
Audited Financial Statements

Of the Living Sky School Division No. 202

School Division No. 2020500

For the Period Ending: August 31, 2022



Chief Financial Officer



Auditor

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

Management's Responsibility for the Financial Statements

The financial statements of Living Sky School Division No. 202 have been prepared in accordance with Canadian public sector accounting standards (PSAS). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Living Sky School Division No. 202's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Education is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by HRO Chartered Professional Accountants, in accordance with Canadian public sector accounting standards (PSAS).

On behalf of the Living Sky School Division No. 202:



Board Chair

Brenda Vickers

CEO/Director of Education



Chief Financial Officer

November 21, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Members of Living Sky School Division No. 202

Opinion

We have audited the financial statements of Living Sky School Division No. 202 (the organization), which comprise the statement of financial position as at August 31, 2022, and the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 organization in accordance with 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 18 to the financial statements, which describes subsequent events related to the ongoing global COVID-19 pandemic declared by the World Health Organization. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

LORALIE A. RAICHE, CPA, CA, CFP*

DALLAN D. OBERG, CPA, CA*

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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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

HRO

North Battleford, Saskatchewan
November 21, 2022

Chartered Professional Accountants

Living Sky School Division No. 202
Statement of Financial Position
as at August 31, 2022

	2022	2021
	\$	\$
Financial Assets		(Restated - Note 2(i))
Cash and Cash Equivalents	22,787,106	26,968,343
Accounts Receivable (Note 7)	492,712	821,396
Portfolio Investments (Note 3)	202,510	188,434
Total Financial Assets	23,482,328	27,978,173
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	6,574,995	5,310,909
Long-Term Debt (Note 9)	261,980	191,635
Liability for Employee Future Benefits (Note 5)	1,736,500	1,713,200
Deferred Revenue (Note 10)	1,135,629	1,112,054
Total Liabilities	9,709,104	8,327,798
Net Financial Assets	13,773,224	19,650,375
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	28,474,099	29,817,622
Inventory of Supplies Held for Consumption	245,251	234,419
Prepaid Expenses	487,984	406,645
Total Non-Financial Assets	29,207,334	30,458,686
Accumulated Surplus (Note 13)	42,980,558	50,109,061

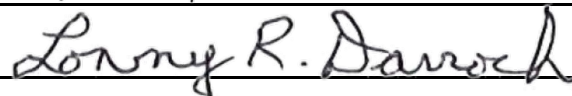
Contractual Obligations (Note 15)

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

Approved by the Board:



Chairperson



Chief Financial Officer

Living Sky School Division No. 202
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	-	15,883	14,126
Grants	60,922,333	62,914,465	69,265,759
Tuition and Related Fees	4,997,710	5,376,724	5,047,682
School Generated Funds	2,000,000	1,534,528	621,369
Complementary Services (Note 11)	1,889,546	1,928,427	1,870,687
External Services (Note 12)	951,633	1,182,191	1,099,008
Other	925,000	735,892	885,997
Total Revenues (Schedule A)	71,686,222	73,688,110	78,804,628
EXPENSES			
Governance	393,974	336,782	420,888
Administration	2,777,060	2,862,789	2,999,863
Instruction	48,164,549	50,372,156	49,768,325
Plant Operation & Maintenance	11,268,433	12,357,807	11,055,174
Student Transportation	7,688,739	8,265,494	7,616,170
Tuition and Related Fees	844,285	307,011	332,595
School Generated Funds	2,000,000	1,471,136	686,652
Complementary Services (Note 11)	3,271,396	3,401,909	3,268,005
External Services (Note 12)	1,039,065	1,436,193	1,271,167
Other	-	5,336	9,175
Total Expenses (Schedule B)	77,447,501	80,816,613	77,428,014
Operating Surplus (Deficit) for the Year	(5,761,279)	(7,128,503)	1,376,614
Accumulated Surplus from Operations, Beginning of Year	50,109,061	50,109,061	48,732,447
Accumulated Surplus from Operations, End of Year	44,347,782	42,980,558	50,109,061

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

Living Sky School Division No. 202
Statement of Changes in 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	19,650,375	19,650,375	17,368,246
Changes During the Year			
Operating Surplus (Deficit) for the Year	(5,761,279)	(7,128,503)	1,376,614
Acquisition of Tangible Capital Assets (Schedule C)	(1,484,500)	(1,655,958)	(2,263,096)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	33,619	118,787
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(16,028)	(111,462)
Amortization of Tangible Capital Assets (Schedule C)	3,420,000	2,981,890	3,149,123
Net Acquisition of Inventory of Supplies	-	(10,832)	(6,814)
Net Change in Other Non-Financial Assets	-	(81,339)	18,977
Change in Net Financial Assets	(3,825,779)	(5,877,151)	2,282,129
Net Financial Assets, End of Year	15,824,596	13,773,224	19,650,375

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

Living Sky School Division No. 202**Statement of Cash Flows
for the year ended August 31, 2022**

	2022	2021
	\$	\$
OPERATING ACTIVITIES		(Restated - Note 2(i))
Operating Surplus (Deficit) for the Year	(7,128,503)	1,376,614
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	2,965,862	3,037,661
Net Change in Non-Cash Operating Activities (Schedule E)	1,547,474	282,299
Cash (Used) Provided by Operating Activities	(2,615,167)	4,696,574
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(1,655,958)	(2,263,096)
Proceeds on Disposal of Tangible Capital Assets	33,619	118,787
Cash (Used) by Capital Activities	(1,622,339)	(2,144,309)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(14,076)	(6,214)
Cash (Used) by Investing Activities	(14,076)	(6,214)
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	217,700	-
Repayment of Long-Term Debt	(147,355)	(108,866)
Cash Provided (Used) by Financing Activities	70,345	(108,866)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,181,237)	2,437,185
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	26,968,343	24,531,158
CASH AND CASH EQUIVALENTS, END OF YEAR	22,787,106	26,968,343

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

Living Sky School Division No. 202
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	-	15,883	14,126
Total Other Tax Revenues	-	15,883	14,126
Total Property Taxes and Other Related Revenue	-	15,883	14,126
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	58,438,704	59,336,127	59,645,246
Other Ministry Grants	1,983,629	2,182,665	3,260,418
Total Ministry Grants	60,422,333	61,518,792	62,905,664
Other Provincial Grants	-	-	5,695,315
Federal Grants	250,000	1,148,453	477,517
Grants from Others	250,000	247,220	187,263
Total Operating Grants	60,922,333	62,914,465	69,265,759
Total Grants	60,922,333	62,914,465	69,265,759

Living Sky School Division No. 202
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	4,987,710	5,372,659	5,040,647
Transportation Fees	10,000	4,065	7,035
Total Tuition and Related Fees Revenue	4,997,710	5,376,724	5,047,682
School Generated Funds Revenue			
Curricular			
Student Fees	135,000	69,028	42,990
Total Curricular Fees	135,000	69,028	42,990
Non-Curricular Fees			
Commercial Sales - Non-GST	150,000	142,616	44,313
Fundraising	840,000	578,204	285,850
Grants and Partnerships	50,000	68,830	32,258
Students Fees	525,000	463,674	125,271
Other	300,000	212,176	90,687
Total Non-Curricular Fees	1,865,000	1,465,500	578,379
Total School Generated Funds Revenue	2,000,000	1,534,528	621,369
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	1,595,266	1,601,974	1,567,122
Other Ministry Grants	50,000	94,705	94,332
Other Provincial Grants	171,780	179,416	157,917
Other Grants	20,000	-	-
Total Operating Grants	1,837,046	1,876,095	1,819,371
Fees and Other Revenue			
Other Revenue	52,500	52,332	51,316
Total Fees and Other Revenue	52,500	52,332	51,316
Total Complementary Services Revenue	1,889,546	1,928,427	1,870,687

Living Sky School Division No. 202
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	661,633	508,476	509,512
Other Ministry Grants	-	363,066	300,000
Other Provincial Grants	100,000	-	-
Other Grants	-	-	133,305
Total Operating Grants	761,633	871,542	942,817
Fees and Other Revenue			
Gain on Disposal of Capital Assets	-	-	65,663
Other Revenue	190,000	310,649	90,528
Total Fees and Other Revenue	190,000	310,649	156,191
Total External Services Revenue	951,633	1,182,191	1,099,008
Other Revenue			
Miscellaneous Revenue	325,000	218,078	451,069
Sales & Rentals	300,000	238,389	209,167
Investments	300,000	263,397	179,962
Gain on Disposal of Capital Assets	-	16,028	45,799
Total Other Revenue	925,000	735,892	885,997
TOTAL REVENUE FOR THE YEAR	71,686,222	73,688,110	78,804,628

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Governance Expense	(Note 14)		(Restated - Note 2(i))
Board Members Expense	185,018	166,620	159,290
Professional Development - Board Members	20,000	17,114	248
Grants to School Community Councils	43,956	21,210	18,724
Elections	-	-	18,340
Other Governance Expenses	145,000	131,838	224,286
Total Governance Expense	393,974	336,782	420,888
Administration Expense			
Salaries	2,096,252	2,175,848	2,341,482
Benefits	282,168	276,100	294,435
Supplies & Services	124,140	133,820	123,535
Non-Capital Furniture & Equipment	16,000	24,884	15,146
Building Operating Expenses	49,000	47,678	48,052
Communications	35,000	32,289	36,832
Travel	41,000	29,397	14,434
Professional Development	33,500	43,705	27,269
Amortization of Tangible Capital Assets	100,000	99,068	98,678
Total Administration Expense	2,777,060	2,862,789	2,999,863
Instruction Expense			
Instructional (Teacher Contract) Salaries	31,088,066	32,412,028	32,725,192
Instructional (Teacher Contract) Benefits	1,771,343	1,872,346	1,851,365
Program Support (Non-Teacher Contract) Salaries	8,087,388	8,807,929	8,131,033
Program Support (Non-Teacher Contract) Benefits	1,677,385	1,881,185	1,783,297
Instructional Aids	1,683,283	2,058,288	1,956,806
Supplies & Services	822,590	843,581	841,806
Non-Capital Furniture & Equipment	349,412	376,738	365,833
Communications	199,873	198,492	183,880
Travel	143,051	131,468	80,225
Professional Development	723,364	285,061	184,830
Student Related Expense	318,794	573,991	583,847
Amortization of Tangible Capital Assets	1,300,000	931,049	1,080,211
Total Instruction Expense	48,164,549	50,372,156	49,768,325

Living Sky School Division No. 202
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	3,205,608	3,096,691	3,161,424
Benefits	886,896	1,171,861	1,047,975
Supplies & Services	3,500	10,075	26,998
Non-Capital Furniture & Equipment	11,000	751	1,300
Building Operating Expenses	5,898,929	6,748,841	5,526,860
Communications	7,000	7,487	8,714
Travel	30,500	52,858	51,257
Professional Development	5,000	2,029	795
Amortization of Tangible Capital Assets	1,220,000	1,245,207	1,207,844
Amortization of Tangible Capital Assets ARO	-	22,007	22,007
Total Plant Operation & Maintenance Expense	11,268,433	12,357,807	11,055,174
Student Transportation Expense			
Salaries	1,972,799	2,030,012	2,030,425
Benefits	457,665	443,362	446,917
Supplies & Services	684,500	1,048,241	754,980
Non-Capital Furniture & Equipment	470,000	533,414	425,233
Building Operating Expenses	72,500	38,881	53,219
Communications	4,700	4,073	4,990
Travel	1,000	229	-
Professional Development	1,000	2,481	-
Contracted Transportation	3,224,575	3,480,242	3,160,023
Amortization of Tangible Capital Assets	800,000	684,559	740,383
Total Student Transportation Expense	7,688,739	8,265,494	7,616,170
Tuition and Related Fees Expense			
Tuition Fees	844,285	307,011	332,595
Total Tuition and Related Fees Expense	844,285	307,011	332,595
School Generated Funds Expense			
Academic Supplies & Services	50,000	60,460	23,185
Cost of Sales	320,000	276,352	128,651
Non-Capital Furniture & Equipment	-	200	(3,323)
School Fund Expenses	1,630,000	1,134,124	538,139
Total School Generated Funds Expense	2,000,000	1,471,136	686,652

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Complementary Services Expense	(Note 14)		(Restated - Note 2(i))
Other Fees	-	-	907
Instructional (Teacher Contract) Salaries & Benefits	635,661	722,361	682,581
Program Support (Non-Teacher Contract) Salaries & Benefits	2,495,735	2,481,070	2,483,576
Instructional Aids	20,000	26,169	33,721
Supplies & Services	120,000	138,906	52,186
Non-Capital Furniture & Equipment	-	3,576	460
Communications	-	1,398	1,388
Travel	-	494	608
Professional Development (Non-Salary Costs)	-	3,817	2,192
Student Related Expenses	-	24,118	10,328
Contracted Transportation & Allowances	-	-	58
Total Complementary Services Expense	3,271,396	3,401,909	3,268,005
External Service Expense			
Grant Transfers	200,000	240,000	200,000
Tuition Fees	55,000	167,308	95,430
Administration Salaries & Benefits	2,500	-	58
Instructional (Teacher Contract) Salaries & Benefits	369,623	535,709	622,664
Program Support (Non-Teacher Contract) Salaries & Benefits	148,942	150,622	151,080
Instructional Aids	-	478	1,287
Supplies & Services	190,000	186,800	131,524
Non-Capital Furniture & Equipment	-	-	37
Building Operating Expenses	-	35,169	27,517
Communications	-	1,220	1,227
Professional Development (Non-Salary Costs)	-	3,307	241
Student Related Expenses	-	52,773	30,633
Contracted Transportation & Allowances	73,000	62,807	9,469
Total External Services Expense	1,039,065	1,436,193	1,271,167

Living Sky School Division No. 202
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$	\$	\$
Other Expense	(Note 14)		(Restated - Note 2(i))
Interest and Bank Charges			
Current Interest and Bank Charges	-	(1,575)	(281)
Interest on Other Long-Term Debt	-	6,911	9,456
Total Interest and Bank Charges	-	5,336	9,175
Total Other Expense	-	5,336	9,175
TOTAL EXPENSES FOR THE YEAR	77,447,501	80,816,613	77,428,014

Living Sky School Division No. 202

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2022**

	Land		Buildings		Buildings	School	Other	Furniture and	Computer Hardware and	Computer		
	Land	Improvements	Buildings	Short-Term	ARO	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>	(Restated - Note 2(f))											
Opening Balance as of September 1	964,997	404,083	82,450,348	1,526,881	1,302,645	8,718,163	615,791	15,461,042	6,104,179	860,364	118,408,493	117,054,018
Additions/Purchases	-	59,978	-	-	-	635,896	46,737	579,878	304,457	29,012	1,655,958	2,263,096
Disposals	-	-	-	-	-	(675,851)	-	-	-	-	(675,851)	(908,621)
Closing Balance as of August 31	964,997	464,061	82,450,348	1,526,881	1,302,645	8,678,208	662,528	16,040,920	6,408,636	889,376	119,388,600	118,408,493
<i>Tangible Capital Assets - Amortization</i>												
Opening Balance as of September 1	-	44,809	60,538,031	1,414,293	944,376	5,588,425	599,126	13,340,164	5,309,440	812,207	88,590,871	86,343,044
Amortization of the Period	-	23,204	1,216,599	35,764	22,007	604,527	17,680	597,835	429,292	34,982	2,981,890	3,149,123
Disposals	-	-	-	-	-	(658,260)	-	-	-	-	(658,260)	(901,296)
Closing Balance as of August 31	N/A	68,013	61,754,630	1,450,057	966,383	5,534,692	616,806	13,937,999	5,738,732	847,189	90,914,501	88,590,871
Net Book Value												
Opening Balance as of September 1	964,997	359,274	21,912,317	112,588	358,269	3,129,738	16,665	2,120,878	794,739	48,157	29,817,622	30,710,974
Closing Balance as of August 31	964,997	396,048	20,695,718	76,824	336,262	3,143,516	45,722	2,102,921	669,904	42,187	28,474,099	29,817,622
Change in Net Book Value	-	36,774	(1,216,599)	(35,764)	(22,007)	13,778	29,057	(17,957)	(124,835)	(5,970)	(1,343,523)	(893,352)
Disposals												
Historical Cost	-	-	-	-	-	675,851	-	-	-	-	675,851	908,621
Accumulated Amortization	-	-	-	-	-	658,260	-	-	-	-	658,260	901,296
Net Cost	-	-	-	-	-	17,591	-	-	-	-	17,591	7,325
Price of Sale	-	-	-	-	-	33,619	-	-	-	-	33,619	118,787
Gain (Loss) on Disposal	-	-	-	-	-	16,028	-	-	-	-	16,028	111,462

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Closing costs of leased tangible capital assets of \$193,381 (2021 - \$251,037) representing \$62,760 (2021 - \$251,037) in Furniture and Equipment, \$118,612 (2021 - \$0) in Computer Hardware and Audio Visual Equipment, and \$12,009 (2021 - \$0) in Computer Software are included within the above amounts. Accumulated amortization of \$275,357 (2021 - \$125,518) has been recorded on these assets.

An asset retirement obligation for the removal and disposal of asbestos (Note 2(f)) is related to buildings with a net book value of \$10,988,440 (2021 - \$11,980,267).

Living Sky School Division No. 202
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)	2,981,890	3,149,123
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(16,028)	(111,462)
Total Non-Cash Items Included in Surplus / Deficit	2,965,862	3,037,661

Living Sky School Division No. 202
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 (Increase) in Accounts Receivable	328,684	(229,551)
Increase in Accounts Payable and Accrued Liabilities	1,264,086	469,224
Increase in Liability for Employee Future Benefits	23,300	92,500
Increase (Decrease) in Deferred Revenue	23,575	(62,037)
(Increase) in Inventory of Supplies Held for Consumption	(10,832)	(6,814)
(Increase) Decrease in Prepaid Expenses	(81,339)	18,977
Total Net Change in Non-Cash Operating Activities	1,547,474	282,299

Living Sky School Division No. 202

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				
Mental Health Capacity Building grant	22,842	179,416	188,330	13,928
Invitational Shared Services Initiative grant	52,987	360,000	360,859	52,128
Mental Health Supports grant	28,110	-	5,690	22,420
Safe Talk Training grant	4,233	-	-	4,233
Total Contractual Agreements	108,172	539,416	554,879	92,709
Jointly Administered Funds				
School generated funds	1,270,223	52,080	-	1,322,303
Scholarship funds	137,923	5,846	12,270	131,499
Total Jointly Administered Funds	1,408,146	57,926	12,270	1,453,802
Ministry of Education				
PMR maintenance project allocations	4,081,503	2,054,306	2,427,246	3,708,563
Federal Capital Tuition	996,158	-	-	996,158
Education Emergency Pandemic Support program allocation	2,212,267	-	2,212,267	-
Early Learning Intensive Supports grant	70,553	50,000	75,904	44,649
Air Purification Grant	-	124,014	57,695	66,319
Total Ministry of Education	7,360,481	2,228,320	4,773,112	4,815,689
Total	8,876,799	2,825,662	5,340,261	6,362,200
Internal Sources				
Curriculum and student learning				
School based budgets	2,028,723	-	1,028,723	1,000,000
Total curriculum and student learning	2,028,723	-	1,028,723	1,000,000
Facilities				
Facilities renewal	5,472,859	-	2,709,600	2,763,259
Roofs and boilers	-	500,000	-	500,000
Total facilities	5,472,859	500,000	2,709,600	3,263,259
Information technology				
Payroll/Accounting/HR software	-	1,000,000	-	1,000,000
Staff devices	-	450,000	-	450,000
Server replacement	-	250,000	-	250,000
Total information technology	-	1,700,000	-	1,700,000
Other				
Tax Loss Compensations	3,711,713	-	3,711,713	-
Designated for tangible capital asset expenditures	11,400	-	-	11,400
External Consultants	-	500,000	-	500,000
Innovation Fund	-	100,000	-	100,000
Total Other	3,723,113	600,000	3,711,713	611,400
Professional development				
LINC PD	113,617	-	-	113,617
Staff training	-	50,000	-	50,000
Total professional development	113,617	50,000	-	163,617
Transportation				
Bus replacement	-	1,000,000	-	1,000,000
Fleet vehicles	-	400,000	-	400,000
Total transportation	-	1,400,000	-	1,400,000
Total	11,338,312	4,250,000	7,450,036	8,138,276
Total Designated Assets	20,215,111	7,075,662	12,790,297	14,500,476

LIVING SKY SCHOOL DIVISION NO. 202
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 Living Sky School Division No. 202” and operates as “the Living Sky School Division No. 202”. 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 \$1,736,500 (2021 - \$ 1,713,200) because actual experience may differ significantly from actuarial estimations.
- useful lives of capital assets and related accumulated amortization of \$ \$90,914,501 (2021 - \$88,590,871) because the actual useful lives of the capital assets may differ from their estimated economic lives.
- estimated undiscounted asset retirement obligation of \$1,302,645 (2021 - \$1,302,645) because actual expense 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.

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

LIVING SKY SCHOOL DIVISION NO. 202
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As at August 31, 2022

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.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Financial assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. The school division believes that it is not subject to significant unrealized foreign exchange translation gains and losses arising from its financial instruments.

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

Portfolio Investments consist of term deposits and equity in co-operatives. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (c).

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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e) Non-Financial Assets

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

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

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation, and betterment of the tangible capital asset.

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

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

*Buildings that include asbestos and are fully and/or nearly fully amortized have had their useful life reassessed and increased by 20 years.

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.

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.

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Asset Retirement Obligation (ARO) consists of buildings and short-term buildings that contain 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 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.

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:

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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.

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

i) 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:

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	Previously Stated August 31, 2021	Increase (Decrease)	Restated August 31, 2021
Tangible Capital Assets	\$29,459,353	\$358,269	\$29,817,622
Accounts Payable and Accrued Liabilities	\$4,008,264	\$1,302,645	\$5,310,909
Amortization of Tangible Capital Assets	\$3,127,116	\$22,007	\$3,149,123
Accumulated Surplus	\$51,053,437	(\$944,376)	\$50,109,061

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2022	2021
Portfolio investments in the cost or amortized cost category:	<u>Cost</u>	<u>Cost</u>
Term deposits	\$ 68,600	\$ 68,600
Credit Union Member Rewards	67,762	63,312
Member Equity in Co-op Organization	66,149	56,522
Total portfolio investments reported at cost or amortized cost	\$ 202,510	\$ 188,434

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2022 Actual	2021 Actual
Governance	\$ 166,620	\$ 170,162	\$ -	\$ -	\$ 336,782	\$ 420,888
Administration	2,451,948	311,773	-	99,068	2,862,789	2,999,863
Instruction	44,973,488	4,467,619	-	931,049	50,372,156	49,768,325
Plant Operation & Maintenance	4,268,552	6,822,041	-	1,267,214	12,357,807	11,055,174
Student Transportation	2,473,374	5,107,561	-	684,559	8,265,494	7,616,170
Tuition and Related Fees	-	307,011	-	-	307,011	332,595
School Generated Funds	-	1,471,136	-	-	1,471,136	686,652
Complementary Services	3,203,431	198,478	-	-	3,401,909	3,268,005
External Services	686,331	749,862	-	-	1,436,193	1,271,167
Other	-	-	5,336	-	5,336	9,175
TOTAL	\$ 58,223,744	\$ 19,605,643	\$ 5,336	\$ 2,981,890	\$ 80,816,613	\$77,428,014

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 accumulating paid time off (PTO) banks. 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,

LIVING SKY SCHOOL DIVISION NO. 202
NOTES TO THE FINANCIAL STATEMENTS
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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)	13	13

Liability for Employee Future Benefits	2022	2021
Accrued Benefit Obligation - beginning of year	\$ 1,233,500	\$ 1,617,300
Current period service cost	110,600	146,600
Interest cost	25,700	26,600
Benefit payments	(83,400)	(69,500)
Actuarial (gains)	(171,900)	(469,800)
Plan amendments	-	(17,700)
Accrued Benefit Obligation - end of year	1,114,500	1,233,500
Unamortized net actuarial gains	622,000	479,700
Liability for Employee Future Benefits	\$ 1,736,500	\$ 1,713,200

Employee Future Benefits Expense	2022	2021
Current period service cost	\$ 110,600	\$ 146,600
Amortization of net actuarial (gain) loss	(29,600)	6,500
Plan amendments	-	(17,700)
Benefit cost	81,000	135,400
Interest cost	25,700	26,600
Total Employee Future Benefits Expense	\$ 106,700	\$ 162,000

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)**

LIVING SKY SCHOOL DIVISION NO. 202
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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.

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	441	3	444	450
Member contribution rate (percentage of salary)	9.50% / 11.70 %	6.05% / 7.85 %	6.05% / 11.70 %	6.05% / 11.70 %
Member contributions for the year	\$ 3,288,376	\$ 961	\$ 3,289,337	\$ 3,324,509

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

Details of the MEPP are as follows:

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	2022	2021
Number of active School Division members	527	511
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	\$ 1,424,080	\$ 1,374,442
School Division contributions for the year	\$ 1,424,080	\$ 1,374,442
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

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
Other Receivables	\$ 492,712	\$ -	\$ 492,712	\$ 821,396	\$ -	\$ 821,396
Total Accounts Receivable	\$ 492,712	\$ -	\$ 492,712	\$ 821,396	\$ -	\$ 821,396

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2022	2021
Accrued Salaries and Benefits	\$ 2,242,916	\$ 1,964,535
Supplier Payments	3,029,092	2,043,225
Liability for Asset Retirement Obligation	1,302,645	1,302,645
Accrued Interest Payable	342	504
Total Accounts Payable and Accrued Liabilities	\$ 6,574,995	\$ 5,310,909

The school division recognized an estimated liability for asset retirement obligation of \$1,302,645 (2021 - \$1,302,645) for the removal and disposal of asbestos. The nature of the liability is related to asbestos containing materials within several of the school division's facilities that will be required to be properly disposed of when the building is disposed of, or remediation work is undertaken. The assumptions used in estimating the liability include the various types of asbestos containing materials within each of the school division's buildings, along with the standard of work that will be required to safely remove the asbestos containing materials. Additionally, assumptions were made around the remaining useful life of all school division buildings that contain asbestos materials to determine when the remediation costs may be incurred.

LIVING SKY SCHOOL DIVISION NO. 202
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9. LONG-TERM DEBT

Details of long-term debt are as follows:

		2022	2021
Capital Leases:	Concentra Bank - Copier Lease repayable in annual installments of \$63,804 including interest at 3.994%. The lease is due August 2024.	\$ 130,054	\$ 191,635
	Cisco Systems Capital Canada -Hardware and software lease repayable in annual installments of \$85,775 and one additional payment at end of contract of \$46,152. The lease is due September 2023.	131,926	-
Total Long-Term Debt		\$ 261,980	\$ 191,635

Future repayments are estimated as follows:			
	Capital Leases		Total
2023	\$ 154,427	\$	154,427
2024	114,805		114,805
Total	269,232		269,232
Less: Interest and executory cost	7,252		7,252
Total future repayments	\$ 261,980	\$	261,980

Principal and interest payments on the long-term debt are as follows:				
	Capital Leases	2022	2021	
Principal	\$ 147,355	\$ 147,355	\$ 108,866	
Interest	6,911	6,911	9,456	
Total	\$ 154,266	\$ 154,266	\$ 118,322	

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
Non-Capital deferred revenue:				
Jordan's Principle	\$ 1,112,054	\$ 1,172,028	\$ 1,148,453	\$ 1,135,629
Total Deferred Revenue	\$ 1,112,054	\$ 1,172,028	\$ 1,148,453	\$ 1,135,629

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.

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community & Inter-Agency Liaison	Other Programs	2022	2021
Revenues:					
Operating Grants	\$ 1,019,974	\$ 582,000	\$ 274,121	\$ 1,876,095	\$ 1,819,371
Fees and Other Revenues	-	-	52,332	52,332	51,316
Total Revenues	1,019,974	582,000	326,453	1,928,427	1,870,687
Expenses:					
Tuition & Other Related Fees	-	-	-	-	907
Salaries & Benefits	1,011,860	1,986,595	204,976	3,203,431	3,166,157
Instructional Aids	23,525	-	2,644	26,169	33,721
Supplies and Services	10,294	-	128,612	138,906	52,186
Non-Capital Equipment	3,576	-	-	3,576	460
Communications	43	-	1,355	1,398	1,388
Travel	494	-	-	494	608
Professional Development (Non-Salary Costs)	-	-	3,817	3,817	2,192
Student Related Expenses	4,456	-	19,662	24,118	10,328
Contracted Transportation & Allowances	-	-	-	-	58
Total Expenses	1,054,248	1,986,595	361,066	3,401,909	3,268,005
(Deficiency) of Revenues over Expenses	\$ (34,274)	\$(1,404,595)	\$ (34,613)	\$ (1,473,482)	\$(1,397,318)

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:

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Summary of External Services Revenues and Expenses, by Program	Invitational Shared Services Initiative	Following Their Voices	Associate Schools*	Other Programs	2022	2021
Revenues:						
Operating Grants	\$ 360,000	\$ -	\$ 511,542	\$ -	\$ 871,542	\$ 942,817
Fees and Other Revenues	-	133,609	-	177,040	310,649	156,191
Total Revenues	360,000	133,609	511,542	177,040	1,182,191	1,099,008
Expenses:						
Grant Transfers	240,000	-	-	-	240,000	200,000
Tuition & Other Related Fees	-	-	167,308	-	167,308	95,430
Salaries & Benefits	68,086	151,798	312,181	154,266	686,331	773,802
Instructional Aids	-	-	478	-	478	1,287
Supplies and Services	-	-	-	186,800	186,800	131,524
Non-Capital Equipment	-	-	-	-	-	37
Building Operating Expenses	-	-	29,756	5,413	35,169	27,517
Communications	-	-	1,220	-	1,220	1,227
Professional Development	-	2,708	599	-	3,307	241
Student Related Expenses	52,773	-	-	-	52,773	30,633
Contracted Transportation & Allowances	-	-	-	62,807	62,807	9,469
Total Expenses	360,859	154,506	511,542	409,286	1,436,193	1,271,167
Excess (Deficiency) of Revenues over Expenses	\$ (859)	\$ (20,897)	\$ -	\$ (232,246)	\$ (254,002)	\$ (172,159)

*Associate Schools - see table below for details of revenues and expenses by school

Summary of Associate School Revenues and Expenses, Details by School	Heritage Christian School	Meadow Lake Christian Academy	2022	2021
Revenues:				
Operating Grants	\$ 255,845	\$ 255,697	\$ 511,542	\$ 509,512
Total Revenues	255,845	255,697	511,542	509,512
Expenses:				
Tuition & Other Related Fees	66,753	100,555	167,308	95,430
Salaries & Benefits	157,405	154,776	312,181	387,677
Instructional Aids	112	366	478	1,287
Non-Capital Equipment	-	-	-	37
Building Operating Expenses	29,756	-	29,756	24,113
Communications	1,220	-	1,220	1,227
Professional Development	599	-	599	241
Student Related Expenses	-	-	-	(500)
Total Expenses	255,845	255,697	511,542	509,512
Excess of Revenues over Expenses	\$ -	\$ -	\$ -	\$ -

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 and are included in the accumulated surplus presented

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in the statement of financial position. The school division does not maintain separate bank accounts for designated assets.

Details of accumulated surplus are as follows:

	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	\$ 29,817,622	\$ 1,655,958	\$ 2,999,481	\$ 28,474,099
Less: Liability for Asset Retirement Obligation	(1,302,645)	-	-	(1,302,645)
Less: Debt owing on Tangible Capital Assets	(191,635)	(217,700)	(147,355)	(261,980)
	28,323,342	1,438,258	2,852,126	26,909,474
Designated Assets (Schedule F)	20,215,111	7,075,662	12,790,297	14,500,476
Unrestricted Surplus	1,570,608	-	-	1,570,608
Total Accumulated Surplus	\$ 50,109,061	\$ 8,513,920	\$ 15,642,423	\$ 42,980,558

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on September 8, 2021 and the Minister of Education on September 10, 2021.

15. CONTRACTUAL OBLIGATIONS

Significant contractual obligations of the school division are as follows:

- student transportation services contract, variable monthly cost based on routes, with FirstCanada ULC for the period July 1, 2018, to June 30, 2025, with a school division option to extend the contract to June 30, 2028. Costs for the current year were \$3,575,149 (2020 - \$3,250,454)

16. SUBSEQUENT EVENTS

Subsequent to the year end the school division entered into an agreement to purchase school buses at a total cost of \$836,250.

17. 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 and foreign exchange risk).

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i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include close monitoring of overdue accounts.

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

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

August 31, 2022					
	Total	0-30 days	31-60 days	61-90 days	Over 90 days
Other Receivables	\$ 317,446	\$ 101,207	\$ -	\$ -	\$ 216,239
Net Receivables	\$ 317,446	\$ 101,207	\$ -	\$ -	\$ 216,239

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 forecasts.

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	\$ 6,574,995	\$ 5,272,350	\$ -	\$ -	1,302,645
Long-term debt	261,980	-	149,622	112,358	-
Total	\$ 6,836,975	\$ 5,272,350	\$ 149,622	\$ 112,358	\$ 1,302,645

iii) Market Risk

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

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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 \$5,800,000 with interest payable monthly at a rate of prime 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, and
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, the school division believes that it is not subject to significant foreign exchange risk from its financial instruments.

18. 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.