
Audited Financial Statements

Of the Lloydminster Roman Catholic Separate School Division No. 89

School Division No. 6060000

For the Period Ending: August 31, 2017

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, 2017**

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Management's Responsibility for the Financial Statements

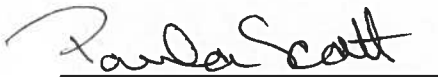
The School Division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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.

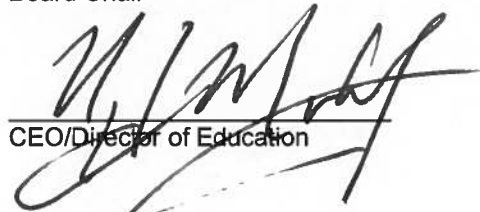
The Board of Education is composed of elected officials who are not employees of the School Division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible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

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, 2017, 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, 2017 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 22, 2017

MNP LLP

Chartered Professional Accountants

Lloydminster Roman Catholic Separate School Division No. 89

**Statement of Financial Position
as at August 31, 2017**

	2017	2016
	\$	\$
Financial Assets		
Cash and Cash Equivalents	3,013,646	9,550,799
Accounts Receivable (Note 8)	1,076,256	284,474
Inventories for Sale	21,868	8,692
Portfolio Investments (Note 4)	5,098,242	87,605
Total Financial Assets	9,210,012	9,931,570
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	1,115,526	1,037,214
Liability for Employee Future Benefits (Note 6)	309,600	230,800
Deferred Revenue (Note 10)	885,807	747,220
Total Liabilities	2,310,933	2,015,234
Net Financial Assets	6,899,079	7,916,336
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	50,286,022	49,054,220
Prepaid Expenses	104,298	184,893
Total Non-Financial Assets	50,390,320	49,239,113
Accumulated Surplus (Note 13)	57,289,399	57,155,449

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:


_____ Chairperson


_____ Chief Financial Officer

Lloydminster Roman Catholic Separate School Division No. 89
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
REVENUES	(Note 14)		
Property Taxation	3,567,746	3,662,733	3,473,193
Grants	22,451,724	24,154,993	22,394,170
Tuition and Related Fees	10,464	99,341	19,868
School Generated Funds	793,981	754,660	807,532
Complementary Services (Note 11)	365,832	382,038	396,691
External Services (Note 12)	157,000	121,096	142,027
Other	400,579	477,298	490,598
Total Revenues (Schedule A)	27,747,326	29,652,159	27,724,079
EXPENSES			
Governance	228,858	248,175	207,389
Administration	1,490,629	1,677,169	1,512,478
Instruction	20,521,587	20,707,623	19,087,013
Plant	4,145,594	3,936,404	3,822,828
Transportation	1,292,856	1,309,300	1,192,726
Tuition and Related Fees	97,600	127,628	76,768
School Generated Funds	793,981	721,363	787,214
Complementary Services (Note 11)	785,254	662,167	679,181
External Services (Note 12)	153,858	122,901	139,494
Other Expenses	3,500	5,479	3,657
Total Expenses (Schedule B)	29,513,717	29,518,209	27,508,748
Operating Surplus (Deficit) for the Year	(1,766,391)	133,950	215,331
Accumulated Surplus from Operations, Beginning of Year	57,155,449	57,155,449	56,940,118
Accumulated Surplus from Operations, End of Year	55,389,058	57,289,399	57,155,449

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, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
	(Note 14)		
Net Financial Assets, Beginning of Year	7,916,336	7,916,336	6,631,382
Changes During the Year			
Operating Surplus (Deficit) for the Year	(1,766,391)	133,950	215,331
Acquisition of Tangible Capital Assets (Schedule C)	(249,000)	(3,260,001)	(876,895)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	500	11,500
Net (Gain) on Disposal of Capital Assets (Schedule C)	-	(500)	(3,000)
Amortization of Tangible Capital Assets (Schedule C)	1,982,000	2,028,199	1,989,532
Net Change in Other Non-Financial Assets	-	80,595	(51,514)
Change in Net Financial Assets	(33,391)	(1,017,257)	1,284,954
Net Financial Assets, End of Year	7,882,945	6,899,079	7,916,336

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, 2017

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Operating Surplus for the Year	133,950	215,331
Add Non-Cash Items Included in Surplus (Schedule D)	2,027,699	1,986,532
Net Change in Non-Cash Operating Activities (Schedule E)	(428,664)	3,977,343
Cash Provided by Operating Activities	1,732,985	6,179,206
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(3,260,001)	(876,895)
Proceeds on Disposal of Tangible Capital Assets	500	11,500
Cash (Used) by Capital Activities	(3,259,501)	(865,395)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(5,010,637)	-
Proceeds on Disposal of Portfolio Investments	-	6,210
Cash Provided (Used) by Investing Activities	(5,010,637)	6,210
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,537,153)	5,320,021
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,550,799	4,230,778
CASH AND CASH EQUIVALENTS, END OF YEAR	3,013,646	9,550,799

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, 2017**

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	3,567,746	3,621,460	3,442,172
Total Property Tax Revenue	3,567,746	3,621,460	3,442,172
Grants in Lieu of Taxes			
Federal Government	-	723	(2,298)
Provincial Government	-	11,339	13,424
Railways	-	1,437	-
Total Grants in Lieu of Taxes	-	13,499	11,126
Other Tax Revenues			
House Trailer Fees	-	9,789	8,318
Total Other Tax Revenues	-	9,789	8,318
Additions to Levy			
Penalties	-	25,413	16,504
Total Additions to Levy	-	25,413	16,504
Deletions from Levy			
Cancellations	-	(7,428)	(4,927)
Total Deletions from Levy	-	(7,428)	(4,927)
Total Property Taxation Revenue	3,567,746	3,662,733	3,473,193
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	8,429,136	8,842,457	7,961,885
Other Ministry Grants	-	52,718	110,880
Total Ministry Grants	8,429,136	8,895,175	8,072,765
Other Provincial Grants	121,241	41,321	3,540
Grants from Others	13,690,250	14,158,029	13,377,203
Total Operating Grants	22,240,627	23,094,525	21,453,508
Capital Grants			
Ministry of Education Capital Grants	141,647	512,668	343,597
Other Provincial Capital Grants	69,450	-	-
Other Capital Grants	-	547,800	597,065
Total Capital Grants	211,097	1,060,468	940,662
Total Grants	22,451,724	24,154,993	22,394,170

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	-	88,872	-
Individuals and Other	10,464	10,469	19,868
Total Tuition Fees	10,464	99,341	19,868
Total Tuition and Related Fees Revenue	10,464	99,341	19,868
School Generated Funds Revenue			
Curricular			
Student Fees	155,503	144,588	158,393
Total Curricular Fees	155,503	144,588	158,393
Non-Curricular Fees			
Commercial Sales - GST	292,250	-	-
Commercial Sales - Non-GST	-	81,252	60,051
Fundraising	127,653	293,574	297,203
Grants and Partnerships	-	42,500	47,500
Students Fees	171,075	192,746	244,385
Other	47,500	-	-
Total Non-Curricular Fees	638,478	610,072	649,139
Total School Generated Funds Revenue	793,981	754,660	807,532
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	131,784	131,784	131,724
Other Ministry Grants	-	-	16,322
Other Provincial Grants	15,548	7,666	6,280
Other Grants	21,000	25,440	26,400
Total Operating Grants	168,332	164,890	180,726
Fees and Other Revenue			
Tuition and Related Fees	166,500	185,545	181,319
Other Revenue	31,000	31,603	34,646
Total Fees and Other Revenue	197,500	217,148	215,965
Total Complementary Services Revenue	365,832	382,038	396,691

Lloydminster Roman Catholic Separate School Division No. 89
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
External Services			
Fees and Other Revenue			
Other Revenue	157,000	121,096	142,027
Total Fees and Other Revenue	<u>157,000</u>	<u>121,096</u>	<u>142,027</u>
Total External Services Revenue	157,000	121,096	142,027
Other Revenue			
Miscellaneous Revenue	193,579	209,316	287,316
Sales & Rentals	115,000	126,530	124,067
Investments	92,000	140,952	76,215
Gain on Disposal of Capital Assets	-	500	3,000
Total Other Revenue	400,579	477,298	490,598
TOTAL REVENUE FOR THE YEAR	27,747,326	29,652,159	27,724,079

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	89,074	91,003	77,379
Professional Development - Board Members	12,600	14,980	8,165
Elections	-	16,144	-
Other Governance Expenses	127,184	126,048	121,845
Total Governance Expense	228,858	248,175	207,389
Administration Expense			
Salaries	1,132,252	1,330,388	1,169,121
Benefits	121,207	132,795	107,404
Supplies & Services	103,645	91,965	98,274
Non-Capital Furniture & Equipment	13,500	9,781	15,647
Building Operating Expenses	-	-	3,786
Communications	57,042	55,788	59,813
Travel	52,983	52,685	56,206
Professional Development	10,000	3,767	2,227
Total Administration Expense	1,490,629	1,677,169	1,512,478
Instruction Expense			
Instructional (Teacher Contract) Salaries	13,590,272	13,679,857	12,520,214
Instructional (Teacher Contract) Benefits	694,085	753,655	682,269
Program Support (Non-Teacher Contract) Salaries	3,666,754	3,630,469	3,466,803
Program Support (Non-Teacher Contract) Benefits	664,922	681,525	659,971
Instructional Aids	378,519	375,335	349,011
Supplies & Services	225,094	256,638	194,935
Non-Capital Furniture & Equipment	165,488	119,821	128,283
Communications	113,736	120,487	86,065
Travel	50,017	48,066	46,058
Professional Development	182,100	120,354	96,849
Student Related Expense	200,600	230,202	206,803
Amortization of Tangible Capital Assets	590,000	691,214	649,752
Total Instruction Expense	20,521,587	20,707,623	19,087,013

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	1,117,483	1,060,831	1,051,093
Benefits	185,594	177,943	173,868
Non-Capital Furniture & Equipment	11,750	726	3,936
Building Operating Expenses	1,542,553	1,484,086	1,369,980
Communications	27,224	23,706	24,737
Travel	19,990	15,856	26,360
Professional Development	1,000	800	400
Amortization of Tangible Capital Assets	1,240,000	1,172,456	1,172,454
Total Plant Operation & Maintenance Expense	4,145,594	3,936,404	3,822,828
Student Transportation Expense			
Salaries	627,201	645,820	599,240
Benefits	111,284	108,951	103,111
Supplies & Services	170,650	151,134	117,314
Non-Capital Furniture & Equipment	130,629	145,350	125,928
Building Operating Expenses	25,596	25,869	20,921
Communications	3,240	3,421	3,364
Travel	2,250	1,650	1,650
Professional Development	2,500	3,313	1,142
Contracted Transportation	67,506	59,263	52,730
Amortization of Tangible Capital Assets	152,000	164,529	167,326
Total Student Transportation Expense	1,292,856	1,309,300	1,192,726
Tuition and Related Fees Expense			
Tuition Fees	97,600	127,628	76,768
Total Tuition and Related Fees Expense	97,600	127,628	76,768
School Generated Funds Expense			
Academic Supplies & Services	656,875	51,557	64,090
Cost of Sales	79,250	123,847	99,149
School Fund Expenses	57,856	545,959	623,975
Total School Generated Funds Expense	793,981	721,363	787,214

Lloydminster Roman Catholic Separate School Division No. 89
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2017

	2017 Budget	2017 Actual	2016 Actual
	\$	\$	\$
Complementary Services Expense			
Administration Salaries & Benefits	59,707	64,933	62,856
Instructional (Teacher Contract) Salaries & Benefits	214,313	196,397	188,806
Program Support (Non-Teacher Contract) Salaries & Benefits	431,263	326,952	340,543
Supplies & Services	5,500	4,278	5,484
Travel	5,700	4,875	5,205
Professional Development (Non-Salary Costs)	2,500	318	2,793
Student Related Expenses	66,271	64,414	73,494
Total Complementary Services Expense	785,254	662,167	679,181
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	64,028	50,385	59,218
Supplies & Services	61,500	64,717	76,841
Non-Capital Furniture & Equipment	13,500	6,974	2,610
Travel	830	825	825
Contracted Transportation & Allowances	14,000	-	-
Total External Services Expense	153,858	122,901	139,494
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	3,500	5,479	3,657
Total Interest and Bank Charges	3,500	5,479	3,657
Total Other Expense	3,500	5,479	3,657
TOTAL EXPENSES FOR THE YEAR	29,513,717	29,518,209	27,508,748

Lloydminster Roman Catholic Separate School Division No. 89

Schedule C - Supplementary Details of Tangible Capital Assets

for the year ended August 31, 2017

	Land		Buildings		School	Other	Furniture and	Computer	Computer	Assets Under		
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Hardware and Audio Visual Equipment	Software	Construction	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tangible Capital Assets - at Cost												
Opening Balance as of September 1	3,340,556	1,786,610	52,968,052	2,009,424	2,082,324	236,592	2,494,215	1,588,251	17,057	500	66,523,581	66,263,285
Additions/Purchases	-	-	-	-	69,973	-	111,929	487,229	13,494	2,577,376	3,260,001	876,895
Disposals	-	-	-	-	(42,214)	-	(111,156)	(292,178)	-	-	(445,548)	(616,599)
Closing Balance as of August 31	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
Tangible Capital Assets - Amortization												
Opening Balance as of September 1	-	986,368	12,815,366	640,764	1,109,153	134,363	902,767	877,169	3,411	-	17,469,361	16,087,928
Amortization of the Period	-	89,331	1,080,931	74,079	155,273	16,317	249,499	356,659	6,110	-	2,028,199	1,989,532
Disposals	-	-	-	-	(42,214)	-	(111,156)	(292,178)	-	-	(445,548)	(608,099)
Closing Balance as of August 31	N/A	1,075,699	13,896,297	714,843	1,222,212	150,680	1,041,110	941,650	9,521	N/A	19,052,012	17,469,361
Net Book Value												
Opening Balance as of September 1	3,340,556	800,242	40,152,686	1,368,660	973,171	102,229	1,591,448	711,082	13,646	500	49,054,220	50,175,357
Closing Balance as of August 31	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
Change in Net Book Value	-	(89,331)	(1,080,931)	(74,079)	(85,300)	(16,317)	(137,570)	130,570	7,384	2,577,376	1,231,802	(1,121,137)
Disposals												
Historical Cost	-	-	-	-	42,214	-	111,156	292,178	-	-	445,548	616,599
Accumulated Amortization	-	-	-	-	42,214	-	111,156	292,178	-	-	445,548	608,099
Net Cost	-	-	-	-	-	-	-	-	-	-	-	8,500
Price of Sale	-	-	-	-	500	-	-	-	-	-	500	11,500
Gain on Disposal	-	-	-	-	500	-	-	-	-	-	500	3,000

Lloydminster Roman Catholic Separate School Division No. 89
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2017

	2017	2016
	\$	\$
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	2,028,199	1,989,532
Net (Gain) on Disposal of Tangible Capital Assets (Schedule C)	(500)	(3,000)
Total Non-Cash Items Included in Surplus	2,027,699	1,986,532

Lloydminster Roman Catholic Separate School Division No. 89
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2017

	2017	2016
	\$	\$
Net Change in Non-Cash Operating Activities		
Decrease (Increase) in Accounts Receivable	(791,782)	4,008,770
(Increase) in Inventories for Sale	(13,176)	(701)
Increase in Accounts Payable and Accrued Liabilities	78,312	81,164
Increase in Liability for Employee Future Benefits	78,800	32,400
Increase (Decrease) in Deferred Revenue	138,587	(92,776)
Decrease (Increase) in Prepaid Expenses	80,595	(51,514)
Total Net Change in Non-Cash Operating Activities	(428,664)	3,977,343

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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 funded mainly by grants from the Governments of Saskatchewan and Alberta and a levy on property assessment included in the School Division’s boundaries at mill rates determined by the provincial government and agreed to by the board of education, although separate school divisions continue to have a legislative right to set their own mill rates. The School Division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Significant aspects of the accounting policies adopted by the School Division are as follows:

a) Basis of Accounting

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

b) Reporting Entity

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

c) Trust Funds

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

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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 \$309,600 (2016 - \$230,800) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$3,662,733 (2016 - \$3,473,193) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$2,028,199 (2016 - \$1,989,532) 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).

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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
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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). In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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

ii) Property Taxation

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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.

l) Adoption of Public Sector Accounting Standards

On September 1, 2016, the School Division adopted Public Sector Accounting standards PS 2200 Related Party Disclosures, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights.

Adoption of these standards has not resulted in any disclosure changes.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
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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, 2017 was \$nil (August 31, 2016 - \$nil).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
Equity common shares of Lloydminster & District Co-operative	\$ 40,514	\$ 38,301
Equity common shares of Synergy Credit Union	57,728	49,304
Synergy Credit Union term deposits, interest rates 1.7%, maturing October 2018 to October 2019	5,000,000	-
Total portfolio investments reported at cost and amortized cost	\$ 5,098,242	\$ 87,605

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Amortization of TCA	2017 Actual	2016 Actual
Governance	\$ 1,706	\$ 246,469	\$ -	\$ 248,175	\$ 207,389
Administration	1,463,182	213,987	-	1,677,169	1,512,478
Instruction	18,745,506	1,270,903	691,214	20,707,623	19,087,013
Plant	1,238,774	1,525,174	1,172,456	3,936,404	3,822,828
Transportation	754,772	389,999	164,529	1,309,300	1,192,726
Tuition and Related Fees	-	127,628	-	127,628	76,768
School Generated Funds	-	721,363	-	721,363	787,214
Complementary Services	588,282	73,885	-	662,167	679,181
External Services	50,385	72,516	-	122,901	139,494
Other	-	5,479	-	5,479	3,657
TOTAL	\$ 22,842,607	\$ 4,647,403	\$ 2,028,199	\$ 29,518,209	\$ 27,508,748

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2017.

Details of the employee future benefits are as follows:

	2017	2016
	Aug. 31, 2017	Aug. 31, 2016
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.69%	2.10%
Inflation and productivity rate (excluding merit and promotion)		
Teachers	2.50%	3.20%
Non-Teachers	3.00%	3.20%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2017	2016
Accrued Benefit Obligation - beginning of year	\$ 316,200	\$ 273,100
Current period service cost	35,700	32,100
Interest cost	7,300	7,500
Benefit payments	(8,300)	(13,100)
Actuarial (gains) / losses	(35,000)	15,800
Plan amendments	37,900	800
Accrued Benefit Obligation - end of year	353,800	316,200
Unamortized Net Actuarial (Losses)	(44,200)	(85,400)
Liability for Employee Future Benefits	\$ 309,600	\$ 230,800

Employee Future Benefits Expense	2017	2016
Current period service cost	\$ 35,700	\$ 32,100
Amortization of net actuarial loss	6,200	5,100
Plan amendments	37,900	800
Benefit cost	79,800	38,000
Interest cost	7,300	7,500
Total Employee Future Benefits Expense	\$ 87,100	\$ 45,500

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

i) Saskatchewan Teachers' Retirement Plan (STRP) or Alberta Teachers' Retirement Fund (ATRF)

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

The STRP and ATRF are funded by contributions by the participating employee members and the 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:

	2017			2016
	STRP	ATRF	TOTAL	TOTAL
Number of active School Division members	158	26	184	176
Member contribution rate (percentage of salary)	11.30%-13.50%	10.74%-15.34%	10.74%-15.34%	10.20%-16.34%
Member contributions for the year	\$ 1,448,684	\$ 196,509	\$ 1,645,193	\$ 1,384,220

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
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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. In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

Details of the MEPP are as follows:

	2017	2016
Number of active School Division members	163	164
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	\$ 471,401	\$ 459,667
School Division contributions for the year	\$ 471,401	\$ 459,667
Actuarial (extrapolation) valuation date	(Dec/31/2016)	Dec/31/2015
Plan Assets (in thousands)	\$ 2,323,947	\$ 2,148,676
Plan Liabilities (in thousands)	\$ 1,979,463	\$ 1,831,743
Plan Surplus (in thousands)	\$ 344,484	\$ 316,933

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:

	2017			2016		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 7,281	\$ -	\$ 7,281	\$ 89,461	\$ -	\$ 89,461
Provincial Grants Receivable	163,600	-	163,600	-	-	-
Other Receivables	905,375	-	905,375	195,013	-	195,013
Total Accounts Receivable	\$ 1,076,256	\$ -	\$ 1,076,256	\$ 284,474	\$ -	\$ 284,474

As at January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan will now be the taxing authority for education property tax for the Rural Municipalities of Wilton and Britannia. After that date, the School Division will no longer earn taxation revenue from these municipalities.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2017	2016
Accrued Salaries and Benefits	\$ 27,993	\$ 20,470
Supplier Payments	1,078,730	1,007,280
Staff Funds	8,803	9,464
Total Accounts Payable and Accrued Liabilities	\$ 1,115,526	\$ 1,037,214

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2016	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2017
Other deferred revenue:				
Unearned fees for service	\$ 47,651	\$ 232,938	\$ 204,547	\$ 76,041
Unearned taxation revenue	699,569	3,772,930	3,662,733	809,766
Total Deferred Revenue	\$ 747,220	\$ 4,005,868	\$ 3,867,280	\$ 885,807

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 2017 and 2016:

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11. COMPLEMENTARY SERVICES (CONT'D)

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2017	2016
Revenues:					
Operating Grants	\$ 131,784	\$ -	\$ 33,106	\$ 164,890	\$ 180,726
Fees and Other Revenues	-	-	217,148	217,148	215,965
Total Revenues	131,784	-	250,254	382,038	396,691
Expenses:					
Salaries & Benefits	328,464	93,281	166,537	588,282	592,205
Supplies and Services	-	4,278	-	4,278	5,484
Travel	-	4,875	-	4,875	5,205
Professional Development (Non-Salary Costs)	-	318	-	318	2,793
Student Related Expenses	3,178	-	61,236	64,414	73,494
Total Expenses	331,642	102,752	227,773	662,167	679,181
Excess (Deficiency) of Revenues over Expenses	\$ (199,858)	\$ (102,752)	\$ 22,481	\$ (280,129)	\$ (282,490)

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 programs operated by the School Division in 2017 and 2016:

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12. EXTERNAL SERVICES (CONT'D)

Summary of External Services Revenues and Expenses, by Program	Cafeteria	2017	2016
Revenues:			
Fees and Other Revenues	\$ 121,096	\$ 121,096	\$ 142,027
Total Revenues	121,096	121,096	142,027
Expenses:			
Salaries & Benefits	50,385	50,385	59,218
Supplies and Services	64,717	64,717	76,841
Non-Capital Equipment	6,974	6,974	2,610
Travel	825	825	825
Total Expenses	122,901	122,901	139,494
Excess (Deficiency) of Revenues over Expenses	\$ (1,805)	\$ (1,805)	\$ 2,533

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

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, 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.

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NOTES TO THE FINANCIAL STATEMENTS
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13. ACCUMULATED SURPLUS (CONT'D)

Details of accumulated surplus are as follows:

	August 31 2016	Additions during the year	Reductions during the year	August 31 2017
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 49,054,220	\$ 3,260,001	\$ 2,028,199	\$ 50,286,022
	49,054,220	3,260,001	2,028,199	50,286,022
PMR maintenance project allocations (1)	-	185,468	185,468	-
Federal Agencies Policy Reserve (2)	-	2,984	-	2,984
Internally Restricted Surplus:				
Capital projects:				
Equipment replacement	100,000	-	-	100,000
Administrative Building reserve	235,580	84,000	-	319,580
Other Vehicle reserve	7,900	2,061	-	9,961
Holy Rosary Expansion/New Elementary reserve	2,000,000	-	-	2,000,000
Grounds/Parking Lot reserve	250,000	-	-	250,000
Holy Rosary Parking Lot Expansion reserve	500,000	-	-	500,000
Bus Fleet Expansion reserve	250,000	-	-	250,000
	3,343,480	86,061	-	3,429,541
Other:				
Educational Programming reserve	500,000	-	-	500,000
School generated funds	71,257	493,306	482,604	81,959
School Community Council	70,517	190,869	188,810	72,576
	641,774	684,175	671,414	654,535
Unrestricted Surplus	4,115,975	-	1,199,658	2,916,317
Total Accumulated Surplus	\$ 57,155,449	\$ 4,218,689	\$ 4,084,739	\$ 57,289,399

- (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

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

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NOTES TO THE FINANCIAL STATEMENTS
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13. ACCUMULATED SURPLUS (CONT'D)

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

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

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

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

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

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

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

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

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 22, 2016 and the Minister of Education on August 8, 2016.

15. RELATED PARTIES

These financial statements include transactions with related parties. The School Division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The School Division is also related to non-crown enterprises that the Government jointly controls or significantly influences.

Related Party Transactions

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
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15. RELATED PARTIES (CONT'D)

	2017	2016
Revenues:		
Ministry of Education	\$ 9,539,627	\$ 8,564,408
Saskatchewan Government Insurance	30,397	83,600
Saskatchewan Lottery	7,661	-
Community Initiatives Fund	10,800	-
North West School Division	-	1,200
Workers' Compensation Board	8,488	8,488
Saskatchewan Social Services	130	-
	\$ 9,597,103	\$ 8,657,696
Expenses:		
Worker's Compensation Board	\$ 17,226	\$ 18,544
Saskatchewan Power Corporation	15,849	13,200
Saskatchewan Government Insurance	21,738	27,139
Lloydminster Public School Division	16,446	2,356
Living Sky School Division No. 202	250	1,475
Prairie South School Division No. 210	-	150
SaskTel	4,194	4,296
St. Paul's RCSSD No. 20	1,750	500
Western Development Museum	911	111
Sask Queen Printer	155	262
	\$ 78,519	\$ 68,033
Accounts Receivable:		
Saskatchewan Government Insurance	\$ -	\$ 50,088
Ministry of Education	163,600	-
	\$ 163,600	\$ 50,088
Prepaid Expenses:		
Saskatchewan Government Insurance	\$ 17,626	\$ 18,747
	\$ 17,626	\$ 18,747
Accounts Payable and Accrued Liabilities:		
Saskatchewan Power Corporation	\$ -	\$ (1,624)
Workers' Compensation Board	9,802	10,274
	\$ 9,802	\$ 8,650
Deferred Revenue:		
Community Initiatives Fund	\$ 7,200	\$ 7,200
Saskatchewan Lottery	5,400	4,027
	\$ 12,600	\$ 11,227

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

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		Total	Total
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash and short-term investments	\$ 7,652	\$ 7,606	\$ 37,724	\$ 39,495	\$ -	\$ 821	\$ 1,377	\$ 1,364	\$ 37,456	\$ 39,236	\$ 9,551	\$ -	\$ 93,760	\$ 88,522
Portfolio investments	212	208	452	443	-	-	-	-	-	-	-	-	664	651
Total Assets	7,864	7,814	38,176	39,938	-	821	1,377	1,364	37,456	39,236	9,551	-	94,424	89,173
Revenues														
Contributions and donations	-	-	-	-	-	-	-	-	-	39,236	10,000	-	10,000	39,236
Interest on investments	50	51	238	250	-	1	13	16	220	-	51	-	572	319
	50	51	238	250	-	1	13	16	220	39,236	10,051	-	10,572	39,555
Expenses														
Awards to students	-	-	2,000	1,000	821	1,000	-	-	2,000	-	500	-	5,321	2,000
	-	-	2,000	1,000	821	1,000	-	-	2,000	-	500	-	5,321	2,000
Excess (Deficiency) of Revenues over Expenses	50	51	(1,762)	(750)	(821)	(999)	13	16	(1,780)	39,236	9,551	-	5,251	37,554
Trust Fund Balance, Beginning of Year	7,814	7,763	39,938	40,688	821	1,820	1,364	1,348	39,236	-	-	-	89,173	51,619
Trust Fund Balance, End 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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
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17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the School Division are as follows:

- Construction contract for the Synergy Vault Home of the Raiders, as at August 31, 2017 this project is in its final stages of construction, with cost of \$295,578 remaining.
- The School Division entered into construction contracts for two relocatable units at the St. Joseph Elementary School. As at August 31, 2017, the School Division has committed to capital construction contracts totaling \$580,340. As at August 31, 2017, this project is in its beginning construction stage with \$140,313 in costs incurred.

18. ACCOUNTING CHANGES

On September 1, 2016, the School Division adopted the following new standards:

- PS 3420 Inter-entity Transactions. This section establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective; and
- PS 3430 Restructuring Transactions. This section establishes how to account for and report restructuring transactions for both the receipt and transfer of assets and liabilities, together with related program or operating responsibilities.

The adoption of the new standards has been on a prospective basis, without restatement of prior period comparative amounts.

The adoption of the new standards has not resulted in any changes to the measurement, recognition, or disclosure of the School Division's inter-entity transactions. During the year, the School Division did not have any restructuring transactions.

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).

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

19. RISK MANAGEMENT (CONT'D)

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 grants and other accounts receivable as at August 31, 2017 was:

	August 31, 2017					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 163,600	\$ 163,600	\$ -	\$ -	\$ -	\$ -
Other Receivables	544,470	544,152	-	-	-	318
Gross Receivables	708,070	707,752	-	-	-	318
Allowance for Doubtful Accounts	-	-	-	-	-	-
Net Receivables	\$ 708,070	\$ 707,752	\$ -	\$ -	\$ -	\$ 318

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, 2017				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 1,115,526	\$ 1,115,526	\$ -	\$ -	\$ -
Total	\$ 1,115,526	\$ 1,115,526	\$ -	\$ -	\$ -

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2017

19. RISK MANAGEMENT (CONT'D)

iii) Market Risk

The School Division is exposed to market risks with respect to interest rates and foreign currency exchange 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, 2017.

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