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, 2015

Chief Financial Officer Melanie Stelmaschuk

Auditor Wilkinson Livingston Stevens LLP
Chartered Accountants

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
FINANCIAL STATEMENTS
AUGUST 31, 2015

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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 the 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, Wilkinson Livingston Stevens LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditor's 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:

Paula Scott

Board Chair

CEO/Director of Education

M Stelmaschuk

Chief Financial Officer

WLS
Wilkinson Livingston Stevens LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Lloydminster Roman Catholic Separate School Division No. 89
Lloydminster, Saskatchewan

We have audited the accompanying financial statements of the Lloydminster Roman Catholic Separate School Division No. 89, which comprise the statement of financial position as at August 31, 2015, and the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, 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 generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, 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.

Auditor's 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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 the Lloydminster Roman Catholic Separate School Division No. 89 as at August 31, 2015, and the results of its operations and changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Wilkinson Livingston Stevens LLP

Lloydminster, Alberta
November 25, 2015

Chartered Accountants

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2015

	2015	2014
Financial Assets		
Cash and Cash Equivalents	4,230,778	2,312,551
Accounts Receivable (Note 8)	4,293,244	4,700,706
Inventories for Sale	7,991	15,422
Portfolio Investments (Note 4)	93,815	87,214
Total Financial Assets	**8,625,828**	**7,115,893**
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	956,050	770,974
Liability for Employee Future Benefits (Note 6)	198,400	179,000
Deferred Revenue (Note 10)	839,996	816,396
Total Liabilities	**1,994,446**	**1,766,370**
Net Financial Assets	**6,631,382**	**5,349,523**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	50,175,357	51,754,898
Prepaid Expenses	133,379	145,755
Total Non-Financial Assets	**50,308,736**	**51,900,653**
Accumulated Surplus (Note 13)	**56,940,118**	**57,250,176**

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, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 14)		
REVENUES			
Property Taxation	3,017,441	3,140,716	2,961,069
Grants	19,625,791	21,217,975	19,248,276
Tuition and Related Fees	20,296	20,296	11,827
School Generated Funds	1,003,212	1,020,651	1,031,123
Complementary Services (Note 11)	392,746	394,365	407,818
External Services (Note 12)	185,000	165,264	183,424
Other	257,100	481,508	385,841
Total Revenues (Schedule A)	**24,501,586**	**26,440,775**	**24,229,378**
EXPENSES			
Governance	193,616	185,616	183,603
Administration	1,249,728	1,403,477	1,248,501
Instruction	17,732,163	18,343,298	16,769,442
Plant	3,443,739	3,881,806	3,303,983
Transportation	1,011,435	1,134,088	1,080,421
Tuition and Related Fees	32,400	89,675	32,708
School Generated Funds	1,002,242	886,367	958,803
Complementary Services (Note 11)	695,915	662,980	574,640
External Services (Note 12)	184,720	160,339	169,726
Other Expenses	12,250	3,187	705
Total Expenses (Schedule B)	**25,558,208**	**26,750,833**	**24,322,532**
Operating (Deficit) for the Year	**(1,056,622)**	**(310,058)**	**(93,154)**
Accumulated Surplus from Operations, Beginning of Year	**57,250,176**	**57,250,176**	**57,343,330**
Accumulated Surplus from Operations, End of Year	**56,193,554**	**56,940,118**	**57,250,176**

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, 2015

	2015 Budget	2015 Actual	2014 Actual
	(Note 14)		
Net Financial Assets, Beginning of Year	**5,349,523**	**5,349,523**	**8,702,250**
Changes During the Year:			
Operating (Deficit) for the Year	(1,056,622)	(310,058)	(93,154)
Acquisition of Tangible Capital Assets (Schedule C)	(293,000)	(649,681)	(4,619,737)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	2,500	-
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(2,500)	-
Write-Down of Tangible Capital Assets (Schedule C)	-	223,986	-
Amortization of Tangible Capital Assets (Schedule C)	1,433,000	2,005,236	1,337,203
Net Acquisition of Prepaid Expenses	-	12,376	22,961
Change in Net Financial Assets	**83,378**	**1,281,859**	**(3,352,727)**
Net Financial Assets, End of Year	**5,432,901**	**6,631,382**	**5,349,523**

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, 2015

	2015	2014
OPERATING ACTIVITIES		
Operating (Deficit) for the Year	(310,058)	(93,154)
Add Non-Cash Items Included in (Deficit) (Schedule D)	2,226,722	1,337,203
Net Change in Non-Cash Operating Activities (Schedule E)	655,345	989,623
Cash Provided by Operating Activities	**2,572,009**	**2,233,672**
CAPITAL ACTIVITIES		
Cash (Used) to Acquire Tangible Capital Assets	(649,681)	(4,619,737)
Proceeds on Disposal of Tangible Capital Assets	2,500	-
Cash (Used) by Capital Activities	**(647,181)**	**(4,619,737)**
INVESTING ACTIVITIES		
Cash (Used) to Acquire Portfolio Investments	(6,601)	(10,599)
Cash (Used) by Investing Activities	**(6,601)**	**(10,599)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,918,227**	**(2,396,664)**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**2,312,551**	**4,709,215**
CASH AND CASH EQUIVALENTS, END OF YEAR	**4,230,778**	**2,312,551**

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, 2015

	2015 Budget	2015 Actual	2014 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	3,017,441	3,112,041	2,928,768
Total Property Tax Revenue	**3,017,441**	**3,112,041**	**2,928,768**
Grants in Lieu of Taxes:			
Federal Government	-	3,566	712
Provincial Government	-	9,219	21,042
Total Grants in Lieu of Taxes	**-**	**12,785**	**21,754**
Other Tax Revenues:			
House Trailer Fees	-	5,028	5,382
Total Other Tax Revenues	**-**	**5,028**	**5,382**
Additions to Levy:			
Penalties	-	15,200	5,392
Total Additions to Levy	**-**	**15,200**	**5,392**
Deletions from Levy:			
Cancellations	-	(4,338)	(227)
Total Deletions from Levy	**-**	**(4,338)**	**(227)**
Total Property Taxation Revenue	**3,017,441**	**3,140,716**	**2,961,069**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	6,925,003	7,677,333	6,545,781
Other Ministry Grants	-	116,637	69,450
Total Ministry Grants	**6,925,003**	**7,793,970**	**6,615,231**
Other Provincial Grants	-	4,642	31,693
Federal Grants	23,000	20,430	24,659
Grants from Others	12,438,104	13,281,697	11,866,977
Total Operating Grants	**19,386,107**	**21,100,739**	**18,538,560**
Capital Grants			
Ministry of Education Capital Grants	89,934	117,236	242,640
Other Capital Grants	149,750	-	467,076
Total Capital Grants	**239,684**	**117,236**	**709,716**
Total Grants	**19,625,791**	**21,217,975**	**19,248,276**
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Individuals and Other	20,296	20,296	11,827
Total Tuition Fees	**20,296**	**20,296**	**11,827**
Total Operating Tuition and Related Fees	**20,296**	**20,296**	**11,827**
Total Tuition and Related Fees Revenue	**20,296**	**20,296**	**11,827**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	163,053	171,352	144,932
Total Curricular Fees	**163,053**	**171,352**	**144,932**
Non-Curricular Fees:			
Commercial Sales - Non-GST	82,000	67,210	70,238
Fundraising	585,550	504,724	569,977
Grants and Partnerships	-	51,041	62,500
Student Fees	172,609	226,324	183,476
Total Non-Curricular Fees	**840,159**	**849,299**	**886,191**
Total School Generated Funds Revenue	**1,003,212**	**1,020,651**	**1,031,123**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Operating Grant	127,446	127,446	127,062
Other Ministry Grants	-	8,080	8,000
Other Provincial Grants	16,500	7,345	27,514
Other Grants	10,800	11,207	26,820
Total Operating Grants	**154,746**	**154,078**	**189,396**
Fees and Other Revenue			
Tuition and Related Fees	222,000	211,371	192,360
Other Revenue	16,000	28,916	26,062
Total Fees and Other Revenue	**238,000**	**240,287**	**218,422**
Total Complementary Services Revenue	**392,746**	**394,365**	**407,818**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
External Services			
Fees and Other Revenue			
Other Revenue	185,000	165,264	183,424
Total Fees and Other Revenue	**185,000**	**165,264**	**183,424**
Total External Services Revenue	**185,000**	**165,264**	**183,424**
Other Revenue			
Miscellaneous Revenue	79,600	296,361	228,549
Sales & Rentals	112,500	127,887	111,230
Investments	65,000	54,760	46,062
Gain on Disposal of Capital Assets	-	2,500	-
Total Other Revenue	**257,100**	**481,508**	**385,841**
TOTAL REVENUE FOR THE YEAR	**24,501,586**	**26,440,775**	**24,229,378**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Governance Expense			
Board Members Expense	76,720	64,700	69,326
Professional Development - Board Members	-	20,326	1,894
Elections	-	-	5,579
Other Governance Expenses	116,896	100,590	106,804
Total Governance Expense	**193,616**	**185,616**	**183,603**
Administration Expense			
Salaries	928,908	1,043,194	961,197
Benefits	69,247	106,175	82,191
Supplies & Services	102,600	100,444	96,820
Non-Capital Furniture & Equipment	16,000	12,252	4,787
Building Operating Expenses	5,000	4,917	4,820
Communications	59,003	53,261	54,703
Travel	61,970	75,413	39,226
Professional Development	7,000	7,821	4,757
Total Administration Expense	**1,249,728**	**1,403,477**	**1,248,501**
Instruction Expense			
Instructional (Teacher Contract) Salaries	11,561,384	11,946,658	11,198,278
Instructional (Teacher Contract) Benefits	588,368	637,402	602,734
Program Support (Non-Teacher Contract) Salaries	3,154,309	3,141,420	2,852,046
Program Support (Non-Teacher Contract) Benefits	569,950	610,799	552,225
Instructional Aids	679,866	554,199	297,305
Supplies & Services	228,200	216,574	203,531
Non-Capital Furniture & Equipment	5,000	126,503	83,025
Communications	88,370	102,932	98,895
Travel	34,075	47,715	64,128
Professional Development	170,100	155,146	138,773
Student Related Expense	159,541	199,254	223,444
Amortization of Tangible Capital Assets	493,000	604,696	455,058
Total Instruction Expense	**17,732,163**	**18,343,298**	**16,769,442**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Plant Operation & Maintenance Expense			
Salaries	1,008,785	990,914	999,927
Benefits	195,804	165,773	163,751
Supplies & Services	-	923	922
Non-Capital Furniture & Equipment	25,750	8,473	22,538
Building Operating Expenses	1,370,600	1,420,503	1,330,653
Communications	24,300	24,928	24,620
Travel	17,500	20,040	20,267
Professional Development	1,000	-	667
Amortization of Tangible Capital Assets	800,000	1,250,252	740,638
Total Plant Operation & Maintenance Expense	**3,443,739**	**3,881,806**	**3,303,983**
Student Transportation Expense			
Salaries	451,448	554,405	477,416
Benefits	93,337	95,993	82,172
Supplies & Services	140,600	135,991	162,902
Non-Capital Furniture & Equipment	120,600	122,661	132,593
Building Operating Expenses	21,100	23,452	21,683
Communications	2,900	3,218	1,678
Travel	2,250	1,756	1,815
Professional Development	4,200	2,510	6,751
Contracted Transportation	35,000	43,814	51,905
Amortization of Tangible Capital Assets	140,000	150,288	141,506
Total Student Transportation Expense	**1,011,435**	**1,134,088**	**1,080,421**
Tuition and Related Fees Expense			
Tuition Fees	32,400	89,675	32,708
Total Tuition and Related Fees Expense	**32,400**	**89,675**	**32,708**
School Generated Funds Expense			
Supplies & Services	72,583	53,035	50,304
Cost of Sales	473,200	179,352	226,533
School Fund Expenses	456,459	653,980	681,966
Total School Generated Funds Expense	**1,002,242**	**886,367**	**958,803**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Complementary Services Expense			
Administration Salaries & Benefits	69,717	60,548	45,131
Instructional (Teacher Contract)			
Salaries & Benefits	163,760	183,952	172,977
Program Support (Non-Teacher Contract)			
Salaries & Benefits	408,738	349,726	290,147
Supplies & Services	5,500	2,778	731
Travel	5,700	5,500	3,309
Professional Development (Non-Salary Costs)	2,500	1,246	540
Student Related Expenses	40,000	59,230	61,805
Total Complementary Services Expense	**695,915**	**662,980**	**574,640**
External Service Expense			
Program Support (Non-Teacher Contract)			
Salaries & Benefits	81,570	63,366	68,371
Supplies & Services	86,500	87,454	90,851
Non-Capital Furniture & Equipment	15,000	8,694	8,854
Travel	1,650	825	1,650
Total External Service Expense	**184,720**	**160,339**	**169,726**
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	12,250	3,187	705
Total Interest and Bank Charges	**12,250**	**3,187**	**705**
Total Other Expense	**12,250**	**3,187**	**705**
TOTAL EXPENSES FOR THE YEAR	**25,558,208**	**26,750,833**	**24,322,532**

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2015

	Land	Land Improvements	Buildings	Buildings Short-term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Assets Under Construction	2015	2014
Tangible Capital Assets - at Cost:											
Opening Balance as of September 1	3,213,056	1,759,889	27,068,373	1,999,493	1,772,685	170,647	1,208,294	1,702,932	27,516,039	**66,411,408**	**62,405,467**
Additions/Purchases	-	-	-	-	98,686	44,908	174,743	192,410	138,934	**649,681**	**4,619,737**
Disposals	-	-	-	-	(17,751)	-	(47,809)	(508,258)	-	**(573,818)**	**(613,796)**
Write-Downs	-	-	-	-	-	-	-	-	(223,986)	**(223,986)**	-
Transfers to (from)	-	26,721	25,881,321	9,931	-	32,536	1,014,496	465,982	(27,430,987)	-	-
Closing Balance as of August 31	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**
Tangible Capital Assets - Amortization:											
Opening Balance as of September 1	-	807,708	10,662,070	490,982	872,853	110,487	505,708	1,206,702	-	**14,656,510**	**13,933,103**
Amortization of the Period	-	89,330	1,072,365	75,704	143,067	19,187	234,972	370,611	-	**2,005,236**	**1,337,203**
Disposals	-	-	-	-	(17,751)	-	(47,809)	(508,258)	-	**(573,818)**	**(613,796)**
Closing Balance as of August 31	-	897,038	11,734,435	566,686	998,169	129,674	692,871	1,069,055	-	**16,087,928**	**14,656,510**
Net Book Value:											
Opening Balance as of September 1	3,213,056	952,181	16,406,303	1,508,511	899,832	60,160	702,586	496,230	27,516,039	**51,754,898**	**48,472,364**
Closing Balance as of August 31	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**
Change in Net Book Value	-	(62,609)	24,808,956	(65,773)	(44,381)	58,257	954,267	287,781	(27,516,039)	**(1,579,541)**	**3,282,534**
Disposals:											
Historical Cost	-	-	-	-	17,751	-	47,809	508,258	-	**573,818**	**613,796**
Accumulated Amortization	-	-	-	-	17,751	-	47,809	508,258	-	**573,818**	**613,796**
Net Cost	-	-	-	-	-	-	-	-	-	-	-
Price of sale	-	-	-	-	500	-	2,000	-	-	**2,500**	-
Gain on Disposal	-	-	-	-	**500**	-	**2,000**	-	-	**2,500**	-

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

SCHEDULE D: NON-CASH ITEMS INCLUDED IN (DEFICIT)
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Actual	2014 Actual
Non-Cash Items Included in (Deficit):		
Amortization of Tangible Capital Assets (Schedule C)	2,005,236	1,337,203
Net (Gain) on Disposal of Tangible Capital Assets	(2,500)	-
Write-Down of Tangible Capital Assets (Schedule C)	223,986	-
Total Non-Cash Items Included in (Deficit)	**2,226,722**	**1,337,203**

SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015

	2015 Actual	2014 Actual
Net Change in Non-Cash Operating Activities:		
Decrease in Accounts Receivable	407,462	2,053,339
Decrease (Increase) in Inventories for Sale	7,431	(8,684)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	185,076	(1,203,366)
Increase in Liability for Employee Future Benefits	19,400	21,700
Increase in Deferred Revenue	23,600	103,673
Decrease in Prepaid Expenses	12,376	22,961
Total Net Change in Non-Cash Operating Activities	**655,345**	**989,623**

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.

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 $198,400 (2014 - $179,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $3,140,716 (2014 - $2,961,069) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of $2,005,236 (2014 - $1,337,203) 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.

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).

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 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	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	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.

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), the Saskatchewan Teachers' Superannuation Plan (STSP) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSAB, 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.

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, 2015 was $nil (August 31, 2014 - $nil).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2015	2014
Portfolio investments in the cost and amortized cost category:	**Cost**	**Cost**
Equity common shares of Co-op	$ 35,918	$ 32,009
Equity common shares of Synergy Credit Union	57,897	55,205
Total portfolio investments reported at cost and amortized cost	**$ 93,815**	**$ 87,214**

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2015 Actual	2014 Actual
Governance	$ 494	$ 185,122	$ -	$ 185,616	$ 183,603
Administration	1,149,369	254,108	-	1,403,477	1,248,501
Instruction	16,336,279	1,402,323	604,696	18,343,298	16,769,442
Plant	1,156,687	1,474,867	1,250,252	3,881,806	3,303,983
Transportation	650,399	333,401	150,288	1,134,088	1,080,421
Tuition and Related Fees	-	89,675	-	89,675	32,708
School Generated Funds	-	886,367	-	886,367	958,803
Complementary Services	594,226	68,754	-	662,980	574,640
External Services	63,366	96,973	-	160,339	169,726
Other	-	3,187	-	3,187	705
TOTAL	$ 19,950,820	$ 4,794,777	$ 2,005,236	$ 26,750,833	$ 24,322,532

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, banked vacation 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 estimated the Liability for Employee Future Benefits as at August 31, 2015.

Details of the employee future benefits are as follows:

	2015	2014
Actuarial valuation (extrapolation) date	Aug.31,2015	(Aug.31,2014)
Long-term assumptions used:		
Discount rate at end of period	2.50%	2.80%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.25%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	**2015**	**2014**
Accrued Benefit Obligation - beginning of year	**$ 192,600**	**$ 174,100**
Current period service cost	16,700	15,200
Interest cost	5,800	6,600
Benefit payments	(4,100)	(1,600)
Actuarial losses	62,100	15,000
Plan amendments	-	(16,700)
Accrued Benefit Obligation - end of year	**273,100**	**192,600**
Unamortized Net Actuarial (Losses)	(74,700)	(13,600)
Liability for Employee Future Benefits	**$ 198,400**	**$ 179,000**

Expense for Employee Future Benefits	**2015**	**2014**
Current period service cost	$ 16,700	$ 15,200
Amortization of net actuarial loss	1,000	1,500
Benefit cost	**17,700**	**16,700**
Interest cost	5,800	6,600
Total Employee Future Benefits Expense	**$ 23,500**	**$ 23,300**

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), Saskatchewan Teachers' Superannuation Plan (STSP) or Alberta Teachers' Retirement Fund (ATRF):

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

The STRP, STSP, 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, STSP 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, the Government of Saskatchewan for the STSP 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:

	2015				2014
	STRP	STSP	ATRF	TOTAL	TOTAL
Number of active School Division members	169	-	21	190	160
Member contribution rate (percentage of salary)	9.1%/11.3%	6.05%/7.85%	11.44%/16.34%	6.05-16.34%	6.05-11.44%
Member contributions for the year	$ 1,070,680	$ -	$ 140,724	$ 1,211,404	$ 983,577

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 PSAB requirements, 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:

	2015	2014
Number of active School Division members	178	145
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	$ 417,323	$ 372,080
School Division contributions for the year	$ 417,323	$ 372,080
Actuarial (extrapolation) valuation date	(Dec 31/2014)	Dec 31/2013
Plan Assets (in thousands)	$ 2,006,587	$ 1,685,167
Plan Liabilities (in thousands)	$ 1,672,585	$ 1,498,853
Plan Surplus (in thousands)	$ 334,002	$ 186,314

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:

	2015			2014		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	$ 7,374	$ -	$ 7,374	$ 115,744	$ -	$ 115,744
Provincial Grants Receivable	4,107,429	-	4,107,429	4,171,975	-	4,171,975
Other Receivables	178,441	-	178,441	412,987	-	412,987
Total Accounts Receivable	**$ 4,293,244**	**$ -**	**$ 4,293,244**	**$ 4,700,706**	**$ -**	**$ 4,700,706**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2015	2014
Accrued salaries and benefits	$ 55,451	$ 196,018
Supplier payments	894,344	564,433
Staff funds	6,255	10,523
Total Accounts Payable and Accrued Liabilities	**$ 956,050**	**$ 770,974**

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2014	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2015
Other deferred revenue:				
Unearned fees for service	$ 43,638	$ 46,838	$ (36,971)	$ 53,505
Unearned donation revenue	112,000	-	(112,000)	-
Unearned taxation revenue	660,758	3,266,449	(3,140,716)	786,491
Total Deferred Revenue	**$ 816,396**	**$ 3,313,287**	**$ (3,289,687)**	**$ 839,996**

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 2015 and 2014:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2015	2014
Revenues:					
Operating Grants	$ 127,446	$ -	$ 26,632	$ 154,078	$ 189,396
Fees and Other Revenues	-	-	240,287	240,287	218,422
Total Revenues	127,446	-	266,919	394,365	407,818
Expenses:					
Salaries & Benefits	298,212	60,548	235,466	594,226	508,255
Supplies and Services	2,778	-	-	2,778	731
Travel	-	5,500	-	5,500	3,309
Professional Development (Non-Salary Costs)	-	1,246	-	1,246	540
Student Related Expenses	666	-	58,564	59,230	61,805
Total Expenses	301,656	67,294	294,030	662,980	574,640
(Deficiency) of Revenues over Expenses	$ (174,210)	$ (67,294)	$ (27,111)	$ (268,615)	$ (166,822)

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.

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 2015 and 2014:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	2015	2014
Revenues:			
Fees and Other Revenues	$ 165,264	$ 165,264	$ 183,424
Total Revenues	165,264	165,264	183,424
Expenses:			
Salaries & Benefits	63,366	63,366	68,371
Supplies and Services	87,454	87,454	90,851
Non-Capital Equipment	8,694	8,694	8,854
Travel	825	825	1,650
Total Expenses	160,339	160,339	169,726
Excess of Revenues over Expenses	$ 4,925	$ 4,925	$ 13,698

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

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 2014	Additions during the year	Reductions during the year	August 31 2015
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 51,754,898	$ 649,681	$ 2,229,222	$ 50,175,357
	51,754,898	649,681	2,229,222	50,175,357
S.286 pre-April 2009 capital reserves (1)	2,231,059	-	2,231,059	-
PMR maintenance project allocations (2)	-	117,236	117,236	-
Internally Restricted Surplus:				
Capital projects:				
Equipment replacement	22,157	77,843	-	100,000
Administrative building reserve	73,580	81,000	-	154,580
Major capital reserve	-	2,000,000	-	2,000,000
	95,737	2,158,843	-	2,254,580
Other:				
Retirement contingency	42,200	-	42,200	-
Salary contingency	209,518	-	209,518	-
Educational programming reserve	500,000	-	-	500,000
School generated funds	96,768	15,023	43,193	68,598
School budget carryovers	48,708	-	48,708	-
Unexpended grants	10,055	-	10,055	-
School Community Council	87,229	29,653	1,487	115,395
	994,478	44,676	355,161	683,993
Unrestricted Surplus	2,174,004	1,652,184	-	3,826,188
Total Accumulated Surplus	$ 57,250,176	$ 4,622,620	$ 4,932,678	$ 56,940,118

13. ACCUMULATED SURPLUS (CONT'D)

(1) **S.286 pre-April 2009 Capital Reserves** represent capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

(2) **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.

Retirement contingency: funds designated to satisfy contractual retirement commitments for senior administration.

Salary contingency: funds designated for unanticipated personnel costs.

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 budget carryovers: instructional funds that represent unspent school budgets available for future use.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 25, 2014 and the Minister of Education on August 12, 2014.

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.

15. RELATED PARTIES (CONT'D)

	2015	2014
Revenues:		
Ministry of Education	$ 8,046,732	$ 6,992,933
Saskatchewan Government Insurance	84,300	52,525
Prairie North Regional Health Authority	500	-
Workers' Compensation Board	12,159	2,923
	$ 8,143,691	**$ 7,048,381**
Expenses:		
Workers' Compensation Board	$ 15,835	$ 14,148
Saskatchewan Power Corporation	11,336	13,423
Saskatchewan Government Insurance	19,354	13,160
Saskatoon Public School Division	500	-
Lloydminster Public School Division	1,345	1,200
Living Sky School Division No. 202	-	800
Prairie South School Division No. 210	150	525
Prairie North Regional Health Authority	250	-
SaskTel	4,171	5,330
St. Paul's RCSSD No. 20	500	500
North East School Division No. 200	-	500
	$ 53,441	**$ 49,586**
Accounts Receivable:		
Saskatchewan Government Insurance	$ -	$ 51,855
Ministry of Education	-	64,546
	$ -	**$ 116,401**
Prepaid Expenses:		
Saskatchewan Government Insurance	$ 19,165	$ 15,521
	$ 19,165	**$ 15,521**
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	$ 232	$ 918
SaskTel	337	-
Workers' Compensation Board	11,466	10,461
	$ 12,035	**$ 11,379**

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.

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:

	Reiber		Brown		Hope		Arts		Schwandt	Hartnell MacArthur		Total	Total
	2015	2014	2015	2014	2015	2014	2015	2014	2014	2015	2014	2015	2014
Cash and short-term investments	$ 7,559	$ 7,489	$ 40,245	$ 40,210	$ 1,820	$ 1,696	$ 1,348	$ 1,351	$ -	$ -	$ 6,000	$ 50,972	$ 56,746
Portfolio investments	204	204	443	49	-	83	-	-	-	-	-	647	336
Total Assets	$ 7,763	$ 7,693	$ 40,688	$ 40,259	$ 1,820	$ 1,779	$ 1,348	$ 1,351	$ -	$ -	$ 6,000	$ 51,619	$ 57,082
Revenues													
Interest on investments	$ 70	$ 88	$ 429	$ 612	$ 41	$ 83	$ (3)	$ 27	$ -	$ -	$ -	$ 537	$ 810
	70	88	429	612	41	83	(3)	27	-	-	-	537	810
Expenses													
Awards to students	-	-	-	2,000	-	1,000	-	200	-	6,000	-	6,000	3,200
Account closures	-	-	-	-	-	-	-	-	11	-	-	-	11
	-	-	-	2,000	-	1,000	-	200	11	6,000	-	6,000	3,211
Excess (Deficiency) of Revenues over Expenses	70	88	429	(1,388)	41	(917)	(3)	(173)	(11)	(6,000)	-	(5,463)	(2,401)
Trust Fund Balance, Beginning of Year	7,693	7,605	40,259	41,647	1,779	2,696	1,351	1,524	11	6,000	6,000	57,082	59,483
Trust Fund Balance, End of Year	$ 7,763	$ 7,693	$ 40,688	$ 40,259	$ 1,820	$ 1,779	$ 1,348	$ 1,351	$ -	$ -	$ 6,000	$ 51,619	$ 57,082

17. COMPARATIVE INFORMATION

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

18. RISK MANAGEMENT

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

i) Credit Risk

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

18. RISK MANAGEMENT (CONT'D)

The aging of grants and other accounts receivable as at August 31, 2015 was:

	August 31, 2015					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	$ 4,107,429	$ -	$ -	$ -	$ -	$ 4,107,429
Other Receivables	48,701	-	31,055	113	5,000	12,533
Gross Receivables	**4,156,130**	**-**	**31,055**	**113**	**5,000**	**4,119,962**
Allowance for Doubtful Accounts	-	-	-	-	-	-
Net Receivables	**$ 4,156,130**	**$ -**	**$ 31,055**	**$ 113**	**$ 5,000**	**$ 4,119,962**

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, 2015			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	$ 956,050	$ -	$ -	$ -
Total	**$ 956,050**	**$ -**	**$ -**	**$ -**

18. RISK MANAGEMENT (CONT'D)

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, 2015.

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