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## Audited Financial Statements

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Of the Lloydminster School Division No. 99

School Division No. 6050000

For the Period Ending: August 31, 2015

Matthew Read, CPA, CMA  
Chief Financial Officer

Wilkinson Livingston Stevens LLP  
Auditor

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

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**LLOYDMINSTER SCHOOL DIVISION NO. 99**  
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**FOR THE YEAR ENDED AUGUST 31, 2015**

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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 School Division No. 99:



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Board Chair



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CEO/Director of Education



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Chief Financial Officer

November 18, 2015



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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, 2015, 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, 2015, 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 18, 2015

Chartered Accountants

**Lloydminster School Division No. 99**  
**Statement of Financial Position**  
as at August 31, 2015

	2015	2014
<b>Financial Assets</b>		
Cash and Cash Equivalents	6,438,866	10,462,101
Accounts Receivable (Note 8)	8,367,210	9,315,258
Portfolio Investments (Note 4)	152,800	241,144
<b>Total Financial Assets</b>	<b>14,958,876</b>	<b>20,018,503</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	2,348,561	6,856,412
Long-Term Debt (Note 10)	2,270,634	2,372,613
Liability for Employee Future Benefits (Note 6)	377,100	343,000
Deferred Revenue (Note 11)	2,786,607	2,329,023
<b>Total Liabilities</b>	<b>7,782,902</b>	<b>11,901,048</b>
<b>Net Financial Assets</b>	<b>7,175,974</b>	<b>8,117,455</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	50,270,773	54,637,136
Inventory of Supplies for Consumption	216,511	200,581
Prepaid Expenses	249,720	328,620
<b>Total Non-Financial Assets</b>	<b>50,737,004</b>	<b>55,166,337</b>
<b>Accumulated Surplus (Note 14)</b>	<b>57,912,978</b>	<b>63,283,792</b>

Contractual Obligations and Commitments (Note 18)

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

**Approved by the Board:**



Chairperson



Chief Financial Officer

**Lloydminster School Division No. 99**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2015**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
	(Note 15)		
<b>REVENUES</b>			
Property Taxation	11,130,995	11,647,997	10,937,720
Grants	28,617,377	28,454,922	28,096,844
Tuition and Related Fees	30,873	51,455	50,436
School Generated Funds	1,000,000	1,023,162	1,198,547
Complementary Services (Note 12)	193,692	193,692	193,116
External Services (Note 13)	271,135	204,450	229,799
Other	396,950	610,606	749,562
<b>Total Revenues (Schedule A)</b>	<b>41,641,022</b>	<b>42,186,284</b>	<b>41,456,024</b>
<b>EXPENSES</b>			
Governance	258,100	198,998	229,826
Administration	2,144,242	2,312,690	2,200,648
Instruction	33,283,472	36,941,157	39,564,358
Plant	4,776,845	5,349,873	4,150,943
Transportation	1,049,582	1,084,467	1,105,399
Tuition and Related Fees	-	1,258	-
School Generated Funds	1,000,000	1,002,811	1,229,806
Complementary Services (Note 12)	357,705	369,664	394,305
External Services (Note 13)	250,175	208,929	218,171
Other Expenses	90,158	87,251	99,673
<b>Total Expenses (Schedule B)</b>	<b>43,210,279</b>	<b>47,557,098</b>	<b>49,193,129</b>
<b>Operating Deficit for the Year</b>	<b>(1,569,257)</b>	<b>(5,370,814)</b>	<b>(7,737,105)</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>63,283,792</b>	<b>63,283,792</b>	<b>71,020,897</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>61,714,535</b>	<b>57,912,978</b>	<b>63,283,792</b>

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

**Lloydminster School Division No. 99**  
**Statement of Changes in Net Financial Assets**  
**for the year ended August 31, 2015**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
	(Note 15)		
<b>Net Financial Assets, Beginning of Year</b>	<b>8,117,455</b>	<b>8,117,455</b>	<b>20,374,841</b>
<b>Changes During the Year:</b>			
Operating Deficit for the Year	(1,569,257)	(5,370,814)	(7,737,105)
Acquisition of Tangible Capital Assets (Schedule C)	(3,968,267)	(2,414,628)	(13,504,311)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	-	1,750
Net Loss on Disposal of Capital Assets (Schedule C)	-	-	7,725
Amortization of Tangible Capital Assets (Schedule C)	2,418,600	6,780,991	8,972,603
Net Acquisition of Inventory of Supplies	-	(15,930)	2,596
Net Change in Other Non-Financial Assets	-	78,900	(644)
<b>Change in Net Financial Assets</b>	<b>(3,118,924)</b>	<b>(941,481)</b>	<b>(12,257,386)</b>
<b>Net Financial Assets, End of Year</b>	<b>4,998,531</b>	<b>7,175,974</b>	<b>8,117,455</b>

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

**Lloydminster School Division No. 99**  
**Statement of Cash Flows**  
**for the year ended August 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Operating Deficit for the Year	(5,370,814)	(7,737,105)
Add Non-Cash Items Included in Deficit (Schedule D)	6,780,991	8,980,328
Net Change in Non-Cash Operating Activities (Schedule E)	(3,005,149)	1,898,308
<b>Cash Provided (Used) by Operating Activities</b>	<b>(1,594,972)</b>	<b>3,141,531</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(2,414,628)	(13,504,311)
Proceeds on Disposal of Tangible Capital Assets	-	1,750
<b>Cash Used by Capital Activities</b>	<b>(2,414,628)</b>	<b>(13,502,561)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(7,838)	(104,667)
Proceeds on Disposal of Portfolio Investments	96,182	-
<b>Cash Provided (Used) by Investing Activities</b>	<b>88,344</b>	<b>(104,667)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(101,979)	(97,941)
<b>Cash Used by Financing Activities</b>	<b>(101,979)</b>	<b>(97,941)</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,023,235)</b>	<b>(10,563,638)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>10,462,101</b>	<b>21,025,739</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>6,438,866</b>	<b>10,462,101</b>

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



**Lloydminster School Division No. 99**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	10,998,995	11,519,838	10,762,907
<b>Total Property Tax Revenue</b>	<b>10,998,995</b>	<b>11,519,838</b>	<b>10,762,907</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	20,000	18,936	4,909
Provincial Government	45,000	44,118	65,592
Other	1,000	560	33,582
<b>Total Grants in Lieu of Taxes</b>	<b>66,000</b>	<b>63,614</b>	<b>104,083</b>
<b>Other Tax Revenues:</b>			
House Trailer Fees	25,000	24,332	25,780
<b>Total Other Tax Revenues</b>	<b>25,000</b>	<b>24,332</b>	<b>25,780</b>
<b>Additions to Levy:</b>			
Penalties	70,000	65,134	70,367
<b>Total Additions to Levy</b>	<b>70,000</b>	<b>65,134</b>	<b>70,367</b>
<b>Deletions from Levy:</b>			
Cancellations	(25,000)	(21,511)	(24,360)
Other Deletions	(4,000)	(3,410)	(1,057)
<b>Total Deletions from Levy</b>	<b>(29,000)</b>	<b>(24,921)</b>	<b>(25,417)</b>
<b>Total Property Taxation Revenue</b>	<b>11,130,995</b>	<b>11,647,997</b>	<b>10,937,720</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
Operating Grant	10,940,696	11,367,440	10,910,275
Other Ministry Grants	-	73,923	73,128
<b>Total Ministry Grants</b>	<b>10,940,696</b>	<b>11,441,363</b>	<b>10,983,403</b>
Grants from Others	17,537,562	16,803,405	16,984,102
<b>Total Operating Grants</b>	<b>28,478,258</b>	<b>28,244,768</b>	<b>27,967,505</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	139,119	210,154	139,119
Other Capital Grants	-	-	(9,780)
<b>Total Capital Grants</b>	<b>139,119</b>	<b>210,154</b>	<b>129,339</b>
<b>Total Grants</b>	<b>28,617,377</b>	<b>28,454,922</b>	<b>28,096,844</b>

**Lloydminster School Division No. 99**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
Federal Government and First Nations	20,582	51,455	40,552
Individuals and Other	10,291	-	9,884
<b>Total Tuition and Related Fees Revenue</b>	<b>30,873</b>	<b>51,455</b>	<b>50,436</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular:</b>			
Student Fees	180,000	153,852	282,457
<b>Total Curricular Fees</b>	<b>180,000</b>	<b>153,852</b>	<b>282,457</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - GST	140,000	149,135	154,371
Commercial Sales - Non-GST	-	3,673	11,706
Fundraising	100,000	158,896	101,571
Students Fees	200,000	290,732	277,109
Other	380,000	266,874	371,333
<b>Total Non-Curricular Fees</b>	<b>820,000</b>	<b>869,310</b>	<b>916,090</b>
<b>Total School Generated Funds Revenue</b>	<b>1,000,000</b>	<b>1,023,162</b>	<b>1,198,547</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Operating Grant	193,692	193,692	193,116
<b>Total Operating Grants</b>	<b>193,692</b>	<b>193,692</b>	<b>193,116</b>
<b>Total Complementary Services Revenue</b>	<b>193,692</b>	<b>193,692</b>	<b>193,116</b>

**Lloydminster School Division No. 99**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
<b>External Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Grants:			
Other Ministry Grants	76,135	76,896	90,955
Other Provincial Grants	10,000	2,794	-
<b>Total Operating Grants</b>	<b>86,135</b>	<b>79,690</b>	<b>90,955</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	4,480	-
Other Revenue	185,000	120,280	138,844
<b>Total Fees and Other Revenue</b>	<b>185,000</b>	<b>124,760</b>	<b>138,844</b>
<b>Total External Services Revenue</b>	<b>271,135</b>	<b>204,450</b>	<b>229,799</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	264,500	519,629	536,301
Sales & Rentals	31,000	27,232	27,828
Investments	101,450	63,745	183,683
Gain on Disposal of Capital Assets	-	-	1,750
<b>Total Other Revenue</b>	<b>396,950</b>	<b>610,606</b>	<b>749,562</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>41,641,022</b>	<b>42,186,284</b>	<b>41,456,024</b>

**Lloydminster School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
<b>Governance Expense</b>			
Board Members Expense	58,600	30,637	52,589
Professional Development- Board Members	29,000	11,556	38,811
Advisory Committees	5,000	-	127
Elections	-	7,055	-
Other Governance Expenses	165,500	149,750	138,299
<b>Total Governance Expense</b>	<b>258,100</b>	<b>198,998</b>	<b>229,826</b>
<b>Administration Expense</b>			
Salaries	1,472,294	1,548,287	1,441,517
Benefits	158,998	156,213	118,255
Supplies & Services	108,700	105,951	119,711
Non-Capital Furniture & Equipment	67,000	51,593	68,240
Building Operating Expenses	54,750	41,459	54,639
Communications	59,500	56,365	52,479
Travel	35,000	32,328	39,244
Professional Development	40,000	42,855	40,079
Amortization of Tangible Capital Assets	148,000	277,639	266,484
<b>Total Administration Expense</b>	<b>2,144,242</b>	<b>2,312,690</b>	<b>2,200,648</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	21,368,992	21,368,406	22,143,582
Instructional (Teacher Contract) Benefits	1,204,065	1,207,583	1,191,662
Program Support (Non-Teacher Contract) Salaries	5,258,950	5,174,687	4,620,813
Program Support (Non-Teacher Contract) Benefits	820,125	707,391	656,691
Instructional Aids	844,789	605,376	856,989
Supplies & Services	839,501	807,288	824,283
Non-Capital Furniture & Equipment	186,277	162,808	176,578
Communications	233,750	276,851	235,489
Travel	27,500	21,485	33,836
Professional Development	272,123	173,325	202,068
Student Related Expense	111,600	95,674	98,607
Amortization of Tangible Capital Assets	2,115,800	6,340,283	8,523,760
<b>Total Instruction Expense</b>	<b>33,283,472</b>	<b>36,941,157</b>	<b>39,564,358</b>

**Lloydminster School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2015**

	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	2,057,019	2,088,117	1,924,521
Benefits	321,713	304,801	285,553
Supplies & Services	4,200	2,432	747
Non-Capital Furniture & Equipment	14,800	30,855	11,606
Building Operating Expenses	2,247,113	2,825,474	1,808,959
Communications	12,000	9,613	13,637
Travel	54,500	24,201	36,791
Professional Development	15,000	12,002	12,472
Amortization of Tangible Capital Assets	50,500	52,378	56,657
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>4,776,845</b>	<b>5,349,873</b>	<b>4,150,943</b>
<b>Student Transportation Expense</b>			
Salaries	463,274	513,490	496,303
Benefits	76,783	74,188	73,826
Supplies & Services	148,075	149,165	155,877
Non-Capital Furniture & Equipment	105,000	136,116	111,398
Communications	1,200	563	907
Travel	3,000	2,818	3,886
Professional Development	4,000	8,277	5,701
Contracted Transportation	143,950	89,159	131,799
Amortization of Tangible Capital Assets	104,300	110,691	125,702
<b>Total Student Transportation Expense</b>	<b>1,049,582</b>	<b>1,084,467</b>	<b>1,105,399</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	-	1,258	-
<b>Total Tuition and Related Fees Expense</b>	<b>-</b>	<b>1,258</b>	<b>-</b>
<b>School Generated Funds Expense</b>			
Cost of Sales	75,000	142,210	174,082
School Fund Expenses	925,000	860,601	1,055,724
<b>Total School Generated Funds Expense</b>	<b>1,000,000</b>	<b>1,002,811</b>	<b>1,229,806</b>

**Lloydminster School Division No. 99**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2015**

	2015 Budget	2015 Actual	2014 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	233,002	243,834	244,046
Program Support (Non-Teacher Contract) Salaries & Benefits	112,153	112,335	139,201
Student Related Expenses	12,550	13,495	11,058
<b>Total Complementary Services Expense</b>	<b>357,705</b>	<b>369,664</b>	<b>394,305</b>
<b>External Service Expense</b>			
Other Fees	75,175	75,175	74,433
Program Support (Non-Teacher Contract) Salaries & Benefits	68,390	56,734	43,542
Supplies & Services	106,610	74,394	100,196
Building Operating Expenses	-	2,626	-
<b>Total External Services Expense</b>	<b>250,175</b>	<b>208,929</b>	<b>218,171</b>
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	18,000	15,112	14,020
Interest on Other Capital Loans and Long-Term Debt			
School Facilities	97,158	97,139	101,178
Total Interest and Bank Charges	<b>115,158</b>	<b>112,251</b>	<b>115,198</b>
Loss on Disposal of Tangible Capital Assets	-	-	9,475
Provision for Uncollectable Taxes	(25,000)	(25,000)	(25,000)
<b>Total Other Expense</b>	<b>90,158</b>	<b>87,251</b>	<b>99,673</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>43,210,279</b>	<b>47,557,098</b>	<b>49,193,129</b>

**Lloydminster School Division No. 99**

**Schedule C - Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2015**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under	2015	2014
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Equipment	Software	Construction		
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	577,580	857,707	45,130,679	2,608,293	1,812,579	393,731	2,547,411	2,872,792	272,355	26,719,033	<b>83,792,160</b>	<b>70,787,988</b>
Additions/Purchases	-	136,769	1,816,285	-	106,954	54,023	85,417	138,364	12,192	64,624	<b>2,414,628</b>	<b>13,504,311</b>
Disposals	-	-	-	-	-	-	(264,160)	(430,452)	-	-	<b>(694,612)</b>	<b>(500,139)</b>
Transfers to (from)	-	-	25,132,446	-	-	-	1,188,653	271,850	-	(26,592,949)	-	-
<b>Closing Balance as of August 31</b>	<b>577,580</b>	<b>994,476</b>	<b>72,079,410</b>	<b>2,608,293</b>	<b>1,919,533</b>	<b>447,754</b>	<b>3,557,321</b>	<b>2,852,554</b>	<b>284,547</b>	<b>190,708</b>	<b>85,512,176</b>	<b>83,792,160</b>
<b>Tangible Capital Assets - Amortization:</b>												
Opening Balance as of September 1	-	596,801	22,808,663	996,564	1,188,587	289,451	1,462,035	1,681,085	131,838	-	<b>29,155,024</b>	<b>20,673,085</b>
Amortization of the Period	-	49,724	5,519,071	118,300	102,139	28,866	342,797	570,511	49,583	-	<b>6,780,991</b>	<b>8,972,603</b>
Disposals	-	-	-	-	-	-	(264,160)	(430,452)	-	-	<b>(694,612)</b>	<b>(490,664)</b>
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>646,525</b>	<b>28,327,734</b>	<b>1,114,864</b>	<b>1,290,726</b>	<b>318,317</b>	<b>1,540,672</b>	<b>1,821,144</b>	<b>181,421</b>	<b>N/A</b>	<b>35,241,403</b>	<b>29,155,024</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	577,580	260,906	22,322,016	1,611,729	623,992	104,280	1,085,376	1,191,707	140,517	26,719,033	<b>54,637,136</b>	<b>50,114,903</b>
Closing Balance as of August 31	577,580	347,951	43,751,676	1,493,429	628,807	129,437	2,016,649	1,031,410	103,126	190,708	<b>50,270,773</b>	<b>54,637,136</b>
<b>Change in Net Book Value</b>	<b>-</b>	<b>87,045</b>	<b>21,429,660</b>	<b>(118,300)</b>	<b>4,815</b>	<b>25,157</b>	<b>931,273</b>	<b>(160,297)</b>	<b>(37,391)</b>	<b>(26,528,325)</b>	<b>(4,366,363)</b>	<b>4,522,233</b>
<b>Disposals:</b>												
Historical Cost	-	-	-	-	-	-	264,160	430,452	-	-	<b>694,612</b>	<b>500,139</b>
Accumulated Amortization	-	-	-	-	-	-	264,160	430,452	-	-	<b>694,612</b>	<b>490,664</b>
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,475</b>
Price of Sale	-	-	-	-	-	-	-	-	-	-	-	<b>1,750</b>
<b>Loss on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,725)</b>

**Lloydminster School Division No. 99**  
**Schedule D: Non-Cash Items Included in Deficit**  
**for the year ended August 31, 2015**

	2015	2014
<b>Non-Cash Items Included in Deficit:</b>		
Amortization of Tangible Capital Assets (Schedule C)	6,780,991	8,972,603
Net Loss on Disposal of Tangible Capital Assets	-	7,725
<b>Total Non-Cash Items Included in Deficit</b>	<b>6,780,991</b>	<b>8,980,328</b>

**Lloydminster School Division No. 99**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2015**

	2015	2014
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease (Increase) in Accounts Receivable	948,048	(9,081)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(4,507,851)	1,955,190
Increase (Decrease) in Liability for Employee Future Benefits	34,100	(110,300)
Increase in Deferred Revenue	457,584	60,547
Decrease (Increase) in Inventory of Supplies for Consumption	(15,930)	2,596
Decrease (Increase) in Prepaid Expenses	78,900	(644)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(3,005,149)</b>	<b>1,898,308</b>



**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 Chartered Professional Accountants of Canada (CPA Canada).

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

**a) Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting.

**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. Trust fund activities administered by the school division are disclosed in Note 17 of the financial statements.

**d) Measurement Uncertainty and the Use of Estimates**

Canadian public sector accounting standards require 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 \$377,100 (2014 - \$343,000) because actual experience may differ significantly from actuarial estimations.

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**NOTES TO THE FINANCIAL STATEMENTS**

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- property taxation revenue of \$11,647,997 (2014 - \$10,937,720) because final tax assessments may differ from initial estimates,
- uncollectible taxes of \$0 (2014 - \$25,000) because actual collectability may differ from initial estimates.
- useful lives of capital assets and related amortization of \$6,780,991 (2014 - \$8,972,603) 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.

**e) 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 the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the 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.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of 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 revenues or expenses. 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.

**f) 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.

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**Accounts Receivable** includes 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 in common shares and deposits 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 (e).

**g) 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 and land improvements, buildings, buildings – short-term, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, and assets under construction.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years

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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 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.

**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 which will provide economic benefits in one or more future periods. Prepaid expenses include such items as insurance premiums, Saskatchewan School Boards Association membership fees, other membership fees, software licenses, Workers' Compensation premiums, vehicle licensing and copier leases.

**h) 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.

**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** represents 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 and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

**i) 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), 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) One employee participates 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 one support staff who participates in MEPP, participate in a defined contribution pension plan. The school division's contributions to the plan are expensed when due.

**j) 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 revenues 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.

**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.

**k) Statement of Remeasurement Gains 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 material remeasurement gains or losses.

**3. SHORT-TERM BORROWINGS**

**Bank indebtedness** consists of a demand operating line of credit with a maximum borrowing limit of \$7,000,000 (2014 - \$7,000,000) that bears interest at bank prime rate less 0.5% (2014 – prime less 0.5%) per annum. This line of credit is authorized by a borrowing resolution by the board of education dated April 24, 2013 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, 2015 was \$0 (August 31, 2014 - \$0).

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**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2015	2014
<b>Portfolio investments in the cost and amortized cost category:</b>	<b><u>Cost</u></b>	<b><u>Cost</u></b>
Servus Credit Union Term Deposit @ 1.40%; matures 11/25/2015	\$ -	\$ 96,182
Equity common shares at Servus Credit Union & Co-op	152,800	144,962
<b>Total portfolio investments</b>	<b>\$ 152,800</b>	<b>\$ 241,144</b>

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2015 Actual	2014 Actual
Governance	\$ 30,637	\$ 168,361	\$ -	\$ -	\$ 198,998	\$ 229,826
Administration	1,704,500	330,551	-	277,639	2,312,690	2,200,648
Instruction	28,458,067	2,142,807	-	6,340,283	36,941,157	39,564,358
Plant	2,392,918	2,904,577	-	52,378	5,349,873	4,150,943
Transportation	587,678	386,098	-	110,691	1,084,467	1,105,399
Tuition and Related Fees	-	1,258	-	-	1,258	-
School Generated Funds	-	1,002,811	-	-	1,002,811	1,229,806
Complementary Services	356,169	13,495	-	-	369,664	394,305
External Services	56,734	152,195	-	-	208,929	218,171
Other	-	(25,000)	112,251	-	87,251	99,673
<b>TOTAL</b>	<b>\$33,586,703</b>	<b>\$7,077,153</b>	<b>\$ 112,251</b>	<b>\$ 6,780,991</b>	<b>\$47,557,098</b>	<b>\$49,193,129</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. 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. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation and estimated the Liability for Employee Future Benefits as at August 31, 2015.

Details of the employee future benefits are as follows:

	2015	2014
Actuarial valuation (extrapolation) date	Aug. 31, 2015	(Aug. 31, 2014)
Long-term assumptions used:		
Discount rate at end of period	2.50%	2.80%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.25%
Expected average remaining service life (years)	16	16

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<b>Liability for Employee Future Benefits</b>	<b>2015</b>	<b>2014</b>
<b>Accrued Benefit Obligation - beginning of year</b>	<b>\$ 336,900</b>	<b>\$ 415,700</b>
Current period service cost	34,300	38,800
Interest cost	10,300	15,800
Benefit payments	(9,900)	(162,500)
Actuarial losses	142,200	29,100
<b>Accrued Benefit Obligation - end of year</b>	<b>513,800</b>	<b>336,900</b>
Unamortized Net Actuarial Gains / (Losses)	(136,700)	6,100
<b>Liability for Employee Future Benefits</b>	<b>\$ 377,100</b>	<b>\$ 343,000</b>

<b>Employee Future Benefits Expense</b>	<b>2015</b>	<b>2014</b>
Current period service cost	\$ 34,300	\$ 38,800
Amortization of net actuarial gain	(600)	(2,400)
<b>Benefit cost</b>	<b>33,700</b>	<b>36,400</b>
Interest cost	10,300	15,800
<b>Total Employee Future Benefits Expense</b>	<b>\$ 44,000</b>	<b>\$ 52,200</b>

**7. PENSION PLANS**

**Multi-Employer Defined Benefit Plans**

Information on the multi-employer pension plans to which the school division contributes is as follows:

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

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

The STRP, STSP and ATRF are funded by contributions by the participating employee members and the Governments 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:

	<b>2015</b>				<b>2014</b>
	<b>STRP</b>	<b>STSP</b>	<b>ATRF</b>	<b>TOTAL</b>	<b>TOTAL</b>
Number of active School Division members	266	3	46	315	282
Member contribution rate (percentage of salary)	9.10% / 11.30%	6.05% / 7.85%	11.44% / 16.34%	6.05% / 16.34%	6.05% - 16.34%
Member contributions for the year	\$ 1,796,680	\$ 10,748	\$ 473,557	\$ 2,280,985	\$ 1,904,645



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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>2015</u>	<u>2014</u>
Number of active School Division members	1	2
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 17,959	\$ 20,474
School Division contributions for the year	\$ 17,959	\$ 20,474
Actuarial (extrapolation) valuation date	<u>(Dec. 31, 2014)</u>	<u>Dec. 31, 2013</u>
Plan Assets (in thousands)	\$ 2,006,587	\$ 1,685,167
Plan Liabilities (in thousands)	\$ 1,672,585	\$ 1,498,853
Plan Surplus (in thousands)	\$ 334,002	\$ 186,314

**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:

	<u>2015</u>	<u>2014</u>
Number of active School Division members	166	205
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	\$ 409,277	\$ 399,595
School Division contributions for the year	\$ 385,067	\$ 364,257

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**8. ACCOUNTS RECEIVABLE**

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts. Details of accounts receivable balances and allowances are as follows:

	<b>2015</b>			<b>2014</b>		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 46,537	\$ -	\$ 46,537	\$ 539,883	\$ 25,000	\$ 514,883
Provincial Grants Receivable	7,916,592	-	7,916,592	8,298,849	-	8,298,849
Other Receivables	404,081	-	404,081	501,526	-	501,526
<b>Total Accounts Receivable</b>	<b>\$ 8,367,210</b>	<b>\$ -</b>	<b>\$ 8,367,210</b>	<b>\$ 9,340,258</b>	<b>\$ 25,000</b>	<b>\$ 9,315,258</b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of accounts payable and accrued liabilities are as follows:

	<b>2015</b>	<b>2014</b>
Accrued Salaries and Benefits	\$ 64,840	\$ 77,455
Supplier Payments	2,283,721	6,778,957
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 2,348,561</b>	<b>\$ 6,856,412</b>

**10. LONG-TERM DEBT**

Details of long-term debt are as follows:

	<b>2015</b>	<b>2014</b>
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)	\$ 2,222,034	\$ 2,306,862
(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)	48,600	65,751
<b>Total Long-Term Debt</b>	<b>\$ 2,270,634</b>	<b>\$ 2,372,613</b>

<b>Future principal repayments over the next 5 years are estimated as follows:</b>		
	<b>Capital Loans</b>	<b>Total</b>
2016	\$ 106,669	\$ 106,669
2017	110,547	110,547
2018	108,730	108,730
2019	100,294	100,294
2020	104,590	104,590
Thereafter	1,739,804	1,739,804
<b>Total</b>	<b>\$ 2,270,634</b>	<b>\$ 2,270,634</b>

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<b>Principal and interest payments on the long-term debt are as follows:</b>			
	<b>Capital Loans</b>	<b>2015</b>	<b>2014</b>
Principal	\$ 101,979	\$ 101,979	\$ 97,941
Interest	97,158	97,158	101,178
<b>Total</b>	<b>\$ 199,137</b>	<b>\$ 199,137</b>	<b>\$ 199,119</b>

**11. DEFERRED REVENUE**

Details of deferred revenues are as follows:

	<b>Balance as at Aug. 31, 2014</b>	<b>Additions during the Year</b>	<b>Revenue recognized in the Year</b>	<b>Balance as at Aug. 31, 2015</b>
<b>Other deferred revenue:</b>				
Property Taxes	\$ 2,210,293	\$ 2,755,707	\$ 2,210,293	\$ 2,755,707
Other	118,730	30,900	118,730	30,900
<b>Total Deferred Revenue</b>	<b>\$ 2,329,023</b>	<b>\$ 2,786,607</b>	<b>\$ 2,329,023</b>	<b>\$ 2,786,607</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 2015 and 2014:

<b>Summary of Complementary Services Revenues and Expenses, by Program</b>	<b>Pre-K Programs</b>	<b>Other Programs</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>				
Operating Grants	\$ 193,692	\$ -	\$ 193,692	\$ 193,116
<b>Total Revenues</b>	<b>193,692</b>	<b>-</b>	<b>193,692</b>	<b>193,116</b>
<b>Expenses:</b>				
Salaries & Benefits	354,624	1,545	356,169	383,246
Student Related Expenses	7,554	5,941	13,495	11,059
<b>Total Expenses</b>	<b>362,178</b>	<b>7,486</b>	<b>369,664</b>	<b>394,305</b>
<b>Deficiency of Revenues over Expenses</b>	<b>\$ (168,486)</b>	<b>\$ (7,486)</b>	<b>\$ (175,972)</b>	<b>\$ (201,189)</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 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.

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**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 2015 and 2014:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2015	2014
<b>Revenues:</b>				
Operating Grants	\$ -	\$ 79,690	\$ 79,690	\$ 90,955
Fees and Other Revenues	120,280	4,480	124,760	138,844
<b>Total Revenues</b>	<b>120,280</b>	<b>84,170</b>	<b>204,450</b>	<b>229,799</b>
<b>Expenses:</b>				
Salaries & Benefits	56,734	-	56,734	-
Supplies and Services	71,884	77,685	149,569	218,171
Building Operating Expenses	-	2,626	2,626	-
<b>Total Expenses</b>	<b>128,618</b>	<b>80,311</b>	<b>208,929</b>	<b>218,171</b>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<b>\$ (8,338)</b>	<b>\$ 3,859</b>	<b>\$ (4,479)</b>	<b>\$ 11,628</b>

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

- i) The Cafeteria provides food services for students at the school division’s Middle Schools and High School 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 and Lloydminster-in-Motion program. The Kids First program helps vulnerable families to become the best parents they can by enhancing knowledge, providing support and building on family strengths. The Lloydminster-in-Motion program promotes increasing physical activity for health, social, environmental and economic benefits.

**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.

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes such as school generated funds, incomplete budgets, replacement of aging vehicles, community track and technology evergreening. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

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	August 31 2014	Additions during the year	Reductions during the year	August 31 2015
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 54,637,136	\$ 2,414,628	\$ (6,780,991)	\$ 50,270,773
Less: Debt owing on Tangible Capital Assets	2,372,613	-	(101,979)	2,270,634
	<u>52,264,523</u>	<u>2,414,628</u>	<u>(6,679,012)</u>	<u>48,000,139</u>
<b>PMR maintenance project allocations (1)</b>	<u>139,119</u>	<u>210,154</u>	<u>(302,919)</u>	<u>46,354</u>
<b>Internally Restricted Surplus:</b>				
<b>Capital projects:</b>				
Designated for tangible capital asset expenditures	5,148,694	-	(1,849,061)	3,299,633
Community Track	8,000	8,000	-	16,000
Bus Purchase	94,370	(94,370)	-	-
Maintenance Vehicle Purchase	40,000	20,000	(40,000)	20,000
Technology Evergreening	344,805	191,440	-	536,245
Facilities Upgrades	80,000	3,807,383	(144,624)	3,742,759
	<u>5,715,869</u>	<u>3,932,453</u>	<u>(2,033,685)</u>	<u>7,614,637</u>
<b>Other:</b>				
School generated funds	347,103	-	(26,274)	320,829
Board Strategies	500,000	80,000	-	580,000
School budget carryovers	58,397	32,289	-	90,686
Incomplete Budgets	132,903	-	(97,898)	35,005
Parkland Proceeds	96,944	1,488	-	98,432
Kids First Program	76,135	76,896	(76,135)	76,896
Other	944	-	(944)	-
	<u>1,212,426</u>	<u>190,673</u>	<u>(201,251)</u>	<u>1,201,848</u>
<b>Unrestricted Surplus</b>	<u>3,951,855</u>	<u>-</u>	<u>(2,901,855)</u>	<u>1,050,000</u>
<b>Total Accumulated Surplus</b>	<u>\$ 63,283,792</u>	<u>\$ 6,747,908</u>	<u>\$ (12,118,722)</u>	<u>\$ 57,912,978</u>

(1) **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 Facilities upgrades fund will be used to fund capital projects in future fiscal years.
- iii) School generated funds are accumulated surpluses from the various extracurricular activities that are to support future operating costs of these activities.
- iv) The Board strategies fund is accessible by the board to support strategic initiatives that it feels are of importance to the division.

- v) School budget carryovers are unspent school budgets from the current year that are to be spent in the upcoming fiscal year.
- vi) Incomplete budgets are unspent funds on various projects that are to be completed in the upcoming fiscal year.
- vii) The Parkland proceeds fund is to be used to purchase specialized equipment to support the program for intensive needs children.
- viii) The Community track fund is to be used to enhance the track and field area at the Lloydminster Comprehensive High School.
- ix) The technology evergreening fund will be used to refresh computers and other technology over a predetermined period of time.
- x) The Bus purchase fund is to be used for the purchase of school busses in the future.
- xi) The Maintenance vehicle purchases fund is to be used for the purchase of maintenance vehicles in the future.
- xii) 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 25, 2014 and the Minister of Education on August 12, 2014.

#### **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.

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	2015	2014
<b>Revenues:</b>		
Community Initiatives Fund	\$ -	\$ 14,820
Ministry of Education	11,923,404	11,395,648
Prairie Spirit School Division #206	-	1,750
Saskatchewan Lotteries	2,794	-
Saskatchewan WCB	14,244	-
SGI	240,796	189,291
	<b>\$ 12,181,238</b>	<b>\$ 11,601,509</b>
<b>Expenses:</b>		
Good Spirit School Division	\$ 5,221	\$ -
Minister of Finance	1,547	1,761
Ministry of Parks, Culture & Sport	-	180
Prairie North Health Authority	-	191
Provincial Court of Saskatchewan	-	140
Saskatchewan WCB	34,545	89,146
SaskPower	37,971	33,790
SaskTel	17,228	16,146
SGI - Auto Fund Division	40,961	24,558
Sun West School Division #207	30,000	18,000
University of Saskatchewan	1,149	12,342
Other Saskatchewan School Divisions	1,293	22,399
	<b>\$ 169,915</b>	<b>\$ 218,653</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ 4,338,950	\$ 4,666,135
	<b>\$ 4,338,950</b>	<b>\$ 4,666,135</b>
<b>Prepaid Expenses:</b>		
Good Spirit School Division	\$ 5,675	\$ -
Saskatchewan WCB	-	29,715
Saskpower	583	-
SGI - Auto Fund Division	15,000	11,611
	<b>\$ 21,258</b>	<b>\$ 41,326</b>
<b>Accounts Payable:</b>		
SGI	\$ -	\$ 29,301
	<b>\$ -</b>	<b>\$ 29,301</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.

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**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:

	2015				Total 2015	Total 2014
	Craig	Hawkens	Jones	Other		
Cash and short-term investments	\$ 1,412	\$ -	\$ -	\$ 119,549	\$ 120,961	\$ 23,226
Portfolio investments	74,914	54,735	47,240	151,587	328,476	444,440
<b>Total Assets</b>	<b>\$ 76,326</b>	<b>\$ 54,735</b>	<b>\$ 47,240</b>	<b>\$ 271,136</b>	<b>\$ 449,437</b>	<b>\$ 467,666</b>
<b>Revenues</b>						
Contributions and donations	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 30,550
Interest on investments	787	827	1,287	5,383	8,284	8,807
	787	827	1,287	11,383	14,284	39,357
<b>Expenses</b>						
Awards to Students	4,000	750	2,000	25,763	32,513	32,010
	4,000	750	2,000	25,763	32,513	32,010
Excess (Deficiency) of Revenue over Expenses	(3,213)	77	(713)	(14,380)	(18,229)	7,347
Trust Fund Balance, Beginning of Year	79,539	54,658	47,953	285,516	467,666	460,319
<b>Trust Fund Balance, End of Year</b>	<b>\$ 76,326</b>	<b>\$ 54,735</b>	<b>\$ 47,240</b>	<b>\$ 271,136</b>	<b>\$ 449,437</b>	<b>\$ 467,666</b>

**18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

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

- Operating lease obligations, as follows:

	Operating Leases	
	Copier Leases	Total Operating
<b>Future minimum lease payments:</b>		
2016	\$ 12,356	<b>\$ 12,356</b>
2017	12,356	<b>12,356</b>
2018	12,356	<b>12,356</b>
2019	6,178	<b>6,178</b>
<b>Total Lease Obligations</b>	<b>\$ 43,246</b>	<b>\$ 43,246</b>

**19. COMPARATIVE INFORMATION**

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

**20. RISK MANAGEMENT**

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk consisting of interest rate risk.



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**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 impairment in collectability.

The aging of provincial grants and other accounts receivable at August 31, 2015 is:

	August 31, 2015					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 7,916,592	\$ 149,175	\$ -	\$ -	\$ -	\$ 7,767,417
Other Receivables	156,757	150,241	-	-	-	6,516
<b>Net Receivables</b>	<b>\$ 8,073,349</b>	<b>\$ 299,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,773,933</b>

**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, 2015			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,348,561	\$ -	\$ -	\$ -
Long-term debt ( <i>includes interest</i> )	99,559	99,559	751,994	2,235,687
<b>Total</b>	<b>\$ 2,448,120</b>	<b>\$ 99,559</b>	<b>\$ 751,994</b>	<b>\$ 2,235,687</b>

**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 and portfolio investments.

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, 2015.

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.