
Audited Financial Statements

Of the Lloydminster School Division No. 99

School Division No. 6050000

For the Period Ending: August 31, 2016

Matthew Read, CPA, CMA

Chief Financial Officer

Wilkinson Livingston Stevens LLP

Auditor

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

LLOYDMINSTER SCHOOL DIVISION NO. 99
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FOR THE YEAR ENDED AUGUST 31, 2016

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Management's Responsibility for the Financial Statements

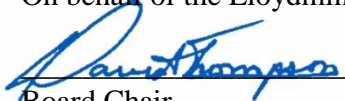
The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily 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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

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


Board Chair


CEO/Director of Education


Chief Financial Officer

November 23, 2016



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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Lloydminster 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, 2016, 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, 2016, 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 23, 2016

Chartered Accountants

Lloydminster School Division No. 99
Statement of Financial Position
as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	7,598,218	6,438,866
Accounts Receivable (Note 8)	3,961,392	8,367,210
Portfolio Investments (Note 4)	159,993	152,800
Total Financial Assets	11,719,603	14,958,876
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	2,219,272	2,348,561
Long-Term Debt (Note 10)	2,164,447	2,270,634
Liability for Employee Future Benefits (Note 6)	440,500	377,100
Deferred Revenue (Note 11)	2,581,387	2,786,607
Total Liabilities	7,405,606	7,782,902
Net Financial Assets	4,313,997	7,175,974
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	49,464,025	50,270,773
Inventory of Supplies for Consumption	240,255	216,511
Prepaid Expenses	179,009	249,720
Total Non-Financial Assets	49,883,289	50,737,004
Accumulated Surplus (Note 14)	54,197,286	57,912,978

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, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUES	(Note 15)		
Property Taxation	11,971,985	12,917,349	11,647,997
Grants	28,235,817	27,323,212	28,454,922
Tuition and Related Fees	52,900	57,132	51,455
School Generated Funds	1,000,000	1,010,221	1,023,162
Complementary Services (Note 12)	200,081	200,076	193,692
External Services (Note 13)	271,135	206,936	204,450
Other	369,450	530,478	610,606
Total Revenues (Schedule A)	42,101,368	42,245,404	42,186,284
EXPENSES			
Governance	276,985	250,726	198,998
Administration	2,162,096	2,195,212	2,312,690
Instruction	35,203,533	35,920,548	36,941,157
Plant	4,986,386	4,415,626	5,349,873
Transportation	1,162,113	1,054,211	1,084,467
Tuition and Related Fees	-	-	1,258
School Generated Funds	1,000,000	1,011,813	1,002,811
Complementary Services (Note 12)	371,366	452,741	369,664
External Services (Note 13)	251,321	214,940	208,929
Other Expenses	108,152	445,279	87,251
Total Expenses (Schedule B)	45,521,952	45,961,096	47,557,098
Operating Deficit for the Year	(3,420,584)	(3,715,692)	(5,370,814)
Accumulated Surplus from Operations, Beginning of Year	57,912,978	57,912,978	63,283,792
Accumulated Surplus from Operations, End of Year	54,492,394	54,197,286	57,912,978

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, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	7,175,974	7,175,974	8,117,455
Changes During the Year			
Operating Deficit for the Year	(3,420,584)	(3,715,692)	(5,370,814)
Acquisition of Tangible Capital Assets (Schedule C)	(1,261,949)	(3,522,673)	(2,414,628)
Net Loss on Disposal of Capital Assets (Schedule C)	-	1,766	-
Amortization of Tangible Capital Assets (Schedule C)	3,988,300	4,327,655	6,780,991
Net Acquisition of Inventory of Supplies	-	(23,744)	(15,930)
Net Change in Other Non-Financial Assets	-	70,711	78,900
Change in Net Financial Assets	(694,233)	(2,861,977)	(941,481)
Net Financial Assets, End of Year	6,481,741	4,313,997	7,175,974

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, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Deficit for the Year	(3,715,692)	(5,370,814)
Add Non-Cash Items Included in Deficit (Schedule D)	4,329,421	6,780,991
Net Change in Non-Cash Operating Activities (Schedule E)	4,181,676	(3,005,149)
Cash Provided (Used) by Operating Activities	4,795,405	(1,594,972)
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(3,522,673)	(2,414,628)
Cash Used by Capital Activities	(3,522,673)	(2,414,628)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(7,193)	(7,838)
Proceeds on Disposal of Portfolio Investments	-	96,182
Cash Provided (Used) by Investing Activities	(7,193)	88,344
FINANCING ACTIVITIES		
Repayment of Long-Term Debt	(106,187)	(101,979)
Cash Used by Financing Activities	(106,187)	(101,979)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,159,352	(4,023,235)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	6,438,866	10,462,101
CASH AND CASH EQUIVALENTS, END OF YEAR	7,598,218	6,438,866

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, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	11,971,985	12,767,517	11,519,838
Total Property Tax Revenue	11,971,985	12,767,517	11,519,838
Grants in Lieu of Taxes			
Federal Government	-	(9,156)	18,936
Provincial Government	-	57,898	44,118
Other	-	7,819	560
Total Grants in Lieu of Taxes	-	56,561	63,614
Other Tax Revenues			
House Trailer Fees	-	40,841	24,332
Total Other Tax Revenues	-	40,841	24,332
Additions to Levy			
Penalties	-	85,581	65,134
Total Additions to Levy	-	85,581	65,134
Deletions from Levy			
Cancellations	-	(25,681)	(21,511)
Other Deletions	-	(7,470)	(3,410)
Total Deletions from Levy	-	(33,151)	(24,921)
Total Property Taxation Revenue	11,971,985	12,917,349	11,647,997
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	11,572,166	11,524,226	11,367,440
Other Ministry Grants	68,000	121,844	73,923
Total Ministry Grants	11,640,166	11,646,070	11,441,363
Federal Grants	-	1,344	-
Grants from Others	16,385,497	15,407,657	16,803,405
Total Operating Grants	28,025,663	27,055,071	28,244,768
Capital Grants			
Ministry of Education Capital Grants	210,154	268,141	210,154
Total Capital Grants	210,154	268,141	210,154
Total Grants	28,235,817	27,323,212	28,454,922

Lloydminster School Division No. 99
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
Federal Government and First Nations	52,900	57,132	51,455
Total Tuition and Related Fees Revenue	52,900	57,132	51,455
School Generated Funds Revenue			
Curricular			
Student Fees	180,000	187,323	153,852
Total Curricular Fees	180,000	187,323	153,852
Non-Curricular Fees			
Commercial Sales - GST	140,000	159,224	149,135
Commercial Sales - Non-GST	-	17,565	3,673
Fundraising	100,000	151,050	158,896
Students Fees	200,000	250,322	290,732
Other	380,000	244,737	266,874
Total Non-Curricular Fees	820,000	822,898	869,310
Total School Generated Funds Revenue	1,000,000	1,010,221	1,023,162
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	200,081	200,076	193,692
Total Complementary Services Revenue	200,081	200,076	193,692

Lloydminster School Division No. 99
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	76,135	76,896	76,896
Other Provincial Grants	10,000	8,643	2,794
Total Operating Grants	86,135	85,539	79,690
Fees and Other Revenue			
Tuition and Related Fees	-	-	4,480
Other Revenue	185,000	121,397	120,280
Total Fees and Other Revenue	185,000	121,397	124,760
Total External Services Revenue	271,135	206,936	204,450
Other Revenue			
Miscellaneous Revenue	262,000	448,305	519,629
Sales & Rentals	31,000	56,553	27,232
Investments	76,450	25,620	63,745
Total Other Revenue	369,450	530,478	610,606
TOTAL REVENUE FOR THE YEAR	42,101,368	42,245,404	42,186,284

Lloydminster School Division No. 99
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	50,650	41,412	30,637
Professional Development- Board Members	26,100	27,820	11,556
Advisory Committees	5,000	-	-
Elections	-	-	7,055
Other Governance Expenses	195,235	181,494	149,750
Total Governance Expense	276,985	250,726	198,998
Administration Expense			
Salaries	1,377,817	1,437,450	1,548,287
Benefits	144,279	149,588	156,213
Supplies & Services	116,450	113,518	105,951
Non-Capital Furniture & Equipment	67,000	63,297	51,593
Building Operating Expenses	52,050	39,867	41,459
Communications	49,000	35,489	56,365
Travel	42,500	38,345	32,328
Professional Development	45,000	53,644	42,855
Amortization of Tangible Capital Assets	268,000	264,014	277,639
Total Administration Expense	2,162,096	2,195,212	2,312,690
Instruction Expense			
Instructional (Teacher Contract) Salaries	22,238,338	22,614,956	21,368,406
Instructional (Teacher Contract) Benefits	1,188,604	1,184,664	1,207,583
Program Support (Non-Teacher Contract) Salaries	5,085,199	5,222,962	5,174,687
Program Support (Non-Teacher Contract) Benefits	710,582	725,737	707,391
Instructional Aids	748,932	659,425	605,376
Supplies & Services	933,795	785,571	807,288
Non-Capital Furniture & Equipment	185,577	218,321	162,808
Communications	256,801	257,666	276,851
Travel	27,500	28,483	21,485
Professional Development	186,952	208,434	173,325
Student Related Expense	104,953	114,950	95,674
Amortization of Tangible Capital Assets	3,536,300	3,899,379	6,340,283
Total Instruction Expense	35,203,533	35,920,548	36,941,157

Lloydminster School Division No. 99
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	2,134,188	2,092,020	2,088,117
Benefits	321,793	327,601	304,801
Supplies & Services	4,200	1,141	2,432
Non-Capital Furniture & Equipment	14,800	34,806	30,855
Building Operating Expenses	2,392,305	1,867,273	2,825,474
Communications	2,400	4,156	9,613
Travel	41,000	29,375	24,201
Professional Development	11,500	4,987	12,002
Amortization of Tangible Capital Assets	64,200	54,267	52,378
Total Plant Operation & Maintenance Expense	4,986,386	4,415,626	5,349,873
Student Transportation Expense			
Salaries	532,640	515,389	513,490
Benefits	85,448	75,085	74,188
Supplies & Services	152,875	122,072	149,165
Non-Capital Furniture & Equipment	124,100	149,041	136,116
Communications	300	270	563
Travel	3,500	2,770	2,818
Professional Development	6,400	5,466	8,277
Contracted Transportation	137,050	74,123	89,159
Amortization of Tangible Capital Assets	119,800	109,995	110,691
Total Student Transportation Expense	1,162,113	1,054,211	1,084,467
Tuition and Related Fees Expense			
Tuition Fees	-	-	1,258
Total Tuition and Related Fees Expense	-	-	1,258
School Generated Funds Expense			
Cost of Sales	75,000	154,150	142,210
School Fund Expenses	925,000	857,663	860,601
Total School Generated Funds Expense	1,000,000	1,011,813	1,002,811

Lloydminster School Division No. 99
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	244,736	243,547	243,834
Program Support (Non-Teacher Contract) Salaries & Benefits	114,080	193,979	112,335
Student Related Expenses	12,550	15,215	13,495
Total Complementary Services Expense	371,366	452,741	369,664
External Service Expense			
Grant Transfers	75,175	75,906	75,175
Program Support (Non-Teacher Contract) Salaries & Benefits	69,536	56,878	56,734
Supplies & Services	106,610	79,551	74,394
Building Operating Expenses	-	2,605	2,626
Total External Services Expense	251,321	214,940	208,929
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	15,200	24,619	15,112
Interest on Capital Loans	92,952	92,932	97,139
Total Interest and Bank Charges	108,152	117,551	112,251
Provision for Uncollectable Accounts	-	327,728	(25,000)
Total Other Expense	108,152	445,279	87,251
TOTAL EXPENSES FOR THE YEAR	45,521,952	45,961,096	47,557,098

Lloydminster School Division No. 99

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2016**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under		
	Land	Improvements	Buildings	Short-Term	Buses	Vehicles	Equipment	Equipment	Software	Construction	2016	2015
<i>Tangible Capital Assets - at Cost</i>												
Opening Balance as of September 1	577,580	994,476	72,079,410	2,608,293	1,919,533	447,754	3,557,321	2,852,554	284,547	190,708	85,512,176	83,792,160
Additions/Purchases	-	964,512	1,973,344	-	135,184	-	172,421	277,212	-	-	3,522,673	2,414,628
Disposals	-	-	-	-	-	-	(194,038)	(754,648)	-	(1,766)	(950,452)	(694,612)
Transfers to (from)	-	-	188,942	-	-	-	-	-	-	(188,942)	-	-
Closing Balance as of August 31	577,580	1,958,988	74,241,696	2,608,293	2,054,717	447,754	3,535,704	2,375,118	284,547	-	88,084,397	85,512,176
<i>Tangible Capital Assets - Amortization</i>												
Opening Balance as of September 1	-	646,525	28,327,734	1,114,864	1,290,726	318,317	1,540,672	1,821,144	181,421	-	35,241,403	29,155,024
Amortization of the Period	-	97,950	3,111,386	118,299	101,443	28,866	348,392	475,024	46,295	-	4,327,655	6,780,991
Disposals	-	-	-	-	-	-	(194,038)	(754,648)	-	-	(948,686)	(694,612)
Closing Balance as of August 31	N/A	744,475	31,439,120	1,233,163	1,392,169	347,183	1,695,026	1,541,520	227,716	N/A	38,620,372	35,241,403
Net Book Value												
Opening Balance as of September 1	577,580	347,951	43,751,676	1,493,429	628,807	129,437	2,016,649	1,031,410	103,126	190,708	50,270,773	54,637,136
Closing Balance as of August 31	577,580	1,214,513	42,802,576	1,375,130	662,548	100,571	1,840,678	833,598	56,831	-	49,464,025	50,270,773
Change in Net Book Value	-	866,562	(949,100)	(118,299)	33,741	(28,866)	(175,971)	(197,812)	(46,295)	(190,708)	(806,748)	(4,366,363)
Disposals												
Historical Cost	-	-	-	-	-	-	194,038	754,648	-	1,766	950,452	694,612
Accumulated Amortization	-	-	-	-	-	-	194,038	754,648	-	-	948,686	694,612
Net Cost	-	-	-	-	-	-	-	-	-	1,766	1,766	-
Loss on Disposal	-	-	-	-	-	-	-	-	-	(1,766)	(1,766)	-

Lloydminster School Division No. 99
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	4,327,655	6,780,991
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	1,766	-
Total Non-Cash Items Included in Deficit	4,329,421	6,780,991

Lloydminster School Division No. 99
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	4,405,818	948,048
Decrease in Accounts Payable and Accrued Liabilities	(129,289)	(4,507,851)
Increase in Liability for Employee Future Benefits	63,400	34,100
Increase (Decrease) in Deferred Revenue	(205,220)	457,584
Increase in Inventory of Supplies for Consumption	(23,744)	(15,930)
Decrease in Prepaid Expenses	70,711	78,900
Total Net Change in Non-Cash Operating Activities	4,181,676	(3,005,149)

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 \$440,500 (2015 - \$377,100) because actual experience may differ significantly from actuarial estimations.

LLOYDMINSTER SCHOOL DIVISION NO. 99
NOTES TO THE FINANCIAL STATEMENTS

As at August 31, 2016

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- property taxation revenue of \$12,917,349 (2015 - \$11,647,997) because final tax assessments may differ from initial estimates.
- useful lives of capital assets and related amortization of \$4,327,655 (2015 - \$6,780,991) 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 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
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years

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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, 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 the Public Sector Accounting Board (PSAB) standards, 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 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported

to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

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

iv) Interest Income

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

v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are 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 \$2,600,000 (2015 - \$7,000,000) that bears interest at a rate of the bank's prime rate less 1.85% (2015 - prime less 0.5%) per annum with Servus Credit Union. 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, 2016 was \$0 (August 31, 2015 - \$0).

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4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	Cost	Cost
Equity common shares at Servus Credit Union and Co-op	\$ 159,993	\$ 152,800
Total portfolio investments	\$ 159,993	\$ 152,800

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 41,412	\$ 209,314	\$ -	\$ -	\$ 250,726	\$ 198,998
Administration	1,587,038	344,160	-	264,014	2,195,212	2,312,690
Instruction	29,748,319	2,272,850	-	3,899,379	35,920,548	36,941,157
Plant	2,419,621	1,941,738	-	54,267	4,415,626	5,349,873
Transportation	590,474	353,742	-	109,995	1,054,211	1,084,467
Tuition and Related Fees	-	-	-	-	-	1,258
School Generated Funds	-	1,011,813	-	-	1,011,813	1,002,811
Complementary Services	437,526	15,215	-	-	452,741	369,664
External Services	56,878	158,062	-	-	214,940	208,929
Other	-	327,728	117,551	-	445,279	87,251
TOTAL	\$ 34,881,268	\$ 6,634,622	\$ 117,551	\$ 4,327,655	\$ 45,961,096	\$ 47,557,098

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 extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

	2016	2015
Actuarial extrapolation date	Aug. 31, 2016	Aug. 31, 2015
Long-term assumptions used:		
Discount rate at end of period	2.10%	2.50%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.20%
Expected average remaining service life (years)	16	16

Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 513,800	\$ 336,900
Current period service cost	60,000	34,300
Interest cost	14,100	10,300
Benefit payments	(19,000)	(9,900)
Actuarial losses	30,900	142,200
Accrued Benefit Obligation - end of year	599,800	513,800
Unamortized Net Actuarial Losses	(159,300)	(136,700)
Liability for Employee Future Benefits	\$ 440,500	\$ 377,100

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Employee Future Benefits Expense	2016	2015
Current period service cost	\$ 60,000	\$ 34,300
Amortization of net actuarial (gain) / loss	8,300	(600)
Benefit cost	68,300	33,700
Interest cost	14,100	10,300
Total Employee Future Benefits Expense	\$ 82,400	\$ 44,000

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:

	2016				2015
	STRP	STSP	ATRF	TOTAL	TOTAL
Number of active School Division members	272	2	47	321	315
Member contribution rate (percentage of salary)	10.20% / 12.40%	6.05% / 7.85%	11.44% / 16.34%	6.05% / 16.34%	6.05% / 16.34%
Member contributions for the year	\$ 2,031,006	\$ 4,778	\$ 497,931	\$ 2,533,715	\$ 2,280,985

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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 the Public Sector Accounting Board (PSAB) standards, 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:

	2016	2015
Number of active School Division members	1	1
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	\$ 8,200	\$ 17,959
School Division contributions for the year	\$ 8,200	\$ 17,959
Actuarial (extrapolation) valuation date	(Dec-31-2015)	Dec-31-2014
Plan Assets (in thousands)	\$ 2,148,676	\$ 2,006,587
Plan Liabilities (in thousands)	\$ 1,831,743	\$ 1,672,585
Plan Surplus (in thousands)	\$ 316,933	\$ 334,002

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:

	2016	2015
Number of active School Division members	175	166
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	\$ 434,763	\$ 409,277
School Division contributions for the year	\$ 402,709	\$ 385,067

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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:

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 465,249	\$ -	\$ 465,249	\$ 46,537	\$ -	\$ 46,537
Provincial Grants Receivable	3,204,114	-	3,204,114	7,916,592	-	7,916,592
Other Receivables	292,029	-	292,029	404,081	-	404,081
Total Accounts Receivable	\$ 3,961,392	\$ -	\$ 3,961,392	\$ 8,367,210	\$ -	\$ 8,367,210

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	\$ 19,457	\$ 64,840
Supplier Payments	2,199,815	2,283,721
Total Accounts Payable and Accrued Liabilities	\$ 2,219,272	\$ 2,348,561

10. LONG-TERM DEBT

Details of long-term debt are as follows:

	2016	2015
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)	\$ 2,133,574	\$ 2,222,034
(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)	30,873	48,600
Total Long-Term Debt	\$ 2,164,447	\$ 2,270,634

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Future principal repayments over the next 5 years are estimated as follows:		
	Capital Loans	Total
2017	\$ 111,026	\$ 111,026
2018	108,730	108,730
2019	100,294	100,294
2020	104,590	104,590
2021	109,067	109,067
Thereafter	1,630,740	1,630,740
Total	\$ 2,164,447	\$ 2,164,447

Principal and interest payments on the long-term debt are as follows:			
	Capital Loans	2016	2015
Principal	\$ 106,187	\$ 106,187	\$ 101,979
Interest	92,952	92,952	97,158
Total	\$ 199,139	\$ 199,139	\$ 199,137

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Other deferred revenue:				
Property Taxes	\$ 2,755,707	\$ 2,529,607	\$ 2,755,707	\$ 2,529,607
Other	30,900	51,780	30,900	51,780
Total Deferred Revenue	\$ 2,786,607	\$ 2,581,387	\$ 2,786,607	\$ 2,581,387

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 2016 and 2015:

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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Other Programs	2016	2015
Revenues:				
Operating Grants	\$ 200,076	\$ -	\$ 200,076	\$ 193,692
Total Revenues	200,076	-	200,076	193,692
Expenses:				
Salaries & Benefits	433,010	4,516	437,526	356,169
Student Related Expenses	6,796	8,419	15,215	13,495
Total Expenses	439,806	12,935	452,741	369,664
Deficiency of Revenues over Expenses	\$ (239,730)	\$ (12,935)	\$ (252,665)	\$ (175,972)

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.

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 2016 and 2015:

Summary of External Services Revenues and Expenses, by Program	Cafeteria	Other Programs	2016	2015
Revenues:				
Operating Grants	\$ -	\$ 85,539	\$ 85,539	\$ 79,690
Fees and Other Revenues	121,397	-	121,397	124,760
Total Revenues	121,397	85,539	206,936	204,450
Expenses:				
Grant Transfers	-	75,906	75,906	75,175
Salaries & Benefits	56,878	-	56,878	56,734
Supplies and Services	74,831	4,720	79,551	74,394
Building Operating Expenses	-	2,605	2,605	2,626
Total Expenses	131,709	83,231	214,940	208,929
Excess (Deficiency) of Revenues over Expenses	\$ (10,312)	\$ 2,308	\$ (8,004)	\$ (4,479)

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.

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- ii) Other programs represent the Kids First program and LPSD Kids-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 LPSD Kids-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:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 50,270,773	\$ 3,522,673	\$ (4,329,421)	\$ 49,464,025
Less: Debt owing on Tangible Capital Assets	2,270,634	-	(106,187)	2,164,447
	48,000,139	3,522,673	(4,223,234)	47,299,578
PMR maintenance project allocations (1)	46,354	268,141	(46,354)	268,141
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	3,299,633	-	(3,149,633)	150,000
Community Track	16,000	8,000	-	24,000
Maintenance Vehicle Purchase	20,000	-	(20,000)	-
Technology Evergreening	536,245	235,000	(219,129)	552,116
Facilities Upgrades	3,742,759	2,162,672	(2,475,985)	3,429,446
	7,614,637	2,405,672	(5,864,747)	4,155,562
Other:				
School generated funds	320,829	-	(74,454)	246,375
Board Strategies	580,000	-	-	580,000
School budget carryovers	90,686	25,891	(90,686)	25,891
Incomplete Budgets	35,005	365,045	(35,005)	365,045
Parkland Proceeds	98,432	-	(5,684)	92,748
Kids First Program	76,896	-	-	76,896
	1,201,848	390,936	(205,829)	1,386,955
Unrestricted Surplus	1,050,000	37,050	-	1,087,050
Total Accumulated Surplus	\$ 57,912,978	\$ 6,624,472	\$ (10,340,164)	\$ 54,197,286

- (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 Maintenance vehicle purchases fund is to be used for the purchase of maintenance vehicles in the future.
- xi) 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 17, 2015 and the Minister of Education on August 20, 2015.

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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	2016	2015
Revenues:		
Community Initiatives Fund	\$ 8,643	\$ -
Ministry of Education	12,192,111	11,923,404
Saskatchewan Lotteries	-	2,794
Saskatchewan WCB	88,990	14,244
SGI	197,502	240,796
	\$ 12,487,246	\$ 12,181,238
Expenses:		
Good Spirit School Division	\$ 15,115	\$ 5,221
Minister of Finance	1,586	1,547
Prairie North Health Authority	193	-
Saskatchewan WCB	72,253	34,545
SaskPower	40,412	37,971
SaskTel	19,834	17,228
SGI - Auto Fund Division	27,684	40,961
Sun West School Division # 207	49,000	30,000
Other Saskatchewan School Divisions	750	1,293
	\$ 226,827	\$ 168,766
Accounts Receivable:		
Ministry of Education	\$ -	\$ 4,338,950
SGI Driver's Ed	66,045	-
	\$ 66,045	\$ 4,338,950
Prepaid Expenses:		
Good Spirit School Division	\$ -	\$ 5,675
Saskpower	667	583
SGI - Auto Fund Division	12,397	15,000
	\$ 13,064	\$ 21,258

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:

	2016				Total 2016	Total 2015
	Craig	Hawkins	Jones	Other		
Cash and short-term investments	\$ 1,130	\$ -	\$ -	\$ 75,110	\$ 76,240	\$ 120,961
Portfolio investments	73,100	55,251	46,991	250,689	426,031	328,476
Total Assets	\$ 74,230	\$ 55,251	\$ 46,991	\$ 325,799	\$ 502,271	\$ 449,437
Revenues						
Contributions and donations	\$ -	\$ -	\$ -	\$ 75,723	\$ 75,723	\$ 6,000
Interest on investments	2,904	2,016	1,751	10,899	17,570	8,284
	2,904	2,016	1,751	86,622	93,293	14,284
Expenses						
Awards to Students	5,000	1,500	2,000	31,959	40,459	32,513
	5,000	1,500	2,000	31,959	40,459	32,513
Excess (Deficiency) of Revenue over Expenses	(2,096)	516	(249)	54,663	52,834	(18,229)
Trust Fund Balance, Beginning of Year	76,326	54,735	47,240	271,136	449,437	467,666
Trust Fund Balance, End of Year	\$ 74,230	\$ 55,251	\$ 46,991	\$ 325,799	\$ 502,271	\$ 449,437

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- Lease agreements for the provision of Multi-Function Printers at all schools and Division Office.

Operating lease obligations of the school division are as follows:

	Operating Leases	
	Copier Leases	Total Operating
Future minimum lease payments:		
2017	\$ 34,455	\$ 34,455
2018	34,455	34,455
2019	22,752	22,752
Total Lease Obligations	\$ 91,662	\$ 91,662

19. COMPARATIVE INFORMATION

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

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As at August 31, 2016

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20. SUBSEQUENT EVENTS

In May 2016 the Board of Education agreed to a property exchange with the City of Lloydminster. The Lloydminster Public School Division will transfer a parcel of land on the Alberta side of the city to the City of Lloydminster in exchange for a parcel of land on the Saskatchewan side of the city. The Minister of Education approved this exchange on June 30, 2016. As of August 31, 2016 the transfer had not been completed. This transfer is expected to be completed by November 30, 2016.

21. 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 impairment in collectability.

The aging of provincial grants and other accounts receivable at August 31, 2016 was:

	August 31, 2016					
	Total	Current	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 3,204,114	\$ 7,392	\$ -	\$ -	\$ -	\$ 3,196,722
Other Receivables	100,590	2,805	-	97,785	-	-
Net Receivables	\$ 3,304,704	\$ 10,197	\$ -	\$ 97,785	\$ -	\$ 3,196,722

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, 2016			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,219,272	\$ -	\$ -	\$ -
Long-term debt (<i>includes interest</i>)	99,560	99,560	732,930	2,055,632
Total	\$ 2,318,832	\$ 99,560	\$ 732,930	\$ 2,055,632

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 \$2,600,000 with interest payable monthly at a rate of prime less 1.85%. 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, 2016.

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.