
Audited Financial Statements

Of the Lloydminster Roman Catholic Separate School Division No. 89

School Division No. 6060000

For the Period Ending: August 31, 2018



Chief Financial Officer Melanie Stelmaschuk, CPA, CA



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, 2018**

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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 financial statements.

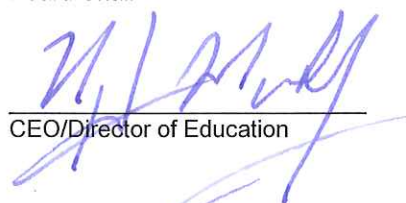
The Board of Education is composed of elected officials who are not employees of the School Division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible 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

November 21, 2018



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, 2018, 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, 2018 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.

Lloydminster, Saskatchewan
November 21, 2018

MNP LLP

Chartered Professional Accountants



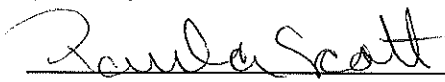
Lloydminster Roman Catholic Separate School Division No. 89
Statement of Financial Position
as at August 31, 2018

	2018	2017
	\$	\$
Financial Assets		
Cash and Cash Equivalents	3,173,270	3,013,646
Accounts Receivable (Note 8)	211,146	1,076,256
Inventories for Sale	-	21,868
Portfolio Investments (Note 4)	4,582,050	5,098,242
Total Financial Assets	7,966,466	9,210,012
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	527,741	1,115,526
Liability for Employee Future Benefits (Note 6)	346,100	309,600
Deferred Revenue (Note 10)	900,931	885,807
Total Liabilities	1,774,772	2,310,933
Net Financial Assets	6,191,694	6,899,079
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	49,856,611	50,286,022
Prepaid Expenses	271,535	104,298
Total Non-Financial Assets	50,128,146	50,390,320
Accumulated Surplus (Note 13)	56,319,840	57,289,399

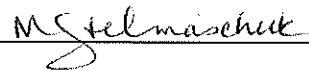
Contingent Liabilities (Note 17)
Contractual Obligations and Commitments (Note 18)

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 from Operations
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$ (Note 14)	\$	\$
REVENUES			
Property Taxation	3,554,585	3,442,781	3,662,733
Grants	23,333,204	23,791,982	24,154,993
Tuition and Related Fees	70,945	89,485	99,341
School Generated Funds	678,742	913,507	754,660
Complementary Services (Note 11)	365,016	507,249	382,038
External Services (Note 12)	154,000	113,656	121,096
Other	481,052	623,618	477,298
Total Revenues (Schedule A)	28,637,544	29,482,278	29,652,159
EXPENSES			
Governance	138,194	174,841	248,175
Administration	1,513,840	1,424,068	1,677,169
Instruction	21,179,647	21,313,048	20,707,623
Plant	4,463,642	4,242,783	3,936,404
Transportation	1,387,900	1,323,786	1,309,300
Tuition and Related Fees	133,000	95,560	127,628
School Generated Funds	683,742	957,857	721,363
Complementary Services (Note 11)	841,364	781,512	662,167
External Services (Note 12)	155,119	130,646	122,901
Other Expenses	5,500	7,736	5,479
Total Expenses (Schedule B)	30,501,948	30,451,837	29,518,209
Operating Surplus (Deficit) for the Year	(1,864,404)	(969,559)	133,950
Accumulated Surplus from Operations, Beginning of Year	57,289,399	57,289,399	57,155,449
Accumulated Surplus from Operations, End of Year	55,424,995	56,319,840	57,289,399

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, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
	(Note 14)		
Net Financial Assets, Beginning of Year	6,899,079	6,899,079	7,916,336
Changes During the Year			
Operating Surplus (Deficit) for the Year	(1,864,404)	(969,559)	133,950
Acquisition of Tangible Capital Assets (Schedule C)	(185,000)	(1,744,732)	(3,260,001)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	33,220	500
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(18,722)	(500)
Amortization of Tangible Capital Assets (Schedule C)	2,015,000	2,159,645	2,028,199
Net Change in Prepaid Expenses	-	(167,237)	80,595
Change in Net Financial Assets	(34,404)	(707,385)	(1,017,257)
Net Financial Assets, End of Year	6,864,675	6,191,694	6,899,079

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, 2018

	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the Year	(969,559)	133,950
Add Non-Cash Items Included in Surplus / Deficit (Schedule D)	2,140,923	2,027,699
Net Change in Non-Cash Operating Activities (Schedule E)	183,580	(428,664)
Cash Provided by Operating Activities	1,354,944	1,732,985
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(1,744,732)	(3,260,001)
Proceeds on Disposal of Tangible Capital Assets	33,220	500
Cash (Used) by Capital Activities	(1,711,512)	(3,259,501)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	-	(5,010,637)
Proceeds on Disposal of Portfolio Investments	516,192	-
Cash Provided (Used) by Investing Activities	516,192	(5,010,637)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	159,624	(6,537,153)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,013,646	9,550,799
CASH AND CASH EQUIVALENTS, END OF YEAR	3,173,270	3,013,646

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 Revenues
for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	3,554,585	3,402,345	3,621,460
Total Property Tax Revenue	<u>3,554,585</u>	<u>3,402,345</u>	<u>3,621,460</u>
Grants in Lieu of Taxes			
Federal Government	-	667	723
Provincial Government	-	3,053	11,339
Railways	-	-	1,437
Total Grants in Lieu of Taxes	<u>-</u>	<u>3,720</u>	<u>13,499</u>
Other Tax Revenues			
House Trailer Fees	-	10,542	9,789
Total Other Tax Revenues	<u>-</u>	<u>10,542</u>	<u>9,789</u>
Additions to Levy			
Penalties	-	28,964	25,413
Total Additions to Levy	<u>-</u>	<u>28,964</u>	<u>25,413</u>
Deletions from Levy			
Cancellations	-	(2,790)	(7,428)
Total Deletions from Levy	<u>-</u>	<u>(2,790)</u>	<u>(7,428)</u>
Total Property Taxation Revenue	<u>3,554,585</u>	<u>3,442,781</u>	<u>3,662,733</u>
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	8,852,907	9,137,255	8,842,457
Other Ministry Grants	-	83,760	52,718
Total Ministry Grants	<u>8,852,907</u>	<u>9,221,015</u>	<u>8,895,175</u>
Other Provincial Grants	136,250	-	41,321
Grants from Others	14,158,579	14,354,790	14,158,029
Total Operating Grants	<u>23,147,736</u>	<u>23,575,805</u>	<u>23,094,525</u>
Capital Grants			
Ministry of Education Capital Grants	185,468	212,508	512,668
Other Capital Grants	-	3,669	547,800
Total Capital Grants	<u>185,468</u>	<u>216,177</u>	<u>1,060,468</u>
Total Grants	<u>23,333,204</u>	<u>23,791,982</u>	<u>24,154,993</u>

Lloydminster Roman Catholic Separate School Division No. 89

**Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	-	79,350	88,872
Individuals and Other	10,135	10,135	10,469
Total Tuition Fees	10,135	89,485	99,341
Transportation Fees	60,810	-	-
Total Tuition and Related Fees Revenue	70,945	89,485	99,341
School Generated Funds Revenue			
Curricular			
Student Fees	174,077	167,570	144,588
Total Curricular Fees	174,077	167,570	144,588
Non-Curricular Fees			
Commercial Sales - Non-GST	56,000	44,303	81,252
Fundraising	125,600	383,586	293,574
Grants and Partnerships	37,500	42,800	42,500
Students Fees	285,565	275,248	192,746
Total Non-Curricular Fees	504,665	745,937	610,072
Total School Generated Funds Revenue	678,742	913,507	754,660
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	128,016	128,016	131,784
Other Ministry Grants	-	8,161	-
Other Provincial Grants	19,500	21,000	7,666
Other Grants	21,000	171,004	25,440
Total Operating Grants	168,516	328,181	164,890
Fees and Other Revenue			
Tuition and Related Fees	158,500	155,381	185,545
Other Revenue	38,000	23,687	31,603
Total Fees and Other Revenue	196,500	179,068	217,148
Total Complementary Services Revenue	365,016	507,249	382,038

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
External Services			
Fees and Other Revenue			
Other Revenue	154,000	113,656	121,096
Total Fees and Other Revenue	<u>154,000</u>	<u>113,656</u>	<u>121,096</u>
Total External Services Revenue	<u>154,000</u>	<u>113,656</u>	<u>121,096</u>
Other Revenue			
Miscellaneous Revenue	220,552	269,823	209,316
Sales & Rentals	155,500	177,720	126,530
Investments	105,000	157,353	140,952
Gain on Disposal of Capital Assets	-	18,722	500
Total Other Revenue	<u>481,052</u>	<u>623,618</u>	<u>477,298</u>
TOTAL REVENUE FOR THE YEAR	<u>28,637,544</u>	<u>29,482,278</u>	<u>29,652,159</u>

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	61,049	81,739	91,003
Professional Development - Board Members	5,250	3,293	14,980
Advisory Committees	12,000	11,372	-
Elections	-	-	16,144
Other Governance Expenses	59,895	78,437	126,048
Total Governance Expense	138,194	174,841	248,175
Administration Expense			
Salaries	1,167,580	1,053,044	1,330,388
Benefits	109,985	101,257	132,795
Supplies & Services	93,705	155,025	91,965
Non-Capital Furniture & Equipment	10,500	22,612	9,781
Communications	54,460	36,445	55,788
Travel	67,610	50,047	52,685
Professional Development	10,000	5,638	3,767
Total Administration Expense	1,513,840	1,424,068	1,677,169
Instruction Expense			
Instructional (Teacher Contract) Salaries	14,036,192	14,225,208	13,679,857
Instructional (Teacher Contract) Benefits	737,588	731,113	753,655
Program Support (Non-Teacher Contract) Salaries	3,731,634	3,695,620	3,630,469
Program Support (Non-Teacher Contract) Benefits	686,193	690,634	681,525
Instructional Aids	338,102	339,363	375,335
Supplies & Services	341,758	321,561	256,638
Non-Capital Furniture & Equipment	151,750	116,640	119,821
Communications	115,325	94,075	120,487
Travel	45,305	39,229	48,066
Professional Development	142,800	138,546	120,354
Student Related Expense	167,000	203,729	230,202
Amortization of Tangible Capital Assets	686,000	717,330	691,214
Total Instruction Expense	21,179,647	21,313,048	20,707,623

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	1,188,365	1,072,769	1,060,831
Benefits	220,287	173,770	177,943
Non-Capital Furniture & Equipment	11,750	3,344	726
Building Operating Expenses	1,824,740	1,690,744	1,484,086
Communications	24,500	23,617	23,706
Travel	19,000	14,814	15,856
Professional Development	1,000	66	800
Amortization of Tangible Capital Assets	1,174,000	1,263,659	1,172,456
Total Plant Operation & Maintenance Expense	4,463,642	4,242,783	3,936,404
Student Transportation Expense			
Salaries	685,562	642,027	645,820
Benefits	133,084	101,361	108,951
Supplies & Services	176,199	161,738	151,134
Non-Capital Furniture & Equipment	130,000	139,612	145,350
Building Operating Expenses	25,305	26,790	25,869
Communications	4,000	3,908	3,421
Travel	2,250	1,980	1,650
Professional Development	1,000	-	3,313
Contracted Transportation	75,500	67,714	59,263
Amortization of Tangible Capital Assets	155,000	178,656	164,529
Total Student Transportation Expense	1,387,900	1,323,786	1,309,300
Tuition and Related Fees Expense			
Tuition Fees	133,000	95,560	127,628
Total Tuition and Related Fees Expense	133,000	95,560	127,628
School Generated Funds Expense			
Academic Supplies & Services	85,417	66,852	51,557
Cost of Sales	106,300	96,936	123,847
School Fund Expenses	492,025	794,069	545,959
Total School Generated Funds Expense	683,742	957,857	721,363

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2018

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
Complementary Services Expense			
Administration Salaries & Benefits	106,797	95,995	64,933
Instructional (Teacher Contract) Salaries & Benefits	257,360	186,775	196,397
Program Support (Non-Teacher Contract) Salaries & Benefits	392,582	339,288	326,952
Supplies & Services	5,500	9,041	4,278
Travel	6,825	4,050	4,875
Professional Development (Non-Salary Costs)	-	-	318
Student Related Expenses	72,300	146,363	64,414
Total Complementary Services Expense	841,364	781,512	662,167
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	65,294	56,072	50,385
Supplies & Services	87,000	63,530	64,717
Non-Capital Furniture & Equipment	2,000	10,219	6,974
Travel	825	825	825
Total External Services Expense	155,119	130,646	122,901
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	5,500	7,736	5,479
Total Interest and Bank Charges	5,500	7,736	5,479
Total Other Expense	5,500	7,736	5,479
TOTAL EXPENSES FOR THE YEAR	30,501,948	30,451,837	29,518,209

Lloydminster Roman Catholic Separate School Division No. 89

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2018

	Land		Buildings		School	Other	Furniture and	Computer	Computer	Assets Under	2018	2017
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Hardware and Audio Visual Equipment	Software	Construction	\$	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	3,340,556	1,786,610	52,968,052	2,009,424	2,110,083	236,592	2,494,988	1,783,302	30,551	2,577,876	69,338,034	66,523,581
Additions/Purchases	-	194,289	-	-	260,382	-	33,339	304,357	-	952,365	1,744,732	3,260,001
Disposals	-	-	-	-	(86,986)	-	(151,798)	(184,563)	-	-	(423,347)	(445,548)
Transfers to (from)	-	25,774	2,768,204	716,786	-	-	9,321	8,723	-	(3,528,808)	-	-
Closing Balance as of August 31	3,340,556	2,006,673	55,736,256	2,726,210	2,283,479	236,592	2,385,850	1,911,819	30,551	1,433	70,659,419	69,338,034
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	1,075,699	13,896,297	714,843	1,222,212	150,680	1,041,110	941,650	9,521	-	19,052,012	17,469,361
Amortization of the Period	-	100,334	1,136,293	109,919	169,723	16,317	238,586	382,363	6,110	-	2,159,645	2,028,199
Disposals	-	-	-	-	(72,488)	-	(151,798)	(184,563)	-	-	(408,849)	(445,548)
Closing Balance as of August 31	N/A	1,176,033	15,032,590	824,762	1,319,447	166,997	1,127,898	1,139,450	15,631	N/A	20,802,808	19,052,012
Net Book Value												
Opening Balance as of September 1	3,340,556	710,911	39,071,755	1,294,581	887,871	85,912	1,453,878	841,652	21,030	2,577,876	50,286,022	49,054,220
Closing Balance as of August 31	3,340,556	830,640	40,703,666	1,901,448	964,032	69,595	1,257,952	772,369	14,920	1,433	49,856,611	50,286,022
Change in Net Book Value	-	119,729	1,631,911	606,867	76,161	(16,317)	(195,926)	(69,283)	(6,110)	(2,576,443)	(429,411)	1,231,802
Disposals												
Historical Cost	-	-	-	-	86,986	-	151,798	184,563	-	-	423,347	445,548
Accumulated Amortization	-	-	-	-	72,488	-	151,798	184,563	-	-	408,849	445,548
Net Cost	-	-	-	-	14,498	-	-	-	-	-	14,498	-
Price of Sale	-	-	-	-	33,220	-	-	-	-	-	33,220	500
Gain on Disposal	-	-	-	-	18,722	-	-	-	-	-	18,722	500

Lloydminster Roman Catholic Separate School Division No. 89
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2018

	2018	2017
	\$	\$
Non-Cash Items Included in Surplus / Deficit		
Amortization of Tangible Capital Assets (Schedule C)	2,159,645	2,028,199
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(18,722)	(500)
Total Non-Cash Items Included in Surplus / Deficit	2,140,923	2,027,699

Lloydminster Roman Catholic Separate School Division No. 89
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2018

	2018	2017
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	865,110	(791,782)
Decrease (Increase) in Inventories for Sale	21,868	(13,176)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(587,785)	78,312
Increase in Liability for Employee Future Benefits	36,500	78,800
Increase in Deferred Revenue	15,124	138,587
Decrease (Increase) in Prepaid Expenses	(167,237)	80,595
Total Net Change in Non-Cash Operating Activities	183,580	(428,664)

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 Separate School Division No. 89” and operates as “the Lloydminster Roman Catholic Separate 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 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
As at August 31, 2018

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 \$346,100 (2017 - \$309,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$3,442,781 (2017 - \$3,662,733) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$2,159,645 (2017 - \$2,028,199) 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
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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 Ltd. and Lloydminster & District Co-operative and term deposits with maturity dates greater than 3 months. 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
As at August 31, 2018

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.

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

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). The plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Defined Contribution Plans

The School Division's support staff participate in a defined contribution pension plan. The School Division's contributions to the plan 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. 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 Alberta 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
As at August 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

On January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan became the taxing authority for education property tax for the Rural Municipalities of Wilton and Britannia. The legislation provides authority to separate School Divisions to set a bylaw to determine and apply their own mill rates for education property taxes. For the 2018 taxation year, the School Division does not have such a bylaw in place.

iii) Fees and Services

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

iv) Interest Income

Interest is recognized as revenue when it is earned.

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the School Division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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 a rate of bank prime rate per annum with Synergy Credit Union Ltd. This line of credit is authorized by a borrowing resolution by the board of education and is secured by all book accounts and book debts. 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, 2018 was \$nil (August 31, 2017 - \$nil).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Equity common shares of Lloydminster & District Co-operative	\$ 41,563	\$ 40,514
Equity common shares of Synergy Credit Union	40,487	57,728
Synergy Credit Union term deposits, interest rates 1.7% - 3.15%, maturing October 2018 to July 2021	4,500,000	5,000,000
Total portfolio investments reported at cost and amortized cost	\$ 4,582,050	\$ 5,098,242

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2018 Actual	2017 Actual
Governance	\$ 1,339	\$ 173,502	\$ -	\$ 174,841	\$ 248,175
Administration	1,154,301	269,767	-	1,424,068	1,677,169
Instruction	19,342,575	1,253,143	717,330	21,313,048	20,707,623
Plant	1,246,539	1,732,585	1,263,659	4,242,783	3,936,404
Transportation	743,388	401,742	178,656	1,323,786	1,309,300
Tuition and Related Fees	-	95,560	-	95,560	127,628
School Generated Funds	-	957,857	-	957,857	721,363
Complementary Services	622,058	159,454	-	781,512	662,167
External Services	56,072	74,574	-	130,646	122,901
Other	-	7,736	-	7,736	5,479
TOTAL	\$ 23,166,272	\$ 5,125,920	\$ 2,159,645	\$ 30,451,837	\$ 29,518,209

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

6. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include 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 as at March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

Details of the employee future benefits are as follows:

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate (excluding merit and promotion)		
Teachers	2.50%	2.50%
Non-Teachers	3.00%	3.00%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2018	2017
Accrued Benefit Obligation - beginning of year	\$ 353,800	\$ 316,200
Current period service cost	32,700	35,700
Interest cost	10,300	7,300
Benefit payments	(10,400)	(8,300)
Actuarial (gains) / losses	(58,900)	(35,000)
Plan amendments	-	37,900
Accrued Benefit Obligation - end of year	327,500	353,800
Unamortized Net Actuarial Gains (Losses)	18,600	(44,200)
Liability for Employee Future Benefits	\$ 346,100	\$ 309,600

Employee Future Benefits Expense	2018	2017
Current period service cost	\$ 32,700	\$ 35,700
Amortization of net actuarial loss	3,900	6,200
Plan amendments	-	37,900
Benefit cost	36,600	79,800
Interest cost	10,300	7,300
Total Employee Future Benefits Expense	\$ 46,900	\$ 87,100

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

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) and 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 Governments of Saskatchewan and Alberta respectively. 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:

	2018			2017
	STRP	ATRF	TOTAL	TOTAL
Number of active School Division members	155	26	181	184
Member contribution rate (percentage of salary)	11.30%-13.50%	10.74%-15.34%	10.74%-15.34%	10.74%-15.34%
Member contributions for the year	\$ 1,423,621	\$ 215,452	\$ 1,639,073	\$ 1,645,193

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

7. PENSION PLANS (CONT'D)

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

Details of the MEPP are as follows:

	<u>2018</u>	<u>2017</u>
Number of active School Division members	166	163
Member contribution rate (percentage of salary)	8.15%-9%	8.15%
School Division contribution rate (percentage of salary)	8.15%-9%	8.15%
Member contributions for the year	\$ 485,942	\$ 471,401
School Division contributions for the year	\$ 485,942	\$ 471,401
Actuarial (extrapolation) valuation date	<u>(Dec/31/2017)</u>	<u>(Dec/31/2016)</u>
Plan Assets (in thousands)	\$ 2,469,995	\$ 2,323,947
Plan Liabilities (in thousands)	\$ 2,015,818	\$ 1,979,463
Plan Surplus (in thousands)	\$ 454,177	\$ 344,484

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:

	<u>2018</u>			<u>2017</u>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ -	\$ -	\$ -	\$ 7,281	\$ -	\$ 7,281
Provincial Grants Receivable	-	-	-	163,600	-	163,600
Other Receivables	211,146	-	211,146	905,375	-	905,375
Total Accounts Receivable	\$ 211,146	\$ -	\$ 211,146	\$ 1,076,256	\$ -	\$ 1,076,256

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	\$ 22,555	\$ 27,993
Supplier Payments	499,024	1,078,730
Staff Funds	6,162	8,803
Total Accounts Payable and Accrued Liabilities	\$ 527,741	\$ 1,115,526

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2017	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2018
Other deferred revenue:				
Unearned fees for service	\$ 76,041	\$ 76,554	\$ 65,372	\$ 87,223
Unearned taxation revenue	809,766	3,383,733	3,379,791	813,708
Total Deferred Revenue	\$ 885,807	\$ 3,460,287	\$ 3,445,163	\$ 900,931

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:

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

11. COMPLEMENTARY SERVICES (CONT'D)

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2018	2017
Revenues:					
Operating Grants	\$ 128,016	\$ -	\$ 200,165	\$ 328,181	\$ 164,890
Fees and Other Revenues	-	-	179,068	179,068	217,148
Total Revenues	128,016	-	379,233	507,249	382,038
Expenses:					
Salaries & Benefits	316,766	95,995	209,297	622,058	588,282
Supplies and Services	-	9,041	-	9,041	4,278
Travel	-	4,050	-	4,050	4,875
Professional Development (Non-Salary Costs)	-	-	-	-	318
Student Related Expenses	3,039	-	143,324	146,363	64,414
Total Expenses	319,805	109,086	352,621	781,512	662,167
Excess (Deficiency) of Revenues over Expenses	\$ (191,789)	\$ (109,086)	\$ 26,612	\$ (274,263)	\$ (280,129)

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: School Division's School Communities 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 program operated by the School Division:

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

12. EXTERNAL SERVICES (CONT'D)

Summary of External Services Revenues and Expenses, by Program	Cafeteria	2018	2017
Revenues:			
Fees and Other Revenues	\$ 113,656	\$ 113,656	\$ 121,096
Total Revenues	113,656	113,656	121,096
Expenses:			
Salaries & Benefits	56,072	56,072	50,385
Supplies and Services	63,530	63,530	64,717
Non-Capital Equipment	10,219	10,219	6,974
Travel	825	825	825
Total Expenses	130,646	130,646	122,901
Deficiency of Revenues over Expenses	\$ (16,990)	\$ (16,990)	\$ (1,805)

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

The cafeteria program offers 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, for example, school generated funds, capital reserves, and school community councils. 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
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13. ACCUMULATED SURPLUS (CONT'D)

Details of accumulated surplus are as follows:

	August 31 2017	Additions during the year	Reductions during the year	August 31 2018
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 50,286,022	\$ 1,744,732	\$ 2,174,143	\$ 49,856,611
	50,286,022	1,744,732	2,174,143	49,856,611
PMR maintenance project allocations (1)	-	212,508	212,508	-
Federal Agencies Policy Reserve (2)	2,984	2,548	-	5,532
Internally Restricted Surplus:				
Capital projects:				
Equipment Replacement	100,000	-	-	100,000
Administrative Building Reserve	319,580	80,425	-	400,005
Other Vehicle Reserve	9,961	2,303	-	12,264
Holy Rosary Expansion/New Elementary Reserve	2,000,000	-	-	2,000,000
Grounds/Parking Lot Reserve	250,000	250,000	-	500,000
Holy Rosary Parking Lot Expansion Reserve	500,000	-	500,000	-
Bus Fleet Expansion Reserve	250,000	-	200,000	50,000
	3,429,541	332,728	700,000	3,062,269
Other:				
Educational Programming Reserve	500,000	-	-	500,000
School generated funds	81,959	724,317	734,957	71,319
School Community Council	72,576	189,190	211,000	50,766
	654,535	913,507	945,957	622,085
Unrestricted Surplus (Deficit)	2,916,317	-	142,974	2,773,343
Total Accumulated Surplus	\$ 57,289,399	\$ 3,206,023	\$ 4,175,582	\$ 56,319,840

Details of accumulated surplus are as follows:

- (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.
- (2) **Federal Agencies Policy Reserve** represents the capital portion of the tuition received from Federal Agencies as per Regulation 22 fee calculation. The funds to be used for future capital projects as specified by the Ministry of Education.

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

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NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2018

13. ACCUMULATED SURPLUS (CONT'D)

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

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

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

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

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

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

Educational Programming Reserve: funds set aside to cover educational requirements and pressures and continuity of improvement equalization

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 21, 2017 and the Minister of Education on August 28, 2017.

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, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the School Division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

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15. RELATED PARTIES (CONT'D)

Related Party Transactions

Transactions with these related parties have occurred and been settled on normal trade terms.

	2018	2017
Revenues:		
Ministry of Education	\$ 9,569,700	\$ 9,539,627
Saskatchewan Government Insurance	78,982	30,397
Saskatchewan Lotteries Trust Fund for Sport Culture and Recreation	8,050	7,661
Community Initiatives Fund	8,100	10,800
Workers' Compensation Board	2,523	8,488
Saskatchewan Social Services	-	130
	\$ 9,667,355	\$ 9,597,103
Expenses:		
Workers' Compensation Board	\$ -	\$ 17,226
Saskatchewan Power Corporation	19,639	15,849
Saskatchewan Government Insurance	24,286	21,738
Christ the Teacher RCSSD No. 212	12,009	-
Lloydminster School Division No. 99	3,913	16,446
Living Sky School Division No. 202	250	250
Prairie South School Division No. 210	240	-
SaskTel	4,102	4,194
Sunvest School Division	500	-
St. Paul's RCSSD No. 20	600	1,750
Western Development Museum	923	911
Queen's Printer Revolving Fund	-	155
	\$ 66,462	\$ 78,519
Accounts Receivable:		
Ministry of Education	\$ -	\$ 163,600
Workers' Compensation Board	3,229	-
	\$ 3,229	\$ 163,600
Prepaid Expenses:		
Saskatchewan Government Insurance	\$ 20,238	\$ 17,626
	\$ 20,238	\$ 17,626
Accounts Payable and Accrued Liabilities:		
Workers' Compensation Board	\$ -	\$ 9,802
	\$ -	\$ 9,802
Deferred Revenue:		
Community Initiatives Fund	\$ -	\$ 7,200
Saskatchewan Lotteries Trust Fund for Sport Culture and Recreation	4,500	5,400
	\$ 4,500	\$ 12,600

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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		Ranger Rebekkah		Patrick Harty		William Gow		Total	Total
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Cash and short-term investments	\$ 7,921	\$ 7,652	\$ 36,420	\$ 37,724	\$ -	\$ -	\$ 1,203	\$ 1,377	\$ 35,720	\$ 37,456	\$ 9,118	\$ 9,551	\$ 3,063	\$ -	\$ 93,445	\$ 93,760
Portfolio investments	-	212	-	452	-	-	-	-	-	-	-	-	-	-	-	664
Total Assets	7,921	7,864	36,420	38,176	-	-	1,203	1,377	35,720	37,456	9,118	9,551	3,063	-	93,445	94,424
Revenues																
Contributions and donations	-	-	-	-	-	-	-	-	-	-	-	10,000	3,063	-	3,063	10,000
Interest on investments	57	50	244	238	-	-	26	13	264	220	67	51	-	-	658	572
	57	50	244	238	-	-	26	13	264	220	67	10,051	3,063	-	3,721	10,572
Expenses																
Awards to students	-	-	2,000	2,000	-	821	200	-	2,000	2,000	500	500	-	-	4,700	5,321
	-	-	2,000	2,000	-	821	200	-	2,000	2,000	500	500	-	-	4,700	5,321
Excess (Deficiency) of Revenues over Expenses	57	50	(1,756)	(1,762)	-	(821)	(174)	13	(1,736)	(1,780)	(433)	9,551	3,063	-	(979)	5,251
Trust Fund Balance, Beginning of Year	7,864	7,814	38,176	39,938	-	821	1,377	1,364	37,456	39,236	9,551	-	-	-	94,424	89,173
Trust Fund Balance, End of Year	\$ 7,921	\$ 7,864	\$ 36,420	\$ 38,176	\$ -	\$ -	\$ 1,203	\$ 1,377	\$ 35,720	\$ 37,456	\$ 9,118	\$ 9,551	\$ 3,063	\$ -	\$ 93,445	\$ 94,424

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17. CONTINGENT LIABILITIES

The School Division has been named as a defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at the date of reporting and accordingly, no provision has been made in these financial statements for any liability that may result. The School Division's share of settlement, if any, will be charged to expenses in the year in which the amount is determinable.

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Fee for instructional service \$130,000 per year for three years expiring June 30, 2021

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, 2018 was:

	August 31, 2018					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Other Receivables	\$ 118,595	\$ 89,267	\$ 89,267	\$ 29,130	\$ -	\$ 198
Gross Receivables	118,595	89,267	89,267	29,130	-	198
Allowance for Doubtful Accounts	-	-	-	-	-	-
Net Receivables	\$ 118,595	\$ 89,267	\$ 89,267	\$ 29,130	\$ -	\$ 198

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

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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, 2018				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 527,741	\$ 527,741	\$ -	\$ -	\$ -
Total	\$ 527,741	\$ 527,741	\$ -	\$ -	\$ -

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 per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2018.

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