Government of Saskatchewan
Ministry of Education

Audited Financial Statements

Of the Holy Family Roman Catholic Separate School Division No. 140

School Division No. 1406000

For the Period Ending: August 31, 2019

Lisa Wonsiak

Lisa Wonsiak, Chief Financial Officer

Cogent CPA

Auditor

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

Cogent
CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

INDEPENDENT AUDITOR'S REPORT

To the Directors of Holy Family Roman Catholic Separate School Division #140:

Opinion

We have audited the financial statements of Holy Family Roman Catholic Separate School Division #140 (the School Division), which comprise the statement of financial position as at August 31, 2019, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and cash flow for the year then ended, with related schedules and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

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

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

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

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

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(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Division'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 School Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School Division 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.

Cogent CPA LLP

Chartered Professional Accountants

Weyburn, SK
November 26, 2019

Management's Responsibility for the Financial Statements

The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the school division's external auditors.

The external auditors, Cogent Chartered Professional Accountants LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Holy Family Roman Catholic Separate School Division No. 140:

Bruno Tuchscherer

Board Chair

Gwen Keith

CEO/Director of Education

Kim Wonziak

Chief Financial Officer

November 26, 2019

Holy Family Roman Catholic Separate School Division No. 140

Statement of Financial Position

as at August 31, 2019

	2019	2018
	$	$
Financial Assets		
Cash and Cash Equivalents	5,905,928	5,347,109
Accounts Receivable (Note 7)	2,473,615	150,334
Portfolio Investments (Note 3)	5,350	4,984
Total Financial Assets	**8,384,893**	**5,502,427**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	542,369	291,505
Long-Term Debt (Note 9)	1,502,939	1,584,155
Liability for Employee Future Benefits (Note 5)	330,300	320,900
Deferred Revenue (Note 10)	974,069	-
Total Liabilities	**3,349,677**	**2,196,560**
Net Financial Assets	**5,035,216**	**3,305,867**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	12,163,309	12,618,331
Prepaid Expenses	217,788	262,548
Total Non-Financial Assets	**12,381,097**	**12,880,879**
Accumulated Surplus (Note 13)	**17,416,313**	**16,186,746**

Contractual Obligations and Commitments (Note 15)

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

Approved by the Board:

Bruno Luchscheu _______________ Chairperson

Lisa Wonsiak _______________ Chief Financial Officer

Holy Family Roman Catholic Separate School Division No. 140

Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$ (Note 14)	$	$
REVENUES			
Property Taxes and Other Related	4,219,076	4,037,192	1,962,439
Grants	8,526,415	10,334,204	10,459,055
School Generated Funds	350,000	291,639	374,243
Complementary Services (Note 11)	287,017	296,914	287,553
External Services (Note 12)	5,980	43,342	30,479
Other	42,000	131,555	80,441
Total Revenues (Schedule A)	**13,430,488**	**15,134,846**	**13,194,210**
EXPENSES			
Governance	137,513	114,333	107,710
Administration	1,024,188	1,007,168	919,603
Instruction	9,977,979	10,035,006	9,362,735
Plant	1,657,373	1,588,925	1,596,350
Transportation	448,178	411,389	507,806
Tuition and Related Fees	70,500	49,750	59,000
School Generated Funds	353,091	283,871	391,789
Complementary Services (Note 11)	314,357	296,704	331,275
External Services (Note 12)	11,959	51,438	25,255
Other	58,673	66,695	340,146
Total Expenses (Schedule B)	**14,053,811**	**13,905,279**	**13,641,669**
Operating (Deficit) Surplus for the Year	**(623,323)**	**1,229,567**	**(447,459)**
Accumulated Surplus from Operations, Beginning of Year	**16,186,746**	**16,186,746**	**16,634,205**
Accumulated Surplus from Operations, End of Year	**15,563,423**	**17,416,313**	**16,186,746**

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

Holy Family Roman Catholic Separate School Division No. 140

Statement of Changes in Net Financial Assets

for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$ (Note 14)	$	$
Net Financial Assets, Beginning of Year	**3,305,867**	**3,305,867**	**3,952,676**
Changes During the Year			
Operating (Deficit) Surplus for the Year	(623,323)	1,229,567	(447,459)
Acquisition of Tangible Capital Assets (Schedule C)	(280,000)	(170,440)	(750,689)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	2,500	-
Net Loss on Disposal of Capital Assets (Schedule C)	-	5,939	-
Amortization of Tangible Capital Assets (Schedule C)	557,444	617,023	617,273
Net Change in Other Non-Financial Assets	-	44,760	(65,934)
Change in Net Financial Assets	**(345,879)**	**1,729,349**	**(646,809)**
Net Financial Assets, End of Year	**2,959,988**	**5,035,216**	**3,305,867**

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

Holy Family Roman Catholic Separate School Division No. 140

Statement of Cash Flows

for the year ended August 31, 2019

	2019	2018
	$	$
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	1,229,567	(447,459)
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	622,962	617,273
Net Change in Non-Cash Operating Activities (Schedule E)	(1,044,188)	1,320,147
Cash Provided by Operating Activities	**808,341**	**1,489,961**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(170,440)	(750,689)
Proceeds on Disposal of Tangible Capital Assets	2,500	-
Cash Used by Capital Activities	**(167,940)**	**(750,689)**
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(366)	(394)
Cash Used by Investing Activities	**(366)**	**(394)**
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(81,216)	(78,217)
Cash Used by Financing Activities	**(81,216)**	**(78,217)**
INCREASE IN CASH AND CASH EQUIVALENTS	**558,819**	**660,661**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**5,347,109**	**4,686,448**
CASH AND CASH EQUIVALENTS, END OF YEAR	**5,905,928**	**5,347,109**

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

Holy Family Roman Catholic Separate School Division No. 140

Schedule A: Supplementary Details of Revenues

for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$	$	$
Property Taxes and Other Related Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	4,219,076	4,037,192	1,934,415
Total Property Tax Revenue	**4,219,076**	**4,037,192**	**1,934,415**
Grants in Lieu of Taxes			
Provincial Government	-	-	6,397
Total Grants in Lieu of Taxes	**-**	**-**	**6,397**
Other Tax Revenues			
House Trailer Fees	-	-	3,110
Total Other Tax Revenues	**-**	**-**	**3,110**
Additions to Levy			
Penalties	-	-	23,147
Total Additions to Levy	**-**	**-**	**23,147**
Deletions from Levy			
Cancellations	-	-	(4,630)
Total Deletions from Levy	**-**	**-**	**(4,630)**
Total Property Taxes and Other Related Revenue	**4,219,076**	**4,037,192**	**1,962,439**
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	8,274,016	10,057,402	10,212,297
Other Ministry Grants	-	-	7,979
Total Ministry Grants	**8,274,016**	**10,057,402**	**10,220,276**
Other Provincial Grants	28,500	20,566	14,880
Total Operating Grants	**8,302,516**	**10,077,968**	**10,235,156**
Capital Grants			
Ministry of Education Capital Grants	223,899	256,236	223,899
Total Capital Grants	**223,899**	**256,236**	**223,899**
Total Grants	**8,526,415**	**10,334,204**	**10,459,055**

Holy Family Roman Catholic Separate School Division No. 140

Schedule A: Supplementary Details of Revenues

for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$	$	$
School Generated Funds Revenue			
Non-Curricular Fees			
Commercial Sales - Non-GST	-	33,307	29,333
Fundraising	-	76,183	53,111
Grants and Partnerships	-	824	353
Students Fees	-	1,804	2,952
Other	350,000	179,521	288,494
Total Non-Curricular Fees	**350,000**	**291,639**	**374,243**
Total School Generated Funds Revenue	**350,000**	**291,639**	**374,243**
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	202,944	202,979	194,478
Other Ministry Grants	84,073	93,935	93,075
Total Operating Grants	**287,017**	**296,914**	**287,553**
Total Complementary Services Revenue	**287,017**	**296,914**	**287,553**
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	-	20,000	-
Other Provincial Grants	5,980	5,979	5,979
Total Operating Grants	**5,980**	**25,979**	**5,979**
Fees and Other Revenue			
Other Revenue	-	17,363	24,500
Total Fees and Other Revenue	**-**	**17,363**	**24,500**
Total External Services Revenue	**5,980**	**43,342**	**30,479**
Other Revenue			
Miscellaneous Revenue	-	3,700	11,565
Investments	42,000	125,355	68,876
Gain on Disposal of Capital Assets	-	2,500	-
Total Other Revenue	**42,000**	**131,555**	**80,441**
TOTAL REVENUE FOR THE YEAR	**13,430,488**	**15,134,846**	**13,194,210**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$	$	$
Governance Expense			
Board Members Expense	67,504	49,041	44,650
Professional Development - Board Members	18,000	12,282	10,858
Grants to School Community Councils	3,500	4,988	6,624
Other Governance Expenses	48,509	48,022	45,578
Total Governance Expense	**137,513**	**114,333**	**107,710**
Administration Expense			
Salaries	680,787	672,150	602,974
Benefits	79,257	72,043	61,472
Supplies & Services	76,050	72,673	75,281
Non-Capital Furniture & Equipment	8,500	7,353	7,319
Building Operating Expenses	107,100	106,828	106,379
Communications	16,000	11,130	12,250
Travel	9,350	8,581	7,113
Professional Development	40,900	33,470	23,875
Amortization of Tangible Capital Assets	6,244	22,940	22,940
Total Administration Expense	**1,024,188**	**1,007,168**	**919,603**
Instruction Expense			
Instructional (Teacher Contract) Salaries	7,070,932	6,930,955	6,665,929
Instructional (Teacher Contract) Benefits	358,961	361,417	353,300
Program Support (Non-Teacher Contract) Salaries	1,437,034	1,445,584	1,249,504
Program Support (Non-Teacher Contract) Benefits	296,575	302,173	246,565
Instructional Aids	309,266	316,939	378,358
Supplies & Services	137,360	161,636	101,143
Non-Capital Furniture & Equipment	87,240	251,979	101,490
Communications	28,175	26,895	26,847
Travel	23,300	19,209	19,260
Professional Development	87,402	67,828	74,076
Student Related Expense	21,965	23,279	22,683
Amortization of Tangible Capital Assets	119,769	127,112	123,580
Total Instruction Expense	**9,977,979**	**10,035,006**	**9,362,735**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$	$	$
Plant Operation & Maintenance Expense			
Salaries	404,185	446,331	425,529
Benefits	82,680	94,835	85,171
Supplies & Services	21,131	17,012	15,330
Non-Capital Furniture & Equipment	8,000	1,959	1,453
Building Operating Expenses	738,995	605,951	661,184
Communications	6,500	7,021	4,429
Travel	16,550	15,432	15,449
Professional Development	7,600	2,319	2,261
Amortization of Tangible Capital Assets	371,732	398,065	385,544
Total Plant Operation & Maintenance Expense	**1,657,373**	**1,588,925**	**1,596,350**
Student Transportation Expense			
Salaries	199,207	194,350	166,783
Benefits	44,377	38,675	29,805
Supplies & Services	55,225	58,010	41,718
Non-Capital Furniture & Equipment	72,000	46,366	79,630
Communications	5,650	2,805	2,235
Contracted Transportation	36,000	22,408	126,406
Amortization of Tangible Capital Assets	35,719	48,775	61,229
Total Student Transportation Expense	**448,178**	**411,389**	**507,806**
Tuition and Related Fees Expense			
Tuition Fees	70,500	49,750	59,000
Total Tuition and Related Fees Expense	**70,500**	**49,750**	**59,000**
School Generated Funds Expense			
Academic Supplies & Services	25,000	146	2,432
Cost of Sales	75,000	70,276	76,920
Non-Capital Furniture & Equipment	-	10,742	299
School Fund Expenses	230,000	183,144	289,047
Amortization of Tangible Capital Assets	23,091	19,563	23,091
Total School Generated Funds Expense	**353,091**	**283,871**	**391,789**

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	$	$	$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	148,373	110,551	145,459
Program Support (Non-Teacher Contract) Salaries & Benefits	126,602	154,185	147,263
Instructional Aids	20,100	15,775	23,200
Supplies & Services	5,482	5,964	3,818
Non-Capital Furniture & Equipment	1,500	3,164	5,216
Communications	-	1,070	556
Travel	8,150	3,299	3,447
Professional Development (Non-Salary Costs)	3,261	2,128	1,427
Amortization of Tangible Capital Assets	889	568	889
Total Complementary Services Expense	**314,357**	**296,704**	**331,275**
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	11,817	11,719	11,817
Supplies & Services	115	19,835	115
Travel	27	19,884	13,323
Total External Services Expense	**11,959**	**51,438**	**25,255**
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	3,100	169	528
Interest on Capital Loans	55,573	58,087	61,094
Total Interest and Bank Charges	**58,673**	**58,256**	**61,622**
Transfer of Taxes Receivable	-	-	278,524
Loss on Disposal of Tangible Capital Assets	-	8,439	-
Total Other Expense	**58,673**	**66,695**	**340,146**
TOTAL EXPENSES FOR THE YEAR	**14,053,811**	**13,905,279**	**13,641,669**

rate School Division No. 140

ngible Capital Assets

Land Improvements	Buildings	Buildings Short-Term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software	2019	2018
$	$	$	$	$	$	$	$	$	$
97,924	13,937,385	1,975,615	998,328	66,452	683,586	797,502	83,479	**18,640,271**	**17,889,582**
9,318	-	2,343	-	38,290	81,266	39,223	-	**170,440**	**750,689**
-	-	-	(69,268)	-	-	-	-	**(69,268)**	-
107,242	**13,937,385**	**1,977,958**	**929,060**	**104,742**	**764,852**	**836,725**	**83,479**	**18,741,443**	**18,640,271**
14,903	4,044,575	426,701	551,223	61,246	297,183	609,413	16,696	**6,021,940**	**5,404,667**
5,362	269,539	100,249	48,774	12,864	69,282	94,257	16,696	**617,023**	**617,273**
-	-	-	(60,829)	-	-	-	-	**(60,829)**	-
20,265	**4,314,114**	**526,950**	**539,168**	**74,110**	**366,465**	**703,670**	**33,392**	**6,578,134**	**6,021,940**
83,021	9,892,810	1,548,914	447,105	5,206	386,403	188,089	66,783	**12,618,331**	**12,484,915**
86,977	9,623,271	1,451,008	389,892	30,632	398,387	133,055	50,087	**12,163,309**	**12,618,331**
3,956	**(269,539)**	**(97,906)**	**(57,213)**	**25,426**	**11,984**	**(55,034)**	**(16,696)**	**(455,022)**	**133,416**
-	-	-	69,268	-	-	-	-	**69,268**	-
-	-	-	60,829	-	-	-	-	**60,829**	-
-	**-**	**-**	**8,439**	**-**	**-**	**-**	**-**	**8,439**	**-**
-	-	-	2,500	-	-	-	-	**2,500**	**-**
-	**-**	**-**	**(5,939)**	**-**	**-**	**-**	**-**	**(5,939)**	**-**
-	**-**	**-**	**21,047**	**-**	**-**	**-**	**-**	**21,047**	**28,062**

Holy Family Roman Catholic Separate School Division No. 140
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2019

	2019	2018
	$	$
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets (Schedule C)	617,023	617,273
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	5,939	-
Total Non-Cash Items Included in Surplus / Deficit	**622,962**	**617,273**

Holy Family Roman Catholic Separate School Division No. 140
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2019

	2019	2018
	$	$
Net Change in Non-Cash Operating Activities		
(Increase) Decrease in Accounts Receivable	(2,323,281)	1,654,128
Increase (Decrease) in Accounts Payable and Accrued Liabilities	250,864	(152,636)
Increase in Liability for Employee Future Benefits	9,400	21,400
Increase (Decrease) in Deferred Revenue	974,069	(136,811)
Decrease (Increase) in Prepaid Expenses	44,760	(65,934)
Total Net Change in Non-Cash Operating Activities	**(1,044,188)**	**1,320,147**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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 Holy Family Roman Catholic Separate School Division No. 140" and operates as "the Holy Family Roman Catholic Separate School Division No. 140". 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 $330,300 (2018 - $320,900) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related amortization of $617,023 (2018 - $617,273) because the actual useful lives of these assets may differ from their estimated economic lives.
- property taxation revenue of $4,037,192 (2018 - $1,962,439) because final tax assessments may differ from initial estimates.

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Financial Instruments

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

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

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

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

d) Financial Assets

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

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

Accounts Receivable includes taxes 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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances.

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

Portfolio Investments consist of equity shares in co-operative corporations. 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 (leasehold improvements, 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
Computer software	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, software licenses, workers' compensation premiums, consumable supplies, lease payments and tuition.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Liabilities

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

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

Long-Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995.*

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

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 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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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, except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Transfers with stipulations are recorded as deferred revenue and recognized as revenue in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation
Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan and agreed to by the Board of Education, although separate school divisions have a legislative right to set their own mill rates. 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. The legislation provides authority to separate school divisions to set a bylaw to determine and apply their own mill rates for education property taxes. For 2018, the school division did not have a bylaw in place, for 2019 it does.

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv) Interest Income
Interest is recognized as revenue when it is earned.

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

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2019	2018
Portfolio investments in the cost and amortized cost category:	Cost	Cost
Co-Operative Corporations, shares	$ 5,350	$ 4,984
Total portfolio investments reported at cost and amortized cost	**$ 5,350**	**$ 4,984**

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2019 Actual	2018 Actual
Governance	$ 49,041	$ 65,292	$ -	$ -	**$ 114,333**	**$ 107,710**
Administration	744,193	240,035	-	22,940	**1,007,168**	**919,603**
Instruction	9,040,129	867,765	-	127,112	**10,035,006**	**9,362,735**
Plant	541,166	649,694	-	398,065	**1,588,925**	**1,596,350**
Transportation	233,025	129,589	-	48,775	**411,389**	**507,806**
Tuition and Related Fees	-	49,750	-	-	**49,750**	**59,000**
School Generated Funds	-	264,308	-	19,563	**283,871**	**391,789**
Complementary Services	264,736	31,400	-	568	**296,704**	**331,275**
External Services	11,719	39,719	-	-	**51,438**	**25,255**
Other	-	8,608	58,087	-	**66,695**	**340,146**
TOTAL	**$ 10,884,009**	**$ 2,346,160**	**$ 58,087**	**$ 617,023**	**$ 13,905,279**	**$ 13,641,669**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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, 2019.

Details of the employee future benefits are as follows:

	2019	2018
Long-term assumptions used:		
Discount rate at end of period	1.93%	3.00%
Inflation and productivity rate (excluding merit and promotion)		
For teachers	2.50%	2.50%
For non-teachers	3.00%	3.00%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	**2019**	**2018**
Accrued Benefit Obligation - beginning of year	**$ 262,900**	**$ 285,000**
Current period service cost	23,100	26,100
Interest cost	8,300	8,200
Benefit payments	(18,000)	(11,900)
Actuarial (gains) loss	38,900	(44,500)
Plan amendments	1,900	-
Accrued Benefit Obligation - end of year	**317,100**	**262,900**
Unamortized Net Actuarial Gains	13,200	58,000
Liability for Employee Future Benefits	**$ 330,300**	**$ 320,900**

Employee Future Benefits Expense	**2019**	**2018**
Current period service cost	$ 23,100	$ 26,100
Amortization of net actuarial gain	(4,000)	(1,000)
Benefit cost	**19,100**	**25,100**
Interest cost	8,300	8,200
Total Employee Future Benefits Expense	**$ 27,400**	**$ 33,300**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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 from 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 this 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:

	2019	2018
	TOTAL	TOTAL
Number of active School Division members	95	92
Member contribution rate (percentage of salary)	9.50% / 11.70%	11.30% / 13.50%
Member contributions for the year	$ 678,960	$ 780,573

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.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

6. PENSION PLANS (continued)

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:

	2019	2018
Number of active School Division members	96	84
Member contribution rate (percentage of salary)	9.00%	8.15%
School Division contribution rate (percentage of salary)	9.00%	8.15%
Member contributions for the year	$ 204,120	$ 172,868
School Division contributions for the year	$ 204,120	$ 172,868
Actuarial extrapolation date	**Dec-31-2018**	**Dec-31-2017**
Plan Assets (in thousands)	$ 2,487,505	$ 2,469,995
Plan Liabilities (in thousands)	$ 2,024,269	$ 2,015,818
Plan Surplus (in thousands)	$ 463,236	$ 454,177

7. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts.

Details of accounts receivable balances and allowances are as follows:

	2019			2018		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	$ 2,375,242	$ -	$ 2,375,242	$ -	$ -	$ -
Other Receivables	98,373	-	98,373	150,334	-	150,334
Total Accounts Receivable	**$ 2,473,615**	**$ -**	**$ 2,473,615**	**$ 150,334**	**$ -**	**$ 150,334**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2019	2018
Accrued Salaries and Benefits	$ 38,898	$ 59,113
Supplier Payments	498,814	227,483
Accrued Interest on Capital Loans	4,657	4,909
Total Accounts Payable and Accrued Liabilities	**$ 542,369**	**$ 291,505**

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2019	2018
Capital Loan:	Toronto Dominion (TD) loan bearing interest of 3.77% per annum, repayable in monthly blended payments of $11,630. The loan purpose is for school construction. The loan is unsecured and matures on June 1, 2033.	$ 1,502,939	$ 1,584,155
Total Long-Term Debt		**$ 1,502,939**	**$ 1,584,155**

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

	Capital Loans	Total
2019	$ 83,883	**$ 83,883**
2020	87,575	**87,575**
2021	91,198	**91,198**
2022	94,406	**94,406**
2023	97,917	**97,917**
Thereafter	1,047,960	**1,047,960**
Total	**$ 1,502,939**	**$ 1,502,939**

Principal and interest payments on the long-term debt are as follows:

	Capital Loans	2019	2018
Principal	$ 81,216	**$ 81,216**	**$ 78,217**
Interest	58,087	**58,087**	**61,094**
Total	**$ 139,303**	**$ 139,303**	**$ 139,311**

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2018	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2019
Non-capital deferred revenue:				
Education Property Tax	$ -	$ 974,069	$ -	$ 974,069
Total Deferred Revenue	**$ -**	**$ 974,069**	**$ -**	**$ 974,069**

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

11. COMPLEMENTARY SERVICESN

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	Early Childhood Intervention Program	First Nations Métis Education	English as a Second Language	French as a Second Language	2019	2018
Revenues:							
Operating Grants	$ 202,979	$ 75,673	$ 1,000	$ 12,262	$ 5,000	**$ 296,914**	**$ 287,553**
Total Revenues	**202,979**	**75,673**	**1,000**	**12,262**	**5,000**	**296,914**	**287,553**
Expenses:							
Salaries & Benefits	207,056	57,680	-	-	-	**264,736**	**292,722**
Instructional Aids	3,498	606	9,269	-	2,402	**15,775**	**23,200**
Supplies and Services	161	1,713	-	4,090	-	**5,964**	**3,818**
Non-Capital Equipment	-	3,164	-	-	-	**3,164**	**5,216**
Communications	-	1,070	-	-	-	**1,070**	**556**
Travel	267	3,032	-	-	-	**3,299**	**3,447**
Professional Development (Non-Salary Costs)	315	1,813	-	-	-	**2,128**	**1,427**
Amortization of Tangible Capital Assets	568	-	-	-	-	**568**	**889**
Total Expenses	**211,865**	**69,078**	**9,269**	**4,090**	**2,402**	**296,704**	**331,275**
Excess (Deficiency) of Revenues over Expenses	**$ (8,886)**	**$ 6,595**	**$ (8,269)**	**$ 8,172**	**$ 2,598**	**$ 210**	**$ (43,722)**

12. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Child and Family Services	SaskReads	SCSBA AGM	2019	2018
Revenues:					
Operating Grants	$ 5,979	$ 20,000	$ -	**$ 25,979**	**$ 5,979**
Fees and Other Revenues	-	-	17,363	**17,363**	**24,500**
Total Revenues	**5,979**	**20,000**	**17,363**	**43,342**	**30,479**
Expenses:					
Salaries & Benefits	11,719	-	-	**11,719**	**11,817**
Supplies and Services	115	-	19,720	**19,835**	**115**
Travel	27	18,624	1,233	**19,884**	**13,323**
Total Expenses	**11,861**	**18,624**	**20,953**	**51,438**	**25,255**
Excess (Deficiency) of Revenues over Expenses	**$ (5,882)**	**$ 1,376**	**$ (3,590)**	**$ (8,096)**	**$ 5,224**

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

13. ACCUMULATED SURPLUS

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

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific 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 the designated assets.

Details of accumulated surplus are as follows:

	August 31 2018	Additions during the year	Reductions during the year	August 31 2019
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 12,618,331	$ 170,440	$ 625,462	$ 12,163,309
Less: Debt owing on Tangible Capital Assets	(1,584,155)	-	(81,216)	(1,502,939)
	11,034,176	**170,440**	**544,246**	**10,660,370**
PMR maintenance project allocations (1)	**270,820**	**256,236**	**127,113**	**399,943**
Designated Assets:				
Capital projects:				
Designated for Tangible Capital Asset expenditures - Facilities	591,479	75,000	-	666,479
Designated for Tangible Capital Asset expenditures - Technology	773,116	98,227	109,989	761,354
Designated for Tangible Capital Asset expenditures - Transportation	358,878	25,000	-	383,878
	1,723,473	**198,227**	**109,989**	**1,811,711**
Other:				
School Generated Funds	128,231	120,913	126,199	122,945
School Budget Carryovers	(8,612)	13,044	-	4,432
Scholarship Funds	7,000	-	1,000	6,000
Professional Development	11,918	23,500	29,086	6,332
Ministry Grants	25,286	93,800	79,934	39,152
Facilities, Equipment and Technology	182,897	111,554	183,022	111,429
Transportation	45,343	-	-	45,343
Other	490,647	270,192	201,487	559,352
Grant Reconciliation	-	1,398,737	-	1,398,737
	882,710	**2,031,740**	**620,728**	**2,293,722**
Unrestricted Surplus	**2,275,567**	**-**	**25,000**	**2,250,567**
Total Accumulated Surplus	**$ 16,186,746**	**$ 2,656,643**	**$ 1,427,076**	**$ 17,416,313**

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 13, 2018 and the Minister of Education on August 22, 2018.

15. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Office Rental	Copiers	Total Operating
Future minimum lease payments:			
2020	$ 148,123	$ 22,026	**$ 170,149**
2021	149,808	22,027	**171,835**
2022	151,559	22,026	**173,585**
2023	153,382	22,027	**175,409**
2024	155,277	-	**155,277**
2025	157,247	-	**157,247**
Total Lease Obligations	**$ 915,396**	**$ 88,106**	**$ 1,003,502**

16. RISK MANAGEMENT

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

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include short term accounts receivable due on demand of invoicing or contract.

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 in collectability.

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

16. RISK MANAGEMENT (continued)

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

	Total	Current	60-90 days	Over 90 days
Other Receivables	$ 21,285	$ 16,158	$ 2,709	$ 2,418
Net Receivables	**$ 21,285**	**$ 16,158**	**$ 2,709**	**$ 2,418**

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

ii) Liquidity Risk

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

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

	August 31, 2019				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	$ 542,369	$ 542,369	$ -	$ -	$ -
Long-term debt *(includes interest)*	1,930,501	69,777	69,777	558,217	1,232,730
Total	**$ 2,472,870**	**$ 612,146**	**$ 69,777**	**$ 558,217**	**$ 1,232,730**

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 its authorized bank line of credit of $3,000,000 with interest payable monthly at a rate of prime minus 0.6% per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no outstanding balance on this credit facility at August 31, 2019.

The school division minimizes these risks by:

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