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## Audited Financial Statements

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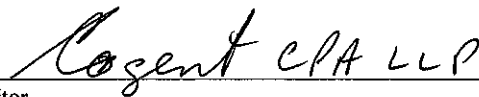
Of the Northwest School Division No. 203

School Division No. 2030500

For the Period Ending: August 31, 2019



\_\_\_\_\_  
Chief Financial Officer



\_\_\_\_\_  
Auditor

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

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## Management's Responsibility for the Financial Statements

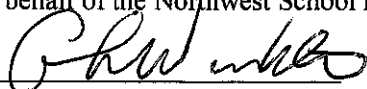
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily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

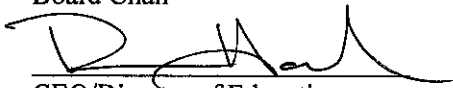
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible 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 26<sup>th</sup>, 2019

# Cogent

CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Northwest School Division #203

### *Opinion*

We have audited the financial statements of Northwest School Division #203 (the Organization), which comprise the statement of financial position as at August 31, 2019, and the statement 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 notes to the financial statements, including a summary of significant accounting policies.

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

### *Basis for Opinion*

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

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

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

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

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

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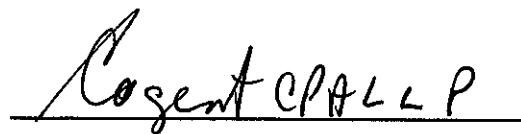
*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

Saskatoon, SK  
November 28, 2019

A handwritten signature in black ink that reads "Rosent CPA LLP". The signature is written in a cursive style and is positioned above a horizontal line.

Chartered Professional Accountants



**Northwest School Division No. 203**  
**Statement of Financial Position**  
**as at August 31, 2019**

	2019	2018
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	8,336,517	11,684,814
Accounts Receivable (Note 7)	2,298,283	2,444,886
Portfolio Investments (Note 3)	179,589	173,219
<b>Total Financial Assets</b>	<b>10,814,389</b>	<b>14,302,919</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 8)	1,603,599	1,551,805
Long-Term Debt (Note 9)	2,777,049	1,979,116
Liability for Employee Future Benefits (Note 5)	901,300	846,400
Deferred Revenue (Note 10)	981,010	886,165
<b>Total Liabilities</b>	<b>6,262,958</b>	<b>5,263,486</b>
<b>Net Financial Assets</b>	<b>4,551,431</b>	<b>9,039,433</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	58,710,014	59,098,005
Inventory of Supplies for Consumption	493,889	494,154
Prepaid Expenses	291,331	323,599
<b>Total Non-Financial Assets</b>	<b>59,495,234</b>	<b>59,915,758</b>
<b>Accumulated Surplus (Note 13)</b>	<b>64,046,665</b>	<b>68,955,191</b>

Contractual Obligations and Commitments (Note 15)

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

Approved by the Board:

  
 \_\_\_\_\_ Chairperson  
  
 \_\_\_\_\_ Chief Financial Officer

**Northwest School Division No. 203**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2019**

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
	\$	\$	\$
<b>REVENUES</b>	(Note 14)		
Property Taxes and Other Related	-	9,456	8,646,081
Grants	54,692,501	53,851,603	44,472,675
Tuition and Related Fees	2,816,760	3,470,434	2,888,719
School Generated Funds	2,319,000	2,063,295	2,260,743
Complementary Services (Note 11)	1,080,204	1,076,371	1,048,933
External Services (Note 12)	416,350	479,682	387,000
Other	90,000	565,827	388,408
<b>Total Revenues (Schedule A)</b>	<b>61,414,815</b>	<b>61,516,668</b>	<b>60,092,559</b>
<b>EXPENSES</b>			
Governance	302,544	328,438	263,582
Administration	2,911,436	2,837,158	2,719,536
Instruction	41,048,396	42,049,911	40,409,944
Plant	10,223,341	10,572,618	8,704,443
Transportation	5,714,897	6,027,832	5,799,832
Tuition and Related Fees	555,816	348,764	589,180
School Generated Funds	2,319,000	1,793,973	2,123,200
Complementary Services (Note 11)	1,744,709	1,725,634	1,800,768
External Services (Note 12)	416,350	641,304	462,260
Other	70,168	99,562	1,737,639
<b>Total Expenses (Schedule B)</b>	<b>65,306,657</b>	<b>66,425,194</b>	<b>64,610,384</b>
<b>Operating Deficit for the Year</b>	<b>(3,891,842)</b>	<b>(4,908,526)</b>	<b>(4,517,825)</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>68,955,191</b>	<b>68,955,191</b>	<b>73,473,016</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>65,063,349</b>	<b>64,046,665</b>	<b>68,955,191</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, 2019**

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
	\$ (Note 14)	\$	\$
<b>Net Financial Assets, Beginning of Year</b>	<b>9,039,433</b>	<b>9,039,433</b>	<b>12,975,364</b>
<b>Changes During the Year</b>			
Operating Deficit for the Year	(3,891,842)	(4,908,526)	(4,517,825)
Acquisition of Tangible Capital Assets (Schedule C)	1,722,000	(4,211,266)	(3,324,198)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	114,375	12,441
Net (Gain)/Loss on Disposal of Capital Assets (Schedule C)	-	(11,413)	58,058
Amortization of Tangible Capital Assets (Schedule C)	4,057,396	4,496,295	3,803,360
Net Acquisition of Inventory of Supplies	-	265	9,946
Net Change in Other Non-Financial Assets	-	32,268	22,287
<b>Change in Net Financial Assets</b>	<b>1,887,554</b>	<b>(4,488,002)</b>	<b>(3,935,931)</b>
<b>Net Financial Assets, End of Year</b>	<b>10,926,987</b>	<b>4,551,431</b>	<b>9,039,433</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, 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Operating Deficit for the Year	(4,908,526)	(4,517,825)
Add Non-Cash Items Included in Deficit (Schedule D)	4,484,882	3,861,418
Net Change in Non-Cash Operating Activities (Schedule E)	380,675	13,912,568
<b>Cash (Used) Provided by Operating Activities</b>	<b>(42,969)</b>	<b>13,256,161</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(4,211,266)	(3,324,198)
Proceeds on Disposal of Tangible Capital Assets	114,375	12,441
<b>Cash Used by Capital Activities</b>	<b>(4,096,891)</b>	<b>(3,311,757)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(6,370)	(4,180)
<b>Cash Used by Investing Activities</b>	<b>(6,370)</b>	<b>(4,180)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(137,665)	(302,125)
Proceeds from Issuance of Long-Term Debt	935,598	-
<b>Cash Provided (Used) by Financing Activities</b>	<b>797,933</b>	<b>(302,125)</b>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,348,297)</b>	<b>9,638,099</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>11,684,814</b>	<b>2,046,715</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>8,336,517</b>	<b>11,684,814</b>

*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, 2019**

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Property Taxes and Other Related Revenue</b>	(Note 14)		
<b>Tax Levy Revenue</b>			
Property Tax Levy Revenue	-	-	8,646,081
<b>Total Property Tax Revenue</b>	-	-	<b>8,646,081</b>
<b>Other Tax Revenues</b>			
Treaty Land Entitlement - Rural	-	9,456	-
<b>Total Other Tax Revenues</b>	-	<b>9,456</b>	-
<b>Total Property Taxes and Other Related Revenue</b>	-	<b>9,456</b>	<b>8,646,081</b>
<b>Grants</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	53,122,802	51,699,259	42,481,892
Other Ministry Grants	-	127,265	102,215
<b>Total Ministry Grants</b>	<b>53,122,802</b>	<b>51,826,524</b>	<b>42,584,107</b>
Other Provincial Grants	40,000	52,891	32,491
Grants from Others	175,000	176,053	164,946
<b>Total Operating Grants</b>	<b>53,337,802</b>	<b>52,055,468</b>	<b>42,781,544</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	1,354,699	1,796,135	1,691,131
<b>Total Capital Grants</b>	<b>1,354,699</b>	<b>1,796,135</b>	<b>1,691,131</b>
<b>Total Grants</b>	<b>54,692,501</b>	<b>53,851,603</b>	<b>44,472,675</b>
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees</b>			
Tuition Fees			
School Boards	-	4,839	-
Federal Government and First Nations	2,666,760	3,377,240	2,812,925
Individuals and Other	20,000	-	-
<b>Total Tuition Fees</b>	<b>2,686,760</b>	<b>3,382,079</b>	<b>2,812,925</b>
Transportation Fees	50,000	88,355	75,794
<b>Total Operating Tuition and Related Fees</b>	<b>2,736,760</b>	<b>3,470,434</b>	<b>2,888,719</b>
<b>Capital Fees</b>			
Federal/First Nations Capital Fees	80,000	-	-
<b>Total Capital Tuition and Fees</b>	<b>80,000</b>	-	-
<b>Total Tuition and Related Fees Revenue</b>	<b>2,816,760</b>	<b>3,470,434</b>	<b>2,888,719</b>

**Northwest School Division No. 203**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2019**

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>School Generated Funds Revenue</b>	(Note 14)		
<b>Curricular</b>			
Student Fees	166,000	153,994	150,889
<b>Total Curricular Fees</b>	<b>166,000</b>	<b>153,994</b>	<b>150,889</b>
<b>Non-Curricular Fees</b>			
Fundraising	1,055,000	981,529	1,093,869
Grants and Partnerships	229,000	293,181	253,550
Students Fees	705,000	500,295	589,256
Other	164,000	134,296	173,179
<b>Total Non-Curricular Fees</b>	<b>2,153,000</b>	<b>1,909,301</b>	<b>2,109,854</b>
<b>Total School Generated Funds Revenue</b>	<b>2,319,000</b>	<b>2,063,295</b>	<b>2,260,743</b>
<b>Complementary Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	843,204	843,298	828,012
Other Provincial Grants	26,000	23,544	23,544
Federal Grants	211,000	209,129	196,877
<b>Total Operating Grants</b>	<b>1,080,204</b>	<b>1,075,971</b>	<b>1,048,433</b>
<b>Fees and Other Revenue</b>			
Other Revenue	-	400	500
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>400</b>	<b>500</b>
<b>Total Complementary Services Revenue</b>	<b>1,080,204</b>	<b>1,076,371</b>	<b>1,048,933</b>
<b>External Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	416,350	416,350	387,000
<b>Total Operating Grants</b>	<b>416,350</b>	<b>416,350</b>	<b>387,000</b>
<b>Fees and Other Revenue</b>			
Other Revenue	-	63,332	-
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>63,332</b>	<b>-</b>
<b>Total External Services Revenue</b>	<b>416,350</b>	<b>479,682</b>	<b>387,000</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	35,000	368,918	261,910
Sales & Rentals	5,000	16,323	20,221
Investments	50,000	139,277	98,577
Gain on Disposal of Capital Assets	-	41,309	7,700
<b>Total Other Revenue</b>	<b>90,000</b>	<b>565,827</b>	<b>388,408</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>61,414,815</b>	<b>61,516,668</b>	<b>60,092,559</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2019**

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
	\$	\$	\$
<b>Governance Expense</b>			
	(Note 14)		
Board Members Expense	107,000	138,572	97,641
Professional Development - Board Members	22,000	33,657	30,753
Grants to School Community Councils	47,328	59,498	43,510
Professional Development - Advisory Committees	-	-	646
Elections	2,000	-	165
Other Governance Expenses	124,216	96,711	90,867
<b>Total Governance Expense</b>	<b>302,544</b>	<b>328,438</b>	<b>263,582</b>
<b>Administration Expense</b>			
Salaries	2,274,251	2,186,911	2,148,051
Benefits	232,521	236,453	215,478
Supplies & Services	99,500	90,837	71,733
Non-Capital Furniture & Equipment	8,000	13,663	9,767
Building Operating Expenses	38,000	40,947	39,296
Communications	32,000	29,203	27,544
Travel	75,000	64,731	58,471
Professional Development	50,000	49,275	41,405
Amortization of Tangible Capital Assets	102,164	125,138	107,791
<b>Total Administration Expense</b>	<b>2,911,436</b>	<b>2,837,158</b>	<b>2,719,536</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	28,720,929	28,793,534	28,676,943
Instructional (Teacher Contract) Benefits	1,373,641	1,453,082	1,410,807
Program Support (Non-Teacher Contract) Salaries	6,012,966	6,125,742	5,732,578
Program Support (Non-Teacher Contract) Benefits	1,058,082	1,103,040	976,537
Instructional Aids	958,000	1,028,790	856,928
Supplies & Services	625,000	919,500	715,985
Non-Capital Furniture & Equipment	780,000	518,978	615,123
Communications	121,000	69,837	82,195
Travel	190,000	219,670	192,809
Professional Development	361,000	261,006	241,101
Student Related Expense	206,000	197,211	196,345
Amortization of Tangible Capital Assets	641,778	1,359,521	712,593
<b>Total Instruction Expense</b>	<b>41,048,396</b>	<b>42,049,911</b>	<b>40,409,944</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2019**

	<b>2019 Budget</b>	<b>2019 Actual</b>	<b>2018 Actual</b>
	\$	\$	\$
<b>Plant Operation &amp; Maintenance Expense</b>	<b>(Note 14)</b>		
Salaries	2,074,979	2,102,248	2,010,658
Benefits	557,629	516,855	579,229
Supplies & Services	37,800	25,462	27,263
Non-Capital Furniture & Equipment	34,500	43,874	17,254
Building Operating Expenses	5,273,500	5,720,566	3,880,287
Communications	12,500	10,535	12,336
Travel	107,000	133,560	116,685
Professional Development	15,000	1,744	8,277
Amortization of Tangible Capital Assets	2,110,433	2,017,774	2,052,454
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>10,223,341</b>	<b>10,572,618</b>	<b>8,704,443</b>
<b>Student Transportation Expense</b>			
Salaries	2,646,074	2,662,701	2,639,054
Benefits	489,328	533,362	480,200
Supplies & Services	794,000	868,943	869,678
Non-Capital Furniture & Equipment	454,000	845,540	773,798
Building Operating Expenses	30,000	32,220	39,123
Communications	37,000	31,095	34,083
Travel	55,000	37,040	35,572
Professional Development	20,000	16,603	13,820
Contracted Transportation	85,000	101,520	79,036
Amortization of Tangible Capital Assets	1,104,495	898,808	835,468
<b>Total Student Transportation Expense</b>	<b>5,714,897</b>	<b>6,027,832</b>	<b>5,799,832</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	555,816	348,764	589,180
<b>Total Tuition and Related Fees Expense</b>	<b>555,816</b>	<b>348,764</b>	<b>589,180</b>
<b>School Generated Funds Expense</b>			
Academic Supplies & Services	162,000	116,014	110,229
Cost of Sales	861,000	772,399	967,089
Non-Capital Furniture & Equipment	31,000	71,620	12,215
School Fund Expenses	1,265,000	833,940	1,033,667
<b>Total School Generated Funds Expense</b>	<b>2,319,000</b>	<b>1,793,973</b>	<b>2,123,200</b>

**Northwest School Division No. 203**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2019**

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
<b>Complementary Services Expense</b>	<b>(Note 14)</b>		
Instructional (Teacher Contract) Salaries & Benefits	572,613	559,105	573,845
Program Support (Non-Teacher Contract) Salaries & Benefits	815,411	763,832	850,767
Transportation Salaries & Benefits	120,587	119,383	120,610
Instructional Aids	110,000	113,019	112,119
Supplies & Services	27,500	31,213	26,908
Non-Capital Furniture & Equipment	1,000	15,569	4,593
Building Operating Expenses	-	16,825	16,825
Communications	2,000	2,855	3,137
Travel	12,000	9,368	9,309
Professional Development (Non-Salary Costs)	6,000	15,908	8,079
Student Related Expenses	52,000	55,266	51,285
Amortization of Tangible Capital Assets	25,598	23,291	23,291
<b>Total Complementary Services Expense</b>	<b>1,744,709</b>	<b>1,725,634</b>	<b>1,800,768</b>
<b>External Service Expense</b>			
Grant Transfers	-	9,694	-
Administration Salaries & Benefits	-	12,000	-
Instructional (Teacher Contract) Salaries & Benefits	-	36,000	-
Transportation Salaries & Benefits	247,322	262,207	243,177
Supplies & Services	66,500	100,050	89,357
Non-Capital Furniture & Equipment	25,000	134,878	54,422
Building Operating Expenses	-	1,016	-
Communications	3,600	2,813	2,871
Travel	-	7,502	(4)
Professional Development (Non-Salary Costs)	1,000	2,694	674
Student Related Expenses	-	687	-
Amortization of Tangible Capital Assets	72,928	71,763	71,763
<b>Total External Services Expense</b>	<b>416,350</b>	<b>641,304</b>	<b>462,260</b>
<b>Other Expense</b>			
<b>Interest and Bank Charges</b>			
Current Interest and Bank Charges	1,000	423	580
Interest on Capital Loans	69,168	69,243	75,732
<b>Total Interest and Bank Charges</b>	<b>70,168</b>	<b>69,666</b>	<b>76,312</b>
Transfer of Taxes Receivable	-	-	2,209,291
Loss on Disposal of Tangible Capital Assets	-	29,896	65,758
Provision for Uncollectable Accounts	-	-	(613,722)
<b>Total Other Expense</b>	<b>70,168</b>	<b>99,562</b>	<b>1,737,639</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>65,306,657</b>	<b>66,425,194</b>	<b>64,610,384</b>

**Northwest School Division No. 203**

**Schedule C - Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2019**

	Land		Buildings	School	Other	Furniture and	Computer Hardware and	Computer	Assets			
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	Under Construction	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Tangible Capital Assets - at Cost</b>												
Opening Balance as of September 1	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
Additions/Purchases	-	312,855	-	9,321	1,199,025	257,484	297,628	2,283,009	-	(148,056)	4,211,266	3,324,198
Disposals	(6,534)	-	-	-	(840,725)	(64,419)	-	-	-	-	(911,678)	(1,355,766)
<b>Closing Balance as of August 31</b>	<b>1,280,532</b>	<b>2,593,240</b>	<b>94,505,953</b>	<b>1,427,878</b>	<b>12,443,737</b>	<b>1,560,781</b>	<b>4,373,698</b>	<b>3,706,092</b>	<b>685,991</b>	<b>86,481</b>	<b>122,664,383</b>	<b>119,364,795</b>
<b>Tangible Capital Assets - Amortization</b>												
Opening Balance as of September 1	-	1,450,134	47,798,064	484,944	6,921,705	1,014,661	1,393,509	987,738	216,035	-	60,266,790	57,748,697
Amortization of the Period	-	85,204	1,854,075	56,081	957,020	174,528	479,469	764,142	125,776	-	4,496,295	3,803,360
Disposals	-	-	-	-	(744,297)	(64,419)	-	-	-	-	(808,716)	(1,285,267)
<b>Closing Balance as of August 31</b>	<b>-</b>	<b>1,535,338</b>	<b>49,652,139</b>	<b>541,025</b>	<b>7,134,428</b>	<b>1,124,770</b>	<b>1,872,978</b>	<b>1,751,880</b>	<b>341,811</b>	<b>-</b>	<b>63,954,369</b>	<b>60,266,790</b>
<b>Net Book Value</b>												
Opening Balance as of September 1	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
Closing Balance as of August 31	1,280,532	1,057,902	44,853,814	886,853	5,309,309	436,011	2,500,720	1,954,212	344,180	86,481	58,710,014	59,098,005
<b>Change in Net Book Value</b>	<b>(6,534)</b>	<b>227,651</b>	<b>(1,854,075)</b>	<b>(46,760)</b>	<b>145,577</b>	<b>82,956</b>	<b>(181,841)</b>	<b>1,518,867</b>	<b>(125,776)</b>	<b>(148,056)</b>	<b>(387,991)</b>	<b>(549,661)</b>
<b>Disposals</b>												
Historical Cost	6,534	-	-	-	840,725	64,419	-	-	-	-	911,678	1,355,766
Accumulated Amortization	-	-	-	-	744,297	64,419	-	-	-	-	808,716	1,285,267
<b>Net Cost</b>	<b>6,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,962</b>	<b>70,499</b>
Price of Sale	2,000	-	-	-	85,975	26,400	-	-	-	-	114,375	12,441
<b>Gain/(Loss) on Disposal</b>	<b>(4,534)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,453)</b>	<b>26,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,413</b>	<b>(58,058)</b>

**Northwest School Division No. 203**  
**Schedule D: Non-Cash Items Included in Deficit**  
**for the year ended August 31, 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Non-Cash Items Included in Deficit</b>		
Amortization of Tangible Capital Assets (Schedule C)	4,496,295	3,803,360
Net (Gain)/Loss on Disposal of Tangible Capital Assets (Schedule C)	(11,413)	58,058
<b>Total Non-Cash Items Included in Deficit</b>	<b>4,484,882</b>	<b>3,861,418</b>

**Northwest School Division No. 203**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2019**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Net Change in Non-Cash Operating Activities</b>		
Decrease in Accounts Receivable	146,603	13,721,395
Increase in Accounts Payable and Accrued Liabilities	51,794	71,520
Increase in Liability for Employee Future Benefits	54,900	27,000
Increase in Deferred Revenue	94,845	60,420
Decrease in Inventory of Supplies for Consumption	265	9,946
Decrease in Prepaid Expenses	32,268	22,287
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>380,675</b>	<b>13,912,568</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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## **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) 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 \$ 901,300 (2018 - \$ 846,400) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related amortization of \$ 4,496,295 (2018 - \$ 3,803,360) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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

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



**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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**c) Financial Instruments**

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

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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

Remeasurement Gains and Losses have not been recognized by the school division in a statement of remeasurement gains and losses because it does not have any financial instruments that give rise to material gains or losses.

**d) Financial Assets**

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

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

**Accounts Receivable** includes provincial grants receivable and other receivables. Provincial grants receivable represents capital grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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**Portfolio Investments** consist of Guaranteed Investment Certificates 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 (c).

**e) Non-Financial Assets**

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

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

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

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

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

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

**Inventory of Supplies for Consumption** consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

**Prepaid Expenses** are prepaid amounts for goods 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, 2019**

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**f) Liabilities**

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

**Accounts Payable and Accrued Liabilities** include accounts payable and accrued liabilities owing to third parties and employees for work performed, goods supplied and services rendered, but not yet paid, at the end of the fiscal period.

**Long-Term Debt** is comprised of capital 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.

**g) Employee Pension Plans**

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

**Multi-Employer Defined Benefit Plans**

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

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

**h) Revenue Recognition**

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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

**i) Government Transfers (Grants)**

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

**ii) Property Taxation**

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

Prior to January 1, 2018, the school division levied and collected property tax on a calendar year basis. Uniform education property tax mill rates were set by the Government of Saskatchewan. Tax revenues were recognized on the basis of time with 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the school division's fiscal year. Tax revenue for September to December 2017 was based on actual amounts reported by the municipalities for the calendar taxation year.

**iii) Fees and Services**

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

**iv) Interest Income**

Interest is recognized as revenue when it is earned.

**v) Other (Non-Government Transfer) Contributions**

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

**k) Accounting Standards Not Yet in Effect**

Two new standard have not been applied in preparing these financial statements. The following standards will become effective as follows:

*PS 3280 Asset Retirement Obligations (effective July 1, 2021)*, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset.

*PS 3400 Revenue (effective July 1, 2022)*, a new standard establishing guidance on how to account for and report on revenue. Specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

**3. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2019	2018
<b>Portfolio investments in the cost or amortized cost category:</b>	<u>Cost</u>	<u>Cost</u>
GICs - A Craig - RBC 5 in 1 GIC - composed of 5 GICs with interest rates varying from 1.50 - 2.20%, maturities varying from February 2020 - 2024	\$ 85,250	\$ 85,250
Co-op Equity	94,339	87,969
<b>Total portfolio investments reported at cost or amortized cost</b>	<b>\$ 179,589</b>	<b>\$ 173,219</b>

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

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2019 Actual	2018 Actual
Governance	\$ 138,572	\$ 189,866	\$ -	\$ -	\$ 328,438	\$ 263,582
Administration	2,423,364	288,656	-	125,138	2,837,158	2,719,536
Instruction	37,475,398	3,214,992	-	1,359,521	42,049,911	40,409,944
Plant	2,619,103	5,935,741	-	2,017,774	10,572,618	8,704,443
Transportation	3,196,063	1,932,961	-	898,808	6,027,832	5,799,832
Tuition and Related Fees	-	348,764	-	-	348,764	589,180
School Generated Funds	-	1,793,973	-	-	1,793,973	2,123,200
Complementary Services	1,442,320	260,023	-	23,291	1,725,634	1,800,768
External Services	310,207	259,334	-	71,763	641,304	462,260
Other	-	29,896	69,666	-	99,562	1,737,639
<b>TOTAL</b>	<b>\$47,605,027</b>	<b>\$14,254,206</b>	<b>\$ 69,666</b>	<b>\$ 4,496,295</b>	<b>\$ 66,425,194</b>	<b>\$64,610,384</b>

**5. EMPLOYEE FUTURE BENEFITS**

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave and

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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, 2019.

Details of the employee future benefits are as follows:

	<b>2019</b>	<b>2018</b>
Long-term assumptions used:		
Discount rate at end of period	1.93%	3.00%
Inflation and productivity rate (excluding merit and promotion) - Teachers	2.50%	2.50%
Inflation and productivity rate (excluding merit and promotion) - Non-Teachers	3.00%	3.00%
Expected average remaining service life (years)	14	14

<b>Liability for Employee Future Benefits</b>	<b>2019</b>	<b>2018</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 952,200</b>	<b>\$ 1,107,300</b>
Current period service cost	76,200	92,200
Interest cost	29,600	31,300
Benefit payments	(69,900)	(126,400)
Actuarial (gains) losses	118,400	(152,200)
<b>Accrued Benefit Obligation - end of year</b>	<b>1,106,500</b>	<b>952,200</b>
Unamortized Net Actuarial Losses	(205,200)	(105,800)
<b>Liability for Employee Future Benefits</b>	<b>\$ 901,300</b>	<b>\$ 846,400</b>

<b>Employee Future Benefits Expense</b>	<b>2019</b>	<b>2018</b>
Current period service cost	\$ 76,200	\$ 92,200
Amortization of net actuarial loss	19,000	29,900
<b>Benefit cost</b>	<b>95,200</b>	<b>122,100</b>
Interest cost	29,600	31,300
<b>Total Employee Future Benefits Expense</b>	<b>\$ 124,800</b>	<b>\$ 153,400</b>

## 6. PENSION PLANS

### Multi-Employer Defined Benefit Plans

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

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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

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

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

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

	2019			2018
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	421	5	426	428
Member contribution rate (percentage of salary)	9.50% / 11.70 %	6.05% / 7.85%	9.50% / 11.70 %	6.05% / 13.50%
Member contributions for the year	\$ 2,988,751	\$ 8,367	\$ 2,997,118	\$ 3,496,673

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

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

	<u>2019</u>	<u>2018</u>
Number of active School Division members	422	412
Member contribution rate (percentage of salary)	9.00%	8.15%
School Division contribution rate (percentage of salary)	9.00%	8.15%
Member contributions for the year	\$ 1,099,662	\$ 970,183
School Division contributions for the year	\$ 1,099,662	\$ 970,183
Actuarial extrapolation date	<u>Dec/31/2018</u>	<u>Dec/31/2017</u>
Plan Assets (in thousands)	\$ 2,487,505	\$ 2,469,995
Plan Liabilities (in thousands)	\$ 2,024,269	\$ 2,015,818
Plan Surplus (in thousands)	\$ 463,236	\$ 454,177

## 7. ACCOUNTS RECEIVABLE

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

	<u>2019</u>			<u>2018</u>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	\$ -	\$ -	\$ -	\$ 800,000	\$ -	\$ 800,000
First Nation Tuition Receivable	1,997,169	-	1,997,169	1,383,336	-	1,383,336
Other Receivables	301,114	-	301,114	261,550	-	261,550
<b>Total Accounts Receivable</b>	<b>\$ 2,298,283</b>	<b>\$ -</b>	<b>\$ 2,298,283</b>	<b>\$ 2,444,886</b>	<b>\$ -</b>	<b>\$ 2,444,886</b>

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	<u>2019</u>	<u>2018</u>
Accrued Salaries and Benefits	\$ 167,248	\$ 176,659
Supplier Payments	1,418,070	1,356,865
Accrued Audit Fees	18,281	18,281
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 1,603,599</b>	<b>\$ 1,551,805</b>



**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

**9. LONG-TERM DEBT**

Details of long-term debt are as follows:

		2019	2018
Capital Loan (1):	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
Capital Loan (2):	Innovation Credit Union Date of Maturity: July 31, 2024 Interest Rate: 3.63% Term: 120 Months Repayable in Monthly Blended Payments of \$13,398	1,841,451	1,933,572
Capital Loan (3):	Dell Financial Services Canada Date of Maturity: June 30, 2021 Term: 36 Months Repayable in Annual Payments of \$467,799	935,598	-
<b>Total Long-Term Debt</b>		<b>\$ 2,777,049</b>	<b>\$ 1,979,116</b>

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

	Capital Loans	Total
2020	\$ 563,257	\$ 563,257
2021	566,903	566,903
2022	102,703	102,703
2023	106,500	106,500
2024	110,375	110,375
Thereafter	1,327,311	1,327,311
<b>Total</b>	<b>\$ 2,777,049</b>	<b>\$ 2,777,049</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As at August 31, 2019

Principal and interest payments on the long-term debt are as follows:				
	Capital Loans		2019	2018
Principal	\$	137,665	\$ 137,665	\$ 302,125
Interest		69,243	69,243	75,732
<b>Total</b>	<b>\$</b>	<b>206,908</b>	<b>\$ 206,908</b>	<b>\$ 377,857</b>

## 10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2018	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2019
<b>Capital projects:</b>				
Federal capital tuition	\$ 651,096	\$ 11,542	\$ -	\$ 662,638
Track & Infield	-	73,478	-	73,478
Hillmond Soil Remediation Capital Loan Revenue	4,609	-	-	4,609
<b>Total capital projects deferred revenue</b>	<b>655,705</b>	<b>85,020</b>	<b>-</b>	<b>740,725</b>
<b>Non-Capital deferred revenue:</b>				
Scholarships	206,952	82,983	76,877	213,058
Playground Fundraising	23,508	24,314	20,595	27,227
<b>Total non-capital deferred revenue</b>	<b>230,460</b>	<b>107,297</b>	<b>97,472</b>	<b>240,285</b>
<b>Total Deferred Revenue</b>	<b>\$ 886,165</b>	<b>\$ 192,317</b>	<b>\$ 97,472</b>	<b>\$ 981,010</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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**11. COMPLEMENTARY SERVICES**

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the school division's ability to successfully deliver its K-12 curriculum/learning programs.

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2019	2018
<b>Revenues:</b>				
Operating Grants	\$ 843,298	\$ 232,673	\$ 1,075,971	\$ 1,048,433
Fees and Other Revenues	-	400	400	500
<b>Total Revenues</b>	<b>843,298</b>	<b>233,073</b>	<b>1,076,371</b>	<b>1,048,933</b>
<b>Expenses:</b>				
Salaries & Benefits	1,063,757	378,563	1,442,320	1,545,222
Instructional Aids	24,923	88,096	113,019	112,119
Supplies and Services	12,998	18,215	31,213	26,908
Non-Capital Equipment	12,462	3,107	15,569	4,593
Building Operating Expenses	-	16,825	16,825	16,825
Communications	2,042	813	2,855	3,137
Travel	4,631	4,737	9,368	9,309
Professional Development (Non-Salary Costs)	3,539	12,369	15,908	8,079
Student Related Expenses	6,717	48,549	55,266	51,285
Amortization of Tangible Capital Assets	23,291	-	23,291	23,291
<b>Total Expenses</b>	<b>1,154,360</b>	<b>571,274</b>	<b>1,725,634</b>	<b>1,800,768</b>
<b>Deficiency of Revenues over Expenses</b>	<b>\$ (311,062)</b>	<b>\$ (338,201)</b>	<b>\$ (649,263)</b>	<b>\$ (751,835)</b>

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

## 12. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Following Their Voices	Student Transportation	2019	2018
<b>Revenues:</b>				
Operating Grants	\$ -	\$ 416,350	\$ 416,350	\$ 387,000
Fees and Other Revenues	63,332	-	63,332	-
<b>Total Revenues</b>	<b>63,332</b>	<b>416,350</b>	<b>479,682</b>	<b>387,000</b>
<b>Expenses:</b>				
Grant Transfers	-	9,694	9,694	-
Salaries & Benefits	52,043	258,164	310,207	243,177
Supplies and Services	-	100,050	100,050	89,357
Non-Capital Equipment	-	134,878	134,878	54,422
Building Operating Expenses	-	1,016	1,016	-
Communications	-	2,813	2,813	2,871
Travel	7,365	137	7,502	(4)
Professional Development	2,694	-	2,694	674
Student Related Expenses	687	-	687	-
Amortization of Tangible Capital Assets	-	71,763	71,763	71,763
<b>Total Expenses</b>	<b>62,789</b>	<b>578,515</b>	<b>641,304</b>	<b>462,260</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>\$ 543</b>	<b>\$ (162,165)</b>	<b>\$ (161,622)</b>	<b>\$ (75,260)</b>

## 13. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the school division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the school division including school generated funds.

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes. These internally restricted amounts, or designated assets, are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for designated assets.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

Details of accumulated surplus are as follows:

	August 31 2018	Additions during the year	Reductions during the year	August 31 2019
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 59,098,005	\$ 4,211,266	\$ 4,599,257	\$ 58,710,014
Less: Debt owing on Tangible Capital Assets	(1,979,116)	(935,598)	(137,665)	(2,777,049)
	<b>57,118,889</b>	<b>3,275,668</b>	<b>4,461,592</b>	<b>55,932,965</b>
<b>PMR maintenance project allocations (1)</b>	<b>1,797,882</b>	<b>1,549,428</b>	<b>1,337,396</b>	<b>2,009,914</b>
<b>Designated Assets:</b>				
<b>Other:</b>				
School generated funds	528,408	181,671	-	710,079
First Nation & Metis Program	10,243	-	10,243	-
MeadowLake Tribal Council - Aboriginal Resources	4,670	-	-	4,670
	<b>543,321</b>	<b>181,671</b>	<b>10,243</b>	<b>714,749</b>
<b>Unrestricted Surplus</b>	<b>9,495,099</b>	<b>-</b>	<b>4,106,062</b>	<b>5,389,037</b>
<b>Total Accumulated Surplus</b>	<b>\$ 68,955,191</b>	<b>\$ 5,006,767</b>	<b>\$ 9,915,293</b>	<b>\$ 64,046,665</b>

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

#### 14. BUDGET FIGURES

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

#### 15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

	Operating Leases		
	Gymnasium/ Parking Rental	Shop Rental	Total Operating
<b>Future minimum lease payments:</b>			
2020	\$ 36,858	\$ 26,761	\$ 63,619
2021	36,858	-	36,858
2022	36,858	-	36,858
2023	36,858	-	36,858
2024	36,858	-	36,858
Thereafter	36,858	-	36,858
<b>Total Lease Obligations</b>	<b>\$ 221,148</b>	<b>\$ 26,761</b>	<b>\$ 247,909</b>

## 16. RISK MANAGEMENT

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

### 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.

The aging of other accounts receivable as at August 31, 2019 was:

	August 31, 2019				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
First Nation Tuition Receivables	\$ 1,997,169	\$ -	\$ -	\$ -	\$ 1,997,169
Other Receivables	111,552	106,499	-	-	5,053
<b>Net Receivables</b>	<b>\$ 2,108,721</b>	<b>\$ 106,499</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,002,222</b>

Receivable amounts related to GST are not applicable to credit risk, as these do not meet the definition of a financial instrument.

**NORTHWEST SCHOOL DIVISION NO. 203**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2019**

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**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, 2019				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,603,599	\$ 1,603,599	\$ -	\$ -	\$ -
Long-term debt	2,777,049	-	563,257	886,481	1,327,311
<b>Total</b>	<b>\$ 4,380,648</b>	<b>\$ 1,603,599</b>	<b>\$ 563,257</b>	<b>\$ 886,481</b>	<b>\$ 1,327,311</b>

**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 \$ 5,100,000 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, 2019.

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt