

Independent Auditors' Report

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

We have audited the financial statements of Regina School Division No.4, which comprise the statement of financial position as at August 31, 2014 and the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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, 2014 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 16, 2014



Regina School Division No. 4
Statement of Financial Position
as at August 31, 2014

	2014	2013
Financial Assets		
Cash and Cash Equivalents	83,026,142	84,457,003
Accounts Receivable (Note 8)	5,843,881	3,828,633
Inventories for Sale	112,237	253,168
Portfolio Investments (Note 4)	725,000	695,360
Total Financial Assets	89,707,260	89,234,164
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	17,744,855	17,059,981
Long Term Debt (Note 10)	27,793,601	19,121,075
Liability for Employee Future Benefits (Note 6)	10,371,000	9,582,000
Deferred Revenue (Note 11)	11,001,336	13,154,434
Total Liabilities	66,910,792	58,917,490
Net Financial Assets	22,796,468	30,316,674
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	149,378,657	131,164,002
Inventory of Supplies for Consumption	294,930	313,286
Prepaid Expenses	2,310,178	2,348,551
Total Non-Financial Assets	151,983,765	133,825,839
Accumulated Surplus (Note 14)	174,780,233	164,142,513

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:





Chairperson

Chief Financial Officer

Regina School Division No. 4
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2014

	2014 Budget (Note 15)	2014 Actual	2013 Actual
REVENUES			
Property Taxation	79,548,827	81,232,947	79,911,703
Grants	130,370,169	132,123,407	123,972,735
Tuition and Related Fees	1,000,000	1,873,190	1,428,818
School Generated Funds	3,600,000	3,886,893	3,788,550
Complementary Services (Note 12)	3,117,118	3,331,339	3,325,683
External Services (Note 13)	7,147,684	7,595,095	6,889,543
Other	1,833,500	4,648,370	3,059,424
Total Revenues (Schedule A)	226,617,298	234,691,241	222,376,456
EXPENSES			
Governance	566,540	525,714	738,025
Administration	4,009,412	6,393,752	5,773,808
Instruction	155,010,553	155,001,273	147,597,984
Plant	33,313,864	35,357,624	35,311,895
Transportation	8,226,997	8,468,074	8,051,928
Tuition and Related Fees	584,730	524,507	490,994
School Generated Funds	3,592,360	3,538,614	3,153,311
Complementary Services (Note 12)	6,231,779	5,576,563	5,554,885
External Services (Note 13)	7,179,258	7,580,773	6,943,715
Other Expenses	822,416	1,086,627	807,125
Total Expenses (Schedule B)	219,537,909	224,053,521	214,423,670
Operating Surplus for the Year	7,079,389	10,637,720	7,952,786
Accumulated Surplus from Operations, Beginning of Year	164,142,513	164,142,513	156,189,727
Accumulated Surplus from Operations, End of Year	171,221,902	174,780,233	164,142,513

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, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	30,316,674	30,316,674	36,487,451
Changes During the Year:			
Operating Surplus for the Year	7,079,389	10,637,720	7,952,786
Acquisition of Tangible Capital Assets (Schedule C)	(13,801,165)	(25,789,493)	(21,324,833)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	1,183,031	843,605	2,592,609
Net Loss (Gain) on Disposal of Capital Assets (Schedule C)	-	53,206	(1,182,378)
Amortization of Tangible Capital Assets (Schedule C)	6,187,440	6,678,027	6,516,163
Net Acquisition of Inventory of Supplies	-	18,356	(14,697)
Net Change in Other Non-Financial Assets	-	38,373	(710,427)
Change in Net Financial Assets	648,695	(7,520,206)	(6,170,777)
Net Financial Assets, End of Year	30,965,369	22,796,468	30,316,674

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, 2014

	2014	2013
OPERATING ACTIVITIES		
Operating Surplus for the Year	10,637,720	7,952,786
Add Non-Cash Items Included in Surplus (Schedule D)	6,731,233	5,333,785
Net Change in Non-Cash Operating Activities (Schedule E)	(2,496,812)	1,898,863
Cash Provided by Operating Activities	14,872,141	15,185,434
CAPITAL ACTIVITIES		
Cash (Used) to Acquire Tangible Capital Assets	(25,789,493)	(21,324,833)
Proceeds on Disposal of Tangible Capital Assets	843,605	992,609
Cash (Used) by Capital Activities	(24,945,888)	(20,332,224)
INVESTING ACTIVITIES		
Cash (Used) to Acquire Portfolio Investments	(29,640)	-
Cash (Used) by Investing Activities	(29,640)	-
FINANCING ACTIVITIES		
Proceeds from Issuance of Long Term Debt	11,399,284	-
Repayment of Long Term Debt	(2,726,758)	(1,062,047)
Cash Provided (Used) by Financing Activities	8,672,526	(1,062,047)
(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,430,861)	(6,208,837)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	84,457,003	90,665,840
CASH AND CASH EQUIVALENTS, END OF YEAR	83,026,142	84,457,003

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, 2014

	2014 Budget	2014 Actual	2013 Actual
Property Taxation Revenue			
Tax Levy Revenue:			
Property Tax Levy Revenue	73,802,305	75,521,148	74,102,519
Revenue from Supplemental Levies	600,000	913,757	542,562
Total Property Tax Revenue	74,402,305	76,434,905	74,645,081
Grants in Lieu of Taxes:			
Federal Government	1,786,639	1,895,749	1,683,420
Provincial Government	4,675,444	4,252,571	4,870,789
Total Grants in Lieu of Taxes	6,462,083	6,148,320	6,554,209
Other Tax Revenues:			
Treaty Land Entitlement - Urban	-	10,825	30,631
Total Other Tax Revenues	-	10,825	30,631
Deletions from Levy:			
Other Deletions	(1,315,561)	(1,361,103)	(1,318,218)
Total Deletions from Levy	(1,315,561)	(1,361,103)	(1,318,218)
Total Property Taxation Revenue	79,548,827	81,232,947	79,911,703
Grants:			
Operating Grants			
Ministry of Education Grants:			
Operating Grant	113,175,618	116,469,512	109,009,346
Other Ministry Grants	816,398	473,064	606,173
Total Ministry Grants	113,992,016	116,942,576	109,615,519
Other Provincial Grants	740,800	754,273	740,435
Total Operating Grants	114,732,816	117,696,849	110,355,954
Capital Grants			
Ministry of Education Capital Grants	15,637,353	14,426,558	13,616,781
Total Capital Grants	15,637,353	14,426,558	13,616,781
Total Grants	130,370,169	132,123,407	123,972,735

Regina School Division No. 4
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Tuition and Related Fees Revenue			
Operating Fees:			
Tuition Fees:			
School Boards	-	80,000	-
Individuals and Other	1,000,000	1,793,190	1,428,818
Total Operating Tuition and Related Fees	1,000,000	1,873,190	1,428,818
Total Tuition and Related Fees Revenue	1,000,000	1,873,190	1,428,818
School Generated Funds Revenue			
Curricular:			
Student Fees	500,000	560,891	548,073
Total Curricular Fees	500,000	560,891	548,073
Non-Curricular Fees:			
Commercial Sales - GST	250,000	229,963	214,955
Commercial Sales - Non-GST	300,000	313,628	341,726
Fundraising	1,300,000	1,130,688	1,129,964
Grants and Partnerships	310,000	476,120	455,294
Students Fees	800,000	1,156,145	1,076,223
Other	140,000	19,458	22,315
Total Non-Curricular Fees	3,100,000	3,326,002	3,240,477
Total School Generated Funds Revenue	3,600,000	3,886,893	3,788,550
Complementary Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	2,445,118	2,602,711	2,317,511
Other Ministry Grants	672,000	595,583	750,423
Other Provincial Grants	-	6,250	124,490
Federal Grants	-	-	1,500
Other Grants	-	38,273	18,675
Total Operating Grants	3,117,118	3,242,817	3,212,599
Fees and Other Revenue			
Tuition and Related Fees	-	38,800	47,465
Other Revenue	-	49,722	65,619
Total Fees and Other Revenue	-	88,522	113,084
Total Complementary Services Revenue	3,117,118	3,331,339	3,325,683

Regina School Division No. 4
Schedule A: Supplementary Details of Revenue
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
External Services			
Operating Grants:			
Ministry of Education Grants:			
Operating Grant	7,147,684	7,526,804	6,817,781
Other Ministry Grants	-	-	39,725
Total Operating Grants	7,147,684	7,526,804	6,857,506
Fees and Other Revenue			
Tuition and Related Fees	-	42,430	30,532
Other Revenue	-	25,861	1,505
Total Fees and Other Revenue	-	68,291	32,037
Total External Services Revenue	7,147,684	7,595,095	6,889,543
Other Revenue			
Miscellaneous Revenue	181,500	3,043,730	341,392
Sales & Rentals	752,000	775,779	698,275
Investments	900,000	828,861	837,379
Gain on Disposal of Capital Assets	-	-	1,182,378
Total Other Revenue	1,833,500	4,648,370	3,059,424
TOTAL REVENUE FOR THE YEAR	226,617,298	234,691,241	222,376,456

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Governance Expense			
Board Members Expense	191,540	187,040	186,906
Professional Development- Board Members	14,000	15,408	16,872
Advisory Committees	104,500	85,633	99,678
Professional Development - Advisory Committees	1,500	393	-
Elections	-	-	213,702
Other Governance Expenses	255,000	235,914	219,542
Amortization of Tangible Capital Assets	-	1,326	1,325
Total Governance Expense	566,540	525,714	738,025
Administration Expense			
Salaries	2,621,718	4,761,997	4,521,419
Benefits	488,303	630,208	556,058
Supplies & Services	507,300	507,413	363,581
Non-Capital Furniture & Equipment	24,000	30,411	3,164
Building Operating Expenses	40,000	138,443	78,472
Communications	77,600	89,979	74,768
Travel	12,440	12,728	76
Professional Development	88,200	64,828	26,350
Amortization of Tangible Capital Assets	149,851	157,745	149,920
Total Administration Expense	4,009,412	6,393,752	5,773,808
Instruction Expense			
Instructional (Teacher Contract) Salaries	111,064,960	110,889,013	106,250,536
Instructional (Teacher Contract) Benefits	8,707,217	7,577,511	6,862,466
Program Support (Non-Teacher Contract) Salaries	19,172,911	21,183,210	19,108,052
Program Support (Non-Teacher Contract) Benefits	2,910,240	3,454,145	3,207,098
Instructional Aids	5,108,392	2,838,182	3,306,343
Supplies & Services	1,964,982	2,854,489	2,750,147
Non-Capital Furniture & Equipment	3,243,201	2,644,021	2,483,545
Communications	224,227	540,591	547,858
Travel	115,174	246,489	261,892
Professional Development	711,040	476,313	697,279
Student Related Expense	291,670	499,147	350,088
Amortization of Tangible Capital Assets	1,496,539	1,798,162	1,772,680
Total Instruction Expense	155,010,553	155,001,273	147,597,984

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Plant Operation & Maintenance Expense			
Salaries	9,423,594	9,017,894	8,681,050
Benefits	2,476,860	2,266,551	2,283,654
Supplies & Services	3,000	128	2,850
Non-Capital Furniture & Equipment	129,500	42,415	33,698
Building Operating Expenses	16,982,616	20,164,301	20,512,026
Communications	510,740	18,407	42,508
Travel	151,201	149,157	155,146
Professional Development	50,000	28,589	28,893
Amortization of Tangible Capital Assets	3,586,353	3,670,182	3,572,070
Total Plant Operation & Maintenance Expense	33,313,864	35,357,624	35,311,895
Student Transportation Expense			
Salaries	178,295	175,849	168,736
Benefits	36,147	35,901	35,235
Supplies & Services	597,000	643,753	589,997
Non-Capital Furniture & Equipment	513,000	678,984	547,751
Building Operating Expenses	140,000	166,002	126,533
Communications	8,900	8,023	7,906
Professional Development	3,000	2,411	-
Contracted Transportation	5,834,610	5,868,131	5,660,224
Amortization of Tangible Capital Assets	916,045	889,020	915,546
Total Student Transportation Expense	8,226,997	8,468,074	8,051,928
Tuition and Related Fees Expense			
Tuition Fees	584,730	467,632	438,484
Transportation Fees	-	56,875	52,510
Total Tuition and Related Fees Expense	584,730	524,507	490,994
School Generated Funds Expense			
Supplies & Services	200,000	443,620	138,747
Cost of Sales	500,000	391,816	384,986
Non-Capital Furniture & Equipment	-	54,957	76,784
School Fund Expenses	2,800,000	2,541,972	2,482,138
Amortization of Tangible Capital Assets	92,360	106,249	70,656
Total School Generated Funds Expense	3,592,360	3,538,614	3,153,311

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Complementary Services Expense			
Administration Salaries & Benefits	-	128,598	-
Instructional (Teacher Contract) Salaries & Benefits	2,651,575	2,117,989	2,323,660
Program Support (Non-Teacher Contract) Salaries & Benefits	2,482,078	2,424,794	2,435,486
Instructional Aids	699,111	655,888	570,320
Supplies & Services	308,500	156,147	114,457
Non-Capital Furniture & Equipment	-	26,940	15,685
Communications	-	3,963	6,111
Travel	4,437	8,475	11,549
Student Related Expenses	49,000	-	45,226
Amortization of Tangible Capital Assets	37,078	53,769	32,391
Total Complementary Services Expense	6,231,779	5,576,563	5,554,885
External Service Expense			
Tuition Fees	2,391,115	-	-
Instructional (Teacher Contract) Salaries & Benefits	4,651,475	4,898,182	4,882,421
Program Support (Non-Teacher Contract) Salaries & Benefits	88,826	101,145	99,809
Instructional Aids	1,000	1,965,747	1,371,800
Supplies & Services	33,968	582,829	556,188
Non-Capital Furniture & Equipment	2,500	-	910
Communications	3,800	572	98
Travel	-	70	705
Professional Development (Non-Salary Costs)	5,000	24,474	19,289
Student Related Expenses	-	6,180	10,921
Amortization of Tangible Capital Assets	1,574	1,574	1,574
Total External Services Expense	7,179,258	7,580,773	6,943,715

Regina School Division No. 4
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2014

	2014 Budget	2014 Actual	2013 Actual
Other Expense			
Interest and Bank Charges:			
Current Interest and Bank Charges	27,000	45,599	26,248
Interest on Other Capital Loans and Long Term Debt			
School Facilities	595,792	845,868	618,241
Other	199,624	122,830	162,636
Total Interest and Bank Charges	<u>822,416</u>	<u>1,014,297</u>	<u>807,125</u>
Loss on Disposal of Tangible Capital Assets	-	72,330	-
Total Other Expense	822,416	1,086,627	807,125
TOTAL EXPENSES FOR THE YEAR	219,537,909	224,053,521	214,423,670

Regina School Division No. 4
**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2014**

	Land		Buildings		School	Other	Furniture and	Computer Hardware and	Computer	Assets		
	Land	Improvements	Buildings	Short term	Buses	Vehicles	Equipment	Audio Equipment	Software	Under Construction	2014	2013
Tangible Capital Assets - at Cost:												
Opening Balance as of September 1	8,201,462	471,448	169,439,992	8,058,959	9,639,653	453,661	8,178,714	5,968,313	785,542	16,181,846	227,379,590	210,819,243
Additions/Purchases	167,378	-	-	-	3,995,757	86,992	1,178,947	1,313,601	64,648	18,982,170	25,789,493	21,324,833
Disposals	-	-	-	-	(2,211,608)	-	(131,026)	(1,943,094)	-	-	(4,285,728)	(4,764,486)
Transfers to (from)	-	-	20,362,966	4,801,731	-	-	-	-	-	(25,164,697)	-	-
Closing Balance as of August 31	8,368,840	471,448	189,802,958	12,860,690	11,423,802	540,653	9,226,635	5,338,820	850,190	9,999,319	248,883,355	227,379,590
Tangible Capital Assets - Amortization:												
Opening Balance as of September 1	-	141,433	83,676,386	2,006,501	2,886,060	444,340	2,527,530	4,040,887	492,451	-	96,215,588	93,053,680
Amortization of the Period	-	23,572	3,078,210	505,382	883,635	26,718	922,708	1,067,764	170,038	-	6,678,027	6,516,163
Disposals	-	-	-	-	(1,314,797)	-	(131,026)	(1,943,094)	-	-	(3,388,917)	(3,354,255)
Closing Balance as of August 31	N/A	165,005	86,754,596	2,511,883	2,454,898	471,058	3,319,212	3,165,557	662,489	N/A	99,504,698	96,215,588
Net Book Value:												
Opening Balance as of September 1	8,201,462	330,015	85,763,606	6,052,458	6,753,593	9,321	5,651,184	1,927,426	293,091	16,181,846	131,164,002	117,765,563
Closing Balance as of August 31	8,368,840	306,443	103,048,362	10,348,807	8,968,904	69,595	5,907,423	2,173,263	187,701	9,999,319	149,378,657	131,164,002
Change in Net Book Value	167,378	(23,572)	17,284,756	4,296,349	2,215,311	60,274	256,239	245,837	(105,390)	(6,182,527)	18,214,655	13,398,439
Disposals:												
Historical Cost	-	-	-	-	2,211,608	-	131,026	1,943,094	-	-	4,285,728	4,764,486
Accumulated Amortization	-	-	-	-	1,314,797	-	131,026	1,943,094	-	-	3,388,917	3,354,255
Net Cost	-	-	-	-	896,811	-	-	-	-	-	896,811	1,410,231
Price of Sale	-	-	-	-	843,605	-	-	-	-	-	843,605	2,592,609
Gain/loss on Disposal	-	-	-	-	(53,206)	-	-	-	-	-	(53,206)	1,182,378

Regina School Division No. 4
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2014

	2014	2013
Non-Cash Items Included in Surplus:		
Amortization of Tangible Capital Assets (Schedule C)	6,678,027	6,516,163
Net Loss (Gain) on Disposal of Tangible Capital Assets	53,206	(1,182,378)
Total Non-Cash Items Included in Surplus	6,731,233	5,333,785

Regina School Division No. 4
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2014

	2014	2013
Net Change in Non-Cash Operating Activities:		
(Increase) in Accounts Receivable	(2,015,248)	(1,016,122)
Decrease in Inventories for Sale	140,931	1
(Decrease) in Provincial Grant Overpayment	-	(261,597)
Increase in Accounts Payable and Accrued Liabilities	684,874	1,211,136
Increase in Liability for Employee Future Benefits	789,000	305,300
(Decrease) Increase in Deferred Revenue	(2,153,098)	2,385,269
Decrease (Increase) in Inventory of Supplies for Consumption	18,356	(14,697)
Decrease (Increase) in Prepaid Expenses	38,373	(710,427)
Total Net Change in Non-Cash Operating Activities	(2,496,812)	1,898,863

Notes to the Financial Statements**August 31, 2014**

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 Chartered Professional Accountants of Canada (CPA Canada).

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

a) Future Changes in Accounting Policies

A number of new standards and amendments to standards issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada are not yet effective and have not been applied in preparing these financial statements.

The following standard will become effective September 1, 2014:

PS 3260 Liability for Contaminated Sites, a new standard providing guidance on the recognition, measurement and disclosure of liabilities for the remediation of contaminated sites.

The School Division has identified several contaminated sites and work is underway to estimate the amount of the School Division’s liability. The School Division plans to record the contaminated sites liability retroactively without restatement in 2015.

b) Reporting Entity

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

c) Basis of Accounting

The financial statements are prepared using the accrual basis of accounting.

Notes to the Financial StatementsAugust 31, 2014

d) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount 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 \$10,371,000 (2013 - \$9,582,000) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$81,232,947 (2013 - \$79,911,703) because final tax assessments may differ from initial estimates,
- useful lives of capital assets and related amortization for classes of assets noted in note 2(g) because the estimate of useful life is based on management assumptions.

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

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

e) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accrued salaries and benefits, accounts payable and accrued liabilities and long term debt.

Cost or Amortized Cost

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

Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

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

f) Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized, and any eligibility criteria have been met.

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

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

Portfolio Investments consist of GICs and bonds. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

g) Non-Financial Assets

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the school division unless they are sold.

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Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets include land and land improvements, buildings, buildings – short term, school buses, other vehicles, furniture and equipment, computer hardware and audio equipment, computer software, 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 under construction are not amortized until completed and placed into service for use.

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

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

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

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h) Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year-end, which will be satisfied in the future through the use of assets or another form of economic settlement.

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

Long Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

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

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

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

i) Employee Pension Plans

Employees of the school division participate in the following pension plans:

Multi-Employer Defined Benefit Plans

The school division's employees participate in one of the following multi-employer defined benefit plans:

1. Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation

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for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.

2. Non-teaching employees participate in the Regina Civic Employees' Pension Plan. In accordance with PSAB, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

j) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

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

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

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

iii) Fees and Services

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

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iv) **Interest Income**

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

v) **Other (Non-Government Transfer) Contributions**

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

k) **Statement of Remeasurement Gains and Losses**

The school division has not presented a statement of remeasurement gains or losses because it does not have financial instruments that give rise to remeasurement gains or losses.

3. **SHORT TERM BORROWINGS**

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$20 million that bears interest at Bank prime rate less 1.00% per annum. This line of credit is authorized by a borrowing resolution by the board of education and is secured by tax levies. This line of credit was approved by the Minister of Education on January 21, 2013. The balance drawn on the line of credit at August 31, 2014 was \$Nil (August 31, 2013 - \$Nil).

4. **PORTFOLIO INVESTMENTS**

All portfolio investments are comprised of the following:

	2014	2013
Portfolio investments in the cost and amortized cost category:	Cost	Cost
GICs, 2.10% to 3.40%, mature 12/08/2014 to 05/27/2019	\$ 725,000	\$ 582,912
Bank of Nova Scotia, 8.30%, mature 09/27/2013	-	112,448
Total portfolio investments	\$ 725,000	\$ 695,360

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2014 Budget	2014 Actual	2013 Actual
Governance	\$ 187,040	\$ 337,348	\$ -	\$ 1,326	\$ 566,540	\$ 525,714	\$ 738,025
Administration	5,392,205	843,802	-	157,745	4,009,412	6,393,752	5,773,808
Instruction	143,103,879	10,099,232	-	1,798,162	155,010,553	155,001,273	147,597,984
Plant	11,284,445	20,402,997	-	3,670,182	33,313,864	35,357,624	35,311,895
Transportation	211,750	7,367,304	-	889,020	8,226,997	8,468,074	8,051,928
Tuition and Related Fees	-	524,507	-	-	584,730	524,507	490,994
School Generated Funds	-	3,432,365	-	106,249	3,592,360	3,538,614	3,153,311
Complementary Services	4,671,381	851,413	-	53,769	6,231,779	5,576,563	5,554,885
External Services	4,999,327	2,579,872	-	1,574	7,179,258	7,580,773	6,943,715
Other	-	-	1,086,627	-	822,416	1,086,627	807,125
TOTAL	\$ 169,850,027	\$ 46,438,840	\$ 1,086,627	\$ 6,678,027	\$ 219,537,909	\$ 224,053,521	\$ 214,423,670

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. Significant assumptions include discount rate, inflation rate, productivity rate and decrement rates. 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 completed as at August 31, 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:

	2014	2013
	August 31, 2014	August 31, 2013
Actuarial extrapolation date		
Long-term assumptions used:		
Salary escalation rate (percentage)	3.25	3.25
Discount rate (percentage)	2.80	3.50
Inflation rate (percentage)	2.25	2.25
Expected average remaining service life (years)	15	15

Liability for Employee Future Benefits	2014	2013
Accrued Benefit Obligation - beginning of year	\$ 9,687,200	\$ 10,429,800
Current period benefit cost	777,700	857,500
Interest cost	359,500	292,000
Benefit payments	(389,100)	(948,000)
Actuarial (gains) losses	865,400	(944,100)
Accrued Benefit Obligation - end of year	11,300,700	9,687,200
Unamortized Net Actuarial Losses	(929,700)	(105,200)
Liability for Employee Future Benefits	\$ 10,371,000	\$ 9,582,000

Notes to the Financial Statements

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Employee Future Benefits Expense	2014	2013
Current period benefit cost	\$ 777,700	\$ 857,500
Amortization of net actuarial loss	40,900	103,800
Benefit cost	818,600	961,300
Interest cost on unfunded employee future benefits obligation	359,500	292,000
Total Employee Future Benefits Expense	\$ 1,178,100	\$ 1,253,300

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:

	2014			2013
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	1,628	61	1,689	1,678
Member contribution rate (percentage of salary)	7.80% / 10.00%	6.05% / 7.85%	6.05% / 10.00%	6.05% / 10.00%
Member contributions for the year	\$ 9,471,894	\$ 329,635	\$ 9,801,529	\$ 9,487,434

- ii) Regina Civic Employees' Pension Plan

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

An actuarial valuation of the Regina Civic Employees' Pension Plan, completed as at December 31, 2012 identified an unfunded liability of \$292.815 million. On a going-

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August 31, 2014

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

Stakeholders of The Regina Civic Employees' Superannuation and Benefit Plan were notified, on July 17, 2014, that the Deputy Superintendent of Pensions is considering cancelling the pension plan's registration as the plan is not in compliance with legislation. Stakeholders have been given the opportunity to make submissions to the Deputy Superintendent regarding their views on cancelling the Plan's registration, and to rebut submissions provided by other stakeholders, by the end of 2014. Following that, the Deputy Superintendent will provide notice of her intentions regarding cancellation of registration, regulatory action, or other resolution.

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:

	2014	2013
Number of active School Division members	625	608
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	\$ 2,709,385	\$ 2,698,080
School Division contributions for the year	\$ 2,706,138	\$ 2,695,787
Actuarial valuation date	31-Dec-12	31-Dec-12
Plan Assets	\$ 991,482,000	\$ 991,482,000
Plan Liabilities	\$ 1,284,297,000	\$ 1,284,297,000
Plan (Deficit)	\$ (292,815,000)	\$ (292,815,000)

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8. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts. Details of account receivable balances are as follows:

	2014	2013
Provincial Grants Receivable	\$ 3,331,737	\$ 1,567,562
City of Regina Capital Receivable	1,427,438	1,427,438
Other Receivables	1,084,706	833,633
Total Accounts Receivable	\$ 5,843,881	\$ 3,828,633

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:

	2014	2013
Accrued Salaries and Benefits	\$ 8,255,056	\$ 5,251,311
Supplier Payments	5,823,269	4,395,537
Other Accrued Liabilities	3,666,530	7,413,133
Total Accounts Payable and Accrued Liabilities	\$ 17,744,855	\$ 17,059,981

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August 31, 2014

10. LONG-TERM DEBT

Details of long-term debt are as follows:

Other Long Term Debt:		2014	2013
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	\$ 14,884,504	\$ 15,461,669
Capital Loans	RBC Financial Group, capital school building construction, 4.47%, principal and interest payments of \$47,567 payable monthly, due date of loan, November 1, 2033	7,360,017	-
Capital Leases	Bank of Nova Scotia, purchase school buses, 5.415% to 5.516%, principal and interest payments of \$55,034 payable monthly, due date of leases range from August 2012 to July 2014	-	1,271,979
Capital Leases	Concentra Financial Services, purchase school buses, 3.33%, principal and interest payments of \$317,908 payable yearly, due date of lease, July 1, 2018	2,128,039	2,387,427
Capital Leases	Bank of Nova Scotia, purchase school buses, 3.36%, principal and interest payments of \$454,382 payable yearly, due date of lease, August 2020	3,421,041	-
Total Long Term Debt		\$ 27,793,601	\$ 19,121,075

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

	Capital Loans	Capital Leases	Total
2015	867,958	\$ 593,416	\$ 1,461,374
2016	883,060	613,274	1,496,334
2017	919,785	633,796	1,553,581
2018	958,044	1,656,192	2,614,236
2019	997,900	314,782	1,312,682
Thereafter	17,617,774	1,737,620	19,355,394
Total	\$ 22,244,521	\$ 5,549,080	\$ 27,793,601

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

	Capital Loans	Capital Leases	2014	2013
Principal	\$ 755,054	\$ 1,971,704	\$ 2,726,758	\$ 1,062,047
Interest	845,869	123,332	969,201	780,574
Total	\$ 1,600,923	\$ 2,095,036	\$ 3,695,959	\$ 1,842,621

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August 31, 2014

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2013	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2014
Capital projects:				
Federal capital tuition	\$ 8,025	\$ -	\$ -	\$ 8,025
Proceeds from sale of school buildings - Ministry discretion	2,206,723	295,250	(2,501,973)	-
Total capital projects deferred revenue	\$ 2,214,748	\$ 295,250	\$ (2,501,973)	\$ 8,025
Other deferred revenue:				
City of Regina - Tax Levy	10,333,071	10,550,251	(10,333,071)	10,550,251
Other (tuition fees, federal grants, special programs)	606,615	284,664	(448,219)	443,060
Total other deferred revenue	\$ 10,939,686	\$ 10,834,915	\$ (10,781,290)	\$ 10,993,311
Total Deferred Revenue	\$ 13,154,434	\$ 11,130,165	\$ (13,283,263)	\$ 11,001,336

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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 2014 and 2013:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Community Schools	Nutrition	Other Programs	2014	2013
Revenue:						
Grants	\$ 2,478,221	\$ -	\$ 81,018	\$ 683,578	\$ 3,242,817	\$ 3,212,599
Tuition and Related Fees	-	-	-	38,800	38,800	47,465
Miscellaneous Revenue	-	-	49,722	-	49,722	65,619
Total Revenue	2,478,221	-	130,740	722,378	3,331,339	3,325,683
Expenses:						
Salaries & Benefits	2,348,793	1,695,535	242,602	384,451	4,671,381	4,759,146
Instructional Aids	70,898	279,739	260,320	44,931	655,888	570,320
Supplies and Services	-	-	-	156,147	156,147	114,457
Non-Capital Equipment	4,969	21,613	358	-	26,940	15,685
Communications	-	455	-	3,508	3,963	6,111
Travel	-	3,441	-	5,034	8,475	11,549
Student Related Expenses	-	-	-	-	-	45,226
Amortization of Tangible Capital Assets	-	-	-	53,769	53,769	32,391
Total Expenses	2,424,660	2,000,783	503,280	647,840	5,576,563	5,554,885
Excess (Deficiency) of Revenue over Expenses	\$ 53,561	\$ (2,000,783)	\$ (372,540)	\$ 74,538	\$ (2,245,224)	\$ (2,229,202)

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

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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 2014 and 2013:

Summary of External Services Revenues and Expenses, by Program	Associate Schools*	Visa Program	Other Programs	2014	2013
Revenue:					
Grants	\$ 7,526,804	\$ -	\$ -	\$ 7,526,804	\$ 6,857,506
Tuition and Related Fees	-	42,430	-	42,430	30,532
Miscellaneous Revenue	-	-	25,861	25,861	1,505
Total Revenue	7,526,804	42,430	25,861	7,595,095	6,889,543
Expenses:					
Salaries & Benefits	4,999,327	-	-	4,999,327	4,982,230
Instructional Aids	1,965,574	173	-	1,965,747	1,371,800
Supplies and Services	531,178	25,791	25,860	582,829	556,188
Non-Capital Equipment	-	-	-	-	910
Communications	-	572	-	572	98
Travel	70	-	-	70	705
Professional Development (Non-Salary Costs)	24,474	-	-	24,474	19,289
Student Related Expenses	6,180	-	-	6,180	10,921
Amortization of Tangible Capital Assets	-	-	1,574	1,574	1,574
Total Expenses	7,526,803	26,536	27,434	7,580,773	6,943,715
Excess (Deficiency) of Revenue over Expenses	\$ 1	\$ 15,894	\$ (1,573)	\$ 14,322	\$ (54,172)

*Associate Schools – see table below for details of revenue and expenses by school

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

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

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Summary of Associate School Revenues and Expenses, Details by School	Regina Christian School	Harvest City Academy	Regina Huda School	2014	2013
Revenue:					
Operating Grants	\$ 2,807,457	\$ 2,208,930	\$ 2,510,417	\$ 7,526,804	\$ 6,857,506
Total Revenue	2,807,457	2,208,930	2,510,417	7,526,804	6,857,506
Expenses:					
Salaries & Benefits	2,051,576	1,384,204	1,563,547	4,999,327	4,982,230
Instructional Aids	539,239	663,815	762,520	1,965,574	1,370,445
Supplies and Services	203,448	152,498	175,232	531,178	516,970
Non-Capital Equipment	-	-	-	-	702
Travel	-	-	70	70	705
Professional Development	9,354	6,853	8,267	24,474	23,220
Student Related Expenses	3,840	1,560	780	6,180	6,765
Total Expenses	2,807,457	2,208,930	2,510,416	7,526,803	6,901,037
Excess (Deficiency) of Revenue over Expenses	\$ -	\$ -	\$ 1	\$ 1	\$ (43,531)

14. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the school division less liabilities. This represents the accumulated balance of net surplus arising from the operations of the school division including school generated funds.

Certain amounts of the accumulated surplus from operations, 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 from operations presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

Notes to the Financial Statements
August 31, 2014

Details of accumulated surplus from operations are as follows:

	August 31 2013	Additions during the year	Reductions during the year	August 31 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 131,164,002	\$ 25,789,493	\$ (7,574,838)	\$ 149,378,657
Less: Debtowing on Tangible Capital Assets	19,121,075	11,399,284	(2,726,758)	27,793,601
	112,042,927	14,390,209	(4,848,080)	121,585,056
PMR maintenance project allocations (1)	-	2,263,943	(2,263,943)	-
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	3,338,696	2,973,902	(393,441)	5,919,157
Board Share of Sale of Robert Usher Collegiate	700,000	-	-	700,000
Board Share of Sale of Steward Russell School	20,121	-	-	20,121
Board Share of Sale of Ken Jenkins School	-	32,806	-	32,806
Board Share of Sale of Athabasca School	245,191	-	-	245,191
	4,304,008	3,006,708	(393,441)	6,917,275
Other:				
Election Reserve	50,000	80,000	-	130,000
General Reserve	3,792,006	-	-	3,792,006
Renewal Reserve	2,873,992	-	-	2,873,992
School Fund Reserve	2,471,179	1,913,155	(2,010,484)	2,373,850
Encumbrance Reserve	775,550	911,792	(775,550)	911,792
Facility Upgrades Reserve	7,048,294	1,690,000	(3,478,294)	5,260,000
IT Upgrades Reserve	1,244,349	65,864	(52,686)	1,257,527
Instructional Innovation Reserve	3,376,263	544,826	(505,438)	3,415,651
Other Reserve	317,594	12,000	(60,000)	269,594
	21,949,227	5,217,637	(6,882,452)	20,284,412
Unrestricted Surplus	25,846,351	147,139	-	25,993,490
Total Accumulated Surplus from Operations	\$ 164,142,513	\$ 25,025,636	\$ (14,387,916)	\$ 174,780,233

(1) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3-year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

Notes to the Financial Statements**August 31, 2014**

The purpose and nature of each Internally Restricted Surplus amount is as follows:

The Capital projects reserve is for future capital planned projects.

The Election reserve is set aside annually in order to cover the cost of municipal elections held every four years.

The General reserve is for future operating costs.

The Renewal reserve was established in 2009 and supplemented in 2010 and 2011 with facility savings associated with school attendance area mergers. The reserve is for capital costs associated with the school division's Renewal Plan.

The School Fund reserve includes the budget carry-overs for all school-generated funds.

The Encumbrance reserve represents all outstanding purchase orders at August 31.

The Facility Upgrade reserve represents all outstanding planned facilities projects that were budgeted in prior years but not completed at year-end.

The IT Upgrades reserve includes allocations for future VoIP requirements and proposed business continuity needs.

The Instructional Innovation reserve includes allocations for instructional supplies and contracted services for instructional programming, as well as reserves for deferred Ministry programs.

Other reserves include allocations for capital equipment and software and leadership development.

15. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the board of education on June 18, 2013 and the Minister of Education on August 23, 2013.

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.

Notes to the Financial Statements
August 31, 2014

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.

	2014	2013
Revenues:		
<i>Ministry of Education</i>	\$ 142,094,232	\$ 133,118,015
<i>Saskatchewan Government Insurance</i>	709,173	670,435
	\$ 142,803,405	\$ 133,788,450
Expenses:		
<i>Good Spirit School Division</i>	\$ 52,527	\$ 50,235
<i>SaskPower</i>	2,402,252	2,205,037
<i>SaskEnergy</i>	2,674,363	2,557,676
<i>SaskTel</i>	579,309	733,636
<i>Sask Workers' Compensation Board</i>	316,006	382,656
<i>Sunwest School Division</i>	7,500	-
<i>Regina Qu'Appelle Health Region</i>	121,534	171,857
	\$ 6,153,491	\$ 6,101,097
Accounts Receivable:		
<i>Ministry of Education</i>	\$ 3,331,737	\$ 1,567,562
	\$ 3,331,737	\$ 1,567,562
Prepaid Expenses:		
<i>Sask Workers' Compensation Board</i>	\$ 105,335	\$ 127,552
	\$ 105,335	\$ 127,552
Accounts Payable and Accrued Liabilities:		
<i>SaskTel</i>	\$ 45,585	\$ -
<i>SaskPower</i>	169,275	22,771
<i>SaskEnergy</i>	5,440	147
	\$ 220,300	\$ 22,918

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

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

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

Notes to the Financial Statements

August 31, 2014

17. CONTINGENT LIABILITIES

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

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

- construction contract for Campbell Collegiate renovation in the amount of \$2,609,402 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:							
2015	\$ 496,933	\$ 90,710	\$ 1,292,057	\$ 638,000	\$ 2,517,700	\$ 593,416	\$ 593,416
2016	507,608	90,710	744,596	-	1,342,914	613,274	613,274
2017	-	90,710	15,990	-	106,700	633,796	633,796
2018	-	61,544	-	-	61,544	1,656,192	1,656,192
2019	-	51,822	-	-	51,822	314,782	314,782
Thereafter	-	-	-	-	-	1,737,620	1,737,620
Interest and executory costs	\$ 1,004,541	\$ 385,496	\$ 2,052,643	\$ 638,000	\$ 4,080,680	\$ 5,549,080	\$ 5,549,080
	-	-	-	-	-	645,491	645,491
Total Lease Obligations	\$ 1,004,541	\$ 385,496	\$ 2,052,643	\$ 638,000	\$ 4,080,680	\$ 6,194,571	\$ 6,194,571

19. SUBSEQUENT EVENTS

Subsequent to the year end the school division completed the sale of Haultain School for a price of \$1,482,400.

Notes to the Financial Statements

August 31, 2014

20. COMPARATIVE INFORMATION

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

21. PROFESSIONAL DEVELOPMENT

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

	2014	2013
Operating Teacher Salaries	\$ 101,803,056	\$ 97,809,537
Complementary Teacher Salaries	1,994,776	1,975,621
External Teacher Salaries	4,489,000	4,322,611
Total Teacher Salaries	\$ 108,286,832	\$ 104,107,769
Professional Development Allocation .59%	\$ 638,892	\$ 614,236

22. RISK MANAGEMENT

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk and foreign exchange risk).

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include close monitoring of overdue accounts. With regard to the receivable from the City of Regina, the land transfer agreement is referenced in correspondence with the City. Management reviews accounts receivable on a case-by-case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

The aging of accounts receivable at August 31, 2014 and August 31, 2013 was:

	August 31, 2014	August 31, 2013
	Accounts Receivable	Accounts Receivable
Current	\$ 121,000	\$ 533,569
0-30 days	4,135,999	1,758,459
30-60 days	134,909	76,520
60-90 days	526	32,647
Over 90 days	1,451,447	1,427,438
Total	\$ 5,843,881	\$ 3,828,633

Notes to the Financial Statements

August 31, 2014

ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances and monitoring budgets. The following table sets out the contractual maturities of the school division's financial liabilities:

	August 31, 2014			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 14,015,498	\$ 210,184	\$ 2,930,005	\$ 589,168
Long term debt	730,687	730,687	6,976,833	19,355,394
Total	\$ 14,746,185	\$ 940,871	\$ 9,906,838	\$ 19,944,562

iii) Market Risk

The school division is exposed to market risks with respect to interest rates and foreign currency exchange rates, as follows:

Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments. The school division also has an authorized bank line of credit of \$20 million with interest payable monthly at a rate of prime less 1.00 %. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. The balance outstanding on this credit facility at August 31, 2014 was \$Nil (2013 - \$Nil).

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- investing in government and Canadian charter bank bonds at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however the risk is minimal as the school division does not make a significant amount of purchases denominated in foreign currency. The school division did not have any financial instruments denominated in foreign currency outstanding at August 31, 2014 or August 31, 2013.