Government of Saskatchewan
Ministry of Education

Auditor's Report and Financial Statement

Of the	Regina School Division No. 4
School Division No.	2150000
For the Period Ending:	August 31, 2013

Debra Burnett, Deputy Director Division Services
Chief Financial Officer

MNP
Auditor

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

August 31, 2013

Regina School Division No.4 of Saskatchewan
Report of Management

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 2012-13 Financial Reporting Manual for School Divisions 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, MNP 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 Regina School Division No. 4 of Saskatchewan:

Board Chair

Julie MacRae
Director of Education

DJBurnett
Deputy Director Division Services

November 26, 2013

MNP LLP

Independent Auditors' Report

To the Board of Regina School Division No. 4 of Saskatchewan:

We have audited the financial statements of Regina School Division No.4, which comprise the statement of financial position as at August 31, 2013 and the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the years 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 public sector accounting standards 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.

Auditors' 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 in our audit 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 Regina School Division No.4 as at August 31, 2013 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Regina, Saskatchewan
November 26, 2013

MNP LLP
MNP LLP

Regina School Division No. 4
Statement of Financial Position
as at August 31, 2013

	2013	2012
Financial Assets		
Cash and Cash Equivalents	84,457,003	90,665,840
Accounts Receivable (Note 8)	3,828,633	2,812,511
Inventories for Sale	253,168	253,169
Portfolio Investments (Note 4)	695,360	695,360
Total Financial Assets	**89,234,164**	**94,426,880**
Liabilities		
Provincial Grant Overpayment	-	261,597
Accounts Payable and Accrued Liabilities (Note 9)	17,059,981	15,848,845
Long Term Debt (Note 10)	19,121,075	21,783,122
Liability for Employee Future Benefits (Note 6)	9,582,000	9,276,700
Deferred Revenue (Note 11)	13,154,434	10,769,165
Total Liabilities	**58,917,490**	**57,939,429**
Net Financial Assets	**30,316,674**	**36,487,451**
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	131,164,002	117,765,563
Inventory of Supplies for Consumption	313,286	298,589
Prepaid Expenses	2,348,551	1,638,124
Total Non-Financial Assets	**133,825,839**	**119,702,276**
Accumulated Surplus (Note 14)	**164,142,513**	**156,189,727**
Accumulated Surplus is comprised of:		
Accumulated surplus from operations	**164,142,513**	**156,189,727**
Total Accumulated Surplus (Note 14)	**164,142,513**	**156,189,727**

Contingent Liabilities (Note 17)
Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:

Kiyre ________________ Chairperson

D.J. Burnett ________________ Chief Financial Officer

Regina School Division No. 4

Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2013

	2013 Budget (Note 15)	2013 Actual	2012 Actual
REVENUES			
Property Taxation	77,711,879	79,911,703	77,630,190
Grants	133,391,736	123,972,735	135,433,633
Tuition and Related Fees	840,000	1,428,818	1,548,098
School Generated Funds	3,800,000	3,788,550	3,595,764
Complementary Services (Note 12)	2,633,688	3,325,683	2,660,004
External Services (Note 13)	6,850,145	6,889,543	139,780
Other	1,633,500	3,059,424	2,120,950
Total Revenues (Schedule A)	**226,860,948**	**222,376,456**	**223,128,419**
EXPENSES			
Governance	751,565	738,025	491,206
Administration	2,496,054	2,324,513	2,281,524
Instruction	149,138,822	151,047,279	144,042,106
Plant	31,338,294	35,311,895	26,139,122
Transportation	8,356,115	8,051,928	6,870,609
Tuition and Related Fees	543,980	490,994	414,573
School Generated Funds	3,491,830	3,153,311	3,299,859
Complementary Services (Note 12)	6,007,578	5,554,885	5,135,199
External Services (Note 13)	6,843,320	6,943,715	4,636,649
Other Expenses	859,566	807,125	509,631
Total Expenses (Schedule B)	**209,827,124**	**214,423,670**	**193,820,478**
Operating Surplus for the Year	**17,033,824**	**7,952,786**	**29,307,941**
Accumulated Surplus from Operations, Beginning of Year	**156,189,727**	**156,189,727**	**126,881,786**
Accumulated Surplus from Operations, End of Year	**173,223,551**	**164,142,513**	**156,189,727**

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

Regina School Division No. 4

Statement of Changes in Net Financial Assets
for the year ended August 31, 2013

	2013 Budget (Note 15)	2013 Actual	2012 Actual
Net Financial Assets, Beginning of Year	**36,487,451**	**36,487,451**	**41,640,959**
Changes During the Year:			
Operating Surplus for the Year	17,033,824	7,952,786	29,307,941
Acquisition of Tangible Capital Assets (Schedule C)	(22,204,453)	(21,324,833)	(40,940,273)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	767,000	2,592,609	807,587
Net (Gain) Loss on Disposal of Capital Assets (Schedule C)	-	(1,182,378)	59,821
Transfer of Capital Assets to Inventory for Resale	-	-	119,802
Amortization of Tangible Capital Assets (Schedule C)	5,909,282	6,516,163	5,563,786
Net Acquisition of Inventory of Supplies	-	(14,697)	(46,583)
Net Change in Other Non-Financial Assets	-	(710,427)	(25,589)
Change in Net Financial Assets	**1,505,653**	**(6,170,777)**	**(5,153,508)**
Net Financial Assets, End of Year	**37,993,104**	**30,316,674**	**36,487,451**

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

Regina School Division No. 4
Statement of Cash Flows
for the year ended August 31, 2013

	2013	2012
OPERATING ACTIVITIES		
Operating Surplus for the Year	7,952,786	29,307,941
Add Non-Cash Items Included in Surplus (Schedule D)	5,333,785	5,623,607
Net Change in Non-Cash Operating Activities (Schedule E)	1,898,863	(3,211,505)
Cash Provided by Operating Activities	**15,185,434**	**31,720,043**
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(21,324,833)	(40,940,273)
Proceeds on Disposal of Tangible Capital Assets	992,609	807,587
Transfer of Capital Assets to Inventory for Resale	-	119,802
Cash (Used) by Capital Activities	**(20,332,224)**	**(40,012,884)**
INVESTING ACTIVITIES		
Proceeds on Disposal of Portfolio Investments	-	7,104
Cash Provided by Investing Activities	**-**	**7,104**
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	-	19,218,456
Repayment of Long Term Debt	(1,062,047)	(2,135,094)
Cash (Used) Provided by Financing Activities	**(1,062,047)**	**17,083,362**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(6,208,837)**	**8,797,625**
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**90,665,840**	**81,868,215**
CASH AND CASH EQUIVALENTS, END OF YEAR	**84,457,003**	**90,665,840**
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash and Cash Equivalents	84,457,003	90,665,840
CASH AND CASH EQUIVALENTS, END OF YEAR	**84,457,003**	**90,665,840**

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

Regina School Division No. 4
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	72,684,201	74,102,519	71,947,220
Revenue from Supplemental Levies	-	542,562	313,947
Total Property Tax Revenue	**72,684,201**	**74,645,081**	**72,261,167**
Grants in Lieu of Taxes:			
Federal Government	1,745,382	1,683,420	1,777,406
Provincial Government	4,567,478	4,870,789	4,862,434
Total Grants in Lieu of Taxes	**6,312,860**	**6,554,209**	**6,639,840**
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	30,631	25,427
Total Other Tax Revenues	**-**	**30,631**	**25,427**
Deletions from Levy:			
Other Deletions	(1,285,182)	(1,318,218)	(1,296,244)
Total Deletions from Levy	**(1,285,182)**	**(1,318,218)**	**(1,296,244)**
Total Property Taxation Revenue	**77,711,879**	**79,911,703**	**77,630,190**
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	109,056,722	109,009,346	110,451,135
Other Ministry Grants	871,943	606,173	234,566
Total Ministry Grants	**109,928,665**	**109,615,519**	**110,685,701**
Other Provincial Grants	810,800	740,435	619,395
Total Operating Grants	**110,739,465**	**110,355,954**	**111,305,096**
Capital Grants			
Ministry of Education Capital Grants	22,652,271	13,616,781	23,598,537
Other Capital Grants	-	-	530,000
Total Capital Grants	**22,652,271**	**13,616,781**	**24,128,537**
Total Grants	**133,391,736**	**123,972,735**	**135,433,633**

Regina School Division No. 4
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	-	1,154,602
Individuals and Other	840,000	1,428,818	393,496
Total Tuition Fees	**840,000**	**1,428,818**	**1,548,098**
Total Operating Tuition and Related Fees	**840,000**	**1,428,818**	**1,548,098**
Total Tuition and Related Fees Revenue	**840,000**	**1,428,818**	**1,548,098**
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	500,000	547,448	532,506
Other	-	625	-
Total Curricular Fees	**500,000**	**548,073**	**532,506**
Non-Curricular Fees:			
Commercial Sales - GST	250,000	214,955	215,759
Commercial Sales - Non-GST	300,000	341,726	266,038
Fundraising	1,500,000	1,129,964	1,236,944
Grants and Partnerships	310,000	455,294	254,359
Students Fees	800,000	1,076,223	1,057,305
Other	140,000	22,315	32,853
Total Non-Curricular Fees	**3,300,000**	**3,240,477**	**3,063,258**
Total School Generated Funds Revenue	**3,800,000**	**3,788,550**	**3,595,764**
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	2,313,088	2,317,511	2,275,008
Ministry of Education Grants-Other	196,100	750,423	117,375
Other Provincial Grants	124,500	124,490	138,245
Federal Grants	-	1,500	-
Other Grants	-	18,675	-
Total Operating Grants	**2,633,688**	**3,212,599**	**2,530,628**
Capital Grants			
Ministry of Education Capital Grants	-	-	26,241
Total Capital Grants	**-**	**-**	**26,241**
Fees and Other Revenue			
Tuition and Related Fees	-	47,465	63,135
Other Revenue	-	65,619	40,000
Total Fees and Other Revenue	**-**	**113,084**	**103,135**
Total Complementary Services Revenue	**2,633,688**	**3,325,683**	**2,660,004**

Regina School Division No. 4
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	6,850,145	6,817,781	-
Other Provincial Grants	-	39,725	-
Total Operating Grants	**6,850,145**	**6,857,506**	**-**
Fees and Other Revenue			
Tuition and Related Fees	-	30,532	8,426
Other Revenue	-	1,505	131,354
Total Fees and Other Revenue	**-**	**32,037**	**139,780**
Total External Services Revenue	**6,850,145**	**6,889,543**	**139,780**
Other Revenue			
Miscellaneous Revenue	181,500	341,392	460,614
Sales & Rentals	752,000	698,275	741,130
Investments	700,000	837,379	919,206
Gain on Disposal of Capital Assets	-	1,182,378	-
Total Other Revenue	**1,633,500**	**3,059,424**	**2,120,950**
TOTAL REVENUE FOR THE YEAR	**226,860,948**	**222,376,456**	**223,128,419**

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Governance Expense			
Board Members Expense	187,885	186,906	183,901
Professional Development- Board Members	14,000	16,872	18,893
Advisory Committees	104,500	99,678	120,538
Professional Development - Local Boards/Advisory Committees	1,500	-	-
Elections	192,080	213,702	-
Other Governance Expenses	251,600	219,542	167,874
Amortization of Tangible Capital Assets	-	1,325	-
Total Governance Expense	**751,565**	**738,025**	**491,206**
Administration Expense			
Salaries	1,373,122	1,375,239	1,383,510
Benefits	314,401	252,943	263,950
Supplies & Services	492,900	363,581	367,376
Non-Capital Furniture & Equipment	24,000	3,164	8,173
Building Operating Expenses	40,000	78,472	31,218
Communications	77,600	74,768	69,673
Travel	-	76	-
Professional Development	25,000	26,350	16,562
Amortization of Tangible Capital Assets	149,031	149,920	141,062
Total Administration Expense	**2,496,054**	**2,324,513**	**2,281,524**
Instruction Expense			
Instructional (Teacher & LEADS Contract) Salaries	106,820,730	108,600,146	103,122,137
Instructional (Teacher & LEADS Contract) Benefits	7,435,849	7,018,346	6,767,558
Program Support (Non-Teacher Contract) Salaries	19,622,272	19,904,622	18,815,461
Program Support (Non-Teacher Contract) Benefits	3,670,110	3,354,333	3,313,646
Instructional Aids	3,928,557	3,306,343	3,511,915
Supplies & Services	1,927,412	2,750,147	2,647,451
Non-Capital Furniture & Equipment	2,602,726	2,483,545	2,162,859
Communications	222,442	547,858	491,748
Travel	285,728	261,892	262,921
Professional Development	763,400	697,279	688,848
Student Related Expense	339,472	350,088	540,773
Amortization of Tangible Capital Assets	1,520,124	1,772,680	1,716,789
Total Instruction Expense	**149,138,822**	**151,047,279**	**144,042,106**

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Plant Operation & Maintenance Expense			
Salaries	9,434,979	8,681,050	8,789,854
Benefits	2,782,939	2,283,654	2,292,228
Supplies & Services	3,000	2,850	7,783
Non-Capital Furniture & Equipment	133,900	33,698	31,187
Building Operating Expenses	15,028,015	20,512,026	12,037,409
Communications	510,740	42,508	20,045
Travel	148,305	155,146	130,574
Professional Development	50,000	28,893	28,377
Amortization of Tangible Capital Assets	3,246,416	3,572,070	2,801,665
Total Plant Operation & Maintenance Expense	**31,338,294**	**35,311,895**	**26,139,122**
Student Transportation Expense			
Salaries	180,323	168,736	170,152
Benefits	41,664	35,235	36,219
Supplies & Services	597,000	589,997	573,502
Non-Capital Furniture & Equipment	508,000	547,751	496,724
Building Operating Expenses	140,000	126,533	115,478
Communications	8,900	7,906	13,716
Professional Development	3,000	-	2,176
Contracted Transportation	5,961,863	5,660,224	4,655,510
Amortization of Tangible Capital Assets	915,365	915,546	807,132
Total Student Transportation Expense	**8,356,115**	**8,051,928**	**6,870,609**
Tuition and Related Fees Expense			
Tuition Fees	488,980	438,484	358,635
Transportation Fees	55,000	52,510	55,938
Total Tuition and Related Fees Expense	**543,980**	**490,994**	**414,573**
School Generated Funds Expense			
Supplies & Services	200,000	138,747	426,589
Cost of Sales	500,000	384,986	385,072
Non-Capital Furniture & Equipment	100,000	76,784	44,522
School Fund Expenses	2,642,000	2,482,138	2,377,999
Amortization of Tangible Capital Assets	49,830	70,656	65,677
Total School Generated Funds Expense	**3,491,830**	**3,153,311**	**3,299,859**

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Complementary Services Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	2,412,703	2,323,660	1,918,192
Program Support (Non-Teacher Contract) Salaries & Benefits	2,598,800	2,435,486	2,411,421
Instructional Aids	667,791	570,320	594,007
Supplies & Services	235,000	114,457	84,240
Non-Capital Furniture & Equipment	200	15,685	30,527
Building Operating Expenses	-	-	8,964
Communications	6,100	6,111	7,856
Travel	5,564	11,549	6,460
Professional Development (Non-Salary Costs)	5,000	-	673
Student Related Expenses	49,000	45,226	42,492
Amortization of Tangible Capital Assets	27,420	32,391	30,367
Total Complementary Services Expense	**6,007,578**	**5,554,885**	**5,135,199**
External Service Expense			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	4,362,927	4,882,421	4,094,786
Program Support (Non-Teacher Contract) Salaries & Benefits	87,478	99,809	84,890
Instructional Aids	2,336,720	1,371,800	2,535
Supplies & Services	43,800	556,188	441,466
Non-Capital Furniture & Equipment	2,500	910	2,901
Communications	3,800	98	5,965
Travel	-	705	-
Professional Development (Non-Salary Costs)	5,000	19,289	3,011
Student Related Expenses	-	10,921	-
Amortization of Tangible Capital Assets	1,095	1,574	1,095
Total External Services Expense	**6,843,320**	**6,943,715**	**4,636,649**

Regina School Division No. 4

Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	27,000	26,248	27,500
Interest on Other Capital Loans and Long Term Debt			
School Facilities	632,942	618,241	263,807
Other	199,624	162,636	158,503
Total Interest and Bank Charges	**859,566**	**807,125**	**449,810**
Loss on Disposal of Tangible Capital Assets	-	-	59,821
Total Other Expense	**859,566**	**807,125**	**509,631**
TOTAL EXPENSES FOR THE YEAR	**209,827,124**	**214,423,670**	**193,820,478**

Regina School Division No. 4

Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2013

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2013	2012
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	8,581,862	471,448	116,971,840	8,058,959	9,639,653	453,661	5,009,186	6,701,500	713,351	54,217,783	210,819,243	175,215,874
Additions/Purchases	-	-	-	-	-	-	1,437,318	490,287	72,191	19,325,037	21,324,833	40,940,273
Disposals	(375,000)	-	(2,705,257)	-	-	-	(172,124)	(1,512,105)	-	-	(4,764,486)	(3,591,522)
Transfers to (from)	(5,400)	-	55,173,409	-	-	-	1,904,334	288,631	-	(57,360,974)	-	(1,745,382)
Closing Balance as of August 31	8,201,462	471,448	169,439,992	8,058,959	9,639,653	453,661	8,178,714	5,968,313	785,542	16,181,846	227,379,590	210,819,243
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	117,861	82,253,238	1,640,405	2,002,425	353,608	1,881,738	4,469,064	335,341	-	93,053,680	91,839,588
Amortization of the Period	-	23,572	3,093,174	366,096	883,635	90,732	817,916	1,083,928	157,110	-	6,516,163	5,563,786
Disposals	-	-	(1,670,026)	-	-	-	(172,124)	(1,512,105)	-	-	(3,354,255)	(2,724,114)
Transfers to (from)	-	-	-	-	-	-	-	-	-	-	-	(1,625,580)
Closing Balance as of August 31	N/A	141,433	83,676,386	2,006,501	2,886,060	444,340	2,527,530	4,040,887	492,451	N/A	96,215,588	93,053,680
Net Book Value:												
Opening Balance as of September 1	8,581,862	353,587	34,718,602	6,418,554	7,637,228	100,053	3,127,448	2,232,436	378,010	54,217,783	117,765,563	83,376,286
Closing Balance as of August 31	8,201,462	330,015	85,763,606	6,052,458	6,753,593	9,321	5,651,184	1,927,426	293,091	16,181,846	131,164,002	117,765,563
Change in Net Book Value	(380,400)	(23,572)	51,045,004	(366,096)	(883,635)	(90,732)	2,523,736	(305,010)	(84,919)	(38,035,937)	13,398,439	34,389,277
Disposals:												
Historical Cost	375,000	-	2,705,257	-	-	-	172,124	1,512,105	-	-	4,764,486	1,794,637
Accumulated Amortization	-	-	1,670,026	-	-	-	172,124	1,512,105	-	-	3,354,255	927,229
Net Cost	375,000	-	1,035,231	-	-	-	-	-	-	-	1,410,231	867,408
Price of Sale	375,000		2,089,438					128,171			2,592,609	807,587
Gain/loss on Disposal	-	-	1,054,207	-	-	-	-	128,171	-	-	1,182,378	(59,821)

Regina School Division No. 4
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2013

	2013	2012
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	6,516,163	5,563,786
Net (Gain) Loss on Disposal of Tangible Capital Assets	(1,182,378)	59,821
Total Non-Cash Items Included in Surplus	**5,333,785**	**5,623,607**

Regina School Division No. 4
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2013

	2013	2012
Net Change in Non-Cash Operating Activities:		
(Increase) Decrease in Accounts Receivable	(1,016,122)	796,974
Decrease (Increase) in Inventories for Sale	1	(119,802)
(Decrease) Increase in Provincial Grant Overpayment	(261,597)	261,597
Increase (Decrease) In Accounts Payable and Accrued Liabilities	1,211,136	(977,602)
Increase in Liability for Employee Future Benefits	305,300	213,400
Increase (Decrease) in Deferred Revenue	2,385,269	(3,313,900)
(Increase) in Inventory of Supplies for Consumption	(14,697)	(46,583)
(Increase) in Prepaid Expenses	(710,427)	(25,589)
Total Net Change in Non-Cash Operating Activities	**1,898,863**	**(3,211,505)**

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 Regina School Division No. 4 of Saskatchewan" and operates as "the Regina School Division No. 4". The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Government of Saskatchewan and 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 Canadian Public Sector Accounting Board (PSAB) and as published by the Canadian Institute of Chartered Accountants (CICA).

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

a) Adoption of New Public Sector Accounting (PSA) Standards

In 2013, the school division adopted the new PSA standards PS1201 Financial Statement Presentation, PS2601 Foreign Currency Translation, PS3041 Portfolio Investments, PS3410 Government Transfers and PS3450 Financial Instruments.

Detailed information on the impact of the adoption of these new PSA standards is provided in Note 19 Accounting Changes.

b) Reporting Entity

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

c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay. Expenses also include the amortization of tangible capital assets.

d) Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

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

- the liability for employee future benefits of $9,582,000 (2012 - $9,276,700) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of $79,911,703 (2012 - $77,630,190) because final tax assessments may differ from initial estimates,
- useful lives of capital assets and related amortization for classes of assets noted in note 2(g) because the estimate of useful life is based on management assumptions.

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

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

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 a financial instrument. The financial assets and financial liabilities portray these rights and obligations in financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accrued salaries and benefits, accounts payable and accrued liabilities and long term debt.

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

i) Fair Value

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies, are translated into Canadian dollars at the exchange rate prevailing at the financial statement date.

ii) Cost or Amortized Cost

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

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

Accounts Receivable include taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollectable 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.

Inventories for Sale consist of land and buildings which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by netting the cost of the asset against the accumulated depreciation of the asset at the time the asset was no longer used in normal operations of the school division. Net realizable value is the estimated selling price in the ordinary course of business.

Portfolio Investments consist of GICs and bonds. 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, buildings, school buses, other vehicles, furniture and equipment, computer hardware and software, audio visual equipment, capital lease assets, 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, nor does it amortize the tangible capital asset until it is complete and placed into service for use.

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
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

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

Prepaid Expenses are prepaid amounts for goods or services such as Saskatchewan School Boards Association fees, lease costs, software user fees and insurance premiums which will provide economic benefits in one or more future periods.

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.

Provincial Grant Overpayment represents government transfers (grants) advanced to the school division in excess of the determined entitlement and which are repayable to the provincial government.

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

Long Term Debt is comprised of capital loans and other long term debt 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*. Long term debt also includes capital lease obligations where substantially all of the benefits and risks incident to ownership are transferred to the school division without necessarily transferring legal ownership. The amount of the lease liability recorded at the beginning of the lease-term is the present value of the minimum lease payments, excluding the portion thereof relating to executory costs.

Liability for Employee Future Benefits represent post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

Recognition of employee future benefits obligations commenced on September 1, 2007. The school division recorded the full value of the obligation related to all these benefits for employees' past service at this time, except for that related to non-vested teacher sick leave benefits. Full valuation of the obligation was recorded on September 1, 2008.

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

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 retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). 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) Non-teaching employees participate in the Regina Civic Employees' Pension Plan. In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions 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.

Restricted revenues are amounts received pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions. Restricted revenues are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.

The school division's sources of revenues include the following:

i) Government Transfers (Grants)

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

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

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

ii) Property taxation

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

iii) Fees and Services

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

iv) Interest Income

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

v) Other (Non-Government Transfer) Contributions

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

k) Statement of Remeasurement Gain and Losses
The school division has not presented a Statement of Remeasurement Gain or Losses because it does not have financial instruments that give rise to remeasurement gains or losses.

3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of $20 million that bears interest at Bank prime rate less 1.00% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by tax levies. This line of credit was approved by the Minister of Education on January 21, 2013. Prior to this, the school division had an approved line of credit with a maximum borrowing limit of $6.3 million at an interest rate of prime less 1.00% per annum. The balance drawn on the line of credit at August 31, 2013 was $Nil (August 31, 2012 - $Nil).

4. PORTFOLIO INVESTMENTS

All portfolio investments are comprised of the following:

	2013	2012
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs, 2.10% to 3.40%, matures 12/08/2014 to 05/22/2018	$ 582,912	$ 156,736
Bank of Nova Scotia, 8.30%, matures 09/27/2013	112,448	113,748
Province of Ontario, 5.375%, matures 12/02/2012	-	84,002
Province of Ontario, 5.50%, matures 04/17/2013	-	340,874
Total portfolio investments	$ 695,360	$ 695,360

5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2013 Budget	2013 Actual	2012 Actual
Governance	$ 186,906	$ 549,793	$ -	$ 1,326	$ 751,565	$ 738,025	$ 491,206
Administration	1,628,182	546,411	-	149,920	2,496,054	2,324,513	2,281,524
Instruction	138,877,447	10,397,152	-	1,772,680	149,138,822	151,047,279	144,042,106
Plant	10,964,704	20,775,121	-	3,572,070	31,338,294	35,311,895	26,139,122
Transportation	203,971	6,932,411	-	915,546	8,356,115	8,051,928	6,870,609
Tuition and Related Fees	-	490,994	-	-	543,980	490,994	414,573
School Generated Funds	-	3,082,655	-	70,656	3,491,830	3,153,311	3,299,859
Complementary Services	4,759,146	763,348	-	32,391	6,007,578	5,554,885	5,135,199
External Services	4,982,230	1,959,911	-	1,574	6,843,320	6,943,715	4,636,649
Other	-	-	807,125	-	859,566	807,125	509,631
TOTAL	$ 161,602,586	$ 45,497,796	$ 807,125	$ 6,516,163	$ 209,827,124	$ 214,423,670	$ 193,820,478

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include retirement gratuities, severance benefits and non-vested sick leave benefits, for certain employees pursuant to applicable contracts and union agreements. 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. The valuation was performed in 2013. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year.

Details of the employee future benefits are as follows:

	2013	2012
Actuarial valuation date	31/08/2013	31/08/2012
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.25%
Discount rate (percentage)	3.50%	2.70%
Inflation rate (percentage)	2.25%	2.25%
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2013	2012
Accrued Benefit Obligation - beginning of year	$ 10,429,800	$ 10,066,800
Current period benefit cost	857,500	765,400
Interest cost	292,000	351,400
Benefit payments	(948,000)	(991,600)
Actuarial (gains) losses	(944,100)	244,700
Plan amendments	-	(6,900)
Accrued Benefit Obligation - end of year	9,687,200	10,429,800
Unamortized Net Actuarial Losses	(105,200)	(1,153,100)
Liability for Employee Future Benefits	$ 9,582,000	$ 9,276,700

Employee Future Benefits Expense	2013	2012
Current period benefit cost	$ 857,500	$ 765,400
Amortization of net actuarial loss	103,800	88,200
Benefit cost	961,300	853,600
Interest cost on unfunded employee future benefits obligation	292,000	351,400
Total Employee Future Benefits Expense	$ 1,253,300	$ 1,205,000

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) or Saskatchewan Teachers' Superannuation Plan (STSP):

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

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP and STSP 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 and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the school division's employees are as follows:

	2013			2012
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1587	91	1678	1653
Member contribution rate (percentage of salary)	7.80% / 10.00%	6.05% / 7.85%	6.05% / 10.00%	6.05% / 10.00%
Member contributions for the year	$ 9,016,041	$ 471,393	$ 9,487,434	$ 9,352,195

ii) Regina Civic Employees' Pension Plan

The Regina Civic Employees' Pension Plan provides retirement benefits based on length of service and pensionable earnings.

An actuarial valuation of the Regina Civic Employees' Pension Plan, completed as at December 31, 2012 identified an unfunded liability of $292.815 million. On a going-concern basis, the funded ratio was 77.2% at December 31, 2012, and on a termination basis, the Plan had a solvency ratio of 64.9%. To meet the minimum statutory funding requirements, the actuary identified that member and employer contribution rates would need to be increased to 30.78% of salary up to YMPE and 45.6% of salary over the YMPE retroactive to January 1, 2013. The contribution rates remain at the same level as in 2012 (based on the level established in the 2007 valuation) as sponsor negotiations regarding possible plan amendments are ongoing.

The contributions to the Regina Civic Employees' Pension Plan 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 accounting standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the Regina Civic Employees' Pension Plan are as follows:

	2013	2012
Number of active School Division members	608	641
Member contribution rate (percentage of salary)	9.42% / 13.96%	9.42% / 13.96%
School Division contribution rate (percentage of salary)	9.42% / 13.96%	9.42% / 13.96%
Member contributions for the year	$ 2,698,080	$ 2,680,671
School Division contributions for the year	$ 2,695,787	$ 2,677,439
Actuarial valuation date	31-Dec-12	31-Dec-10
Plan Assets	$ 991,482,000	$ 874,100,000
Plan Liabilities	$ 1,284,297,000	$ 1,120,400,000
Plan Surplus (Deficit)	$ (292,815,000)	$ (246,300,000)

8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the Statement of Financial Position are net of any valuation allowances for doubtful accounts. Details of account receivable balances are as follows:

	2013			2012		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Provincial Grants Receivable	$ 1,567,562	$ -	$ 1,567,562	$ 275,422	$ -	$ 275,422
City of Regina Capital Receivable	1,427,438	-	1,427,438	1,427,438	-	1,427,438
Other Receivables	833,633	-	833,633	1,109,651	-	1,109,651
Total Accounts Receivable	$ 3,828,633	$ -	$ 3,828,633	$ 2,812,511	$ -	$ 2,812,511

City of Regina Capital Receivable - In 1987, the Central Collegiate land and building were transferred to The City of Regina for 5.017 hectares of future lands having an estimated value of $1,775,000. The amount is set up as capital receivable to be applied against future property acquisitions from The City of Regina. In 1999, an agreement was finalized with The City of Regina relating to the provision of municipal reserve lands on which an elementary school would be constructed in southeast Regina. As part of the transaction, the school division received credit for the equivalent of one hectare under the Central Collegiate Land Exchange Agreement. Accordingly, to date an amount of $347,562 has been applied to the capital receivable resulting in a balance of $1,427,438.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2013	2012
Accrued Salaries and Benefits	$ 5,251,311	$ 5,844,283
Supplier Payments	4,395,537	2,771,113
Other Accrued Liabilities	7,413,133	7,233,449
Total Accounts Payable and Accrued Liabilities	$ 17,059,981	$ 15,848,845

10. LONG-TERM DEBT

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

Other Long Term Debt:		2013	2012
Capital Loans	RBC Financial Group, capital school building construction, 3.92%, principal and interest payments of $97,735 payable monthly, due date of loan, March 1, 2032	$ 15,461,669	$ 16,016,244
Capital Leases	Bank of Nova Scotia, purchase school buses, 5.415% to 5.516%, principal and interest payments of $55,034 payable monthly, due date of leases range from August 2012 to July 2014	1,271,979	1,528,422
Capital Leases	Concentra Financial Services, purchase school buses, 3.33%, principal and interest payments of $317,908 payable yearly, due date of lease, July 1, 2018	2,387,427	2,638,456
Other LT Debt	Warner Bus Industries Ltd., Agreement for Sale bus barn, no interest, closing date Nov 18, 2013	-	1,600,000
Total Long Term Debt		$ 19,121,075	$ 21,783,122

During the year the agreement with Warner Industries Ltd. for $1,600,000 was derecognized as the school division does not intend to pursue the current agreement.

Principal repayments over the next 5 years are estimated as follows:

	Capital Loans	Capital Leases	Total
2014	577,024	$ 1,115,336	$ 1,692,360
2015	600,054	684,056	1,284,110
2016	624,004	276,951	900,955
2017	648,808	286,173	934,981
2018	674,808	1,296,890	1,971,698
Thereafter	12,336,971	-	12,336,971
Total	$ 15,461,669	$ 3,659,406	$ 19,121,075

Principal and interest payments on the long-term debt are as follows:

	Capital Loans	Capital Leases	2013	2012
Principal	$ 554,575	$ 507,472	$ 1,062,047	$ 2,135,094
Interest	617,938	162,636	780,574	417,064
Total	$ 1,172,513	$ 670,108	$ 1,842,621	$ 2,552,158

In 2012, the Ministry of Education approved capital loans of $16,016,244 to build or renovate schools. During the fiscal year, the school division received payments for the principal and interest on the approved loans from the Ministry of Education

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2012	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2013
Capital projects:				
Federal capital tuition	$ 8,025	$ -	$ -	$ 8,025
Ministry of Education capital transfers	754,282	-	(754,282)	-
Proceeds from sale of school buildings - Ministry discretion	-	2,206,723	-	2,206,723
Proceeds from sale of school buildings - Board discretion	720,121	245,191	(965,312)	-
Total capital projects deferred revenue	$ 1,482,428	$ 2,451,914	$ (1,719,594)	$ 2,214,748
Other deferred revenue:				
Ministry of Education - Operating Grants	902,409	-	(902,409)	-
City of Regina - Tax Levy	7,984,906	10,333,071	(7,984,906)	10,333,071
Other (tuition fees, federal grants, special programs)	399,422	500,505	(293,312)	606,615
Total other deferred revenue	$ 9,286,737	$ 10,833,576	$ (9,180,627)	$ 10,939,686
Total Deferred Revenue	$ 10,769,165	$ 13,285,490	$ (10,900,221)	$ 13,154,434

12. COMPLEMENTARY SERVICES

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

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

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Nutrition	Other Programs	2013	2012
Revenue:						
Grants	$ 2,317,511	$ -	$ 124,490	770,598	$ 3,212,599	$ 2,556,869
Tuition and Related Fees	-	-	-	47,465	47,465	63,135
Miscellaneous Revenue	-	-	3,250	62,369	65,619	40,000
Total Revenue	2,317,511	-	127,740	880,432	3,325,683	2,660,004
Expenses:						
Salaries & Benefits	2,187,233	1,961,054	217,463	393,396	4,759,146	4,329,613
Instructional Aids	48,700	281,289	225,920	14,411	570,320	594,007
Supplies and Services	-	-	-	114,457	114,457	84,240
Non-Capital Equipment	2,483	7,979	4,268	955	15,685	39,491
Communications	-	822	-	5,289	6,111	7,856
Travel	463	4,646	-	6,440	11,549	6,460
Professional Development (Non-Salary Costs)	-	-	-	-	-	673
Student Related Expenses	-	-	-	45,226	45,226	42,492
Amortization of Tangible Capital Assets	-	-	-	32,391	32,391	30,367
Total Expenses	2,238,879	2,255,790	447,651	612,565	5,554,885	5,135,199
Excess (Deficiency) of Revenue over Expenses	$ 78,632	$ (2,255,790)	$ (319,911)	$ 267,867	$ (2,229,202)	$ (2,475,195)

The Prekindergarten program was approved by the Ministry of Education based on community socio-economic factors prescribed by the Ministry. The Community Schools program, which is no longer recognized by the Ministry of Education, still follows the same guidelines the Ministry once provided for the program. Nutrition programs provide for nutritionists and nutritional meals and snacks for students in need. Other programs include Ministry-approved projects such as Youth in Custody and First Nations Métis Education. Other programs also include correspondence school and University of Regina transitions project.

13. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Visa Program	Other Programs	2013	2012
Revenue:					
Grants	$ 6,857,506	$ -	$ -	$ 6,857,506	$ -
Tuition and Related Fees	-	30,532	-	30,532	9,926
Miscellaneous Revenue	-	-	1,505	1,505	129,854
Total Revenue	$ 6,857,506	$ 30,532	$ 1,505	$ 6,889,543	$ 139,780
Expenses:					
Tuition Fees	-	-	-	-	357,735
Salaries & Benefits	4,982,230	-	-	4,982,230	4,179,676
Instructional Aids	1,370,445	1,355	-	1,371,800	2,535
Supplies and Services	516,970	34,666	4,552	556,188	83,732
Non-Capital Equipment	702	208	-	910	2,900
Communications	-	98	-	98	5,965
Travel	705	-	-	705	-
Professional Development (Non-Salary Costs)	23,220	462	(4,393)	19,289	3,011
Student Related Expenses	6,765	4,156	-	10,921	-
Amortization of Tangible Capital Assets	-	1,574	-	1,574	1,095
Total Expenses	6,901,037	42,519	159	6,943,715	4,636,649
Excess (Deficiency) of Revenue over Expenses	$ (43,531)	$ (11,987)	$ 1,346	$ (54,172)	$ (4,496,869)

Associate Schools include all salaries, benefits, and other school related costs paid by the school division to or on behalf of its associate schools. Visa Program relates to providing foreign students attending International Student Program at Sheldon-Williams Collegiate with additional educational services.

Summary of Associate School Revenues and Expenses, Details by School	Regina Christian School	Harvest City Academy	Regina Huda School	2013	2012
Revenue:					
Operating Grants	$ 2,738,962	$ 1,736,219	$ 2,382,325	$ 6,857,506	$ -
Fees and other revenue	-	-	-	-	68,718
Total Revenue	$ 2,738,962	$ 1,736,219	$ 2,382,325	$ 6,857,506	$ 68,718
Expenses:					
Tuition Fees	$ -	$ -	$ -	$ -	$ 357,735
Salaries & Benefits	2,117,049	1,300,165	1,565,016	4,982,230	4,179,676
Instructional Aids	414,841	301,235	654,369	1,370,445	-
Supplies and Services	209,193	141,014	166,763	516,970	13,370
Non-Capital Equipment	-	-	702	702	-
Travel	-	-	705	705	-
Professional Development	9,595	5,293	8,332	23,220	-
Student Related Expenses	4,764	1,465	536	6,765	-
Total Expenses	$ 2,755,442	$ 1,749,172	$ 2,396,423	$ 6,901,037	$ 4,550,781
Deficiency of Revenue over Expenses	$ (16,480)	$ (12,953)	$ (14,098)	$ (43,531)	$ (4,482,063)

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, and accumulated net remeasurement gains and losses.

Accumulated surplus is comprised of the following two amounts:

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

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes such as school funds, capital reserves and instructional and facilities innovation and upgrades. 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.

Accumulated surplus from operations are as follows:

	August 31 2012	Additions during the year	Reductions during the year	August 31 2013
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	$ 117,765,563	$ 21,324,833	$ (7,926,394)	$ 131,164,002
Less: Debt owing on Tangible Capital Assets	21,783,122	-	(2,662,047)	19,121,075
	95,982,441	21,324,833	(5,264,347)	112,042,927
PMR maintenance project allocations (1)	-	1,769,537	(1,769,537)	-
Internally Resricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	-	3,338,696	-	3,338,696
Board Share of Sale of Robert Usher Collegiate	-	700,000	-	700,000
Board Share of Sale of Steward Russell School	-	20,121	-	20,121
Board Share of Sale of Athabasca School	-	245,191	-	245,191
	-	4,304,008	-	4,304,008
Other:				
Election Reserve	100,000	50,000	(100,000)	50,000
General Reserve	3,792,006	-	-	3,792,006
Renewal Reserve	2,873,992	-	-	2,873,992
School Fund Reserve	2,091,780	2,090,484	(1,711,085)	2,471,179
Encumberance Reserve	1,438,498	775,550	(1,438,498)	775,550
Facility Upgrades Reserve	14,488,830	-	(7,440,536)	7,048,294
IT Upgrades Reserve	1,410,300	235,818	(401,769)	1,244,349
Instructional Innovation Reserve	1,730,725	2,200,473	(554,935)	3,376,263
Other Reserve	637,329	319,710	(639,445)	317,594
	28,563,460	5,672,035	(12,286,268)	21,949,227
Unrestricted Surplus	31,643,826	-	(5,797,475)	25,846,351
Total Accumulated Surplus (Deficit) from Operations	$ 156,189,727	$ 33,070,413	$ (25,117,627)	$ 164,142,513

(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 Capital projects reserve is for future capital planned projects. The Election reserve is set aside annually in order to cover the cost of municipal elections held every four years. The General reserve is for future operating costs. The Renewal reserve was established in 2009 and supplemented in 2010 and 2011 with facility savings associated with school attendance area mergers. The reserve is for capital costs associated with the school division's Renewal Plan. The School Fund reserve includes the budget carry-overs for all school-generated funds. The Encumbrance reserve represents all outstanding purchase orders at August 31. The Facility Upgrade reserve represents all outstanding planned facilities projects that were budgeted in prior years but not completed at year-end. The IT Upgrades reserve is for future VoIP requirements and proposed business continuity needs. The Instructional Innovation reserve includes allocations for instructional supplies and contracted services for instructional programming, as well as reserves for deferred Ministry programs. Other reserves include allocations for capital equipment and software and leadership development.

15. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the board of education on June 4, 2012 and the Minister of Education on August 10, 2012.

16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the school division is related to other non-Government organizations by virtue of its economic interest in these organizations.

Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

	2013	2012
Revenues:		
Ministry of Education	$ 133,118,015	$ 136,676,621
Prairie Valley School Division	-	365,957.00
	$ 133,118,015	$ 137,042,578
Expenses:		
Good Spirit School Division	$ 50,235	$ -
Horizon School Division	-	500
Northwest School Division	-	2,100
SaskPower	2,205,037	2,202,044
SaskEnergy	2,557,676	2,066,629
SaskTel	733,636	465,759
Sask Workers' Compensation Board	382,656	333,553
Sask Rivers School Division	-	1,181
Sunwest School Division	-	4,500
Regina Qu'Appelle Health Region	171,857	65,624
	$ 6,101,097	$ 5,141,890
Accounts Receivable:		
Ministry of Education	$ 1,567,562	$ 275,422
	$ 1,567,562	$ 275,422
Prepaid Expenses:		
Sask Workers' Compensation Board	$ 127,552	$ -
	$ 127,552	$ -
Provincial Grant Overpayment:		
Ministry of Education	$ -	$ 261,597
	$ -	$ 261,597
Accounts Payable and Accrued Liabilities:		
SaskTel	$ -	$ 58,211
SaskPower	22,771	186,637
SaskEnergy	147	30,924
	$ 22,918	$ 275,772
Deferred Revenue:		
Ministry of Education	$ -	$ 1,656,691
	$ -	$ 1,656,691

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

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

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

17. CONTINGENT LIABILITIES

In the normal conduct of operations, there are pending claims by and against the school division. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the advice and information provided by its legal counsel, final determination, if any, of these other litigations will not materially affect the school division's financial position or results of operations and any further disclosure may adversely affect the outcome of the litigation.

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- construction contract for Seven Stones Community School Rebuild in the amount of $15,863,674, $6.78 million to be paid over the subsequent year
- architect fee contract for Seven Stones Community School Rebuild in the amount of $1,280,678, $81,208 to be paid over the subsequent year
- construction contract for Campbell Collegiate renovation in the amount of $2,740,505, $336,502 to be paid over the subsequent year
- operating and capital lease obligations, as follows:

	Operating Leases					Capital Leases	
	Building Leases	Vehicle Leases	Computer Leases	Copier Leases	Total Operating	Buses	Total Capital
Future minimum lease payments:							
2014	$ 628,002	$ 71,086	$ 1,478,670	$ 692,000	$ 2,869,758	$ 1,115,336	$ 1,115,336
2015	628,002	38,888	1,407,474	692,000	2,766,364	684,056	684,056
2016	628,002	38,888	829,902	576,667	2,073,459	276,951	276,951
2017	23,165	38,888	58,568	-	120,621	286,173	286,173
2018	23,165	9,722	-	-	32,887	1,296,890	1,296,890
	$ 1,930,336	$ 197,472	$ 3,774,614	$ 1,960,667	$ 7,863,089	$ 3,659,406	$ 3,659,406
Interest and executory costs	-	-	-	-	-	341,069	341,069
Total Lease Obligations	$ 1,930,336	$ 197,472	$ 3,774,614	$ 1,960,667	$ 7,863,089	$ 4,000,475	$ 4,000,475

19. ACCOUNTING CHANGES

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

PS1201 Financial Statement Presentation
The school division adopted the new PS1201 Financial Statement Presentation standard in 2013. PS1201 establishes general reporting principles and standards for the disclosure of information in financial statements, and introduces a new Statement of Remeasurement Gains and Losses which reports unrealized gains and losses associated with foreign exchange and changes in value for financial instruments recorded at fair value, and accounts for amounts reclassified to the statement of operations upon derecognition or settlement. This standard is applicable to the fiscal year in which the new PS2601 Foreign Currency Translation and PS3450 Financial Instruments standards are adopted. These standards are adopted on a prospective basis, without restatement of prior period comparative amounts and accordingly, no 2012 comparatives have been provided in the new Statement of Remeasurement Gains and Losses. Implementation of PS1201, PS2601 and PS3450 required the school division to remeasure its financial instruments at September 1, 2012 and to recognize the accumulated remeasurement gains and losses in the opening balance in the Statement of Remeasurment Gains and Losses.

The adoption of the new PS1201 standard has not impacted the school division's financial statements as the school division had no remeasurement gains or losses to report in 2013. Accordingly, the school division has not presented the Statement of Remeasurement Gains and Losses.

PS2601 Foreign Currency Translation
The school division adopted the revised PS2601 Foreign Currency Translation standard in 2013. This revised standard establishes standards on how to account for and report transactions that are denominated in a foreign currency, and replaces the previous PS2600 Foreign Currency Translation. The revised PS2601 standard must be implemented in the same fiscal year as the new PS3450 Financial Instruments standard is adopted, and is adopted on a prospective basis, without restatement of prior period comparative amounts. Accordingly, the 2012 comparative amounts were not restated and have been presented in these financial statements in accordance with the accounting policies applied by the school division immediately preceding its adoption of the revised standard.

The adoption of the revised PS2601 standard has not resulted in any changes to the measurement and recognition of foreign currency transactions or balances by the school division.

PS3041 Portfolio Investments

The school division adopted the new PS3041 Portfolio Investments standard in 2013.This new standard establishes standards on how to account for and report portfolio investment, and replaces the previous PS3030 Temporary Investments and PS3040 Portfolio Investments standards and is applicable to the fiscal year in which the PS2601 Foreign Currency Translation and PS3450 Financial Instruments standards are adopted. The PS3041 standard refers to PS3450 for recognition and measurement of investments and is adopted on a prospective basis, without restatement of prior period comparative amounts. Accordingly, the 2012 comparative amounts were not restated and have been presented in these financial statements in accordance with the accounting policies applied by the school division immediately preceding its adoption of the revised standard.

Previously, the school division classified investments as either Short-Term Investments or Long-Term Investments, depending on the purpose and maturity of the investment. Short-Term Investments were recorded at the lower of cost or market; Long-Term Investments were carried at amortized cost, with write-downs to reflect any permanent impairment in value.

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

PS3450 Financial Instruments

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

(a) the recognition, derecognition and measurement policies for financial instruments followed by the school division in financial statements for periods prior to the 2013 are not reversed and, therefore, the financial statements of prior periods, including 2012 comparative amounts, have not been restated.

(b) at the beginning of the 2012-13 fiscal year, the school division:

  (i) recognized all financial assets and financial liabilities on its statement of financial position and classified items in accordance with PS3450 standards;

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

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

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

(d) the school division established an accounting policy for the identification of embedded derivatives in contracts entered into by it. The school division's policy, and its application, recognizes as separate assets and liabilities those embedded derivatives required to be reported in accordance with provisions of PS3450 on either a retroactive or prospective basis. The adoption of this policy has not impacted the school division's 2013 financial statements as the school division did not have any derivative contracts.

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

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

Previously, government transfers (grants) that restricted how those resources were to be used were deferred and recognized in revenue as the related expenses or expenditures were incurred. The adoption of the new PS3410 required that the school division assess government transfers (grants) received to determine if they meet the requirement for deferral as a liability, in accordance with the new standard. The impact to the school division resulting from the adoption of the new PS3410 standard is as follows:
Previously, the following Ministry of Education grants were deferred until spent for the purpose designated in the funding agreement. However under the revised PS3410 standard, these grants do not meet the criteria for deferral as liabilities, and therefore have been recognized as grant revenue in 2013 noted in note 11:

Ministry of Education capital grants	$ 670,223
Ministry of Education operating grants	$ 902,409

20. COMPARATIVE INFORMATION

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

21. PROFESSIONAL DEVELOPMENT

The Teacher's Local Implementation Negotiation Committee Agreement provides for a professional development allocation based on .59% of the teacher salary amounts reported in the audited financial statements. The allocation is calculated as follows:

	2013	2012
Operating Teacher Salaries	$ 97,809,537	$ 95,033,687
Complementary Teacher Salaries	1,975,621	1,863,552
External Teacher Salaries	4,322,611	3,794,601
Total Teacher Salaries	$ 104,107,769	$ 100,691,840
Professional Development Allocation .59%	$ 614,236	$ 594,082

22. RISK MANAGEMENT

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk and foreign exchange 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 close monitoring of overdue accounts. With regard to the receivable from the City of Regina, the land transfer agreement is referenced in correspondence with the City. Management reviews accounts receivable on a case-by-case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

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

	August 31, 2013		August 31, 2012	
	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts
Current	$ 533,569	$ -	$ 315,499	$ -
0-30 days	1,758,459	-	436,262	-
30-60 days	76,520	-	628,253	-
60-90 days	32,647	-	5,059	-
Over 90 days	1,427,438	-	1,427,438	-
Total	$ 3,828,633	$ -	$ 2,812,511	$ -
Net		$ 3,828,633		$ 2,812,511

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 monitoring budgets. The following table sets out the contractual maturities of the school division's financial liabilities:

	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	$ 15,405,716	$ 444,555	$ 449,643	$ 760,067
Long term debt	846,180	846,180	5,091,744	12,336,971
Total	$ 16,251,896	$ 1,290,735	$ 5,541,387	$ 13,097,038

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 $20 million with interest payable monthly at a rate of prime less 1.00 %. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. The balance outstanding on this credit facility at August 31, 2013 was $Nil (2012 - $Nil).

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
- investing in government and Canadian charter bank bonds 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

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however the risk is minimal as the school division does not make a significant amount of purchases denominated in foreign currency outstanding at August 31, 2013 or August 31, 2012.