

[REDACTED]

Audited Financial Statements

[REDACTED]

Of the Northwest School Division No. 203

School Division No. 2030500

For the Period Ending: August 31, 2020

C. McClelland

Chief Financial Officer

Grant Thornton LLP

Auditor

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

[REDACTED]

Management's Responsibility for the Financial Statements

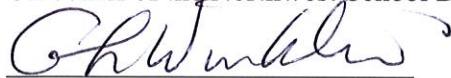
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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, Grant Thornton 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 26th, 2020

Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2020

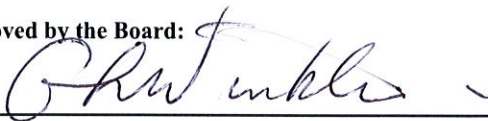
... page 1

	2020	2019
	\$	\$
Financial Assets		
Cash and Cash Equivalents	6,952,535	8,336,517
Accounts Receivable (Note 7)	3,121,451	2,298,283
Portfolio Investments (Note 3)	182,361	179,589
Total Financial Assets	10,256,347	10,814,389
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	1,005,500	1,603,599
Long-Term Debt (Note 9)	2,481,005	2,777,049
Liability for Employee Future Benefits (Note 5)	950,900	901,300
Deferred Revenue (Note 10)	926,942	981,010
Total Liabilities	5,364,347	6,262,958
Net Financial Assets	4,892,000	4,551,431
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	57,148,155	58,710,014
Inventory of Supplies for Consumption	528,544	493,889
Prepaid Expenses	242,418	291,331
Total Non-Financial Assets	57,919,117	59,495,234
Total Accumulated Surplus (Note 13)	62,811,117	64,046,665

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, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
REVENUES	(Note 14)		
Property Taxes and Other Related	-	1,394	9,456
Grants	55,429,252	55,262,062	53,851,603
Tuition and Related Fees	2,688,960	3,265,416	3,470,434
School Generated Funds	2,318,000	1,356,151	2,063,295
Complementary Services (Note 11)	1,088,607	1,025,042	1,076,371
External Services (Note 12)	424,443	532,973	479,682
Other	115,000	453,348	565,827
Total Revenues (Schedule A)	62,064,262	61,896,386	61,516,668
EXPENSES			
Governance	314,568	240,387	328,438
Administration	2,930,432	2,867,231	2,837,158
Instruction	41,236,101	40,978,395	42,049,911
Plant	10,552,977	9,605,052	10,572,618
Transportation	5,771,005	5,500,160	6,027,832
Tuition and Related Fees	686,500	547,189	348,764
School Generated Funds	2,318,000	1,219,371	1,793,973
Complementary Services (Note 11)	1,711,750	1,594,715	1,725,634
External Services (Note 12)	424,443	511,892	641,304
Other	66,286	67,542	99,562
Total Expenses (Schedule B)	66,012,062	63,131,934	66,425,194
Operating Deficit for the Year	(3,947,800)	(1,235,548)	(4,908,526)
Accumulated Surplus from Operations, Beginning of Year	64,046,665	64,046,665	68,955,191
Accumulated Surplus from Operations, End of Year	60,098,865	62,811,117	64,046,665

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

Northwest School Division No. 203
Statement of Changes in Net Financial Assets (Net Debt)
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$ (Note 14)	\$	\$
Net Financial Assets, Beginning of Year	4,551,431	4,551,431	9,039,433
Changes During the Year			
Operating Deficit for the Year	(3,947,800)	(1,235,548)	(4,908,526)
Acquisition of Tangible Capital Assets (Schedule C)	(2,100,500)	(2,893,969)	(4,211,266)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	19,350	114,375
Net Gain on Disposal of Capital Assets (Schedule C)	-	(19,350)	(11,413)
Amortization of Tangible Capital Assets (Schedule C)	4,410,277	4,455,828	4,496,295
Net Acquisition of Inventory of Supplies	-	(34,655)	265
Net Change in Other Non-Financial Assets	-	48,913	32,268
Change in Net Financial Assets	(1,638,023)	340,569	(4,488,002)
Net Financial Assets, End of Year	2,913,408	4,892,000	4,551,431

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

Northwest School Division No. 203

... page 4

**Statement of Cash Flows
for the year ended August 31, 2020**

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Operating Deficit for the Year	(1,235,548)	(4,908,526)
Add Non-Cash Items Included in Deficit (Schedule D)	4,436,478	4,484,882
Net Change in Non-Cash Operating Activities (Schedule E)	(1,411,477)	380,675
Cash Provided (Used) by Operating Activities	1,789,453	(42,969)
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(2,893,969)	(4,211,266)
Proceeds on Disposal of Tangible Capital Assets	19,350	114,375
Cash Used by Capital Activities	(2,874,619)	(4,096,891)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(2,772)	(6,370)
Cash Used by Investing Activities	(2,772)	(6,370)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	267,213	935,598
Repayment of Long-Term Debt	(563,257)	(137,665)
Cash Provided (Used) by Financing Activities	(296,044)	797,933
DECREASE IN CASH AND CASH EQUIVALENTS	(1,383,982)	(3,348,297)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,336,517	11,684,814
CASH AND CASH EQUIVALENTS, END OF YEAR	6,952,535	8,336,517

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, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Property Taxes and Other Related Revenue			
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	1,394	9,456
Total Other Tax Revenues	-	1,394	9,456
Total Property Taxes and Other Related Revenue	-	1,394	9,456
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	53,664,824	51,686,354	51,699,259
Other Ministry Grants	1,549,428	3,325,325	127,265
Total Ministry Grants	55,214,252	55,011,679	51,826,524
Other Provincial Grants	40,000	87,240	52,891
Grants from Others	175,000	163,143	176,053
Total Operating Grants	55,429,252	55,262,062	52,055,468
Capital Grants			
Ministry of Education Capital Grants	-	-	1,796,135
Total Capital Grants	-	-	1,796,135
Total Grants	55,429,252	55,262,062	53,851,603
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
School Boards	-	-	4,839
Federal Government and First Nations	2,613,960	3,178,810	3,377,240
Total Tuition Fees	2,613,960	3,178,810	3,382,079
Transportation Fees	75,000	86,606	88,355
Total Operating Tuition and Related Fees	2,688,960	3,265,416	3,470,434
Total Tuition and Related Fees Revenue	2,688,960	3,265,416	3,470,434
School Generated Funds Revenue			
Curricular			
Student Fees	163,000	152,996	153,994
Total Curricular Fees	163,000	152,996	153,994
Non-Curricular Fees			
Fundraising	1,100,000	649,283	981,529
Grants and Partnerships	250,000	189,590	293,181
Students Fees	635,000	267,470	500,295
Other	170,000	96,812	134,296
Total Non-Curricular Fees	2,155,000	1,203,155	1,909,301
Total School Generated Funds Revenue	2,318,000	1,356,151	2,063,295
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	851,607	851,607	843,298
Other Ministry Grants	-	400	-
Other Provincial Grants	26,000	23,727	23,544
Federal Grants	211,000	149,308	209,129
Total Operating Grants	1,088,607	1,025,042	1,075,971
Fees and Other Revenue			
Other Revenue	-	-	400
Total Fees and Other Revenue	-	-	400
Total Complementary Services Revenue	1,088,607	1,025,042	1,076,371

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
External Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	424,443	424,440	416,350
Total Operating Grants	424,443	424,440	416,350
Fees and Other Revenue			
Other Revenue	-	108,533	63,332
Total Fees and Other Revenue	-	108,533	63,332
Total External Services Revenue	424,443	532,973	479,682
Other Revenue			
Miscellaneous Revenue	35,000	325,680	368,918
Sales & Rentals	5,000	10,326	16,323
Investments	75,000	97,992	139,277
Gain on Disposal of Capital Assets	-	19,350	41,309
Total Other Revenue	115,000	453,348	565,827
TOTAL REVENUE FOR THE YEAR	62,064,262	61,896,386	61,516,668

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	133,000	108,066	138,572
Professional Development - Board Members	27,500	13,313	33,657
Grants to School Community Councils	47,568	34,797	59,498
Elections	2,000	500	-
Other Governance Expenses	104,500	83,711	96,711
Total Governance Expense	314,568	240,387	328,438
Administration Expense			
Salaries	2,249,482	2,177,197	2,186,911
Benefits	245,261	243,264	236,453
Supplies & Services	104,000	138,832	90,837
Non-Capital Furniture & Equipment	8,000	9,231	13,663
Building Operating Expenses	38,100	57,830	40,947
Communications	25,000	30,501	29,203
Travel	55,000	52,317	64,731
Professional Development	50,000	35,535	49,275
Amortization of Tangible Capital Assets	155,589	122,524	125,138
Total Administration Expense	2,930,432	2,867,231	2,837,158
Instruction Expense			
Instructional (Teacher Contract) Salaries	28,883,458	28,576,182	28,793,534
Instructional (Teacher Contract) Benefits	1,416,154	1,481,024	1,453,082
Program Support (Non-Teacher Contract) Salaries	6,273,431	5,887,104	6,125,742
Program Support (Non-Teacher Contract) Benefits	1,138,855	1,121,801	1,103,040
Instructional Aids	909,000	809,148	1,028,790
Supplies & Services	625,000	963,469	919,500
Non-Capital Furniture & Equipment	181,000	230,695	518,978
Communications	121,000	75,499	69,837
Travel	190,000	144,571	219,670
Professional Development	361,000	185,697	261,006
Student Related Expense	206,000	139,300	197,211
Amortization of Tangible Capital Assets	931,203	1,363,905	1,359,521
Total Instruction Expense	41,236,101	40,978,395	42,049,911

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	2,142,641	2,159,263	2,102,248
Benefits	578,947	568,353	516,855
Supplies & Services	38,300	33,332	25,462
Non-Capital Furniture & Equipment	36,500	40,153	43,874
Building Operating Expenses	5,561,000	4,631,360	5,720,566
Communications	10,500	12,113	10,535
Travel	105,000	143,474	133,560
Professional Development	15,000	14,358	1,744
Amortization of Tangible Capital Assets	2,065,089	2,002,646	2,017,774
Total Plant Operation & Maintenance Expense	10,552,977	9,605,052	10,572,618
Student Transportation Expense			
Salaries	2,600,617	2,677,666	2,662,701
Benefits	485,628	512,322	533,362
Supplies & Services	794,000	699,209	868,943
Non-Capital Furniture & Equipment	504,000	561,068	845,540
Building Operating Expenses	32,400	32,144	32,220
Communications	33,000	33,822	31,095
Travel	55,000	25,408	37,040
Professional Development	20,000	2,648	16,603
Contracted Transportation	88,000	83,663	101,520
Amortization of Tangible Capital Assets	1,158,360	872,210	898,808
Total Student Transportation Expense	5,771,005	5,500,160	6,027,832
Tuition and Related Fees Expense			
Tuition Fees	686,500	547,189	348,764
Total Tuition and Related Fees Expense	686,500	547,189	348,764
School Generated Funds Expense			
Academic Supplies & Services	162,000	103,422	116,014
Cost of Sales	950,000	556,356	772,399
Non-Capital Furniture & Equipment	24,000	1,897	71,620
School Fund Expenses	1,182,000	557,696	833,940
Total School Generated Funds Expense	2,318,000	1,219,371	1,793,973

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	584,789	569,943	559,105
Program Support (Non-Teacher Contract) Salaries & Benefits	761,932	706,947	763,832
Transportation Salaries & Benefits	123,756	122,727	119,383
Instructional Aids	110,000	64,303	113,019
Supplies & Services	27,500	18,518	31,213
Non-Capital Furniture & Equipment	3,000	10,962	15,569
Building Operating Expenses	-	25,969	16,825
Communications	2,500	3,327	2,855
Travel	12,000	7,171	9,368
Professional Development (Non-Salary Costs)	6,000	3,298	15,908
Student Related Expenses	52,000	38,770	55,266
Amortization of Tangible Capital Assets	28,273	22,780	23,291
Total Complementary Services Expense	1,711,750	1,594,715	1,725,634
External Service Expense			
Grant Transfers	-	-	9,694
Administration Salaries & Benefits	-	33,332	12,000
Instructional (Teacher Contract) Salaries & Benefits	-	66,668	36,000
Transportation Salaries & Benefits	256,180	220,033	262,207
Instructional Aids	-	554	-
Supplies & Services	66,500	56,834	100,050
Non-Capital Furniture & Equipment	25,000	47,107	134,878
Building Operating Expenses	-	2,471	1,016
Communications	4,000	2,668	2,813
Travel	-	2,268	7,502
Professional Development (Non-Salary Costs)	1,000	6,341	2,694
Student Related Expenses	-	1,355	687
Contracted Transportation & Allowances	-	498	-
Amortization of Tangible Capital Assets	71,763	71,763	71,763
Total External Services Expense	424,443	511,892	641,304

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	1,000	1,448	423
Interest on Capital Loans	65,286	65,322	69,243
Total Interest and Bank Charges	66,286	66,770	69,666
Loss on Disposal of Tangible Capital Assets	-	-	29,896
Provision for Uncollectable Accounts	-	772	-
Total Other Expense	66,286	67,542	99,562
TOTAL EXPENSES FOR THE YEAR	66,012,062	63,131,934	66,425,194

Northwest School Division No. 203
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2020

	Land		Buildings		School	Other	Furniture and Equipment		Computer Hardware and Equipment		Assets	
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual	Software	Under Construction	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>												
Opening Balance as of September 1	1,280,532	2,593,240	94,505,953	1,427,878	12,443,737	1,560,781	4,373,698	3,706,092	685,991	86,481	122,664,383	119,364,795
Additions/Purchases	-	82,215	-	-	951,187	75,647	140,680	402,008	261,586	980,646	2,893,969	4,211,266
Disposals	-	-	-	-	-	-	-	(826,553)	-	-	(826,553)	(911,678)
Closing Balance as of August 31	1,280,532	2,675,455	94,505,953	1,427,878	13,394,924	1,636,428	4,514,378	3,281,547	947,577	1,067,127	124,731,799	122,664,383

Tangible Capital Assets - Amortization

Opening Balance as of September 1	-	1,535,338	49,652,139	541,025	7,134,428	1,124,770	1,872,978	1,751,880	341,811	-	63,954,369	60,266,790
Amortization of the Period	-	89,315	1,840,592	54,071	932,358	182,617	418,211	769,397	169,267	-	4,455,828	4,496,295
Disposals	-	-	-	-	-	-	-	(826,553)	-	-	(826,553)	(808,716)
Closing Balance as of August 31	N/A	1,624,653	51,492,731	595,096	8,066,786	1,307,387	2,291,189	1,694,724	511,078	N/A	67,583,644	63,954,369

Net Book Value

Opening Balance as of September 1	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
Closing Balance as of August 31	1,280,532	1,050,802	43,013,222	832,782	5,328,138	329,041	2,223,189	1,586,823	436,499	1,067,127	57,148,155	58,710,014
Change in Net Book Value	-	(7,100)	(1,840,592)	(54,071)	18,829	(106,970)	(277,531)	(367,389)	92,319	980,646	(1,561,859)	(387,991)

Disposals

Historical Cost	-	-	-	-	-	-	-	826,553	-	-	826,553	911,678
Accumulated Amortization	-	-	-	-	-	-	-	826,553	-	-	826,553	808,716
Net Cost	-	-	-	-	-	-	-	-	-	-	-	102,962
Price of Sale	-	-	-	-	-	-	-	19,350	-	-	19,350	114,375
Gain on Disposal	-	-	-	-	-	-	-	19,350	-	-	19,350	11,413

Northwest School Division No. 203
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2020

	2020	2019
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	4,455,828	4,496,295
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(19,350)	(11,413)
Total Non-Cash Items Included in Deficit	4,436,478	4,484,882

Northwest School Division No. 203
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2020

	2020	2019
	\$	\$
Net Change in Non-Cash Operating Activities		
(Increase) Decrease in Accounts Receivable	(823,168)	146,603
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(598,099)	51,794
Increase in Liability for Employee Future Benefits	49,600	54,900
(Decrease) Increase in Deferred Revenue	(54,068)	94,845
(Increase) Decrease in Inventory of Supplies for Consumption	(34,655)	265
Decrease in Prepaid Expenses	48,913	32,268
Total Net Change in Non-Cash Operating Activities	(1,411,477)	380,675

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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 \$ 950,900 (2019 - \$ 901,300) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization of \$ 67,583,644 (2019 - \$ 63,954,369) 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, 2020

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 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.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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, 2020

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, 2020

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) Fees and Services

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

iii) Interest Income

Interest is recognized as revenue when it is earned.

iv) Other (Non-Government Transfer) Contributions

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

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, 2022), 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, 2023), 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.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2020	2019
Portfolio investments in the cost or amortized cost category:	Cost	Cost
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	97,111	94,339
Total portfolio investments reported at cost or amortized cost	\$ 182,361	\$ 179,589

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2020 Actual	2019 Actual
Governance	\$ 108,066	\$ 132,321	\$ -	\$ -	\$ 240,387	\$ 328,438
Administration	2,420,461	324,246	-	122,524	2,867,231	2,837,158
Instruction	37,066,111	2,548,379	-	1,363,905	40,978,395	42,049,911
Plant	2,727,616	4,874,790	-	2,002,646	9,605,052	10,572,618
Transportation	3,189,988	1,437,962	-	872,210	5,500,160	6,027,832
Tuition and Related Fees	-	547,189	-	-	547,189	348,764
School Generated Funds	-	1,219,371	-	-	1,219,371	1,793,973
Complementary Services	1,399,617	172,318	-	22,780	1,594,715	1,725,634
External Services	320,033	120,096	-	71,763	511,892	641,304
Other	-	772	66,770	-	67,542	99,562
TOTAL	\$ 47,231,892	\$ 11,377,444	\$ 66,770	\$ 4,455,828	\$ 63,131,934	\$ 66,425,194

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 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. HUB International Limited, 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, 2020. The benefits consulting practice, previously owned by Morneau Shepell Inc., was acquired by HUB International Limited in March 2020.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

Details of the employee future benefits are as follows:

	2020	2019
Long-term assumptions used:		
Discount rate at end of period (per annum)	1.54%	1.93%
Inflation and productivity rate - Teachers (excluding merit and promotion) (per annum)	2.50%	2.50%
Inflation and productivity rate - Non-Teachers (excluding merit and promotion) (per annum)	3.00%	3.00%
Expected average remaining service life (years)	14	14

Liability for Employee Future Benefits	2020	2019
Accrued Benefit Obligation - beginning of year	\$ 1,106,500	\$ 952,200
Current period service cost	92,900	76,200
Interest cost	22,600	29,600
Benefit payments	(93,400)	(69,900)
Actuarial losses	92,500	118,400
Accrued Benefit Obligation - end of year	1,221,100	1,106,500
Unamortized net actuarial losses	(270,200)	(205,200)
Liability for Employee Future Benefits	\$ 950,900	\$ 901,300

Employee Future Benefits Expense	2020	2019
Current period service cost	\$ 92,900	\$ 76,200
Amortization of net actuarial loss	27,500	19,000
Benefit cost	120,400	95,200
Interest cost	22,600	29,600
Total Employee Future Benefits Expense	\$ 143,000	\$ 124,800

6. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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:

	2020			2019
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	413	4	417	426
Member contribution rate (percentage of salary)	9.50% / 11.70% 6.05% / 7.85% 6.05% / 11.70%			6.05% / 11.70 %
Member contributions for the year	\$ 2,988,791	\$ 4,075	\$ 2,992,865	\$ 2,997,118

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.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

Details of the MEPP are as follows:

	2020	2019
Number of active School Division members	415	422
Member contribution rate (percentage of salary)	9.00%	9.00%
School Division contribution rate (percentage of salary)	9.00%	9.00%
Member contributions for the year	\$ 1,104,591	\$ 1,099,662
School Division contributions for the year	\$ 1,104,591	\$ 1,099,662
Actuarial extrapolation date	Dec-31-2019	Dec-31-2018
Plan Assets (in thousands)	\$ 2,819,222	\$ 2,487,505
Plan Liabilities (in thousands)	\$ 2,160,754	\$ 2,024,269
Plan Surplus (in thousands)	\$ 658,468	\$ 463,236

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:

	2020			2019		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	\$ 1,270,056	\$ -	\$ 1,270,056	\$ -	\$ -	\$ -
First Nation Tuition Receivable	1,656,529	-	1,656,529	1,997,169	-	1,997,169
Other Receivables	194,866	-	194,866	301,114	-	301,114
Total Accounts Receivable	\$ 3,121,451	\$ -	\$ 3,121,451	\$ 2,298,283	\$ -	\$ 2,298,283

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2020	2019
Accrued Salaries and Benefits	\$ 126,124	\$ 167,248
Supplier Payments	860,019	1,418,070
Accrued Audit Fees	19,357	18,281
Total Accounts Payable and Accrued Liabilities	\$ 1,005,500	\$ 1,603,599

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2020	2019
Capital Loans:	Innovation Credit Union Date of Maturity: July 31, 2024 Interest Rate: 3.63% Term: 120 Months Repayable in Monthly Blended Payments of \$13,398	\$ 1,745,993	\$ 1,841,451
	Dell Financial Services Canada Date of Maturity: June 30, 2021 Term: 36 Months Repayable in Annual Payments of \$467,799	467,799	935,598
	IBM Global Financing Canada Corporation Date of Maturity: Feb 28, 2025 Interest Rate: 5.00% Term: 60 Months Repayable in Annual Payments of \$66,803	267,213	-
Total Long-Term Debt		\$ 2,481,005	\$ 2,777,049

Future principal repayments over the next 5 years are estimated as follows:		
	Capital Loans	Total
2021	\$ 633,706	\$ 633,706
2022	169,506	169,506
2023	173,303	173,303
2024	177,178	177,178
2025	114,491	114,491
Thereafter	1,212,821	1,212,821
Total	\$ 2,481,005	\$ 2,481,005

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

Principal and interest payments on the long-term debt are as follows:				
	Capital Loans	2020	2019	
Principal	\$ 563,257	\$ 563,257	\$ 137,665	
Interest	65,322	65,322	69,243	
Total	\$ 628,579	\$ 628,579	\$ 206,908	

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2019	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2020
Capital projects:				
Federal capital tuition	\$ 662,638	\$ -	\$ -	\$ 662,638
Track & Infield	73,478	-	73,478	-
Hillmond Soil Remediation Capital Loan Revenue	4,609	-	-	4,609
Total capital projects deferred revenue	740,725	-	73,478	667,247
Non-Capital deferred revenue:				
Scholarships	213,058	-	4,578	208,480
Playground Fundraising	27,227	23,988	-	51,215
Total non-capital deferred revenue	240,285	23,988	4,578	259,695
Total Deferred Revenue	\$ 981,010	\$ 23,988	\$ 78,056	\$ 926,942

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:

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2020	2019
Revenues:				
Operating Grants	\$ 851,607	\$ 173,435	\$1,025,042	\$1,075,971
Fees and Other Revenues	-	-	-	400
Total Revenues	851,607	173,435	1,025,042	1,076,371
Expenses:				
Salaries & Benefits	1,091,402	308,215	1,399,617	1,442,320
Instructional Aids	19,836	44,467	64,303	113,019
Supplies and Services	14,144	4,374	18,518	31,213
Non-Capital Equipment	8,922	2,040	10,962	15,569
Building Operating Expenses	-	25,969	25,969	16,825
Communications	2,437	890	3,327	2,855
Travel	3,262	3,909	7,171	9,368
Professional Development (Non-Salary Costs)	1,748	1,550	3,298	15,908
Student Related Expenses	1,897	36,873	38,770	55,266
Amortization of Tangible Capital Assets	-	22,780	22,780	23,291
Total Expenses	1,143,648	451,067	1,594,715	1,725,634
Deficiency of Revenues over Expenses	\$ (292,041)	\$ (277,632)	\$ (569,673)	\$ (649,263)

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:

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

Summary of External Services Revenues and Expenses, by Program	Following Their Voices	Other Programs	2020	2019
Revenues:				
Operating Grants	\$ -	\$ 424,440	\$ 424,440	\$ 416,350
Fees and Other Revenue	108,533	-	108,533	63,332
Total Revenues	108,533	424,440	532,973	479,682
Expenses:				
Grant Transfers	-	-	-	9,694
Salaries & Benefits	100,000	220,033	320,033	310,207
Instructional Aids	554	-	554	-
Supplies and Services	-	56,834	56,834	100,050
Non-Capital Equipment	-	47,107	47,107	134,878
Building Operating Expenses	-	2,471	2,471	1,016
Communications	-	2,668	2,668	2,813
Travel	2,268	-	2,268	7,502
Professional Development	1,291	5,050	6,341	2,694
Student Related Expenses	1,355	-	1,355	687
Contracted Transportation & Allowances	-	498	498	-
Amortization of Tangible Capital Assets	-	71,763	71,763	71,763
Total Expenses	105,468	406,424	511,892	641,304
Excess (Deficiency) of Revenues over Expenses	\$ 3,065	\$ 18,016	\$ 21,081	\$ (161,622)

13. ACCUMULATED SURPLUS

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

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

Details of accumulated surplus are as follows:

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

	August 31 2019	Additions during the year	Reductions during the year	August 31 2020
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 58,710,014	\$ 2,893,969	\$ 4,455,828	\$ 57,148,155
Less: Debt owing on Tangible Capital Assets	(2,777,049)	(267,213)	(563,257)	(2,481,005)
	<u>55,932,965</u>	<u>2,626,756</u>	<u>3,892,571</u>	<u>54,667,150</u>
PMR maintenance project allocations (1)	<u>2,009,914</u>	<u>1,550,055</u>	<u>588,174</u>	<u>2,971,795</u>
Designated Assets:				
Other:				
School generated funds	710,079	102,083	-	812,162
MLTC - Aboriginal Resources	4,670	-	-	4,670
	<u>714,749</u>	<u>102,083</u>	<u>-</u>	<u>816,832</u>
Unrestricted Surplus	<u>5,389,037</u>	<u>-</u>	<u>1,033,697</u>	<u>4,355,340</u>
Total Accumulated Surplus	<u>\$ 64,046,665</u>	<u>\$ 4,278,894</u>	<u>\$ 5,514,442</u>	<u>\$ 62,811,117</u>

(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 13, 2019 and the Minister of Education on August 26, 2019.

15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Listed in the table below is an obligation for an agreement for a shop rental for Transition school that expires August 31, 2021, this agreement is renewed on an annual basis. Operating lease obligations of the school division are as follows:

	Operating Leases		
	Gymnasium/ Parking Rental	Shop Rental	Total Operating
Future minimum lease payments:			
2021	\$ 30,029	\$ 26,761	\$ 56,790
2022	30,029	-	30,029
2023	30,029	-	30,029
2024	30,029	-	30,029
2025	30,029	-	30,029
Thereafter	30,029	-	30,029
Total Lease Obligations	<u>\$ 180,174</u>	<u>\$ 26,761</u>	<u>\$ 206,935</u>

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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 grants and other accounts receivable as at August 31, 2020 was:

	August 31, 2020				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Provincial Grants Receivable	\$ 1,270,056	\$ 1,270,056	\$ -	\$ -	\$ -
First Nation Tuition Receivables	1,656,529	57,773			1,598,756
Other Receivables	94,085	75,317	8,111	458	10,199
Net Receivables	\$ 3,020,670	\$ 1,403,146	\$ 8,111	\$ 458	\$ 1,608,955

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

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, budget practices, monitoring, and forecasting.

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

	August 31, 2020				
	Total	Within 6 months	6 months to		
			1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,005,500	\$ 1,005,500	\$ -	\$ -	\$ -
Long-term debt	2,481,005	80,388	553,318	634,478	1,212,821
Total	\$ 3,486,505	\$ 1,085,888	\$ 553,318	\$ 634,478	\$ 1,212,821

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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, 2020.

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

17. COVID-19 PANDEMIC

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