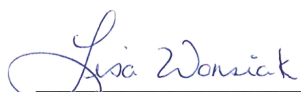

Audited Financial Statements

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

School Division No. 1406000

For the Period Ending: August 31, 2020



Chief Financial Officer



Auditor

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

Management's Responsibility for the Financial Statements

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

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

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

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

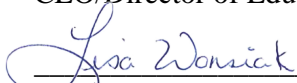
On behalf of the Holy Family Roman Catholic Separate School Division No. 140:



Board Chair



CEO/Director of Education



Chief Financial Officer

November 18, 2020

Independent auditor's report

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

Grant Thornton LLP
206 Hill Ave.
Weyburn, SK
S4H 1M5
T +1 306 842 8123
F +1 306 842 8171

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, 2020, and the statement of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of cash flows for the year then ended, with related schedules and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of Holy Family Roman Catholic Separate School Division #140 present fairly, in all material respects, as at August 31, 2020 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter – Predecessor auditor

The financial statements of the Holy Family Roman Catholic Separate School Division #140 for the year ended August 31, 2019 were audited by Cogent Chartered Professional Accountants LLP who expressed an unmodified opinion on those statements on November 26, 2019. The partners and staff of Cogent Chartered professional Accountants LLP joined Grant Thornton LLP.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 related 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.

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.

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.

Weyburn, Canada
November 18, 2020

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Holy Family Roman Catholic Separate School Division No. 140
Statement of Financial Position
as at August 31, 2020

	2020	2019
	\$	\$
Financial Assets		
Cash and Cash Equivalents	5,949,274	5,905,928
Accounts Receivable (Note 7)	2,681,885	2,473,615
Portfolio Investments (Note 3)	3,908	5,350
Total Financial Assets	8,635,067	8,384,893
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	440,968	542,369
Long-Term Debt (Note 9)	1,419,056	1,502,939
Liability for Employee Future Benefits (Note 5)	351,600	330,300
Deferred Revenue (Note 10)	472,310	974,069
Total Liabilities	2,683,934	3,349,677
Net Financial Assets	5,951,133	5,035,216
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	11,597,796	12,163,309
Prepaid Expenses	178,042	217,788
Total Non-Financial Assets	11,775,838	12,381,097
Accumulated Surplus (Note 13)	17,726,971	17,416,313

Contractual Rights (Note 15)

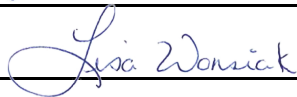
Contractual Obligations and Commitments (Note 16)

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

Approved by the Board:



Chairperson



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, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
REVENUES	(Note 14)		
Property Taxes and Other Related	5,078,414	6,514,688	4,037,192
Grants	8,034,097	7,473,751	10,352,465
Tuition and Related Fees	-	5,520	-
School Generated Funds	350,000	306,370	291,639
Complementary Services (Note 11)	292,997	312,198	278,653
External Services (Note 12)	5,980	25,097	43,342
Other	76,000	102,710	131,555
Total Revenues (Schedule A)	13,837,488	14,740,334	15,134,846
EXPENSES			
Governance	137,513	104,412	109,345
Administration	1,044,684	1,029,539	1,007,168
Instruction	10,595,744	10,388,540	10,050,767
Plant	1,712,932	1,817,516	1,588,925
Transportation	459,554	415,888	411,389
Tuition and Related Fees	56,500	50,000	49,750
School Generated Funds	349,563	226,693	288,859
Complementary Services (Note 11)	314,008	278,771	280,943
External Services (Note 12)	11,959	27,007	51,438
Other	55,666	91,310	66,695
Total Expenses (Schedule B)	14,738,123	14,429,676	13,905,279
Operating Surplus (Deficit) for the Year	(900,635)	310,658	1,229,567
Accumulated Surplus from Operations, Beginning of Year	17,416,313	17,416,313	16,186,746
Accumulated Surplus from Operations, End of Year	16,515,678	17,726,971	17,416,313

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, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
	(Note 14)		
Net Financial Assets, Beginning of Year	5,035,216	5,035,216	3,305,867
Changes During the Year			
Operating (Deficit) Surplus for the Year	(900,635)	310,658	1,229,567
Acquisition of Tangible Capital Assets (Schedule C)	-	(35,937)	(170,440)
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)	-	601,450	617,023
Net Change in Other Non-Financial Assets	-	39,746	44,760
Change in Net Financial Assets	(900,635)	915,917	1,729,349
Net Financial Assets, End of Year	4,134,581	5,951,133	5,035,216

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, 2020**

	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus for the Year	310,658	1,229,567
Add Non-Cash Items Included in Surplus (Schedule D)	601,450	622,962
Net Change in Non-Cash Operating Activities (Schedule E)	(750,384)	(1,044,188)
Cash Provided by Operating Activities	161,724	808,341
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(35,937)	(170,440)
Proceeds on Disposal of Tangible Capital Assets	-	2,500
Cash Used by Capital Activities	(35,937)	(167,940)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(366)
Proceeds on Disposal of Portfolio Investments	1,442	-
Cash Provided (Used) by Investing Activities	1,442	(366)
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(83,883)	(81,216)
Cash Used by Financing Activities	(83,883)	(81,216)
INCREASE IN CASH AND CASH EQUIVALENTS	43,346	558,819
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,905,928	5,347,109
CASH AND CASH EQUIVALENTS, END OF YEAR	5,949,274	5,905,928

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, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Property Taxes and Other Related Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	5,078,414	6,407,137	4,037,192
Revenue from Supplemental Levies	-	62	-
Total Property Tax Revenue	5,078,414	6,407,199	4,037,192
Grants in Lieu of Taxes			
Federal Government	-	3,289	-
Provincial Government	-	31,647	-
Other	-	46,540	-
Total Grants in Lieu of Taxes	-	81,476	-
Other Tax Revenues			
House Trailer Fees	-	7,100	-
Total Other Tax Revenues	-	7,100	-
Additions to Levy			
Penalties	-	42,073	-
Total Additions to Levy	-	42,073	-
Deletions from Levy			
Cancellations	-	(23,160)	-
Total Deletions from Levy	-	(23,160)	-
Total Property Taxes and Other Related Revenue	5,078,414	6,514,688	4,037,192
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	7,749,361	7,148,686	10,057,402
Other Ministry Grants	-	299,599	274,497
Total Ministry Grants	7,749,361	7,448,285	10,331,899
Other Provincial Grants	28,500	25,466	20,566
Total Operating Grants	7,777,861	7,473,751	10,352,465
Capital Grants			
Ministry of Education Capital Grants	256,236	-	-
Total Capital Grants	256,236	-	-
Total Grants	8,034,097	7,473,751	10,352,465

Holy Family Roman Catholic Separate School Division No. 140
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Individuals and Other	-	5,520	-
Total Tuition Fees	<u>-</u>	<u>5,520</u>	<u>-</u>
Total Tuition and Related Fees Revenue	<u>-</u>	<u>5,520</u>	<u>-</u>
School Generated Funds Revenue			
Commercial Sales - Non-GST	-	36,793	33,307
Fundraising	-	47,531	76,183
Grants and Partnerships	-	14,021	824
Students Fees	-	-	1,804
Other	350,000	208,025	179,521
Total Non-Curricular Fees	<u>350,000</u>	<u>306,370</u>	<u>291,639</u>
Total School Generated Funds Revenue	<u>350,000</u>	<u>306,370</u>	<u>291,639</u>
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	204,924	204,924	202,979
Other Ministry Grants	88,073	107,274	75,674
Total Operating Grants	<u>292,997</u>	<u>312,198</u>	<u>278,653</u>
Total Complementary Services Revenue	<u>292,997</u>	<u>312,198</u>	<u>278,653</u>
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	-	18,956	20,000
Other Provincial Grants	5,980	6,141	5,979
Total Operating Grants	<u>5,980</u>	<u>25,097</u>	<u>25,979</u>
Fees and Other Revenue			
Other Revenue	-	-	17,363
Total Fees and Other Revenue	<u>-</u>	<u>-</u>	<u>17,363</u>
Total External Services Revenue	<u>5,980</u>	<u>25,097</u>	<u>43,342</u>
Other Revenue			
Miscellaneous Revenue	-	13,216	3,700
Investments	76,000	89,494	125,355
Gain on Disposal of Capital Assets	-	-	2,500
Total Other Revenue	<u>76,000</u>	<u>102,710</u>	<u>131,555</u>
TOTAL REVENUE FOR THE YEAR	<u>13,837,488</u>	<u>14,740,334</u>	<u>15,134,846</u>

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	67,504	49,925	49,041
Professional Development - Board Members	18,000	10,342	12,282
Grants to School Community Councils	3,500	-	-
Other Governance Expenses	48,509	44,145	48,022
Total Governance Expense	137,513	104,412	109,345
Administration Expense			
Salaries	683,174	710,902	672,150
Benefits	80,493	77,816	72,043
Supplies & Services	76,727	79,493	72,673
Non-Capital Furniture & Equipment	8,500	5,558	7,353
Building Operating Expenses	105,100	105,555	106,828
Communications	16,000	10,794	11,130
Travel	9,350	3,352	8,581
Professional Development	42,400	14,433	33,470
Amortization of Tangible Capital Assets	22,940	21,636	22,940
Total Administration Expense	1,044,684	1,029,539	1,007,168
Instruction Expense			
Instructional (Teacher Contract) Salaries	7,321,301	7,167,001	6,930,955
Instructional (Teacher Contract) Benefits	365,278	390,838	361,417
Program Support (Non-Teacher Contract) Salaries	1,690,944	1,625,391	1,445,584
Program Support (Non-Teacher Contract) Benefits	364,302	355,184	302,173
Instructional Aids	318,865	332,188	328,610
Supplies & Services	152,260	182,549	165,726
Non-Capital Furniture & Equipment	91,940	98,500	251,979
Communications	27,975	27,002	26,895
Travel	24,575	22,644	19,209
Professional Development	95,782	58,287	67,828
Student Related Expense	23,965	15,163	23,279
Amortization of Tangible Capital Assets	118,557	113,793	127,112
Total Instruction Expense	10,595,744	10,388,540	10,050,767

Holy Family Roman Catholic Separate School Division No. 140

Schedule B: Supplementary Details of Expenses for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	411,304	458,264	446,331
Benefits	85,643	98,287	94,835
Supplies & Services	18,850	15,720	17,012
Non-Capital Furniture & Equipment	8,000	6,030	1,959
Building Operating Expenses	776,327	808,824	605,951
Communications	6,500	6,898	7,021
Travel	16,300	20,604	15,432
Professional Development	7,600	1,661	2,319
Amortization of Tangible Capital Assets	382,408	401,228	398,065
Total Plant Operation & Maintenance Expense	1,712,932	1,817,516	1,588,925
Student Transportation Expense			
Salaries	192,773	209,486	194,350
Benefits	47,444	44,007	38,675
Supplies & Services	55,225	45,168	58,010
Non-Capital Furniture & Equipment	72,000	55,697	46,366
Communications	5,650	2,775	2,805
Travel	-	712	-
Contracted Transportation	36,000	9,268	22,408
Amortization of Tangible Capital Assets	50,462	48,775	48,775
Total Student Transportation Expense	459,554	415,888	411,389
Tuition and Related Fees Expense			
Tuition Fees	56,500	50,000	49,750
Total Tuition and Related Fees Expense	56,500	50,000	49,750
School Generated Funds Expense			
Academic Supplies & Services	25,000	224	146
Cost of Sales	75,000	53,962	70,276
Non-Capital Furniture & Equipment	-	1,456	10,742
School Fund Expenses	230,000	155,601	188,132
Amortization of Tangible Capital Assets	19,563	15,450	19,563
Total School Generated Funds Expense	349,563	226,693	288,859

Holy Family Roman Catholic Separate School Division No. 140
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2020

	2020 Budget	2020 Actual	2019 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	142,293	132,278	110,551
Program Support (Non-Teacher Contract) Salaries & Benefits	133,336	134,261	154,185
Instructional Aids	19,100	4,549	4,104
Supplies & Services	5,400	1,643	1,874
Non-Capital Furniture & Equipment	-	-	3,164
Communications	1,000	1,192	1,070
Travel	6,050	2,765	3,299
Professional Development (Non-Salary Costs)	6,261	1,515	2,128
Amortization of Tangible Capital Assets	568	568	568
Total Complementary Services Expense	314,008	278,771	280,943
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	11,817	11,940	11,719
Supplies & Services	115	7,457	19,835
Travel	27	7,610	19,884
Total External Services Expense	11,959	27,007	51,438
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	3,100	416	169
Interest on Capital Loans	52,566	55,119	58,087
Total Interest and Bank Charges	55,666	55,535	58,256
Loss on Disposal of Tangible Capital Assets	-	-	8,439
Provision for Uncollectable Accounts	-	35,775	-
Total Other Expense	55,666	91,310	66,695
TOTAL EXPENSES FOR THE YEAR	14,738,123	14,429,676	13,905,279

Holy Family Roman Catholic Separate School Division No. 140

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2020

	Land	Buildings	School	Other	Furniture and	Computer Hardware and	Computer			
	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>										
Opening Balance as of September 1	107,242	13,937,385	1,977,958	929,060	104,742	764,852	836,725	83,479	18,741,443	18,640,271
Additions/Purchases	-	-	-	-	-	31,637	4,300	-	35,937	170,440
Disposals	-	-	-	-	-	-	-	-	-	(69,268)
Closing Balance as of August 31	107,242	13,937,385	1,977,958	929,060	104,742	796,489	841,025	83,479	18,777,380	18,741,443
<i>Tangible Capital Assets - Amortization</i>										
Opening Balance as of September 1	20,265	4,314,114	526,950	539,168	74,110	366,465	703,670	33,392	6,578,134	6,021,940
Amortization of the Period	5,362	269,539	100,247	48,776	7,658	71,201	81,972	16,695	601,450	617,023
Disposals	-	-	-	-	-	-	-	-	-	(60,829)
Closing Balance as of August 31	25,627	4,583,653	627,197	587,944	81,768	437,666	785,642	50,087	7,179,584	6,578,134
Net Book Value										
Opening Balance as of September 1	86,977	9,623,271	1,451,008	389,892	30,632	398,387	133,055	50,087	12,163,309	12,618,331
Closing Balance as of August 31	81,615	9,353,732	1,350,761	341,116	22,974	358,823	55,383	33,392	11,597,796	12,163,309
Change in Net Book Value	(5,362)	(269,539)	(100,247)	(48,776)	(7,658)	(39,564)	(77,672)	(16,695)	(565,513)	(455,022)
Disposals										
Historical Cost	-	-	-	-	-	-	-	-	-	69,268
Accumulated Amortization	-	-	-	-	-	-	-	-	-	60,829
Net Cost	-	-	-	-	-	-	-	-	-	8,439
Price of Sale	-	-	-	-	-	-	-	-	-	2,500
Loss on Disposal	-	-	-	-	-	-	-	-	-	(5,939)
Net Book Value (NBV) of Assets Pledged as Security for Debt										
	-	-	-	14,031	-	-	-	-	14,031	21,047

Holy Family Roman Catholic Separate School Division No. 140

**Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2020**

	2020	2019
	\$	\$
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	601,450	617,023
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	-	5,939
Total Non-Cash Items Included in Surplus	601,450	622,962

Holy Family Roman Catholic Separate School Division No. 140

**Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2020**

	2020	2019
	\$	\$
Net Change in Non-Cash Operating Activities		
(Increase) in Accounts Receivable	(208,270)	(2,323,281)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(101,401)	250,864
Increase in Liability for Employee Future Benefits	21,300	9,400
(Decrease) Increase in Deferred Revenue	(501,759)	974,069
Decrease in Prepaid Expenses	39,746	44,760
Total Net Change in Non-Cash Operating Activities	(750,384)	(1,044,188)

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the 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 \$351,600 (2019 - \$330,300) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization of \$7,179,584 (2019 - \$6,578,134) because the actual useful lives of these assets may differ from their estimated economic lives.
- property taxation revenue of \$6,514,688 (2019 - \$4,037,192) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$35,775 (2019 - \$0) because actual collectability 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, 2020

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

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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 and lease payments.

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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
As at August 31, 2020

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 2019 and 2020 taxation years, the school division does have a bylaw in place.

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, 2020

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:

	2020	2019
Portfolio investments in the cost and amortized cost category:	Cost	Cost
Co-Operative Corporations, shares	\$ 3,908	\$ 5,350
Total portfolio investments reported at cost and amortized cost	\$ 3,908	\$ 5,350

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2020 Actual	2019 Actual
Governance	\$ 49,925	\$ 54,487	\$ -	\$ -	\$ 104,412	\$ 109,345
Administration	788,718	219,185	-	21,636	1,029,539	1,007,168
Instruction	9,538,414	736,333	-	113,793	10,388,540	10,050,767
Plant	556,551	859,737	-	401,228	1,817,516	1,588,925
Transportation	253,493	113,620	-	48,775	415,888	411,389
Tuition and Related Fees	-	50,000	-	-	50,000	49,750
School Generated Funds	-	211,243	-	15,450	226,693	288,859
Complementary Services	266,539	11,664	-	568	278,771	280,943
External Services	11,940	15,067	-	-	27,007	51,438
Other	-	36,191	55,119	-	91,310	66,695
TOTAL	\$ 11,465,580	\$ 2,307,527	\$ 55,119	\$ 601,450	\$ 14,429,676	\$ 13,905,279

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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. HUB International Limited, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2020. The benefits consulting practice, previously owned by Morneau Shepell Inc., was acquired by HUB International Limited in March 2020.

Details of the employee future benefits are as follows:

	2020	2019
Long-term assumptions used:		
Discount rate at end of period	1.54%	1.93%
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

	2020	2019
Liability for Employee Future Benefits		
Accrued Benefit Obligation - beginning of year	\$ 317,100	\$ 262,900
Current period service cost	28,000	23,100
Interest cost	6,500	8,300
Benefit payments	(12,100)	(18,000)
Actuarial loss	17,100	38,900
Plan amendments	-	1,900
Accrued Benefit Obligation - end of year	356,600	317,100
Unamortized net actuarial (loss) gains	(5,000)	13,200
Liability for Employee Future Benefits	\$ 351,600	\$ 330,300

	2020	2019
Employee Future Benefits Expense		
Current period service cost	\$ 28,000	\$ 23,100
Amortization of net actuarial gain	(1,100)	(4,000)
Benefit cost	26,900	19,100
Interest cost	6,500	8,300
Total Employee Future Benefits Expense	\$ 33,400	\$ 27,400

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

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:

	2020	2019
	TOTAL	TOTAL
Number of active School Division members	96	95
Member contribution rate (percentage of salary)	9.50% / 11.70%	9.50% / 11.70%
Member contributions for the year	\$ 720,178	\$ 678,960

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, 2020

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:

	<u>2020</u>	<u>2019</u>
Number of active School Division members	91	96
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	\$ 218,127	\$ 204,120
School Division contributions for the year	\$ 218,127	\$ 204,120
Actuarial extrapolation date	<u>Dec-31-2019</u>	<u>Dec-31-2018</u>
Plan Assets (in thousands)	\$ 2,819,222	\$ 2,487,505
Plan Liabilities (in thousands)	\$ 2,160,754	\$ 2,024,269
Plan Surplus (in thousands)	\$ 658,468	\$ 463,236

7. ACCOUNTS RECEIVABLE

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

Details of accounts receivable balances and allowances are as follows:

	<u>2020</u>			<u>2019</u>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 2,650,623	\$ 35,775	\$ 2,614,848	\$ 2,375,242	\$ -	\$ 2,375,242
Other Receivables	67,037	-	67,037	98,373	-	98,373
Total Accounts Receivable	\$ 2,717,660	\$ 35,775	\$ 2,681,885	\$ 2,473,615	\$ -	\$ 2,473,615

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	<u>2020</u>	<u>2019</u>
Accrued Salaries and Benefits	\$ 103,640	\$ 38,898
Supplier Payments	333,224	498,814
Accrued Interest Payable	4,104	4,657
Total Accounts Payable and Accrued Liabilities	\$ 440,968	\$ 542,369

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

9. LONG-TERM DEBT

Details of long-term debt are as follows:

	2020	2019
Capital 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.	\$ 1,419,056	\$ 1,502,939
Total Long-Term Debt	\$ 1,419,056	\$ 1,502,939

Future principal repayments over the next 5 years are estimated as follows:		
	Capital Loans	Total
2020	\$ 87,575	\$ 87,575
2021	91,198	91,198
2022	94,406	94,406
2023	97,917	97,917
2024	101,789	101,789
Thereafter	946,171	946,171
Total	\$ 1,419,056	\$ 1,419,056

Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2020	2019
Principal	\$ 83,883	\$ 83,883	\$ 81,216
Interest	55,119	55,119	58,087
Total	\$ 139,002	\$ 139,002	\$ 139,303

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2019	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2020
Non-capital deferred revenue:				
Education Property Tax	\$ 974,069	\$ 396,537	\$ 974,069	\$ 396,537
Climate Action Incentive Fund	-	75,773	-	75,773
Total Deferred Revenue	\$ 974,069	\$ 472,310	\$ 974,069	\$ 472,310

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

11. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Early Childhood Intervention Program	Early Learning Intensive Supports	2020	2019
Revenues:					
Operating Grants	\$ 204,923	\$ 82,275	\$ 25,000	\$ 312,198	\$ 278,653
Total Revenues	204,923	82,275	25,000	312,198	278,653
Expenses:					
Salaries & Benefits	200,792	65,747	-	266,539	264,736
Instructional Aids	3,848	701	-	4,549	4,104
Supplies and Services	260	1,383	-	1,643	1,874
Non-Capital Equipment	-	-	-	-	3,164
Communications	-	1,192	-	1,192	1,070
Travel	162	2,603	-	2,765	3,299
Professional Development (Non-Salary Costs)	502	1,013	-	1,515	2,128
Amortization of Tangible Capital Assets	568	-	-	568	568
Total Expenses	206,132	72,639	-	278,771	280,943
Excess (Deficiency) of Revenues over Expenses	\$ (1,209)	\$ 9,636	\$ 25,000	\$ 33,427	\$ (2,290)

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	2020	2019
Revenues:				
Operating Grants	\$ 6,141	\$ 18,956	\$ 25,097	\$ 25,979
Fees and Other Revenues	-	-	-	17,363
Total Revenues	6,141	18,956	25,097	43,342
Expenses:				
Salaries & Benefits	11,940	-	11,940	11,719
Supplies and Services	115	7,342	7,457	19,835
Travel	27	7,583	7,610	19,884
Total Expenses	12,082	14,925	27,007	51,438
Excess (Deficiency) of Revenues over Expenses	\$ (5,941)	\$ 4,031	\$ (1,910)	\$ (8,096)

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As at August 31, 2020

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 2019	Additions during the year	Reductions during the year	August 31 2020
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 12,163,309	\$ 35,937	\$ 601,450	\$ 11,597,796
Less: Debt owing on Tangible Capital Assets	(1,502,939)	-	(83,883)	(1,419,056)
	10,660,370	35,937	517,567	10,178,740
PMR maintenance project allocations (1)	399,943	256,045	133,909	522,079
Designated Assets:				
Capital projects:				
Designated for Tangible Capital Asset expenditures - Facilities	666,479	-	349,769	316,710
Designated for Tangible Capital Asset expenditures - Technology	761,354	-	697,445	63,909
Designated for Tangible Capital Asset expenditures - Transportation	383,878	13,000	383,878	13,000
	1,811,711	13,000	1,431,092	393,619
Other:				
School Generated Funds	122,945	219,099	120,372	221,672
School Based Budget	4,432	41,177	4,432	41,177
Scholarship Funds	6,000	-	1,000	5,000
Professional Development	6,332	17,229	5,170	18,391
Ministry Grants	47,231	70,498	12,523	105,206
Grant Reconciliation	1,398,737	2,241,021	1,391,954	2,247,804
Operational Reserves	461,000	954,234	461,000	954,234
Projects / Discretionary Reserves	139,254	50,000	106,013	83,241
COVID-19 Reserves	-	198,509	-	198,509
Facilities, Equipment and Technology	62,448	-	62,448	-
Transportation	45,343	-	45,343	-
	2,293,722	3,791,767	2,210,255	3,875,234
Unrestricted Surplus	2,250,567	561,732	50,000	2,762,299
Total Accumulated Surplus	\$ 17,416,313	\$ 4,658,481	\$ 4,342,823	\$ 17,731,971

(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, 2020

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on April 17, 2019 and the Minister of Education on August 26, 2019.

15. CONTRACTUAL RIGHTS

Significant contractual rights of the school division are as follows:

- Climate Action Incentive Funding (CAIF) Ultimate Recipient Agreement with the Government of Saskatchewan in the amount of \$89,386 expiring March 31, 2021.

16. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- service and supply contract for the replacement of roof sections at Sacred Heart School in the amount of \$466,493 over 1 year.
- service and supply contract for the replacement of HVAC systems at St. Mary's school in the amount of \$220,030 over 1 year.

Operating lease obligations of the school division are as follows:

	Operating Leases			
	Office Rental	Copiers	Bus	Total Operating
Future minimum lease payments:				
2021	\$ 149,808	\$ 22,027	\$ 3,355	\$ 175,190
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	\$ 767,273	\$ 66,080	\$ 3,355	\$ 836,708

17. COMPARATIVE INFORMATION

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

HOLY FAMILY ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 140
NOTES TO THE FINANCIAL STATEMENTS
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18. 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.

The aging of other accounts receivable at August 31, 2020 was:

	Total	Current	60-90 days	Over 90 days
Other Receivables	\$ 12,153	\$ 4,415	\$ -	\$ 7,737
Net Receivables	\$ 12,153	\$ 4,415	\$ -	\$ 7,737

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, 2020				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 440,968	\$ 440,968	\$ -	\$ -	\$ -
Long-term debt	1,419,056	43,443	44,132	385,310	946,171
Total	\$ 1,860,024	\$ 484,411	\$ 44,132	\$ 385,310	\$ 946,171

iii) Market Risk

The school division is exposed to market risks with respect to interest rates, as follows:

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2020

18. RISK MANAGEMENT (continued)

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 \$1,100,000 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, 2020.

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

19. 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.

In 2019-20, some municipalities deferred property tax collections due to the COVID-19 pandemic. This does not change the revenue recognition of education property tax, however, it results in decreased cash collections and an increase in accounts receivable. Consequently, the school operating grant from the Ministry of Education has increased in 2019-20 to offset this. In 2020-21, it is expected that the cash will be collected from the deferred education property tax, accounts receivable will decrease and the school operating grant from the Ministry of Education will also decrease.