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## Auditor's Report and Financial Statement

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Of the Lloydminster Public School Division No. 99  
School Division No. 6050000

For the Period Ending: August 31, 2013

Collin Adams, BComm, CGA  
Chief Financial Officer

Wilkinson Livingston Stevens LLP, Chartered Accountants  
Auditor

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

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**LLOYDMINSTER PUBLIC SCHOOL DIVISION NO. 99**

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**FOR THE YEAR ENDED AUGUST 31, 2013**

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## Management's Responsibility for the Financial Statements

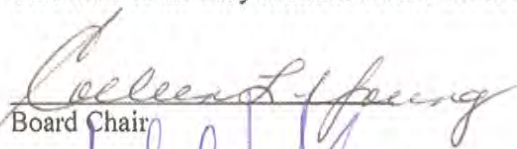
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily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

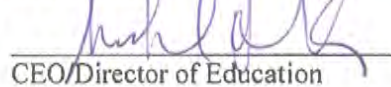
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible 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 Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

On behalf of the Lloydminster Public School Division No. 99:



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 Public School Division No. 99  
Lloydminster, Saskatchewan

We have audited the accompanying financial statements of the Lloydminster Public School Division No. 99, 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 Public School Division No. 99 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 Public School Division No. 99**  
**Statement of Financial Position**  
**as at August 31, 2013**

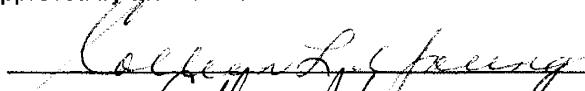

	2013	2012
<b>Financial Assets</b>		
Cash and Cash Equivalents	21,025,739	5,801,785
Accounts Receivable (Note 8)	9,306,177	1,313,477
Portfolio Investments (Note 4)	136,477	6,222,349
<b>Total Financial Assets</b>	<b>30,468,393</b>	<b>13,337,611</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	4,901,222	3,114,057
Long Term Debt (Note 10)	2,470,554	-
Liability for Employee Future Benefits (Note 6)	453,300	425,900
Deferred Revenue (Note 11)	2,268,476	1,668,665
<b>Total Liabilities</b>	<b>10,093,552</b>	<b>5,208,622</b>
<b>Net Financial Assets</b>	<b>20,374,841</b>	<b>8,128,989</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	50,114,903	38,440,765
Inventory of Supplies for Consumption	203,177	309,940
Prepaid Expenses	327,976	282,168
<b>Total Non-Financial Assets</b>	<b>50,646,056</b>	<b>39,032,873</b>
<b>Accumulated Surplus (Note 14)</b>	<b>71,020,897</b>	<b>47,161,862</b>
<b>Accumulated Surplus is comprised of:</b>		
Accumulated surplus from operations	71,020,897	47,161,862
Accumulated remeasurement gains and losses	-	-
<b>Total Accumulated Surplus (Note 14)</b>	<b>71,020,897</b>	<b>47,161,862</b>

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

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

**Approved by the Board:**

Chairperson

Chief Financial Officer

**Lloydminster Public School Division No. 99**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
	(Note 15)		
<b>REVENUES</b>			
Property Taxation	9,770,444	10,372,460	9,708,636
Grants	38,331,806	51,897,773	29,686,526
Tuition and Related Fees	9,843	33,605	9,509
School Generated Funds	1,150,000	1,165,265	1,257,188
Complementary Services (Note 12)	192,435	192,432	138,120
External Services (Note 13)	90,000	171,508	91,860
Other	425,700	570,947	478,914
<b>Total Revenues (Schedule A)</b>	<b>49,970,228</b>	<b>64,403,990</b>	<b>41,370,753</b>
<b>EXPENSES</b>			
Governance	204,000	260,202	228,476
Administration	938,603	1,101,653	896,549
Instruction	32,250,871	32,445,174	30,714,232
Plant	4,045,349	4,157,138	4,697,548
Transportation	949,172	1,030,871	954,284
Tuition and Related Fees	42,680	37,521	29,931
School Generated Funds	1,150,000	1,008,877	1,304,885
Complementary Services (Note 12)	397,107	379,487	335,487
External Services (Note 13)	73,100	73,815	72,688
Other Expenses	14,750	50,217	16,621
<b>Total Expenses (Schedule B)</b>	<b>40,065,632</b>	<b>40,544,955</b>	<b>39,250,701</b>
<b>Operating Surplus for the Year</b>	<b>9,904,596</b>	<b>23,859,035</b>	<b>2,120,052</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>47,161,862</b>	<b>47,161,862</b>	<b>45,041,810</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>57,066,458</b>	<b>71,020,897</b>	<b>47,161,862</b>

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

**Lloydminster Public School Division No. 99**  
**Statement of Changes in Net Financial Assets**  
**for the year ended August 31, 2013**

	2013 Budget (Note 15)	2013 Actual	2012 Actual
<b>Net Financial Assets, Beginning of Year</b>	<b>8,128,989</b>	<b>8,128,989</b>	<b>7,758,819</b>
<b>Changes During the Year:</b>			
Operating Surplus for the Year	9,904,596	23,859,035	2,120,052
Acquisition of Tangible Capital Assets (Schedule C)	13,690,513	(13,681,914)	(3,650,689)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	1,800	120,200
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	(1,800)	2,920
Amortization of Tangible Capital Assets (Schedule C)	1,992,430	2,007,776	1,824,227
Net Acquisition of Inventory of Supplies	-	106,763	5,331
Net Change in Other Non-Financial Assets	-	(45,808)	(51,871)
	<b>25,587,539</b>	<b>12,245,852</b>	<b>370,170</b>
Net Remeasurement Gains	-	-	-
<b>Change in Net Financial Assets</b>	<b>25,587,539</b>	<b>12,245,852</b>	<b>370,170</b>
<b>Net Financial Assets, End of Year</b>	<b>33,716,528</b>	<b>20,374,841</b>	<b>8,128,989</b>

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

**Lloydminster Public School Division No. 99**  
**Statement of Cash Flows**  
**for the year ended August 31, 2013**

	2013	2012
<b>OPERATING ACTIVITIES</b>		
Operating Surplus for the Year	23,859,035	2,120,052
Add Non-Cash Items Included in Surplus (Schedule D)	2,005,976	1,827,147
Net Change in Non-Cash Operating Activities (Schedule E)	(5,517,369)	956,337
<b>Cash Provided by Operating Activities</b>	<b>20,347,642</b>	<b>4,903,536</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(13,681,914)	(3,650,689)
Proceeds on Disposal of Tangible Capital Assets	1,800	120,200
<b>Cash Used by Capital Activities</b>	<b>(13,680,114)</b>	<b>(3,530,489)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(7,856)	(134,050)
Proceeds on Disposal of Portfolio Investments	6,093,728	32,805
<b>Cash Provided by Investing Activities</b>	<b>6,085,872</b>	<b>(101,245)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long Term Debt	2,521,316	-
Repayment of Long Term Debt	(50,762)	-
<b>Cash Provided by Financing Activities</b>	<b>2,470,554</b>	<b>-</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>15,223,954</b>	<b>1,271,802</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,801,785</b>	<b>4,529,983</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>21,025,739</b>	<b>5,801,785</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	21,025,739	5,801,785
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>21,025,739</b>	<b>5,801,785</b>

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

**Lloydminster Public School Division No. 99**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>Property Taxation Revenue</b>			
Tax Levy Revenue:			
Property Tax Levy Revenue	9,675,944	10,278,450	9,769,589
<b>Total Property Tax Revenue</b>	<b>9,675,944</b>	<b>10,278,450</b>	<b>9,769,589</b>
Grants in Lieu of Taxes:			
Federal Government	3,500	3,475	2,712
Provincial Government	60,000	59,116	45,431
Other	20,000	20,273	30,005
<b>Total Grants in Lieu of Taxes</b>	<b>83,500</b>	<b>82,864</b>	<b>78,148</b>
Other Tax Revenues:			
House Trailer Fees	24,000	23,814	21,154
<b>Total Other Tax Revenues</b>	<b>24,000</b>	<b>23,814</b>	<b>21,154</b>
Additions to Levy:			
Penalties	66,000	66,206	60,647
<b>Total Additions to Levy</b>	<b>66,000</b>	<b>66,206</b>	<b>60,647</b>
Deletions from Levy:			
Discounts	(62,000)	(61,966)	(216,683)
Cancellations	(13,000)	(13,120)	(3,522)
Other Deletions	(4,000)	(3,788)	(697)
<b>Total Deletions from Levy</b>	<b>(79,000)</b>	<b>(78,874)</b>	<b>(220,902)</b>
<b>Total Property Taxation Revenue</b>	<b>9,770,444</b>	<b>10,372,460</b>	<b>9,708,636</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
K-12 Operating Grant	10,011,636	10,077,133	10,815,225
Other Ministry Grants	-	199,893	184,393
<b>Total Ministry Grants</b>	<b>10,011,636</b>	<b>10,277,026</b>	<b>10,999,618</b>
Other Provincial Grants	262,500	281,771	86,100
Grants from Others	17,176,624	16,800,809	16,231,664
<b>Total Operating Grants</b>	<b>27,450,760</b>	<b>27,359,606</b>	<b>27,317,382</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	3,047,708	7,395,834	780,288
Other Capital Grants	7,833,338	17,142,333	1,588,856
<b>Total Capital Grants</b>	<b>10,881,046</b>	<b>24,538,167</b>	<b>2,369,144</b>
<b>Total Grants</b>	<b>38,331,806</b>	<b>51,897,773</b>	<b>29,686,526</b>

**Lloydminster Public School Division No. 99**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
<b>Tuition Fees:</b>			
Federal Government and First Nations	-	29,652	-
Individuals and Other	9,843	3,953	9,509
<b>Total Tuition Fees</b>	<b>9,843</b>	<b>33,605</b>	<b>9,509</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>9,843</b>	<b>33,605</b>	<b>9,509</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular Fees:</b>			
Student Fees	185,000	183,091	336,613
<b>Total Curricular Fees</b>	<b>185,000</b>	<b>183,091</b>	<b>336,613</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - Non-GST	270,000	268,818	246,554
Fundraising	80,000	99,528	125,567
Grants and Partnerships	-	-	606
Students Fees	200,000	201,854	212,454
Other	415,000	411,974	335,394
<b>Total Non-Curricular Fees</b>	<b>965,000</b>	<b>982,174</b>	<b>920,575</b>
<b>Total School Generated Funds Revenue</b>	<b>1,150,000</b>	<b>1,165,265</b>	<b>1,257,188</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	192,435	192,432	138,120
<b>Total Operating Grants</b>	<b>192,435</b>	<b>192,432</b>	<b>138,120</b>
<b>Total Complementary Services Revenue</b>	<b>192,435</b>	<b>192,432</b>	<b>138,120</b>

**Lloydminster Public School Division No. 99**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>External Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education Grants-Other	74,000	150,150	73,588
<b>Total Operating Grants</b>	<b>74,000</b>	<b>150,150</b>	<b>73,588</b>
<b>Fees and Other Revenue</b>			
Other Revenue	16,000	21,358	18,272
<b>Total Fees and Other Revenue</b>	<b>16,000</b>	<b>21,358</b>	<b>18,272</b>
<b>Total External Services Revenue</b>	<b>90,000</b>	<b>171,508</b>	<b>91,860</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	242,500	300,425	265,298
Sales & Rentals	28,100	30,040	23,685
Investments	153,100	238,682	189,931
Gain on Disposal of Capital Assets	2,000	1,800	-
<b>Total Other Revenue</b>	<b>425,700</b>	<b>570,947</b>	<b>478,914</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>49,970,228</b>	<b>64,403,990</b>	<b>41,370,753</b>

**Lloydminster Public School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>Governance Expense</b>			
Board Members Expense	47,000	59,806	63,044
Professional Development- Board Members	15,000	25,712	18,328
Advisory Committees	2,500	1,114	248
Elections	7,500	9,868	-
Other Governance Expenses	132,000	163,702	146,856
<b>Total Governance Expense</b>	<b>204,000</b>	<b>260,202</b>	<b>228,476</b>
<b>Administration Expense</b>			
Salaries	492,773	488,758	436,636
Benefits	76,111	73,433	62,203
Supplies & Services	93,200	171,535	92,694
Non-Capital Furniture & Equipment	65,000	64,693	62,581
Building Operating Expenses	48,250	48,829	51,822
Communications	34,500	48,437	61,741
Travel	5,000	8,706	2,047
Professional Development	10,000	7,238	10,858
Amortization of Tangible Capital Assets	113,769	190,024	115,967
<b>Total Administration Expense</b>	<b>938,603</b>	<b>1,101,653</b>	<b>896,549</b>
<b>Instruction Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries	21,113,126	21,531,537	20,525,538
Instructional (Teacher & LEADS Contract) Benefits	1,101,426	1,156,110	1,179,737
Program Support (Non-Teacher Contract) Salaries	4,758,242	4,739,600	4,337,955
Program Support (Non-Teacher Contract) Benefits	746,528	664,569	620,592
Instructional Aids	992,575	848,109	768,462
Supplies & Services	807,710	862,146	723,145
Non-Capital Furniture & Equipment	190,200	210,734	273,430
Communications	277,253	263,503	307,051
Travel	33,500	46,163	36,680
Professional Development	436,678	374,856	359,000
Student Related Expense	95,850	105,473	92,692
Amortization of Tangible Capital Assets	1,697,783	1,642,374	1,489,950
<b>Total Instruction Expense</b>	<b>32,250,871</b>	<b>32,445,174</b>	<b>30,714,232</b>

**Lloydminster Public School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	1,898,449	1,849,698	1,760,287
Benefits	307,333	274,885	252,213
Supplies & Services	1,500	3,799	1,449
Non-Capital Furniture & Equipment	14,000	17,345	12,410
Building Operating Expenses	1,707,620	1,877,607	2,532,081
Communications	10,000	20,493	6,862
Travel	41,000	40,993	51,167
Professional Development	13,000	16,247	11,211
Amortization of Tangible Capital Assets	52,447	56,071	69,868
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>4,045,349</b>	<b>4,157,138</b>	<b>4,697,548</b>
<b>Student Transportation Expense</b>			
Salaries	457,997	478,886	444,135
Benefits	73,794	73,672	67,772
Supplies & Services	124,750	134,968	132,193
Non-Capital Furniture & Equipment	81,500	101,447	87,435
Communications	1,000	1,131	948
Travel	2,000	3,574	2,322
Professional Development	4,000	5,747	7,797
Contracted Transportation	75,700	112,139	63,240
Amortization of Tangible Capital Assets	128,431	119,307	148,442
<b>Total Student Transportation Expense</b>	<b>949,172</b>	<b>1,030,871</b>	<b>954,284</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	42,680	37,521	29,931
<b>Total Tuition and Related Fees Expense</b>	<b>42,680</b>	<b>37,521</b>	<b>29,931</b>
<b>School Generated Funds Expense</b>			
Cost of Sales	37,305	248,414	245,894
School Fund Expenses	1,112,695	760,463	1,058,991
<b>Total School Generated Funds Expense</b>	<b>1,150,000</b>	<b>1,008,877</b>	<b>1,304,885</b>

**Lloydminster Public School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2013**

	2013 Budget	2013 Actual	2012 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	151,886	154,873	123,538
Program Support (Non-Teacher Contract) Salaries & Benefits	197,581	166,496	165,171
Supplies & Services	4,500	1,120	1,579
Travel	950	440	197
Professional Development (Non-Salary Costs)	2,850	1,315	(343)
Student Related Expenses	39,340	55,243	45,345
<b>Total Complementary Services Expense</b>	<b>397,107</b>	<b>379,487</b>	<b>335,487</b>
<b>External Service Expense</b>			
Other Fees	73,100	73,815	72,688
<b>Total External Services Expense</b>	<b>73,100</b>	<b>73,815</b>	<b>72,688</b>
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	14,750	14,592	13,701
School Facilities	-	60,625	-
Total Interest and Bank Charges	<b>14,750</b>	<b>75,217</b>	<b>13,701</b>
Loss on Disposal of Tangible Capital Assets	-	-	2,920
Provision for Uncollectable Taxes	-	(25,000)	-
<b>Total Other Expense</b>	<b>14,750</b>	<b>50,217</b>	<b>16,621</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>40,065,632</b>	<b>40,544,955</b>	<b>39,250,701</b>

**Lloydminster Public School Division No. 99**  
**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	Computer Software	Work-in- Progress	2013	2012
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	577,580	857,707	44,487,506	2,593,912	1,721,657	374,230	2,579,215	1,934,882	76,760	2,477,873	57,681,322	54,775,241
Additions/Purchases	-	-	-	14,381	73,670	45,998	336,539	1,035,378	190,985	11,984,963	13,681,914	3,650,689
Disposals	-	-	-	-	(78,378)	(26,497)	(288,944)	(181,429)	-	-	(575,248)	(744,608)
Closing Balance as of August 31	577,580	857,707	44,487,506	2,608,293	1,716,949	393,731	2,626,810	2,788,831	267,745	14,462,836	70,787,988	57,681,322
<b>Tangible Capital Assets - Amortization:</b>												
Opening Balance as of September 1	-	511,031	14,158,305	759,964	1,033,687	258,743	1,425,943	1,042,790	50,094	-	19,240,557	18,037,818
Amortization of the Period	-	42,885	842,759	118,300	116,127	29,370	251,757	557,766	48,812	-	2,007,776	1,824,227
Disposals	-	-	-	-	(78,378)	(26,497)	(288,944)	(181,429)	-	-	(575,248)	(621,488)
Closing Balance as of August 31	N/A	553,916	15,001,064	878,264	1,071,436	261,616	1,388,756	1,419,127	98,906	N/A	20,673,085	19,240,557
<b>Net Book Value:</b>												
Opening Balance as of September 1	577,580	346,676	30,329,201	1,833,948	687,970	115,487	1,153,272	892,092	26,666	2,477,873	38,440,765	36,737,423
Closing Balance as of August 31	577,580	303,791	29,486,442	1,730,029	645,513	132,115	1,238,054	1,369,704	168,839	14,462,836	50,114,903	38,440,765
Change in Net Book Value	-	(42,885)	(842,759)	(103,919)	(42,457)	16,628	84,782	477,612	142,173	11,984,963	11,674,138	1,703,342
<b>Disposals:</b>												
Historical Cost	-	-	-	-	78,378	26,497	288,944	181,429	-	-	575,248	744,608
Accumulated Amortization	-	-	-	-	78,378	26,497	288,944	181,429	-	-	575,248	621,488
Net Cost	-	-	-	-	-	-	-	-	-	-	-	123,120
Price of Sale	-	-	-	-	300	1,500	-	-	-	-	1,800	120,200
Gain/loss on Disposal	-	-	-	-	300	1,500	-	-	-	-	1,800	(2,920)

**Lloydminster Public School Division No. 99**  
**Schedule D: Non-Cash Items Included in Surplus**  
**for the year ended August 31, 2013**

	2013	2012
<b>Non-Cash Items Included in Surplus:</b>		
Amortization of Tangible Capital Assets (Schedule C)	2,007,776	1,824,227
Net (Gain) Loss on Disposal of Tangible Capital Assets	(1,800)	2,920
<b>Total Non-Cash Items Included in Surplus</b>	<b>2,005,976</b>	<b>1,827,147</b>

**Lloydminster Public School Division No. 99**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2013**

	2013	2012
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	(7,992,700)	377,442
Increase (Decrease) In Accounts Payable and Accrued Liabilities	1,787,165	1,046,656
Increase (Decrease) in Liability for Employee Future Benefits	27,400	124,100
Increase (Decrease) in Deferred Revenue	599,811	(545,321)
Decrease (Increase) in Inventory of Supplies for Consumption	106,763	5,331
Decrease (Increase) in Prepaid Expenses	(45,808)	(51,871)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(5,517,369)</b>	<b>956,337</b>

**LLOYDMINSTER PUBLIC SCHOOL DIVISION NO. 99**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at 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 Public School Division No. 99" and operates as "the Lloydminster Public School Division No. 99". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Governments of Saskatchewan and Alberta and a levy on the property assessment included in the school division's boundaries at mill rates determined by the provincial government. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

Significant aspects of the accounting policies adopted by the school division are as follows:

**a) 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 20 Accounting Changes.

**b) Reporting Entity**

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

**c) Trust Funds**

Trust funds are properties assigned to the school division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As trustee, the school division merely administers the terms and conditions embodied in the agreements 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. Note 17 includes details of the trust funds managed by the school division.

**d) 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.

**e) 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 \$453,300 (2012 - \$425,900 ) because actual experience may differ significantly from actuarial estimations,
- property taxation revenue of \$10,372,460 (2012 - \$9,708,636 ) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$50,000 (2012 - \$75,000 ) because actual collectability may differ from initial estimates,
- useful lives of capital assets and related amortization for buildings, vehicles and equipment because these assets may become obsolete prior to the end of their estimated useful lives,
- prior years tangible capital asset historical costs and related amortization for buildings, vehicles and equipment because these assets may become obsolete prior to the end of their estimated useful 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 a material change in the amounts recognized or disclosed.

**f) 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, accounts payable and accrued liabilities and long term debt.

Financial instruments of the school division are measured at cost. Transaction costs are a component of cost for financial instruments measured using cost. 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 are recognized in the statement of operations in the period the gain or loss occurs.

#### g) **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 years' tax collections and information provided by municipalities regarding collectability of outstanding balances.

Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

Other receivables are recorded at cost less valuation allowances. These allowances are recorded where collectability is considered doubtful.

**Portfolio Investments** consist of equity common shares in various bank accounts, which are carried at cost. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (f).

#### h) **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	75 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

Assets 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.

**Inventory of Supplies for Consumption** consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

**Prepaid Expenses** are prepaid amounts for goods or services such as insurance premiums, Saskatchewan School Boards Association membership fees, other membership fees, software licenses, Workers' Compensation premiums, vehicle licensing and copier leases which will provide economic benefits in one or more future periods.

#### i) **Liabilities**

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

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

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

**Liability for Employee Future Benefits** represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated 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 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 and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

**j) 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), the Saskatchewan Teachers' Superannuation Plan (STSP), or the Alberta Teachers' Retirement Fund (ATRF). 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) Three 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.

**Defined Contribution Plans**

The school division's support staff, excluding three support staff who participate in MEPP above participate in a defined contribution pension plan. The school division's contributions to the plan are expensed when due.

**k) 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.

Restricted revenues are amounts received pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. Restricted

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

The school division's sources of revenues 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. Tax revenues are recognized on the basis of time with 1/12<sup>th</sup> 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 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.

**(l) 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 the 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 \$7,000,000 that bears interest at bank prime rate less 0.5% per annum. This line of credit is authorized by a borrowing resolution by the Board of Education and is secured by an overdraft protection agreement and borrowing resolution. This line of credit was approved by the Minister of Education on January 22, 2013. The balance drawn on the line of credit at August 31, 2013 was \$0 (August 31, 2012 - \$0).

**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2013	2012
<b>Portfolio investments in the cost and amortized cost category:</b>	<b>Cost</b>	<b>Cost</b>
Term deposit @ 2.35%; matured 06/03/2013	\$ -	\$ 6,000,000
Term deposit @ 1.30%; matured 11/25/2013	-	93,728
Equity common shares at Servus Credit Union & Co-op	136,477	128,621
<b>Total portfolio investments</b>	<b>\$ 136,477</b>	<b>\$ 6,222,349</b>

## 5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2013 Budget	2013 Actual	2012 Actual
Governance	\$ 55,763	\$ 204,439	\$ -	\$ -	\$ 204,000	\$ 260,202	\$ 228,476
Administration	\$ 562,191	\$ 349,438	\$ -	\$ 190,024	\$ 938,603	\$ 1,101,653	\$ 896,549
Instruction	\$ 28,091,816	\$ 2,710,984	\$ -	\$ 1,642,374	\$ 32,250,871	\$ 32,445,174	\$ 30,714,232
Plant	\$ 2,124,583	\$ 1,976,484	\$ -	\$ 56,071	\$ 4,045,349	\$ 4,157,138	\$ 4,697,548
Transportation	\$ 552,558	\$ 359,006	\$ -	\$ 119,307	\$ 949,172	\$ 1,030,871	\$ 954,284
Tuition and Related Fees	\$ -	\$ 37,521	\$ -	\$ -	\$ 42,680	\$ 37,521	\$ 29,931
School Generated Funds	\$ 42,622	\$ 966,255	\$ -	\$ -	\$ 1,150,000	\$ 1,008,877	\$ 1,304,885
Complementary Services	\$ 321,369	\$ 58,118	\$ -	\$ -	\$ 397,107	\$ 379,487	\$ 335,467
External Services	\$ -	\$ 73,815	\$ -	\$ -	\$ 73,100	\$ 73,815	\$ 72,688
Other	\$ -	\$ (25,000)	\$ 75,217	\$ -	\$ 14,750	\$ 50,217	\$ 16,621
<b>TOTAL</b>	<b>\$ 31,750,902</b>	<b>\$ 6,711,060</b>	<b>\$ 75,217</b>	<b>\$ 2,007,776</b>	<b>\$ 40,065,632</b>	<b>\$ 40,544,955</b>	<b>\$ 39,250,701</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, severance benefits, retirement gratuity and vacation banks. 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:

	2013	2012
Actuarial valuation date	August 31, 2013	August 31, 2012
Long-term assumptions used:		
Salary escalation rate - teachers	1.00%	3.25%
Salary escalation rate - non teachers	1.00%	3.25%
Discount rate	3.50%	2.70%
Inflation rate	2.25%	2.25%
Expected average remaining service life (years)	16	16

Liability for Employee Future Benefits	2013	2012
Accrued Benefit Obligation - beginning of year	\$ 425,900	\$ 314,800
Current period benefit cost	42,500	29,700
Interest cost	12,300	11,300
Benefit payments	(27,400)	(25,300)
Actuarial (gains) / losses	(37,600)	(31,800)
Plan amendments	-	127,200
Accrued Benefit Obligation - end of year	415,700	425,900
Unamortized Net Actuarial Gains / (Losses)	37,600	
Liability for Employee Future Benefits	\$ 453,300	\$ 425,900

Employee Future Benefits Expense	2013	2012
Current period benefit cost	\$ 42,500	\$ 29,700
Amortization of net actuarial (gain) / loss	-	1,200
Plan amendments	-	107,200
Benefit cost	42,500	138,100
Interest cost on unfunded employee future benefits obligation	12,300	11,300
Total Employee Future Benefits Expense	\$ 54,800	\$ 149,400

## 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 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, with 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:

	2013				2012
	STRP	STSP	ATRF	TOTAL	TOTAL
Number of active School Division members	216	5	52	273	285
Member contribution rate (up to CPP amount)	7.80%	6.05%	9.60%		
Member contribution rate (above CPP amount)	10.00%	7.85%	13.72%		
Member contributions for the year	\$ 1,378,494	\$ 30,627	\$ 405,351	\$ 1,814,472	\$ 1,737,793

- 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:

	2013	2012
Number of active School Division members	3	2
Member contribution rate (percentage of salary)	8.15%	7.40%
School Division contribution rate (percentage of salary)	8.15%	7.40%
Member contributions for the year	\$ 20,794	\$ 18,499
School Division contributions for the year	\$ 20,794	\$ 18,499
Actuarial valuation date: December 31	2012	2011
Plan Assets (in thousands)	\$ 1,578,536	\$ 1,395,109
Plan Liabilities (in thousands)	\$ (1,420,319)	\$ (1,627,865)
Plan Surplus (Deficit) (in thousands)	\$ 158,217	\$ (232,756)

### Defined Contribution Plans

The Manulife Pension Plan is funded by the school division making required payments to match the contributions made by employees for current services. Pension benefits are based on accumulated contributions and investment earnings. Under the defined contribution plan, the school division's obligations are limited to its contributions.

Details of the Manulife Pension Plan are as follows:

	2013	2012
Number of active School Division members	203	207
Member contribution rate (percentage of salary)	6.00%	6.00%
School Division contribution rate (percentage of salary)	6.00%	6.00%
Member contributions for the year	\$ 377,264	\$ 357,819
School Division contributions for the year	\$ 355,243	\$ 347,383

## 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	\$ 539,780	\$ 50,000	\$ 489,780	\$ 723,591	\$ 75,000	\$ 648,591
Provincial Grants Receivable	8,074,941	-	8,074,941	586,269	-	586,269
Other Receivables	741,456	-	741,456	78,617	-	78,617
<b>Total Accounts Receivable</b>	<b>\$ 9,356,177</b>	<b>\$ 50,000</b>	<b>\$ 9,306,177</b>	<b>\$ 1,388,477</b>	<b>\$ 75,000</b>	<b>\$ 1,313,477</b>

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	\$ 2,728	\$ 67,455
Supplier Payments	4,898,494	3,046,602
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 4,901,222</b>	<b>\$ 3,114,057</b>

## 10. LONG-TERM DEBT

Details of long-term-term debt are as follows:

	2013	2012
Capital Loans:		
(1) Monthly payments of principal and interest combined of \$15,004.61, interest rate of 4.20%; due on the 28th day of each month through to January 2033 (BMO - College Park School Construction)	\$ 2,388,207	\$ -
(2) Monthly payments of principal and interest combined of \$1,588.62, interest rate of 3.30%; due on the last day of each month through to April 2018 (BMO - Replacement of Bishop Lloyd School Boiler)	82,347	-
	<b>2,470,554</b>	<b>-</b>
<b>Total Long Term Debt</b>	<b>\$ 2,470,554</b>	<b>\$ -</b>

Principal repayments over the next 5 years are estimated as follows:			
	Capital Loans	Total	
2014	\$ 98,460	\$ 98,460	
2015	101,961	101,961	
2016	106,167	106,167	
2017	110,547	110,547	
2018	108,730	108,730	
Thereafter	1,944,689	1,944,689	
<b>Total</b>	<b>\$ 2,470,554</b>	<b>\$ 2,470,554</b>	

Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2013	2012
Principal	\$ 50,762	\$ 50,762	\$ -
Interest	60,625	60,625	-
<b>Total</b>	<b>\$ 111,387</b>	<b>\$ 111,387</b>	<b>\$ -</b>

## 11. 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 - College Park donations	\$ -	\$ 147,752	\$ -	\$ 147,752
<b>Total capital projects deferred revenue</b>	<b>-</b>	<b>147,752</b>	<b>-</b>	<b>147,752</b>
<b>Other deferred revenue:</b>				
Ministry of Education - Kids First grant	74,765	-	74,765	-
Property Taxes	1,563,100	2,055,344	1,563,100	2,055,344
Tuition Fees	-	9,884	-	9,884
Other	30,800	55,496	30,800	55,496
<b>Total other deferred revenue</b>	<b>1,668,665</b>	<b>2,120,724</b>	<b>1,668,665</b>	<b>2,120,724</b>
<b>Total Deferred Revenue</b>	<b>\$ 1,668,665</b>	<b>\$ 2,268,476</b>	<b>\$ 1,668,665</b>	<b>\$ 2,268,476</b>

## 12. COMPLEMENTARY SERVICES

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the school division's ability to successfully deliver its K-12 curriculum/learning programs.

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2013 and 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2013	2012
<b>Revenue:</b>				
Operating Grants	\$ 192,432	\$ -	\$ 192,432	\$ 138,120
<b>Total Revenue</b>	<b>192,432</b>	<b>-</b>	<b>192,432</b>	<b>138,120</b>
<b>Expenses:</b>				
Salaries & Benefits	199,386	121,983	321,369	288,709
Supplies and Services	-	1,120	1,120	1,579
Travel	-	440	440	197
Professional Development (Non-Salary Costs)	-	1,315	1,315	1,292
Student Related Expenses	4,218	51,025	55,243	43,710
<b>Total Expenses</b>	<b>203,604</b>	<b>175,883</b>	<b>379,487</b>	<b>335,487</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ (11,172)</b>	<b>\$ (175,883)</b>	<b>\$ (187,055)</b>	<b>\$ (197,367)</b>

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

- i) Pre-Kindergarten is a comprehensive initiative targeting children who may benefit from additional supports such as speech language and social development programming and is limited to children who are three and four years of age.
- ii) Other programs represent Community Schools and Breakfast Programs, where the diverse learning needs of children and youth are met by incorporating a comprehensive range of effective educational practices. One of these practices includes providing nutritional meal options to students.

### 13. EXTERNAL SERVICES

External services represent those services and programs that are outside of the school division's learning/learning support and complementary programs. These services have no direct link to the delivery of the school division's K-12 programs nor do they directly enhance the school division's ability to deliver its K-12 programs.

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2013 and 2012:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2013	2012
<b>Revenue:</b>				
Operating Grants	\$ -	\$ 150,150	\$ 150,150	\$ 73,588
Fees and Other Revenue	21,358	-	21,358	18,272
<b>Total Revenue</b>	<b>21,358</b>	<b>150,150</b>	<b>171,508</b>	<b>91,860</b>
<b>Expenses:</b>				
Tuition Fees	-	73,815	73,815	72,688
<b>Total Expenses</b>	<b>-</b>	<b>73,815</b>	<b>73,815</b>	<b>72,688</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 21,358</b>	<b>\$ 76,335</b>	<b>\$ 97,693</b>	<b>\$ 19,172</b>

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

- i) The Cafeteria provides food services for students over the noon hour, as well as for special events that are occurring within the school division throughout the year.
- ii) Other programs represent the Kids First program which helps vulnerable families to become the best parents they can by enhancing knowledge, providing support and building on family strengths.

### 14. ACCUMULATED SURPLUS

Accumulated Surplus represents the financial assets and non-financial assets of the school division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the school division including school generated funds.

Accumulated surplus is comprised of 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.

Certain amounts of the accumulated surplus from operations, as approved by the board of education, have been designated for specific future purposes such as school generated funds, incomplete budgets, community track and technology evergreening. 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.

Details of accumulated surplus from operations 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	\$ 38,440,765	\$ 13,681,914	\$ (2,007,776)	\$ 50,114,903
Less: Debt owing on Tangible Capital Assets	-	2,521,316	(50,762)	\$ 2,470,554
	<b>38,440,765</b>	<b>11,160,598</b>	<b>(1,957,014)</b>	<b>47,644,349</b>
<b>S.286 pre-April 2009 capital reserves (1)</b>	<b>1,584,620</b>	<b>-</b>	<b>(1,584,620)</b>	<b>-</b>
<b>PMR maintenance project allocations (2)</b>	<b>-</b>	<b>108,982</b>	<b>-</b>	<b>108,982</b>
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
Designated for tangible capital asset expenditures	-	17,128,362	-	17,128,362
Recognized Rental Revenue	1,008	-	(1,008)	-
Board Rental	7,500	-	(7,500)	-
Future Capital	-	80,000	-	80,000
	<b>8,508</b>	<b>17,208,362</b>	<b>(8,508)</b>	<b>17,208,362</b>
<b>Other:</b>				
School generated funds	232,872	389,260	(232,872)	389,260
Revolving Fund	500,000	-	-	500,000
School budget carryovers	184,697	64,815	(184,697)	64,815
Incomplete Budgets	391,442	85,982	(391,442)	85,982
Municipal School	101,996	-	-	101,996
Parkland Proceeds	97,394	1,350	-	98,744
Community Track	48,601	-	(48,601)	-
Technology Evergreening	932,425	335,625	(942,019)	326,031
Bus Purchase	-	95,000	-	95,000
Maintenance Vehicle Purchase	-	20,000	-	20,000
Kids First Program	-	75,385	-	75,385
Other	836	-	-	836
	<b>2,490,263</b>	<b>1,067,417</b>	<b>(1,799,631)</b>	<b>1,758,049</b>
<b>Unrestricted Surplus</b>	<b>4,637,706</b>	<b>23,642,575</b>	<b>(23,979,126)</b>	<b>4,301,155</b>
<b>Total Accumulated Surplus from Operations</b>	<b>\$ 47,161,862</b>	<b>\$ 53,187,934</b>	<b>\$ (29,328,899)</b>	<b>\$ 71,020,897</b>

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

During the 2013 year, these funds were used to support the construction of the new K – 9 College Park School.

- (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 plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

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

- i) The Designated for tangible capital asset reserve is monies received through government grants, loans, and internal resources set aside to be used for the construction of the new K – 9 College Park School.

- ii) The Recognized rental revenue and Board rental funds are monies that are to be used for future capital expenditures. During the 2013 year these funds were used to support the construction of the new K – 9 College Park School.
- iii) The Future capital fund will be used to fund capital projects in future fiscal years.
- iv) School generated funds are accumulated surpluses from the various extracurricular activities that are to support future operating costs of these activities
- v) The revolving fund is accessible by schools for larger projects that cannot be supported through school budgets. These monies must be repaid back to the school division over a predetermined period.
- vi) School budget carryovers are unspent school budgets from the current year that are to be spent in the upcoming fiscal year.
- vii) Incomplete budgets are unspent funds on various projects that are to be completed in the upcoming fiscal year.
- viii) The municipal school fund is proceeds from the sale of land from a previous school site that is to be used for facility enhancements.
- ix) The Parkland proceeds fund is to be used to purchase specialized equipment to support the program for intensive needs children.
- x) The Community track fund is to be used to enhance the track and field area at the Lloydminster Comprehensive High School.
- xi) The technology evergreening fund will be used to refresh computers and other technology over a predetermined period of time.
- xii) The Bus purchase fund is to be used for the purchase of school busses in the future.
- xiii) The Maintenance vehicle purchases fund is to be used for the purchase of maintenance vehicles in the future.
- xiv) The Kids First program represents a transfer received from the Ministry of Education as funding to support the Kids First program in the upcoming fiscal year.

## 15. 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.

## 16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, 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.

	2013	2012
<b>Revenues:</b>		
Lloydminster RCSSD #89	\$ 3,940	\$ 1,800
Ministry of Education	18,016,855	11,992,853
Prairie North Health Region	290	600
SaskTel	-	250
Saskatchewan WCB	140	-
SGI	281,771	86,100
University of Saskatchewan	2,436	-
	<b>\$ 18,305,432</b>	<b>\$ 12,081,603</b>
<b>Expenses:</b>		
Chinook School Division #221	\$ 1,563	\$ -
Good Spirit School Division #204	5,631	9,225
Holy Trinity RCSSD #22	-	105
Lloydminster RCSSD #89	100	702
Minister of Finance	49,860	1,124
Ministry of Education	50	-
Prairie North Health Region	100	2,578
Prairie South School Division #210	1,000	1,050
Regina RCCSD#81	9,000	-
Regina School Division #4	9,230	7,155
Saskatchewan MEPP	41,588	36,998
Saskatchewan TSC - Group Life Insurance	48,898	45,879
Saskatchewan Teachers' Superannuation Plan	30,627	34,745
Saskatchewan Rivers School Division #119	350	-
Saskatchewan WCB	48,390	46,067
Saskatoon School Division #13	908	-
SaskPower	13,768	29,779
SaskTel	12,025	18,144
SGI - Auto Fund Division	18,972	7,700
St. Paul's RCSSD #20	1,805	530
Sun West School Division #207	7,000	1,500
University of Regina	-	3,675
University of Saskatchewan	825	622
Western Development Museum	-	459
	<b>\$ 301,690</b>	<b>\$ 248,037</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 4,432,447	\$ 193,468
	<b>\$ 4,432,447</b>	<b>\$ 193,468</b>
<b>Prepaid Expenses:</b>		
Saskatchewan WCB	\$ 24,197	\$ 23,034
SGI - Auto Fund Division	10,632	8,651
	<b>\$ 34,829</b>	<b>\$ 31,685</b>
<b>Deferred Revenue:</b>		
Ministry of Education	\$ -	\$ 74,765
Prairie North Health Region	-	400
	<b>\$ -</b>	<b>\$ 75,165</b>
<b>Accounts Payable</b>		
SGI	\$ 19,092	\$ -
	<b>\$ 19,092</b>	<b>\$ -</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.

A portion of the revenue from the Ministry of Education includes funding allocated to principal and interest repayments on some school board loans.

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

## 17. TRUSTS

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

Information about these trusts is as follows:

	2013				Total 2013	Total 2012
	Craig	Hawkins	Jones	Other		
Cash and short-term investments	\$ 452	\$ -	\$ -	\$ 15,094	\$ 15,546	\$ 180,291
Portfolio investments	80,971	55,565	49,263	258,974	444,773	284,344
<b>Total Assets</b>	<b>\$ 81,423</b>	<b>\$ 55,565</b>	<b>\$ 49,263</b>	<b>\$ 274,068</b>	<b>\$ 460,319</b>	<b>\$ 464,635</b>
Revenues						
Contributions and donations	\$ -	\$ -	\$ -	\$ 11,250	\$ 11,250	\$ 43,850
Interest on investments	469	656	508	10,861	12,494	11,733
	469	656	508	22,111	23,744	55,583
Expenses						
Awards to Students	4,000	1,500	2,000	20,560	28,060	28,660
	4,000	1,500	2,000	20,560	28,060	28,660
Excess of Revenue over Expenses	(3,531)	(844)	(1,492)	1,551	(4,316)	26,923
Trust Fund Balance, Beginning of Year	84,954	56,409	50,755	272,517	464,635	437,712
<b>Trust Fund Balance, End of Year</b>	<b>\$ 81,423</b>	<b>\$ 55,565</b>	<b>\$ 49,263</b>	<b>\$ 274,068</b>	<b>\$ 460,319</b>	<b>\$ 464,635</b>

## 18. CONTINGENT LIABILITIES

### Litigation:

The school division has been named as a defendant in certain legal actions in which damages have been sought. The estimated amount claimed is \$78,280. The outcome of these actions is not determinable as at the date of reporting, and accordingly no provision has been made in these financial statements for any liability that may result. The school division's share of settlement, if any, will be charged to expenses in the year in which the related litigation is settled.

## 19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the school division are as follows:

- construction contract for College Park School in the amount of \$17,128,362 over 1 year,

- contract for the replacement of the boiler at Bishop Lloyd Middle School in the amount of \$344,889 over the next 3 months,
- Operating lease obligations, as follows:

	Operating Leases	
	Copier Leases	Total Operating
Future minimum lease payments:		
2014	\$ 103,803	\$ 103,803
2015	51,182	51,182
2016	51,182	51,182
	\$ 206,167	\$ 206,167
Interest and executory costs	-	-
Total Lease Obligations	\$ 206,167	\$ 206,167

## 20. 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. This standard is applicable to the fiscal year in which the new PS3450 Financial Instruments standard is adopted. These standards are adopted on a prospective basis, without restatement of prior period comparative amounts.

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; therefore as noted in 2(l), the school division has not prepared this statement.

### **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; and
  - (ii) applied the criteria in PS3450 in identifying those financial assets and financial liabilities to be measured at fair value.

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 resources 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:

In prior years, under the former standard, the division recognized revenue to match the "percentage completed" of a project, with funds received in excess of this amount being reported as deferred revenue. Under the new standard, transfers (grants) were reassessed, and in no instances were the stipulations and/or restrictions on the transfer (grants) strong enough to indicate a liability that required a deferral, requiring the division to record the full amount of the grant as revenue. This new standard has primarily impacted two transfers (grants) from government. Below is a comparison of how the transfers would be treated under the two standards.

**Kids First Funding**

- Pre-2013 - \$75,385 would be recorded as a deferred revenue liability until the following fiscal year to match to the corresponding expenses relating to the expenditures.
- Post-2013 - \$75,385 was recognized as revenue in the period it was authorized and the eligibility criteria were met, and recorded as Accumulated Surplus.

**Capital Grants**

- Pre-2013 – The revenue would have been recorded on the percentage of completion basis. Given that the related project is now 50% complete, \$12,105,642 would have been recorded as revenue, and \$12,105,642 would have been recorded as a deferred revenue liability.
- Post-2013 - \$24,211,283 was recognized as revenue in the period the transfer was authorized and the eligibility criteria were met and recorded in Accumulated Surplus

**21. COMPARATIVE INFORMATION**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**22. 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).

**i) Credit Risk**

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

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

	August 31, 2013		August 31, 2012	
	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts
Current	\$ 8,353,278	\$ -	\$ 664,886	\$ -
0-30 days	-	-	-	-
30-60 days	-	-	-	-
60-90 days	-	-	-	-
Over 90 days	463,119	-	-	-
Total	\$ 8,816,397	\$ -	\$ 664,886	\$ -
Net		\$ 8,816,397		\$ 664,886

## ii) Liquidity Risk

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

	August 31, 2013			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	3,817,473	1,083,749	-	-
Long term debt	99,559	99,559	790,121	2,595,798
Total	\$ 3,917,032	\$ 1,183,308	\$ 790,121	\$ 2,595,798

## iii) Market Risk

The school division is exposed to market risks with respect to interest rates as follows:

### Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents, portfolio investments and bank indebtedness. The school division also has an authorized bank line of credit of \$7,000,000 with interest payable monthly at a rate of prime less 0.5%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2013.

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency,
- investing in GICs and term deposits for short terms at fixed interest rates,
- managing cash flows to minimize utilization of its bank line of credit,
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt.