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## Auditor's Report and Financial Statement

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Of the Regina School Division No. 4

School Division No. 2150000

For the Period Ending: August 31, 2011

D.G. Burnett, Deputy Director  
Chief Financial Officer

MNP LLP  
Auditor

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

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## Independent Auditors' Report

To the Chairman and Trustees of  
The Board of Education of the 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, 2011 and the statements of operations and accumulated surplus, 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, 2011 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  
December 13, 2011

**MNP** LLP**MNP LLP****ACCOUNTING > CONSULTING > TAX**

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## Management's Responsibility

To the Chairperson and Trustees of The Board of Education of the Regina School Division No. 4 of Saskatchewan:


Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls 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 is composed entirely of Trustees who are neither management nor employees of the School Division. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the School Division's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Board to audit the financial statements and report directly to them; their report follows. 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.

December 13, 2011



D.G. Burnett  
Deputy Director



B.W. Lipinski  
Superintendent

**Regina School Division No. 4**  
**Statement of Financial Position**  
**as at August 31, 2011**

	2011	2010
<b>Financial Assets</b>		
Cash and Cash Equivalents	81,868,215	80,026,036
Accounts Receivable (Note 8)	3,609,485	6,362,291
Inventories for Sale	133,367	1,571,575
Long Term Investments (Note 4)	702,464	658,135
<b>Total Financial Assets</b>	<b>86,313,531</b>	<b>88,618,037</b>
<b>Liabilities</b>		
Provincial Grant Overpayment	-	4,428,569
Accounts Payable and Accrued Liabilities (Note 9)	16,826,447	10,332,380
Long Term Debt (Note 10)	4,699,760	5,182,449
Liability for Employee Future Benefits (Note 6)	9,063,300	8,910,600
Deferred Revenue (Note 11)	14,083,065	23,484,610
<b>Total Liabilities</b>	<b>44,672,572</b>	<b>52,338,608</b>
<b>Net Financial Assets</b>	<b>41,640,959</b>	<b>36,279,429</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	83,376,286	70,818,021
Inventory of Supplies for Consumption	252,006	321,069
Prepaid Expenses	1,612,535	2,262,677
<b>Total Non-Financial Assets</b>	<b>85,240,827</b>	<b>73,401,767</b>
<b>Accumulated Surplus (Note 14)</b>	<b>126,881,786</b>	<b>109,681,196</b>

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:**

  
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Chairperson

  
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Secretary-Treasurer

**Regina School Division No. 4**  
**Statement of Operations and Accumulated Surplus**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
	(Note 15)		
<b>REVENUES</b>			
Property Taxation	78,045,257	77,289,450	78,898,322
Grants	137,138,852	119,546,895	103,075,764
Tuition and Related Fees	1,314,180	1,407,184	1,414,474
School Generated Funds	3,800,000	3,572,229	3,823,583
Complementary Services (Note 12)	494,928	679,650	465,540
External Services (Note 13)	223,000	94,352	283,271
Other	1,731,700	2,038,976	1,697,179
<b>Total Revenues (Schedule A)</b>	<b>222,747,917</b>	<b>204,628,736</b>	<b>189,658,133</b>
<b>EXPENSES</b>			
Governance	552,444	580,153	670,543
Administration	2,132,914	2,225,797	2,182,716
Instruction	136,850,343	136,509,122	132,011,256
Plant	31,141,195	26,997,799	28,140,232
Transportation	7,374,030	6,830,562	6,679,542
Tuition and Related Fees	508,600	444,754	424,721
School Generated Funds	3,842,734	3,320,676	4,214,383
Complementary Services (Note 12)	5,315,238	5,098,825	4,918,745
External Services (Note 13)	4,283,248	4,256,806	4,136,873
Other Expenses	286,485	1,163,652	275,197
<b>Total Expenses (Schedule B)</b>	<b>192,287,231</b>	<b>187,428,146</b>	<b>183,654,208</b>
<b>Surplus for the Year</b>	<b>30,460,686</b>	<b>17,200,590</b>	<b>6,003,925</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>109,681,196</b>	<b>109,681,196</b>	<b>103,677,271</b>
<b>Accumulated Surplus, End of Year</b>	<b>140,141,882</b>	<b>126,881,786</b>	<b>109,681,196</b>

*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, 2011**

	2011 Budget (Note 15)	2011 Actual	2010 Actual
<b>Net Financial Assets, Beginning of Year</b>	<b>36,279,429</b>	<b>36,279,429</b>	<b>33,639,063</b>
<b>Changes During the Year:</b>			
Surplus for the Year	30,460,686	17,200,590	6,003,925
Acquisition of Tangible Capital Assets (Schedule C)	(39,138,103)	(18,779,374)	(8,000,229)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	704,565	523,303	200,000
Net Loss on Disposal of Capital Assets (Schedule C)	78,285	58,145	58,661
Transfer of Tangible Capital Assets to Inventory for Resale (Schedule C)	-	-	133,361
Amortization of Tangible Capital Assets (Schedule C)	5,186,667	5,639,661	5,019,851
Net Acquisition of Inventory of Supplies	-	69,063	93,786
Net Acquisition of Prepaid Expenses	-	650,142	(868,989)
<b>Change in Net Financial Assets / Net Debt</b>	<b>(2,707,900)</b>	<b>5,361,530</b>	<b>2,640,366</b>
<b>Net Financial Assets, End of Year</b>	<b>33,571,529</b>	<b>41,640,959</b>	<b>36,279,429</b>

*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, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Surplus (Deficit) for the Year	17,200,590	6,003,925
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	5,697,806	5,078,512
Net Change in Non-Cash Operating Activities (Schedule E)	(2,273,128)	(4,899,484)
<b>Cash Provided (Used) by Operating Activities</b>	<b>20,625,268</b>	<b>6,182,953</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(18,779,374)	(8,000,229)
Proceeds on Disposal of Tangible Capital Assets	523,303	200,000
Net transfer of Tangible Capital Assets to Inventory for Resale (Schedule C)	-	133,361
<b>Cash Provided (Used) by Capital Activities</b>	<b>(18,256,071)</b>	<b>(7,666,868)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Investments	(44,329)	-
Proceeds on Disposal of Investments	-	24,378
<b>Cash Provided (Used) by Investing Activities</b>	<b>(44,329)</b>	<b>24,378</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of Long Term Debt	(482,689)	(743,653)
<b>Cash Provided (Used) by Financing Activities</b>	<b>(482,689)</b>	<b>(743,653)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,842,179</b>	<b>(2,203,190)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>80,026,036</b>	<b>82,229,226</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>81,868,215</b>	<b>80,026,036</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	81,868,215	80,026,036
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>81,868,215</b>	<b>80,026,036</b>

*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, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	70,077,148	72,031,592	73,872,786
Revenue from Supplemental Levies	600,000	435,666	503,469
<b>Total Property Tax Revenue</b>	<b>70,677,148</b>	<b>72,467,258</b>	<b>74,376,255</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	2,533,418	1,576,392	1,544,850
Provincial Government	6,106,880	4,522,388	4,283,547
<b>Total Grants in Lieu of Taxes</b>	<b>8,640,298</b>	<b>6,098,780</b>	<b>5,828,397</b>
<b>Other Tax Revenues:</b>			
Treaty Land Entitlement - Urban	-	19,996	10,710
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>19,996</b>	<b>10,710</b>
<b>Deletions from Levy:</b>			
Other Deletions	(1,272,189)	(1,296,584)	(1,317,040)
<b>Total Deletions from Levy</b>	<b>(1,272,189)</b>	<b>(1,296,584)</b>	<b>(1,317,040)</b>
<b>Total Property Taxation Revenue</b>	<b>78,045,257</b>	<b>77,289,450</b>	<b>78,898,322</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
<b>Ministry of Education Grants:</b>			
K-12 Operating Grant	102,152,217	104,832,201	99,143,501
Other Ministry Grants	266,179	1,256,119	1,153,932
<b>Total Ministry Grants</b>	<b>102,418,396</b>	<b>106,088,320</b>	<b>100,297,433</b>
Other Provincial Grants	-	-	-
Federal Grants	-	43,750	61,144
Grants from Others	-	-	-
<b>Total Operating Grants</b>	<b>102,418,396</b>	<b>106,132,070</b>	<b>100,358,577</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	34,720,456	13,414,825	2,717,187
<b>Total Capital Grants</b>	<b>34,720,456</b>	<b>13,414,825</b>	<b>2,717,187</b>
<b>Total Grants</b>	<b>137,138,852</b>	<b>119,546,895</b>	<b>103,075,764</b>



**Regina School Division No. 4**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
School Boards	903,620	1,075,008	1,061,613
Federal Government and First Nations	19,360	(6,208)	37,088
Individuals and Other	387,200	334,384	311,773
<b>Total Tuition Fees</b>	<b>1,310,180</b>	<b>1,403,184</b>	<b>1,410,474</b>
Transportation Fees	4,000	4,000	4,000
<b>Total Operating Tuition and Related Fees</b>	<b>1,314,180</b>	<b>1,407,184</b>	<b>1,414,474</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>1,314,180</b>	<b>1,407,184</b>	<b>1,414,474</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular Fees:</b>			
Student Fees	800,000	515,567	782,465
<b>Total Curricular Fees</b>	<b>800,000</b>	<b>515,567</b>	<b>782,465</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - GST	-	225,341	-
Commercial Sales - Non-GST	-	310,461	-
Fundraising	-	1,417,271	-
Grants and Partnerships	-	283,183	-
Students Fees	3,000,000	801,653	3,041,118
Other	-	18,753	-
<b>Total Non-Curricular Fees</b>	<b>3,000,000</b>	<b>3,056,662</b>	<b>3,041,118</b>
<b>Total School Generated Funds Revenue</b>	<b>3,800,000</b>	<b>3,572,229</b>	<b>3,823,583</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education Grants-Other	370,428	460,005	242,014
Other Provincial Grants	124,500	128,735	120,245
Federal Grants	-	-	13,500
<b>Total Operating Grants</b>	<b>494,928</b>	<b>588,740</b>	<b>375,759</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	50,910	48,289
Other Revenue	-	40,000	41,492
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>90,910</b>	<b>89,781</b>
<b>Total Complementary Services Revenue</b>	<b>494,928</b>	<b>679,650</b>	<b>465,540</b>

**Regina School Division No. 4**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>External Services</b>			
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	23,000	13,173	47,238
Other Revenue	200,000	81,179	236,033
<b>Total Fees and Other Revenue</b>	<b>223,000</b>	<b>94,352</b>	<b>283,271</b>
<b>Total External Services Revenue</b>	<b>223,000</b>	<b>94,352</b>	<b>283,271</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	703,200	552,494	781,198
Sales & Rentals	628,500	723,467	637,325
Investments	400,000	761,015	278,656
Gain on Disposal of Capital Assets	-	2,000	-
<b>Total Other Revenue</b>	<b>1,731,700</b>	<b>2,038,976</b>	<b>1,697,179</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>222,747,917</b>	<b>204,628,736</b>	<b>189,658,133</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Governance Expense</b>			
Board Members Expense	177,494	176,840	171,593
Conventions - Board Members	14,000	16,870	13,035
School Community Councils	110,500	90,907	121,124
Conventions - School Community Councils	1,800	335	1,712
Elections	50,000	50,000	149,175
Other Governance Expenses	198,650	245,201	213,904
<b>Total Governance Expense</b>	<b>552,444</b>	<b>580,153</b>	<b>670,543</b>
<b>Administration Expense</b>			
Salaries	1,289,635	1,362,508	1,218,609
Benefits	252,216	242,975	232,364
Supplies & Services	304,700	320,906	413,813
Non-Capital Furniture & Equipment	75,000	21,503	15,298
Building Operating Expenses	-	38,935	38,124
Communications	74,512	77,932	76,495
Professional Development	23,000	20,796	37,302
Amortization of Tangible Capital Assets	113,851	140,242	150,711
<b>Total Administration Expense</b>	<b>2,132,914</b>	<b>2,225,797</b>	<b>2,182,716</b>
<b>Instruction Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries	99,927,959	100,178,955	96,609,832
Instructional (Teacher & LEADS Contract) Benefits	6,770,977	6,495,615	6,637,836
Program Support (Non-Teacher Contract) Salaries	15,757,971	16,038,876	15,471,988
Program Support (Non-Teacher Contract) Benefits	2,896,136	2,737,602	2,714,618
Instructional Aids	4,289,616	3,740,148	3,979,291
Supplies & Services	1,821,626	2,386,631	2,214,232
Non-Capital Furniture & Equipment	1,814,407	1,502,013	1,300,169
Communications	233,733	188,027	214,961
Travel	276,758	246,483	239,289
Professional Development	751,936	657,118	691,526
Student Related Expense	588,371	410,248	403,787
Amortization of Tangible Capital Assets	1,720,853	1,927,406	1,533,727
<b>Total Instruction Expense</b>	<b>136,850,343</b>	<b>136,509,122</b>	<b>132,011,256</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	9,165,759	8,850,691	8,665,731
Benefits	2,371,589	2,194,627	2,325,100
Supplies & Services	3,000	1,301	921
Non-Capital Furniture & Equipment	218,675	50,950	29,707
Building Operating Expenses	16,058,788	12,700,969	13,951,354
Communications	491,812	265,023	343,546
Travel	137,123	143,341	139,180
Professional Development	50,000	28,759	37,431
Amortization of Tangible Capital Assets	2,644,449	2,762,138	2,647,262
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>31,141,195</b>	<b>26,997,799</b>	<b>28,140,232</b>
<b>Student Transportation Expense</b>			
Salaries	171,602	166,417	163,049
Benefits	34,465	33,262	33,509
Supplies & Services	469,000	518,308	419,475
Non-Capital Furniture & Equipment	421,000	431,173	448,353
Building Operating Expenses	143,000	129,128	129,582
Communications	8,000	8,000	8,400
Professional Development	3,000	286	2,074
Contracted Transportation	5,451,937	4,811,898	4,842,839
Amortization of Tangible Capital Assets	672,026	732,090	632,261
<b>Total Student Transportation Expense</b>	<b>7,374,030</b>	<b>6,830,562</b>	<b>6,679,542</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	458,600	391,019	377,996
Transportation Fees	50,000	53,735	46,725
<b>Total Tuition and Related Fees Expense</b>	<b>508,600</b>	<b>444,754</b>	<b>424,721</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	800,000	165,235	828,415
Cost of Sales	-	483,350	-
Non-Capital Furniture & Equipment	-	69,343	896
School Fund Expenses	3,000,000	2,552,918	3,344,671
Amortization of Tangible Capital Assets	42,734	49,830	40,401
<b>Total School Generated Funds Expense</b>	<b>3,842,734</b>	<b>3,320,676</b>	<b>4,214,383</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	1,914,264	1,936,753	1,823,987
Program Support (Non-Teacher Contract) Salaries & Benefits	2,473,640	2,362,617	2,205,485
Instructional Aids	642,879	567,283	597,363
Supplies & Services	171,428	133,405	208,931
Non-Capital Furniture & Equipment	30,600	11,002	8,836
Communications	19,600	11,214	6,701
Travel	4,755	7,410	8,892
Professional Development (Non-Salary Costs)	10,000	2,568	2,534
Student Related Expenses	34,000	39,713	40,529
Amortization of Tangible Capital Assets	14,072	26,860	15,487
<b>Total Complementary Services Expense</b>	<b>5,315,238</b>	<b>5,098,825</b>	<b>4,918,745</b>
<b>External Service Expense</b>			
Tuition Fees	399,920	345,410	376,050
Transportation Fees	5,300	9,010	4,770
Instructional (Teacher & LEADS Contract) Salaries & Benefits	3,732,852	3,753,933	3,637,591
Program Support (Non-Teacher Contract) Salaries & Benefits	74,776	82,358	77,912
Instructional Aids	6,500	2,213	3,984
Supplies & Services	46,100	52,216	24,087
Non-Capital Furniture & Equipment	12,500	-	30
Communications	2,300	2,954	6,012
Professional Development (Non-Salary Costs)	3,000	7,617	6,437
Amortization of Tangible Capital Assets	-	1,095	-
<b>Total External Services Expense</b>	<b>4,283,248</b>	<b>4,256,806</b>	<b>4,136,873</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2011**

	2011 Budget	2011 Actual	2010 Actual
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	23,000	23,695	22,795
Interest on Other Capital Loans and Long Term Debt			
Other	185,200	191,286	193,740
Total Interest and Bank Charges	<u>208,200</u>	<u>214,981</u>	<u>216,535</u>
Loss on Disposal of Tangible Capital Assets	78,285	948,671	58,662
<b>Total Other Expense</b>	<b>286,485</b>	<b>1,163,652</b>	<b>275,197</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>192,287,231</b>	<b>187,428,146</b>	<b>183,654,208</b>

**Regina School Division No. 4**  
**Schedule C - Supplementary Details of Tangible Capital Assets**  
**for the year ended August 31, 2011**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2010	
											2011	2010
<b>Tangible Capital Assets - at Cost:</b>												
Opening Balance as of September 1	8,630,128	471,448	117,355,052	6,734,267	7,752,621	453,661	3,551,357	6,476,516	424,442	7,358,535	159,208,027	153,642,486
Additions/Purchases			40,053		1,867,220		1,009,704	2,247,207	114,460	13,500,730	18,779,374	8,000,229
Disposals					(1,162,896)		(248,972)	(636,680)			(2,048,548)	(1,992,203)
Write-Downs												
Transfers to (from)			1,273,851							(1,996,830)	(722,979)	(442,485)
<b>Closing Balance as of August 31</b>	<b>8,630,128</b>	<b>471,448</b>	<b>118,668,956</b>	<b>6,734,267</b>	<b>8,456,945</b>	<b>453,661</b>	<b>4,312,089</b>	<b>8,087,043</b>	<b>538,902</b>	<b>18,862,435</b>	<b>175,215,874</b>	<b>159,208,027</b>

**Tangible Capital Assets - Amortization:**

Opening Balance as of September 1	(70,717)	(79,957,484)	(926,355)	(2,034,916)	(172,144)	(3,773,216)	(84,888)	(85,412,821)
Amortization of the Period	(23,572)	(2,342,183)	(325,807)	(700,966)	(90,732)	(431,209)	(107,783)	(5,019,851)
Disposals				581,448		248,972	636,680	1,467,100
Write-Downs								
Transfers to (from)		722,979						722,979
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>(94,289)</b>	<b>(81,576,688)</b>	<b>(1,252,162)</b>	<b>(2,154,434)</b>	<b>(262,876)</b>	<b>(1,552,523)</b>	<b>(88,390,006)</b>

**Net Book Value:**

Opening Balance as of September 1	8,630,128	400,731	37,397,568	5,807,912	5,717,705	281,517	2,181,071	2,703,300	339,554	7,358,535	70,818,021	68,229,665
Closing Balance as of August 31	8,630,128	377,159	37,092,268	5,482,105	6,302,511	190,785	2,759,566	3,333,098	346,231	18,862,435	83,376,286	70,818,021
<b>Change in Net Book Value</b>	<b>-</b>	<b>(23,572)</b>	<b>(305,300)</b>	<b>(325,807)</b>	<b>584,806</b>	<b>(90,732)</b>	<b>578,485</b>	<b>629,798</b>	<b>6,677</b>	<b>11,503,900</b>	<b>12,558,265</b>	<b>2,588,356</b>

**Disposals:**

Historical Cost					(1,162,896)		(248,972)	(636,680)			(2,048,548)	1,992,203
Accumulated Amortization					581,448		248,972	636,680			1,467,100	(1,733,542)
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(581,448)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(581,448)</b>	<b>258,661</b>
Price of Sale					523,303						523,303	200,000
<b>Gain/loss on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58,145)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58,145)</b>	<b>(58,661)</b>

**Net Book Value (NBV) of Assets Pledged as Security for Debt**

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**Regina School Division No. 4**  
**Schedule D: Non-Cash Items Included in Surplus / Deficit**  
**for the year ended August 31, 2011**

	2011	2010
<b>Non-Cash Items Included in Surplus / Deficit:</b>		
Amortization of Tangible Capital Assets (Schedule C)	5,639,661	5,019,851
Net (Gain) Loss on Disposal of Tangible Capital Assets	58,145	58,661
<b>Total Non-Cash Items Included in Surplus / Deficit</b>	<b>5,697,806</b>	<b>5,078,512</b>

**Regina School Division No. 4**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2011**

	2011	2010
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease in Accounts Receivable	2,752,806	585,588
Decrease (Increase) in Inventories for Sale	1,438,208	(133,366)
(Decrease) Increase in Provincial Grant Overpayment	(4,428,569)	4,428,569
Increase (Decrease) In Accounts Payable and Accrued Liabilities	6,494,067	(784,359)
Increase in Liability for Employee Future Benefits	152,700	366,800
(Decrease) in Deferred Revenue	(9,401,545)	(8,587,513)
Decrease in Inventory of Supplies for Consumption	69,063	93,786
Decrease (Increase) in Prepaid Expenses	650,142	(868,989)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(2,273,128)</b>	<b>(4,899,484)</b>



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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### 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) Reporting Entity and Consolidation

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

#### b) 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.

#### c) 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 \$9,063,300 (2010 - \$8,910,600) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$77,289,450 (2010 - \$78,898,322) because final tax assessments may differ from initial estimates,
- useful lives of capital assets and related amortization for classes of assets noted in

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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note 2f because the estimate of useful life is based on management assumptions.

- prior years' tangible capital asset historical costs and related amortization because costs were based on estimated current replacement cost and amortization was based on these estimates.

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.

### d) Financial Instruments

Financial instruments include cash, short term investments, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities, short-term loans, long-term loans and other liabilities. Except as otherwise disclosed, the School Division is not exposed to significant interest, currency or credit risk arising from these financial instruments that may affect the amount, timing and certainty of future cash flows. The School Division is exposed to credit risk from the potential non-payment of accounts receivable. However, the majority of the receivables are from local, provincial and federal governments, and therefore, the credit risk is minimal.

### e) 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

**Short Term Investments** consist of highly liquid securities made to obtain a return on a temporary basis with maturity terms of between three months and one year. Short term investments are recorded at the lower of cost or market.

**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

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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

Accounts receivable also includes a receivable from the City of Regina for future property acquisitions.

**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.

**Long Term Investments** consist of securities issued by chartered banks, provincial governments and insurance companies and are carried at amortized cost. Bond premiums and discounts are amortized to income over the period remaining from the acquisition date to the date of bond maturity. Where there has been a permanent impairment in value of a long term investment, the investment is written down to reflect the loss in value.

### f) 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.

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

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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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.

### g) 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.

**Short-Term Borrowings** are comprised of bank indebtedness and short-term loans with initial maturities of one year or less and are incurred for the purpose of financing current expenses in accordance with the provisions of *The Education Act, 1995*.

**Provincial Grant Overpayment** represents 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.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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**Long Term Debt** is comprised of debentures, 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 prorated 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** represents revenue received pursuant to legislation, regulation or agreement that may only be used for specific purposes. Revenue is recognized in the fiscal year in which the resources are used for the purpose specified.

### h) 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.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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### i) Revenue Recognition

Revenues are recognized in the year they are earned 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 two major sources of revenues are provincial grants and property taxation.

#### i) Provincial grants:

Provincial grants are recognized in the financial statements in the period which the events giving rise to the grant occur provided the grant is authorized, eligibility criteria are met, and a reasonable estimate of the amount can be made. Grants that restrict how those resources are to be used are recognized as revenue in the fiscal year the related expenses are incurred or services are performed. Provincial operating grants are recognized on a 12-month basis, with 1/12<sup>th</sup> of the grant recognized as revenue each month. Capital grants are recognized over the course of the construction project as the grant is earned and the amount is measurable. Restricted grants received, but not yet earned, are recorded as deferred revenue.

#### ii) Property taxation:

Property tax is levied and collected on a calendar year basis. Effective the 2009 calendar year, uniform education property tax mill rates are set by the Government of Saskatchewan. Prior to 2009, each school division set the education property tax mill rate for properties in its jurisdiction. Tax revenues are recognized on the basis of time, with 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the School Division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the School Division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the School Division's estimates is recorded as an adjustment to revenue in the next fiscal year.

Tuition fee revenue and other services revenue are recognized when the service is provided.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$20,000,000 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 August 18, 2010. The balance drawn on the line of credit at August 31, 2011 was \$Nil (August 31, 2010 - \$Nil).

### 4. LONG-TERM INVESTMENTS

Long Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2011	2010	2011	2010
Bank of Nova Scotia, 8.30%, matures 09/27/13	\$ 116,440	\$ 118,985	125,798	\$ 129,304
Province of Ontario, 5.375%, 5.50%, matures 12/02/12	427,021	429,065	449,433	461,285
National Bank of Canada, 3.35%, matures 05/21/14	17,736	17,736	17,736	17,736
National Bank of Canada, 3.40%, matures 02/08/16	50,000	-	50,000	-
Manulife Financial Capital, 6.70%, matures 12/31/51	91,267	92,349	92,070	95,230
<b>Total Long Term Investments</b>	<b>\$ 702,464</b>	<b>\$ 658,135</b>	<b>\$ 735,037</b>	<b>\$ 703,555</b>

### 5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2011 Budget	2011 Actual	2010 Actual
Governance	\$ 176,840	\$ 403,313	\$ -	\$ -	\$ 552,444	\$ 580,153	\$ 670,543
Administration	1,605,483	480,072	-	140,242	2,132,914	2,225,797	2,144,592
Instruction	125,451,048	9,130,668	-	1,927,406	136,850,343	136,509,122	132,011,256
Plant	11,045,318	13,190,343	-	2,762,138	31,141,195	26,997,799	28,178,356
Transportation	199,679	5,898,793	-	732,090	7,374,030	6,830,562	6,679,542
Tuition and Related Fees	-	444,754	-	-	508,600	444,754	424,721
School Generated Funds	-	3,270,846	-	49,830	3,842,734	3,320,676	4,214,383
Complementary Services	4,299,370	772,595	-	26,860	5,315,238	5,098,825	4,918,745
External Services	3,836,291	419,420	-	1,095	4,283,248	4,256,806	4,136,873
Other	-	-	214,981	948,671	286,485	1,163,652	275,197
<b>TOTAL</b>	<b>\$ 146,614,029</b>	<b>\$ 34,010,804</b>	<b>\$ 214,981</b>	<b>\$ 6,588,332</b>	<b>\$ 192,287,231</b>	<b>\$ 187,428,146</b>	<b>\$ 183,654,208</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 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 2007. 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:

	2011	2010
Actuarial valuation date	9/01/07	9/01/07
Extrapolated date	8/31/11	8/31/10
Long-term assumptions used:		
Salary escalation rate (percentage)	3.30%	3.0% to 3.5%
Discount rate (percentage)	3.40%	3.60%
Inflation rate (percentage)	2.50%	No Assumption
Expected average remaining service life (years)	13	13

Liability for Employee Future Benefits	2011	2010
Accrued Benefit Obligation - beginning of year	\$ 9,989,600	\$ 9,268,700
Current period benefit cost	736,300	664,800
Interest cost	367,400	392,000
Benefit payments	(1,038,300)	(745,800)
Actuarial losses	11,800	409,900
Accrued Benefit Obligation - end of year	10,066,800	9,989,600
Unamortized Net Actuarial Losses	(1,003,500)	(1,079,000)
<b>Liability for Employee Future Benefits</b>	<b>\$ 9,063,300</b>	<b>\$ 8,910,600</b>

Employee Future Benefits Expense	2011	2010
Current period benefit cost	\$ 736,300	\$ 664,800
Amortization of net actuarial loss	87,300	55,800
<b>Benefit cost</b>	<b>823,600</b>	<b>720,600</b>
Interest cost on unfunded employee future benefits obligation	367,400	392,000
<b>Total Employee Future Benefits Expense</b>	<b>\$ 1,191,000</b>	<b>\$ 1,112,600</b>



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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### 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:

	2011			2010
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1532	115	1647	1630
Member contribution rate (percentage of salary)	7.81% / 10.00%	6.05% / 7.85%		same as 2011
Member contributions for the year	\$ 6,678,385	\$ 722,328	\$ 7,400,713	\$ 7,521,139

- 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 was completed on January 7, 2011. This valuation identified an unfunded liability of \$237,743,000 as of December 31, 2009. On a going-concern basis, the funded ratio was 76.8% at December 31, 2009, and on a termination basis, the Plan had a solvency ratio of 81.4%. The Civic Plan Administrative Board has elected the 3-year solvency moratorium and, therefore, special payments in respect of the solvency deficiency at December 31, 2009 will not be made for 3 years. To meet the minimum statutory funding requirements with the 3-year solvency moratorium in place, the actuary identified that member and employer contribution rates would need to be increased to 12.38% of salary up to YMPE and 18.34% of salary over the YMPE. In May, 2011, Council of the City of Regina declined to amend its Bylaws 3125 to enact these rate increases.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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:

	2011	2010
Number of active School Division members	647	650
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	\$ 2,494,280	\$ 2,424,824
School Division contributions for the year	\$ 2,492,182	\$ 2,477,729
Actuarial valuation date	31-Dec-09	31-Dec-07
Plan Assets	\$ 787,263,000	\$ 843,800,000
Plan Liabilities	\$ 1,025,006,000	\$ 887,400,000
Plan Surplus (Deficit)	\$ (237,743,000)	\$ (43,600,000)

### 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:

	2011	2010
	Total Receivable	Total Receivable
Provincial Operating Grants Receivable	\$ -	\$ 58,000
Provincial Capital Grants Receivable	1,581,808	4,405,151
City of Regina Capital Receivable	1,427,438	1,427,438
Other Receivables	600,239	471,702
<b>Total Accounts Receivable</b>	<b>\$ 3,609,485</b>	<b>\$ 6,362,291</b>

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.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2011	2010
Accrued Salaries and Benefits	\$ 8,613,490	\$ 5,025,298
Supplier Payments	3,512,282	1,825,548
Other Accrued Liabilities	4,700,675	3,481,534
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 16,826,447</b>	<b>\$ 10,332,380</b>

### 10. LONG-TERM DEBT

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

	2011	2010
Other Long Term Debt:		
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	
	\$ 3,099,760	\$ 3,582,449
Other LT Debt	Warner Bus Industries Ltd., Agreement for Sale bus barn, no interest, closing date Nov 18, 2013	
	1,600,000	1,600,000
<b>Total Long Term Debt</b>	<b>\$ 4,699,760</b>	<b>\$ 5,182,449</b>

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

	Capital Leases	Other LT Debt	Total
2012	\$ 1,571,338	\$ -	\$ 1,571,338
2013	1,023,381	-	1,023,381
2014	505,041	1,600,000	2,105,041
Thereafter	-	-	-
<b>Total</b>	<b>\$ 3,099,760</b>	<b>\$ 1,600,000</b>	<b>\$ 4,699,760</b>

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

	Capital Leases	Other LT Debt	2011	2010
Principal	\$ 482,689	\$ -	\$ 482,689	\$ 743,653
Interest	191,286	-	191,286	193,744
<b>Total</b>	<b>\$ 673,975</b>	<b>\$ -</b>	<b>\$ 673,975</b>	<b>\$ 937,397</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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### 11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2010	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2011
<b>Capital projects:</b>				
Federal capital tuition	\$ 8,300	\$ (378)	\$ -	\$ 7,922
Ministry of Education capital transfers	8,275,419	1,904,682	(7,742,724)	2,437,377
Proceeds from sale of school buildings - Ministry discretion	861,900	192,336	-	1,054,236
Proceeds from sale of school buildings - Board discretion	-	720,121	-	720,121
				-
<b>Total capital projects deferred revenue</b>	<b>9,145,619</b>	<b>2,816,761</b>	<b>(7,742,724)</b>	<b>4,219,656</b>
<b>Other deferred revenue:</b>				
Ministry of Education - Operating Grants	2,392,523	139,694	(1,385,606)	1,146,611
City of Regina - Tax Levy	11,497,151	8,537,210	(11,497,151)	8,537,210
Other (tuition fees, federal grants, special programs)	449,317	108,686	(378,415)	179,588
<b>Total other deferred revenue</b>	<b>14,338,991</b>	<b>8,785,590</b>	<b>(13,261,172)</b>	<b>9,863,409</b>
<b>Total Deferred Revenue</b>	<b>\$ 23,484,610</b>	<b>\$ 11,602,351</b>	<b>\$ (21,003,896)</b>	<b>\$ 14,083,065</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 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 2011:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Nutrition	Other Programs	2011	2010
<b>Revenue:</b>						
Grants	\$ 151,080	\$ -	\$ 128,735	\$ 308,925	\$ 588,740	\$ 375,759
Tuition and Related Fees	-	-	-	50,910	50,910	48,289
Miscellaneous Revenue	-	-	-	40,000	40,000	41,492
<b>Total Revenue</b>	<b>151,080</b>	<b>-</b>	<b>128,735</b>	<b>399,835</b>	<b>679,650</b>	<b>465,540</b>
<b>Expenses:</b>						
Salaries & Benefits	1,777,599	2,243,940	211,706	66,126	4,299,371	4,029,472
Instructional Aids	39,278	287,236	224,025	16,590	567,129	597,363
Supplies and Services	-	5,154	-	128,405	133,559	208,931
Non-Capital Equipment	-	5,034	5,968	-	11,002	8,836
Communications	-	1,986	-	9,228	11,214	6,701
Travel	529	5,694	-	1,187	7,410	8,892
Professional Development	-	937	-	1,630	2,567	2,534
Student Related Expenses	1,108	-	-	38,605	39,713	40,529
Amortization of Tangible Capital Assets	-	-	-	26,860	26,860	15,487
<b>Total Expenses</b>	<b>1,818,514</b>	<b>2,549,981</b>	<b>441,699</b>	<b>288,631</b>	<b>5,098,825</b>	<b>4,918,745</b>
<b>(Deficiency) of Revenue over Expenses</b>	<b>\$ (1,667,434)</b>	<b>\$ (2,549,981)</b>	<b>\$ (312,964)</b>	<b>\$ 111,204</b>	<b>\$ (4,419,175)</b>	<b>\$ (4,453,205)</b>

Prekindergarten and Community School programs were approved by the Ministry of Education based on community socio-economic factors prescribed by the Ministry. 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 Metis Education. Other programs also include correspondence school and University of Regina transitions project.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 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 2011:

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Distance Education	Visa Program	Other Programs	2011	2010
<b>Revenue:</b>						
Tuition and Related Fees	\$ -	\$ 5,500	\$ 7,673	\$ -	\$ 13,173	\$ 47,238
Miscellaneous Revenue	75,959	-	300	4,920	81,179	236,033
<b>Total Revenue</b>	<b>75,959</b>	<b>5,500</b>	<b>7,973</b>	<b>4,920</b>	<b>94,352</b>	<b>283,271</b>
<b>Expenses:</b>						
Tuition Fees	354,420	-	-	-	354,420	380,820
Salaries & Benefits	3,836,292	-	-	-	3,836,292	3,715,504
Instructional Aids	-	313	1,900	-	2,213	3,984
Supplies and Services	22,448	-	19,890	9,877	52,215	24,086
Non-Capital Equipment	-	-	-	-	-	30
Communications	-	-	2,954	-	2,954	6,012
Professional Development	-	-	7,617	-	7,617	6,437
Amortization	-	-	1,095	-	1,095	-
<b>Total Expenses</b>	<b>4,213,160</b>	<b>313</b>	<b>33,456</b>	<b>9,877</b>	<b>4,256,806</b>	<b>4,136,873</b>
<b>(Deficiency) of Revenue over Expenses</b>	<b>\$ (4,137,201)</b>	<b>\$ 5,187</b>	<b>\$ (25,483)</b>	<b>\$ (4,957)</b>	<b>\$ (4,162,454)</b>	<b>\$ (3,853,602)</b>

Associate Schools include all salaries, benefits, tuition fees and supplies paid by the school division to or on behalf of its associate schools. Distance Education represents tuition fees received from other school divisions for the provision of closed circuit video classes. Visa Program relates to providing foreign students attending International Student Program at Sheldon-Williams Collegiate with additional educational services.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

### 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 and 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, 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.

Details of accumulated surplus are as follows:

	2011	2010
<b>Invested in Tangible Capital Assets:</b>		
Net Book Value of Tangible Capital Assets	\$ 83,376,286	\$ 70,818,021
Less: Debt owing on Tangible Capital Assets	(4,699,760)	(5,182,449)
	<b>78,676,526</b>	<b>65,635,572</b>
<b>S.286 pre-April 2009 capital reserves from prior years' operating surpluses (1)</b>	<b>4,909,650</b>	<b>6,934,550</b>
<b>Internally Restricted Surplus:</b>		
Appeals Reserve		255,135
General Reserve	3,792,006	3,792,006
Renewal Reserve	2,873,992	2,137,092
School Fund Reserve	2,058,484	1,993,080
Encumbrance Reserve	822,512	646,413
Facility Upgrades Reserve	7,821,115	5,665,000
IT Upgrades Reserve	1,131,490	925,590
Instructional Innovation Reserve	963,225	1,236,068
Other Reserve	743,329	613,877
	<b>20,206,153</b>	<b>17,264,261</b>
<b>Unrestricted Surplus</b>	<b>23,089,457</b>	<b>19,846,813</b>
<b>Total Accumulated Surplus</b>	<b>\$ 126,881,786</b>	<b>\$ 109,681,196</b>

- (1) S.286 pre-April 2009 Capital Reserves from Prior Years' Operating Surpluses represents capital reserves that were created by pre-April 2009 board of education motions that designated certain prior years' operating surpluses to be set aside for the purpose of future capital expenditures. Pursuant to S.286 of *The Education Act, 1995*, the school division is required to hold these reserves as a special fund for the purpose of constructing or acquiring any capital works that may be approved by the minister.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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The General reserve is for future operating costs. Board Capital Contribution reserve is for future capital planned projects. 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. School Fund reserve includes the budget carry-overs for all school-generated funds. Encumbrance reserve represents all outstanding purchase orders at August 31. Facility Upgrade reserve represents all outstanding planned facilities projects that were budgeted in prior years but not completed at year-end. IT Upgrades reserve is for future VoIP requirements and proposed business continuity needs. Instructional innovation reserve includes allocations for an elementary attendance area study and a high school facility review, instructional supplies and contracted services for instruction programming that was started in the prior year and is required to complete these programs in the subsequent year. 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 22, 2010 and the Minister of Education on August 31, 2010.

### 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.

#### (a) 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.



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

	2011	2010
<b>Revenues:</b>		
<i>Ministry of Education</i>	\$ 119,963,150	\$ 103,256,634
<i>Prairie Valley School Division</i>	\$ 366,511	\$ 412,550
	<b>\$ 120,329,661</b>	<b>\$ 103,669,184</b>
<b>Expenses:</b>		
<i>Chinook School Division</i>	\$ -	\$ 69,092
<i>Ministry of Corrections, Public Safety &amp; Policing</i>	40,000	-
<i>Prairie Valley School Division</i>	-	94,359
<i>SaskPower</i>	2,087,836	2,018,034
<i>SaskEnergy</i>	2,498,725	2,421,317
<i>SaskTel</i>	438,697	637,475
<i>Sask Workers' Compensation Board</i>	299,371	329,191
<i>Saskatoon Public School Division</i>	24,270	18,518
<i>Regina Qu'Appelle Health Region</i>	69,740	-
	<b>\$ 5,418,639</b>	<b>\$ 5,424,535</b>
<b>Provincial Grant Overpayment:</b>		
<i>Ministry of Education</i>	\$ -	\$ 4,428,569
	<b>\$ -</b>	<b>\$ 4,428,569</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
<i>Ministry of Corrections, Public Safety &amp; Policing</i>	\$ 40,000	\$ -
<i>Prairie Valley School Division</i>	-	94,359
<i>Regina Qu'Appelle Health Region</i>	69,740	-
<i>SaskPower</i>	130,016	157,400
<i>SaskEnergy</i>	15,150	5,580
	<b>\$ 254,906</b>	<b>\$ 257,339</b>
<b>Deferred Revenue:</b>		
<i>Ministry of Education</i>	\$ 4,638,224	\$ 11,529,842
	<b>\$ 4,638,224</b>	<b>\$ 11,529,842</b>

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

(b) Ministry of Education Capital Transfers:

The Ministry of Education has approved \$45.94 million in capital transfers to the school division for projects in which construction has not yet started and/or been completed. Approved capital transfers that have not yet been reflected in the financial statements of the school division are as follows:

Total Ministry obligation at August 31, 2011	\$ 45,936,931
Less: Revenue reported in financial statements, August 31, 2011	(1,581,808)
<b>Unrecorded balance of approved capital transfers</b>	<b>\$ 44,355,123</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

In March 2011, PSAB issued revised section PS 3410 Government Transfers. Revised PS 3410 provides revised guidance for the recognition of government transfers and is effective for fiscal years beginning on or after April 1, 2012 (earlier adoption is encouraged), and may affect the future accounting treatment for these capital transfers to school divisions.

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 other pending claims by and against the Board. 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 Board'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 Arcola School Rebuild in the amount of \$16,259,675 over 2 years
- architect fee contract for Arcola School Rebuild in the amount of \$1,081,322 over 2 years
- construction contract for Douglas Park School Rebuild in the amount of \$16,933,607 over 2 years
- architect fee contract for Douglas Park School Rebuild in the amount of \$1,067,219 over 2 years
- operating and capital lease obligations, as follows:

	Operating Leases					Capital Leases	
	Building Leases	Vehicle Leases	Computer Leases	Copier Leases	Total Operating	Buses	Total Capital
<b>Future minimum lease payments:</b>							
2012	\$ 534,520	\$ 83,048	\$ 552,464	\$ 756,600	\$ 1,926,632	\$ 1,571,338	\$ 1,571,338
2013	545,195	31,563	142,068	756,600	1,475,426	1,023,381	1,023,381
2014	531,930	23,127	31,217	756,600	1,342,874	505,041	505,041
2015	542,605			638,000	1,180,605		-
2016	549,474				549,474		-
Thereafter	-				-		-
<b>Interest and executory costs</b>	\$ 2,703,724	\$ 137,738	\$ 725,749	\$ 2,907,800	\$ 6,475,011	\$ 3,099,760	\$ 3,099,760
	-	48,636	-	-	48,636	251,500	251,500
<b>Total Lease Obligations</b>	<b>\$ 2,703,724</b>	<b>\$ 186,374</b>	<b>\$ 725,749</b>	<b>\$ 2,907,800</b>	<b>\$ 6,523,647</b>	<b>\$ 3,351,260</b>	<b>\$ 3,351,260</b>

# **REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN**

## **Notes to the Financial Statements**

**August 31, 2011**

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### **19. TEACHERS' 2010-13 PROVINCIAL COLLECTIVE BARGAINING AGREEMENT**

The Saskatchewan Teachers' Provincial Collective Agreement expired on August 31, 2010. The Saskatchewan Teachers' Federation (STF) and the Government Trustee Bargaining Committee (GTBC) reached a new collective agreement which was ratified on October 4, 2011 and covers the period September 1, 2010 to August 31, 2013. The new agreement provides for retroactive wage increases for teachers of the school division for the period September 1, 2010 to August 31, 2011 with an estimated cost of \$2,546,000 (estimated cost of 2010-11 increases) which was recorded as an expense in the 2010-11 financial statements. The agreement provides for further wage increases in 2011-12 and 2012-13.

### **20. LABOUR INTERRUPTION**

In May 2011, as an outcome of provincial teacher negotiations, the school division experienced a labour interruption by teaching staff. This resulted in 3 unpaid days for teaching staff members resulting in an under expenditure determined to be \$1,428,868.

### **21. PROVINCIAL GRANT OVERPAYMENT**

The Ministry of Education provides a K-12 operating grant to the school division. The school division receives this operating grant via property taxes from the local municipality and by a monthly grant from the Ministry. The Ministry bases its share of the operating grant by taking an estimate of the property taxes that are to be received by the school division and the total K-12 operating grant approved on budget day. At the end of each calendar year, the Ministry reconciles the difference between what property taxes were actually received by the school division and the estimated amount that the Ministry used for its grant calculation. The Ministry of Education tax reconciliation for December 31, 2010 was received on November 8, 2011. The reconciliation shows an amount of \$1,924,177 which will be recognized as revenue, once authorized, in the 2011-12 financial statements.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2011

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### 22. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation. In the prior year at August 31, 2010, the school division reported balance sheet accounts of cash in the amount of \$50,026,036 and short-term investments in the amount of \$30,000,000. In 2011 these accounts, cash and short-term investments, were merged into cash and cash equivalents resulting in a restatement of the 2010 cash and cash equivalents amount of \$80,026,036.

### 23. PROFESSIONAL DEVELOPMENT

The Teacher's Linc 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:

	2011	2010
Operating Teacher Salaries	\$ 87,506,453	\$ 85,576,881
Complementary Teacher Salaries	1,838,946	1,729,314
External Teacher Salaries	3,414,204	3,304,218
<b>Total Teacher Salaries</b>	<b>\$ 92,759,603</b>	<b>\$ 90,610,413</b>
Professional Development Allocation .59%	547,282	534,601