
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, 2012

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, 2012**

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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.

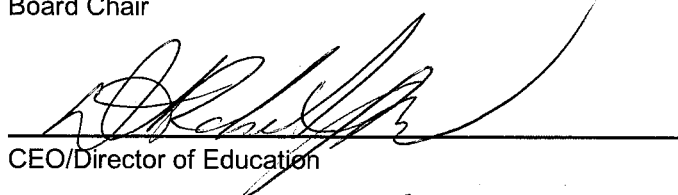
The board of education is composed of elected officials who are not employees of the School Division. The board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The board is also responsible 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 19, 2012



Box 10350, The Atrium Centre
Lloydminster, AB T9V 3A5
Phone: (780) 875-9144
Fax: (780) 875-6056
Email: wlsca@wlsca.com
Web: www.wlsca.com

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, 2012, 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, 2012, 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 19, 2012

Chartered Accountants

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2012

	2012	2011
Financial Assets		
Cash and Cash Equivalents	4,295,753	7,117,691
Accounts Receivable (Note 8)	9,027,007	4,012,876
Long Term Investments (Note 4)	285,832	270,896
Total Financial Assets	13,608,592	11,401,463
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	2,713,005	2,685,628
Liability for Employee Future Benefits (Note 6)	142,200	129,000
Deferred Revenue (Note 10)	1,880,471	705,048
Total Liabilities	4,735,676	3,519,676
Net Financial Assets	8,872,916	7,881,787
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	36,240,164	27,908,330
Prepaid Expenses	144,899	98,041
Total Non-Financial Assets	36,385,063	28,006,371
Accumulated Surplus (Note 13)	45,257,979	35,888,158

Contractual Obligations and Commitments (Note 17)

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

Approved by the Board:

 Chairperson

 Chief Financial Officer

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
REVENUES			
Property Taxation	2,177,606	2,516,904	2,410,823
Grants	28,776,390	25,827,991	18,570,569
Tuition and Related Fees	37,000	29,442	16,465
School Generated Funds	320,752	957,833	589,006
Complementary Services (Note 11)	331,330	367,366	239,335
External Services (Note 12)	172,000	152,103	151,444
Other	216,500	301,358	234,427
Total Revenues (Schedule A)	32,031,578	30,152,997	22,212,069
EXPENSES			
Governance	162,207	176,120	156,263
Administration	614,512	647,341	570,363
Instruction	14,568,989	14,906,780	13,846,031
Plant	2,537,131	2,678,720	2,449,255
Transportation	758,498	750,739	697,212
Tuition and Related Fees	30,000	39,637	32,488
School Generated Funds	320,751	982,496	386,021
Complementary Services (Note 11)	459,168	430,453	231,606
External Services (Note 12)	169,536	158,421	172,448
Other Expenses	1,200	12,469	5,146
Total Expenses (Schedule B)	19,621,992	20,783,176	18,546,833
Surplus (Deficit) for the Year	12,409,586	9,369,821	3,665,236
Accumulated Surplus, Beginning of Year	35,888,158	35,888,158	32,222,922
Accumulated Surplus, End of Year	48,297,744	45,257,979	35,888,158

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, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Net Financial Assets, Beginning of Year	7,881,787	7,881,787	9,075,885
Changes During the Year:			
Surplus (Deficit) for the Year	12,409,586	9,369,821	3,665,236
Acquisition of Tangible Capital Assets (Schedule C)	(13,500,500)	(9,666,150)	(6,144,753)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		500	1,500
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		11,299	3,551
Amortization of Tangible Capital Assets (Schedule C)	1,073,000	1,322,517	1,296,596
Net Acquisition of Prepaid Expenses		(46,858)	(16,228)
Change in Net Financial Assets	(17,914)	991,129	(1,194,098)
Net Financial Assets, End of Year	7,863,873	8,872,916	7,881,787

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, 2012**

	2012	2011
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	9,369,821	3,665,236
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	1,333,816	(689,853)
Net Change in Non-Cash Operating Activities (Schedule E)	(3,844,989)	628,196
Cash Provided (Used) by Operating Activities	6,858,648	3,603,579
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(9,666,150)	(4,154,753)
Proceeds on Disposal of Tangible Capital Assets	500	1,500
Cash Provided (Used) by Capital Activities	(9,665,650)	(4,153,253)
INVESTING ACTIVITIES		
Proceeds on Disposal of Investments	(14,936)	6,490,971
Cash Provided (Used) by Investing Activities	(14,936)	6,490,971
FINANCING ACTIVITIES		
Repayment of Long Term Debt	-	(10,352)
Cash Provided (Used) by Financing Activities	-	(10,352)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,821,938)	5,930,945
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,117,691	1,186,746
CASH AND CASH EQUIVALENTS, END OF YEAR	4,295,753	7,117,691
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	4,295,753	7,117,691
CASH AND CASH EQUIVALENTS, END OF YEAR	4,295,753	7,117,691

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, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	2,237,606	2,538,146	2,440,190
Total Property Tax Revenue	2,237,606	2,538,146	2,440,190
Grants in Lieu of Taxes:			
Federal Government	-	582	736
Provincial Government	-	16,408	18,215
Total Grants in Lieu of Taxes	-	16,990	18,951
Other Tax Revenues:			
House Trailer Fees	-	4,547	6,883
Total Other Tax Revenues:	-	4,547	6,883
Additions to Levy:			
Penalties	-	13,116	14,521
Total Additions to Levy	-	13,116	14,521
Deletions from Levy:			
Discounts	(60,000)	(54,192)	(68,443)
Cancellations	-	(1,703)	(1,279)
Total Deletions from Levy	(60,000)	(55,895)	(69,722)
Total Property Taxation Revenue	2,177,606	2,516,904	2,410,823

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	5,327,895	5,289,999	4,775,415
Total Ministry Grants	5,327,895	5,289,999	4,775,415
Other Provincial Grants	106,000	50,000	75,800
Federal Grants	-	-	15,185
Grants from Others	10,142,495	10,356,587	10,222,457
Total Operating Grants	15,576,390	15,696,586	15,088,857
Capital Grants			
Ministry of Education Capital Grants	13,200,000	2,477,777	147,124
Other Capital Grants	-	7,653,628	3,334,588
Total Capital Grants	13,200,000	10,131,405	3,481,712
Total Grants	28,776,390	25,827,991	18,570,569
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Individuals and Other	37,000	29,442	16,465
Total Tuition Fees	37,000	29,442	16,465
Total Operating Tuition and Related Fees	37,000	29,442	16,465
Total Tuition and Related Fees Revenue	37,000	29,442	16,465

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	89,502	103,729	94,981
Total Curricular Fees	89,502	103,729	94,981
Non-Curricular Fees:			
Commercial Sales - Non-GST	27,700	48,515	50,721
Fundraising	39,000	450,701	74,956
Student Fees	164,550	354,888	368,348
Total Non-Curricular Fees	231,250	854,104	494,025
Total School Generated Funds Revenue	320,752	957,833	589,006
Complementary Services			
Operating Grants			
Ministry of Education Operating Grants:			
Ministry of Education - Foundation			
Operating Grant	217,500	217,500	120,000
Other Provincial Grants	19,580	13,614	26,306
Other Grants	13,000	11,063	4,000
Total Operating Grants	250,080	242,177	150,306
Fees and Other Revenue			
Tuition and Related Fees	60,000	102,831	59,950
Other Revenue	21,250	22,358	29,079
Total Fees and Other Revenue	81,250	125,189	89,029
Total Complementary Services Revenue	331,330	367,366	239,335

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
External Services			
Fees and Other Revenue			
Other Revenue	172,000	152,103	151,444
Total Fees and Other Revenue	172,000	152,103	151,444
Total External Services Revenue	172,000	152,103	151,444
Other Revenue			
Miscellaneous Revenue	118,500	176,999	84,363
Sales & Rentals	18,000	17,591	22,630
Investments	80,000	106,768	127,434
Total Other Revenue	216,500	301,358	234,427
TOTAL REVENUE FOR THE YEAR	32,031,578	30,152,997	22,212,069

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
(Note 14)			
Governance Expense			
Board Members Expense	58,290	60,730	61,864
Conventions - Board Members	8,000	7,865	8,631
Elections	-	314	-
Other Governance Expenses	95,917	107,211	85,768
Total Governance Expense	162,207	176,120	156,263
Administration Expense			
Salaries	366,440	372,258	389,240
Benefits	67,209	53,849	60,582
Supplies & Services	83,820	113,932	41,041
Non-Capital Furniture & Equipment	13,300	12,508	6,970
Building Operating Expenses	5,600	4,024	4,842
Communications	57,173	66,026	50,389
Travel	15,970	19,343	14,404
Professional Development	5,000	5,401	2,895
Total Administration Expense	614,512	647,341	570,363
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	9,816,688	9,873,737	9,241,838
Instructional (Teacher & LEADS Contract) Benefits	452,019	512,862	463,586
Program Support (Non-Teacher Contract) Salaries	2,492,673	2,562,804	2,302,846
Program Support (Non-Teacher Contract) Benefits	281,840	452,648	389,384
Instructional Aids	517,063	263,713	321,203
Supplies & Services	108,700	114,750	89,414
Non-Capital Furniture & Equipment	-	69,815	55,798
Communications	73,853	87,278	80,676
Travel	85,010	76,512	80,102
Professional Development	167,537	154,131	113,966
Student Related Expense	197,606	266,569	238,447
Amortization of Tangible Capital Assets	376,000	471,961	468,771
Total Instruction Expense	14,568,989	14,906,780	13,846,031

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
	(Note 14)		
Plant Operation & Maintenance Expense			
Salaries	782,732	807,121	723,179
Benefits	138,639	130,750	119,792
Non-Capital Furniture & Equipment	32,500	6,401	12,437
Building Operating Expenses	944,000	979,135	862,491
Communications	10,260	8,695	8,343
Travel	13,000	17,998	14,841
Professional Development	1,000	759	350
Amortization of Tangible Capital Assets	615,000	727,861	707,822
Total Plant Operation & Maintenance Expense	2,537,131	2,678,720	2,449,255
Student Transportation Expense			
Salaries	339,369	323,525	296,129
Benefits	53,714	55,446	51,098
Supplies & Services	127,500	118,435	103,083
Non-Capital Furniture & Equipment	100,000	67,815	76,552
Building Operating Expenses	37,700	15,029	9,343
Communications	3,700	2,199	1,373
Travel	3,015	-	-
Professional Development	1,500	5,535	3,511
Contracted Transportation	10,000	40,059	36,120
Amortization of Tangible Capital Assets	82,000	122,696	120,003
Total Student Transportation Expense	758,498	750,739	697,212
Tuition and Related Fees Expense			
Tuition Fees	30,000	39,637	32,488
Total Tuition and Related Fees Expense	30,000	39,637	32,488
School Generated Funds Expense			
Supplies & Services	52,445	43,866	36,235
Cost of Sales	66,700	81,075	96,497
School Fund Expenses	201,606	857,555	253,289
Total School Generated Funds Expense	320,751	982,496	386,021

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
(Note 14)			
Complementary Services Expense			
Administration Salaries & Benefits	92,647	77,671	85,503
Instructional (Teacher & LEADS Contract)			
Salaries & Benefits	77,484	118,741	-
Program Support (Non-Teacher Contract)			
Salaries & Benefits	215,837	167,704	82,274
Supplies & Services	5,500	14,265	10,847
Travel	4,050	2,131	2,400
Professional Development (Non-Salary Costs)	2,500	665	2,041
Student Related Expenses	61,150	49,276	48,541
Total Complementary Services Expense	459,168	430,453	231,606
External Service Expense			
Program Support (Non-Teacher Contract)			
Salaries & Benefits	78,386	75,648	76,952
Supplies & Services	82,500	75,932	84,357
Non-Capital Furniture & Equipment	7,000	5,191	9,489
Travel	1,650	1,650	1,650
Total External Service Expense	169,536	158,421	172,448
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,200	1,170	483
Interest on Debentures			
Other	-	-	1,112
Total Interest and Bank Charges	1,200	1,170	1,595
Loss on Disposal of Tangible Capital Assets	-	11,299	3,551
Total Other Expense	1,200	12,469	5,146
TOTAL EXPENSES FOR THE YEAR	19,621,992	20,783,176	18,546,833

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2012**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Work-in Progress	2012	2011
Tangible Capital Assets - at Cost:											
Opening Balance as of September 1	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
Additions/Purchases	-	-	-	-	243,038	10,305	85,218	292,178	9,035,411	9,666,150	6,144,753
Disposals	-	-	-	-	(47,193)	-	-	-	-	(47,193)	(41,347)
Write-Downs	-	-	-	-	-	-	(545,755)	(146,954)	-	(692,709)	(310,048)
Transfers to (from)	-	-	289,657	6,604	-	-	-	-	(296,261)	-	-
Closing Balance as of August 31	3,213,056	1,631,674	26,399,936	1,999,493	1,409,728	135,654	1,096,923	1,988,013	11,359,064	49,233,541	40,307,293
Tangible Capital Assets - Amortization:											
Opening Balance as of September 1	-	550,922	9,045,143	238,109	524,892	69,981	1,062,418	907,498	-	12,398,963	11,448,711
Amortization of the Period	-	81,367	531,093	81,889	117,856	13,565	99,145	397,602	-	1,322,517	1,296,596
Disposals	-	-	-	-	(35,394)	-	-	-	-	(35,394)	(36,296)
Write-Downs	-	-	-	-	-	-	(545,755)	(146,954)	-	(692,709)	(310,048)
Closing Balance as of August 31	-	632,289	9,576,236	319,998	607,354	83,546	615,808	1,158,146	-	12,993,377	12,398,963
Net Book Value:											
Opening Balance as of September 1	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
Closing Balance as of August 31	3,213,056	999,385	16,823,700	1,679,495	802,374	52,108	481,115	829,867	11,359,064	36,240,164	27,908,330
Change in Net Book Value	-	(81,367)	(241,436)	(75,285)	113,383	(3,260)	(13,927)	(105,424)	8,739,150	8,331,834	4,843,106
Disposals:											
Historical Cost	-	-	-	-	47,193	-	-	-	-	47,193	41,347
Accumulated Amortization	-	-	-	-	35,394	-	-	-	-	35,394	36,296
Net Cost	-	-	-	-	11,799	-	-	-	-	11,799	5,051
Price of Sale	-	-	-	-	500	-	-	-	-	500	1,500
Gain/loss on Disposal	-	-	-	-	(11,299)	-	-	-	-	(11,299)	(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, 2012**

	2012 Actual	2011 Actual
Non-Cash Items Included in Surplus/Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	1,322,517	1,296,596
Net (Gain) Loss on Disposal of Tangible Capital Assets	11,299	3,551
Municipal land contribution	-	(1,990,000)
Total Non-Cash Items Included in Surplus/Deficit	1,333,816	(689,853)

**SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2012**

	2012 Actual	2011 Actual
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	(5,014,131)	(1,359,901)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	27,377	2,258,196
Increase (Decrease) in Liability for Employee Future Benefits	13,200	2,000
Increase (Decrease) in Deferred Revenue	1,175,423	(255,871)
Decrease (Increase) in Prepaid Expenses	(46,858)	(16,228)
Total Non-Cash Items Included in Surplus/Deficit	(3,844,989)	628,196

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2012

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 16 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, 2012**

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 \$142,200 (2011 - \$129,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$2,516,904 (2011 - \$2,410,823) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$10,000 (2011 - \$10,000) because actual collectability may differ from initial estimates.
- useful lives of tangible capital assets and related amortization of \$1,322,517 (2011 - \$1,296,596).

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 and cash equivalents, accounts receivable, accounts payable and accrued liabilities and long-term debt. 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, 2012

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.

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 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, 2012

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.

Short-term Borrowings is comprised of bank indebtedness and is incurred for the purpose of financing current 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.

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 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

2. Significant Accounting Policies (con't)

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

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 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

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 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 February 16, 2012. The balance drawn on the line of credit at August 31, 2012 was \$0 (2011 - \$0).

4. Long-Term Investments

Long-term investments are comprised of the following:

	Cost/Book Value		Market Value	
	2012	2011	2012	2011
Equity common shares of Co-op	\$ 24,105	\$ 20,715	\$ 24,105	\$ 20,715
Equity common shares of Synergy CU	261,727	250,181	261,727	250,181
Total Long-Term Investments	\$ 285,832	\$ 270,896	\$ 285,832	\$ 270,896

5. Expenses by Function and Economic Classification

	Salaries & Benefits	Goods & Services	Amortization of TCA	Budget 2012	Actual 2012	Actual 2011
Governance	\$ -	\$ 176,120	\$ -	\$ 162,207	\$ 176,120	\$ 156,263
Administration	426,108	221,233	-	614,512	647,341	570,363
Instruction	13,402,051	1,032,768	471,961	14,568,989	14,906,780	13,846,031
Plant	937,871	1,012,989	727,860	2,537,131	2,678,720	2,449,255
Transportation	378,971	249,072	122,696	758,498	750,739	697,212
Tuition and Related Fees	-	39,637	-	30,000	39,637	32,488
School Generated Fees	-	982,496	-	320,751	982,496	386,021
Complementary Services	364,115	66,338	-	459,168	430,453	231,606
External Services	75,648	82,773	-	169,536	158,421	172,448
Other	-	12,469	-	1,200	12,469	5,146
Total	\$ 15,584,764	\$ 3,875,895	\$ 1,322,517	\$ 19,621,992	\$ 20,783,176	\$ 18,546,833

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

6. Employee Future Benefits

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

Details of the employee future benefits are as follows:

	2012	2011
Actuarial valuation (or extrapolation) date:	Aug. 31, 2012	(Aug. 31, 2011)
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.30%
Discount rate (percentage)	2.70%	3.40%
Inflation rate (percentage)	2.25%	2.50%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 140,700	\$ 127,000
Current period benefit cost	10,900	10,500
Interest cost	5,100	4,900
Benefit payments	(3,700)	(2,500)
Actuarial gains/losses	25,500	800
Accrued Benefit Obligation - end of year	178,500	140,700
Unamortized Net Actuarial Gains/Losses	(36,300)	(11,700)
Liability for Employee Future Benefits	\$ 142,200	\$ 129,000

Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 10,900	\$ 10,500
Amortization of net actuarial gain/loss	900	800
Benefit cost	11,800	11,300
Interest cost on unfunded employee future benefits obligation	5,100	4,900
Total Employee Future Benefits Expense	\$ 16,900	\$ 16,200

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

7. Pension Plans

Multi-Employer Defined Benefit Plans

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

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

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

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

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

	2012				2011
	STRP	STSP	ATRF	Total	Total
Number of active School Division members	119	1	12	132	139
Member contribution rate (percentage of salary)	7.80%	6.05%	9.04%		6.05%-9.04%
Member contributions for the year	\$774,130	\$6,465	\$69,115	\$849,710	\$650,625

- ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

7. Pension Plans (con't)

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:

	2012	2011
Number of active School Division members	142	122
Member contribution rate (percentage of salary)	7.40%	7.40%
School Division contribution rate (percentage of salary)	7.40%	7.40%
Member contributions for the year	\$ 312,355	\$ 238,278
School Division contributions for the year	\$ 312,355	\$ 238,278
Actuarial valuation date: December 31, 2010		
Plan Assets - Province wide (thousands)	1,404,006	1,404,006
Plan Liabilities - Province wide (thousands)	<u>(1,344,380)</u>	<u>(1,344,380)</u>
Plan Surplus (Deficit)	<u>\$ 59,626</u>	<u>\$ 59,626</u>

8. 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:

	2012			2011		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 156,015	\$ 10,000	\$ 146,015	\$ 153,713	\$ 10,000	\$ 143,713
Provincial Grants Receivable	8,363,014	-	8,363,014	3,548,671	-	3,548,671
Other Receivables	517,978	-	517,978	320,492	-	320,492
Total Accounts Receivable	\$ 9,037,007	\$ 10,000	\$ 9,027,007	\$ 4,022,876	\$ 10,000	\$ 4,012,876

9. Accounts Payable and Accrued Liabilities

Details of accounts payable and accrued liabilities are as follows:

	2012	2011
Accrued Salaries and Benefits	\$ 8,644	\$ 414,055
Supplier Payments	2,692,982	2,264,304
Staff funds	11,379	7,269
Total Accounts Payable and Accrued Liabilities	\$ 2,713,005	\$ 2,685,628

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

10. Deferred Revenue

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2011	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2012
Capital projects:				
Other deferred capital project revenue	-	\$ 3,879,000	\$ 2,755,904	\$ 1,123,096
Total capital projects deferred revenue	-	3,879,000	2,755,904	1,123,096
Other deferred revenue:				
Unearned grant revenue	147,700	104,398	54,700	197,398
Unearned fees for service	17,778	27,891	17,778	27,891
Unearned taxation revenue	539,570	2,274,614	2,282,098	532,086
Total Other Deferred Revenue	705,048	2,406,903	2,354,576	757,375
Total Deferred Revenue	\$ 705,048	\$ 6,285,903	\$ 5,110,480	\$ 1,880,471

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

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 revenue and expenses of the Complementary Services programs operated by the School Division in 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2012	2011
Revenue:					
Operating Grants	\$ 97,500	\$ 120,000	\$ 24,677	\$ 242,177	\$ 150,306
Fees and Other Revenue	-	-	125,189	125,189	89,029
Total Revenue	97,500	120,000	149,866	367,366	239,335
Expenses:					
Salaries and Benefits	151,528	77,671	134,917	364,116	167,777
Supplies and Services	-	4,596	9,669	14,265	10,847
Travel	-	2,131	-	2,131	2,400
Professional Development (Non-Salary Costs)	-	665	-	665	2,041
Student Related Expenses	5,357	7,545	36,374	49,276	48,541
Total Expenses	156,885	92,608	180,960	430,453	231,606
Excess (Deficiency) of Revenue over Expenses	\$ (59,385)	\$ 27,392	\$ (31,094)	\$ (63,087)	\$ 7,729

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

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

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

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

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 revenue and expenses of the External Services programs operated by the School Division in 2012:

**Summary of External
Services Revenues and
Expenses, by Program**

	Cafeteria	2012	2011
Revenue:			
Fees and Other Revenue	\$ 152,103	\$ 152,103	\$ 151,444
Total Revenue	152,103	152,103	151,444
Expenses:			
Salaries and Benefits	75,648	75,648	76,952
Supplies and Services	75,932	75,932	84,357
Non-Capital Equipment	5,191	5,191	9,489
Travel	1,650	1,650	1,650
Total Expenses	158,421	158,421	172,448
Excess (Deficiency) of Revenue over Expenses	\$ (6,318)	\$ (6,318)	\$ (21,004)

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

Cafeteria services 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 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, 2012**

13. Accumulated Surplus (con't)

Details of accumulated surplus are as follows:

	2012	2011
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$36,240,164	\$27,908,330
	36,240,164	27,908,330
S. 286 pre April 2009 capital reserves from prior years' operating surpluses (1)	2,316,541	2,421,248
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	500,000
School generated funds	80,629	105,642
School budget carryovers	55,140	34,456
	797,836	802,165
School Community Council	77,436	79,679
	875,272	881,844
Unrestricted Surplus	5,826,002	4,676,736
Total Accumulated Surplus	\$45,257,979	\$35,888,158

(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.

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

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

Salary Contingency: funds designated for unanticipated personnel costs

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

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

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

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

14. Budget Figures

Budget figures included in the financial statements were approved by the Board of Education on June 22, 2011 and the Minister of Education on August 31, 2011.

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, 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.

(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.

	2012	2011
Revenues:		
Ministry of Education	\$ 8,144,168	\$ 5,445,864
North West School Division	-	1,203
Living Sky School Division	-	300
Saskatchewan Government Insurance	22,189	-
	\$ 8,166,357	\$ 5,447,367
Expenses:		
Workers' Compensation Board	\$ 13,967	\$ 7,089
Saskatchewan Power Corporation	8,618	1,127
Saskatchewan Government Insurance	15,490	11,682
Saskatoon Public School Division	1,500	484
Lloydminster Public School Division	1,800	2,294
Regina Public School Division	98	-
Holy Trinity School Division	105	-
Christ the Teacher RCSSD 212	480	-
SaskTel	4,179	-
	\$ 46,237	\$ 22,676
Accounts Receivable:		
Lloydminster Public School Division	\$ -	\$ 518
Ministry of Education	582,868	850,150
	\$ 582,868	\$ 850,668

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

15. Related Parties (con't)

Prepaid Expenses:

Saskatchewan Government Insurance	\$ 8,002	\$ 8,247
	\$ 8,002	\$ 8,247

Accounts Payable and Accrued Liabilities:

Worker's Compensation Board	\$ 13,651	-
	\$ 13,651	\$ -

Deferred Revenue:

Saskatchewan Government Insurance	\$ 34,398	-
	\$ 34,398	\$ -

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.

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$2.38 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, 2012	2,380,298
Less: Revenue reported in financial statements	<u>(1,411,815)</u>
Unrecorded balance of approved capital transfers	<u>\$ 968,483</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.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

16. Trusts

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

Information about these trusts is as follows:

	Reiber	Brown	Hope	Arts	Schwandt	Hartnell MacArthur	2012 Total	2011 Total
Cash and short term investments	\$ 7,317	\$ 42,813	\$ 3,637	\$ 1,501	\$ 295	\$ 12,000	\$ 67,563	\$ 33,762
Equity/Membership	197	312	-	-	-	-	509	486
Portfolio Investments	-	-	-	-	-	-	-	24,713
Total Assets	\$ 7,514	\$ 43,125	\$ 3,637	\$ 1,501	\$ 295	\$ 12,000	\$ 68,072	\$ 58,961
Revenues								
Donations	-	-	-	-	-	12,000	12,000	-
Interest on investments	65	591	106	26	23	-	811	2,530
	65	591	106	26	23	12,000	12,811	2,530
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	65	(1,409)	(894)	(174)	(477)	12,000	9,111	(1,170)
Trust Fund Balance, Beginning of Year	7,449	44,534	4,531	1,675	772	-	58,961	60,131
Trust Fund Balance, End of Year	\$ 7,514	\$ 43,125	\$ 3,637	\$ 1,501	\$ 295	\$ 12,000	\$ 68,072	\$ 58,961

17. 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 \$9.2 million of expenditures related to this project as at August 31, 2012. 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 \$1.5 million of expenditures related to this project as at August 31, 2012. Project completion is expected in 2012-13.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2012**

18. Comparative Amounts

Certain 2011 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 surplus.