
Audited Financial Statements

Of the Ile a la Crosse School Division No. 112

School Division No. 6720100

For the Period Ending: August 31, 2021

Jansen Corrigan

Chief Financial Officer

Vantage Chartered Professional Accountants

Auditor

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

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 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

November 23, 2021



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Ile a la Crosse School Division No. 112, which comprise the statement of financial position as at August 31, 2021, the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Ile a la Crosse School Division No. 112 as at August 31, 2021, and results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Ile a la Crosse School Division No. 112 in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Ile a la Crosse School Division No. 112's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

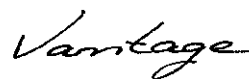
Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



Chartered Professional Accountants

North Battleford, Saskatchewan
November 23, 2021

Ile a la Crosse School Division No. 112
Statement of Financial Position
as at August 31, 2021

	2021	2020
	\$	\$
Financial Assets		
Cash and Cash Equivalents	1,774,083	1,566,025
Accounts Receivable (Note 7)	302,997	292,681
Portfolio Investments (Note 3)	2,167,323	2,138,454
Total Financial Assets	4,244,403	3,997,160
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	40,680	52,677
Liability for Employee Future Benefits (Note 5)	92,100	84,500
Deferred Revenue (Note 9)	42,000	-
Total Liabilities	174,780	137,177
Net Financial Assets	4,069,623	3,859,983
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	17,402,493	18,018,614
Prepaid Expenses	76,179	72,831
Total Non-Financial Assets	17,478,672	18,091,445
Accumulated Surplus (Note 12)	21,548,295	21,951,428

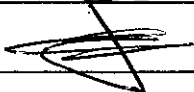
Contractual Obligations and Commitments (Note 14)

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, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
	(Note 13)		
REVENUES			
Grants	6,540,182	7,292,748	6,449,319
School Generated Funds	104,000	70,251	99,304
Complementary Services (Note 10)	366,156	296,444	299,066
External Services (Note 11)	272,848	254,443	236,283
Other	112,500	186,446	234,063
Total Revenues (Schedule A)	7,395,686	8,100,332	7,318,035
EXPENSES			
Governance	140,271	121,642	96,042
Administration	564,373	568,831	559,075
Instruction	4,425,633	4,516,160	4,272,489
Plant	1,656,151	2,237,702	2,034,893
Transportation	337,593	398,966	341,975
School Generated Funds	104,700	70,674	87,324
Complementary Services (Note 10)	342,091	307,972	284,228
External Services (Note 11)	437,664	281,518	335,505
Other	150	-	157
Total Expenses (Schedule B)	8,008,626	8,503,465	8,011,688
Operating (Deficit) for the Year	(612,940)	(403,133)	(693,653)
Accumulated Surplus from Operations, Beginning of Year	21,951,428	21,951,428	22,645,081
Accumulated Surplus from Operations, End of Year	21,338,488	21,548,295	21,951,428

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, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
	(Note 13)		
Net Financial Assets, Beginning of Year	3,859,983	3,859,983	3,964,492
Changes During the Year			
Operating Deficit for the Year	(612,940)	(403,133)	(693,653)
Acquisition of Tangible Capital Assets (Schedule C)	(270,000)	(185,672)	(171,710)
Amortization of Tangible Capital Assets (Schedule C)	787,863	801,792	766,049
Net Change in Other Non-Financial Assets	-	(3,348)	(5,195)
Change in Net Financial Assets	(95,077)	209,640	(104,509)
Net Financial Assets, End of Year	3,764,906	4,069,623	3,859,983

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, 2021

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Operating Deficit for the Year	(403,133)	(693,653)
Add Non-Cash Items Included in Deficit (Schedule D)	801,792	766,049
Net Change in Non-Cash Operating Activities (Schedule E)	23,939	(7,657)
Cash Provided by Operating Activities	422,598	64,739
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(185,672)	(171,710)
Cash Used by Capital Activities	(185,672)	(171,710)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(28,869)	(33,949)
Cash Used by Investing Activities	(28,869)	(33,949)
INCREASE IN CASH AND CASH EQUIVALENTS	208,058	(140,920)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,566,025	1,706,945
CASH AND CASH EQUIVALENTS, END OF YEAR	1,774,083	1,566,025

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, 2021

	2021 Budget	2021 Actual	2020 Actual
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	6,410,330	6,317,370	6,179,806
Other Ministry Grants	-	257,426	269,513
Total Ministry Grants	6,410,330	6,574,796	6,449,319
Other Provincial Grants	-	517,952	-
Grants from Others	-	200,000	-
Total Operating Grants	6,410,330	7,292,748	6,449,319
Capital Grants			
Ministry of Education Capital Grants	129,852	-	-
Total Capital Grants	129,852	-	-
Total Grants	6,540,182	7,292,748	6,449,319

Ile a la Crosse School Division No. 112
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
School Generated Funds Revenue			
Non-Curricular Fees			
Fundraising	104,000	70,251	99,304
Total Non-Curricular Fees	104,000	70,251	99,304
Total School Generated Funds Revenue	104,000	70,251	99,304
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	288,932	201,060	200,006
Other Ministry Grants	-	41,084	40,560
Other Provincial Grants	49,150	54,300	-
Other Grants	-	-	58,500
Total Operating Grants	338,082	296,444	299,066
Fees and Other Revenue			
Other Revenue	28,074	-	-
Total Fees and Other Revenue	28,074	-	-
Total Complementary Services Revenue	366,156	296,444	299,066

Ile a la Crosse School Division No. 112
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 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			
Other Revenue	157,848	144,443	126,283
Total Fees and Other Revenue	157,848	144,443	126,283
Total External Services Revenue	272,848	254,443	236,283
Other Revenue			
Miscellaneous Revenue	35,000	48,400	81,737
Sales & Rentals	55,000	103,986	99,973
Investments	22,500	34,060	52,353
Total Other Revenue	112,500	186,446	234,063
TOTAL REVENUE FOR THE YEAR	7,395,686	8,100,332	7,318,035

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	69,960	85,787	69,873
Professional Development - Board Members	45,461	7,938	4,714
Elections	-	3,222	-
Other Governance Expenses	24,850	24,695	21,455
Total Governance Expense	140,271	121,642	96,042
Administration Expense			
Salaries	416,284	418,511	383,214
Benefits	51,171	53,988	61,807
Supplies & Services	39,400	65,926	75,152
Non-Capital Furniture & Equipment	4,200	5,969	5,389
Building Operating Expenses	7,968	6,170	7,093
Communications	6,850	8,449	9,546
Travel	20,000	2,064	10,719
Professional Development	6,000	3,366	1,767
Amortization of Tangible Capital Assets	12,500	4,388	4,388
Total Administration Expense	564,373	568,831	559,075
Instruction Expense			
Instructional (Teacher Contract) Salaries	2,843,497	2,669,445	2,665,199
Instructional (Teacher Contract) Benefits	129,520	149,157	130,039
Program Support (Non-Teacher Contract) Salaries	547,292	782,542	605,656
Program Support (Non-Teacher Contract) Benefits	143,585	178,702	157,814
Instructional Aids	117,298	158,863	188,566
Supplies & Services	274,379	164,412	219,304
Non-Capital Furniture & Equipment	38,131	34,347	27,226
Communications	7,077	16,789	19,671
Travel	830	1,533	15,572
Professional Development	67,708	67,029	53,123
Student Related Expense	147,696	222,428	126,544
Amortization of Tangible Capital Assets	108,620	70,913	63,775
Total Instruction Expense	4,425,633	4,516,160	4,272,489

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	400,677	424,510	425,028
Benefits	84,607	86,054	89,888
Supplies & Services	26,944	38,230	5,353
Non-Capital Furniture & Equipment	-	49,848	23,938
Building Operating Expenses	729,423	1,007,757	902,408
Communications	2,500	5,021	5,549
Travel	10,000	17,578	14,239
Professional Development	1,000	116	-
Amortization of Tangible Capital Assets	401,000	608,588	568,490
Total Plant Operation & Maintenance Expense	1,656,151	2,237,702	2,034,893
Student Transportation Expense			
Supplies & Services	14,700	24,298	30,254
Non-Capital Furniture & Equipment	5,000	8,767	5,290
Building Operating Expenses	4,500	4,054	3,364
Communications	700	2,196	2,190
Travel	2,000	6,562	4,983
Contracted Transportation	210,000	286,344	256,300
Amortization of Tangible Capital Assets	100,693	66,745	39,594
Total Student Transportation Expense	337,593	398,966	341,975
School Generated Funds Expense			
School Fund Expenses	104,000	70,674	87,324
Amortization of Tangible Capital Assets	700	-	-
Total School Generated Funds Expense	104,700	70,674	87,324

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	128,447	111,654	46,970
Program Support (Non-Teacher Contract) Salaries & Benefits	128,244	110,530	124,037
Instructional Aids	25,500	32,961	39,219
Supplies & Services	11,000	4,839	5,589
Building Operating Expenses	18,000	37,691	37,332
Communications	750	786	750
Professional Development (Non-Salary Costs)	4,500	120	275
Student Related Expenses	21,600	4,230	14,442
Amortization of Tangible Capital Assets	4,050	5,161	15,614
Total Complementary Services Expense	342,091	307,972	284,228
External Service Expense			
Instructional (Teacher Contract) Salaries & Benefits	93,174	103,144	114,481
Instructional Aids	3,250	-	-
Supplies & Services	5,300	2,350	3,341
Non-Capital Furniture & Equipment	3,600	10,517	11,608
Building Operating Expenses	160,290	119,033	130,414
Communications	3,400	477	1,401
Professional Development (Non-Salary Costs)	900	-	-
Student Related Expenses	7,450	-	72
Amortization of Tangible Capital Assets	160,300	45,997	74,188
Total External Services Expense	437,664	281,518	335,505

Ile a la Crosse School Division No. 112
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2021

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	150	-	157
Total Interest and Bank Charges	150	-	157
Total Other Expense	150	-	157
TOTAL EXPENSES FOR THE YEAR	8,008,626	8,503,465	8,011,688

Ile a la Crosse School Division No. 112
Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2021

	Land		Buildings		School	Other	Furniture and	Computer	
	Improvements		Short-Term		Buses	Vehicles	Equipment	Hardware and	
	\$		\$		\$	\$	\$	\$	
Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual	Equipment	2020
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
136,162	698,362	22,409,530	1,055,015	494,293	629,931	1,418,606	628,396	27,470,294	27,298,584
-	-	-	-	-	66,919	-	118,753	185,672	171,710
136,162	698,362	22,409,530	1,055,015	494,293	696,850	1,418,606	747,149	27,655,966	27,470,294
Tangible Capital Assets - Amortization									
Opening Balance as of September 1	-	276,990	6,077,462	846,432	276,610	334,789	1,159,440	479,958	8,685,632
Amortization of the Period	-	30,124	565,341	22,854	34,177	54,438	41,966	52,892	766,049
Closing Balance as of August 31	N/A	307,114	6,642,803	869,286	310,787	389,227	1,201,406	532,850	9,451,681
Net Book Value									
Opening Balance as of September 1	136,162	421,372	16,332,068	208,583	217,683	295,142	259,166	148,438	18,612,953
Closing Balance as of August 31	136,162	391,248	15,766,727	185,729	183,506	307,623	217,200	214,299	18,018,614
Change in Net Book Value	-	(30,124)	(565,341)	(22,854)	(34,177)	12,481	(41,966)	65,861	(594,339)

Sch C

Ile a la Crosse School Division No. 112
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2021

	2021	2020
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	801,792	766,049
Total Non-Cash Items Included in Deficit	801,792	766,049

Ile a la Crosse School Division No. 112
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2021

	2021	2020
	\$	\$
Net Change in Non-Cash Operating Activities		
Increase in Accounts Receivable	(10,316)	53,013
Decrease in Accounts Payable and Accrued Liabilities	(11,997)	(62,675)
Increase in Liability for Employee Future Benefits	7,600	7,200
Increase in Deferred Revenue	42,000	-
Increase in Prepaid Expenses	(3,348)	(5,195)
Total Net Change in Non-Cash Operating Activities	23,939	(7,657)

ILE A LA CROSSE SCHOOL DIVISION NO. 112
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

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) 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 \$92,100 (2020 - \$84,500) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization of \$10,253,473 (2020 - \$9,451,681) 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.

ILE A LA CROSSE SCHOOL DIVISION NO. 112
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

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.

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 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 represent 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.

ILE A LA CROSSE SCHOOL DIVISION NO. 112
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2021

Portfolio Investments consist of Guaranteed Investment Certificates with CIBC. 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 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
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years

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.

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.

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

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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). The school division's obligation for this plan 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.

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 that meet the definition of a liability 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.

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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.

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2021	2020
Portfolio investments in the cost or amortized cost category:	<u>Cost</u>	<u>Cost</u>
GICs with CIBC	\$2,167,323	\$2,138,454
Total portfolio investments reported at cost or amortized cost	2,167,323	2,138,454

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2021 Actual	2020 Actual
Governance	\$ 111,755	\$ 9,887	\$ -	\$ 121,642	\$ 96,042
Administration	472,499	91,944	4,388	568,831	559,075
Instruction	3,779,846	665,401	70,913	4,516,160	4,272,489
Plant	510,564	1,118,550	608,588	2,237,702	2,034,893
Transportation	-	332,221	66,745	398,966	341,975
School Generated Funds	-	70,674	-	70,674	87,324
Complementary Services	222,184	80,627	5,161	307,972	284,228
External Services	103,144	132,377	45,997	281,518	335,505
Other	-	-	-	-	157
TOTAL	\$5,199,992	\$2,501,681	\$ 801,792	\$8,503,465	\$8,011,688

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, accumulated 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

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position. HUB International Limited, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2021 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2021.

Details of the employee future benefits are as follows:

	2021	2020
Long-term assumptions used:		
Discount rate at end of period (per annum)	1.97%	1.54%
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)	11	11

Liability for Employee Future Benefits	2021	2020
Accrued Benefit Obligation - beginning of year	\$ 96,200	\$ 87,500
Current period service cost	7,500	6,900
Interest cost	1,600	1,800
Benefit payments	(3,700)	(3,600)
Actuarial (gains) losses	(400)	3,600
Accrued Benefit Obligation - end of year	101,200	96,200
Unamortized net actuarial losses	(9,100)	(11,700)
Liability for Employee Future Benefits	\$ 92,100	\$ 84,500

Employee Future Benefits Expense	2021	2020
Current period service cost	\$ 7,500	\$ 6,900
Amortization of net actuarial (gain) loss	2,200	2,100
Benefit cost	9,700	9,000
Interest cost	1,600	1,800
Total Employee Future Benefits Expense	\$ 11,300	\$ 10,800

6. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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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 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:

	2021		2020
	STRP	TOTAL	TOTAL
Number of active School Division members	30	30	31
Member contribution rate (percentage of salary)	9.50%	9.50%	9.50%
Member contributions for the year	\$ 264,901	\$ 264,901	\$ 248,686

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:

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	2021	2020
Number of active School Division members	36	34
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	\$ 127,788	\$ 107,381
School Division contributions for the year	\$ 127,788	\$ 107,381
Actuarial extrapolation date	<u>Dec-31-2020</u>	<u>Dec-31-2019</u>
Plan Assets (in thousands)	\$ 3,221,426	\$ 2,819,222
Plan Liabilities (in thousands)	\$ 2,382,526	\$ 2,160,754
Plan Surplus (in thousands)	\$ 838,900	\$ 658,468

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:

	2021			2020		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	\$ 168,000	-	\$ 168,000	\$ 169,914	-	\$ 169,914
Other Receivables	134,997	-	134,997	122,767	-	122,767
Total Accounts Receivable	\$ 302,997	\$ -	\$ 302,997	\$ 292,681	\$ -	\$ 292,681

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2021	2020
Accrued Salaries and Benefits	\$ 28,214	\$ 37,769
Damage Deposits and Other Payables	12,466	14,908
Total Accounts Payable and Accrued Liabilities	\$ 40,680	\$ 52,677

9. DEFERRED REVENUE

Details of deferred revenues are as follows:

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	Balance as at August 31, 2020	Additions during the Year	Revenue recognized in the Year	Balance as at August 31, 2021
Non-Capital deferred revenue:				
First Nations and Metis Community Partnership Project	-	\$ 42,000	-	\$ 42,000
Total non-capital deferred revenue	-	42,000	-	42,000
Total Deferred Revenue	-	\$ 42,000	\$ -	\$ 42,000

10. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Interagency	Other Programs	2021	2020
Revenues:					
Operating Grants	\$ 201,060	\$ 54,300	\$ 41,084	\$ 296,444	\$ 299,066
Total Revenues	201,060	54,300	41,084	296,444	299,066
Expenses:					
Salaries & Benefits	111,654	56,529	54,001	222,184	171,007
Instructional Aids	6,299	3,898	22,764	32,961	39,219
Supplies and Services	-	-	4,839	4,839	5,589
Building Operating Expenses	-	-	37,691	37,691	37,332
Communications	-	750	36	786	750
Professional Development (Non-Salary Costs)	-	60	60	120	275
Student Related Expenses	3,817	-	412	4,230	14,442
Amortization of Tangible Capital Assets	839	-	4,323	5,161	15,614
Total Expenses	122,609	61,237	124,126	307,972	284,228
Excess (Deficiency) of Revenues over Expenses	\$ 78,451	\$ (6,937)	\$ (83,042)	\$ (11,528)	\$ 14,838

11. 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:

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Summary of External Services Revenues and Expenses, by Program	Adult Education	Teacherages	2021	2020
Revenues:				
Operating Grants	\$ 110,000	\$ -	\$ 110,000	\$ 110,000
Fees and Other Revenues	-	144,443	144,443	126,283
Total Revenues	110,000	144,443	254,443	236,283
Expenses:				
Salaries & Benefits	103,145	-	103,144	114,481
Supplies and Services	-	2,350	2,350	3,341
Non-Capital Equipment	-	9,997	10,517	11,608
Building Operating Expenses	-	119,552	119,033	130,414
Communications	477	-	477	1,401
Student Related Expenses	-	-	-	72
Amortization of Tangible Capital Assets	57	45,940	45,997	74,188
Total Expenses	103,679	177,839	281,518	335,505
Excess (Deficiency) of Revenues over Expenses	\$ 6,321	\$ (33,396)	\$ (27,075)	\$ (99,222)

12. 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:

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	August 31, 2020	Additions during the year	Reductions during the year	August 31, 2021
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 18,018,614	\$ 185,672	\$ 801,792	\$ 17,402,494
	18,018,614	185,672	801,792	17,402,494
S.286 pre-April 2009 capital reserves (1)	1,894,199	-	-	1,894,199
PMR maintenance project allocations (2)	192,622	192,501	192,622	192,501
Education Emergency Pandemic Support program allocation (4)	-	507,509	461,641	45,868
Designated Assets:				
Capital Projects:				
Designated for tangible capital asset expenditures	733,683	-	-	733,683
	733,683	-	-	733,683
Other:				
School generated funds	74,408	746	-	75,154
	74,408	746	-	75,154
Unrestricted Surplus (Deficit)	1,037,902	166,495	-	1,204,396
Total Accumulated Surplus	\$ 21,951,428	\$ 1,052,923	\$ 1,456,055	\$ 21,548,295

- (1) **S.286 pre-April 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.
- (3) **Education Emergency Pandemic Support Program Allocation** represent transfers received from the Ministry of Finance in 2020-21 to support costs related to the COVID-19 pandemic in the current and following school year. Unspent funds at the end of the 2021-22 school year must be repaid to the Government of Saskatchewan.

13. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 22nd, 2020 and the Minister of Education on August 14th, 2020.

14. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

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- construction contract for door replacement at Rossignol Elementary School in the amount of \$173,371 over 1 year.

15. 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 impairment in collectability.

The aging of grants and other accounts receivable as at August 31, 2021, was:

August 31, 2021					
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 168,000	\$ 168,000	\$ -	\$ -	\$ -
Other Receivables	58,861	24,549	-	-	34,312
Gross Receivables	226,861	192,549	-	-	34,312
Net Receivables	\$ 226,861	\$ 192,549	\$ -	\$ -	\$ 34,312

Receivable amounts related to GST and PST 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.

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

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August 31, 2021					
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 40,680	\$ 28,214	\$ -	\$ 12,466	\$ -
Total	\$ 40,680	\$ 28,214	\$ -	\$ 12,466	\$ -

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 GIC's and term deposits for short terms at fixed interest rates.

16. 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.