

Auditor's Report and Financial Statement

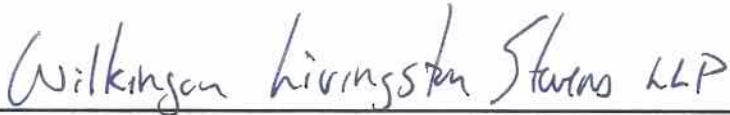
Of the Lloydminster Roman Catholic Separate School Division No. 89
School Division No. 606000

For the Period Ending: August 31, 2011

Chief Financial Officer


Tom Schinold

Auditor


Wilkinson Livingston Stevens LLP
Chartered Accountants

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**FINANCIAL STATEMENTS
AUGUST 31, 2011**

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Management's Responsibility for the Financial Statements

The School Division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The School Division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The board of education is composed of elected officials who are not employees of the School Division. The board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The board is also responsible for the appointment of the School Division's external auditors.

The external auditors, Wilkinson Livingston Stevens LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School Division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the board and management to discuss their audit findings.

On behalf of the Lloydminster Roman Catholic Separate School Division No. 89:



Board Chair



CEO/Director of Education



Chief Financial Officer

December 21, 2011



Wilkinson Livingston Stevens LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Lloydminster Roman Catholic Separate School Division No. 89, which comprise the statement of financial position as at August 31, 2011, and the statement of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Lloydminster Roman Catholic Separate School Division No. 89 as at August 31, 2011, and the results of its operations and changes in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board.

Wilkinson Livingston Stevens LLP

Lloydminster, Alberta
December 21, 2011

Chartered Accountants

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2011**

	2011	2010
Financial Assets		
Cash and Cash Equivalents	7,117,691	1,186,746
Short Term Investments	-	6,518,493
Accounts Receivable (Note 7)	4,205,308	2,845,407
Other Assets	270,896	243,374
Total Financial Assets	11,593,895	10,794,020
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	2,678,359	273,561
Long Term Debt (Note 10)	-	10,352
Liability for Employee Future Benefits (Note 5)	129,000	127,000
Deferred Revenue (Note 11)	897,480	1,153,351
Other Liabilities (Note 9)	7,269	153,871
Total Liabilities	3,712,108	1,718,135
Net Financial Assets	7,881,787	9,075,885
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	27,908,330	23,065,224
Prepaid Expenses	98,041	81,813
Total Non-Financial Assets	28,006,371	23,147,037
Accumulated Surplus (Note 14)	35,888,158	32,222,922

Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:



Chairperson



Secretary-Treasurer

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
REVENUES			
Property Taxation	2,838,249	2,410,823	2,831,641
Grants	14,045,953	18,570,569	15,669,714
Tuition and Related Fees	24,000	16,465	10,624
School Generated Funds	244,000	589,006	435,931
Complementary Services (Note 12)	97,570	239,335	249,174
External Services (Note 13)	172,000	151,444	157,587
Other	258,850	234,427	261,150
Total Revenues (Schedule A)	17,680,622	22,212,069	19,615,821
EXPENSES			
Governance	160,150	156,263	159,124
Administration	566,633	570,363	589,917
Instruction	14,171,422	13,846,031	13,371,918
Plant	2,472,146	2,449,255	2,268,919
Transportation	734,591	697,212	688,731
Tuition and Related Fees	18,000	32,488	11,273
School Generated Funds	243,700	386,021	436,343
Complementary Services (Note 12)	240,296	231,606	241,599
External Services (Note 13)	174,966	172,448	163,748
Other Expenses	2,312	5,146	6,594
Total Expenses (Schedule B)	18,784,216	18,546,833	17,938,166
Surplus (Deficit) for the Year	(1,103,594)	3,665,236	1,677,655
Accumulated Surplus, Beginning of Year	32,222,922	32,222,922	30,545,267
Accumulated Surplus, End of Year	31,119,328	35,888,158	32,222,922

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, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	9,075,885	9,075,885	8,470,720
Changes During the Year:			
Surplus (Deficit) for the Year	(1,103,594)	3,665,236	1,677,655
Acquisition of Tangible Capital Assets (Schedule C)	(90,000)	(6,144,753)	(2,262,812)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		1,500	-
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		3,551	-
Amortization of Tangible Capital Assets (Schedule C)		1,296,596	1,169,728
Net Acquisition of Prepaid Expenses		(16,228)	20,594
Change in Net Financial Assets	(1,193,594)	(1,194,098)	605,165
Net Financial Assets, End of Year	7,882,291	7,881,787	9,075,885

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, 2011**

	2011	2010
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	3,665,236	1,677,655
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	(689,853)	1,169,728
Net Change in Non-Cash Operating Activities (Schedule E)	600,674	(1,399,174)
Cash Provided (Used) by Operating Activities	3,576,057	1,448,209
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(4,154,753)	(2,262,812)
Proceeds on Disposal of Tangible Capital Assets	1,500	-
Cash Provided (Used) by Capital Activities	(4,153,253)	(2,262,812)
INVESTING ACTIVITIES		
Proceeds on Disposal of Investments	6,518,493	981,503
Cash Provided (Used) by Investing Activities	6,518,493	981,503
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(10,352)	(41,352)
Cash Provided (Used) by Financing Activities	(10,352)	(41,352)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,930,945	125,548
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,186,746	1,061,198
CASH AND CASH EQUIVALENTS, END OF YEAR	7,117,691	1,186,746
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	7,117,691	1,186,746
CASH AND CASH EQUIVALENTS, END OF YEAR	7,117,691	1,186,746

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	2,838,249	2,440,190	2,842,323
Revenue from Supplemental Levies	-	-	-
Total Property Tax Revenue	2,838,249	2,440,190	2,842,323
Grants in Lieu of Taxes:			
Federal Government	-	736	890
Provincial Government	-	18,215	27,765
Railways	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	-	18,951	28,655
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	-	-
Treaty Land Entitlement - Rural	-	-	-
House Trailer Fees	-	6,883	13,257
Total Other Tax Revenues:	-	6,883	13,257
Additions to Levy:			
Penalties	-	14,521	6,925
Other	-	-	-
Total Additions to Levy	-	14,521	6,925
Deletions from Levy:			
Discounts	-	(68,443)	(58,440)
Cancellations	-	(1,279)	(1,079)
Other Deletions	-	-	-
Total Deletions from Levy	-	(69,722)	(59,519)
Total Property Taxation Revenue	2,838,249	2,410,823	2,831,641

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	4,641,102	4,775,415	4,374,958
Other Ministry Grants	-	-	-
Total Ministry Grants	4,641,102	4,775,415	4,374,958
Other Provincial Grants	111,594	75,800	-
Federal Grants	23,000	15,185	15,000
Grants from Others	9,258,793	10,222,457	9,164,348
Total Operating Grants	14,034,489	15,088,857	13,554,306
Capital Grants			
Ministry of Education Capital Grants	-	147,124	651,838
Other Provincial Capital Grants	-	-	-
Other Capital Grants	11,464	3,334,588	1,463,570
Total Capital Grants	11,464	3,481,712	2,115,408
Total Grants	14,045,953	18,570,569	15,669,714
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	-	-
Federal Government and First Nations	-	-	-
Individuals and Other	24,000	16,465	10,624
Total Tuition Fees	24,000	16,465	10,624
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Total Operating Tuition and Related Fees	24,000	16,465	10,624
Capital Fees:			
Federal/First Nations Capital Fees	-	-	-
Total Capital Tuition and Fees	-	-	-
Total Tuition and Related Fees Revenue	24,000	16,465	10,624

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	92,000	94,981	116,208
Other	-	-	-
Total Curricular Fees	92,000	94,981	116,208
Non-Curricular Fees:			
Commercial Sales - GST	-	-	-
Commercial Sales - Non-GST	23,200	50,721	28,440
Fundraising	-	74,956	63,789
Grants and Partnerships	-	-	-
Student Fees	128,800	368,348	227,494
Other	-	-	-
Total Non-Curricular Fees	152,000	494,025	319,723
Total School Generated Funds Revenue	244,000	589,006	435,931

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Complementary Services			
Operating Grants			
Ministry of Education Operating Grants:			
Ministry of Education - Foundation Operating Grant	-	120,000	120,000
Ministry of Education Grants - Other	-	-	-
Other Provincial Grants	11,000	26,306	18,574
Federal Grants	-	-	-
Other Grants	11,000	4,000	13,112
Total Operating Grants	22,000	150,306	151,686
Capital Grants			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	60,000	59,950	53,692
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	15,570	29,079	43,796
Total Fees and Other Revenue	75,570	89,029	97,488
Total Complementary Services Revenue	97,570	239,335	249,174

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
(Note 15)			
External Services			
Operating Grants			
Ministry of Education Operating Grants:			
Ministry of Education - Foundation Operating Grant	-	-	-
Ministry of Education Grants - Other	-	-	-
Other Provincial Grants	-	-	-
Federal Grants	-	-	-
Other Grants	-	-	-
Total Operating Grants	-	-	-
Capital Grants			
Ministry of Education Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Other Capital Grants	-	-	-
Total Capital Grants	-	-	-
Fees and Other Revenue			
Tuition and Related Fees	-	-	-
Gain on Disposal of Capital Assets	-	-	-
Other Revenue	172,000	151,444	157,587
Total Fees and Other Revenue	172,000	151,444	157,587
Total External Services Revenue	172,000	151,444	157,587
Other Revenue			
Miscellaneous Revenue	95,750	84,853	101,264
Sales & Rentals	18,000	22,140	19,858
Investments	145,100	127,434	140,028
Gain on Disposal of Capital Assets	-	-	-
Total Other Revenue	258,850	234,427	261,150
TOTAL REVENUE FOR THE YEAR	17,680,622	22,212,069	19,615,821

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
(Note 15)			
Governance Expense			
Board Members Expense	57,450	61,864	61,755
Conventions - Board Members	8,000	8,631	7,444
Community School Councils	-	-	-
Conventions - Community School Councils	-	-	-
Elections	-	-	7,623
Other Governance Expenses	94,700	85,768	82,302
Amortization of Tangible Capital Assets	-	-	-
Total Governance Expense	160,150	156,263	159,124
Administration Expense			
Salaries	330,584	389,240	360,989
Benefits	77,907	60,582	56,046
Supplies & Services	68,820	41,041	35,738
Non-Capital Furniture & Equipment	13,300	6,970	10,238
Building Operating Expenses	4,500	4,842	1,988
Communications	42,552	50,389	82,144
Travel	23,970	14,404	41,619
Professional Development	5,000	2,895	1,155
Amortization of Tangible Capital Assets	-	-	-
Total Administration Expense	566,633	570,363	589,917
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	9,108,279	9,241,838	8,886,156
Instructional (Teacher & LEADS Contract) Benefits	446,615	463,586	475,722
Program Support (Non-Teacher Contract) Salaries	2,325,076	2,302,846	2,294,340
Program Support (Non-Teacher Contract) Benefits	397,067	389,384	358,091
Instructional Aids	559,285	321,203	317,634
Supplies & Services	280,300	89,414	84,108
Non-Capital Furniture & Equipment	108,110	55,798	61,764
Communications	53,563	80,676	18,480
Travel	72,200	80,102	69,229
Professional Development	174,406	113,966	129,660
Student Related Expense	270,521	238,447	219,446
Amortization of Tangible Capital Assets	376,000	468,771	457,288
Total Instruction Expense	14,171,422	13,846,031	13,371,918

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
(Note 15)			
Plant Operation & Maintenance Expense			
Salaries	745,107	723,179	686,050
Benefits	121,739	119,792	104,505
Supplies & Services	-	-	-
Non-Capital Furniture & Equipment	32,000	12,437	9,017
Building Operating Expenses	945,300	862,491	834,066
Communications	-	8,343	8,362
Travel	12,000	14,841	11,152
Professional Development	1,000	350	394
Amortization of Tangible Capital Assets	615,000	707,822	615,373
Total Plant Operation & Maintenance Expense	2,472,146	2,449,255	2,268,919
Student Transportation Expense			
Salaries	328,588	296,129	296,844
Benefits	56,703	51,098	46,314
Supplies & Services	120,000	103,818	108,172
Non-Capital Furniture & Equipment	90,000	76,552	98,520
Building Operating Expenses	38,600	9,343	1,652
Communications	3,700	1,373	1,950
Travel	500	-	756
Professional Development	1,500	3,511	242
Contracted Transportation	13,000	35,385	37,214
Amortization of Tangible Capital Assets	82,000	120,003	97,067
Total Student Transportation Expense	734,591	697,212	688,731
Tuition and Related Fees Expense			
Tuition Fees	18,000	32,488	11,273
Transportation Fees	-	-	-
Other Fees	-	-	-
Total Tuition and Related Fees Expense	18,000	32,488	11,273
School Generated Funds Expense			
Supplies & Services	89,000	36,235	34,143
Cost of Sales	23,200	96,497	75,637
Non-Capital Furniture & Equipment	-	-	-
Special Programs	24,000	-	-
School Fund Expenses	107,500	253,289	326,563
Amortization of Tangible Capital Assets	-	-	-
Total School Generated Funds Expense	243,700	386,021	436,343

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
Complementary Services Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	84,972	85,503	82,524
Instructional (Teacher & LEADS Contract)			
Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract)			
Salaries & Benefits	88,024	82,274	78,029
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	-
Supplies & Services	12,000	10,847	11,330
Non-Capital Furniture & Equipment	-	-	-
Building Operating Expenses	-	-	-
Communications	-	-	-
Travel	2,400	2,400	-
Professional Development (Non-Salary Costs)	2,500	2,041	1,424
Student Related Expenses	50,400	48,541	68,292
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total Complementary Services Expense	240,296	231,606	241,599

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
(Note 15)			
External Service Expense			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional (Teacher & LEADS Contract)			
Salaries & Benefits	-	-	-
Program Support (Non-Teacher Contract)			
Salaries & Benefits	83,816	76,952	76,420
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	-	-	-
Supplies & Services	82,500	84,357	79,784
Non-Capital Furniture & Equipment	7,000	9,489	5,894
Building Operating Expenses	-	-	-
Communications	-	-	-
Travel	1,650	1,650	1,650
Professional Development (Non-Salary Costs)	-	-	-
Student Related Expenses	-	-	-
Contracted Transportation & Allowances	-	-	-
Amortization of Tangible Capital Assets	-	-	-
Loss on Disposal of Tangible Capital Assets	-	-	-
Write-Down of Tangible Capital Assets	-	-	-
Total External Service Expense	174,966	172,448	163,748
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,200	483	960
Interest on Debentures			
School Facilities	-	-	-
Other	1,112	1,112	5,634
Interest on Other Capital Loans and Long Term Debt			
School Facilities	-	-	-
Other	-	-	-
Total Interest and Bank Charges	2,312	1,595	6,594
Loss on Disposal of Tangible Capital Assets	-	3,551	-
Write-Down of Tangible Capital Assets	-	-	-
Provision for Uncollectible Taxes	-	-	-
Total Other Expense	2,312	5,146	6,594
TOTAL EXPENSES FOR THE YEAR	18,784,216	18,546,833	17,938,166

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2011**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in Progress	2011	2010
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	800,889	1,498,675	25,905,942	233,995	1,169,349	108,349	1,483,488	1,493,591	-	1,819,657	34,513,935	32,674,099
Additions/Purchases	1,990,000	-	-	-	85,881	17,000	85,034	506,533	-	3,460,305	6,144,753	2,262,812
Disposals	-	-	-	-	(41,347)	-	-	(160,339)	-	-	(41,347)	-
Write-Downs	-	-	-	-	-	-	(149,709)	3,004	-	-	(310,048)	(422,976)
Transfers to (from)	422,167	132,999	204,337	1,758,894	-	-	138,647	-	-	(2,660,048)	-	-
Closing Balance as of August 31	3,213,056	1,631,674	26,110,279	1,992,889	1,213,883	125,349	1,557,460	1,842,789	-	2,619,914	40,307,293	34,513,935
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	469,555	8,522,937	157,011	460,410	57,446	1,092,762	688,590	-	-	11,448,711	10,701,959
Amortization of the Period	-	81,367	522,206	81,098	100,778	12,535	119,365	379,247	-	-	1,296,596	1,169,728
Disposals	-	-	-	-	(36,296)	-	-	(160,339)	-	-	(36,296)	-
Write-Downs	-	-	-	-	-	-	(149,709)	-	-	-	(310,048)	(422,976)
Transfers to (from)	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance as of August 31	-	550,922	9,045,143	238,109	524,892	69,981	1,062,418	907,498	-	-	12,398,963	11,448,711
Net Book Value:												
Opening Balance as of September 1	800,889	1,029,120	17,383,005	76,984	708,939	50,903	390,726	805,001	-	1,819,657	23,065,224	21,972,140
Closing Balance as of August 31	3,213,056	1,080,752	17,065,136	1,754,780	688,991	55,368	495,042	935,291	-	2,619,914	27,908,330	23,065,224
Change in Net Book Value	2,412,167	51,632	(317,869)	1,677,796	(19,948)	4,465	104,316	130,290	-	800,257	4,843,106	1,093,084
Disposals:												
Historical Cost	-	-	-	-	41,347	-	-	-	-	-	41,347	-
Accumulated Amortization	-	-	-	-	36,296	-	-	-	-	-	36,296	-
Net Cost	-	-	-	-	5,051	-	-	-	-	-	5,051	-
Price of Sale	-	-	-	-	1,500	-	-	-	-	-	1,500	-
Gain/loss on Disposal	-	-	-	-	(3,551)	-	-	-	-	-	(3,551)	-
Net Book Value (NBV) of Assets Pledged as Security for Debt	-	-	-	-	-	-	-	-	-	-	-	-

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE D: NON-CASH ITEMS INCLUDED IN SURPLUS/DEFICIT
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Actual	2010 Actual
Non-Cash Items Included in Surplus/Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	1,296,596	1,169,728
Net (Gain) Loss on Disposal of Tangible Capital Assets	3,551	-
Write-Down of Tangible Capital Assets (Schedule C)	-	-
Municipal land contribution	(1,990,000)	-
Total Non-Cash Items Included in Surplus/Deficit	(689,853)	1,169,728

**SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2011**

	2011 Actual	2010 Actual
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(1,359,901)	(1,298,392)
Decrease (Increase) in Inventories for Sale	-	-
Decrease (Increase) in Other Assets	(27,522)	(15,260)
Increase (Decrease) in Provincial Grant Overpayment	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	2,404,798	(148,374)
Increase (Decrease) in Short Term Loans	-	-
Increase (Decrease) in Liability for Employee Future Benefits	2,000	21,400
Increase (Decrease) in Deferred Revenue	(255,871)	2,061
Increase (Decrease) in Other Liabilities	(146,602)	18,797
Decrease (Increase) in Inventory of Supplies for Consumption	-	-
Decrease (Increase) in Prepaid Expenses	(16,228)	20,594
Total Non-Cash Items Included in Surplus/Deficit	600,674	(1,399,174)

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2011

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

2. Significant Accounting Policies

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

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

Reporting Entity

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

Trust Funds

Scholarship 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 trustee, the School Division merely administers the terms and conditions embodied in the agreement and 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. Refer to Note 17 for a summary of these accounts and their activity for the year.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

2. Significant Accounting Policies (con't)

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$129,000 (2010 - \$127,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$2,410,823 (2010 - \$2,831,641) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$10,000 (2010 - \$10,000) because actual collectability may differ from initial estimates.
- useful lives of tangible capital assets and related amortization of \$1,296,596 (2010 - \$1,169,728).
- municipal land contribution, fair market value determined to be \$1,990,000

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.

Financial Instruments

Financial instruments include cash, short term investments, accounts receivable, accounts payable and accrued liabilities, long-term debt and other liabilities. Except as otherwise disclosed, the School Division is not exposed to significant interest, currency or credit risk arising from these financial instruments that may affect the amount, timing and certainty of future cash flows. The School Division is exposed to credit risk from the potential non-payment of accounts receivable. However, the majority of the receivables are from local, provincial and federal governments, and therefore, the credit risk is minimal.

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

2. Significant Accounting Policies (con't)

Accounts Receivable include 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.

Other Assets consist of patronage accounts and are carried at the lower of cost and net realizable value. Patronage allocations are recorded as income in the period declared and increase the value of the asset. Cash received represents a reduction of the asset. Cost is determined by the historic cost method. Net realizable value is the estimated redemption value in the ordinary course of business.

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 include land, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets, 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
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011

2. Significant Accounting Policies (con't)

Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods.

Liabilities

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

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

Long Term Debt is comprised of debentures with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of The Education Act, 1995.

Liability for Employee Future Benefits represent 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 prorated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. An Actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

Recognition of employee future benefits obligations commenced on September 1, 2008. The School Division recorded the full value of the obligation related to these benefits for employees' past service at this time.

Deferred revenue represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

Other liabilities are comprised of surplus funds accumulated by various school programs. Surplus funds accumulated by the various school programs are recognized in the fiscal year in which the resources are used for the purposes of the program.

Employee Pension Plans

Employees of the School Division participate in the following pension plans:

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

2. Significant Accounting Policies (con't)

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 retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP), Saskatchewan Teachers' Superannuation Plan (STSP) or the Alberta Teachers Retirement Plan (ATRP). The School Division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan. In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the School Division's contributions are expensed when due.

Revenue Recognition

Revenues are recognized in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted revenues are amounts received 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. Restricted revenues are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

The School Division's two major sources of revenues are provincial grants and property taxation.

- i) Provincial grants:
Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12 month basis, with 1/12th of the grant recognized as revenue each month. Capital grants are recognized over the course of the construction project as the grant is earned and the amount is measurable. Restricted grants received but not yet earned are recorded as deferred revenue.
- ii) Property taxation:
Property tax is levied and collected on a calendar year basis. Effective the 2009 calendar year, 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 continue to have a legislative right to set their own mill rates. Prior to 2009, each school division set the education property tax mill rate for properties in its jurisdiction. 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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

2. Significant Accounting Policies (con't)

School Division's estimates is recorded as an adjustment to revenue in the next fiscal year.

Tuition fee revenue and other services revenue are recognized when the service is provided.

3. Short-Term Borrowings

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$1,000,000 that bears interest at prime plus .25% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by all book accounts and book debt. This line of credit was approved by the Minister of Education on January 12, 2011. The balance drawn on the line of credit at August 31, 2011 was \$0 (2010 - \$0).

4. Expenses by Function and Economic Classification

	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	Budget 2011	Actual 2011	Actual 2010
Governance	\$ -	\$ 156,263	\$ -	\$ -	\$ 160,150	\$ 156,263	\$ 159,124
Administration	449,822	120,541	-	-	566,633	570,363	589,917
Instruction	12,397,653	979,607	-	468,771	14,171,422	13,846,031	13,371,918
Plant	842,971	898,462	-	707,822	2,472,146	2,449,255	2,268,919
Transportation	347,227	229,982	-	120,003	734,591	697,212	688,731
Tuition and Related Fees	-	32,488	-	-	18,000	32,488	11,273
School Generated Fees	-	386,021	-	-	243,700	386,021	436,343
Complementary Services	167,777	63,829	-	-	240,296	231,606	241,599
External Services	76,952	95,496	-	-	174,966	172,448	163,748
Other	-	5,146	-	-	2,312	5,146	6,594
Total	\$ 14,282,402	\$ 2,967,835	\$ -	\$ 1,296,596	\$ 18,784,216	\$ 18,546,833	\$ 17,938,166

5. Employee Future Benefits

The School Division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, banked vacation and retirement gratuity. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the Statement of Financial Position.

Details of the employee future benefits are as follows:

	2011	2010
Actuarial valuation (or extrapolation) date:	Aug. 31, 2011	Aug. 31, 2010
Long-term assumptions used:		
Salary escalation rate (percentage)	3.30%	3.50%
Discount rate (percentage)	3.40%	3.60%
Inflation rate (percentage)	2.50%	
Expected average remaining service life (years)	15	15

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

5. Employee Future Benefits (con't)

Liability for Employee Future Benefits	2011	2010
Accrued Benefit Obligation - beginning of year	\$ 127,000	\$ 105,600
Current period benefit cost	10,500	9,400
Interest cost	4,900	4,700
Benefit payments	(2,500)	(700)
Actuarial gains/losses	800	8,000
Plan amendments	-	-
Accrued Benefit Obligation - end of year	140,700	127,000
Unamortized Net Actuarial Gains/Losses	(11,700)	(11,700)
Liability for Employee Future Benefits	\$ 129,000	\$ 115,300

Employee Future Benefits Expense	2011	2010
Current period benefit cost	\$ 10,500	\$ 9,400
Amortization of net actuarial gain/loss	800	300
Plan amendments	-	-
Benefit cost	11,300	9,700
Interest cost on unfunded employee future benefits obligation	4,900	4,700
Total Employee Future Benefits Expense	\$ 16,200	\$ 14,400

6. Pension Plans

Multi-Employer Defined Benefit Plans

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

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

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

The STRP, STSP and ATRF are funded by contributions by the participating employee members and the Government of Saskatchewan or Government of Alberta. The School Division's obligation to the STRP, STSP and ATRF is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP, the Government of Saskatchewan for the STSP, and the Government of Alberta for the ATRF.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

6. Pension Plans (con't)

Details of the contributions to these plans for the School Division's employees are as follows:

	2011			2010	
	STRP	STSP	ATRF	Total	Total
Number of active School Division members	128	3	8	139	126
Member contribution rate (percentage of salary)	7.00%	6.05%	9.04%		
Member contributions for the year	\$602,183	\$15,684	\$32,758	\$650,625	\$649,307

ii) **Municipal Employees' Pension Plan (MEPP)**

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

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

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

Details of the MEPP are as follows:

	2011	2010
Number of active School Division members	122	116
Member contribution rate (percentage of salary)	7.40%	6.40%
School Division contribution rate (percentage of salary)	7.40%	6.40%
Member contributions for the year	\$ 238,278	\$ 205,915
School Division contributions for the year	\$ 238,278	\$ 205,915
Actuarial valuation date: December 31, 2010		
Plan Assets - Province wide (thousands)	1,404,006	1,320,772
Plan Liabilities - Province wide (thousands)	(1,344,380)	(1,246,922)
Plan Surplus (Deficit)	<u>\$ 59,626</u>	<u>\$ 73,850</u>

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

7. Accounts Receivable

All accounts receivable presented on the Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of account receivable balances and allowances are as follows:

	2011			2010		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 346,145	\$ 10,000	\$ 336,145	\$ 535,963	\$ 10,000	\$ 525,963
Provincial Grants Receivable	3,548,671	-	3,548,671	2,074,473	-	2,074,473
Other Receivables	320,492	-	320,492	244,971	-	244,971
Total Accounts Receivable	\$ 4,215,308	\$ 10,000	\$ 4,205,308	\$ 2,855,407	\$ 10,000	\$ 2,845,407

8. Accounts Payable and Accrued Liabilities

Details of account payable and accrued liabilities are as follows:

	2011	2010
Accrued Salaries and Benefits	\$ 399,272	\$ -
Supplier Payments	2,279,087	273,561
Total Accounts Payable and Accrued Liabilities	\$ 2,678,359	\$ 273,561

9. Other Liabilities

Other Liabilities are comprised of the following:

	2011	2010
Staff funds	7,269	8,834
School generated funds	-	87,598
School community council	-	57,439
Total Other Liabilities	\$ 7,269	\$ 153,871

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

10. Long Term Debt

Details of long-term debt are as follows:

	2011	2010
Debentures:		
#1447838 is payable in annual instalments of \$4,865 plus interest at a fixed rate of 10.88% per annum; the debenture matured February 15, 2011	-	4,866
#1448406 is payable in annual instalments of \$5,487 plus interest at a fixed rate of 10.62% per annum; the debenture matured May 1, 2011	-	5,486
Total Long Term Debt	\$ -	\$ 10,352

Principal and interest payments on the long-term debt are as follows:

	Debentures	Capital Loans	Capital Leases	Other LT Debt	2011	2010
Principal	\$ 10,352	\$ -	\$ -	\$ -	\$ 10,352	\$ 41,352
Interest	1,112	-	-	-	1,112	5,634
Total	\$ 11,464	\$ -	\$ -	\$ -	\$ 11,464	\$ 46,986

11. Deferred Revenue

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2010	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2011
Other deferred revenue:				
Unearned grant revenue	189,836	27,700	(69,836)	147,700
Unearned fees for service	29,936	17,778	(29,936)	17,778
Unearned taxation revenue	933,579	2,209,246	(2,410,823)	732,002
Total Other Deferred Revenue	\$ 1,153,351	\$ 2,254,724	\$(2,510,595)	\$ 897,480

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

12. 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 revenue and expenses of the Complementary Services programs operated by the School Division in 2011:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2011	2010
Revenue:					
Operating Grants	\$ -	\$ 120,000	\$ 30,306	\$ 150,306	\$ 151,686
Fees and Other Revenue	-	-	89,029	89,029	97,488
Total Revenue	-	120,000	119,335	239,335	249,174
Expenses:					
Salaries and Benefits	-	85,503	82,274	167,777	160,553
Supplies and Services	-	2,756	8,091	10,847	4,306
Travel	-	2,400	-	2,400	-
Professional Development (Non-Salary Costs)	-	2,041	-	2,041	1,424
Student Related Expenses	-	-	48,541	48,541	75,316
Total Expenses	-	92,700	138,906	231,606	241,599
Excess (Deficiency) of Revenue \$ over Expenses	-	\$ 27,300	\$ (19,571)	\$ 7,729	\$ 7,575

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

13. 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 revenue and expenses of the External Services programs operated by the School Division in 2011:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2011	2010
Revenue:				
Fees and Other Revenue	151,444	-	151,444	157,587
Total Revenue	151,444	-	151,444	157,587
Expenses:				
Salaries and Benefits	76,952	-	76,952	76,420
Supplies and Services	84,357	-	84,357	79,784
Non-Capital Equipment	9,489	-	9,489	5,894
Travel	1,650	-	1,650	1,650
Total Expenses	172,448	-	172,448	163,748
Excess (Deficiency) of Revenue over Expenses	\$ (21,004)	\$ -	\$ (21,004)	\$ (6,161)

14. 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 and school generated funds.

Certain amounts of the Accumulated Surplus, as approved by the Board of Education, have been designated for specific future purposes (ie. school budget carryovers, capital reserves, etc.). 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
YEAR ENDED AUGUST 31, 2011**

14. Accumulated Surplus (con't)

Details of accumulated surplus are as follows:

	2011	2010
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$27,908,330	\$23,065,224
Less: Debt owing on Tangible Capital Assets	-	10,352
	27,908,330	23,054,872
S. 286 pre April 2009 capital reserves from prior years' operating surpluses (1)	2,421,248	2,621,248
Internally Restricted Surplus:		
Retirement contingency	42,200	42,200
Salary contingency	97,710	97,710
Equipment replacement	22,157	22,157
Educational programming needs reserve	500,000	-
School generated funds	105,642	-
School budget carryovers	34,456	65,944
	802,165	228,011
School Community Council	79,679	-
	881,844	228,011
Unrestricted Surplus	4,676,736	6,318,791
Total Accumulated Surplus	\$35,888,158	\$32,222,922

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

15. Budget Figures

Budget figures included in the financial statements were approved by the Board of Education on June 23, 2010 and the Minister of Education on August 31, 2010.

16. 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, universities, and Crown corporations under the common control of the Government of Saskatchewan. The School Division is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the School Division is related to other non-Government organizations by virtue of its economic interest in these organizations.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

16. Related Parties (con't)

(a) Related Party Transactions:

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

	2011	2010
Revenues:		
Ministry of Education	\$ 4,998,339	\$ 5,117,141
North West School Division	1,203	-
Living Sky School Division	300	-
	\$ 4,999,842	\$ 5,117,141
Expenses:		
Workers' Compensation Board	\$ 7,089	\$ 8,383
Saskatchewan Power Corporation	1,127	-
Saskatchewan Government Insurance	11,682	14,949
Saskatoon Public School Division	484	-
Lloydminster Public School Division	2,294	108
	\$ 22,676	\$ 23,440
Accounts Receivable:		
Lloydminster Public School Division	\$ 518	\$ -
Ministry of Education	33,411	33,411
	\$ 33,929	\$ 33,411
Prepaid Expenses:		
Saskatchewan Government Insurance	\$ 8,247	\$ 8,230
Workers' Compensation Board	-	2,419
	\$ 8,247	\$ 10,649

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
YEAR ENDED AUGUST 31, 2011**

16. Related Parties (con't)

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$3.5 million in capital transfers to the School Division for projects in which construction has not yet started and/or completed. Approved capital transfers that have not yet been reflected in the financial statements of the School Division are as follows:

Total Ministry obligation as at August 31, 2011	3,455,537
Less: Revenue reported in financial statements	<u>(357,669)</u>
Unrecorded balance of approved capital transfers	<u>\$ 3,097,868</u>

In March 2011, PSAB issued revised section PS 3410 Government Transfers. Revised PS 3410 provides guidance for the recognition of government transfers and is effective for fiscal years beginning on or after April 1, 2012 (earlier adoption is encouraged), and may affect the future accounting treatment for these capital transfers to School Divisions.

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

17. 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	2011 Arts	Schwandt	Total	2010 Total
Cash and short term investments	7,256	19,528	4,531	1,675	772	33,762	34,966
Equity/Membership	193	293	-	-	-	486	452
Portfolio Investments	-	24,713	-	-	-	24,713	24,713
Total Assets	\$ 7,449	\$ 44,534	\$ 4,531	\$ 1,675	\$ 772	\$ 58,961	\$ 60,131
Revenues							
Interest on investments	82	2,324	72	33	19	2,530	2,444
	82	2,324	72	33	19	2,530	2,444
Expenses							
Awards to students	-	2,000	1,000	200	500	3,700	3,700
	-	2,000	1,000	200	500	3,700	3,700
Excess of Revenue over Expenses	82	324	(928)	(167)	(481)	(1,170)	(1,256)
Trust Fund Balance, Beginning of Year	7,367	44,210	5,459	1,842	1,253	60,131	61,387
Trust Fund Balance, End of Year	\$ 7,449	\$ 44,534	\$ 4,531	\$ 1,675	\$ 772	\$ 58,961	\$ 60,131

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2011**

18. Subsequent Events

- i) The Saskatchewan Teachers' Provincial Collective Bargaining Agreement expired on August 31, 2010. The Saskatchewan Teachers' Federation (STF) and the Government Trustee Bargaining Committee (GTBC) reached a new collective agreement which was ratified on October 4, 2011 and covers the period September 1, 2010 to August 31, 2013. The new agreement provides for retroactive wage increases for teachers of the school division for the period September 1, 2010 to August 31, 2011 with an estimated cost of \$272,000 which was recorded as an expense in the 2010-11 financial statements. The agreement provides for further wage increases in 2011-12 and 2012-13.

The school division support staff also received a retro-active wage increase for the period September 1, 2010 to August 31, 2011, based on the teacher settlement, with an estimated cost of \$69,000. This amount was also recorded as an expense in the 2010-11 financial statements in the various salary accounts. Support staff will receive further wages increases for 2011-12 and 2012-13 in accordance with the salary and benefit schedule approved by the Board of Education in October, 2011.

- ii) The School Division will be receiving an operating grant reconciliation from the Ministry of Education based on the 2010 property taxation year. This grant reconciliation encompasses discounts, cancellations, penalties, and adjustments that have been made by the applicable taxing authorities. This amount will be recognized in the 2011-2012 year and has been confirmed by the Ministry of Education as \$74,784.

19. Contractual Obligations and Commitments

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

- i) Ecole St Thomas - New School

The School Division entered into a construction contract for the building of Ecole St Thomas in the amount of \$22.4 million plus applicable taxes. The School Division has incurred \$1.1 million of expenditures related to this project as at August 31, 2011. Project completion is expected in 2012-13.

The School Division entered into an architectural services contract for the design of Ecole St Thomas in the amount of \$1.7 million plus applicable taxes. The School Division has incurred \$1.4 million of expenditures related to this project as at August 31, 2011. Project completion is expected in 2012-13.

- ii) St Mary's School - Renovation

The School Division entered into a construction contract for the renovation of St Mary's school in the amount of \$226,000 plus applicable taxes. The School Division has incurred \$38,571 of expenditures related to this project as at August 31, 2011. Project completion is expected in 2011-12.

20. Comparative Amounts

Certain 2010 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. The reclassifications resulted in no effect on reported net income.