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## Auditor's Report and Financial Statement

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

For the Period Ending: August 31, 2013

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Chief Financial Officer      Tom Schinold

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Auditor      Wilkinson Livingston Stevens LLP  
Chartered Accountants

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

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**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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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

November 27, 2013



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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, 2013, 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, 2013, and the results of its operations and changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Wilkinson Livingston Stevens LLP*

Lloydminster, Alberta  
November 27, 2013

Chartered Accountants

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**STATEMENT OF FINANCIAL POSITION  
AS AT AUGUST 31, 2013**

	<b>2013</b>	<b>2012</b>
<b>Financial Assets</b>		
Cash and Cash Equivalents	4,709,215	4,295,753
Accounts Receivable (Note 8)	6,754,045	9,027,007
Inventories for Sale	6,738	-
Portfolio Investments (Note 4)	76,615	285,832
<b>Total Financial Assets</b>	<b>11,546,613</b>	<b>13,608,592</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	1,974,340	2,713,005
Liability for Employee Future Benefits (Note 6)	157,300	142,200
Deferred Revenue (Note 10)	712,723	1,880,471
<b>Total Liabilities</b>	<b>2,844,363</b>	<b>4,735,676</b>
<b>Net Financial Assets</b>	<b>8,702,250</b>	<b>8,872,916</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	48,472,364	36,240,164
Prepaid Expenses	168,716	144,899
<b>Total Non-Financial Assets</b>	<b>48,641,080</b>	<b>36,385,063</b>
<b>Accumulated Surplus (Note 13)</b>	<b>57,343,330</b>	<b>45,257,979</b>
<b>Accumulated Surplus is comprised of:</b>		
Accumulated surplus from operations	57,343,330	45,257,979
Accumulated remeasurement gains and losses	-	-
<b>Total Accumulated Surplus (Note 13)</b>	<b>57,343,330</b>	<b>45,257,979</b>

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, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
	(Note 14)		
<b>REVENUES</b>			
Property Taxation	2,666,249	2,842,574	2,516,904
Grants	26,765,564	29,560,583	25,827,991
Tuition and Related Fees	19,000	21,236	29,442
School Generated Funds	409,425	976,619	957,833
Complementary Services (Note 11)	308,978	312,612	367,366
External Services (Note 12)	179,000	164,099	152,103
Other	228,800	289,694	301,358
<b>Total Revenues (Schedule A)</b>	<b>30,577,016</b>	<b>34,167,417</b>	<b>30,152,997</b>
<b>EXPENSES</b>			
Governance	172,826	171,764	176,120
Administration	627,864	608,325	647,341
Instruction	16,005,775	15,984,863	14,906,780
Plant	2,804,364	2,748,541	2,678,720
Transportation	903,149	893,645	750,739
Tuition and Related Fees	37,500	23,967	39,637
School Generated Funds	409,427	1,027,070	982,496
Complementary Services (Note 11)	529,193	453,725	430,453
External Services (Note 12)	175,824	163,258	158,421
Other Expenses	1,000	6,908	12,469
<b>Total Expenses (Schedule B)</b>	<b>21,666,922</b>	<b>22,082,066</b>	<b>20,783,176</b>
<b>Surplus for the Year</b>	<b>8,910,094</b>	<b>12,085,351</b>	<b>9,369,821</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>45,257,979</b>	<b>45,257,979</b>	<b>35,888,158</b>
<b>Accumulated Surplus, End of Year</b>	<b>54,168,073</b>	<b>57,343,330</b>	<b>45,257,979</b>

*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, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
	(Note 14)		
<b>Net Financial Assets, Beginning of Year</b>	8,872,916	8,872,916	7,881,787
<b>Changes During the Year:</b>			
Surplus for the Year	8,910,094	12,085,351	9,369,821
Acquisition of Tangible Capital Assets (Schedule C)	(10,382,065)	(13,573,219)	(9,666,150)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		-	500
Net Loss on Disposal of Capital Assets (Schedule C)		-	11,299
Amortization of Tangible Capital Assets (Schedule C)	1,298,771	1,341,019	1,322,517
Net Acquisition of Prepaid Expenses		(23,817)	(46,858)
<b>Change in Net Financial Assets</b>	<b>(173,200)</b>	<b>(170,666)</b>	<b>991,129</b>
<b>Net Financial Assets, End of Year</b>	<b>8,699,716</b>	<b>8,702,250</b>	<b>8,872,916</b>

*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, 2013**

	<b>2013</b>	<b>2012</b>
<b>OPERATING ACTIVITIES</b>		
Surplus for the Year	12,085,351	9,369,821
Add Non-Cash Items Included in Surplus (Schedule D)	1,341,019	1,333,816
Net Change in Non-Cash Operating Activities (Schedule E)	351,094	(3,844,989)
<b>Cash Provided by Operating Activities</b>	<b>13,777,464</b>	<b>6,858,648</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(13,573,219)	(9,666,150)
Proceeds on Disposal of Tangible Capital Assets	-	500
<b>Cash (Used) by Capital Activities</b>	<b>(13,573,219)</b>	<b>(9,665,650)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds on Disposal of Investments	209,217	(14,936)
<b>Cash Provided (Used) by Investing Activities</b>	<b>209,217</b>	<b>(14,936)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>413,462</b>	<b>(2,821,938)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>4,295,753</b>	<b>7,117,691</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>4,709,215</b>	<b>4,295,753</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	4,709,215	4,295,753
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>4,709,215</b>	<b>4,295,753</b>

*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, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	2,677,125	2,819,521	2,538,146
<b>Total Property Tax Revenue</b>	<b>2,677,125</b>	<b>2,819,521</b>	<b>2,538,146</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	-	545	582
Provincial Government	6,410	15,594	16,408
<b>Total Grants in Lieu of Taxes</b>	<b>6,410</b>	<b>16,139</b>	<b>16,990</b>
<b>Other Tax Revenues:</b>			
House Trailer Fees	-	7,478	4,547
<b>Total Other Tax Revenues:</b>	<b>-</b>	<b>7,478</b>	<b>4,547</b>
<b>Additions to Levy:</b>			
Penalties	-	17,610	13,116
<b>Total Additions to Levy</b>	<b>-</b>	<b>17,610</b>	<b>13,116</b>
<b>Deletions from Levy:</b>			
Discounts	(17,286)	(15,834)	(54,192)
Cancellations	-	(2,340)	(1,703)
<b>Total Deletions from Levy</b>	<b>(17,286)</b>	<b>(18,174)</b>	<b>(55,895)</b>
<b>Total Property Taxation Revenue</b>	<b>2,666,249</b>	<b>2,842,574</b>	<b>2,516,904</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
K-12 Operating Grant	5,544,872	5,618,512	5,289,999
<b>Total Ministry Grants</b>	<b>5,544,872</b>	<b>5,618,512</b>	<b>5,289,999</b>
Other Provincial Grants	150,094	187,071	95,000
Federal Grants	23,000	21,134	-
Grants from Others	10,997,033	11,625,330	10,311,587
<b>Total Operating Grants</b>	<b>16,714,999</b>	<b>17,452,047</b>	<b>15,696,586</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	3,379,000	3,039,681	2,477,777
Other Capital Grants	6,671,565	9,068,855	7,653,628
<b>Total Capital Grants</b>	<b>10,050,565</b>	<b>12,108,536</b>	<b>10,131,405</b>
<b>Total Grants</b>	<b>26,765,564</b>	<b>29,560,583</b>	<b>25,827,991</b>
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
Individuals and Other	19,000	21,236	29,442
<b>Total Tuition Fees</b>	<b>19,000</b>	<b>21,236</b>	<b>29,442</b>
<b>Total Operating Tuition and Related Fees</b>	<b>19,000</b>	<b>21,236</b>	<b>29,442</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>19,000</b>	<b>21,236</b>	<b>29,442</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular Fees:</b>			
Student Fees	105,491	113,553	103,729
<b>Total Curricular Fees</b>	<b>105,491</b>	<b>113,553</b>	<b>103,729</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - Non-GST	51,350	59,339	48,515
Fundraising	68,200	558,786	450,701
Student Fees	184,384	244,941	354,888
<b>Total Non-Curricular Fees</b>	<b>303,934</b>	<b>863,066</b>	<b>854,104</b>
<b>Total School Generated Funds Revenue</b>	<b>409,425</b>	<b>976,619</b>	<b>957,833</b>
<b>Complementary Services</b>			
<b>Operating Grants</b>			
Ministry of Education Operating Grants:			
Ministry of Education - Foundation			
Operating Grant	126,608	126,608	217,500
Other Provincial Grants	18,500	16,635	13,614
Other Grants	5,000	10,769	11,063
<b>Total Operating Grants</b>	<b>150,108</b>	<b>154,012</b>	<b>242,177</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	144,000	131,062	102,831
Other Revenue	14,870	27,538	22,358
<b>Total Fees and Other Revenue</b>	<b>158,870</b>	<b>158,600</b>	<b>125,189</b>
<b>Total Complementary Services Revenue</b>	<b>308,978</b>	<b>312,612</b>	<b>367,366</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>External Services</b>			
<b>Fees and Other Revenue</b>			
Other Revenue	179,000	164,099	152,103
<b>Total Fees and Other Revenue</b>	<b>179,000</b>	<b>164,099</b>	<b>152,103</b>
<b>Total External Services Revenue</b>	<b>179,000</b>	<b>164,099</b>	<b>152,103</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	121,200	187,645	176,999
Sales & Rentals	20,600	9,739	17,591
Investments	87,000	92,310	106,768
<b>Total Other Revenue</b>	<b>228,800</b>	<b>289,694</b>	<b>301,358</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>30,577,016</b>	<b>34,167,417</b>	<b>30,152,997</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Governance Expense</b>			
Board Members Expense	64,224	70,378	60,730
Conventions - Board Members	5,000	4,727	7,865
Elections	-	10,191	314
Other Governance Expenses	103,602	86,468	107,211
<b>Total Governance Expense</b>	<b>172,826</b>	<b>171,764</b>	<b>176,120</b>
<b>Administration Expense</b>			
Salaries	359,845	366,747	372,258
Benefits	69,847	56,023	53,849
Supplies & Services	91,155	87,060	113,932
Non-Capital Furniture & Equipment	16,300	9,252	12,508
Building Operating Expenses	4,200	4,281	4,024
Communications	63,547	63,341	66,026
Travel	17,970	14,099	19,343
Professional Development	5,000	7,522	5,401
<b>Total Administration Expense</b>	<b>627,864</b>	<b>608,325</b>	<b>647,341</b>
<b>Instruction Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries	10,511,253	10,680,089	9,873,737
Instructional (Teacher & LEADS Contract) Benefits	506,723	563,498	512,862
Program Support (Non-Teacher Contract) Salaries	2,742,226	2,721,949	2,562,804
Program Support (Non-Teacher Contract) Benefits	547,735	507,608	452,648
Instructional Aids	546,670	280,484	263,713
Supplies & Services	122,500	160,227	114,750
Non-Capital Furniture & Equipment	-	70,023	69,815
Communications	76,919	88,382	87,278
Travel	87,835	89,211	76,512
Professional Development	169,675	104,708	154,131
Student Related Expense	225,468	242,447	266,569
Amortization of Tangible Capital Assets	468,771	476,237	471,961
<b>Total Instruction Expense</b>	<b>16,005,775</b>	<b>15,984,863</b>	<b>14,906,780</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	856,447	858,731	807,121
Benefits	167,177	137,099	130,750
Non-Capital Furniture & Equipment	24,500	2,939	6,401
Building Operating Expenses	1,020,000	985,381	979,135
Communications	8,760	15,892	8,695
Travel	16,480	16,203	17,998
Professional Development	1,000	887	759
Amortization of Tangible Capital Assets	710,000	731,409	727,861
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>2,804,364</b>	<b>2,748,541</b>	<b>2,678,720</b>
<b>Student Transportation Expense</b>			
Salaries	399,582	409,560	323,525
Benefits	78,952	68,986	55,446
Supplies & Services	133,000	116,334	118,435
Non-Capital Furniture & Equipment	111,000	75,949	67,815
Building Operating Expenses	42,800	27,372	15,029
Communications	2,400	2,247	2,199
Travel	2,415	2,145	-
Professional Development	3,000	3,571	5,535
Contracted Transportation	10,000	54,108	40,059
Amortization of Tangible Capital Assets	120,000	133,373	122,696
<b>Total Student Transportation Expense</b>	<b>903,149</b>	<b>893,645</b>	<b>750,739</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	37,500	23,967	39,637
<b>Total Tuition and Related Fees Expense</b>	<b>37,500</b>	<b>23,967</b>	<b>39,637</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	65,491	333,238	43,866
Cost of Sales	80,350	110,325	81,075
School Fund Expenses	263,586	583,507	857,555
<b>Total School Generated Funds Expense</b>	<b>409,427</b>	<b>1,027,070</b>	<b>982,496</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Complementary Services Expense</b>			
Administration Salaries & Benefits	104,204	90,824	77,671
Instructional (Teacher & LEADS Contract)			
Salaries & Benefits	117,268	114,933	118,741
Program Support (Non-Teacher Contract)			
Salaries & Benefits	230,221	181,432	167,704
Supplies & Services	17,600	20,750	14,265
Travel	4,050	2,400	2,131
Professional Development (Non-Salary Costs)	2,500	1,427	665
Student Related Expenses	53,350	41,959	49,276
<b>Total Complementary Services Expense</b>	<b>529,193</b>	<b>453,725</b>	<b>430,453</b>
<b>External Service Expense</b>			
Program Support (Non-Teacher Contract)			
Salaries & Benefits	80,674	75,322	75,648
Supplies & Services	86,500	83,308	75,932
Non-Capital Furniture & Equipment	7,000	2,978	5,191
Travel	1,650	1,650	1,650
<b>Total External Service Expense</b>	<b>175,824</b>	<b>163,258</b>	<b>158,421</b>
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,000	4,943	1,170
Interest on Debentures			
Other	-	1,965	-
Total Interest and Bank Charges	1,000	6,908	1,170
Loss on Disposal of Tangible Capital Assets	-	-	11,299
<b>Total Other Expense</b>	<b>1,000</b>	<b>6,908</b>	<b>12,469</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>21,666,922</b>	<b>22,082,066</b>	<b>20,783,176</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2013**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Work-in Progress	2012	2013
<b>Tangible Capital Assets - at Cost:</b>											
Opening Balance as of September 1	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
Additions/Purchases	-	-	-	-	170,912	34,993	245,468	184,563	12,937,283	13,573,219	9,666,150
Disposals	-	-	-	-	-	-	-	-	-	-	(47,193)
Write-Downs	-	-	-	-	-	-	-	-	-	-	(692,709)
Transfers to (from)	-	125,492	-	-	-	-	(158,753)	(242,540)	-	(401,293)	-
<b>Closing Balance as of August 31</b>	<b>3,213,056</b>	<b>1,757,166</b>	<b>26,399,936</b>	<b>1,999,493</b>	<b>1,580,640</b>	<b>170,647</b>	<b>1,183,638</b>	<b>1,930,036</b>	<b>24,170,855</b>	<b>62,405,467</b>	<b>49,233,541</b>
<b>Tangible Capital Assets - Amortization:</b>											
Opening Balance as of September 1	-	632,289	9,576,236	319,998	607,354	83,546	615,808	1,158,146	-	12,993,377	12,398,963
Amortization of the Period	-	87,641	531,093	81,889	126,723	15,186	112,480	386,007	-	1,341,019	1,322,517
Disposals	-	-	-	-	-	-	-	-	-	-	(35,394)
Write-Downs	-	-	-	-	-	-	(158,753)	(242,540)	-	(401,293)	(692,709)
<b>Closing Balance as of August 31</b>	<b>-</b>	<b>719,930</b>	<b>10,107,329</b>	<b>401,887</b>	<b>734,077</b>	<b>98,732</b>	<b>569,535</b>	<b>1,301,613</b>	<b>-</b>	<b>13,933,103</b>	<b>12,993,377</b>
<b>Net Book Value:</b>											
Opening Balance as of September 1	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
Closing Balance as of August 31	3,213,056	1,037,236	16,292,607	1,597,606	846,563	71,915	614,103	628,423	24,170,855	48,472,364	36,240,164
<b>Change in Net Book Value</b>	<b>-</b>	<b>37,851</b>	<b>(531,093)</b>	<b>(81,889)</b>	<b>44,189</b>	<b>19,807</b>	<b>132,988</b>	<b>(201,444)</b>	<b>12,811,791</b>	<b>12,232,200</b>	<b>8,331,834</b>
<b>Disposals:</b>											
Historical Cost	-	-	-	-	-	-	-	-	-	-	47,193
Accumulated Amortization	-	-	-	-	-	-	-	-	-	-	35,394
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,799</b>
Price of Sale	-	-	-	-	-	-	-	-	-	-	500
Gain/loss on Disposal	-	-	-	-	-	-	-	-	-	-	(11,299)
<b>Net Book Value (NBV) of Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pledged as Security for Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**SCHEDULE D: NON-CASH ITEMS INCLUDED IN SURPLUS  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Non-Cash Items Included in Surplus:</b>		
Amortization of Tangible Capital Assets (Schedule C)	1,341,019	1,322,517
Net Loss on Disposal of Tangible Capital Assets	-	11,299
<b>Total Non-Cash Items Included in Surplus</b>	<b>1,341,019</b>	<b>1,333,816</b>

**SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2013**

	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	2,272,962	(5,014,131)
Increase in Inventories for Sale	(6,738)	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(738,665)	27,377
Increase in Liability for Employee Future Benefits	15,100	13,200
Increase (Decrease) in Deferred Revenue	(1,167,748)	1,175,423
Increase in Prepaid Expenses	(23,817)	(46,858)
<b>Total Non-Cash Items Included in Surplus</b>	<b>351,094</b>	<b>(3,844,989)</b>

## **LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2013**

#### **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 (Canada)*.

#### **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:

##### **Adoption of New Public Sector Accounting (PSA) Standards**

In 2013, the School Division adopted the new PSA standards PS1201 Financial Statement Presentation, PS3041 Portfolio Investments, PS3410 Government Transfers and PS3450 Financial Instruments.

Detailed information on the impact of the adoption of these new PSA standards is provided in Note 18 Accounting Changes.

##### **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.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**2. Significant Accounting Policies (con't)**

**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.

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

- the liability for employee future benefits of \$157,300 (2012 - \$142,200) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$2,842,574 (2012 - \$2,516,904) because final tax assessments may differ from initial estimates.
- useful lives of tangible capital assets and related amortization of \$1,341,019 (2012 - \$1,322,517).

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 are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The School Division recognizes a financial instrument when it becomes a party to a financial instrument. The financial assets and financial liabilities portray these rights and obligations in financial statements. Financial instruments of the School Division include cash and cash equivalents, accounts receivable, portfolio investments and accounts payable and accrued liabilities.

Financial instruments are assigned to one of two measurement categories: fair value or cost/amortized cost.

**a) Fair value**

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market. Any associated transaction costs are expensed upon initial recognition. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, at which time they are transferred to the statement of operations.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013

2. Significant Accounting Policies (con't)

b) Cost or Amortized Cost

All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Impairment losses such as write-downs or write-offs are reported in the statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs.

**Financial Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

**Cash and Cash Equivalents** consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

**Accounts Receivable** 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. Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized, and any eligibility criteria have been met. Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

**Inventories for Sale** consist of goods which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value.

**Portfolio Investments** consist of equity common shares at the Synergy Credit Union and Lloydminster Co-op. The School Division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013

2. Significant Accounting Policies (con't)

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	10 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.

**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*.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013

2. Significant Accounting Policies (con't)

**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.
- 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 recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**2. Significant Accounting Policies (con't)**

The School Division's sources of revenue include the following:

**i) Government Transfers (Grants):**

Grants from governments are considered to be government transfers. In accordance with the new PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Eligibility criteria are criteria that the School Division has to meet in order to receive the transfer. Stipulations describe how the School Division must use the transfer or the actions it must perform in order to keep the transfer.

Government transfers with eligibility criteria but without stipulations are recognized as revenue when the transfer is authorized and all eligibility criteria have been met.

Government transfers with or without eligibility criteria but with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the stipulations give rise to a liability. Restricted transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations, revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**ii) Property taxation:**

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

**iii) Fees and Services:**

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

**iv) Interest Income:**

Interest is recognized on an accrual basis when it is earned.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**2. Significant Accounting Policies (con't)**

v) Other (Non-Government Transfer) Contributions:

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the School Division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

**Statement of Remeasurement Gain and Losses**

The School Division has not presented a Statement of Remeasurement Gains or Losses because it does not have financial instruments that give rise to remeasurement gains or losses.

**3. Short-Term Borrowings**

The School Division has available a demand operating line of credit with a maximum borrowing limit of \$4,000,000 that bears interest at the prime rate per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by all book accounts and book debt. This line of credit was approved by the Minister of Education on February 16, 2012. The balance drawn on the line of credit at August 31, 2013 was \$0 (2012 - \$0).

**4. Portfolio Investments**

Portfolio investments reported at cost and amortized cost are comprised of the following:

	<b>Cost/Book Value</b>		<b>Market Value</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Equity common shares of Co-op	\$ 27,764	\$ 24,105	\$ 27,764	\$ 24,105
Equity common shares of Synergy CU	48,851	261,727	48,851	261,727
<b>Total Portfolio Investments</b>	<b>\$ 76,615</b>	<b>\$ 285,832</b>	<b>\$ 76,615</b>	<b>\$ 285,832</b>



**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**5. Expenses by Function and Economic Classification**

	<b>Salaries &amp; Benefits</b>	<b>Goods &amp; Services</b>	<b>Amortization of TCA</b>	<b>Budget 2013</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
Governance	\$ -	\$ 171,764	\$ -	\$ 172,826	\$ 171,764	\$ 176,120
Administration	422,771	185,554	-	627,864	608,325	647,341
Instruction	14,473,143	1,035,483	476,237	16,005,775	15,984,863	14,906,780
Plant	995,831	1,021,301	731,409	2,804,364	2,748,541	2,678,720
Transportation	478,546	281,726	133,373	903,149	893,645	750,739
Tuition and Related Fees	-	23,967	-	37,500	23,967	39,637
School Generated Fees	-	1,027,070	-	409,427	1,027,070	982,496
Complementary Services	390,836	62,889	-	529,193	453,725	430,453
External Services	75,322	87,936	-	175,824	163,258	158,421
Other	-	6,908	-	1,000	6,908	12,469
<b>Total</b>	<b>\$16,836,449</b>	<b>\$ 3,904,598</b>	<b>\$ 1,341,019</b>	<b>\$21,666,922</b>	<b>\$22,082,066</b>	<b>\$20,783,176</b>

**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:

	<b>2013</b>	<b>2012</b>
Actuarial valuation (or extrapolation) date:	(Aug. 31, 2013)	Aug. 31, 2012
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.25
Discount rate (percentage)	3.5%	2.7%
Inflation rate (percentage)	2.25%	2.25%
Expected average remaining service life (years)	15	15

<b>Liability for Employee Future Benefits</b>	<b>2013</b>	<b>2012</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 178,500</b>	<b>\$ 140,700</b>
Current period benefit cost	16,700	10,900
Interest cost	5,100	5,100
Benefit payments	(9,300)	(3,700)
Actuarial gains/losses	(16,900)	25,500
<b>Accrued Benefit Obligation - end of year</b>	<b>174,100</b>	<b>178,500</b>
<b>Unamortized Net Actuarial Gains/Losses</b>	<b>(16,800)</b>	<b>(36,300)</b>
<b>Liability for Employee Future Benefits</b>	<b>\$ 157,300</b>	<b>\$ 142,200</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**6. Employee Future Benefits (con't)**

<b>Employee Future Benefits Expense</b>	<b>2013</b>	<b>2012</b>
Current period benefit cost	\$ 16,700	\$ 10,900
Amortization of net actuarial gain/loss	2,600	900
<b>Benefit cost</b>	<b>19,300</b>	<b>11,800</b>
<b>Interest cost on unfunded employee future benefits obligation</b>	<b>5,100</b>	<b>5,100</b>
<b>Total Employee Future Benefits Expense</b>	<b>\$ 24,400</b>	<b>\$ 16,900</b>

**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:

	<b>2013</b>			<b>2012</b>	
	<b>STRP</b>	<b>STSP</b>	<b>ATRF</b>	<b>Total</b>	<b>Total</b>
Number of active School Division members	119	1	13	133	132
Member contribution rate (percentage of salary)					
September 1 - December 31, 2012	7.80%	6.05%	9.60%	6.05-9.60%	6.05%-9.04%
January 1 - August 31, 2013	7.80%	6.05%	13.72%	6.05-13.72%	6.05%-9.04%
Member contributions for the year	\$777,863	\$6,315	\$91,661	\$875,839	\$849,710

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**7. Pension Plans (con't)**

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:

	<b>2013</b>	<b>2012</b>
Number of active School Division members	148	142
Member contribution rate (percentage of salary)		
September 1 - December 31, 2012	7.40%	7.40%
January 1 - August 31, 2013	8.15%	7.40%
School Division contribution rate (percentage of salary)		
September 1 - December 31, 2012	7.40%	7.40%
January 1 - August 31, 2013	8.15%	7.40%
Member contributions for the year	\$ 338,523	\$ 312,355
School Division contributions for the year	\$ 338,523	\$ 312,355
<b>Actuarial valuation date: December 31, 2012</b>		
Plan Assets - Province wide (thousands)	1,578,536	1,404,006
Plan Liabilities - Province wide (thousands)	<u>(1,420,319)</u>	<u>(1,344,380)</u>
Plan Surplus (Deficit)	<u>\$ 158,217</u>	<u>\$ 59,626</u>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**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:

	2013			2012		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 115,638	\$ -	\$ 115,638	\$ 156,015	\$ 10,000	\$ 146,015
Provincial Grants Receivable	6,065,655	-	6,065,655	8,363,014	-	8,363,014
Other Receivables	572,752	-	572,752	517,978	-	517,978
<b>Total Accounts Receivable</b>	<b>\$ 6,754,045</b>	<b>\$ -</b>	<b>\$ 6,754,045</b>	<b>\$ 9,037,007</b>	<b>\$ 10,000</b>	<b>\$ 9,027,007</b>

**9. Accounts Payable and Accrued Liabilities**

Details of accounts payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	\$ 6,004	\$ 8,644
Supplier Payments	1,959,633	2,692,982
Staff funds	8,703	11,379
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 1,974,340</b>	<b>\$ 2,713,005</b>

**10. Deferred Revenue**

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2012	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2013
<b>Capital projects:</b>				
Other deferred capital project revenue	1,123,096	\$ -	\$ 1,123,096	\$ -
<b>Total capital projects deferred revenue</b>	<b>1,123,096</b>	<b>-</b>	<b>1,123,096</b>	<b>-</b>
<b>Other deferred revenue:</b>				
Unearned grant revenue	197,398	-	197,398	-
Unearned fees for service	27,891	23,481	27,891	23,481
Unearned donation revenue	-	100,000	-	100,000
Unearned taxation revenue	532,086	2,899,730	2,842,574	589,242
<b>Total Other Deferred Revenue</b>	<b>757,375</b>	<b>3,023,211</b>	<b>3,067,863</b>	<b>712,723</b>
<b>Total Deferred Revenue</b>	<b>\$ 1,880,471</b>	<b>\$ 3,023,211</b>	<b>\$ 4,190,959</b>	<b>\$ 712,723</b>

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

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**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 2013:

<b>Summary of Complementary Services Revenues and Expenses, by Program</b>	<b>Pre-K Programs</b>	<b>Community and Inter-Agency Liaison</b>	<b>Other Programs</b>	<b>2013</b>	<b>2012</b>
<b>Revenue:</b>					
Operating Grants	\$ 126,608	\$ -	\$ 27,404	\$ 154,012	\$ 242,177
Fees and Other Revenue	-	-	158,600	158,600	125,189
<b>Total Revenue</b>	<b>126,608</b>	<b>-</b>	<b>186,004</b>	<b>312,612</b>	<b>367,366</b>
<b>Expenses:</b>					
Salaries and Benefits	178,511	91,165	117,516	387,192	364,116
Supplies and Services	-	4,152	16,598	20,750	14,265
Travel	-	2,400	-	2,400	2,131
Professional Development (Non-Salary Costs)	-	1,427	-	1,427	665
Student Related Expenses	6,436	-	35,520	41,956	49,276
<b>Total Expenses</b>	<b>184,947</b>	<b>99,144</b>	<b>169,634</b>	<b>453,725</b>	<b>430,453</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (58,339)</b>	<b>\$ (99,144)</b>	<b>\$ 16,370</b>	<b>\$ (141,113)</b>	<b>\$ (63,087)</b>

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**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 2013:

<b>Summary of External Services Revenues and Expenses, by Program</b>	<b>Cafeteria</b>	<b>2013</b>	<b>2012</b>
<b>Revenue:</b>			
Fees and Other Revenue	\$ 164,099	\$ 164,099	\$ 152,103
<b>Total Revenue</b>	<b>164,099</b>	<b>164,099</b>	<b>152,103</b>
<b>Expenses:</b>			
Salaries and Benefits	75,322	75,322	75,648
Supplies and Services	83,308	83,308	75,932
Non-Capital Equipment	2,978	2,978	5,191
Travel	1,650	1,650	1,650
<b>Total Expenses</b>	<b>163,258</b>	<b>163,258</b>	<b>158,421</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 841</b>	<b>\$ 841</b>	<b>\$ (6,318)</b>

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.

Accumulated surplus is comprised of the following two amounts:

- i) Accumulated surplus from operations, which represents the accumulated balance of net surplus arising from the operations of the school division and school generated funds as detailed in the table below; and
- ii) Accumulated remeasurement gains and losses, which represents the unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value.

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, 2013**

**13. Accumulated Surplus (con't)**

Details of accumulated surplus are as follows:

	August 31, 2012	Additions during the year	Reductions during the year	August 31, 2013
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 36,240,164	\$ 13,573,219	\$ (1,341,019)	\$ 48,472,364
	<b>\$ 36,240,164</b>	<b>\$ 13,573,219</b>	<b>(1,341,019)</b>	<b>48,472,364</b>
<b>S. 286 pre April 2009 capital reserves (1)</b>	<b>\$ 2,316,541</b>	<b>\$ -</b>	<b>-</b>	<b>2,316,541</b>
<b>PMR maintenance project allocations (2)</b>	<b>\$ -</b>	<b>\$ 54,188</b>	<b>(54,188)</b>	<b>-</b>
<b>Internally Restricted Surplus:</b>				
Retirement contingency	42,200	-	-	42,200
Salary contingency	97,710	-	-	97,710
Equipment replacement	22,157	-	-	22,157
Educational programming reserve	500,000	-	-	500,000
School generated funds	80,629	31,331	(49,062)	62,898
School budget carryovers	55,140	-	(15,808)	39,332
Unexpended grants	-	25,000	-	25,000
	<b>797,836</b>	<b>56,331</b>	<b>(64,870)</b>	<b>789,297</b>
<b>School Community Council</b>	<b>77,436</b>	<b>205,855</b>	<b>(237,642)</b>	<b>45,649</b>
	<b>875,272</b>	<b>262,186</b>	<b>(302,512)</b>	<b>834,946</b>
<b>Unrestricted Surplus</b>	<b>5,826,002</b>	<b>-</b>	<b>(106,523)</b>	<b>5,719,479</b>
<b>Total Accumulated Surplus from Operations</b>	<b>\$ 45,257,979</b>	<b>13,889,593</b>	<b>\$ (1,804,242)</b>	<b>\$ 57,343,330</b>

(1) S.286 pre-April 2009 Capital Reserves 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.

(2) PMR Maintenance Project Allocations represent transfers received from the Ministry of Education as funding support for maintenance projects on the School Division's approved 3 year capital maintenance projects. Unspent funds at the end of the fiscal year are designated for future approved capital plan maintenance project expenditures.

**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**13. Accumulated Surplus (con't)**

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

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

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

**14. Budget Figures**

Budget figures included in the financial statements were approved by the Board of Education on June 13, 2012 and the Minister of Education on August 10, 2012.

**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.

**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.

	<b>2013</b>	<b>2012</b>
<b>Revenues:</b>		
Ministry of Education	\$ 8,971,872	\$ 8,080,276
Saskatchewan Government Insurance	81,760	22,189
Workers' Compensation Board	6,456	-
	<b>\$ 9,060,088</b>	<b>\$ 8,102,465</b>



**LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**15. Related Parties (con't)**

**Expenses:**

Workers' Compensation Board	\$ 14,653	\$ 13,967
Saskatchewan Power Corporation	9,737	8,618
Saskatchewan Government Insurance	14,610	15,490
Saskatoon Public School Division	2,000	1,500
Lloydminster Public School Division	2,315	1,800
Regina Public School Division	-	98
Holy Trinity School Division	-	105
Christ the Teacher RCSSD 212	-	480
SaskTel	3,658	4,179
North East School Division No. 200	1,000	-
	<b>\$ 47,973</b>	<b>\$ 46,237</b>

**Accounts Receivable:**

Ministry of Education	\$ 2,380,298	\$ 582,868
	<b>\$ 2,380,298</b>	<b>\$ 582,868</b>

**Prepaid Expenses:**

Saskatchewan Government Insurance	\$ 10,312	\$ 8,002
Lloydminster Public School Division	1,960	-
	<b>\$ 12,272</b>	<b>\$ 8,002</b>

**Accounts Payable and Accrued Liabilities:**

Worker's Compensation Board	\$ 12,217	13,651
Saskatchewan Power Corporation	\$ 233	-
SaskTel	\$ 153	-
	<b>\$ 12,603</b>	<b>\$ 13,651</b>

**Deferred Revenue:**

Saskatchewan Government Insurance	\$ -	34,398
	<b>\$ -</b>	<b>\$ 34,398</b>

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**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	2013 Total	2012 Total
Cash and short term investments	\$ 7,404	\$ 41,305	\$ 2,696	\$ 1,524	\$ 11	\$ 6,000	\$ 58,940	\$ 67,563
Equity/Membership	201	342	-	-	-	-	543	509
<b>Total Assets</b>	<b>\$ 7,605</b>	<b>\$ 41,647</b>	<b>\$ 2,696</b>	<b>\$ 1,524</b>	<b>\$ 11</b>	<b>\$ 6,000</b>	<b>\$ 59,483</b>	<b>\$ 68,072</b>
Revenues								
Donations	-	-	-	-	-	-	-	12,000
Interest on investments	91	522	59	23	16	-	711	811
	91	522	59	23	16	-	711	12,811
Expenses								
Awards to students	-	2,000	1,000	-	300	6,000	9,300	3,700
	-	2,000	1,000	-	300	6,000	9,300	3,700
Excess of Revenue over Expenses	91	(1,478)	(941)	23	(284)	(6,000)	(8,589)	9,111
Trust Fund Balance, Beginning of Year	7,514	43,125	3,637	1,501	295	12,000	68,072	58,961
<b>Trust Fund Balance, End of Year</b>	<b>\$ 7,605</b>	<b>\$ 41,647</b>	<b>\$ 2,696</b>	<b>\$ 1,524</b>	<b>\$ 11</b>	<b>\$ 6,000</b>	<b>\$ 59,483</b>	<b>\$ 68,072</b>

**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 project is substantially complete. The combined value of uncompleted work and construction holdbacks is \$2.9 million.

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 project is substantially complete. The value of uncompleted work is \$20,832.

ii) St. Mary's - Mechanical upgrades

The School Division entered into a contract for mechanical upgrades to the St. Mary's school in the amount of \$556,520 plus applicable taxes. The School Division has incurred \$420,876 of expenditures related to this project as of August 31, 2013.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Accounting Changes**

The School Division adopted the following new/revised Public Sector Accounting (PSA) Standards in 2013:

**PS1201 Financial Statement Presentation:**

The School Division adopted the new PS1201 Financial Statement Presentation standard in 2013. PS1201 establishes general reporting principles and standards for the disclosure of information in financial statements, and introduces a new Statement of Remeasurement Gains and Losses, which reports unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value, and accounts for amounts reclassified to the statement of operations upon derecognition or settlement. This standard is applicable to the fiscal year in which the PS3450 Financial Instruments standard is adopted. These standards are adopted on a prospective basis, without restatement of prior period comparative amounts and accordingly, no 2012 comparatives have been provided.

The adoption of the new PS1201 standard has not impacted the School Division's financial statements as the School Division had no remeasurement gains or losses to report in 2013.

**PS3041 Portfolio Investments:**

The School Division adopted the new PS3041 Portfolio Investments standard in 2013. This new standard establishes standards on how to account for and report portfolio investments, and replaces the previous PS3030 Temporary Investments and PS3040 Portfolio Investments standards and is applicable to the fiscal year in which the PS3450 Financial Instruments standard is adopted. The PS3041 standard refers to PS3450 for recognition and measurement of investments and is adopted on a prospective basis, without, restatement of prior period comparative amounts. Accordingly, the 2012 comparative amounts were not restated and have been presented in these financial statements in accordance with the accounting policies applied by the School Division immediately preceding its adoption of the revised standard.

The adoption of the new PS3041 standard has not resulted in any changes to the measurement and recognition of portfolio investments by the School Division.

**PS3450 Financial Instruments:**

The School Division adopted the new PS3450 Financial Instruments standard in 2013. This new standard provides guidance for the recognition, measurement and disclosure of financial instruments. The new PS3450 Financial Instruments standard is adopted on a prospective basis, without restatement of prior period comparative amounts. In accordance with the transition provisions provided in PS3450:

- a) the recognition, derecognition and measurement policies for financial instruments followed by the School Division in financial statements for periods prior to the 2013 are not reversed and, therefore, the financial statements of prior periods, including 2012 comparative amounts, have not been restated.
- b) at the beginning of the 2012-13 fiscal year, the School Division:
  - i) recognized all financial assets and financial liabilities on its statement of financial position and classified items in accordance with PS3450 standards;
  - ii) applied the criteria in PS3450 in identifying those financial assets and financial liabilities to be measured at fair value; and

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Accounting Changes (con't)**

iii) remeasured assets and liabilities as appropriate, and recognized the adjustment to September 1, 2012 amounts as an adjustment to the accumulated remeasurement gains and losses at the beginning of the 2012-13 fiscal year.

c) no adjustments to carrying values were made to retroactively expense transaction costs applicable to items in the fair value category.

The adoption of the new PS3450 standard has not resulted in any changes to the measurement and recognition of the School Division's financial instruments other than additional disclosures which include the School Division's risk management practices.

**PS3410 Government Transfers:**

The School Division adopted the revised PS3410 Government Transfers standard in 2013. This revised standard establishes standards on how to account for and report government transfers (grants), with the most significant impact to the School Division pertaining to the criteria for recognition of revenue for the government transfers it receives. The revised standard allows for either prospective or retroactive implementation. The School Division has elected to apply the requirements of the revised standard on a prospective basis. Accordingly, the adoption of this revised standard did not have an impact on the School Division's comparative figures but did require additional disclosures in the notes.

Previously, government transfers (grants) that restricted how those revenues were to be used were deferred and recognized in revenue as the related expenses or expenditures were incurred. The adoption of the new PS3410 required that the School Division assess government transfers (grants) received to determine if they meet the requirement for deferral as a liability, in accordance with the new standard. The impact to the School Division resulting from the adoption of the new PS3410 standard is as follows:

Under the previous standard, the School Division recognized revenues based on the "percentage of completion" method on a project by project basis. Funds received in excess of these amounts were reported as deferred revenue. Under the new standard, transfers (grants) were reassessed and there were no instances where the stipulations/restrictions indicated the requirement for deferral, therefore the full amounts were recorded as grant revenues.

Under the previous standard, the School Division recorded revenues related to capital grants for a project substantially completed in 2012. These funds are not yet received and under the new standards revenue recognition criteria are not met. The new standards were applied prospectively and therefore capital grant receivable in the amount of \$189,814 is included in Accounts Receivable as at August 31, 2013.

**19. Risk Management**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013**

**19. Risk Management (con't)**

a) Credit Risk

Credit risk is the risk to the School Division from potential non-payment of accounts receivable. The credit risk related to the School Division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the School Division has adopted credit policies which include the close monitoring of overdue accounts. The School Division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

The aging of accounts receivable at August 31, 2013 and August 31, 2012 was:

	<b>August 31 2013</b>		<b>August 31 2012</b>	
	<b>Accounts Receivable</b>	<b>Allowance for Doubtful Accounts</b>	<b>Accounts Receivable</b>	<b>Allowance for Doubtful Accounts</b>
0-30 days	2,648	-	64,720	-
30-60 days	27,837	-	33,863	-
Over 90 days	1,500	-	1,500	-
<b>Total</b>	<b>\$ 31,985</b>	<b>\$ -</b>	<b>\$ 100,083</b>	<b>\$ -</b>
<b>Net</b>	<b>\$ 31,985</b>		<b>\$ 100,083</b>	

b) Liquidity Risk

Liquidity risk is the risk that the School Division will not be able to meet its financial obligations as they come due. The School Division manages liquidity risk by maintaining adequate cash balances and through its budget practices and monitoring. The following table sets out the contractual maturities of the School Division's financial liabilities:

	<b>August 31, 2013</b>			
	<b>Within 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 5 years</b>	<b>&gt; 5 years</b>
Accounts payable and accrued liabilities	1,974,340	-	-	-
<b>Total</b>	<b>\$ 1,974,340</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Risk Management (con't)**

**c) Market Risk**

The School Division is exposed to market risks with respect to interest rates as follows: Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The School Division's interest rate exposure relates to cash and cash equivalents, portfolio investments and bank indebtedness. The School Division also has an authorized bank line of credit of \$4 million with interest payable monthly at a rate of prime. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on the line of credit as of August 31, 2013.

The School Division minimizes these risks by:

- i) investing in GICs and term deposits for short terms at fixed interest rates, and
- ii) managing cash flows to minimize utilization of its bank line of credit.

**20. Comparative Amounts**

Certain 2012 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.