



Auditor's Report and Financial Statement

Of the Regina School Division No. 4

School Division No. 2150000

For the Period Ending: August 31, 2010

D.G. Burnett
Secretary Treasurer

Meyers Norris Penny LLP
Auditor

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

Management's Responsibility

To the Chairman 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 generally accepted accounting principles. 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.

Meyers Norris Penny 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.

October 22, 2010



D.G. Burnett
Deputy Director



B.W. Lipinski
Superintendent



MEYERS NORRIS PENNY LLP

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 consolidated statement of Financial Position of Regina School Division No. 4 as at August 31, 2010 and the following statements for the year ended August 31, 2010:

- a) Consolidated Statement of Operations and Accumulated Surplus
- b) Consolidated Statement of Changes in Net Financial Assets
- c) Consolidated Statement of Cash Flows
- d) Schedule A: Supplementary Details of Consolidated Revenue
- e) Schedule B: Supplementary Details of Consolidated Expenses
- f) Schedule C: Supplementary Details of Tangible Capital Assets
- g) Schedule D: Non-Cash Items Included in Surplus/Deficit
- h) Schedule E: Net Change in Non-Cash Operating Activities

These financial statements are the responsibility of the School Division's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2010 and the results of its operations, the changes in its net financial assets and its cash flows for the year period then ended in accordance with Canadian generally accepted accounting principles.

MeYers Norris Penny LLP

Regina, Saskatchewan
October 22, 2010

MEYERS NORRIS PENNY LLP



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
ROYAL BANK BUILDING, SUITE 900, 2010 - 11TH AVE., REGINA, SK S4P 0J3
1-877-500-0780 PH. (306) 790-7900 FAX (306) 790-7990 mnp.ca

Regina School Division No. 4
Consolidated Statement of Financial Position
as at August 31, 2010

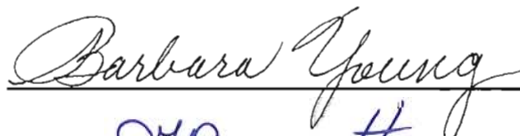
	2010	2009
		Restated (Note 20)
Financial Assets		
Cash	50,026,036	82,229,226
Short Term Investments (Note 4)	30,000,000	-
Accounts Receivable (Note 9)	6,362,291	6,947,879
Inventories for Sale	1,571,575	1,438,209
Long Term Investments (Note 5)	658,135	682,513
Total Financial Assets	88,618,037	91,297,827
Liabilities		
Provincial Grant Overpayment	4,428,569	-
Accounts Payable and Accrued Liabilities (Note 10)	10,332,380	11,116,739
Long Term Debt (Note 11)	5,182,449	5,926,102
Liability for Employee Future Benefits (Note 7)	8,910,600	8,543,800
Deferred Revenue (Note 12)	23,484,610	32,072,123
Total Liabilities	52,338,608	57,658,764
Net Financial Assets	36,279,429	33,639,063
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	70,818,021	68,229,665
Inventory of Supplies for Consumption	321,069	414,855
Prepaid Expenses	2,262,677	1,393,688
Total Non-Financial Assets	73,401,767	70,038,208
Accumulated Surplus (Note 15)	109,681,196	103,677,271

Contingent Liabilities (Note 18)

Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:



Chairperson



Secretary-Treasurer

Regina School Division No. 4
Consolidated Statement of Operations and Accumulated Surplus
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
	(Note 16)		Restated (Note 20)
REVENUES			
Property Taxation	74,671,297	78,898,322	78,564,304
Grants	103,370,525	103,075,764	100,518,043
Tuition and Related Fees	1,406,320	1,414,474	1,571,624
School Generated Funds	3,800,000	3,823,583	4,195,918
Complementary Services (Note 13)	247,000	465,540	2,447,841
External Services (Note 14)	220,000	283,271	3,856,812
Other	1,736,700	1,697,179	2,274,167
Total Revenues (Schedule A)	185,451,842	189,658,133	193,428,709
EXPENSES			
Governance	621,735	670,543	441,266
Administration	2,041,877	2,144,592	2,034,151
Instruction	134,867,205	132,011,256	127,332,205
Plant	29,921,550	28,178,356	27,145,421
Transportation	6,426,064	6,679,542	6,802,434
Tuition and Related Fees	325,000	424,721	345,468
School Generated Funds	3,828,435	4,214,383	4,228,238
Complementary Services (Note 13)	5,020,132	4,918,745	4,818,973
External Services (Note 14)	4,081,121	4,136,873	3,896,215
Other Expenses	291,653	275,197	716,620
Total Expenses (Schedule B)	187,424,772	183,654,208	177,760,991
Surplus (Deficit) for the Year	(1,972,930)	6,003,925	15,667,718
Accumulated Surplus, Beginning of Year	103,677,271	103,677,271	88,009,553
Accumulated Surplus, End of Year	101,704,341	109,681,196	103,677,271

Expenses by Function and Economic Classification (Note 6)

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

Regina School Division No. 4
Consolidated Statement of Changes in Net Financial Assets
for the year ended August 31, 2010

	2010 Budget (Note 16)	2010 Actual	2009 Actual Restated
Net Financial Assets, Beginning of Year	33,639,063	33,639,063	21,735,813
Changes During the Year:			
Surplus for the Year	(1,972,930)	6,003,925	15,667,718
Acquisition of Tangible Capital Assets (Schedule C)	(650,000)	(8,000,229)	(11,039,845)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)		200,000	454,868
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)		58,661	427,568
Transfer of Tangible Capital Assets to Inventory for Resale (Schedule C)		133,361	1,438,209
Amortization of Tangible Capital Assets (Schedule C)	4,809,346	5,019,851	4,944,646
Net Acquisition of Inventory of Supplies		93,786	323,711
Net Acquisition of Prepaid Expenses		(868,989)	(313,625)
Change in Net Financial Assets	2,186,416	2,640,366	11,903,250
Net Financial Assets, End of Year	35,825,479	36,279,429	33,639,063

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

Regina School Division No. 4
Consolidated Statement of Cash Flows
for the year ended August 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Surplus for the Year	6,003,925	15,667,718
Add Non-Cash Items Included in Surplus (Schedule D)	5,078,512	5,372,214
Net Change in Non-Cash Operating Activities (Schedule E)	(4,899,484)	(3,911,882)
Cash Provided by Operating Activities	6,182,953	17,128,050
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(8,000,229)	(11,039,845)
Proceeds on Disposal of Tangible Capital Assets	200,000	454,868
Transfer of Tangible Capital Assets to Inventory for Resale (Schedule C)	133,361	1,438,209
Cash (Used) by Capital Activities	(7,666,868)	(9,146,768)
INVESTING ACTIVITIES		
Proceeds on Disposal of Long Term Investments	24,378	5,356
Cash Provided by Investing Activities	24,378	5,356
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(743,653)	(556,790)
Cash (Used) by Financing Activities	(743,653)	(556,790)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,203,190)	7,429,848
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	82,229,226	74,799,378
CASH AND CASH EQUIVALENTS, END OF YEAR	80,026,036	82,229,226
REPRESENTED ON THE FINANCIAL STATEMENTS BY:		
Cash	50,026,036	82,229,226
Short Term Investments	30,000,000	-
CASH AND CASH EQUIVALENTS, END OF YEAR	80,026,036	82,229,226

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

Regina School Division No. 4
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual Restated
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue (<i>net Education Tax Credit</i>)	69,887,201	73,872,786	73,536,826
Revenue from Supplemental Levies	450,000	503,469	518,208
Total Property Tax Revenue	70,337,201	74,376,255	74,055,034
Grants in Lieu of Taxes:			
Federal Government	1,536,810	1,544,850	1,708,125
Provincial Government	4,055,255	4,283,547	4,117,487
Total Grants in Lieu of Taxes	5,592,065	5,828,397	5,825,612
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	10,710	7,556
Total Other Tax Revenues	-	10,710	7,556
Deletions from Levy:			
Other Deletions	(1,257,969)	(1,317,040)	(1,323,898)
Total Deletions from Levy	(1,257,969)	(1,317,040)	(1,323,898)
Total Property Taxation Revenue	74,671,297	78,898,322	78,564,304
Grants:			
Operating Grants			
Ministry of Education Grants:			
K-12 Operating Grant	103,370,525	99,143,501	89,134,219
Other Ministry Grants	-	1,153,932	7,469,075
Total Ministry Grants	103,370,525	100,297,433	96,603,294
Federal Grants	-	61,144	66,375
Total Operating Grants	103,370,525	100,358,577	96,669,669
Capital Grants			
Ministry of Education Capital Grants	-	2,717,187	3,848,374
Total Capital Grants	-	2,717,187	3,848,374
Total Grants	103,370,525	103,075,764	100,518,043

Regina School Division No. 4
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual Restated
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	1,024,800	1,061,613	1,054,082
Federal Government and First Nations	58,080	37,088	103,079
Individuals and Other	319,440	311,773	410,879
Total Tuition Fees	1,402,320	1,410,474	1,568,040
Transportation Fees	4,000	4,000	2,400
Total Operating Tuition and Related Fees	1,406,320	1,414,474	1,570,440
Capital Fees:			
Federal/First Nations Capital Fees	-	-	1,184
Total Capital Tuition and Fees	-	-	1,184
Total Tuition and Related Fees Revenue	1,406,320	1,414,474	1,571,624
School Generated Funds Revenue			
Curricular Fees:			
Student Fees	800,000	782,465	905,132
Total Curricular Fees	800,000	782,465	905,132
Non-Curricular Fees:			
Students Fees	3,000,000	3,041,118	3,290,786
Total Non-Curricular Fees	3,000,000	3,041,118	3,290,786
Total School Generated Funds Revenue	3,800,000	3,823,583	4,195,918
Complementary Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	2,143,001
Ministry of Education Grants-Other	126,000	242,014	144,317
Other Provincial Grants	121,000	120,245	137,959
Federal Grants	-	13,500	-
Total Operating Grants	247,000	375,759	2,425,277
Fees and Other Revenue			
Tuition and Related Fees	-	48,289	-
Other Revenue	-	41,492	22,564
Total Fees and Other Revenue	-	89,781	22,564
Total Complementary Services Revenue	247,000	465,540	2,447,841

Regina School Division No. 4
Schedule A: Supplementary Details of Consolidated Revenue
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
			Restated
External Services			
Operating Grants:			
Ministry of Education Operating Grants:			
Ministry of Education-Foundation Operating Grant	-	-	3,589,740
Total Operating Grants	-	-	3,589,740
Fees and Other Revenue			
Tuition and Related Fees	20,000	47,238	51,527
Other Revenue	200,000	236,033	215,545
Total Fees and Other Revenue	220,000	283,271	267,072
Total External Services Revenue	220,000	283,271	3,856,812
Other Revenue			
Miscellaneous Revenue	728,200	781,198	926,324
Sales & Rentals	608,500	637,325	619,441
Investments	400,000	278,656	728,402
Total Other Revenue	1,736,700	1,697,179	2,274,167
TOTAL REVENUE FOR THE YEAR	185,451,842	189,658,133	193,428,709

Regina School Division No. 4
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual Restated
Governance Expense			
Board Members Expense	172,000	171,593	165,132
Conventions - Board Members	14,000	13,035	15,813
School Community Councils	118,500	121,124	88,199
Conventions - School Community Councils	-	1,712	-
Elections	136,860	149,175	-
Other Governance Expenses	180,375	213,904	172,122
Total Governance Expense	621,735	670,543	441,266
Administration Expense			
Salaries	1,266,307	1,218,609	1,139,724
Benefits	247,838	232,364	217,803
Supplies & Services	286,700	413,813	440,185
Non-Capital Furniture & Equipment	36,800	15,298	26,308
Communications	60,512	76,495	54,326
Professional Development	23,000	37,302	28,915
Amortization of Tangible Capital Assets	120,720	150,711	126,890
Total Administration Expense	2,041,877	2,144,592	2,034,151
Instruction Expense			
Instructional (Teacher Contract) Salaries	98,639,369	96,609,832	92,779,982
Instructional (Teacher Contract) Benefits	6,535,540	6,637,836	6,151,237
Program Support (Non-Teacher Contract) Salaries	15,552,973	15,471,988	15,483,842
Program Support (Non-Teacher Contract) Benefits	2,813,139	2,714,618	2,545,114
Instructional Aids	3,992,844	3,979,291	3,410,666
Supplies & Services	2,365,677	2,214,232	2,254,000
Non-Capital Furniture & Equipment	1,775,506	1,300,169	1,364,084
Communications	230,898	214,961	223,895
Travel	285,019	239,289	296,262
Professional Development	719,536	691,526	796,480
Student Related Expense	587,879	403,787	583,100
Amortization of Tangible Capital Assets	1,368,825	1,533,727	1,443,543
Total Instruction Expense	134,867,205	132,011,256	127,332,205

Regina School Division No. 4
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual
			Restated
Plant Operation & Maintenance Expense			
Salaries	8,896,091	8,665,731	8,448,438
Benefits	2,375,079	2,325,100	2,099,092
Supplies & Services	3,000	921	17,187
Non-Capital Furniture & Equipment	152,675	29,707	45,105
Building Operating Expenses	15,136,950	13,989,478	13,141,316
Communications	488,632	343,546	491,166
Travel	184,233	139,180	173,601
Professional Development	50,000	37,431	36,971
Amortization of Tangible Capital Assets	2,634,890	2,647,262	2,692,545
Total Plant Operation & Maintenance Expense	29,921,550	28,178,356	27,145,421
Student Transportation Expense			
Salaries	167,378	163,049	155,482
Benefits	33,783	33,509	31,085
Supplies & Services	469,000	419,475	439,612
Non-Capital Furniture & Equipment	421,000	448,353	445,290
Building Operating Expenses	143,000	129,582	124,525
Communications	8,000	8,400	6,859
Professional Development	3,000	2,074	-
Contracted Transportation	4,551,300	4,842,839	4,969,979
Amortization of Tangible Capital Assets	629,603	632,261	629,602
Total Student Transportation Expense	6,426,064	6,679,542	6,802,434
Tuition and Related Fees Expense			
Tuition Fees	322,000	377,996	312,968
Transportation Fees	3,000	46,725	32,500
Total Tuition and Related Fees Expense	325,000	424,721	345,468
School Generated Funds Expense			
Supplies & Services	775,000	828,415	802,659
Non-Capital Furniture & Equipment	11,700	896	-
School Fund Expenses	3,000,000	3,344,671	3,385,179
Amortization of Tangible Capital Assets	41,735	40,401	40,400
Total School Generated Funds Expense	3,828,435	4,214,383	4,228,238

Regina School Division No. 4
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual Restated
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	1,625,460	1,823,987	1,509,770
Program Support (Non-Teacher Contract) Salaries & Benefits	2,553,509	2,205,485	2,473,822
Instructional Aids	639,989	597,363	555,720
Supplies & Services	100,000	208,931	147,024
Non-Capital Furniture & Equipment	17,100	8,836	56,473
Communications	19,600	6,701	14,604
Travel	6,901	8,892	12,551
Professional Development (Non-Salary Costs)	10,000	2,534	7,785
Student Related Expenses	34,000	40,529	29,558
Amortization of Tangible Capital Assets	13,573	15,487	11,666
Total Complementary Services Expense	5,020,132	4,918,745	4,818,973
External Service Expense			
Tuition Fees	431,000	376,050	402,737
Transportation Fees	3,000	4,770	5,300
Instructional (Teacher Contract) Salaries & Benefits	3,497,615	3,637,591	3,340,561
Program Support (Non-Teacher Contract) Salaries & Benefits	76,106	77,912	68,601
Instructional Aids	6,500	3,984	5,184
Supplies & Services	44,100	24,087	48,026
Non-Capital Furniture & Equipment	12,500	30	-
Communications	5,300	6,012	5,916
Professional Development (Non-Salary Costs)	5,000	6,437	19,890
Total External Services Expense	4,081,121	4,136,873	3,896,215

Regina School Division No. 4
Schedule B: Supplementary Details of Consolidated Expenses
for the year ended August 31, 2010

	2010 Budget	2010 Actual	2009 Actual Restated
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	20,000	22,795	21,285
Interest on Other Capital Loans and Long Term Debt			
Other	226,192	193,740	267,767
Total Interest and Bank Charges	<u>246,192</u>	<u>216,535</u>	<u>289,052</u>
Loss on Disposal of Tangible Capital Assets	45,461	58,662	427,568
Total Other Expense	291,653	275,197	716,620
TOTAL EXPENSES FOR THE YEAR	187,424,772	183,654,208	177,760,991

Regina School Division No. 4
Schedule D: Non-Cash Items Included in Surplus / Deficit
for the year ended August 31, 2010

	2010	2009
Non-Cash Items Included in Surplus / Deficit:		
Amortization of Tangible Capital Assets (Schedule C)	5,019,851	4,944,646
Net Loss on Disposal of Tangible Capital Assets	58,661	427,568
Total Non-Cash Items Included in Surplus / Deficit	5,078,512	5,372,214

Regina School Division No. 4
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2010

	2010	2009
Net Change in Non-Cash Operating Activities:		
Decrease (Increase) in Accounts Receivable	585,588	(3,934,514)
(Increase) in Inventories for Sale	(133,366)	(1,438,209)
Increase in Provincial Grant Overpayment	4,428,569	-
Increase (Decrease) In Accounts Payable and Accrued Liabilities	(784,359)	1,173,990
Increase in Liability for Employee Future Benefits	366,800	345,596
(Decrease) in Deferred Revenue	(8,587,513)	(68,831)
Decrease in Inventory of Supplies for Consumption	93,786	323,711
(Increase) in Prepaid Expenses	(868,989)	(313,625)
Total Net Change in Non-Cash Operating Activities	(4,899,484)	(3,911,882)

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles established by the Canadian Public Sector Accounting Board (PSAB).

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

a) Reporting Entity and Consolidation

The consolidated financial statements include all of the assets, liabilities, revenues and expenses of the School Division reporting entity. The School Division reporting entity is comprised of all the organizations which are controlled by the School Division.

Controlled entities:

Control is defined as the power to govern the financial and operating policies of another organization with the expected benefits or risk of loss to the School Division. Control exists so long as the School Division has the power to govern, regardless of whether the School Division chooses to exercise this power.

All of the assets, liabilities, revenues and expenditures of controlled organizations are consolidated on a line-by-line basis after adjusting the accounting policies to a basis consistent with the accounting policies of the School Division. Inter-organizational transactions and balances and transactions have been eliminated.

Controlled entities:

- School generated funds: assets, liabilities, revenues and expenditures of various organizations that exist at the school level and which are controlled by the School Division.

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.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

c) Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, tax revenue, useful lives of capital assets and prior years tangible capital asset historical costs and related amortization.

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, long-term investments, accounts payable and accrued liabilities and long-term debt. 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.

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

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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 adjust 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.

Accounts receivable also consists of 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.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years
Leased capital assets	Lease term

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

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

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

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.

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 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 expenditures 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.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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.

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, which is a multi-employer defined benefit 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.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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 (prior to April 1, 2009 - 10 month basis), with 1/12th of the grant recognized as revenue each month (prior to April 1, 2009 – recognized at 1/10th per month with no grant being recognized for the months of July and August). Capital grants are recognized over the course of the construction project as the entitlement to 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 Province. 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 1/12th of estimated total tax revenue recorded in each month of the School Division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the School Division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the School Division's estimates is recorded as an adjustment to revenue in the next fiscal year.

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 \$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 Ministry of Education on August 18, 2010. The balance drawn on the line of credit at August 31, 2010 was \$Nil (August 31, 2009 - \$Nil).

4. SHORT TERM INVESTMENTS

Short term investments consist of term deposits with maturities of three months or less. Due to the short-term nature of the investments, market value approximates cost.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

5. LONG-TERM INVESTMENTS

Long Term Investments are comprised of the following:

	Cost / Book Value		Market Value	
	2010	2009	2010	2009
Bank of Nova Scotia, 8.30%, matures 09/27/13	\$ 118,985	\$ 121,391	\$ 129,304	\$ 131,533
Province of Ontario, 5.375%, 5.50%, matures 12/02/12	429,065	431,013	461,285	459,653
National Bank of Canada, 3.35%, matures 05/21/14	17,736	17,736	17,736	17,736
Government of Canada, 5.5%, matures 06/01/10	-	18,995	-	19,776
Manulife Financial Capital, 6.70%, matures 12/31/12	92,349	93,378	95,230	92,694
Total Long Term Investments	\$ 658,135	\$ 682,513	\$ 703,555	\$ 721,392

6. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2010 Budget	2010 Actual	2009 Actual
Governance	\$ -	\$ 670,543	\$ -	\$ -	\$ 621,735	\$ 670,543	\$ 441,266
Administration	1,450,971	542,910	-	150,711	2,041,877	2,144,592	2,034,151
Instruction	121,434,274	9,043,255	-	1,533,727	134,867,205	132,011,256	127,332,205
Plant	10,990,831	14,540,263	-	2,647,262	29,921,550	28,178,356	27,145,421
Transportation	196,558	5,850,723	-	632,261	6,426,064	6,679,542	6,802,434
Tuition and Related Fees	-	424,721	-	-	325,000	424,721	345,468
School Generated Funds	-	4,173,982	-	40,401	3,828,435	4,214,383	4,228,238
Complementary Services	4,029,474	873,784	-	15,487	5,020,132	4,918,745	4,818,973
External Services	3,715,503	421,370	-	-	4,081,121	4,136,873	3,896,215
Other	-	-	275,197	-	291,653	275,197	716,620
TOTAL	\$ 141,817,611	\$ 36,541,551	\$ 275,197	\$ 5,019,849	\$ 187,424,772	\$ 183,654,208	\$ 177,760,991

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

7. 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 Consolidated Statement of Financial Position. Valuations are performed at least triennially. 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:

	2010	2009
Actuarial valuation date	9/01/07	9/01/07
Extrapolated date	8/31/10	8/31/09
Long-term assumptions used:		
Salary escalation rate (percentage)	3.0% to 3.5%	3.0% to 3.5%
Discount rate (percentage)	3.60%	4.10%
Expected average remaining service life (years)	13	13

Liability for Employee Future Benefits	2010	2009
Accrued Benefit Obligation - beginning of year	\$ 9,268,700	\$ 8,198,204
Current period benefit cost	664,800	556,800
Interest cost	392,000	453,300
Benefit payments	(745,800)	(664,504)
Actuarial losses	409,900	724,900
Accrued Benefit Obligation - end of year	9,989,600	9,268,700
Unamortized Net Actuarial Losses	(1,079,000)	(724,900)
Liability for Employee Future Benefits	\$ 8,910,600	\$ 8,543,800

Employee Future Benefits Expense	2010	2009
Current period benefit cost	\$ 664,800	\$ 556,800
Amortization of net actuarial loss	55,800	-
Benefit cost	720,600	556,800
Interest cost on unfunded employee future benefits obligation	392,000	453,300
Total Employee Future Benefits Expense	\$ 1,112,600	\$ 1,010,100

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

8. 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:

	2010			2009
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1470	160	1630	1613
Member contribution rate (percentage of salary)	7.00% / 9.00%	6.05% / 7.85%		same as 2010
Member contributions for the year	\$ 6,521,178	\$ 999,961	\$ 7,521,139	\$ 7,060,329

- 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 September 26, 2008. This valuation identified an unfunded liability of \$43,622,000 as of December 31, 2007. On a going-concern basis, the funded ratio was 95.1% at December 31, 2007, and on a termination basis, the Plan had a solvency ratio of 99.4%. Based on the valuation, it is expected that special payments of \$5,318,000 per year will be required over the 15 year period to December 31, 2022 to amortize the unfunded liability. The actual time period for the extra contributions would depend on future plan earnings, member usage and valuation assumptions and plan design. The Plan managers have been unable to determine the portion of the unfunded liability attributable to each employer.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

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:

	2010	2009
Number of active School Division members	650	639
Member contribution rate (percentage of salary)	9.42% / 13.96%	8.85% / 13.11%
School Division contribution rate (percentage of salary)	9.42% / 13.96%	8.85% / 13.11%
Member contributions for the year	\$ 2,424,824	\$ 2,268,660
School Division contributions for the year	\$ 2,477,729	\$ 2,309,062
Actuarial valuation date	31-Dec-07	31-Dec-07
Plan Assets	\$ 843,800,000	\$ 843,800,000
Plan Liabilities	\$ 887,400,000	\$ 887,400,000
Plan Surplus (Deficit)	\$ (43,600,000)	\$ (43,600,000)

9. ACCOUNTS RECEIVABLE

Details of account receivable balances are as follows:

	2010	2009
	Total Receivable	Total Receivable
Taxes Receivable	\$ -	\$ 7,556
Provincial Operating Grants Receivable	58,000	1,683,600
Provincial Capital Grants Receivable	4,405,151	3,324,389
City of Regina Capital Receivable	1,427,438	1,427,438
Other Receivables	471,702	504,896
Total Accounts Receivable	\$ 6,362,291	\$ 6,947,879

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, 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 Consolidated Financial Statements

August 31, 2010

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of account payable and accrued liabilities are as follows:

	2010	2009
Accrued Salaries and Benefits	\$ 5,025,298	\$ 5,558,208
Supplier Payments	1,825,548	2,599,264
Other Accrued Liabilities	3,481,534	2,959,267
Total Accounts Payable and Accrued Liabilities	\$ 10,332,380	\$ 11,116,739

11. LONG-TERM DEBT

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

	2010	2009
Other Long Term Debt:		
Capital Leases	Bank of Nova Scotia, purchase school buses, 5.415% to 5.516%	
	\$ 3,582,449	\$ 4,326,102
Other LT Debt	Warner Bus Industries Ltd., Agreement for Sale bus barn, no interest	
	1,600,000	1,600,000
Total Long Term Debt	\$ 5,182,449	\$ 5,926,102

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	Total
2011	\$ -	\$ -	\$ 482,689	\$ -	\$ 482,689
2012	-	-	1,571,338	-	1,571,338
2013	-	-	1,023,381	-	1,023,381
2014	-	-	505,041	1,600,000	2,105,041
2015	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	\$ -	\$ -	\$ 3,582,449	\$ 1,600,000	\$ 5,182,449

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

	Debentures	Capital Loans	Capital Leases	Other LT Debt	2010	2009
Principal	\$ -	\$ -	\$ 743,653	\$ -	\$ 743,653	\$ 556,790
Interest	-	-	193,744	-	193,744	267,767
Total	\$ -	\$ -	\$ 937,397	\$ -	\$ 937,397	\$ 824,557

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

12. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2009	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2010
Ministry of Education - Operating Grants	\$ 6,151,629	\$ 325,807	\$ (4,084,913)	\$ 2,392,523
Ministry of Education - Federal Tuition	6,420	1,880	-	8,300
Ministry of Education - School Buildings	856,400	5,500	-	861,900
Ministry of Education - Capital Projects	13,257,101	8,129	(4,989,811)	8,275,419
City of Regina - Tax Levy	11,492,971	11,497,151	(11,492,971)	11,497,151
Other (tuition fees, federal grants, special programs)	307,602	317,892	(176,177)	449,317
Total Deferred Revenue	\$ 32,072,123	\$ 12,156,359	\$ (20,743,872)	\$ 23,484,610

13. 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 2010:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Nutrition	Other Programs	2010	2009
Revenue:						
Grants	\$ -	\$ -	\$ 120,245	\$ 255,514	\$ 375,759	\$ 2,425,277
Tuition and Related Fees	-	-	-	48,289	48,289	-
Miscellaneous Revenue	-	-	1,042	40,450	41,492	22,564
Total Revenue	-	-	121,287	344,253	465,540	2,447,841
Expenses:						
Salaries & Benefits	1,508,610	2,178,382	207,726	134,754	4,029,472	3,983,592
Instructional Aids	40,609	326,215	227,281	3,258	597,363	555,720
Supplies and Services	-	5,000	-	203,931	208,931	147,024
Non-Capital Equipment	3,825	3,219	1,579	213	8,836	56,473
Communications	-	968	-	5,733	6,701	14,604
Travel	514	5,443	-	2,935	8,892	12,551
Professional Development	-	2,015	-	519	2,534	7,785
Student Related Expenses	19,829	-	-	20,700	40,529	29,558
Amortization of Tangible Capital Assets	-	-	-	15,487	15,487	11,666
Total Expenses	1,573,387	2,521,242	436,586	387,530	4,918,745	4,818,973
(Deficiency) of Revenue over Expenses	\$ (1,573,387)	\$ (2,521,242)	\$ (315,299)	\$ (43,277)	\$ (4,453,205)	\$ (2,371,132)

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

Subsequent to March 31, 2009, Complementary Services revenues do not reflect the amount received from the Ministry of Education for Community Schools and Prekindergarten as the operating grant did not provide this detail.

14. 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 2010:

Summary of External Services Revenues and Expenses, by Program	Associate Schools	Distance Education	Visa Program	Other Programs	2010	2009
Revenue:						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,589,740
Tuition and Related Fees	-	25,000	22,238	-	47,238	51,527
Miscellaneous Revenue	230,233	-	3,340	2,460	236,033	215,545
Total Revenue	230,233	25,000	25,578	2,460	283,271	3,856,812
Expenses:						
Tuition Fees	380,820	-	-	-	380,820	408,037
Salaries & Benefits	3,715,504	-	-	-	3,715,504	3,409,162
Instructional Aids	-	1,045	2,939	-	3,984	5,184
Supplies and Services	14,506	-	9,580	-	24,086	48,026
Non-Capital Equipment	-	-	30	-	30	-
Communications	-	-	6,012	-	6,012	5,916
Professional Development	-	-	6,437	-	6,437	19,890
Total Expenses	4,110,830	1,045	24,998	-	4,136,873	3,896,215
(Deficiency) of Revenue over Expenses	\$ (3,880,597)	\$ 23,955	\$ 580	\$ 2,460	\$ (3,853,602)	\$ (39,403)

Subsequent to March 31, 2009, External Services revenues do not reflect the amount received from the Ministry of Education for Associate Schools as the operating grant did not provide this detail.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

15. 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 Consolidated 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:

	2010	2009
Invested in Tangible Capital Assets:		
Net Book Value of Tangible Capital Assets	\$ 70,818,021	\$ 68,229,665
Less: Debt owing on Tangible Capital Assets	(5,182,449)	(5,926,102)
	65,635,572	62,303,563
Internally Restricted Surplus:		
Election Reserve	-	86,013
Appeals Reserve	255,135	255,135
General Reserve	3,792,006	3,792,006
Board Capital Contributions	6,934,550	6,934,550
Renewal Reserve	2,137,092	-
Transportation Reserve	-	300,000
School Funds Reserve	1,993,080	2,951,434
Encumbrance Reserve	646,413	761,024
Facility Upgrades Reserve	5,665,000	5,068,632
IT Upgrades Reserve	925,590	1,055,000
Instructional Innovation Reserve	1,236,068	337,125
Other Reserve	613,877	661,872
	24,198,811	22,202,791
Unrestricted Surplus	19,846,813	19,170,917
Total Accumulated Surplus	\$ 109,681,196	\$ 103,677,271

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

16. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Education on September 1, 2009 and the Ministry of Education on October 26, 2009. The budget approved by the Board of Education was developed to support provision of information for the provincial funding model for school divisions and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and generally accepted accounting principles established by PSAB, the budget figures presented have been adjusted to conform with the basis of accounting used to prepare the consolidated financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the Board of Education and Ministry of Education is as follows:

	Ministry Approved Budget	Capitalize Equipment Purchases	Amortization of TCA	Other	2009-2010 Budget Restated
REVENUE					
Property Taxation	\$ 74,671,297	\$ -	\$ -	\$ -	\$ 74,671,297
Grants	103,370,525				103,370,525
Tuition and Related Fees	1,406,320				1,406,320
School Generated Funds	3,800,000				3,800,000
Complementary Services	247,000				247,000
External Services	220,000				220,000
Other	1,736,700				1,736,700
	\$ 185,451,842	\$ -	\$ -	\$ -	\$ 185,451,842
EXPENDITURES					
Governance	\$ 503,235	\$ -	\$ -	\$ 118,500	\$ 621,735
Administration	1,924,357	(3,200)	120,720		2,041,877
Instruction	134,170,880	(554,000)	1,368,825	(118,500)	134,867,205
Plant	27,352,660	(66,000)	2,634,890		29,921,550
Transportation	5,796,461		629,603		6,426,064
Tuition and Related Fees	325,000				325,000
School Generated Funds	3,800,000	(13,300)	41,735		3,828,435
Complementary Services	5,020,059	(13,500)	13,573		5,020,132
External Services	4,081,121				4,081,121
Other	20,000			271,653	291,653
	\$ 182,993,773	\$ (650,000)	\$ 4,809,346	\$ 271,653	\$ 187,424,772
TOTAL	\$ 2,458,069	\$ 650,000	\$ (4,809,346)	\$ (271,653)	\$ (1,972,930)

Other relates to re-categorization of School Community Council grants from the Instruction budget to the Governance budget and to reflect interest expense related to long-term debt.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

17. 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.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. Included in expenses are related party transactions of \$5,721,505 (2009: \$6,795,621) of which \$277,572 (2009: \$261,189) was payable at August 31, 2010.

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.

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

The Ministry of Education has approved \$82,339,622 in capital transfers to the school division. By the end of the next fiscal year, PSAB is expected to provide revised guidance for government transfers, and the accounting treatment for these projects is under review. The school division has recognized these transfers based on the percentage of completion of the individual projects. As of August 31, 2010, the school division recognized \$4,118,420 of these capital transfers in revenue.

Total Ministry Obligation at August 31, 2010	\$ 82,339,622
Less: Revenue reported in financial statements, August 31, 2009	2,008,015
Less: Revenue reported in financial statements, August 31, 2010	<u>2,110,405</u>
Remainder to be recognized as revenue in future periods	<u>\$ 78,221,202</u>

18. 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.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The School Division has ongoing commitments under operating leases. Anticipated future lease payments are as follows:

Minimum future lease payments::					
	Building Leases	Vehicle Leases	Computer Leases	Copier Leases	Total
2011	\$ 440,688	\$ 106,428	\$ 541,010	\$ 435,842	\$ 1,523,968
2012	440,688	106,428	541,010	69,986	1,158,112
2013	440,688	41,484	150,142	69,986	702,300
2014	440,688	34,570	62,433	-	537,691
2015	440,688	-	-	-	440,688
Thereafter	-	-	-	-	-
Total	\$ 2,203,440	\$ 288,910	\$ 1,294,595	\$ 575,814	\$ 4,362,759

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

20. ACCOUNTING CHANGES

Change in Accounting Policies and Prior Period Adjustments

Commencing in 2009-10, the School Division adopted the following accounting policy changes in accordance with Public Sector Accounting Board (PSAB) standards:

Change in Financial Statement Presentation

Effective September 1, 2009, the School Division adopted PSAB standards PS 1000 - Financial Statement Concepts, PS 1100 - Financial Statement Objectives and PS 1200 - Financial Statement Presentation. Together, these standards establish the concepts, objectives and general reporting principles for presentation and disclosure of information in the financial statements. Accordingly, the School Division has revised its financial statement presentation for the 2009-10 fiscal year to comply with the new financial statement model. The implementation of these standards did not have an impact on accumulated surplus; however, comparative figures have been reclassified as necessary to conform to the revised financial statement format.

The most significant changes resulting from implementation of the new financial statement model are:

- the former operating, capital and other funds have been consolidated into a single operating fund;
- tangible capital assets replace the former physical assets and are amortized;
- fund balances and equity in tangible capital assets have been consolidated into accumulated surplus;
- the consolidated statement of operations and accumulated surplus has been amended for changes in the recording of tangible capital asset transactions (see below for details) and long-term capital debt issuance and repayment are no longer reported as revenues and expenses in the determination of surplus (deficit) for the year;
- a new consolidated statement of changes in net financial assets (net debt) which reports on the extent to which expenditures in the year have been met by revenues in the year, and explains the difference between surplus (deficit) for the year and the change in net debt in the year; and,
- changes to other statements to focus reporting around the concepts and objectives of the new model.

Tangible Capital Assets

Effective September 1, 2009, the School Division adopted PSAB standard PS 3150 which requires that the costs of tangible capital assets be capitalized and amortized as expenses of operations over their estimated useful service lives. In prior years, the costs of tangible capital assets were recognized as expenses when the assets were acquired or constructed.

In implementing the new standard, the costs of tangible capital assets were based on historical cost records or, when historical cost records were not available, other methods determined to provide a best estimate of historical costs and accumulated amortization. In certain cases, the School Division used replacement costs and appropriate indices to deflate the replacement cost to an estimated historical cost at the year of acquisition.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

This change has been applied retroactively with restatement of prior period comparative amounts. This change in accounting policy has changed amounts reported in the 2008-09 prior period as follows:

Tangible Capital Assets at August 31, 2009		
Tangible capital assets at cost as at August 31, 2009 - as previously reported		\$ 169,012,287
Tangible capital assets not previously capitalized		(15,369,800)
Write-downs of tangible capital assets		-
Tangible capital assets at cost as at August 31, 2009 - as restated		153,642,487
Accumulated amortization as at August 31, 2009 not previously reported		(85,412,822)
Tangible capital assets at net book value as at August 31, 2009 - as restated		\$ 68,229,665

2008-09 Annual Surplus		
2008-09 Surplus (deficit) for the year - as previously reported		\$ 9,898,165
Reverse repayment (issuance) of long term-debt as a charge to annual surplus		556,790
Tangible capital asset adjustments:		
Tangible capital assets capitalized but previously expensed	\$ 11,039,845	
Proceeds on disposals of tangible capital assets previously recorded as revenue	(454,868)	
Gain (loss) on disposals of tangible capital assets not previously recorded	(427,568)	
Write-down of tangible capital assets not previously recorded	-	
Amortization of tangible capital assets not previously recorded	(4,944,646)	
Total tangible capital asset adjustments		5,212,763
2008-09 Surplus (deficit) for the year - as restated		\$ 15,667,718

Accumulated Surplus at August 31, 2009		
Accumulated surplus as at September 1, 2008 - as previously reported:		
Operating Fund Balance		\$ 14,037,261
Capital Fund Balance		-
Other Funds Balance		14,572,630
Equity in Physical Assets		157,766,859
Total accumulated surplus as at September 1, 2008 - as previously reported		186,376,750
Prior period adjustments - cumulative effect to September 1, 2008:		
Tangible capital assets adjustments		(98,367,197)
Accumulated surplus as at September 1, 2008 - as restated		88,009,553
2008-09 surplus (deficit) for the year - as previously stated		9,898,165
Prior period adjustments to 2008-09 surplus (deficit) for the year:		
Net repayment (issuance) of long term debt		556,790
Tangible capital assets adjustments		5,212,763
Accumulated surplus as at August 31, 2009 - as restated		\$ 103,677,271

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Consolidated Financial Statements

August 31, 2010

21. COMPARATIVE INFORMATION

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