
Audited Financial Statements

Of the Northwest School Division No. 203

School Division No. 2030500

For the Period Ending: August 31, 2022

C McClelland

Chief Financial Officer

Grant Thornton LLP

Auditor

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

Saskatchewan 

Management's Responsibility for the Financial Statements


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

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

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

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

On behalf of the Northwest School Division No. 203:



Board Chair



CEO/Director of Education



Chief Financial Officer

November 29th, 2022

Independent auditor's report

To the Members of Northwest School Division #203

Opinion

We have audited the financial statements of Northwest School Division #203 ("the School Division"), which comprise the statement of financial position as of August 31, 2022, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northwest School Division #203 as of August 31, 2022, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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.

Emphasis of Matter

We draw attention to note 2i to the financial statements, which explains that certain comparative information presented for the year ended August 31, 2021 has been restated. This has not affected our unmodified opinion on the August 31, 2021 financial statements.

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 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 related to a 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.
- 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.

Saskatoon, Canada
November 29, 2022

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

Chartered Professional Accountants

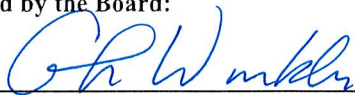
Northwest School Division No. 203
Statement of Financial Position
as at August 31, 2022

	2022	2021
	\$	\$
Financial Assets		(Restated - Note 2(i))
Cash and Cash Equivalents	3,872,031	6,854,895
Accounts Receivable (Note 7)	1,932,658	2,738,403
Portfolio Investments (Note 3)	192,296	183,729
Total Financial Assets	5,996,985	9,777,027
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	3,713,432	2,577,396
Long-Term Debt (Note 9)	2,362,346	2,789,983
Liability for Employee Future Benefits (Note 5)	1,010,202	982,800
Deferred Revenue (Note 10)	275,139	256,657
Total Liabilities	7,361,119	6,606,836
(Net Debt) Net Financial Assets	(1,364,134)	3,170,191
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	53,396,471	57,448,367
Inventory of Supplies Held for Consumption	491,693	498,114
Prepaid Expenses	405,150	238,474
Total Non-Financial Assets	54,293,314	58,184,955
Accumulated Surplus (Note 13)	52,929,180	61,355,146

Contractual Obligations (Note 15)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Northwest School Division No. 203
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$ (Note 14)	\$	\$ (Restated - Note 2(i))
REVENUES			
Property Taxes and Other Related Grants	-	149,223	1,541
Tuition and Related Fees	55,628,283	55,972,225	60,107,627
School Generated Funds	2,975,853	3,284,643	3,833,844
Complementary Services (Note 11)	1,893,396	1,537,440	808,900
External Services (Note 12)	1,117,492	1,292,466	1,071,436
Other	470,861	745,176	598,490
	115,000	190,894	161,792
Total Revenues (Schedule A)	62,200,885	63,172,067	66,583,630
EXPENSES			
Governance	311,654	237,589	174,545
Administration	3,135,933	3,084,546	3,018,872
Instruction	43,116,747	44,581,048	43,355,323
Plant Operation & Maintenance	10,914,670	12,514,122	11,312,042
Student Transportation	5,745,121	6,287,379	5,640,610
Tuition and Related Fees	618,293	729,855	574,334
School Generated Funds	1,893,396	1,424,452	777,876
Complementary Services (Note 11)	1,748,695	1,643,682	1,627,733
External Services (Note 12)	470,861	825,153	608,544
Other	59,106	270,207	134,915
Total Expenses (Schedule B)	68,014,476	71,598,033	67,224,794
Operating Deficit for the Year	(5,813,591)	(8,425,966)	(641,164)
Accumulated Surplus from Operations, Beginning of Year	61,355,146	61,355,146	61,996,310
Accumulated Surplus from Operations, End of Year	55,541,555	52,929,180	61,355,146

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

Northwest School Division No. 203
Statement of Changes in (Net Debt) Net Financial Assets
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$ (Note 14)	\$	\$ (Restated - Note 2(i))
Net Financial Assets, Beginning of Year	3,170,191	3,170,191	3,541,318
Changes During the Year			
Operating Deficit for the Year	(5,813,591)	(8,425,966)	(641,164)
Acquisition of Tangible Capital Assets (Schedule C)	-	(1,012,066)	(4,758,163)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	39,795	4,200
Net Loss on Disposal of Capital Assets (Schedule C)	-	126,908	34,821
Amortization of Tangible Capital Assets (Schedule C)	-	4,897,259	4,954,805
Net Acquisition of Inventory of Supplies	-	6,421	30,430
Net Change in Other Non-Financial Assets	-	(166,676)	3,944
	(5,813,591)	(4,534,325)	(371,127)
Change in Net Financial Assets	(5,813,591)	(4,534,325)	(371,127)
(Net Debt) Net Financial Assets, End of Year	(2,643,400)	(1,364,134)	3,170,191

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

Northwest School Division No. 203
Statement of Cash Flows
for the year ended August 31, 2022

	2022	2021
	\$	\$
OPERATING ACTIVITIES		(Restated - Note 2(i))
Operating Deficit for the Year	(8,425,966)	(641,164)
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	5,024,167	4,989,626
Net Change in Non-Cash Operating Activities (Schedule E)	1,827,410	251
Cash (Used) Provided by Operating Activities	(1,574,389)	4,348,713
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(1,012,066)	(4,758,163)
Proceeds on Disposal of Tangible Capital Assets	39,795	4,200
Cash Used by Capital Activities	(972,271)	(4,753,963)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(8,567)	(1,368)
Cash Used by Investing Activities	(8,567)	(1,368)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	1,242,545
Repayment of Long-Term Debt	(427,637)	(933,567)
Cash (Used) Provided by Financing Activities	(427,637)	308,978
DECREASE IN CASH AND CASH EQUIVALENTS	(2,982,864)	(97,640)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,854,895	6,952,535
CASH AND CASH EQUIVALENTS, END OF YEAR	3,872,031	6,854,895

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

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Property Taxes and Other Related Revenue	(Note 14)		
Other Tax Revenues			
Treaty Land Entitlement - Rural	-	149,223	1,541
Total Other Tax Revenues	-	149,223	1,541
Total Property Taxes and Other Related Revenue	-	149,223	1,541
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	53,881,969	53,393,049	53,304,634
Other Ministry Grants	1,531,314	2,557,914	1,934,473
Total Ministry Grants	55,413,283	55,950,963	55,239,107
Other Provincial Grants	40,000	21,114	4,667,699
Grants from Others	175,000	173,321	200,821
Total Operating Grants	55,628,283	56,145,398	60,107,627
Capital Grants			
Ministry of Education Capital Grants	-	(173,173)	-
Total Capital Grants	-	(173,173)	-
Total Grants	55,628,283	55,972,225	60,107,627

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Tuition and Related Fees Revenue	(Note 14)		
Operating Fees			
Tuition Fees			
Federal Government and First Nations	2,900,853	3,126,114	3,047,922
Total Tuition Fees	2,900,853	3,126,114	3,047,922
Transportation Fees	75,000	158,529	123,284
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	2,975,853	3,284,643	3,171,206
Capital Fees			
Federal/First Nations Capital Fees	-	-	662,638
Total Capital Tuition and Fees	-	-	662,638
Total Tuition and Related Fees Revenue	2,975,853	3,284,643	3,833,844
School Generated Funds Revenue			
Curricular			
Student Fees	152,627	140,396	95,588
Total Curricular Fees	152,627	140,396	95,588
Non-Curricular Fees			
Fundraising	908,227	817,887	452,625
Grants and Partnerships	245,440	223,774	155,142
Students Fees	452,340	308,172	58,058
Other	134,762	47,211	47,487
Total Non-Curricular Fees	1,740,769	1,397,044	713,312
Total School Generated Funds Revenue	1,893,396	1,537,440	808,900
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	880,492	886,321	856,093
Other Ministry Grants	-	24,715	-
Other Provincial Grants	26,000	-	24,332
Federal Grants	211,000	181,030	190,611
Other Grants	-	200,000	-
Total Operating Grants	1,117,492	1,292,066	1,071,036
Fees and Other Revenue			
Other Revenue	-	400	400
Total Fees and Other Revenue	-	400	400
Total Complementary Services Revenue	1,117,492	1,292,466	1,071,436

Northwest School Division No. 203
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
External Services	(Note 14)		
Operating Grants			
Ministry of Education Grants			
Operating Grant	470,861	470,856	452,736
Total Operating Grants	470,861	470,856	452,736
Fees and Other Revenue			
Other Revenue	-	274,320	145,754
Total Fees and Other Revenue	-	274,320	145,754
Total External Services Revenue	470,861	745,176	598,490
Other Revenue			
Miscellaneous Revenue	35,000	104,898	113,694
Sales & Rentals	5,000	2,675	2,720
Investments	75,000	43,526	45,378
Gain on Disposal of Capital Assets	-	39,795	-
Total Other Revenue	115,000	190,894	161,792
TOTAL REVENUE FOR THE YEAR	62,200,885	63,172,067	66,583,630

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$ (Note 14)	\$	\$ (Restated - Note 2(i))
Governance Expense			
Board Members Expense	137,200	105,692	85,766
Professional Development - Board Members	27,500	19,153	2,560
Grants to School Community Councils	45,954	29,915	-
Elections	1,000	-	1,740
Other Governance Expenses	100,000	82,829	84,479
Total Governance Expense	311,654	237,589	174,545
Administration Expense			
Salaries	2,382,706	2,249,686	2,302,437
Benefits	273,403	264,337	259,091
Supplies & Services	139,800	260,057	181,396
Non-Capital Furniture & Equipment	9,000	34,357	34,358
Building Operating Expenses	35,100	69,940	60,144
Communications	25,000	30,263	27,939
Travel	60,000	47,337	21,655
Professional Development	50,000	19,389	10,743
Amortization of Tangible Capital Assets	160,924	109,180	121,109
Total Administration Expense	3,135,933	3,084,546	3,018,872
Instruction Expense			
Instructional (Teacher Contract) Salaries	29,566,411	29,993,065	29,308,497
Instructional (Teacher Contract) Benefits	1,525,126	1,667,966	1,569,330
Program Support (Non-Teacher Contract) Salaries	6,528,110	6,491,242	6,045,359
Program Support (Non-Teacher Contract) Benefits	1,201,495	1,221,448	1,138,359
Instructional Aids	952,000	1,406,210	1,353,401
Supplies & Services	678,000	1,045,699	992,583
Non-Capital Furniture & Equipment	240,000	340,966	808,346
Communications	78,000	77,941	68,632
Travel	190,000	240,123	160,166
Professional Development	361,000	151,590	99,692
Student Related Expense	211,000	173,010	12,018
Amortization of Tangible Capital Assets	1,585,605	1,771,788	1,798,940
Amortization of Tangible Capital Assets ARO	-	-	-
Total Instruction Expense	43,116,747	44,581,048	43,355,323

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense	(Note 14)		(Restated - Note 2(i))
Salaries	2,192,513	2,398,834	2,349,493
Benefits	567,111	682,830	598,276
Supplies & Services	38,300	198,971	23,981
Non-Capital Furniture & Equipment	36,500	43,843	104,291
Building Operating Expenses	5,937,000	6,974,506	6,007,122
Communications	10,600	29,547	11,178
Travel	115,000	142,119	158,452
Professional Development	15,000	2,163	4,245
Amortization of Tangible Capital Assets	2,002,646	2,022,671	2,036,366
Amortization of Tangible Capital Assets ARO	-	18,638	18,638
Total Plant Operation & Maintenance Expense	10,914,670	12,514,122	11,312,042
Student Transportation Expense			
Salaries	2,731,838	2,784,910	2,650,889
Benefits	525,473	532,422	498,611
Supplies & Services	814,000	1,200,542	925,626
Non-Capital Furniture & Equipment	422,000	708,931	518,673
Building Operating Expenses	35,600	41,131	37,342
Communications	32,000	35,057	34,327
Travel	42,000	30,582	17,286
Professional Development	20,000	15,711	-
Contracted Transportation	100,000	50,715	66,216
Amortization of Tangible Capital Assets	1,022,210	887,378	891,640
Total Student Transportation Expense	5,745,121	6,287,379	5,640,610
Tuition and Related Fees Expense			
Tuition Fees	618,293	729,855	574,334
Total Tuition and Related Fees Expense	618,293	729,855	574,334
School Generated Funds Expense			
Academic Supplies & Services	109,889	137,742	83,928
Cost of Sales	865,496	725,059	401,698
Non-Capital Furniture & Equipment	28,577	10,537	8,827
School Fund Expenses	889,434	551,114	283,423
Total School Generated Funds Expense	1,893,396	1,424,452	777,876

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$ (Note 14)	\$	\$ (Restated - Note 2(i))
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	625,223	595,571	616,671
Program Support (Non-Teacher Contract) Salaries & Benefits	741,115	612,804	648,506
Transportation Salaries & Benefits	129,077	124,017	121,982
Instructional Aids	110,000	207,884	129,934
Supplies & Services	27,500	12,698	16,756
Non-Capital Furniture & Equipment	5,000	4,919	14,350
Building Operating Expenses	20,000	30,341	27,907
Communications	3,000	3,478	3,661
Travel	12,000	3,756	3,870
Professional Development (Non-Salary Costs)	-	1,599	12,960
Student Related Expenses	53,000	24,343	8,356
Amortization of Tangible Capital Assets	22,780	22,272	22,780
Total Complementary Services Expense	1,748,695	1,643,682	1,627,733
External Service Expense			
Instructional (Teacher Contract) Salaries & Benefits	-	237,000	126,000
Program Support (Non-Teacher Contract) Salaries & Benefits	-	40,968	-
Transportation Salaries & Benefits	271,598	248,420	242,371
Instructional Aids	-	22	5,688
Supplies & Services	82,000	134,727	85,197
Non-Capital Furniture & Equipment	40,000	61,161	67,070
Building Operating Expenses	-	2,473	1,994
Communications	3,500	2,903	2,902
Travel	-	308	-
Professional Development (Non-Salary Costs)	2,000	13,873	524
Student Related Expenses	-	3,698	7,770
Contracted Transportation & Allowances	-	14,268	3,696
Amortization of Tangible Capital Assets	71,763	65,332	65,332
Total External Services Expense	470,861	825,153	608,544

Northwest School Division No. 203
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Other Expense			(Restated - Note 2(i))
Interest and Bank Charges			
Current Interest and Bank Charges	1,000	45,452	38,393
Interest on Capital Loans	58,106	58,052	61,701
Total Interest and Bank Charges	<u>59,106</u>	<u>103,504</u>	<u>100,094</u>
Loss on Disposal of Tangible Capital Assets	-	166,703	34,821
Total Other Expense	<u>59,106</u>	<u>270,207</u>	<u>134,915</u>
TOTAL EXPENSES FOR THE YEAR	<u>68,014,476</u>	<u>71,598,033</u>	<u>67,224,794</u>

Northwest School Division No. 203
 Schedule C - Supplementary Details of Tangible Capital Assets
 for the year ended August 31, 2022

	Tangible Capital Assets - at Cost											2021 \$	2022 \$	Assets Under Construction \$	2021 \$	2022 \$		
	Land	Land Improvements	Buildings	Buildings Short-Term	ARO	Buildings	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Visual Equipment	Computer Software							
Opening Balance as of September 1	1,280,532	2,675,455	94,505,953	2,529,985	1,350,681	14,040,686	1,821,486	4,713,128	5,958,242	1,107,450	154,402	130,138,000	126,082,480					
Additions/Purchases	-	-	-	-	-	763,028	89,867	113,451	-	-	45,720	1,012,066	4,758,163					
Disposals	-	-	(609,101)	-	-	(520,408)	(28,620)	-	-	-	-	(1,158,129)	(330,229)					
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	-	(372,414)					
Transfers to (from)	-	-	-	-	-	-	-	-	-	200,122	(200,122)	-	-					
Closing Balance as of August 31	1,280,532	2,675,455	93,896,852	2,529,985	1,350,681	14,283,306	1,882,733	4,826,579	5,958,242	1,307,572	-	129,991,937	130,138,000					
Tangible Capital Assets - Amortization																		
Opening Balance as of September 1	-	1,705,146	53,333,323	703,818	833,444	8,741,898	1,443,389	2,727,110	2,489,186	712,319	-	72,689,633	68,398,450					
Amortization of the Period	-	79,057	1,840,592	108,178	18,638	932,462	134,505	430,823	1,118,408	234,596	-	4,897,259	4,954,805					
Disposals	-	-	(487,281)	-	-	(475,525)	(28,620)	-	-	-	-	(991,426)	(291,208)					
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	-	(372,414)					
Closing Balance as of August 31	N/A	1,784,203	54,686,634	811,996	852,082	9,198,835	1,549,274	3,157,933	3,607,594	946,915	N/A	76,595,466	72,689,633					
Net Book Value																		
Opening Balance as of September 1	1,280,532	970,309	41,172,630	1,826,167	517,237	5,298,788	378,097	1,986,018	3,469,056	395,131	154,402	57,448,367	57,684,030					
Closing Balance as of August 31	1,280,532	891,252	39,210,218	1,717,989	498,599	5,084,471	333,459	1,668,646	2,350,648	360,657	-	53,396,471	57,448,367					
Change in Net Book Value	-	(79,057)	(1,962,412)	(108,178)	(18,638)	(214,317)	(44,638)	(317,372)	(1,118,408)	(34,474)	(154,402)	(4,051,896)	(235,663)					
Disposals																		
Historical Cost	-	-	609,101	-	-	520,408	28,620	-	-	-	-	1,158,129	330,229					
Accumulated Amortization	-	-	487,281	-	-	475,525	28,620	-	-	-	-	991,426	291,208					
Net Cost	-	-	121,820	-	-	44,883	-	-	-	-	-	166,703	39,021					
Price of Sale	-	-	-	-	-	7,825	10,600	-	21,370	-	-	39,795	4,200					
Gain (Loss) on Disposal	-	-	(121,820)	-	-	(37,058)	10,600	-	21,370	-	-	(126,908)	(34,821)					

Closing costs of leased tangible capital assets of \$1,239,055 (2021 - \$1,239,055) representing Computer Hardware and Audio Visual Equipment above amounts. Accumulated amortization of \$495,622 (2021 - \$247,811) has been recorded on these assets.

An asset retirement obligation for the removal and disposal of asbestos (Note 8) is related to buildings with a net book value of \$3,875,343 (2021 - \$4,598,349).

Northwest School Division No. 203
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2022

	2022	2021
	\$	\$
Non-Cash Items Included in Surplus / Deficit		(Restated - Note 2(i))
Amortization of Tangible Capital Assets (Schedule C)	4,897,259	4,954,805
Loss on Disposal of Tangible Capital Assets (Schedule C)	126,908	34,821
Total Non-Cash Items Included in Surplus / Deficit	5,024,167	4,989,626

Northwest School Division No. 203
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2022

	2022	2021
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	805,745	383,048
Increase in Accounts Payable and Accrued Liabilities	1,136,036	221,214
Decrease in Liability for Employee Future Benefits	27,402	31,900
Increase (Decrease) in Deferred Revenue	18,482	(670,285)
Decrease in Inventory of Supplies Held for Consumption	6,421	30,430
(Increase) Decrease in Prepaid Expenses	(166,676)	3,944
Total Net Change in Non-Cash Operating Activities	1,827,410	251

Northwest School Division No. 203

Schedule F: Detail of Designated Assets

for the year ended August 31, 2022

	August 31 2021	Additions during the year	Reductions during the year	August 31 2022
	\$	\$	\$	\$
				(Note 13)
External Sources				
Contractual Agreements				
Michif - Language	-	200,000	105,460	94,540
MLTC - Aboriginal Resources	4,670	-	-	4,670
Total Contractual Agreements	4,670	200,000	105,460	99,210
Jointly Administered Funds				
School generated funds	870,425	91,890	-	962,315
Total Jointly Administered Funds	870,425	91,890	-	962,315
Ministry of Education				
PMR maintenance project allocations	3,055,513	1,670,067	2,077,092	2,648,488
Federal Capital Tuition	662,638	-	662,638	-
Education Emergency Pandemic Support program allocation	671,610	-	671,610	-
Total Ministry of Education	4,389,761	1,670,067	3,411,340	2,648,488
Total	5,264,856	1,961,957	3,516,800	3,710,013
Total Designated Assets	5,264,856	1,961,957	3,516,800	3,710,013

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Northwest School Division No. 203” and operates as “the Northwest School Division No. 203”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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).

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 \$ 1,010,202 (2021 - \$ 982,800) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization of \$ 76,595,466 (2021 - \$ 72,689,633) because the actual useful lives of the capital assets may differ from their estimated economic lives.
- Estimated undiscounted asset retirement obligation of \$1,350,681 (2021 - \$1,350,681) because actual expenses may differ significantly from valuation 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.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

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 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 maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable includes provincial grants receivable and other receivables. Provincial grants receivable represent capital earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

Portfolio Investments consist of Guaranteed Investment Certificates and Co-op equity accounts. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (c).

e) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings*	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

*Buildings that include asbestos and are fully and/or nearly fully amortized have had their useful life reassessed and increased by 15-35 years.

Assets under construction are not amortized until completed and placed into service for use.

Inventory of Supplies Held for Consumption consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance premiums, Saskatchewan School Boards Association membership fees and software licenses.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

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.

Asset Retirement Obligation (ARO) consists of removal and disposal of asbestos. The school division recognizes the fair value of an ARO in the period in which it incurs a legal obligation associated with the retirement of a tangible capital asset. The estimated fair value of an ARO is capitalized as part of the related tangible capital asset and depreciated on the same basis as the underlying asset.

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*.

Long-term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the school division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

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

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

g) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

h) Revenue Recognition

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

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

i) Government Transfers (Grants)

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

ii) Fees and Services

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

iii) Interest Income

Interest is recognized as revenue when it is earned.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

iv) Other (Non-Government Transfer) Contributions

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

i) Accounting Changes

Modified Retroactive adjustment of opening accumulated surplus with restatement of prior period comparatives

During the year, the school division implemented a new accounting policy with respect to its Asset Retirement Obligations (ARO) associated with tangible capital assets to conform to the new Public Sector Accounting standard for ARO (PS 3280). The obligation has been accounted for using the modified retroactive application with restatement of prior period comparative amounts.

The change in accounting policy has impacted the school division's consolidated financial statements as follows:

	Previously Stated August 31, 2021	Increase (Decrease)	Restated August 31, 2021
Tangible Capital Assets	\$ 128,787,319	\$ 1,350,681	\$ 130,138,000
Accumulated Amortization	71,856,189	833,444	72,689,633
Accounts Payable and Accrued Liabilities	1,226,715	1,350,681	2,577,396
Accumulated Surplus	62,188,591	(833,444)	61,355,146
Amortization of Tangible Capital Assets	4,936,167	18,638	4,954,805

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2022	2021
Portfolio investments in the cost or amortized cost category:	Cost	Cost
GICs - A Craig - RBC 5 in 1 GIC - composed of 5 GICs with interest rates varying from 1.50 - 2.20%, maturities varying from February 2021 - 2025	\$ 85,250	\$ 85,250
Co-op Equity	107,046	98,479
Total portfolio investments reported at cost or amortized cost	\$ 192,296	\$ 183,729

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2022 Actual	2021 Actual
						(Restated - Note 2(i))
Governance	\$ 84,052	\$ 153,537	\$ -	\$ -	\$ 237,589	\$ 174,545
Administration	2,514,023	461,343	-	109,180	3,084,546	3,018,872
Instruction	39,373,721	3,435,539	-	1,771,788	44,581,048	43,355,323
Plant Operation & Maintenance	3,081,664	7,391,149	-	2,041,310	12,514,123	12,126,848
Student Transportation	3,317,332	2,082,669	-	887,378	6,287,379	5,640,610
Tuition and Related Fees	-	729,855	-	-	729,855	574,334
School Generated Funds	-	1,424,452	-	-	1,424,452	777,876
Complementary Services	1,332,392	289,018	-	22,272	1,643,682	1,627,733
External Services	526,388	233,433	-	65,332	825,153	608,544
Other	-	-	270,207	-	270,207	134,915
TOTAL	\$ 50,229,572	\$ 16,200,995	\$ 270,207	\$ 4,897,260	\$ 71,598,034	\$ 68,039,600

5. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave and retirement gratuity. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. HUB International Limited, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2021 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2022.

Details of the employee future benefits are as follows:

	2022	2021
Long-term assumptions used:		
Discount rate at end of period (per annum)	4.01%	1.97%
Inflation and productivity rate - Teachers (excluding merit and promotion) (per annum)	2.50%	2.50%
Inflation and productivity rate - Non-Teachers (excluding merit and promotion) (per annum)	3.00%	3.00%
Expected average remaining service life (years)	14	14

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

Liability for Employee Future Benefits	2022	2021
Accrued Benefit Obligation - beginning of year	\$ 968,800	\$ 1,221,100
Current period service cost	80,700	101,300
Interest cost	19,900	19,800
Benefit payments	(89,400)	(123,300)
Actuarial gains	(49,000)	(250,100)
Accrued Benefit Obligation - end of year	931,000	968,800
Unamortized net actuarial gains	79,200	14,000
Liability for Employee Future Benefits	\$ 1,010,200	\$ 982,800

Employee Future Benefits Expense	2022	2021
Current period service cost	\$ 80,700	\$ 101,300
Amortization of net actuarial gain	16,200	34,100
Benefit cost	96,900	135,400
Interest cost	19,900	19,800
Total Employee Future Benefits Expense	\$ 116,800	\$ 155,200

6. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

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

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

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

Details of the contributions to these plans for the school division's employees are as follows:

	2022			2021
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	422	4	426	407
Member contribution rate (percentage of salary)	9.5% / 11.7%	6.05% / 7.85%	6.05% / 11.70%	6.05% / 11.70%
Member contributions for the year	\$ 3,109,556	\$ 1,074	\$ 3,110,630	\$ 3,087,363

ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings. The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

	2022	2021
Number of active School Division members	421	409
Member contribution rate (percentage of salary)	9.00%	9.00%
School Division contribution rate (percentage of salary)	9.00%	9.00%
Member contributions for the year	\$ 1,157,710	\$ 1,114,672
School Division contributions for the year	\$ 1,157,710	\$ 1,114,672
Actuarial extrapolation date	Dec-31-2021	Dec-31-2020
Plan Assets (in thousands)	\$ 3,568,400	\$ 3,221,426
Plan Liabilities (in thousands)	\$ 2,424,014	\$ 2,382,526
Plan Surplus (in thousands)	\$ 1,144,386	\$ 838,900

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

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:

	2022			2021		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	\$ -	\$ -	\$ -	\$ 550,000	\$ -	\$ 550,000
First Nation Tuition Receivable	1,624,314	-	1,624,314	1,851,065	-	1,851,065
Other Receivables	308,344	-	308,344	337,338	-	337,338
Total Accounts Receivable	\$ 1,932,658	\$ -	\$ 1,932,658	\$ 2,738,403	\$ -	\$ 2,738,403

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2022	2021
		(Restated - Note 2(i))
Accrued Salaries and Benefits	\$ 84,376	\$ 182,301
Supplier Payments	2,246,746	1,019,133
Liability for Asset Retirement Obligation	1,350,681	1,350,681
Accrued Audit Fees	31,629	25,281
Total Accounts Payable and Accrued Liabilities	\$ 3,713,432	\$ 2,577,396

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2022	2021
Capital Loan:	Innovation Credit Union Date of Maturity: July 31, 2024 Interest Rate: 3.63% Term: 120 Months Repayable in Monthly Blended Payments of \$13,398	\$ 1,544,186	\$ 1,646,914
		1,544,186	1,646,914
<u>Other Long-Term Debt:</u>			
Capital Leases:	Dell Financial Services Canada Corporation Date of Maturity: Jun 1, 2024 Rate Factor: 0.26421% Term: 4 Installments/years Repayable in Annual Payments of \$54,590	109,180	163,770
	Dell Financial Services Canada Corporation Date of Maturity: Sep 1, 2024 Rate Factor: 0.26421% Term: 4 Installments/years Repayable in Annual Payments of \$101,975	203,951	305,927
	CISCO Systems Capital Co. Date of Maturity: Sep 1, 2025 Rate Factor: 0.26421% Term: 4 Installments/years Repayable in Annual Payments of \$168,343	505,029	673,372
		818,160	1,143,069
Total Long-Term Debt		\$ 2,362,346	\$ 2,789,983

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

Future repayments over the next 5 years are estimated as follows:			
	Capital Leases	Capital Loan	Total
2023	\$ 361,213	\$ 160,780	\$ 521,993
2024	361,213	160,780	521,993
2025	168,344	160,780	329,124
2026	-	160,780	160,780
2027	-	160,780	160,780
Thereafter	-	1,098,050	1,098,050
Total	890,770	1,901,950	2,792,720
Less: Interest and executory cost	72,610	357,764	430,374
Total future principal repayments	\$ 818,160	\$ 1,544,186	\$ 2,362,346

Principal and interest payments on the long-term debt are as follows:				
	Capital Leases	Capital Loan	2022	2021
Principal	\$ 324,908	\$ 102,728	\$ 427,637	\$ 933,567
Interest	36,306	58,052	94,358	61,701
Total	\$ 361,214	\$ 160,780	\$ 521,995	\$ 995,268

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at August 31, 2021	Additions during the Year	Revenue recognized in the Year	Balance as at August 31, 2022
Capital projects:				
Hillmond Soil Remediation Capital Loan Revenue	\$ 4,609	\$ -	\$ -	\$ 4,609
Total capital projects deferred revenue	4,609	-	-	4,609
Non-Capital deferred revenue:				
Scholarships	200,133	48,819	51,852	197,100
Playground Fundraising	51,915	22,215	700	73,430
Total non-capital deferred revenue	252,048	71,034	52,552	270,530
Total Deferred Revenue	\$ 256,657	\$ 71,034	\$ 52,552	\$ 275,139

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2022

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	Other Programs	2022	2021
Revenues:				
Operating Grants	\$ 886,321	\$ 405,745	\$ 1,292,066	\$1,071,036
Fees and Other Revenues	-	400	400	400
Total Revenues	886,321	406,145	1,292,466	1,071,436
Expenses:				
Salaries & Benefits	820,587	511,805	1,332,392	1,387,159
Instructional Aids	33,991	173,893	207,884	129,934
Supplies and Services	12,297	401	12,698	16,756
Non-Capital Equipment	2,503	2,416	4,919	14,350
Building Operating Expenses	-	30,341	30,341	27,907
Communications	2,540	938	3,478	3,661
Travel	73	3,683	3,756	3,870
Professional Development (Non-Salary Costs)	1,599	-	1,599	12,960
Student Related Expenses	4,909	19,434	24,343	8,356
Amortization of Tangible Capital Assets	-	22,272	22,272	22,780
Total Expenses	878,499	765,183	1,643,682	1,627,733
Excess (Deficiency) of Revenues over Expenses	\$ 7,822	\$ (359,038)	\$ (351,216)	\$ (556,297)

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.

NORTHWEST SCHOOL DIVISION NO. 203
NOTES TO THE FINANCIAL STATEMENTS
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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	Following Their Voices	Other Programs	2022	2021
Revenues:				
Operating Grants	\$ -	\$ 470,856	\$ 470,856	\$ 452,736
Fees and Other Revenues	274,320	-	274,320	145,754
Total Revenues	274,320	470,856	745,176	598,490
Expenses:				
Salaries & Benefits	237,000	289,388	526,388	368,371
Instructional Aids	22	-	22	5,688
Supplies and Services	-	134,727	134,727	85,197
Non-Capital Equipment	-	61,161	61,161	67,070
Building Operating Expenses	-	2,473	2,473	1,994
Communications	-	2,903	2,903	2,902
Travel	315	(7)	308	-
Professional Development	13,873	-	13,873	524
Student Related Expenses	3,698	-	3,698	7,770
Contracted Transportation & Allowances	-	14,268	14,268	3,696
Amortization of Tangible Capital Assets	-	65,332	65,332	65,332
Total Expenses	254,908	570,245	825,153	608,544
Excess (Deficiency) of Revenues over Expenses	\$ 19,412	\$ (99,389)	\$ (79,977)	\$ (10,054)

13. ACCUMULATED SURPLUS

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

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

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Details of accumulated surplus are as follows:

	August 31, 2021	Additions during the year	Reductions during the year	August 31, 2022
	(Restated - Note 2(i))			
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 57,448,367	\$ 1,012,066	\$ 5,063,962	\$ 53,396,471
Less: Liability for Asset Retirement Obligation	1,350,681	-	-	1,350,681
Less: Debt owing on Tangible Capital Assets	2,789,983	-	427,637	2,362,346
	53,307,703	1,012,066	4,636,325	49,683,444
Designated Assets (Schedule F)	5,264,856	1,961,957	3,516,800	3,710,013
Unrestricted Surplus (Deficit)	2,782,587	-	3,246,864	(464,277)
Total Accumulated Surplus	\$ 61,355,146	\$ 2,974,023	\$ 11,399,989	\$ 52,929,180

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 10, 2021 and the Minister of Education on August 27, 2021.

15. CONTRACTUAL OBLIGATIONS

Operating lease obligations of the school division are as follows:

	Operating Leases		
	Gymnasium/ Parking Rental	Shop Rental	Total Operating
Future minimum lease payments:			
2023	\$ 30,029	\$ 26,761	\$ 56,790
2024	30,029	-	30,029
2025	30,029	-	30,029
2026	30,029	-	30,029
2027	30,029	-	30,029
Thereafter	30,029	-	30,029
Total Lease Obligations	\$ 180,174	\$ 26,761	\$ 206,935

Included in the table above is an obligation for an agreement for a shop rental for Transition school that expires August 31, 2022, this agreement is renewed on an annual basis.

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16. RISK MANAGEMENT

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

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include the analysis of the financial position of its customers and the regular review of their credit limits in order to reduce its credit risk, as well as close monitoring of overdue accounts.

The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of other accounts receivable as at August 31, 2022, was:

	August 31, 2022				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
First Nation Tuition Receivables	\$ 1,624,314	\$ 114,522	\$ -	\$ 60,939	\$ 1,448,853
Other Receivables	41,887	41,887	-	-	-
Net Receivables	\$ 1,666,201	\$ 156,409	\$ -	\$ 60,939	\$ 1,448,853

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

ii) Liquidity Risk

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

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

	August 31, 2022				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 3,713,432	\$ 2,362,751	\$ -	\$ -	\$ 1,350,681
Long-term debt	2,362,346	80,388	209,280	1,406,185	666,493
Total	\$ 6,075,778	\$ 2,443,139	\$ 209,280	\$ 1,406,185	\$ 2,017,174

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iii) Market Risk

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments.

The school division also has an authorized bank line of credit of \$ 5,100,000 with interest payable monthly at a rate of prime less 0.75% per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2022.

The school division minimizes these risks by:

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

17. COVID-19 PANDEMIC

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