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Audited Financial Statements

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Of the Ile a la Crosse School Division No. 112

School Division No. 6720100

For the Period Ending: August 31, 2018

George Luhowy

Chief Financial Officer

Vantage Chartered Professional Accountants

Auditor

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

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MANAGEMENT REPORT

The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and in 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 judgement, 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, Vantage, Chartered Professional Accountants, 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 Ile a la Crosse School Division No. 112:



Chairperson



Director of Education



Chief Financial Officer

December 4, 2018

INDEPENDENT AUDITORS' REPORT

The Directors
Ile a la Crosse School Division No. 112
Ile a la Crosse, Saskatchewan

We have audited the accompanying financial statements of Ile a la Crosse School Division No. 112, which comprise the statement of financial position as at August 31, 2018, the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

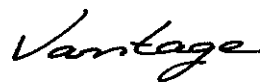
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ile a la Crosse School Division No. 112 as at August 31, 2018, and its financial performance and cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

North Battleford, Saskatchewan
December 4, 2018

Ile a la Crosse School Division No. 112
Statement of Financial Position
as at August 31, 2018

	2018	2017
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,337,772	1,092,246
Accounts Receivable (Note 7)	506,741	372,933
Portfolio Investments (Note 3)	2,069,354	2,053,950
Total Financial Assets	3,913,867	3,519,129
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	31,182	49,914
Liability for Employee Future Benefits (Note 5)	72,800	66,900
Total Liabilities	103,982	116,814
Net Financial Assets	3,809,885	3,402,315
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	19,189,657	19,709,305
Prepaid Expenses	67,636	28,038
Total Non-Financial Assets	19,257,293	19,737,343
Accumulated Surplus (Note 11)	23,067,178	23,139,658

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

Approved by the Board:



Chairperson



Chief Financial Officer

Ile a la Crosse School Division No. 112
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$ (Note 12)	\$	\$
REVENUES			
Property Taxation	47,964	27,664	191,343
Grants	6,288,482	6,452,741	6,746,399
Tuition and Related Fees	-	13,220	-
School Generated Funds	44,000	128,833	76,021
Complementary Services (Note 9)	338,574	373,658	314,876
External Services (Note 10)	295,132	240,247	284,643
Other	112,500	166,278	196,453
Total Revenues (Schedule A)	7,126,652	7,402,641	7,809,735
EXPENSES			
Governance	82,909	102,134	183,698
Administration	505,693	507,068	506,215
Instruction	4,009,029	4,014,483	4,091,392
Plant	1,221,039	1,691,976	1,699,892
Transportation	317,627	254,038	258,463
School Generated Funds	44,700	132,518	71,461
Complementary Services (Note 9)	400,083	335,862	382,032
External Services (Note 10)	446,927	436,537	362,566
Other Expenses	150	505	178,306
Total Expenses (Schedule B)	7,028,157	7,475,121	7,734,025
Operating Surplus (Deficit) for the Year	98,495	(72,480)	75,710
Accumulated Surplus from Operations, Beginning of Year	23,139,658	23,139,658	23,063,948
Accumulated Surplus from Operations, End of Year	23,238,153	23,067,178	23,139,658

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

Ile a la Crosse School Division No. 112

Statement of Changes in Net Financial Assets
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
	(Note 12)		
Net Financial Assets, Beginning of Year	3,402,315	3,402,315	4,299,290
Changes During the Year			
Operating Surplus (Deficit) for the Year	98,495	(72,480)	75,710
Acquisition of Tangible Capital Assets (Schedule C)	(579,331)	(368,187)	(1,996,415)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	23,990	60,827
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	18,620	(24,735)
Write-Down of Tangible Capital Assets (Schedule C)	-	505	-
Amortization of Tangible Capital Assets (Schedule C)	844,393	844,720	977,793
Net Change in Other Non-Financial Assets		(39,598)	9,845
Change in Net Financial Assets	363,557	407,570	(896,975)
Net Financial Assets , End of Year	3,765,872	3,809,885	3,402,315

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

Ile a la Crosse School Division No. 112
Statement of Cash Flows
for the year ended August 31, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	(72,480)	75,710
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	863,845	953,058
Net Change in Non-Cash Operating Activities (Schedule E)	(186,238)	(178,031)
Cash Provided- by Operating Activities	605,127	850,737
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(368,187)	(1,996,415)
Proceeds on Disposal of Tangible Capital Assets	23,990	60,827
Cash (Used) by Capital Activities	(344,197)	(1,935,588)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(15,404)	-
Proceeds on Disposal of Portfolio Investments	-	477,219
Cash Provided (Used) by Investing Activities	(15,404)	477,219
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	245,526	(607,632)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,092,246	1,699,878
CASH AND CASH EQUIVALENTS, END OF YEAR	1,337,772	1,092,246

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

Ile a la Crosse School Division No. 112
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	47,964	45,329	153,148
Total Property Tax Revenue	<u>47,964</u>	<u>45,329</u>	<u>153,148</u>
Grants in Lieu of Taxes			
Federal Government	-	4,747	6,865
Provincial Government	-	522	2,010
Total Grants in Lieu of Taxes	<u>-</u>	<u>5,269</u>	<u>8,875</u>
Additions to Levy			
Penalties	-	-	35,293
Total Additions to Levy	<u>-</u>	<u>-</u>	<u>35,293</u>
Deletions from Levy			
Cancellations	-	(761)	(5,973)
Other Deletions	-	(22,173)	-
Total Deletions from Levy	<u>-</u>	<u>(22,934)</u>	<u>(5,973)</u>
Total Property Taxation Revenue	<u>47,964</u>	<u>27,664</u>	<u>191,343</u>
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	6,140,544	6,014,384	6,439,009
Total Ministry Grants	<u>6,140,544</u>	<u>6,014,384</u>	<u>6,439,009</u>
Capital Grants			
Ministry of Education Capital Grants	147,938	438,357	307,390
Total Capital Grants	<u>147,938</u>	<u>438,357</u>	<u>307,390</u>
Total Grants	<u>6,288,482</u>	<u>6,452,741</u>	<u>6,746,399</u>

Ile a la Crosse School Division No. 112
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Other Related Fees	-	13,220	-
Total Operating Tuition and Related Fees	-	13,220	-
Total Tuition and Related Fees Revenue	-	13,220	-
School Generated Funds Revenue			
Non-Curricular Fees			
Fundraising	44,000	128,833	76,021
Total Non-Curricular Fees	44,000	128,833	76,021
Total School Generated Funds Revenue	44,000	128,833	76,021
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	194,424	189,364	188,531
Other Ministry Grants	-	88,534	72,945
Other Provincial Grants	137,150	80,850	-
Other Grants	-	-	53,400
Total Operating Grants	331,574	358,748	314,876
Fees and Other Revenue			
Other Revenue	7,000	14,910	-
Total Fees and Other Revenue	7,000	14,910	-
Total Complementary Services Revenue	338,574	373,658	314,876

Ile a la Crosse School Division No. 112
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
External Services			
Operating Grants			
Other Grants	-	110,000	110,000
Total Operating Grants	-	110,000	110,000
Capital Grants			
Other Capital Grants	115,000	-	-
Total Capital Grants	115,000	-	-
Fees and Other Revenue			
Gain on Disposal of Capital Assets	-	-	24,735
Other Revenue	180,132	130,247	149,908
Total Fees and Other Revenue	180,132	130,247	174,643
Total External Services Revenue	295,132	240,247	284,643
Other Revenue			
Miscellaneous Revenue	35,000	86,084	82,148
Sales & Rentals	55,000	56,336	89,217
Investments	22,500	23,858	25,088
Total Other Revenue	112,500	166,278	196,453
TOTAL REVENUE FOR THE YEAR	7,126,652	7,402,641	7,809,735

Ile a la Crosse School Division No. 112
Schedule B:- Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	54,149	73,697	74,971
Professional Development - Board Members	1,000	-	80,050
Professional Development - Advisory Committees	2,910	10,114	-
Elections	-	-	2,707
Other Governance Expenses	24,850	18,323	25,970
Total Governance Expense	82,909	102,134	183,698
Administration Expense			
Salaries	371,772	382,432	383,513
Benefits	49,156	39,908	41,992
Supplies & Services	27,900	50,644	45,595
Non-Capital Furniture & Equipment	5,200	2,552	2,744
Building Operating Expenses	10,515	9,565	5,270
Communications	6,850	7,271	7,753
Travel	20,000	6,943	10,952
Professional Development	6,000	3,140	2,028
Amortization of Tangible Capital Assets	8,300	4,613	6,368
Total Administration Expense	505,693	507,068	506,215
Instruction Expense			
Instructional (Teacher Contract) Salaries	2,545,480	2,601,329	2,634,619
Instructional (Teacher Contract) Benefits	106,687	127,095	142,842
Program Support (Non-Teacher Contract) Salaries	489,086	519,348	460,860
Program Support (Non-Teacher Contract) Benefits	131,037	122,822	112,928
Instructional Aids	117,298	162,758	135,436
Supplies & Services	279,379	142,232	141,639
Non-Capital Furniture & Equipment	38,131	65,566	38,654
Communications	7,077	14,023	16,102
Travel	830	18,422	25,330
Professional Development	37,708	49,402	55,567
Student Related Expense	147,696	143,274	127,218
Amortization of Tangible Capital Assets	108,620	48,212	200,197
Total Instruction Expense	4,009,029	4,014,483	4,091,392

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	289,323	394,313	416,727
Benefits	61,604	72,117	70,157
Supplies & Services	24,741	14,025	28,465
Non-Capital Furniture & Equipment	-	26,285	9,788
Building Operating Expenses	370,871	527,185	526,781
Communications	2,500	4,515	3,590
Travel	10,000	20,885	29,130
Professional Development	1,000	-	1,148
Amortization of Tangible Capital Assets	461,000	632,651	614,106
Total Plant Operation & Maintenance Expense	1,221,039	1,691,976	1,699,892
Student Transportation Expense			
Salaries	101,513	103,214	90,800
Benefits	32,106	22,558	19,731
Supplies & Services	56,115	57,991	52,332
Non-Capital Furniture & Equipment	20,000	26,371	43,064
Building Operating Expenses	4,500	19	340
Communications	700	1,325	848
Travel	2,000	3,703	4,266
Contracted Transportation	-	-	2,340
Amortization of Tangible Capital Assets	100,693	38,857	44,742
Total Student Transportation Expense	317,627	254,038	258,463
School Generated Funds Expense			
School Fund Expenses	44,000	132,518	71,461
Amortization of Tangible Capital Assets	700	-	-
Total School Generated Funds Expense	44,700	132,518	71,461

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	185,193	110,970	163,705
Program Support (Non-Teacher Contract) Salaries & Benefits	109,701	132,385	132,432
Instructional Aids	39,500	50,742	37,046
Supplies & Services	8,000	42	1,891
Non-Capital Furniture & Equipment	4,000	-	2,600
Building Operating Expenses	11,359	12,442	11,875
Communications	2,550	2,055	2,874
Travel	-	-	304
Professional Development (Non-Salary Costs)	5,400	2,896	1,498
Student Related Expenses	24,600	9,525	20,222
Contracted Transportation & Allowances	5,000	-	1,110
Amortization of Tangible Capital Assets	4,780	14,805	6,475
Total Complementary Services Expense	400,083	335,862	382,032
External Service Expense			
Instructional (Teacher Contract) Salaries & Benefits	86,646	113,131	87,838
Program Support (Non-Teacher Contract) Salaries & Benefits	-	20	-
Instructional Aids	3,250	99	967
Supplies & Services	5,300	906	4,667
Non-Capital Furniture & Equipment	3,600	7,868	3,149
Building Operating Expenses	176,381	184,757	154,576
Communications	3,100	3,354	3,449
Professional Development (Non-Salary Costs)	900	-	-
Student Related Expenses	7,450	2,200	2,015
Amortization of Tangible Capital Assets	160,300	105,582	105,905
Loss on Disposal of Tangible Capital Assets	-	18,620	-
Total External Services Expense	446,927	436,537	362,566

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Restructuring Expense			
Restructuring	-	-	-
Total Restructuring Expense	-	-	-
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	150	-	-
Total Interest and Bank Charges	150	-	-
Write-Down of Tangible Capital Assets	-	505	-
Provision for Uncollectable Accounts	-	-	178,306
Total Other Expense	150	505	178,306
TOTAL EXPENSES FOR THE YEAR	7,028,157	7,475,121	7,734,025

Ile a la Crosse School Division No. 112
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2018

	Land		Buildings		School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Equipment	2017
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	2018
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost									
Opening Balance as of September 1	136,162	565,384	22,172,372	987,110	494,293	544,615	1,400,666	454,373	26,754,975
Additions/Purchases	-	108,810	209,673	-	-	4,044	45,660	-	368,187
Disposals	-	-	-	-	-	-	(45,660)	-	(144,368)
Write-Downs	-	-	-	-	-	-	(505)	-	(505)
Closing Balance as of August 31	136,162	674,194	22,382,045	987,110	494,293	548,659	1,400,161	454,373	27,076,997
Tangible Capital Assets - Amortization									
Opening Balance as of September 1	-	154,371	4,320,548	634,432	204,835	289,256	999,400	442,828	7,045,670
Amortization of the Period	-	59,487	597,231	83,830	25,288	13,569	60,594	4,721	844,720
Disposals	-	-	-	-	-	-	(3,050)	-	(3,050)
Closing Balance as of August 31	N/A	213,858	4,917,779	718,262	230,123	302,825	1,056,944	447,549	7,887,340
Net Book Value									
Opening Balance as of September 1	136,162	411,013	17,851,824	352,678	289,458	255,359	401,266	11,545	19,709,305
Closing Balance as of August 31	136,162	460,336	17,464,266	268,848	264,170	245,834	343,217	6,824	19,189,657
Change in Net Book Value	-	49,323	(387,558)	(83,830)	(25,288)	(9,525)	(58,049)	(4,721)	(519,648)
Disposals									
Historical Cost	-	-	-	-	-	-	45,660	-	45,660
Accumulated Amortization	-	-	-	-	-	-	3,050	-	3,050
Net Cost	-	-	-	-	-	-	42,610	-	42,610
Price of Sale	-	-	-	-	-	-	23,990	-	23,990
Gain (Loss) on Disposal	-	-	-	-	-	-	(18,620)	-	(18,620)
									24,735

Ile a la Crosse School Division No. 112
Schedule D:- Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2018

	2018	2017
	\$	\$
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets (Schedule C)	844,720	977,793
Net (Gain) Loss on Disposal of Tangible Capital Assets (Schedule C)	18,620	(24,735)
Write-Down of Tangible Capital Assets (Schedule C)	505	-
Total Non-Cash Items Included in Surplus / Deficit	863,845	953,058

Ile a la Crosse School Division No. 112
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2018

	2018	2017
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	(133,808)	42,531
(Decrease) in Accounts Payable and Accrued Liabilities	(18,732)	(239,807)
Increase in Liability for Employee Future Benefits	5,900	9,400
Decrease (Increase) in Prepaid Expenses	(39,598)	9,845
Total Net Change in Non-Cash Operating Activities	(186,238)	(178,031)

ILE A LA CROSSE SCHOOL DIVISION NO. 112
Notes to the financial statements
As at August 31, 2018

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of "The Board of Education of the Ile a la Crosse School Division No. 112" and operates as "the Ile a la Crosse School Division No. 112". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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

a) Basis of Accounting

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

b) Reporting Entity

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

c) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$ 72,800 (2017 - \$ 66,900) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$ 27,664 (2017 - \$ 191,343) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$ 0 (2017 - \$ 647,584) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$ 844,720 (2017 - \$ 977,793) because the actual useful lives of the capital assets may differ from their estimated economic lives.

ILE A LA CROSSE SCHOOL DIVISION NO. 112**Notes to the financial statements****As at August 31, 2018**

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

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

d) Financial Instruments

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

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

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

e) Financial Assets

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

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

Accounts Receivable include taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into

ILE A LA CROSSE SCHOOL DIVISION NO. 112

Notes to the financial statements

As at August 31, 2018

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

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

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

f) **Non-Financial Assets**

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

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

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 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

Prepaid Expenses are prepaid amounts for goods and services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance premiums.

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g) Liabilities

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

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

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.

h) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

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

ILE A LA CROSSE SCHOOL DIVISION NO. 112**Notes to the financial statements****As at August 31, 2018**

i) Revenue Recognition

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

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

i) Government Transfers (Grants)

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

ii) Property Taxation

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

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

iii) Fees and Services

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

iv) Interest Income

Interest is recognized as revenue when it is earned.

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Notes to the financial statements

As at August 31, 2018

j) Statement of Remeasurement Gains and Losses

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

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs	\$ 2,069,354	\$ 2,053,950
Total portfolio investments reported at cost and amortized cost	\$ 2,069,354	\$ 2,053,950

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2018 Actual	2017 Actual
Governance	\$ 73,697	\$ 28,437	\$ -	\$ 102,134	\$ 183,698
Administration	422,340	80,115	4,613	507,068	506,215
Instruction	3,370,594	595,677	48,212	4,014,483	4,091,392
Plant	466,430	592,895	632,651	1,691,976	1,699,892
Transportation	125,772	89,409	38,857	254,038	258,463
School Generated Funds	-	132,518	-	132,518	71,461
Complementary Services	243,355	77,702	14,805	335,862	382,032
External Services	113,151	217,804	105,582	436,537	362,566
Other	-	505	-	505	178,306
TOTAL	\$ 4,815,339	\$ 1,815,062	\$ 844,720	\$7,475,121	\$ 7,734,025

5. EMPLOYEE FUTURE BENEFITS

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

Details of the employee future benefits are as follows:

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Notes to the financial statements

As at August 31, 2018

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate (excluding merit and promotion) - Teachers	2.50%	2.50%
Inflation and productivity rate (excluding merit and promotion) - Non-Teachers	3.00%	3.00%
Expected average remaining service life (years)	11	11

Liability for Employee Future Benefits	2018	2017
Accrued Benefit Obligation - beginning of year	\$ 94,300	\$ 96,200
Current period service cost	6,200	7,100
Interest cost	2,600	2,100
Benefit payments	(6,200)	(3,800)
Actuarial (gains)	(20,400)	(7,300)
Accrued Benefit Obligation - end of year	76,500	94,300
Unamortized Net Actuarial (Losses)	(3,700)	(27,400)
Liability for Employee Future Benefits	\$ 72,800	\$ 66,900

Employee Future Benefits Expense	2018	2017
Current period service cost	\$ 6,200	\$ 7,100
Amortization of net actuarial loss	3,300	4,000
Benefit cost	9,500	11,100
Interest cost	2,600	2,100
Total Employee Future Benefits Expense	\$ 12,100	\$ 13,200

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)

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

The STRP is funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP is limited to collecting and remitting contributions of the employees at rates determined by the plan. Accordingly, these financial statements do not include any expense for employer contributions to the plan. Net pension assets or liabilities for this plan are

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Notes to the financial statements
As at August 31, 2018

not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation.

Details of the contributions to this plan for the school division's employees are as follows:

	2018		2017
	STRP	TOTAL	TOTAL
Number of active School Division members	31	31	47
Member contribution rate (percentage of salary)	11.3%	11.3%	11.3%
Member contributions for the year	\$ 366,695	\$ 366,695	\$ 291,676

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:

	2018	2017
Number of active School Division members	30	33
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 95,893	\$ 88,158
School Division contributions for the year	\$ 95,893	\$ 88,158
Actuarial extrapolation date	Dec/31/2017	Dec/31/2016
Plan Assets (in thousands)	\$ 2,469,995	\$ 2,323,947
Plan Liabilities (in thousands)	\$ 2,015,818	\$ 1,979,463
Plan Surplus (in thousands)	\$ 454,177	\$ 344,484

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Notes to the financial statements

As at August 31, 2018

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:

	2018			2017		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ -	\$ -	\$ -	\$ 743,474	\$ 647,584	\$ 95,890
Provincial Grants Receivable	269,914	-	269,914	-	-	-
Other Receivables	236,827	-	236,827	277,043	-	277,043
Total Accounts Receivable	\$ 506,741	\$ -	\$ 506,741	\$1,020,517	\$ 647,584	\$ 372,933

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	\$ 19,346	\$ 14,490
Supplier Payments	11,836	35,424
Total Accounts Payable and Accrued Liabilities	\$ 31,182	\$ 49,914

9. COMPLEMENTARY SERVICES

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

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

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Notes to the financial statements

As at August 31, 2018

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency	Other Programs	2018	2017
Revenues:					
Operating Grants	\$ 189,364	\$ 49,850	\$ 119,534	\$ 358,748	\$ 314,876
Fees and Other Revenues	-	-	14,910	14,910	-
Total Revenues	189,364	49,850	134,444	373,658	314,876
Expenses:					
Salaries & Benefits	69,353	59,725	114,277	243,355	296,137
Instructional Aids	4,256	4,340	42,146	50,742	37,046
Supplies and Services	-	-	42	42	1,891
Non-Capital Equipment	-	-	-	-	2,600
Building Operating Expenses	-	-	12,442	12,442	11,875
Communications	-	900	1,155	2,055	2,874
Travel	-	-	-	-	304
Professional Development (Non-Salary Costs)	-	2,896	-	2,896	1,498
Student Related Expenses	-	3,917	5,608	9,525	20,222
Contracted Transportation & Allowances	-	-	-	-	1,110
Amortization of Tangible Capital Assets	2,864	-	11,941	14,805	6,475
Total Expenses	76,473	71,778	187,611	335,862	382,032
Excess (Deficiency) of Revenues over Expenses	\$ 112,891	\$ (21,928)	\$ (53,167)	\$ 37,796	\$ (67,156)

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

Pre-K – Is an early childhood education program supporting vulnerable three and four year old children and their families. It is a partnership between the Government of Saskatchewan, the boards of education and communities.

Community and Inter-Agency Liaison – The purpose of the Northern Community & the School Recreation Coordinator Program is to enhance the quality of life for northerners through the provision of community based sport, culture and recreation programs after school, in the evenings, on weekends and at community and school special events.

Other Programs:

Elders, Storefront and Outdoor Learning – Given the demographics of the school division the purpose of these programs is to inspire goals of “Inspiring Success” through “WISE” (holistic inclusive student engagement) outlined in our First Nations and Métis Education Plan and an outreach program (Storefront) designed to teach basic living and education for teenagers that are from grade 10 to grade 12.

Nutrition - To deliver services in accordance with the Child Nutrition and Development Program with support from the Ministry of Education, Breakfast For Learning, businesses and members within the community to promote good nutrition practices for children, help develop independent living skills for children and families and provide opportunities for communities to take ownership of local food security initiatives that enhance child nutrition and development.

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Literacy Camps - The Northern Summer Literacy Camps with support from the Ministry of Education and Frontier College provides continuity in the literacy development of our young people over the summer months. We see the Camps as a significant strategy for addressing the literacy and achievement outcomes of northern/Aboriginal students.

10. 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	Adult Education	Teacherages	2018	2017
Revenues:				
Operating Grants	\$ 110,000	\$ -	\$ 110,000	\$ 110,000
Fees and Other Revenues	-	130,247	130,247	174,643
Total Revenues	110,000	130,247	240,247	284,643
Expenses:				
Salaries & Benefits	113,151	-	113,151	87,838
Instructional Aids	99	-	99	967
Supplies and Services	-	906	906	4,667
Non-Capital Equipment	-	7,868	7,868	3,152
Building Operating Expenses	-	184,757	184,757	154,576
Communications	-	3,354	3,354	3,449
Student Related Expenses	2,200	-	2,200	2,012
Amortization of Tangible Capital Assets	68	105,514	105,582	105,905
Loss on Disposal of Tangible Capital Assets	-	18,620	18,620	-
Total Expenses	115,518	321,019	436,537	362,566
(Deficiency) of Revenues over Expenses	\$ (5,518)	\$ (190,772)	\$ (196,290)	\$ (77,923)

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

Adult Education - The program is for young adults who have dropped out of school and have been out of school for at least one year and meet the criteria for classification as adult students, adults from the community who wish to take Adult 12. This program runs in partnership with Gabriel Dumont Institute/Dumont Technical Institute and Northlands College.

Teacherages – Teacher residences with operational rent and expenses to maintain and retain qualified educators.

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Notes to the financial statements

As at August 31, 2018

11. ACCUMULATED SURPLUS

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

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

Details of accumulated surplus are as follows:

	August 31 2017	Additions during the year	Reductions during the year	August 31 2018
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 19,709,305	\$ 368,187	\$ 887,835	\$ 19,189,657
	19,709,305	368,187	887,835	19,189,657
S.286 pre-April 2009 capital reserves (1)	1,894,199	-	-	1,894,199
PMR maintenance project allocations (2)	147,938	168,443	147,938	168,443
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	283,664	450,019	-	733,683
	283,664	450,019	-	733,683
Other:				
School generated funds	23,356	-	23,356	-
	23,356	-	23,356	-
Unrestricted Surplus	1,081,196	-	-	1,081,196
Total Accumulated Surplus	\$ 23,139,658	\$ 986,649	\$ 1,059,129	\$ 23,067,178

- (1) **2009 Capital Reserves** represent capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the Minister of Education.
- (2) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

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

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Capital Projects:

- Equipment Capital Reserve represents funds to replace capital equipment and school buses.
- Computer Equipment Capital Reserve are funds held for the replacement of computer and network hardware.
- Playground Capital Reserve represents funds for the replacement of outdoor play structures and facilities such as track, ball diamonds or basketball courts.
- General Capital Reserves are funds set aside to meet unforeseen capital needs of the school division.

Other:

- School Generated Funds are school based funds that are to be utilized for the purpose the funds were intended.

12. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 13, 2017 and the Minister of Education on August 28, 2017.

Budget figures are reported for information purposes only and are not included in the scope of the external audit.

13. RELATED PARTIES

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

Related Party Transactions

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

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Notes to the financial statements
As at August 31, 2018

	2018	2017
Revenues:		
Ministry of Education	\$ 6,730,639	\$ 7,007,875
Northlands College	35,000	53,340
Ministry of Finance	64,227	61,182
Creighton School Division	250	250
Northern Lights School Division	12,792	3,545
Regina Public School Division	25,000	-
Saskatchewan Workers Compensation	98	7,931
Saskatchewan Health Authority	105,305	175,511
Saskatchewan Housing Corporation	31,000	31,000
Saskatoon Public School Division	1,172	-
	\$7,005,483	\$ 7,340,634
Expenses:		
Ministry of Finance	\$ 57	\$ 57
Northwest School Division	27,200	21,060
Northern Lights School Division	500	500
Saskatchewan Government Insurance	7,020	11,696
Saskatchewan Power	250,821	313,240
Saskatchewan Workers Compensation	15,554	17,191
Saskatchewan Health Authority	106,483	75,674
	\$ 407,635	\$ 439,418
Accounts Receivable:		
Ministry of Education	\$ 269,914	\$ -
	\$ 269,914	\$ -

14. 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 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 an impairment of collectability.

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

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Notes to the financial statements

As at August 31, 2018

August 31, 2018						
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 269,914	\$ 269,914	\$ -	\$ -	\$ -	\$ -
Other Receivables	24,340	24,340	-	-	-	-
Net Receivables	\$ 294,254	\$ 294,254	\$ -	\$ -	\$ -	\$ -

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 to meet operational requirements.

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

August 31, 2018					
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 31,182	\$ 31,182	\$ -	\$ -	\$ -
Total	\$ 31,182	\$ 31,182	\$ -	\$ -	\$ -

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 portfolio investments.

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.

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15. COMPARATIVE INFORMATION

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