
Auditor's Report and Financial Statements

Of the Lloydminster Roman Catholic Separate School Division No. 89
School Division No. 606000

For the Period Ending: August 31, 2016

Chief Financial Officer Melanie Stelmaschuk

Auditor MNP LLP
Chartered Professional Accountants

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

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
FINANCIAL STATEMENTS
AUGUST 31, 2016**

INDEX

	PAGE
Management's responsibility for the financial statements	2
Independent auditor's report	3
Statement of financial position	4
Statement of operations and accumulated surplus	5
Statement of changes in net financial assets	6
Statement of cash flows	7
Schedule A: Supplementary details of revenue	8 - 11
Schedule B: Supplementary details of expenses	12 - 14
Schedule C: Supplementary details of tangible capital assets	15
Schedule D: Non-cash items included in surplus/deficit	16
Schedule E: Net change in non-cash operating activities	16
Notes to the financial statements	17 - 38

Management's Responsibility for the Financial Statements

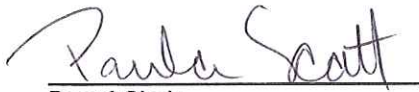
The School Division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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, MNP 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 Lloydminster Roman Catholic Separate School Division No. 89:



Board Chair



CEO/Director of Education



Chief Financial Officer

Independent Auditors' Report

To the Trustees of the Board of Education of Lloydminster Roman Catholic Separate School Division No. 89:

We have audited the accompanying financial statements of Lloydminster Roman Catholic Separate School Division No. 89, which comprise the statement of financial position as at August 31, 2016, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended including supporting schedules, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lloydminster Roman Catholic Separate School Division No. 89 as at August 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of Lloydminster Roman Catholic Separate School Division No. 89 for the year ended August 31, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on November 25, 2015.

Lloydminster, Saskatchewan
November 23, 2016



Chartered Professional Accountants

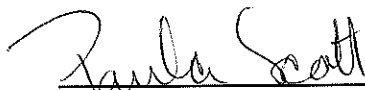
LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	9,550,799	4,230,778
Accounts Receivable (Note 8)	284,474	4,293,244
Inventories for Sale	8,692	7,991
Portfolio Investments (Note 4)	87,605	93,815
Total Financial Assets	9,931,570	8,625,828
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,037,214	956,050
Liability for Employee Future Benefits (Note 6)	230,800	198,400
Deferred Revenue (Note 10)	747,220	839,996
Total Liabilities	2,015,234	1,994,446
Net Financial Assets	7,916,336	6,631,382
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	49,054,220	50,175,357
Prepaid Expenses	184,893	133,379
Total Non-Financial Assets	49,239,113	50,308,736
Accumulated Surplus (Note 13)	57,155,449	56,940,118

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:



Chairperson



Chief Financial Officer

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
REVENUES			
Property Taxation	3,208,591	3,473,193	3,140,716
Grants	21,542,670	22,394,170	21,217,975
Tuition and Related Fees	24,835	19,868	20,296
School Generated Funds	775,716	807,532	1,020,651
Complementary Services (Note 11)	376,824	396,691	394,365
External Services (Note 12)	195,000	142,027	165,264
Other	421,905	490,598	481,508
Total Revenues (Schedule A)	26,545,541	27,724,079	26,440,775
EXPENSES			
Governance	214,759	207,389	185,616
Administration	1,489,552	1,512,478	1,403,477
Instruction	19,561,018	19,087,013	18,343,298
Plant	3,853,244	3,822,828	3,881,806
Transportation	1,218,562	1,192,726	1,134,088
Tuition and Related Fees	64,000	76,768	89,675
School Generated Funds	775,312	787,214	886,367
Complementary Services (Note 11)	720,398	679,181	662,980
External Services (Note 12)	195,215	139,494	160,339
Other Expenses	12,250	3,657	3,187
Total Expenses (Schedule B)	28,104,310	27,508,748	26,750,833
Operating Surplus (Deficit) for the Year	(1,558,769)	215,331	(310,058)
Accumulated Surplus from Operations, Beginning of Year	56,940,118	56,940,118	57,250,176
Accumulated Surplus from Operations, End of Year	55,381,348	57,155,449	56,940,118

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
Net Financial Assets, Beginning of Year	6,631,382	6,631,382	5,349,523
Changes During the Year:			
Operating Surplus (Deficit) for the Year	(1,558,769)	215,331	(310,058)
Acquisition of Tangible Capital Assets (Schedule C)	(392,000)	(876,895)	(649,681)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	11,500	2,500
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(3,000)	(2,500)
Write-Down of Tangible Capital Assets (Schedule C)	-	-	223,986
Amortization of Tangible Capital Assets (Schedule C)	1,982,000	1,989,532	2,005,236
Net Acquisition of Prepaid Expenses	-	(51,514)	12,376
Change in Net Financial Assets	31,231	1,284,954	1,281,859
Net Financial Assets, End of Year	6,662,613	7,916,336	6,631,382

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	215,331	(310,058)
Add Non-Cash Items Included in Surplus (Deficit) (Schedule D)	1,986,532	2,226,722
Net Change in Non-Cash Operating Activities (Schedule E)	3,977,343	655,345
Cash Provided by Operating Activities	6,179,206	2,572,009
CAPITAL ACTIVITIES		
Cash (Used) to Acquire Tangible Capital Assets	(876,895)	(649,681)
Proceeds on Disposal of Tangible Capital Assets	11,500	2,500
Cash (Used) by Capital Activities	(865,395)	(647,181)
INVESTING ACTIVITIES		
Cash (Used) to Acquire Portfolio Investments	-	(6,601)
Proceeds on Disposal of Portfolio Investments	6,210	-
Cash Provided (Used) by Investing Activities	6,210	(6,601)
INCREASE IN CASH AND CASH EQUIVALENTS	5,320,021	1,918,227
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,230,778	2,312,551
CASH AND CASH EQUIVALENTS, END OF YEAR	9,550,799	4,230,778

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	3,208,591	3,442,172	3,112,041
Total Property Tax Revenue	3,208,591	3,442,172	3,112,041
Grants in Lieu of Taxes			
Federal Government	-	(2,298)	3,566
Provincial Government	-	13,424	9,219
Total Grants in Lieu of Taxes	-	11,126	12,785
Other Tax Revenues			
House Trailer Fees	-	8,318	5,028
Total Other Tax Revenues	-	8,318	5,028
Additions to Levy			
Penalties	-	16,504	15,200
Total Additions to Levy	-	16,504	15,200
Deletions from Levy			
Cancellations	-	(4,927)	(4,338)
Total Deletions from Levy	-	(4,927)	(4,338)
Total Property Taxation Revenue	3,208,591	3,473,193	3,140,716

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Grants:			
Operating Grants			
Ministry of Education Grants			
Operating Grant	7,939,930	7,961,885	7,677,333
Other Ministry Grants	-	110,880	116,637
Total Ministry Grants	7,939,930	8,072,765	7,793,970
Other Provincial Grants	65,961	3,540	4,642
Federal Grants	-	-	20,430
Grants from Others	13,350,093	13,377,203	13,281,697
Total Operating Grants	21,355,984	21,453,508	21,100,739
Capital Grants			
Ministry of Education Capital Grants	117,236	343,597	117,236
Other Provincial Capital Grants	69,450	-	-
Other Capital Grants	-	597,065	-
Total Capital Grants	186,686	940,662	117,236
Total Grants	21,542,670	22,394,170	21,217,975
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees:			
Individuals and Other	24,835	19,868	20,296
Total Tuition Fees	24,835	19,868	20,296
Total Operating Tuition and Related Fees	24,835	19,868	20,296
Total Tuition and Related Fees Revenue	24,835	19,868	20,296

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
School Generated Funds Revenue			
Curricular Fees			
Student Fees	152,925	158,393	171,352
Total Curricular Fees	152,925	158,393	171,352
Non-Curricular Fees			
Commercial Sales - GST	75,000	-	-
Commercial Sales - Non-GST	-	60,051	67,210
Fundraising	345,500	297,203	504,724
Grants and Partnerships	-	47,500	51,041
Student Fees	151,250	244,385	226,324
Other	51,041	-	-
Total Non-Curricular Fees	622,791	649,139	849,299
Total School Generated Funds Revenue	775,716	807,532	1,020,651
Complementary Services			
Operating Grants			
Ministry of Education Operating Grants:			
Operating Grant	131,724	131,724	127,446
Other Ministry Grants	-	16,322	8,080
Other Provincial Grants	19,500	6,280	7,345
Other Grants	17,000	26,400	11,207
Total Operating Grants	168,224	180,726	154,078
Fees and Other Revenue			
Tuition and Related Fees	185,000	181,319	211,371
Other Revenue	23,600	34,646	28,916
Total Fees and Other Revenue	208,600	215,965	240,287
Total Complementary Services Revenue	376,824	396,691	394,365

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Fees and Other Revenue			
Other Revenue	195,000	142,027	165,264
Total Fees and Other Revenue	195,000	142,027	165,264
Total External Services Revenue	195,000	142,027	165,264
Other Revenue			
Miscellaneous Revenue	252,488	287,316	296,361
Sales & Rentals	114,417	124,067	127,887
Investments	55,000	76,215	54,760
Gain on Disposal of Capital Assets	-	3,000	2,500
Total Other Revenue	421,905	490,598	481,508
TOTAL REVENUE FOR THE YEAR	26,545,541	27,724,079	26,440,775

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	82,127	77,379	64,700
Professional Development - Board Members	6,000	8,165	20,326
Other Governance Expenses	126,632	121,845	100,590
Total Governance Expense	214,759	207,389	185,616
Administration Expense			
Salaries	1,150,890	1,169,121	1,043,194
Benefits	105,163	107,404	106,175
Supplies & Services	105,050	98,274	100,444
Non-Capital Furniture & Equipment	10,500	15,647	12,252
Building Operating Expenses	6,500	3,786	4,917
Communications	54,449	59,813	53,261
Travel	50,000	56,206	75,413
Professional Development	7,000	2,227	7,821
Total Administration Expense	1,489,552	1,512,478	1,403,477
Instruction Expense			
Instructional (Teacher Contract) Salaries	12,747,983	12,520,214	11,946,658
Instructional (Teacher Contract) Benefits	624,254	682,269	637,402
Program Support (Non-Teacher Contract) Salaries	3,527,379	3,466,803	3,141,420
Program Support (Non-Teacher Contract) Benefits	682,990	659,971	610,799
Instructional Aids	406,932	349,011	554,199
Supplies & Services	226,751	194,935	216,574
Non-Capital Furniture & Equipment	183,400	128,283	126,503
Communications	106,503	86,065	102,932
Travel	40,630	46,058	47,715
Professional Development	187,100	96,849	155,146
Student Related Expense	237,096	206,803	199,254
Amortization of Tangible Capital Assets	590,000	649,752	604,696
Total Instruction Expense	19,561,018	19,087,013	18,343,298

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	1,032,378	1,051,093	990,914
Benefits	180,931	173,868	165,773
Supplies & Services	-	-	923
Non-Capital Furniture & Equipment	17,750	3,936	8,473
Building Operating Expenses	1,339,385	1,369,980	1,420,503
Communications	24,300	24,737	24,928
Travel	17,500	26,360	20,040
Professional Development	1,000	400	-
Amortization of Tangible Capital Assets	1,240,000	1,172,454	1,250,252
Total Plant Operation & Maintenance Expense	3,853,244	3,822,828	3,881,806
Student Transportation Expense			
Salaries	584,319	599,240	554,405
Benefits	117,873	103,111	95,993
Supplies & Services	126,770	117,314	135,991
Non-Capital Furniture & Equipment	144,600	125,928	122,661
Building Operating Expenses	19,000	20,921	23,452
Communications	3,300	3,364	3,218
Travel	2,250	1,650	1,756
Professional Development	4,200	1,142	2,510
Contracted Transportation	64,250	52,730	43,814
Amortization of Tangible Capital Assets	152,000	167,326	150,288
Total Student Transportation Expense	1,218,562	1,192,726	1,134,088
Tuition and Related Fees Expense			
Tuition Fees	64,000	76,768	89,675
Total Tuition and Related Fees Expense	64,000	76,768	89,675
School Generated Funds Expense			
Academic Supplies & Services	77,595	64,090	53,035
Cost of Sales	275,500	99,149	179,352
School Fund Expenses	422,217	623,975	653,980
Total School Generated Funds Expense	775,312	787,214	886,367

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Administration Salaries & Benefits	61,099	62,856	60,548
Instructional (Teacher Contract)			
Salaries & Benefits	175,162	188,806	183,952
Program Support (Non-Teacher Contract)			
Salaries & Benefits	421,737	340,543	349,726
Supplies & Services	7,400	5,484	2,778
Travel	5,700	5,205	5,500
Professional Development (Non-Salary Costs)	2,500	2,793	1,246
Student Related Expenses	46,800	73,494	59,230
Total Complementary Services Expense	720,398	679,181	662,980
External Service Expense			
Program Support (Non-Teacher Contract)			
Salaries & Benefits	83,390	59,218	63,366
Supplies & Services	94,500	76,841	87,454
Non-Capital Furniture & Equipment	16,500	2,610	8,694
Travel	825	825	825
Total External Service Expense	195,215	139,494	160,339
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	12,250	3,657	3,187
Total Interest and Bank Charges	12,250	3,657	3,187
Total Other Expense	12,250	3,657	3,187
TOTAL EXPENSES FOR THE YEAR	28,104,310	27,508,748	26,750,833

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2016

	Land	Land Improvements	Buildings	Buildings Short-term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Assets Under Construction	2016	2015
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	3,213,056	1,786,610	52,949,694	2,009,424	1,853,620	248,091	2,349,724	1,853,066	-	-	66,263,285	66,411,408
Additions/Purchases	127,500	-	18,358	-	276,113	8,629	184,016	244,722	17,057	500	876,895	649,681
Disposals	-	-	-	-	(47,409)	(20,128)	(39,525)	(509,537)	-	-	(616,599)	(573,818)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-	(223,986)
Closing Balance as of August 31	3,340,556	1,786,610	52,968,052	2,009,424	2,082,324	236,592	2,494,215	1,588,251	17,057	500	66,523,581	66,263,285
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	897,038	11,734,435	566,686	998,169	129,674	692,871	1,069,055	-	-	16,087,928	14,656,510
Amortization of the Period	-	89,330	1,080,931	74,078	158,393	16,317	249,421	317,651	3,411	-	1,989,532	2,005,236
Disposals	-	-	-	-	(47,409)	(11,628)	(39,525)	(509,537)	-	-	(608,099)	(573,818)
Closing Balance as of August 31	N/A	986,368	12,815,366	640,764	1,109,153	134,363	902,767	877,169	3,411	N/A	17,469,361	16,087,928
Net Book Value												
Opening Balance as of September 1	3,213,056	889,572	41,215,259	1,442,738	855,451	118,417	1,656,853	784,011	-	-	50,175,357	51,754,898
Closing Balance as of August 31	3,340,556	800,242	40,152,686	1,368,660	973,171	102,229	1,591,448	711,082	13,646	500	49,054,220	50,175,357
Change in Net Book Value	127,500	(89,330)	(1,062,573)	(74,078)	117,720	(16,188)	(65,405)	(72,929)	13,646	500	(1,121,137)	(1,579,541)
Disposals												
Historical Cost	-	-	-	-	47,409	20,128	39,525	509,537	-	-	616,599	573,818
Accumulated Amortization	-	-	-	-	47,409	11,628	39,525	509,537	-	-	608,099	573,818
Net Cost	-	-	-	-	-	8,500	-	-	-	-	8,500	-
Price of sale	-	-	-	-	500	11,000	-	-	-	-	11,500	2,500
Gain on Disposal	-	-	-	-	500	2,500	-	-	-	-	3,000	2,500

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

SCHEDULE D: NON-CASH ITEMS INCLUDED IN SURPLUS (DEFICIT)
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Actual	2015 Actual
Non-Cash Items Included in Surplus (Deficit)		
Amortization of Tangible Capital Assets (Schedule C)	1,989,532	2,005,236
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(3,000)	(2,500)
Write-Down of Tangible Capital Assets (Schedule C)	-	223,986
Total Non-Cash Items Included in Surplus (Deficit)	1,986,532	2,226,722

SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2016

	2016 Actual	2015 Actual
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	4,008,770	407,462
(Increase) Decrease in Inventories for Sale	(701)	7,431
Increase in Accounts Payable and Accrued Liabilities	81,164	185,076
Increase in Liability for Employee Future Benefits	32,400	19,400
(Decrease) Increase in Deferred Revenue	(92,776)	23,600
(Increase) Decrease in Prepaid Expenses	(51,514)	12,376
Total Net Change in Non-Cash Operating Activities	3,977,343	655,345

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

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 Lloydminster Roman Catholic School Division No. 89” and operates as “the Lloydminster Roman Catholic School Division No. 89”. 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 funded mainly by grants from the Government of Saskatchewan and Alberta and a levy on the property assessment included in the school division’s boundaries at mill rates determined by the provincial government and agreed to by the board of education, although separate school divisions continue to have a legislative right to set their own mill rates. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

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

a) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

b) Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the school division reporting entity.

c) Trust Funds

Trust funds are properties assigned to the school division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As a trustee, the school division merely administers the terms and conditions embodied in the agreement, and it has no unilateral authority to change the conditions set out in the trust indenture.

Trust funds are not included in the financial statements as they are not controlled by the school division. Trust fund activities administered by the school division are disclosed in Note 16 of the financial statements.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) 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 \$230,800 (2015 - \$198,400) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$3,473,193 (2015 - \$3,140,716) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$1,989,532 (2015 - \$2,005,236) because the actual useful lives of the capital assets may differ from their estimated economic lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

e) 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 and accounts payable and accrued liabilities.

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

f) Financial Assets

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

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

Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

Inventories for Sale consist of goods which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the FIFO (first-in, first-out) method. Net realizable value is the estimated selling price in the ordinary course of business.

Portfolio Investments consist of equity common shares with Synergy Credit Union and Lloydminster Co-op. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2(e).

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) 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 of the school division include land, land improvements, buildings, buildings short-term, school buses, other vehicles, furniture and equipment, computer hardware and audio visual equipment, computer software and assets under construction. 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

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

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

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 and membership dues.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h) Liabilities

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

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

Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount 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.

Deferred Revenue from Non-government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered; revenue from contractual services is recognized as the services are delivered; and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

i) 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 Alberta Teachers Retirement Plan (ATRP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

j) Revenue Recognition

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

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

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan and agreed to by the Board of Education, although separate school divisions have a legislative right to set their own mill rates. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

iii) Fees and Services

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

iv) Interest Income

Interest is recognized on an accrual basis when it is earned.

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity 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.

k) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$4,000,000 that bears interest at bank prime rate per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by all book accounts and book debt. This line of credit was approved by the Minister of Education on February 16, 2012. The balance drawn on the line of credit at August 31, 2016 was \$nil (August 31, 2015 - \$nil).

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Equity common shares of Co-op	\$ 38,301	\$ 35,918
Equity common shares of Synergy Credit Union	49,304	57,897
Total portfolio investments reported at cost and amortized cost	\$87,605	\$ 93,815

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 755	\$ 206,634	\$ -	\$ 207,389	\$ 185,616
Administration	1,276,525	235,953	-	1,512,478	1,403,477
Instruction	17,329,258	1,108,003	649,752	19,087,013	18,343,298
Plant	1,224,961	1,425,413	1,172,454	3,822,828	3,881,806
Transportation	702,350	323,050	167,326	1,192,726	1,134,088
Tuition and Related Fees	-	76,768	-	76,768	89,675
School Generated Funds	-	787,214	-	787,214	886,367
Complementary Services	592,205	86,976	-	679,181	662,980
External Services	59,218	80,276	-	139,494	160,339
Other	-	3,657	-	3,657	3,187
TOTAL	\$ 21,185,272	\$ 4,333,944	\$ 1,989,532	\$ 27,508,748	\$ 26,750,833

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

6. 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. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

	2016	2015
	Aug. 31, 2016	Aug. 31, 2015
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.10%	2.50%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.20%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 273,100	\$ 192,600
Current period service cost	32,100	16,700
Interest cost	7,500	5,800
Benefit payments	(13,100)	(4,100)
Actuarial losses	15,800	62,100
Plan amendments	800	-
Accrued Benefit Obligation - end of year	316,200	273,100
Unamortized Net Actuarial (Losses)	(85,400)	(74,700)
Liability for Employee Future Benefits	\$ 230,800	\$ 198,400

Employee Future Benefits Expense	2016	2015
Current period service cost	\$ 32,100	\$ 16,700
Amortization of net actuarial loss	5,100	1,000
Plan amendments	800	-
Benefit cost	38,000	17,700
Interest cost	7,500	5,800
Total Employee Future Benefits Expense	\$ 45,500	\$ 23,500

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

7. 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) or Alberta Teachers' Retirement Fund (ATRF)

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

The STRP and ATRF are funded by contributions by the participating employee members and the Government of Saskatchewan or Government of Alberta. The school division's obligation to the STRP and ATRF 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 Alberta for the ATRF.

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

	2016			2015
	STRP	ATRF	TOTAL	TOTAL
Number of active School Division members	154	22	176	190
Member contribution rate (percentage of salary)	10.20%/12.40%	11.44%/16.34%	10.20-16.34%	6.05-16.34%
Member contributions for the year	\$ 1,211,132	\$ 173,088	\$ 1,384,220	\$ 1,211,404

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

7. PENSION PLANS (CONT'D)

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. In accordance with the Public Sector Accounting Board (PSAB) standards, 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:

	2016	2015
Number of active School Division members	164	178
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 459,667	\$ 417,323
School Division contributions for the year	\$ 459,667	\$ 417,323
Actuarial (extrapolation) valuation date	(Dec/31/2015)	Dec/31/2014
Plan Assets (in thousands)	\$ 2,148,676	\$ 2,006,587
Plan Liabilities (in thousands)	\$ 1,831,743	\$ 1,672,585
Plan Surplus (in thousands)	\$ 316,933	\$ 334,002

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

8. 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:

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 89,461	\$ -	\$ 89,461	\$ 7,374	\$ -	\$ 7,374
Provincial Grants Receivable	-	-	-	4,107,429	-	4,107,429
Other Receivables	195,013	-	195,013	178,441	-	178,441
Total Accounts Receivable	\$ 284,474	\$ -	\$ 284,474	\$ 4,293,244	\$ -	\$ 4,293,244

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued salaries and benefits	\$ 20,470	\$ 55,451
Supplier payments	1,007,280	894,344
Staff funds	9,464	6,255
Total Accounts Payable and Accrued Liabilities	\$ 1,037,214	\$ 956,050

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Other deferred revenue:				
Unearned fees for service	\$ 53,505	\$ 256,618	\$ (262,472)	\$ 47,651
Unearned taxation revenue	786,491	3,253,154	(3,340,076)	699,569
Total Deferred Revenue	\$ 839,996	\$ 3,509,772	\$ (3,602,548)	\$ 747,220

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

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 in 2016 and 2015:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2016	2015
Revenues:					
Operating Grants	\$ 131,724	\$ -	\$ 49,002	\$ 180,726	\$ 154,078
Fees and Other Revenues	-	-	215,965	215,965	240,287
Total Revenues	131,724	-	264,967	396,691	394,365
Expenses:					
Salaries & Benefits	320,704	62,855	208,646	592,205	594,226
Supplies and Services	-	-	5,484	5,484	2,778
Travel	-	5,205	-	5,205	5,500
Professional Development (Non-Salary Costs)	-	2,793	-	2,793	1,246
Student Related Expenses	-	-	73,494	73,494	59,230
Total Expenses	320,704	70,853	287,624	679,181	662,980
(Deficiency) of Revenues over Expenses	\$ (188,980)	\$ (70,853)	\$ (22,657)	\$ (282,490)	\$ (268,615)

The purpose and nature of each Complementary Services program is as follows:

Pre-K programs: Pre-K programming assists preschool children develop socially and academically.

Community and Inter-Agency Liaison: Father Gorman Community School works with parents and partners with community agencies to offer programs and activities based on the needs of families and the community at large and may include fitness, life skills and nutrition programs.

Other programs: In-school nutrition programs engage students in healthy eating, physical activity and foster positive self-esteem. After-school and summer programs promote physical fitness, nutrition awareness and literacy.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

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 in 2016 and 2015:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	2016	2015
Revenues:			
Fees and Other Revenues	\$ 142,027	\$ 142,027	\$ 165,264
Total Revenues	142,027	142,027	165,264
Expenses:			
Salaries & Benefits	59,218	59,218	63,366
Supplies and Services	76,841	76,841	87,454
Non-Capital Equipment	2,610	2,610	8,694
Travel	825	825	825
Total Expenses	139,494	139,494	160,339
Excess of Revenues over Expenses	\$ 2,533	\$ 2,533	\$ 4,925

The purpose and nature of the External Services cafeteria program is to offer healthy lunches and nutritious snacks to students at the high school.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

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. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 50,175,357	\$ 876,895	\$ 1,998,032	\$ 49,054,220
	50,175,357	876,895	1,998,032	49,054,220
PMR maintenance project allocations (1)	-	141,647	141,647	-
Internally Restricted Surplus:				
Capital projects:				
Equipment replacement	100,000	-	-	100,000
Administrative Building reserve	154,580	81,000	-	235,580
Major Capital reserve	2,000,000	-	2,000,000	-
Other Vehicle reserve	-	7,900	-	7,900
Holy Rosary Expansion/New Elementary reserve	-	2,000,000	-	2,000,000
Grounds/Parking Lot reserve	-	250,000	-	250,000
Holy Rosary Parking Lot Expansion reserve	-	500,000	-	500,000
Bus Fleet Expansion reserve	-	250,000	-	250,000
	2,254,580	3,088,900	2,000,000	3,343,480
Other:				
Educational Programming reserve	500,000	-	-	500,000
School Generated Funds	68,598	9,226	6,567	71,257
School Community Council	115,395	238,055	282,933	70,517
	683,993	247,281	289,500	641,774
Unrestricted Surplus	3,826,188	289,787	-	4,115,975
Total Accumulated Surplus	\$ 56,940,118	\$ 4,644,510	\$ 4,429,179	\$ 57,155,449

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

13. ACCUMULATED SURPLUS (CONT'D)

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

The purpose and nature of each Internally Restricted Surplus amount is as follows:

Equipment replacement: funds set aside to cover the cost of equipment replacement or modernization

Administrative building reserve: funds set aside to cover the future cost of an administrative building

Major capital reserve: funds set aside to cover future major capital project upgrades

Other Vehicles: funds set aside to cover future acquisitions/replacements of passenger van and/or utility vehicles

Holy Rosary Expansion/New Elementary: funds set aside to cover future major capital upgrades for Holy Rosary High school and new elementary

Grounds/Parking Lots: funds set aside to cover the future costs of expanding existing parking lots

Holy Rosary Parking Lot Expansion: funds set aside to cover future costs related to the expansion of Holy Rosary parking lot

Bus Fleet Expansion: funds set aside to cover future acquisitions of school busses

Educational programming reserve: funds set aside to cover educational requirements and pressures

School generated funds: school fundraising surplus funds restricted for future school use

School Community Council: instructional funds that represent unspent school budgets available to School Community Council

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board of Education on June 24, 2015 and the Minister of Education on August 20, 2015.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

15. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-crown enterprises that the Government jointly controls or significantly influences. In addition, the school division is related to other non-government organizations by virtue of its economic interest in these organizations.

Related Party Transactions

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016

15. RELATED PARTIES (CONT'D)

	2016	2015
Revenues:		
Ministry of Education	\$ 8,564,408	\$ 8,046,732
Saskatchewan Government Insurance	83,600	84,300
Prairie North Regional Health Authority	-	500
North West School Divion	1,200	-
Workers' Compensation Board	8,488	12,159
	\$ 8,657,696	\$ 8,143,691
Expenses:		
Workers' Compensation Board	\$ 18,544	\$ 15,835
Saskatchewan Power Corporation	13,200	11,336
Saskatchewan Government Insurance	27,139	19,354
Saskatoon Public School Division	-	500
Lloydminster Public School Division	2,356	1,345
Living Sky School Division No. 202	1,475	-
Prairie South School Division No. 210	150	150
Prairie North Regional Health Authority	-	250
SaskTel	4,296	4,171
St. Paul's RCSSD No. 20	500	500
Western Development Museum	111	-
Sask Queen Printer	262	-
	\$ 68,033	\$ 53,441
Accounts Receivable:		
Saskatchewan Government Insurance	\$ 50,088	\$ -
	\$ 50,088	\$ -
Prepaid Expenses:		
Saskatchewan Government Insurance	\$ 18,747	\$ 19,165
	\$ 18,747	\$ 19,165
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ (1,624)	\$ 232
SaskTel	-	337
Workers' Compensation Board	10,274	11,466
	\$ 8,650	\$ 12,035
Deferred Revenue:		
CIF Grant	\$ 7,200	\$ -
Saskatchewan Lottery	4,027	-
	\$ 11,227	\$ -

In addition, the school division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements or notes thereto.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

16. TRUSTS

The school division, as the trustee, administers trust funds for legacy scholarships. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2016

16. TRUSTS (CONT'D)

	Reiber		Brown		Hope		Arts		Hartnell MacArthur		Ranger Rebekkah		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Cash and short-term investments	\$ 7,606	\$ 7,559	\$ 39,495	\$ 40,245	\$ 821	\$ 1,820	\$ 1,364	\$ 1,348	\$ -	\$ -	\$ 39,236	\$ -	\$ 88,522	\$ 50,972
Portfolio investments	208	204	443	443	-	-	-	-	-	-	-	-	651	647
Total Assets	7,814	7,763	39,938	40,688	821	1,820	1,364	1,348	-	-	39,236	-	89,173	51,619
Revenues														
Contributions and donations	-	-	-	-	-	-	-	-	-	-	39,236	-	39,236	-
Interest on investments	51	70	250	429	1	41	16	(3)	-	-	-	-	319	537
	51	70	250	429	1	41	16	(3)	-	-	39,236	-	39,555	537
Expenses														
Awards to Students	-	-	1,000	-	1,000	-	-	-	-	6,000	-	-	2,000	6,000
	-	-	1,000	-	1,000	-	-	-	-	6,000	-	-	2,000	6,000
Excess (Deficiency) of Revenues over Expenses	51	70	(750)	429	(999)	41	16	(3)	-	(6,000)	39,236	-	37,554	(5,463)
Trust Fund Balance, Beginning of Year	7,763	7,693	40,688	40,259	1,820	1,779	1,348	1,351	-	6,000	-	-	51,619	57,082
Trust Fund Balance, End of Year	\$ 7,814	\$ 7,763	\$ 39,938	\$ 40,688	\$ 821	\$ 1,820	\$ 1,364	\$ 1,348	\$ -	\$ -	\$ 39,236	\$ -	\$ 89,173	\$ 51,619

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The School Division has the following capital construction commitments as of August 31:

- i) Synergy Vault – Fieldhouse

The School division entered into a construction contract for the building of Synergy Vault. As at August 31, 2016, the School Division has committed to a capital construction contract in the amount of \$1,210,457. As at August 31, 2016, this project is at the initial planning stage.

18. SUBSEQUENT EVENTS

Subsequent to August 31, 2016, the School Division entered into a capital construction contract in the amount of \$245,344.

19. 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 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, 2016 was:

	August 31, 2016					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Other Receivables	\$ 63,089	\$ 58,323	\$ -	\$ -	\$ 130	\$ 4,636
Gross Receivables	63,089	58,323	-	-	130	4,636
Allowance for Doubtful Accounts	-	-	-	-	-	-
Net Receivables	\$ 63,089	\$ 58,323	\$ -	\$ -	\$ 130	\$ 4,636

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016**

19. RISK MANAGEMENT (CONT'D)

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 and budget practices and monitoring.

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

August 31, 2016				
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,037,214	\$ -	\$ -	\$ -
Total	\$ 1,037,214	\$ -	\$ -	\$ -

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.

The school division also has an authorized bank line of credit of \$4,000,000 with interest payable monthly at a rate of prime. 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, 2016.

The school division minimizes these risks by:

- 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