



Ministry of  
Education

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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, 2012

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, 2012 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, 2012 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 18, 2012

*MNP* LLP  
MNP LLP

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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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 18, 2012



D.G. Burnett  
Deputy Director



B.W. Lipinski  
Superintendent

**Regina School Division No. 4**  
**Statement of Financial Position**  
**as at August 31, 2012**

	2012	2011
<b>Financial Assets</b>		
Cash and Cash Equivalents	90,665,840	81,868,215
Accounts Receivable (Note 8)	2,812,511	3,609,485
Inventories for Sale	253,169	133,367
Long Term Investments (Note 4)	695,360	702,464
<b>Total Financial Assets</b>	<b>94,426,880</b>	<b>86,313,531</b>
<b>Liabilities</b>		
Provincial Grant Overpayment	261,597	-
Accounts Payable and Accrued Liabilities (Note 9)	15,848,845	16,826,447
Long Term Debt (Note 10)	21,783,122	4,699,760
Liability for Employee Future Benefits (Note 6)	9,276,700	9,063,300
Deferred Revenue (Note 11)	10,769,165	14,083,065
<b>Total Liabilities</b>	<b>57,939,429</b>	<b>44,672,572</b>
<b>Net Financial Assets</b>	<b>36,487,451</b>	<b>41,640,959</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	117,765,563	83,376,286
Inventory of Supplies for Consumption	298,589	252,006
Prepaid Expenses	1,638,124	1,612,535
<b>Total Non-Financial Assets</b>	<b>119,702,276</b>	<b>85,240,827</b>
<b>Accumulated Surplus (Note 14)</b>	<b>156,189,727</b>	<b>126,881,786</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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Chief Financial Officer

**Regina School Division No. 4**  
**Statement of Operations and Accumulated Surplus**  
**for the year ended August 31, 2012**

	<b>2012 Budget</b>	<b>2012 Actual</b>	<b>2011 Actual</b>
<b>REVENUES</b>	(Note 15)		
Property Taxation	76,970,240	77,630,190	77,289,450
Grants	122,904,264	135,433,633	119,546,895
Tuition and Related Fees	1,140,890	1,548,098	1,407,184
School Generated Funds	3,800,000	3,595,764	3,572,229
Complementary Services (Note 12)	2,739,928	2,660,004	679,650
External Services (Note 13)	104,000	139,780	94,352
Other	1,659,580	2,120,950	2,038,976
<b>Total Revenues (Schedule A)</b>	<b>209,318,902</b>	<b>223,128,419</b>	<b>204,628,736</b>
<b>EXPENSES</b>			
Governance	446,100	491,206	580,153
Administration	2,245,813	2,281,524	2,225,797
Instruction	137,862,390	143,761,972	136,509,122
Plant	32,470,155	26,419,256	26,997,799
Transportation	7,793,204	6,870,609	6,444,652
Tuition and Related Fees	508,600	414,573	444,754
School Generated Funds	3,844,494	3,299,859	3,706,586
Complementary Services (Note 12)	5,626,966	5,135,199	5,098,825
External Services (Note 13)	4,531,755	4,636,649	4,256,806
Other Expenses	371,338	509,631	1,163,652
<b>Total Expenses (Schedule B)</b>	<b>195,700,815</b>	<b>193,820,478</b>	<b>187,428,146</b>
<b>Surplus for the Year</b>	<b>13,618,087</b>	<b>29,307,941</b>	<b>17,200,590</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>126,881,786</b>	<b>126,881,786</b>	<b>109,681,196</b>
<b>Accumulated Surplus, End of Year</b>	<b>140,499,873</b>	<b>156,189,727</b>	<b>126,881,786</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, 2012**

	<b>2012 Budget</b>	<b>2012 Actual</b>	<b>2011 Actual</b>
	(Note 15)		
<b>Net Financial Assets, Beginning of Year</b>	<b>41,640,959</b>	<b>41,640,959</b>	<b>36,279,429</b>
<b>Changes During the Year:</b>			
Surplus for the Year	13,618,087	29,307,941	17,200,590
Acquisition of Tangible Capital Assets (Schedule C)	(22,534,347)	(40,940,273)	(18,779,374)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	1,229,266	807,587	523,303
Net Loss on Disposal of Capital Assets (Schedule C)	109,538	59,821	58,145
Transfer of Tangible Capital Assets to Inventory for Resale	-	119,802	-
Amortization of Tangible Capital Assets (Schedule C)	5,172,613	5,563,786	5,639,661
Net Acquisition of Inventory of Supplies	-	(46,583)	69,063
Net Acquisition of Prepaid Expenses	-	(25,589)	650,142
<b>Change in Net Financial Assets</b>	<b>(2,404,843)</b>	<b>(5,153,508)</b>	<b>5,361,530</b>
<b>Net Financial Assets, End of Year</b>	<b>39,236,116</b>	<b>36,487,451</b>	<b>41,640,959</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, 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Surplus (Deficit) for the Year	29,307,941	17,200,590
Add (Deduct) Non-Cash Items Included in Surplus / Deficit (Schedule D)	5,623,607	5,697,806
Net Change in Non-Cash Operating Activities (Schedule E)	(3,211,505)	(2,273,128)
<b>Cash Provided (Used) by Operating Activities</b>	<b>31,720,043</b>	<b>20,625,268</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(40,940,273)	(18,779,374)
Proceeds on Disposal of Tangible Capital Assets	807,587	523,303
Transfer of Capital Assets to Inventory for Resale	119,802	-
<b>Cash Provided (Used) by Capital Activities</b>	<b>(40,012,884)</b>	<b>(18,256,071)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Investments	-	(44,329)
Proceeds on Disposal of Investments	7,104	-
<b>Cash Provided (Used) by Investing Activities</b>	<b>7,104</b>	<b>(44,329)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long Term Debt	19,218,456	-
Repayment of Long Term Debt	(2,135,094)	(482,689)
<b>Cash Provided (Used) by Financing Activities</b>	<b>17,083,362</b>	<b>(482,689)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,797,625</b>	<b>1,842,179</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>81,868,215</b>	<b>80,026,036</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>90,665,840</b>	<b>81,868,215</b>
<b>REPRESENTED ON THE FINANCIAL STATEMENTS BY:</b>		
Cash and Cash Equivalents	90,665,840	81,868,215
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>90,665,840</b>	<b>81,868,215</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, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue:</b>			
Property Tax Levy Revenue	71,550,672	71,947,220	72,031,592
Revenue from Supplemental Levies	600,000	313,947	435,666
<b>Total Property Tax Revenue</b>	<b>72,150,672</b>	<b>72,261,167</b>	<b>72,467,258</b>
<b>Grants in Lieu of Taxes:</b>			
Federal Government	1,633,512	1,777,406	1,576,392
Provincial Government	4,473,966	4,862,434	4,522,388
<b>Total Grants in Lieu of Taxes</b>	<b>6,107,478</b>	<b>6,639,840</b>	<b>6,098,780</b>
<b>Other Tax Revenues:</b>			
Treaty Land Entitlement - Urban	-	25,427	19,996
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>25,427</b>	<b>19,996</b>
<b>Deletions from Levy:</b>			
Other Deletions	(1,287,910)	(1,296,244)	(1,296,584)
<b>Total Deletions from Levy</b>	<b>(1,287,910)</b>	<b>(1,296,244)</b>	<b>(1,296,584)</b>
<b>Total Property Taxation Revenue</b>	<b>76,970,240</b>	<b>77,630,190</b>	<b>77,289,450</b>
<b>Grants:</b>			
<b>Operating Grants</b>			
Ministry of Education Grants:			
K-12 Operating Grant	103,678,185	110,451,135	104,832,201
Other Ministry Grants	266,179	234,566	1,256,119
<b>Total Ministry Grants</b>	<b>103,944,364</b>	<b>110,685,701</b>	<b>106,088,320</b>
Other Provincial Grants	610,200	619,395	-
Federal Grants	-	-	43,750
<b>Total Operating Grants</b>	<b>104,554,564</b>	<b>111,305,096</b>	<b>106,132,070</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	18,349,700	23,598,537	13,414,825
Other Capital Grants	-	530,000	-
<b>Total Capital Grants</b>	<b>18,349,700</b>	<b>24,128,537</b>	<b>13,414,825</b>
<b>Total Grants</b>	<b>122,904,264</b>	<b>135,433,633</b>	<b>119,546,895</b>



**Regina School Division No. 4**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees:</b>			
Tuition Fees:			
School Boards	987,090	1,154,602	1,075,008
Federal Government and First Nations	-	-	(6,208)
Individuals and Other	149,800	393,496	334,384
<b>Total Tuition Fees</b>	<b>1,136,890</b>	<b>1,548,098</b>	<b>1,403,184</b>
Transportation Fees	4,000	-	4,000
<b>Total Operating Tuition and Related Fees</b>	<b>1,140,890</b>	<b>1,548,098</b>	<b>1,407,184</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>1,140,890</b>	<b>1,548,098</b>	<b>1,407,184</b>
<b>School Generated Funds Revenue</b>			
<b>Curricular Fees:</b>			
Student Fees	800,000	532,506	515,567
<b>Total Curricular Fees</b>	<b>800,000</b>	<b>532,506</b>	<b>515,567</b>
<b>Non-Curricular Fees:</b>			
Commercial Sales - GST	-	215,759	225,341
Commercial Sales - Non-GST	-	266,038	310,461
Fundraising	-	1,236,944	1,417,271
Grants and Partnerships	-	254,359	283,183
Students Fees	3,000,000	1,057,305	801,653
Other	-	32,853	18,753
<b>Total Non-Curricular Fees</b>	<b>3,000,000</b>	<b>3,063,258</b>	<b>3,056,662</b>
<b>Total School Generated Funds Revenue</b>	<b>3,800,000</b>	<b>3,595,764</b>	<b>3,572,229</b>
<b>Complementary Services</b>			
<b>Operating Grants:</b>			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	2,275,000	2,275,008	-
Ministry of Education Grants-Other	262,428	117,375	460,005
Other Provincial Grants	124,500	138,245	128,735
<b>Total Operating Grants</b>	<b>2,661,928</b>	<b>2,530,628</b>	<b>588,740</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	78,000	26,241	-
<b>Total Capital Grants</b>	<b>78,000</b>	<b>26,241</b>	<b>-</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	63,135	50,910
Other Revenue	-	40,000	40,000
<b>Total Fees and Other Revenue</b>	<b>-</b>	<b>103,135</b>	<b>90,910</b>
<b>Total Complementary Services Revenue</b>	<b>2,739,928</b>	<b>2,660,004</b>	<b>679,650</b>

**Regina School Division No. 4**  
**Schedule A: Supplementary Details of Revenue**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>External Services</b>			
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	-	8,426	13,173
Other Revenue	104,000	131,354	81,179
<b>Total Fees and Other Revenue</b>	<b>104,000</b>	<b>139,780</b>	<b>94,352</b>
<b>Total External Services Revenue</b>	<b>104,000</b>	<b>139,780</b>	<b>94,352</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	703,200	460,614	552,494
Sales & Rentals	706,380	741,130	723,467
Investments	250,000	919,206	761,015
Gain on Disposal of Capital Assets	-	-	2,000
<b>Total Other Revenue</b>	<b>1,659,580</b>	<b>2,120,950</b>	<b>2,038,976</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>209,318,902</b>	<b>223,128,419</b>	<b>204,628,736</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Governance Expense</b>			
Board Members Expense	181,100	183,901	176,840
Conventions - Board Members	14,000	18,893	16,870
School Community Councils	-	120,538	90,907
Conventions - School Community Councils	-	-	335
Elections	50,000	-	50,000
Other Governance Expenses	201,000	167,874	245,201
<b>Total Governance Expense</b>	<b>446,100</b>	<b>491,206</b>	<b>580,153</b>
<b>Administration Expense</b>			
Salaries	1,305,343	1,383,510	1,362,508
Benefits	303,899	263,950	242,975
Supplies & Services	316,900	367,376	320,906
Non-Capital Furniture & Equipment	79,000	8,173	21,503
Building Operating Expenses	-	31,218	38,935
Communications	74,512	69,673	77,932
Professional Development	25,000	16,562	20,796
Amortization of Tangible Capital Assets	141,159	141,062	140,242
<b>Total Administration Expense</b>	<b>2,245,813</b>	<b>2,281,524</b>	<b>2,225,797</b>
<b>Instruction Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries	100,189,589	105,720,835	100,178,955
Instructional (Teacher & LEADS Contract) Benefits	7,199,241	7,269,751	6,495,615
Program Support (Non-Teacher Contract) Salaries	16,383,521	16,216,763	16,038,876
Program Support (Non-Teacher Contract) Benefits	3,312,381	2,811,453	2,737,602
Instructional Aids	3,817,425	3,511,915	3,740,148
Supplies & Services	1,957,046	2,647,451	2,386,631
Non-Capital Furniture & Equipment	1,913,802	2,162,859	1,502,013
Communications	224,316	211,614	188,027
Travel	302,754	262,921	246,483
Professional Development	729,000	688,848	657,118
Student Related Expense	348,370	540,773	410,248
Amortization of Tangible Capital Assets	1,484,945	1,716,789	1,927,406
<b>Total Instruction Expense</b>	<b>137,862,390</b>	<b>143,761,972</b>	<b>136,509,122</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	9,140,840	8,789,854	8,850,691
Benefits	2,716,287	2,292,228	2,194,627
Supplies & Services	6,000	7,783	1,301
Non-Capital Furniture & Equipment	238,675	31,187	50,950
Building Operating Expenses	16,972,019	12,037,409	12,700,969
Communications	510,552	300,179	265,023
Travel	139,579	130,574	143,341
Professional Development	50,000	28,377	28,759
Amortization of Tangible Capital Assets	2,696,203	2,801,665	2,762,138
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>32,470,155</b>	<b>26,419,256</b>	<b>26,997,799</b>
<b>Student Transportation Expense</b>			
Salaries	174,587	170,152	166,417
Benefits	41,001	36,219	33,262
Supplies & Services	519,000	573,502	518,308
Non-Capital Furniture & Equipment	421,000	496,724	431,173
Building Operating Expenses	148,000	115,478	129,128
Communications	8,000	13,716	8,000
Professional Development	3,000	2,176	286
Contracted Transportation	5,696,542	4,655,510	4,425,988
Amortization of Tangible Capital Assets	782,074	807,132	732,090
<b>Total Student Transportation Expense</b>	<b>7,793,204</b>	<b>6,870,609</b>	<b>6,444,652</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	447,800	358,635	391,019
Transportation Fees	60,800	55,938	53,735
<b>Total Tuition and Related Fees Expense</b>	<b>508,600</b>	<b>414,573</b>	<b>444,754</b>
<b>School Generated Funds Expense</b>			
Supplies & Services	800,000	426,589	551,145
Cost of Sales	-	385,072	483,350
Non-Capital Furniture & Equipment	-	44,522	69,343
School Fund Expenses	3,000,000	2,377,999	2,552,918
Amortization of Tangible Capital Assets	44,494	65,677	49,830
<b>Total School Generated Funds Expense</b>	<b>3,844,494</b>	<b>3,299,859</b>	<b>3,706,586</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Complementary Services Expense</b>			
Instructional (Teacher & LEADS Contract) Salaries & Benefits	2,107,342	1,918,192	1,936,753
Program Support (Non-Teacher Contract) Salaries & Benefits	2,544,092	2,411,421	2,362,617
Instructional Aids	646,750	594,007	567,283
Supplies & Services	236,428	84,240	133,405
Non-Capital Furniture & Equipment	2,850	30,527	11,002
Building Operating Expenses	-	8,964	-
Communications	6,000	7,856	11,214
Travel	5,766	6,460	7,410
Professional Development (Non-Salary Costs)	5,000	673	2,568
Student Related Expenses	49,000	42,492	39,713
Amortization of Tangible Capital Assets	23,738	30,367	26,860
<b>Total Complementary Services Expense</b>	<b>5,626,966</b>	<b>5,135,199</b>	<b>5,098,825</b>
<b>External Service Expense</b>			
Tuition Fees	500,000	353,495	345,410
Transportation Fees	-	4,240	9,010
Instructional (Teacher & LEADS Contract) Salaries & Benefits	3,883,296	4,094,786	3,753,933
Program Support (Non-Teacher Contract) Salaries & Benefits	81,059	84,890	82,358
Instructional Aids	18,300	2,535	2,213
Supplies & Services	37,800	83,731	52,216
Non-Capital Furniture & Equipment	2,500	2,901	-
Communications	3,800	5,965	2,954
Professional Development (Non-Salary Costs)	5,000	3,011	7,617
Amortization of Tangible Capital Assets	-	1,095	1,095
<b>Total External Services Expense</b>	<b>4,531,755</b>	<b>4,636,649</b>	<b>4,256,806</b>

**Regina School Division No. 4**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2012**

	2012 Budget	2012 Actual	2011 Actual
<b>Other Expense</b>			
Interest and Bank Charges:			
Current Interest and Bank Charges	23,000	27,500	23,695
Interest on Other Capital Loans and Long Term Debt			
School Facilities	85,500	263,807	191,286
Other	153,300	158,503	-
Total Interest and Bank Charges	<b>261,800</b>	<b>449,810</b>	<b>214,981</b>
Loss on Disposal of Tangible Capital Assets	109,538	59,821	948,671
<b>Total Other Expense</b>	<b>371,338</b>	<b>509,631</b>	<b>1,163,652</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>195,700,815</b>	<b>193,820,478</b>	<b>187,428,146</b>

**Regina School Division No. 4**  
**Schedule C - Supplementary Details of Tangible Capital Assets**  
**for the year ended August 31, 2012**

	Land	Land Improvements	Buildings	Buildings Short term	School Buses	Other Vehicles	Furniture and Equipment	Computer Hardware and Audio Equipment	Computer Software	Work-in-Progress	2012	2011
<i>Tangible Capital Assets - at Cost:</i>												
Opening Balance as of September 1	8,630,128	471,448	118,668,956	6,734,267	8,456,945	453,661	4,312,089	8,087,043	538,902	18,862,435	175,215,874	159,208,027
Additions/Purchases				1,324,692	2,977,345		868,801	239,638	174,449	35,355,348	40,940,273	18,779,374
Disposals					(1,794,637)		(171,704)	(1,625,181)			(3,591,522)	(2,048,548)
Write-Downs											-	-
Transfers to (from)	(48,266)		(1,697,116)								(1,745,382)	(722,979)
<b>Closing Balance as of August 31</b>	<b>8,581,862</b>	<b>471,448</b>	<b>116,971,840</b>	<b>8,058,959</b>	<b>9,639,653</b>	<b>453,661</b>	<b>5,009,186</b>	<b>6,701,500</b>	<b>713,351</b>	<b>54,217,783</b>	<b>210,819,243</b>	<b>175,215,874</b>
<i>Tangible Capital Assets - Amortization:</i>												
Opening Balance as of September 1		(94,289)	(81,576,688)	(1,252,162)	(2,154,434)	(262,876)	(1,552,523)	(4,753,945)	(192,671)		(91,839,588)	(88,390,006)
Amortization of the Period		(23,572)	(2,302,130)	(388,243)	(775,220)	(90,732)	(500,919)	(1,340,300)	(142,670)		(5,563,786)	(5,639,661)
Disposals					927,229		171,704	1,625,181			2,724,114	1,467,100
Write-Downs											-	-
Transfers to (from)			1,625,580								1,625,580	722,979
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>(117,861)</b>	<b>(82,253,238)</b>	<b>(1,640,405)</b>	<b>(2,002,425)</b>	<b>(353,608)</b>	<b>(1,881,738)</b>	<b>(4,469,064)</b>	<b>(335,341)</b>	<b>N/A</b>	<b>(93,053,680)</b>	<b>(91,839,588)</b>
<b>Net Book Value:</b>												
Opening Balance as of September 1	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
Closing Balance as of August 31	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
<b>Change in Net Book Value</b>	<b>(48,266)</b>	<b>(23,572)</b>	<b>(2,373,666)</b>	<b>936,449</b>	<b>1,334,717</b>	<b>(90,732)</b>	<b>367,882</b>	<b>(1,100,662)</b>	<b>31,779</b>	<b>35,355,348</b>	<b>34,389,277</b>	<b>12,558,265</b>
<b>Disposals:</b>												
Historical Cost					1,794,637						1,794,637	2,048,548
Accumulated Amortization					(927,229)						(927,229)	(1,467,100)
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867,408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867,408</b>	<b>581,448</b>
Price of Sale					807,587						807,587	523,303
<b>Gain/loss on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59,821)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59,821)</b>	<b>(58,145)</b>
<b>Net Book Value (NBV) of Assets Pledged as Security for Debt</b>												<b>-</b>

**Regina School Division No. 4**  
**Schedule D: Non-Cash Items Included in Surplus / Deficit**  
**for the year ended August 31, 2012**

	2012	2011
<b>Non-Cash Items Included in Surplus / Deficit:</b>		
Amortization of Tangible Capital Assets (Schedule C)	5,563,786	5,639,661
Net (Gain) Loss on Disposal of Tangible Capital Assets	59,821	58,145
<b>Total Non-Cash Items Included in Surplus / Deficit</b>	<b>5,623,607</b>	<b>5,697,806</b>

**Regina School Division No. 4**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2012**

	2012	2011
<b>Net Change in Non-Cash Operating Activities:</b>		
Decrease in Accounts Receivable	796,974	2,752,806
Decrease (Increase) in Inventories for Sale	(119,802)	1,438,208
Increase (Decrease) in Provincial Grant Overpayment	261,597	(4,428,569)
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(977,602)	6,494,067
Increase in Liability for Employee Future Benefits	213,400	152,700
(Decrease) in Deferred Revenue	(3,313,900)	(9,401,545)
Decrease (Increase) in Inventory of Supplies for Consumption	(46,583)	69,063
Decrease (Increase) in Prepaid Expenses	(25,589)	650,142
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>(3,211,505)</b>	<b>(2,273,128)</b>



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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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 \$9,276,700 (2011 - \$9,063,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$77,630,190 (2011 - \$77,289,450) 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, 2012

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note 2(f) 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.

### d) Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable, investments, bank indebtedness, accounts payable and accrued liabilities and long-term loans. 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

**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.

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

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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**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

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.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

---

**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 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.

**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 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.

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

---

**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.

### **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

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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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.

### 3. SHORT TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$6.3 million that bears interest at Bank prime rate less 2.00% 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 July 12, 2011. The balance drawn on the line of credit at August 31, 2012 was \$Nil (August 31, 2011 - \$Nil).

### 4. LONG-TERM INVESTMENTS

Long Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2012	2011	2012	2011
Bank of Nova Scotia, 8.30%, matures 09/27/13 (callable)	\$ 113,748	\$ 116,440	\$ 119,325	\$ 125,798
Home Trust Company GIC, 2.35%, matures 07/06/2015	\$ 89,000	\$ -	\$ 89,000	\$ -
Province of Ontario, 5.375%, 5.50%, matures 12/02/12	424,875	427,021	432,868	449,433
National Bank of Canada GIC, 3.35%, matures 05/21/14	17,737	17,736	17,736	17,736
National Bank of Canada GIC, 3.40%, matures 02/08/16	50,000	50,000	50,000	50,000
Manulife Financial Capital, 6.70%, matures 12/31/51 (called)	-	91,267	-	92,070
<b>Total Long Term Investments</b>	<b>\$ 695,360</b>	<b>\$ 702,464</b>	<b>\$ 708,929</b>	<b>\$ 735,037</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

### 5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2012 Budget	2012 Actual	2011 Actual
Governance	\$ 183,901	\$ 307,305	\$ -	\$ -	\$ 446,100	\$ 491,206	\$ 580,153
Administration	1,647,460	493,002	-	141,062	2,245,813	2,281,524	2,225,797
Instruction	132,018,802	10,026,381	-	1,716,789	137,862,390	143,761,972	136,509,122
Plant	11,082,082	12,535,509	-	2,801,664	32,470,155	26,419,255	26,997,799
Transportation	206,371	5,857,106	-	807,132	7,793,204	6,870,609	6,830,562
Tuition and Related Fees	-	414,573	-	-	508,600	414,573	444,754
School Generated Funds	-	3,234,182	-	65,677	3,844,494	3,299,859	3,320,676
Complementary Services	4,329,613	775,219	-	30,367	5,626,966	5,135,199	5,098,825
External Services	4,179,676	455,878	-	1,095	4,531,755	4,636,649	4,256,806
Other	-	59,821	449,810	-	371,338	509,631	1,163,652
<b>TOTAL</b>	<b>\$ 153,647,905</b>	<b>\$ 34,158,976</b>	<b>\$ 449,810</b>	<b>\$ 5,563,786</b>	<b>\$ 195,700,815</b>	<b>\$ 193,820,477</b>	<b>\$ 187,428,146</b>

### 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 2012. 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:

	2012	2011
Actuarial valuation date	31/08/2012	9/01/07
Extrapolated date		8/31/11
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25%	3.30%
Discount rate (percentage)	2.70%	3.40%
Inflation rate (percentage)	2.25%	2.50%
Expected average remaining service life (years)	15	13

Liability for Employee Future Benefits	2012	2011
Accrued Benefit Obligation - beginning of year	\$ 10,066,800	\$ 9,989,600
Current period benefit cost	765,400	736,300
Interest cost	351,400	367,400
Benefit payments	(991,600)	(1,038,300)
Actuarial losses	244,700	11,800
Plan amendments	(6,900)	-
Accrued Benefit Obligation - end of year	10,429,800	10,066,800
Unamortized Net Actuarial Losses	(1,153,100)	(1,003,500)
<b>Liability for Employee Future Benefits</b>	<b>\$ 9,276,700</b>	<b>\$ 9,063,300</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

Employee Future Benefits Expense	2012	2011
Current period benefit cost	\$ 765,400	\$ 736,300
Amortization of net actuarial loss	88,200	87,300
Benefit cost	853,600	823,600
Interest cost on unfunded employee future benefits obligation	351,400	367,400
<b>Total Employee Future Benefits Expense</b>	<b>\$ 1,205,000</b>	<b>\$ 1,191,000</b>

### 7. PENSION PLANS

#### Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the School Division contributes is as follows:

- i) Saskatchewan Teachers' Retirement Plan (STRP) 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:

	2012			2011
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1567	86	1653	1647
Member contribution rate (percentage of salary)	7.81% / 10.00%	6.05% / 7.85%		same as 2012
Member contributions for the year	\$ 8,729,464	\$ 622,731	\$ 9,352,195	\$ 7,400,713

- 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, 2010, identified an unfunded liability of \$246.3M. On a going-concern basis, the funded ratio was 78.02% at December 31, 2010, and on a termination basis,



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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the Plan had a solvency ratio of 78.5%. The Civic Plan Administrative Board elected the 3-year solvency moratorium on solvency deficiency payments following the December 31, 2009 valuation. The Board could not elect a second 3-year moratorium on solvency deficiency payments for the 2010 valuation as regulations permit only one election to be in effect at a time. To meet the minimum statutory funding requirements, the actuary identified that member and employer contribution rates would need to be increased to 16.95% of salary up to YMPE and 25.11% of salary over the YMPE. Neither these rate increases nor those recommended in the 2009 valuation have been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.

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:

	2012	2011
Number of active School Division members	641	647
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	\$ 2,680,671	\$ 2,494,280
School Division contributions for the year	\$ 2,677,439	\$ 2,492,182
Actuarial valuation date	31-Dec-10	31-Dec-09
Plan Assets	\$ 874,100,000	\$ 787,263,000
Plan Liabilities	\$ 1,120,400,000	\$ 1,025,006,000
Plan Surplus (Deficit)	\$ (246,300,000)	\$ (237,743,000)

## 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:

	2012	2011
	Total Receivable	Total Receivable
Provincial Capital Grants Receivable	275,422	1,581,808
City of Regina Capital Receivable	1,427,438	1,427,438
Other Receivables	1,109,651	600,239
<b>Total Accounts Receivable</b>	<b>\$ 2,812,511</b>	<b>\$ 3,609,485</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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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:

	2012	2011
Accrued Salaries and Benefits	\$ 5,844,283	\$ 8,613,490
Supplier Payments	2,771,113	3,512,282
Other Accrued Liabilities	7,233,449	4,700,675
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 15,848,845</b>	<b>\$ 16,826,447</b>

### 10. LONG-TERM DEBT

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

	2012	2011
Other Long Term Debt:		
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	\$ 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	1,528,422	3,099,760
Capital Leases Concentra Financial Services, purchase school buses, 3.33%, principal and interest payments of \$317,90755 payable yearly, due date of lease, July 1, 2018	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	1,600,000
<b>Total Long Term Debt</b>	<b>\$ 21,783,122</b>	<b>\$ 4,699,760</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

Principal repayments over the next 5 years are estimated as follows:				
	Capital Loans	Capital Leases	Other LT Debt	Total
2013	\$ 554,878	\$ 1,274,410	\$ -	\$ 1,829,288
2014	577,024	764,428	1,600,000	2,941,452
2015	600,054	268,026	-	868,080
2016	624,004	276,951	-	900,955
2017	648,909	286,173	-	935,082
Thereafter	13,011,375	1,296,890	-	14,308,265
<b>Total</b>	<b>\$ 16,016,244</b>	<b>\$ 4,166,878</b>	<b>\$ 1,600,000</b>	<b>\$ 21,783,122</b>

Principal and interest payments on the long-term debt are as follows:					
	Capital Loans	Capital Leases	Other LT Debt	2012	2011
Principal	\$ 224,866	\$ 1,910,228	\$ -	\$ 2,135,094	\$ 482,689
Interest	263,807	153,257	-	417,064	191,286
<b>Total</b>	<b>\$ 488,673</b>	<b>\$ 2,063,485</b>	<b>\$ -</b>	<b>\$ 2,552,158</b>	<b>\$ 673,975</b>

During the year the Ministry of Education approved capital loans of \$16,016,244 to build or renovate schools. During the period from the commencement of the loan to the end of 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, 2011	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2012
<b>Capital projects:</b>				
Federal capital tuition	\$ 7,922	\$ 103	\$ -	\$ 8,025
Ministry of Education capital transfers	2,437,377	7,450	(1,690,545)	754,282
Proceeds from sale of school buildings - Ministry discretion	1,054,236	-	(1,054,236)	-
Proceeds from sale of school buildings - Board discretion	720,121	-	-	720,121
				-
<b>Total capital projects deferred revenue</b>	<b>4,219,656</b>	<b>7,553</b>	<b>(2,744,781)</b>	<b>1,482,428</b>
<b>Other deferred revenue:</b>				
Ministry of Education - Operating Grants	1,146,611	272,295	(516,497)	902,409
City of Regina - Tax Levy	8,537,210	7,984,907	(8,537,211)	7,984,906
Other (tuition fees, federal grants, special programs)	179,588	239,834	(20,000)	399,422
<b>Total other deferred revenue</b>	<b>9,863,409</b>	<b>8,497,036</b>	<b>(9,073,708)</b>	<b>9,286,737</b>
<b>Total Deferred Revenue</b>	<b>\$ 14,083,065</b>	<b>\$ 8,504,589</b>	<b>\$ (1,818,489)</b>	<b>\$ 10,769,165</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

### 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 2012:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Nutrition	Other Programs	2012	2011
<b>Revenue:</b>						
Grants	\$ 2,326,349	\$ -	\$ 124,245	\$ 106,275	\$ 2,556,869	\$ 588,740
Tuition and Related Fees	-	-	-	63,135	63,135	50,910
Miscellaneous Revenue	-	-	-	40,000	40,000	40,000
<b>Total Revenue</b>	<b>2,326,349</b>	<b>-</b>	<b>124,245</b>	<b>209,410</b>	<b>2,660,004</b>	<b>679,650</b>
<b>Expenses:</b>						
Salaries & Benefits	1,850,033	2,174,624	220,858	84,098	4,329,613	4,299,371
Instructional Aids	45,316	293,094	251,689	3,908	594,007	567,129
Supplies and Services	-	3,750	-	80,490	84,240	133,559
Non-Capital Equipment	20,948	18,543	-	-	39,491	11,002
Communications	-	1,056	-	6,800	7,856	11,214
Travel	261	4,514	-	1,685	6,460	7,410
Professional Development	-	673	-	-	673	2,567
Student Related Expenses	23,379	-	-	19,113	42,492	39,713
Amortization of Tangible Capital Assets	-	-	-	30,367	30,367	26,860
<b>Total Expenses</b>	<b>1,939,937</b>	<b>2,496,254</b>	<b>472,547</b>	<b>226,461</b>	<b>5,135,199</b>	<b>5,098,825</b>
<b>(Deficiency) of Revenue over Expenses</b>	<b>\$ 386,412</b>	<b>\$ (2,496,254)</b>	<b>\$ (348,302)</b>	<b>\$ (17,051)</b>	<b>\$ (2,475,195)</b>	<b>\$ (4,419,175)</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, 2012

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### 13. EXTERNAL SERVICES

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

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

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Distance Education	Visa Program	Other Programs	2012	2011
<b>Revenue:</b>						
Tuition and Related Fees	\$ -	\$ -	\$ 9,926	\$ -	\$ 9,926	\$ 13,173
Miscellaneous Revenue	68,718	-	1,403	59,733	129,854	81,179
<b>Total Revenue</b>	<b>68,718</b>	<b>-</b>	<b>11,329</b>	<b>59,733</b>	<b>139,780</b>	<b>94,352</b>
<b>Expenses:</b>						
Tuition Fees	357,735	-	-	-	357,735	354,420
Salaries & Benefits	4,179,676	-	-	-	4,179,676	3,836,292
Instructional Aids	-	-	2,535	-	2,535	2,213
Supplies and Services	13,370	-	9,130	61,232	83,732	52,215
Non-Capital Equipment	-	-	2,900	-	2,900	-
Communications	-	-	5,965	-	5,965	2,954
Professional Development	-	-	3,011	-	3,011	7,617
Amortization	-	-	1,095	-	1,095	1,095
<b>Total Expenses</b>	<b>4,550,781</b>	<b>-</b>	<b>24,636</b>	<b>61,232</b>	<b>4,636,649</b>	<b>4,256,806</b>
<b>(Deficiency) of Revenue over Expenses</b>	<b>\$ (4,482,063)</b>	<b>\$ -</b>	<b>\$ (13,307)</b>	<b>\$ (1,499)</b>	<b>\$ (4,496,869)</b>	<b>\$ (4,162,454)</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, 2012

### 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 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:

	2012	2011
<b>Invested in Tangible Capital Assets:</b>		
Net Book Value of Tangible Capital Assets	\$ 117,765,563	\$ 83,376,286
Less: Debt owing on Tangible Capital Assets	(21,783,122)	(4,699,760)
	<b>95,982,441</b>	<b>78,676,526</b>
S.286 pre-April 2009 capital reserves from prior years' operating surpluses (1)	-	4,909,650
<b>Internally Restricted Surplus:</b>		
Election Reserve	100,000	-
General Reserve	3,792,006	3,792,006
Renewal Reserve	2,873,992	2,873,992
School Fund Reserve	2,091,780	2,058,484
Encumbrance Reserve	1,438,498	822,512
Facility Upgrades Reserve	14,488,830	7,821,115
IT Upgrades Reserve	1,410,300	1,131,490
Instructional Innovation Reserve	1,730,725	963,225
Other Reserve	637,329	743,329
	<b>28,563,460</b>	<b>20,206,153</b>
<b>Unrestricted Surplus</b>	<b>31,643,826</b>	<b>23,089,457</b>
<b>Total Accumulated Surplus</b>	<b>\$ 156,189,727</b>	<b>\$ 126,881,786</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, 2012

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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 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 subsequent years. 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, 2011 and the Minister of Education on August 31, 2011.

### 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, 2012

	2012	2011
<b>Revenues:</b>		
<i>Ministry of Education</i>	\$ 136,676,621	\$ 119,963,150
<i>Prairie Valley School Division</i>	\$ 365,957	\$ 366,511
	<b>\$ 137,042,578</b>	<b>\$ 120,329,661</b>
<b>Expenses:</b>		
<i>Horizon School Division</i>	\$ 500	\$ -
<i>Ministry of Corrections, Public Safety &amp; Policing</i>	-	40,000
<i>Northwest School Division</i>	2,100	-
<i>SaskPower</i>	2,202,044	2,087,836
<i>SaskEnergy</i>	2,066,629	2,498,725
<i>SaskTel</i>	465,759	438,697
<i>Sask Workers' Compensation Board</i>	333,553	299,371
<i>Saskatoon Public School Division</i>	-	24,270
<i>Sask Rivers School Division</i>	1,181	-
<i>Sunwest School Division</i>	4,500	-
<i>Regina Qu'Appelle Health Region</i>	65,624	69,740
	<b>\$ 5,141,890</b>	<b>\$ 5,458,639</b>
<b>Provincial Grant Overpayment:</b>		
<i>Ministry of Education</i>	\$ 261,597	\$ -
	<b>\$ 261,597</b>	<b>\$ -</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
<i>Ministry of Corrections, Public Safety &amp; Policing</i>	\$ -	\$ 40,000
<i>Regina Qu'Appelle Health Region</i>	-	69,740
<i>SaskTel</i>	58,211	-
<i>SaskPower</i>	186,637	130,016
<i>SaskEnergy</i>	30,924	15,150
	<b>\$ 275,772</b>	<b>\$ 254,906</b>
<b>Deferred Revenue:</b>		
<i>Ministry of Education</i>	\$ 1,656,691	\$ 4,638,224
	<b>\$ 1,656,691</b>	<b>\$ 4,638,224</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 \$34.05 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, 2012	<b>\$ 34,047,486</b>
Less: Revenue reported in financial statements, August 31, 2012	(275,422)
<b>Unrecorded balance of approved capital transfers</b>	<b>\$ 33,772,064</b>



# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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 \$16,783,041, \$2.84 million to be paid over the subsequent year
- architect fee contract for Arcola School Rebuild in the amount of \$1,188,040, \$68,989 to be paid over the subsequent year
- construction contract for Douglas Park School Rebuild in the amount of \$18,027,421, \$2.61 million to be paid over the subsequent year
- architect fee contract for Douglas Park School Rebuild in the amount of \$1,175,619, \$21,211 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:							
2013	\$ 545,195	\$ 77,619	\$ 1,276,128	\$ 756,600	\$ 2,655,542	\$ 1,274,410	\$ 1,274,410
2014	531,930	70,023	1,165,276	756,600	2,523,829	764,428	764,428
2015	542,605	46,896	1,111,917	638,000	2,339,418	268,025	268,025
2016	549,474	46,896	479,445	-	1,075,815	276,951	276,951
2017	-	46,896	-	-	46,896	286,173	286,173
Thereafter	-	-	-	-	-	1,296,890	1,296,890
Interest and executory costs	\$ 2,169,204	\$ 288,330	\$ 4,032,766	\$ 2,151,200	\$ 8,641,500	\$ 4,166,877	\$ 4,166,877
	-	68,964	-	-	68,964	494,309	494,309
<b>Total Lease Obligations</b>	<b>\$ 2,169,204</b>	<b>\$ 357,294</b>	<b>\$ 4,032,766</b>	<b>\$ 2,151,200</b>	<b>\$ 8,710,464</b>	<b>\$ 4,661,186</b>	<b>\$ 4,661,186</b>

# REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

## Notes to the Financial Statements

August 31, 2012

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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 provided for retroactive wage increases for teachers of the school division for the period September 1, 2010 to August 31, 2011 at an estimated cost of \$2,546,000. In 2012, the Ministry provided a grant in the amount of \$7,285,128 related to the costs associated with this collective bargaining agreement, which included the 2011 estimate.

### 20. 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. This amount was recognized as a reduction to K-12 Operating Grant revenue in the 2011-12 financial statements.

### 21. COMPARATIVE INFORMATION

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

### 22. 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:

	2012	2011
Operating Teacher Salaries	\$ 95,033,687	\$ 87,506,453
Complementary Teacher Salaries	1,863,552	1,838,946
External Teacher Salaries	3,794,601	3,414,204
<b>Total Teacher Salaries</b>	<b>\$ 100,691,840</b>	<b>\$ 92,759,603</b>
Professional Development Allocation .59%	594,082	547,282

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

## **Notes to the Financial Statements**

**August 31, 2012**

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### **23. SUBSEQUENT EVENTS**

The school division sold the building and land on the Athabasca school site in September 2012. The purchase price was \$2,500,000. The Ministry of Education approved the sale.