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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, 2014, 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, 2014, 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 26, 2014

Chartered Accountants

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

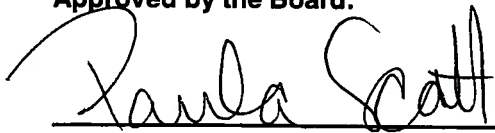
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2014


	2014	2013
Financial Assets		
Cash and Cash Equivalents	2,312,551	4,709,215
Accounts Receivable (Note 8)	4,700,706	6,754,045
Inventories for Sale	15,422	6,738
Portfolio Investments (Note 4)	87,214	76,615
Total Financial Assets	7,115,893	11,546,613
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	770,974	1,974,340
Liability for Employee Future Benefits (Note 6)	179,000	157,300
Deferred Revenue (Note 10)	816,396	712,723
Total Liabilities	1,766,370	2,844,363
Net Financial Assets	5,349,523	8,702,250
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	51,754,898	48,472,364
Prepaid Expenses	145,755	168,716
Total Non-Financial Assets	51,900,653	48,641,080
Accumulated Surplus (Note 13)	57,250,176	57,343,330

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, 2014**

	2014 Budget	2014 Actual	2013 Actual
	(Note 14)		
REVENUES			
Property Taxation	2,898,383	2,961,069	2,842,574
Grants	18,407,852	19,248,276	29,560,583
Tuition and Related Fees	21,408	11,827	21,236
School Generated Funds	572,049	1,031,123	976,619
Complementary Services (Note 11)	390,112	407,818	312,612
External Services (Note 12)	179,000	183,424	164,099
Other	272,780	385,841	289,694
Total Revenues (Schedule A)	22,741,584	24,229,378	34,167,417
EXPENSES			
Governance	196,916	183,603	171,764
Administration	1,242,809	1,248,501	1,136,245
Instruction	16,613,670	16,769,442	15,456,943
Plant	3,312,412	3,303,983	2,748,541
Transportation	931,907	1,080,421	893,645
Tuition and Related Fees	27,000	32,708	23,967
School Generated Funds	532,049	958,803	1,027,070
Complementary Services (Note 11)	583,270	574,640	453,725
External Services (Note 12)	179,000	169,726	163,258
Other Expenses	1,000	705	6,908
Total Expenses (Schedule B)	23,620,033	24,322,532	22,082,066
Surplus (Deficit) for the Year	(878,449)	(93,154)	12,085,351
Accumulated Surplus, Beginning of Year	57,343,330	57,343,330	45,257,979
Accumulated Surplus, End of Year	56,464,881	57,250,176	57,343,330

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, 2014**

	2014 Budget	2014 Actual	2013 Actual
	(Note 14)		
Net Financial Assets, Beginning of Year	8,702,250	8,702,250	8,872,916
Changes During the Year:			
Surplus (Deficit) for the Year	(878,449)	(93,154)	12,085,351
Acquisition of Tangible Capital Assets (Schedule C)	(307,500)	(4,619,737)	(13,573,219)
Amortization of Tangible Capital Assets (Schedule C)	1,390,000	1,337,203	1,341,019
Net Acquisition of Prepaid Expenses	-	22,961	(23,817)
Change in Net Financial Assets	204,051	(3,352,727)	(170,666)
Net Financial Assets, End of Year	8,906,301	5,349,523	8,702,250

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, 2014**

	2014	2013
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year	(93,154)	12,085,351
Add Non-Cash Items Included in Surplus (Deficit) (Schedule D)	1,337,203	1,341,019
Net Change in Non-Cash Operating Activities (Schedule E)	989,623	351,094
Cash Provided by Operating Activities	2,233,672	13,777,464
CAPITAL ACTIVITIES		
Cash (Used) to Acquire Tangible Capital Assets	(4,619,737)	(13,573,219)
Cash (Used) by Capital Activities	(4,619,737)	(13,573,219)
INVESTING ACTIVITIES		
Cash (Used) to Acquire Investments	(10,599)	-
Proceeds on Disposal of Investments	-	209,217
Cash Provided (Used) by Investing Activities	(10,599)	209,217
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,396,664)	413,462
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,709,215	4,295,753
CASH AND CASH EQUIVALENTS, END OF YEAR	2,312,551	4,709,215

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, 2014**

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	2,891,746	2,928,768	2,819,521
Total Property Tax Revenue	2,891,746	2,928,768	2,819,521
Grants in Lieu of Taxes:			
Federal Government	-	20,685	15,411
Provincial Government	-	437	208
Railways	6,637	632	520
Total Grants in Lieu of Taxes	6,637	21,754	16,139
Other Tax Revenues:			
House Trailer Fees	-	5,382	7,478
Total Other Tax Revenues	-	5,382	7,478
Additions to Levy:			
Penalties	-	5,392	17,610
Total Additions to Levy	-	5,392	17,610
Deletions from Levy:			
Discounts	-	-	(15,834)
Cancellations	-	(227)	(2,340)
Total Deletions from Levy	-	(227)	(18,174)
Total Property Taxation Revenue	2,898,383	2,961,069	2,842,574

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	6,352,639	6,545,781	5,618,512
Other Ministry Grants	-	69,450	75,294
Total Ministry Grants	6,352,639	6,615,231	5,693,806
Other Provincial Grants	-	31,693	111,777
Federal Grants	23,000	24,659	21,134
Grants from Others	11,978,025	11,866,977	11,585,330
Total Operating Grants	18,353,664	18,538,560	17,412,047
Capital Grants			
Ministry of Education Capital Grants	54,188	242,640	3,039,681
Other Capital Grants	-	467,076	9,108,855
Total Capital Grants	54,188	709,716	12,148,536
Total Grants	18,407,852	19,248,276	29,560,583
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
Individuals and Other	21,408	11,827	21,236
Total Tuition Fees	21,408	11,827	21,236
Total Operating Tuition and Related Fees	21,408	11,827	21,236
Total Tuition and Related Fees Revenue	21,408	11,827	21,236

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
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School Generated Funds Revenue			
Curricular Fees:			
Student Fees	150,149	144,932	113,553
Total Curricular Fees	150,149	144,932	113,553
Non-Curricular Fees:			
Commercial Sales - Non-GST	65,250	70,238	59,339
Fundraising	208,400	569,977	558,786
Grants and Partnerships	55,000	62,500	-
Student Fees	93,250	183,476	244,941
Total Non-Curricular Fees	421,900	886,191	863,066
Total School Generated Funds Revenue	572,049	1,031,123	976,619
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Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Operating Grant	127,062	127,062	126,608
Other Ministry Grants	-	8,000	8,000
Other Provincial Grants	-	27,514	8,635
Federal Grants	19,500	-	-
Other Grants	3,000	26,820	10,769
Total Operating Grants	149,562	189,396	154,012
Fees and Other Revenue			
Tuition and Related Fees	226,000	192,360	131,062
Other Revenue	14,550	26,062	27,538
Total Fees and Other Revenue	240,550	218,422	158,600
Total Complementary Services Revenue	390,112	407,818	312,612
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LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE A: SUPPLEMENTARY DETAILS OF REVENUE
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
External Services			
Fees and Other Revenue			
Other Revenue	179,000	183,424	164,099
Total Fees and Other Revenue	179,000	183,424	164,099
Total External Services Revenue	179,000	183,424	164,099
Other Revenue			
Miscellaneous Revenue	140,780	228,549	187,645
Sales & Rentals	85,000	111,230	9,739
Investments	47,000	46,062	92,310
Total Other Revenue	272,780	385,841	289,694
TOTAL REVENUE FOR THE YEAR	22,741,584	24,229,378	34,167,417

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	74,740	69,326	70,378
Professional Development - Board Members	-	1,894	4,727
Elections	6,000	5,579	10,191
Other Governance Expenses	116,176	106,804	86,468
Total Governance Expense	196,916	183,603	171,764
Administration Expense			
Salaries	914,122	961,197	882,455
Benefits	81,215	82,191	68,235
Supplies & Services	108,320	96,820	87,060
Non-Capital Furniture & Equipment	16,300	4,787	9,252
Building Operating Expenses	4,500	4,820	4,281
Communications	57,382	54,703	63,341
Travel	53,970	39,226	14,099
Professional Development	7,000	4,757	7,522
Total Administration Expense	1,242,809	1,248,501	1,136,245
Instruction Expense			
Instructional (Teacher Contract) Salaries	10,937,006	11,198,278	10,164,381
Instructional (Teacher Contract) Benefits	500,485	602,734	551,286
Program Support (Non-Teacher Contract) Salaries	2,798,280	2,852,046	2,721,949
Program Support (Non-Teacher Contract) Benefits	564,021	552,225	507,608
Instructional Aids	639,185	297,305	280,484
Supplies & Services	183,447	203,531	160,227
Non-Capital Furniture & Equipment	-	83,025	70,023
Communications	98,256	98,895	88,382
Travel	56,130	64,128	89,211
Professional Development	169,532	138,773	104,708
Student Related Expense	167,328	223,444	242,447
Amortization of Tangible Capital Assets	500,000	455,058	476,237
Total Instruction Expense	16,613,670	16,769,442	15,456,943

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	1,024,405	999,927	858,731
Benefits	175,407	163,751	137,099
Supplies & Services	-	922	-
Non-Capital Furniture & Equipment	25,500	22,538	2,939
Building Operating Expenses	1,301,000	1,330,653	985,381
Communications	18,600	24,620	15,892
Travel	16,500	20,267	16,203
Professional Development	1,000	667	887
Amortization of Tangible Capital Assets	750,000	740,638	731,409
Total Plant Operation & Maintenance Expense	3,312,412	3,303,983	2,748,541
Student Transportation Expense			
Salaries	416,287	477,416	409,560
Benefits	89,610	82,172	68,986
Supplies & Services	128,600	162,902	116,334
Non-Capital Furniture & Equipment	100,600	132,593	75,949
Building Operating Expenses	23,000	21,683	27,372
Communications	2,560	1,678	2,247
Travel	2,250	1,815	2,145
Professional Development	3,000	6,751	3,571
Contracted Transportation	26,000	51,905	54,108
Amortization of Tangible Capital Assets	140,000	141,506	133,373
Total Student Transportation Expense	931,907	1,080,421	893,645
Tuition and Related Fees Expense			
Tuition Fees	27,000	32,708	23,967
Total Tuition and Related Fees Expense	27,000	32,708	23,967
School Generated Funds Expense			
Supplies & Services	66,249	50,304	333,238
Cost of Sales	179,750	226,533	110,325
School Fund Expenses	286,050	681,966	583,507
Total School Generated Funds Expense	532,049	958,803	1,027,070

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE B: SUPPLEMENTARY DETAILS OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Budget	2014 Actual	2013 Actual
Complementary Services Expense			
Administration Salaries & Benefits	-	45,131	90,824
Instructional (Teacher Contract)			
Salaries & Benefits	163,840	172,977	114,933
Program Support (Non-Teacher Contract)			
Salaries & Benefits	349,407	290,147	181,432
Instructional Aids	16,500	-	-
Supplies & Services	4,000	731	4,152
Travel	-	3,309	2,400
Professional Development (Non-Salary Costs)	2,500	540	1,427
Student Related Expenses	47,023	61,805	58,557
Total Complementary Services Expense	583,270	574,640	453,725
External Service Expense			
Program Support (Non-Teacher Contract)			
Salaries & Benefits	87,747	68,371	75,322
Supplies & Services	82,603	90,851	83,308
Non-Capital Furniture & Equipment	7,000	8,854	2,978
Travel	1,650	1,650	1,650
Total External Service Expense	179,000	169,726	163,258
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	1,000	705	4,943
Interest on Debentures			
Other	-	-	1,965
Total Interest and Bank Charges	1,000	705	6,908
Total Other Expense	1,000	705	6,908
TOTAL EXPENSES FOR THE YEAR	23,620,033	24,322,532	22,082,066

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE C: SUPPLEMENTARY DETAILS OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED AUGUST 31, 2014**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Assets Under Construction	2014	2013
Tangible Capital Assets - at Cost:											
Opening Balance as of September 1	3,213,056	1,757,166	26,399,936	1,999,493	1,580,640	170,647	1,183,638	1,930,036	24,170,855	62,405,467	49,233,541
Additions/Purchases	-	2,683	5,250	-	192,045	-	112,967	208,393	4,098,399	4,619,737	13,573,219
Disposals	-	-	-	-	-	-	(178,299)	(435,497)	-	(613,796)	-
Write-Downs	-	-	-	-	-	-	-	-	-	-	(401,293)
Transfers to (from)	-	40	663,187	-	-	-	89,988	-	(753,215)	-	-
Closing Balance as of August 31	3,213,056	1,759,889	27,068,373	1,999,493	1,772,685	170,647	1,208,294	1,702,932	27,516,039	66,411,408	62,405,467
Tangible Capital Assets - Amortization:											
Opening Balance as of September 1	-	719,930	10,107,329	401,887	734,077	98,732	569,535	1,301,613	-	13,933,103	12,993,377
Amortization of the Period	-	87,778	554,741	89,095	138,776	11,755	114,472	340,586	-	1,337,203	1,341,019
Disposals	-	-	-	-	-	-	(178,299)	(435,437)	-	(613,796)	-
Write-Downs	-	-	-	-	-	-	-	-	-	-	(401,293)
Closing Balance as of August 31	-	807,708	10,662,070	490,982	872,853	110,487	505,708	1,206,702	-	14,656,510	13,933,103
Net Book Value:											
Opening Balance as of September 1	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
Closing Balance as of August 31	3,213,056	952,181	16,406,303	1,508,511	899,832	60,160	702,596	496,230	27,516,039	51,754,898	48,472,364
Change in Net Book Value	-	(85,055)	113,696	(89,095)	53,269	(11,755)	88,483	(132,193)	3,345,184	3,282,534	12,232,200

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**SCHEDULE D: NON-CASH ITEMS INCLUDED IN SURPLUS (DEFICIT)
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Actual	2013 Actual
Non-Cash Items Included in Surplus (Deficit):		
Amortization of Tangible Capital Assets (Schedule C)	1,337,203	1,341,019
Total Non-Cash Items Included in Surplus (Deficit)	1,337,203	1,341,019

**SCHEDULE E: NET CHANGE IN NON-CASH OPERATING ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014**

	2014 Actual	2013 Actual
Net Change in Non-Cash Operating Activities:		
Decrease in Accounts Receivable	2,053,339	2,272,962
(Increase) in Inventories for Sale	(8,684)	(6,738)
(Decrease) in Accounts Payable and Accrued Liabilities	(1,203,366)	(738,665)
Increase in Liability for Employee Future Benefits	21,700	15,100
Increase (Decrease) in Deferred Revenue	103,673	(1,167,748)
Increase (Decrease) in Prepaid Expenses	22,961	(23,817)
Total Net Change in Non-Cash Operating Activities	989,623	351,094

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED AUGUST 31, 2014

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 Chartered Professional Accountants of Canada (CPA Canada).

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

Adoption of New Public Sector Accounting (PSA) Standards

In 2014, the School Division adopted the new PSA standard PS3260 Liability for Contaminated Sites.

Detailed information on the impact of the adoption of this new PSA standard 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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

2. Significant Accounting Policies (con't)

Measurement Uncertainty and the Use of Estimates

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 \$179,000 (2013 - \$157,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$2,961,069 (2013 - \$2,842,574) because final tax assessments may differ from initial estimates.
- useful lives of tangible capital assets and related amortization of \$1,337,203 (2013 - \$1,341,019) because the actual useful lives of the capital assets may differ from their estimated economic lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

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.

All 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 and accumulated surplus from operations.

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014

2. Significant Accounting Policies (con't)

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

Inventories for Sale consist of goods which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the historical cost method. Net realizable value is the estimated selling price in the ordinary course of business.

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, 2014

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, land improvements, buildings, buildings short-term, school buses, other vehicles, furniture and equipment, computer hardware, 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 under construction are not amortized until completed and placed into service for use.

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. Prepaid expenses include insurance premiums and membership dues.

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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 pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-Government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered, revenue from contractual services is recognized as the services are delivered, and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

The School Division's employees participate in one of the following multi-employer defined benefit plans:

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP), 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.

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

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

2. Significant Accounting Policies (con't)

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.

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

Bank indebtedness consists of 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, 2014 was \$0 (2013 - \$0).

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

4. Portfolio Investments

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

	Cost	
	2014	2013
Equity common shares of Co-op	\$ 32,009	\$ 27,764
Equity common shares of Synergy CU	55,205	48,851
Total Portfolio Investments	\$ 87,214	\$ 76,615

5. Expenses by Function and Economic Classification

	Salaries & Benefits	Goods & Services	Amortization of TCA	Budget 2014	Actual 2014	Actual 2013
Governance	\$ 1,058	\$ 182,545	\$ -	\$ 196,916	\$ 183,603	\$ 171,764
Administration	1,043,388	205,113	-	1,242,809	1,248,501	1,136,245
Instruction	15,205,284	1,109,100	455,058	16,613,670	16,769,442	15,456,943
Plant	1,163,677	1,399,667	740,639	3,312,412	3,303,983	2,748,541
Transportation	559,588	379,327	141,506	931,907	1,080,421	893,645
Tuition and Related Fees	-	32,708	-	27,000	32,708	23,967
School Generated Fees	-	958,803	-	532,049	958,803	1,027,070
Complementary Services	513,282	61,358	-	583,270	574,640	453,725
External Services	68,371	101,355	-	179,000	169,726	163,258
Other	-	705	-	1,000	705	6,908
Total	\$ 18,554,648	\$ 4,430,681	\$ 1,337,203	\$ 23,620,033	\$ 24,322,532	\$ 22,082,066

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. Significant assumptions include discount rate, inflation and salary scale. 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:

	2014	2013
Actuarial valuation (or extrapolation) date:	(Aug. 31, 2014)	(Aug. 31, 2013)
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25	3.25
Discount rate (percentage)	2.80	3.50
Inflation rate (percentage)	2.25	2.25
Expected average remaining service life (years)	15	15

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

6. Employee Future Benefits (con't)

Liability for Employee Future Benefits	2014	2013
Accrued Benefit Obligation - beginning of year	\$ 174,100	\$ 178,500
Current period benefit cost	15,200	16,700
Interest cost	6,600	5,100
Benefit payments	(1,600)	(9,300)
Actuarial gains/losses	15,000	(16,900)
Plan amendments	(16,700)	-
Accrued Benefit Obligation - end of year	192,600	174,100
Unamortized Net Actuarial Gains/Losses	(13,600)	(16,800)
Liability for Employee Future Benefits	\$ 179,000	\$ 157,300
Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 15,200	\$ 16,700
Amortization of net actuarial gain/loss	1,500	2,600
Benefit cost	16,700	19,300
Interest cost on unfunded employee future benefits obligation	6,600	5,100
Total Employee Future Benefits Expense	\$ 23,300	\$ 24,400

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

7. Pension Plans (con't)

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

	2014			2013	
	STRP	STSP	ATRF	Total	Total
Number of active School Division members	138	1	21	160	133
Member contribution rate (percentage of salary)					
September 1 - December 31, 2013	7.80%	6.05%	11.44%	6.05-11.44%	6.05%-9.60%
January 1 - August 31, 2014	7.80%	6.05%	11.44%	6.05-11.44%	6.05%-13.72%
Member contributions for the year	\$ 835,507	\$6,333	\$141,737	\$983,577	\$875,839

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:

	<u>2014</u>	<u>2013</u>
Number of active School Division members	145	148
Member contribution rate (percentage of salary)		
September 1 - December 31, 2013	8.15%	7.40%
January 1 - August 31, 2014	8.15%	8.15%
School Division contribution rate (percentage of salary)		
September 1 - December 31, 2013	8.15%	7.40%
January 1 - August 31, 2014	8.15%	8.15%
Member contributions for the year	\$ 372,080	\$ 338,523
School Division contributions for the year	\$ 372,080	\$ 338,523
Actuarial valuation date: December 31	2013	2012 (Restated)
Plan Assets - Province wide (thousands)	1,685,167	1,560,967
Plan Liabilities - Province wide (thousands)	<u>(1,498,853)</u>	<u>(1,420,319)</u>
Plan Surplus (thousands)	<u>\$ 186,314</u>	<u>\$ 140,648</u>

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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:

	2014	2013
	Total	Total
	Receivable	Receivable
Taxes Receivable	\$ 115,744	\$ 115,638
Provincial Grants Receivable	4,171,975	6,065,655
Other Receivables	412,987	572,752
Total Accounts Receivable	\$ 4,700,706	\$ 6,754,045

9. Accounts Payable and Accrued Liabilities

Details of accounts payable and accrued liabilities are as follows:

	2014	2013
Accrued Salaries and Benefits	\$ 196,018	\$ 6,004
Supplier Payments	564,433	1,959,633
Staff funds	10,523	8,703
Total Accounts Payable and Accrued Liabilities	\$ 770,974	\$ 1,974,340

10. Deferred Revenue

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2013	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2014
Other deferred revenue:				
Unearned fees for service	\$ 23,481	\$ 36,971	\$ 16,814	\$ 43,638
Unearned donation revenue	100,000	12,000	-	112,000
Unearned taxation revenue	589,242	3,032,586	2,961,070	660,758
Total Deferred Revenue	\$ 712,723	\$ 3,081,557	\$ 2,977,884	\$ 816,396

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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 2014 and 2013:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community and Inter-Agency Liaison	Other Programs	2014	2013
Revenue:					
Operating Grants	\$ 127,062	\$ -	\$ 62,334	\$ 189,396	\$ 154,012
Fees and Other Revenue	-	-	218,422	218,422	158,600
Total Revenue	127,062	-	280,756	407,818	312,612
Expenses:					
Salaries and Benefits	254,611	45,131	208,513	508,255	387,192
Supplies and Services	-	-	-	-	20,750
Travel	-	3,309	-	3,309	2,400
Professional Development (Non-Salary Costs)	-	540	-	540	1,427
Student Related Expenses	11,473	-	51,063	62,536	41,956
Total Expenses	266,084	48,980	259,576	574,640	453,725
Excess (Deficiency) of Revenue over Expenses	\$ (139,022)	\$ (48,980)	\$ 21,180	\$ (166,822)	\$ (141,113)

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. After-school 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, 2014**

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 2014 and 2013:

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

	Cafeteria	2014	2013
Revenue:			
Fees and Other Revenue	\$ 183,424	\$ 183,424	\$ 164,099
Total Revenue	183,424	183,424	164,099
Expenses:			
Salaries and Benefits	68,371	68,371	75,322
Supplies and Services	90,851	90,851	83,308
Non-Capital Equipment	8,854	8,854	2,978
Travel	1,650	1,650	1,650
Total Expenses	169,726	169,726	163,258
Excess of Revenue over Expenses	\$ 13,698	\$ 13,698	\$ 841

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 from operations 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, 2014**

13. Accumulated Surplus (con't)

Details of accumulated surplus are as follows:

	August 31, 2013	Additions during the year	Reductions during the year	August 31, 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets \$	48,472,364	\$ 4,619,737	\$ (1,337,203)	\$ 51,754,898
	48,472,364	4,619,737	(1,337,203)	51,754,898
S. 286 pre April 2009 capital reserves (1)	2,316,541	-	(85,482)	2,231,059
PMR maintenance project allocations (2)	-	89,934	(89,934)	-
Internally Restricted Surplus:				
Retirement contingency	42,200	-	-	42,200
Salary contingency	97,710	111,808	-	209,518
Equipment replacement	22,157	-	-	22,157
Educational programming reserve	500,000	-	-	500,000
Administrative Building reserve	-	73,580	-	73,580
School generated funds	62,898	33,870	-	96,768
School budget carryovers	39,332	48,707	(39,331)	48,708
Unexpended grants	25,000	10,055	(25,000)	10,055
	789,297	278,020	(64,331)	1,002,986
School Community Council	45,649	224,801	(183,221)	87,229
	834,946	502,821	(247,552)	1,090,215
Unrestricted Surplus	5,719,479	-	(3,545,475)	2,174,004
Total Accumulated Surplus from Operations	\$ 57,343,330	5,212,492	\$ (5,305,646)	\$ 57,250,176

(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, 2014**

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.

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

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 26, 2013 and the Minister of Education on August 23, 2013.

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.

	2014	2013
Revenues:		
Ministry of Education	\$ 6,992,933	\$ 9,047,166
Saskatchewan Government Insurance	52,525	81,760
Workers' Compensation Board	2,923	6,456
	\$ 7,048,381	\$ 9,135,382

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

	2014	2013
15. Related Parties (con't)		
Expenses:		
Workers' Compensation Board	\$ 14,148	\$ 14,653
Saskatchewan Power Corporation	13,423	9,737
Saskatchewan Government Insurance	13,160	14,610
Saskatoon Public School Division	-	2,000
Lloydminster Public School Division	1,200	2,315
Living Sky School Division No. 202	800	-
Prarie South School Division No. 210	525	-
SaskTel	5,330	3,658
North East School Division No. 200	500	1,000
	\$ 49,086	\$ 47,973
Accounts Receivable:		
SGI	\$ 51,855	\$ -
Ministry of Education	64,546	2,380,298
	\$ 116,401	\$ 2,380,298
Prepaid Expenses:		
Saskatchewan Government Insurance	\$ 15,521	\$ 10,312
Lloydminster Public School Division	-	1,960
	\$ 15,521	\$ 12,272
Accounts Payable and Accrued Liabilities:		
Worker's Compensation Board	\$ 10,461	\$ 12,217
Saskatchewan Power Corporation	-	233
SaskTel	-	153
	\$ 10,461	\$ 12,603

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.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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	2014 Total	2013 Total
Cash and short term investments	\$ 7,489	\$ 40,210	\$ 1,696	\$ 1,351	\$ -	\$ 6,000	\$ 56,746	\$ 58,940
Equity/Membership	204	49	83	-	-	-	336	543
Total Assets	\$ 7,693	\$ 40,259	\$ 1,779	\$ 1,351	\$ -	\$ 6,000	\$ 57,082	\$ 59,483
Revenues								
Interest on investments	\$ 88	\$ 612	\$ 83	\$ 27	\$ -	\$ -	\$ 810	\$ 711
	88	612	83	27	-	-	810	711
Expenses								
Awards to students	-	2,000	1,000	200	-	-	3,200	9,300
Account Closures	-	-	-	-	11	-	11	-
	-	2,000	1,000	200	11	-	3,211	9,300
Excess (Deficiency) of Revenue over Expenses	88	(1,388)	(917)	(173)	(11)	-	(2,401)	(8,589)
Trust Fund Balance, Beginning of Year	7,605	41,647	2,696	1,524	11	6,000	59,483	68,072
Trust Fund Balance, End of Year	\$ 7,693	\$ 40,259	\$ 1,779	\$ 1,351	\$ -	\$ 6,000	\$ 57,082	\$ 59,483

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 \$145,889.

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 \$22,447.

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

18. Accounting Changes

The School Division adopted the following new Public Sector Accounting (PSA) Standards in 2014:

PS 3260 Liability for Contaminated Sites:

On September 1, 2013, the school division adopted the new PS3260 Liability for Contaminated Sites standard. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division:
 - directly responsible; or
 - accepts responsibility
- the school division expects that future economic benefits will be given up; and a reasonable estimate of the amount can be made.

The adoption of the new PS3260 standard has not resulted in any changes to the measurement and recognition of liabilities in the School Division's 2014 financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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).

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 other accounts receivable at August 31, 2014 and August 31, 2013 was:

	August 31 2014	August 31 2013
	Accounts Receivable	Accounts Receivable
Current	\$ -	\$ -
0-30 days	91,377	2,648
30-60 days	63,228	27,837
60-90 days	-	-
Over 90 days	258,382	542,267
Total	\$ 412,987	\$ 572,752

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:

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	594,620	176,354	-	-
Total	\$ 594,620	\$ 176,354	\$ -	\$ -

LLOYDMINSTER ROMAN CATHOLIC SEPARATE SCHOOL DIVISION NO. 89

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2014**

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. The School Division also has an authorized bank line of credit of \$4,000,000 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, 2014.

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 2013 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.