities (Schedule E)	274,093	(219,928)
<b>Cash Provided by Operating Activities</b>	<b>9,267,735</b>	<b>4,220,374</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(8,413,257)	(2,584,097)
Proceeds on Disposal of Tangible Capital Assets	83,141	405,198
<b>Cash (Used) by Capital Activities</b>	<b>(8,330,116)</b>	<b>(2,178,899)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(10,590)	(81,194)
<b>Cash (Used) by Investing Activities</b>	<b>(10,590)</b>	<b>(81,194)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long Term Debt	2,541,641	1,121,201
Repayment of Long Term Debt	(210,809)	(68,858)
<b>Cash Provided by Financing Activities</b>	<b>2,330,832</b>	<b>1,052,343</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,257,861</b>	<b>3,012,624</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>53,776</b>	<b>(2,958,848)</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>3,311,637</b>	<b>53,776</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	3,311,637	1,456,018
Bank Indebtedness	-	(1,402,242)
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>3,311,637</b>	<b>53,776</b>

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

**Northwest School Division No. 203**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	25,302,380	25,108,974	25,742,548
<b>Total Property Tax Revenue</b>	<b>25,302,380</b>	<b>25,108,974</b>	<b>25,742,548</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	-	85,120	144,173
Provincial Government	-	210,679	145,072
Other	-	15,965	14,547
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>311,764</b>	<b>303,792</b>
<b>Other Tax Revenues:</b>			
Treaty Land Entitlement - Rural	-	-	6,464
House Trailer Fees	-	15,689	39,633
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>15,689</b>	<b>46,097</b>
<b>Additions to Levy:</b>			
Penalties	-	127,106	160,850
Other	-	29,570	46,151
<b>Total Additions to Levy</b>	<b>-</b>	<b>156,676</b>	<b>207,001</b>
<b>Deletions from Levy:</b>			
Cancellations	-	(39,701)	(656,506)
Other Deletions	-	-	(46,104)
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(39,701)</b>	<b>(702,610)</b>
<b>Total Property Taxation Revenue</b>	<b>25,302,380</b>	<b>25,553,402</b>	<b>25,596,828</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
Operating Grant	26,671,525	27,080,328	26,921,361
Other Ministry Grants	-	296,166	239,395
<b>Total Ministry Grants</b>	<b>26,671,525</b>	<b>27,376,494</b>	<b>27,160,756</b>
Other Provincial Grants	94,000	199,193	40,407
Grants from Others	175,000	7,787	180,160
<b>Total Operating Grants</b>	<b>26,940,525</b>	<b>27,583,474</b>	<b>27,381,323</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	1,495,000	5,083,228	912,417
<b>Total Capital Grants</b>	<b>1,495,000</b>	<b>5,083,228</b>	<b>912,417</b>
<b>Total Grants</b>	<b>28,435,525</b>	<b>32,666,702</b>	<b>28,293,740</b>



**Northwest School Division No. 203**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
Federal Government and First Nations	2,794,520	2,395,407	2,400,263
Individuals and Other	40,000	10,692	13,780
<b>Total Tuition Fees</b>	<b>2,834,520</b>	<b>2,406,099</b>	<b>2,414,043</b>
Transportation Fees	45,000	64,446	66,080
<b>Total Operating Tuition and Related Fees</b>	<b>2,879,520</b>	<b>2,470,545</b>	<b>2,480,123</b>
<b>Capital Fees:</b>			
Federal/First Nations Capital Fees	35,000	-	33,230
<b>Total Capital Tuition and Fees</b>	<b>35,000</b>	<b>-</b>	<b>33,230</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>2,914,520</b>	<b>2,470,545</b>	<b>2,513,353</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular:</b>			
Student Fees	147,000	152,522	127,802
<b>Total Curricular Fees</b>	<b>147,000</b>	<b>152,522</b>	<b>127,802</b>
<b>Non-Curricular Fees:</b>			
Fundraising	904,000	1,044,132	887,729
Grants and Partnerships	126,000	167,914	162,144
Students Fees	1,015,650	864,741	1,054,631
Other	338,000	301,383	335,432
<b>Total Non-Curricular Fees</b>	<b>2,383,650</b>	<b>2,378,170</b>	<b>2,439,936</b>
<b>Total School Generated Funds Revenue</b>	<b>2,530,650</b>	<b>2,530,692</b>	<b>2,567,738</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	640,155	800,121	664,124
Other Ministry Grants	26,000	23,080	23,080
Other Provincial Grants	-	80,000	275,270
Federal Grants	211,000	190,075	-
Other Grants	25,000	-	245
<b>Total Operating Grants</b>	<b>902,155</b>	<b>1,093,276</b>	<b>962,719</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	-	67,882	-
<b>Total Capital Grants</b>	<b>-</b>	<b>67,882</b>	<b>-</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	63,000	-	25,000
Other Revenue	-	1,080	4,060
<b>Total Fees and Other Revenue</b>	<b>63,000</b>	<b>1,080</b>	<b>29,060</b>
<b>Total Complementary Services Revenue</b>	<b>965,155</b>	<b>1,162,238</b>	<b>991,779</b>

**Northwest School Division No. 203**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>External Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	-	329,305	-
<b>Total Operating Grants</b>	<b>-</b>	<b>329,305</b>	<b>-</b>
<b>Total External Services Revenue</b>	<b>-</b>	<b>329,305</b>	<b>-</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	35,030	389,767	183,151
Sales & Rentals	3,000	14,534	8,183
Investments	30,000	82,523	65,932
Gain on Disposal of Capital Assets	-	33,161	316,670
<b>Total Other Revenue</b>	<b>68,030</b>	<b>519,985</b>	<b>573,936</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>60,216,260</b>	<b>65,232,869</b>	<b>60,537,374</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Governance Expense</b>			
Board Members Expense	117,000	98,388	86,562
Professional Development- Board Members	99,000	63,750	72,925
Advisory Committees	126,000	51,836	48,906
Professional Development - Advisory Committees	6,000	-	-
Elections	3,000	-	12,101
Other Governance Expenses	136,000	114,579	141,393
<b>Total Governance Expense</b>	<b>487,000</b>	<b>328,553</b>	<b>361,887</b>
<b>Administration Expense</b>			
Salaries	1,992,000	1,954,749	1,823,665
Benefits	215,964	215,094	170,635
Supplies & Services	66,800	64,895	102,290
Non-Capital Furniture & Equipment	12,000	5,583	14,933
Building Operating Expenses	43,000	53,333	45,072
Communications	38,000	39,840	35,003
Travel	103,000	57,583	8,960
Professional Development	40,000	48,553	15,652
Amortization of Tangible Capital Assets	45,280	78,525	76,720
<b>Total Administration Expense</b>	<b>2,556,044</b>	<b>2,518,155</b>	<b>2,292,929</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	27,551,000	27,771,843	27,308,044
Instructional (Teacher Contract) Benefits	1,406,215	1,431,387	1,415,312
Program Support (Non-Teacher Contract) Salaries	5,240,000	5,185,475	4,965,120
Program Support (Non-Teacher Contract) Benefits	935,980	916,401	860,337
Instructional Aids	1,400,604	1,109,936	1,036,262
Supplies & Services	516,604	489,107	376,737
Non-Capital Furniture & Equipment	449,000	105,752	169,901
Communications	103,900	115,107	129,031
Travel	130,000	214,466	243,574
Professional Development	975,897	353,679	359,797
Student Related Expense	321,000	241,019	213,955
Amortization of Tangible Capital Assets	689,243	597,739	460,886
<b>Total Instruction Expense</b>	<b>39,719,443</b>	<b>38,531,911</b>	<b>37,538,957</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	1,902,000	1,915,783	1,863,180
Benefits	406,928	432,384	413,562
Supplies & Services	23,700	248,002	6,501
Non-Capital Furniture & Equipment	66,000	21,740	4,887
Building Operating Expenses	3,860,000	3,286,324	4,051,815
Communications	17,000	19,284	18,177
Travel	115,000	108,766	99,035
Professional Development	30,000	3,587	4,973
Amortization of Tangible Capital Assets	1,698,860	1,788,175	1,591,054
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>8,119,488</b>	<b>7,824,045</b>	<b>8,053,184</b>
<b>Student Transportation Expense</b>			
Salaries	2,627,800	2,589,398	2,643,109
Benefits	416,685	449,443	450,048
Supplies & Services	949,000	1,009,329	971,618
Non-Capital Furniture & Equipment	482,000	343,244	489,073
Building Operating Expenses	52,200	40,726	31,951
Communications	45,000	48,118	48,334
Travel	68,000	69,613	60,979
Professional Development	25,000	31,076	25,031
Contracted Transportation	375,000	198,601	221,975
Amortization of Tangible Capital Assets	964,890	756,059	722,705
<b>Total Student Transportation Expense</b>	<b>6,005,575</b>	<b>5,535,607</b>	<b>5,664,823</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	403,000	366,057	274,901
<b>Total Tuition and Related Fees Expense</b>	<b>403,000</b>	<b>366,057</b>	<b>274,901</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	106,650	112,259	129,653
Cost of Sales	729,000	766,832	664,196
Non-Capital Furniture & Equipment	10,000	17,182	31,147
School Fund Expenses	1,685,000	1,556,945	1,634,755
<b>Total School Generated Funds Expense</b>	<b>2,530,650</b>	<b>2,453,218</b>	<b>2,459,751</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	458,021	452,499	624,605
Program Support (Non-Teacher Contract) Salaries & Benefits	799,907	758,706	1,101,995
Transportation Salaries & Benefits	102,000	113,213	-
Instructional Aids	127,000	88,287	100,400
Supplies & Services	29,000	23,935	7,493
Non-Capital Furniture & Equipment	-	845	2,160
Building Operating Expenses	-	1,478	1,569
Communications	3,000	551	760
Travel	6,000	10,319	11,946
Professional Development (Non-Salary Costs)	5,000	5,718	3,324
Student Related Expenses	13,000	31,033	4,916
Amortization of Tangible Capital Assets	5,437	7,955	7,394
<b>Total Complementary Services Expense</b>	<b>1,548,365</b>	<b>1,494,539</b>	<b>1,866,562</b>
<b>External Service Expense</b>			
Program Support (Non-Teacher Contract) Salaries & Benefits	-	941	-
Transportation Salaries & Benefits	-	182,234	-
Supplies & Services	-	83,842	-
Non-Capital Furniture & Equipment	-	24,748	-
Communications	-	1,911	-
Professional Development (Non-Salary Costs)	-	82	-
Contracted Transportation & Allowances	-	3,000	-
Amortization of Tangible Capital Assets	-	32,547	-
<b>Total External Services Expense</b>	<b>-</b>	<b>329,305</b>	<b>-</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2014**

	<b>2014 Budget</b>	<b>2014 Actual</b>	<b>2013 Actual</b>
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	88,100	43,973	54,796
Interest on Capital Loans			
School Facilities	24,963	41,702	11,370
Total Interest and Bank Charges	<u>113,063</u>	<u>85,675</u>	<u>66,166</u>
Loss on Disposal of Tangible Capital Assets	-	-	360
Provision for Uncollectable Taxes	-	-	60,000
<b>Total Other Expense</b>	<b>113,063</b>	<b>85,675</b>	<b>126,526</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>61,482,628</b>	<b>59,467,065</b>	<b>58,639,520</b>

**Northwest School Division No. 203**  
**Schedule C - Supplementary Details of Tangible Capital Assets**  
**for the year ended August 31, 2014**

	Land		Buildings		School	Other	Furniture and		Computer		Assets	
	Land	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	Software	Construction	Under	2014
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	1,307,440	1,614,163	82,732,881	405,965	10,229,337	1,104,526	2,004,126	1,627,932	-	983,194	102,009,564	109,501,681
Additions/Purchases	-	115,198	117,232	-	1,164,634	209,873	517,595	588,979	58,923	5,640,823	8,413,257	2,584,097
Disposals	-	-	-	-	(553,486)	(122,982)	(557,391)	(125,100)	-	-	(1,358,959)	(10,076,214)
Transfers to (from)	-	-	585,247	-	-	-	-	-	-	(585,247)	-	-
<b>Closing Balance as of August 31</b>	<b>1,307,440</b>	<b>1,729,361</b>	<b>83,435,360</b>	<b>405,965</b>	<b>10,840,485</b>	<b>1,191,417</b>	<b>1,964,330</b>	<b>2,091,811</b>	<b>58,923</b>	<b>6,038,770</b>	<b>109,063,862</b>	<b>102,009,564</b>
<b>Tangible Capital Assets - Amortization:</b>												
Opening Balance as of September 1	-	1,074,870	38,902,933	363,102	5,614,663	773,856	1,324,879	551,795	-	-	48,606,099	55,734,667
Amortization of the Period	-	60,549	1,665,759	6,467	756,356	150,353	191,369	418,362	11,785	-	3,261,000	2,858,758
Disposals	-	-	-	-	(553,486)	(73,002)	(557,391)	(125,100)	-	-	(1,308,979)	(9,987,326)
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>1,135,420</b>	<b>40,568,692</b>	<b>369,569</b>	<b>5,817,533</b>	<b>851,207</b>	<b>958,858</b>	<b>845,058</b>	<b>11,785</b>	<b>N/A</b>	<b>50,558,120</b>	<b>48,606,099</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	1,307,440	539,293	43,829,948	42,863	4,614,674	330,670	679,247	1,076,137	-	983,194	53,403,465	53,767,014
Closing Balance as of August 31	1,307,440	593,941	42,866,668	36,396	5,022,952	340,210	1,005,473	1,246,754	47,138	6,038,770	58,505,744	53,403,465
<b>Change in Net Book Value</b>	<b>-</b>	<b>54,649</b>	<b>(963,280)</b>	<b>(6,467)</b>	<b>408,278</b>	<b>9,540</b>	<b>326,226</b>	<b>170,617</b>	<b>47,138</b>	<b>5,055,576</b>	<b>5,102,280</b>	<b>(363,549)</b>
<b>Disposals:</b>												
Historical Cost	-	-	-	-	553,486	122,982	557,391	125,100	-	-	1,358,959	10,076,214
Accumulated Amortization	-	-	-	-	553,486	73,002	557,391	125,100	-	-	1,308,979	9,987,326
Net Cost	-	-	-	-	-	49,980	-	-	-	-	49,980	88,888
Price of Sale	-	-	-	-	15,250	67,891	-	-	-	-	83,141	405,198
<b>Gain on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,250</b>	<b>17,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,161</b>	<b>316,310</b>

**Northwest School Division No. 203**  
**Schedule D: Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2014**

	2014	2013
<b>Non-Cash Items Included in Surplus / Deficit:</b>		
Amortization of Tangible Capital Assets (Schedule C)	3,261,000	2,858,758
Net (Gain) on Disposal of Tangible Capital Assets	(33,161)	(316,310)
<b>Total Non-Cash Items Included in Surplus / Deficit</b>	<b>3,227,838</b>	<b>2,542,448</b>

**Northwest School Division No. 203**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2014**

	2014	2013
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	(1,171,151)	255,998
Increase (Decrease) In Accounts Payable and Accrued Liabilities	2,062,485	(474,968)
Increase in Liability for Employee Future Benefits	60,600	18,800
Increase (Decrease) in Deferred Revenue	32,356	(41,194)
(Increase) in Inventory of Supplies for Consumption	(548,494)	-
Decrease (Increase) in Prepaid Expenses	(161,703)	21,436
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>274,093</b>	<b>(219,928)</b>



**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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 funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the school division's boundaries at mill rates determined by the provincial government and agreed to by the board of education, although separate school divisions continue to have a legislative right to set their own mill rates. 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) Adoption of New Public Sector Accounting (PSA) Standards**

In 2014, the school division adopted the new PSA standard PS3260 Liability for Contaminated Sites.

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 18 Accounting Changes.

**b) Reporting Entity**

The financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity. The school division reporting entity is comprised of all the organizations which are controlled by the school division.

**c) Basis of Accounting**

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**d) Measurement Uncertainty and the Use of Estimates**

Canadian public sector accounting standards requires 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 \$ 703,900 (2013 - \$ 643,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 25,553,402 (2013 - \$ 25,596,828) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$ 690,000 (2013 - \$ 750,000) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization as outlined in note 2 (g) because the actual useful lives of the capital assets may differ from their economic lives.
- prior years tangible capital asset historical costs and related amortization as outlined in note 2 (g) because the actual useful lives of the capital assets may differ from their 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 a material changes in the amounts recognized or disclosed.

**e) Financial Instruments**

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to a financial instrument. The financial assets and financial liabilities portray these rights and obligations in financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accrued salaries and benefits, accounts payable and accrued liabilities and long term debt.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

All financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for 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 revenue or expense. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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

**f) Financial Assets**

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

**Cash and Cash Equivalents** consist of cash, 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 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 (e).

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**g) Non-Financial Assets**

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

**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 include land, land improvements, buildings, buildings short term, school buses, other vehicles, furniture and equipment, computer hardware and 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

Assets under construction are not amortized until completed and placed into service for use.

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

**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.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**h) Liabilities**

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

**Short-Term Borrowings** are comprised of bank indebtedness with initial maturities of one year or less and are incurred for the purpose of financing current expenses in accordance with the provisions of *The Education Act, 1995*.

**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** represent 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. Actuarial valuations are performed periodically. An actuary valuation was performed in the current fiscal year.

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

**i) Employee Pension Plans**

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:

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

- 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). In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

**j) Revenue Recognition**

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

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

**i) Government Transfers (Grants):**

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, 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 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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 on an accrual basis 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.

**k) 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 remeasurement gains or losses.

**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 Royal Bank of Canada prime rate less 0.75% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by the board of education. This line of credit was approved by the Minister of Education on February 5th, 2013. There was no balance outstanding on this credit facility as of August 31, 2014 (August 31, 2013 - \$ 1,402,242 at an interest rate of 2.25%).

**NORTHWEST SCHOOL DIVISION NO. 203  
NOTES TO THE FINANCIAL STATEMENTS  
As at August 31, 2014**

**4. PORTFOLIO INVESTMENTS**

Portfolio investments comprised of the following:

	2014	2013
<b>Portfolio investments in the cost and amortized cost category:</b>	<u>Cost</u>	<u>Cost</u>
GICs - A Craig - RBC 5 in 1 GIC - Investment Date Feb 5/13 - 5 Year Term - Non-Redeemable - Interest Rate is 2.2%	\$ 85,250	\$ 85,250
Co-op Equity	79,483	68,893
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>\$ 164,733</b>	<b>\$ 154,143</b>

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 70,600	\$ 257,952	\$ -	\$ -	\$ 487,000	\$ 328,553	\$ 361,887
Administration	2,169,842	269,786	-	78,525	2,556,044	2,518,155	2,292,929
Instruction	35,305,106	2,629,066	-	597,739	39,719,443	38,531,911	37,538,957
Plant	2,348,168	3,687,702	-	1,788,175	8,119,488	7,824,045	8,053,184
Transportation	3,038,841	1,740,707	-	756,059	6,005,575	5,535,607	5,664,823
Tuition and Related Fees	-	366,057	-	-	403,000	366,057	274,901
School Generated Funds	-	2,453,218	-	-	2,530,650	2,453,218	2,459,751
Complementary Services	1,324,418	162,166	-	7,955	1,548,365	1,494,539	1,866,562
External Services	183,175	113,583	-	32,547	-	329,305	-
Other	-	-	85,675	-	113,063	85,675	126,526
<b>TOTAL</b>	<b>\$44,440,151</b>	<b>\$11,680,238</b>	<b>\$ 85,675</b>	<b>\$ 3,261,000</b>	<b>\$61,482,628</b>	<b>\$59,467,065</b>	<b>\$58,639,520</b>

**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, severance benefits and retirement allowance/gratuity. These benefits generally accumulate with employee service and benefit amounts are determined with reference to employees' final earnings at the time they are paid out. Significant assumptions include discount rate, inflation and salary scale. 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.



**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Details of the employee future benefits are as follows:

	2014	2013
	Aug 31/2014	Aug 31/2013
Actuarial valuation date		
Long-term assumptions used:		
Salary escalation rate	3.25%	3.25%
Discount rate	2.80%	3.50%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2014	2013
<b>Accrued Benefit Obligation - beginning of year</b>	\$ 901,600	\$ 987,400
Current period benefit cost	72,900	79,200
Interest cost	33,500	27,200
Benefit payments	(65,400)	(112,500)
Actuarial gains / losses	97,100	(79,700)
<b>Accrued Benefit Obligation - end of year</b>	<b>1,039,700</b>	<b>901,600</b>
<b>Unamortized Net Actuarial Losses</b>	<b>(335,800)</b>	<b>(258,300)</b>
<b>Liability for Employee Future Benefits</b>	<b>\$ 703,900</b>	<b>\$ 643,300</b>

Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 72,900	\$ 79,200
Amortization of net actuarial loss	19,600	24,900
<b>Benefit cost</b>	<b>92,500</b>	<b>104,100</b>
<b>Interest cost on unfunded employee future benefits obligation</b>	<b>33,500</b>	<b>27,200</b>
<b>Total Employee Future Benefits Expense</b>	<b>\$ 126,000</b>	<b>\$ 131,300</b>

## 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) or Saskatchewan Teachers' Superannuation Plan (STSP):

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

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:

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	446	22	468	481
Member contribution rate (percentage of salary)	6.05%/10.0%	6.05%/10.0%	6.05%/10.0%	6.05%/10.0%
Member contributions for the year	\$ 2,258,661	\$ 53,680	\$ 2,312,341	\$ 2,332,151

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. In accordance with PSAB requirements, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Details of the MEPP are as follows:

	<u>2014</u>	<u>2013</u>
Number of active School Division members	396	381
Member contribution rate (percentage of salary)	8.15%	7.40%-8.15%
School Division contribution rate (percentage of salary)	8.15%	7.40%-8.15%
Member contributions for the year	\$ 888,724	\$ 819,961
School Division contributions for the year	\$ 888,724	\$ 819,961
Actuarial valuation date	<u>Dec-31-2013</u>	<u>Dec-31-2012</u> (Restated)
Plan Assets (in thousands)	\$ 1,685,167	\$ 1,560,967
Plan Liabilities (in thousands)	\$ 1,498,853	\$ 1,420,319
Plan Surplus (in thousands)	\$ 186,314	\$ 140,648

**8. ACCOUNTS RECEIVABLE**

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

	<u>2014</u>			<u>2013</u>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 13,681,082	\$ 690,000	\$ 12,991,082	\$ 15,000,356	\$ 750,000	\$ 14,250,356
Provincial Grants Receivable	2,754,080	-	2,754,080	756,995	-	756,995
Other Receivables	2,889,747	-	2,889,747	2,456,407	-	2,456,407
<b>Total Accounts Receivable</b>	<b>\$ 19,324,909</b>	<b>\$ 690,000</b>	<b>\$ 18,634,909</b>	<b>\$ 18,213,758</b>	<b>\$ 750,000</b>	<b>\$ 17,463,758</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of account payable and accrued liabilities are as follows:

	<u>2014</u>	<u>2013</u>
Accrued Salaries and Benefits	\$ 539,945	\$ 75,239
Supplier Payments	3,473,091	1,885,114
Accrued Audit Fees	17,589	17,056
Accrued Capital Loan Interest	9,270	-
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 4,039,894</b>	<b>\$ 1,977,409</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**10. LONG-TERM DEBT**

Details of long-term-term debt are as follows:

		2014	2013
Capital Loan (1):	<i>Royal Bank of Canada</i>		
	<i>Date of Maturity: April 30, 2018</i>		
	<i>Interest Rate: 2.82%</i>	\$ 856,596	1,052,343
	<i>Term: 60 Months</i>		
	<i>Repayable in Monthly Blended</i>		
	<i>Payments of \$20,057</i>		
		<b>856,596</b>	<b>1,052,343</b>
Capital Loan (2):	<i>Royal Bank of Canada</i>		
	<i>Date of Maturity: June 26, 2019</i>		
	<i>Interest Rate: 2.79%</i>	249,793	-
	<i>Term: 60 Months</i>		
	<i>Repayable in Monthly Blended</i>		
	<i>Payments of \$4,608</i>	-	-
		<b>249,793</b>	<b>-</b>
Capital Loan (3):	<i>Innovation Credit Union</i>		
	<i>Date of Maturity: Jul 31, 2024</i>	2,276,785	-
	<i>Interest Rate: 3.63%</i>		
	<i>Term: 120 Months</i>		
	<i>Repayable in Monthly Blended</i>		
	<i>Payments of \$13,398</i>		
		<b>2,276,785</b>	<b>-</b>
<b>Total Long Term Debt</b>		<b>\$ 3,383,175</b>	<b>\$ 1,052,343</b>

<b>Future principal repayments over the next 5 years are estimated as follows:</b>				
	Capital Loan (3)	Capital Loan (2)	Capital Loan (1)	Total
2015	\$ 79,689	\$ 48,938	\$ 237,659	\$ 366,285
2016	82,555	50,326	226,102	358,983
2017	85,749	51,762	232,662	370,174
2018	88,842	53,225	160,173	302,240
2019	92,121	45,542	-	137,663
Thereafter	1,847,829	-	-	1,847,829
<b>Total</b>	<b>\$ 2,276,785</b>	<b>\$ 249,793</b>	<b>\$ 856,596</b>	<b>\$ 3,383,175</b>

**NORTHWEST SCHOOL DIVISION NO. 203  
NOTES TO THE FINANCIAL STATEMENTS  
As at August 31, 2014**

<b>Principal and interest payments on the long-term debt are as follows</b>			
	<b>Capital Loans</b>	<b>2014</b>	<b>2013</b>
Principal	\$ 210,809	\$ 210,809	\$ 68,858
Interest	32,516	32,516	11,370
<b>Total</b>	<b>\$ 243,325</b>	<b>\$ 243,325</b>	<b>\$ 80,228</b>

**11. DEFERRED REVENUE**

Details of deferred revenues are as follows:

	<b>Balance as at Aug. 31, 2013</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at Aug. 31, 2014</b>
<b>Capital projects:</b>				
Federal capital tuition	\$ 251,155	\$ 38,670	\$ -	\$ 289,825
Hillmond Soil Remediation Capital Loan Revenue	-	4,609	-	4,609
<b>Total capital projects deferred revenue</b>	<b>251,155</b>	<b>43,279</b>	<b>-</b>	<b>294,434</b>
<b>Other deferred revenue:</b>				
Scholarships	138,308	-	898	137,410
Technology Consortium	29,070	-	-	29,070
Playground Fundraising	18,446	20,662	18,446	20,662
Tuition	10,692	-	10,692	-
McDowell Grant	1,549	-	1,549	-
<b>Total other deferred revenue</b>	<b>198,065</b>	<b>20,662</b>	<b>31,585</b>	<b>187,142</b>
<b>Total Deferred Revenue</b>	<b>\$ 449,220</b>	<b>\$ 63,941</b>	<b>\$ 31,585</b>	<b>\$ 481,576</b>

**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 revenue and expenses of the Complementary Services programs operated by the school division in 2014 and 2013:

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2014	2013
<b>Revenue:</b>				
Operating Grants	\$ 880,121	\$ 282,117	\$1,162,238	\$ 991,779
<b>Total Revenue</b>	<b>880,121</b>	<b>282,117</b>	<b>1,162,238</b>	<b>991,779</b>
<b>Expenses:</b>				
Salaries & Benefits	810,116	514,301	1,324,417	1,726,600
Instructional Aids	17,198	71,090	88,287	100,400
Supplies and Services	12,462	11,474	23,935	7,493
Non-Capital Equipment	509	336	845	2,160
Building Operating Expenses	-	1,478	1,478	1,569
Communications	491	60	551	760
Travel	4,680	5,639	10,319	11,946
Professional Development (Non-Salary Costs)	3,954	1,765	5,718	3,324
Student Related Expenses	1,037	29,996	31,033	4,916
Amortization of Tangible Capital Assets	-	7,955	7,955	7,394
<b>Total Expenses</b>	<b>850,446</b>	<b>644,094</b>	<b>1,494,539</b>	<b>1,866,562</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 29,675</b>	<b>\$ (361,977)</b>	<b>\$ (332,301)</b>	<b>\$(874,783)</b>

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

Academic/Activity Coordinators provide noon-hour and after-school activities for students.

Addiction Counsellors provide addiction awareness and ensure that students with drug and alcohol addictions have a support system to help them recover and end their dependencies.

Alternative Education includes a number of approaches to teaching and learning other than mainstream or traditional education.

Behaviour Interventionists provide support to students who experience behavioural and developmental challenges.

Bridging Program provides alternate curriculum to meet specific student needs, while ensuring high-school graduation.

Wellness Coordinators proactively promote healthy choices and general wellness for students and provide support for students who are experiencing difficulties.

Nutritionist Education Assistant provides nutritional snacks and lunches to students.

Project ABLE focuses on Employment Readiness & Resources. This program assists up to 35 participants with significant barriers to self-sufficiency, community inclusion, and employment, prepare for and find employment opportunities.

Transition Program provides instruction to students who experience difficulty in a normal classroom setting.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As at August 31, 2014

Purchase of Academic Supplies required for After-School Programs, Elders, Mentorship, Early Reading Initiative, Physical Education, Music, Wellness, Literacy, and Nutrition.

**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.

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2014 and 2013:

Summary of External Services Revenues and Expenses, by Program	Other Programs	2014	2013
<b>Revenue:</b>			
Operating Grants	\$ 329,305	\$ 329,305	\$ -
<b>Total Revenue</b>	<b>329,305</b>	<b>329,305</b>	<b>-</b>
<b>Expenses:</b>			
Salaries & Benefits	183,175	183,175	-
Supplies and Services	168	168	-
Communications	1,911	1,911	-
Professional Development	82	82	-
Contacted Transportation & Allowances	111,422	111,422	-
Amortization of Tangible Capital Assets	32,547	32,547	-
<b>Total Expenses</b>	<b>329,305</b>	<b>329,305</b>	<b>-</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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 from operations, as approved by the board of education, have been designated for specific future purposes including school generated funds & Preventative Maintenance and Renewal. These internally restricted amounts are included in the accumulated surplus from operations 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.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 53,403,465	\$ 5,102,279	\$ -	\$ 58,505,744
Less: Debt owing on Tangible Capital Assets	1,052,343	2,541,641	210,809	3,383,175
	<b>52,351,122</b>	<b>7,643,920</b>	<b>210,809</b>	<b>55,122,569</b>
<b>PMR maintenance project allocations (1)</b>	<b>510,837</b>	<b>652,101</b>	<b>428,621</b>	<b>734,317</b>
<b>Internally Restricted Surplus:</b>				
<b>Other:</b>				
School generated funds (2)	1,147,759	48,386	-	1,196,145
PreK projects (3)	-	6,089	-	6,089
	<b>1,147,759</b>	<b>54,475</b>	<b>-</b>	<b>1,202,234</b>
<b>Unrestricted Surplus</b>	<b>13,028,488</b>	<b>2,716,402</b>	<b>-</b>	<b>15,744,890</b>
<b>Total Accumulated Surplus (Deficit) from Operations</b>	<b>\$ 67,038,206</b>	<b>\$ 11,066,898</b>	<b>\$ 639,431</b>	<b>\$ 72,804,010</b>

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

- (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) 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 expand 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 cash balances of all school generated funds are included in the Statement of Financial Position.
- (3) PreK funding received within the year to be restricted for future prek projects.

## 15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 13, 2013 and the Minister of Education on August 23, 2013.



**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the school division is related to other non-Government organizations by virtue of its economic interest in these organizations.

**Related Party Transactions:**

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

	2014	2013
<b>Revenues:</b>		
Ministry of Education	\$ 33,680,110	\$ 28,760,377
Ministry of Economy	206,826	-
Ministry of Health	500	-
SGI	160,308	-
Prairie North Reg Health	80,000	-
Councils of Ministers of Ed	21,634	-
	<b>\$ 34,149,378</b>	<b>\$ 28,760,377</b>
<b>Expenses:</b>		
Sask Power	\$ 734,467	\$ 749,304
Sask Tel	162,551	373,366
Sask Energy	393,451	381,885
North West Regional College	49,210	45,314
Sask Workers Compensation Board	119,539	108,905
Turtleford Agencies	117,453	108,535
Min of Finance	49,203	-
Multiworks Corporation	13,880	8,707
Sun West School Division	31,500	14,000
Good Spirit School Division	4,724	8,342
Lloydminster Public School Division	3,000	-
SGI	30,956	-
Saskatoon Public School Division	1,500	-
Living Sky School Division #202	800	-
Prairie South School Division #210	525	-
Other	1,976	23,609
	<b>\$ 1,714,734</b>	<b>\$ 1,821,967</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 2,754,080	\$ 756,995
	<b>\$ 2,754,080</b>	<b>\$ 756,995</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
Sask Tel	\$ 50,236	\$ 1,697
North West Regional College	-	1,175
	<b>\$ 50,236</b>	<b>\$ 2,872</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

In addition, the school division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

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

Other transactions with related parties and amounts due to/from them are described separately in the financial statements or notes thereto.

**17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Significant contractual obligations and commitments of the school division are as follows:

- operating and capital lease obligations, as follows:

	Operating Leases	
	Gymnasium Rentals	Total Operating
<b>Future minimum lease payments:</b>		
2015	\$ 16,377	\$ 16,377
2016	16,377	16,377
2017	16,377	16,377
2018	16,377	16,377
2019	16,377	16,377
Thereafter	16,377	16,377
<b>Total Lease Obligations</b>	<b>\$ 98,262</b>	<b>\$ 98,262</b>

**18. ACCOUNTING CHANGES**

**i) PS 3260 Liability for Contaminated Sites**

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division is:
  - directly responsible; or
  - accepts responsibility;
- the school division expects that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The adoption of the new PS3260 standard has not resulted in any changes to the measurement and recognition of liabilities in the school division's 2014 financial statements.

**ii) Accounting for Inventory of Supplies for Consumption**

During the year, the school division changed its accounting policy with respect to the manner in which it accounts for inventory of supplies for consumption. In prior years, inventory of supplies were expensed as incurred. The school division now accounts for such transactions by capitalizing the cost incurred to acquire these inventories and expense them as they are utilized using the first in first out (FIFO) inventory costing method.

The school division believes the new policy is preferable as it provides a fairer presentation of the operational results and financial position of the school division. This change has been applied prospectively as the effect of the new accounting policy is not reasonably determinable for the cumulative effect of the change or for individual prior periods. Consequently, prior year comparatives have not been restated to reflect this revised accounting policy and comparisons between the current and prior fiscal years may not be meaningful.

The change in the accounting policy has resulted in an increase in inventory of supplies for consumption by \$548,494 (2013 - \$Nil) in the statement of financial position.

**19. COMPARATIVE INFORMATION**

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

**20. RISK MANAGEMENT**

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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; 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 accounts receivable at August 31, 2014 and August 31, 2013 was:

	August 31, 2014			August 31, 2013		
	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances	Accounts Receivable	Allowance of Doubtful Accounts	Net of Allowances
Current	\$ 16,748,264	\$ -	\$ 16,748,264	\$ 15,916,073	\$ -	\$ 15,916,073
30-60 days	2,630	-	2,630	7,722	-	7,722
60-90 days	596,166	-	596,166	380	-	380
Over 90 days	1,977,849	690,000	1,287,849	2,289,583	750,000	1,539,583
<b>Total</b>	<b>\$ 19,324,908</b>	<b>\$ 690,000</b>	<b>\$ 18,634,908</b>	<b>\$ 18,213,758</b>	<b>\$ 750,000</b>	<b>\$ 17,463,758</b>

**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 and monitoring, forecasts, etc.

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

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 4,039,894	\$ -	\$ -	\$ -
Long term debt	-	366,285	1,169,061	1,847,829
<b>Total</b>	<b>\$ 4,039,894</b>	<b>\$ 366,285</b>	<b>\$ 1,169,061</b>	<b>\$ 1,847,829</b>

**Market Risk**

The school division is exposed to market risks with respect to interest rates.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2014**

**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 plus .75 %. 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, 2014 (2013 - \$1,402,242).

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