

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

FINANCIAL STATEMENTS

August 31, 2008

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 30, 2008



D.G. Burnett

Deputy Director



B.W. Lipinski
Superintendent



M E Y E R S N O R R I S P E N N Y L L P

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 statement of Financial Position of Regina School Division No. 4 as at August 31, 2008 and the following statements for the year ended August 31, 2008:

- a) Statement of Financial Position
- b) Statement of Financial Activities and Fund Balances
- c) Statement of Changes in Financial Position
- d) Details of Revenue
- e) Details of Expenses
- f) Schedule of Physical Assets
- g) Summary of Complementary Services Revenue and Expenses, by Program
- h) Summary of External Services Revenue and Expenses, by Program

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, 2008 and the results of its operations for the year period then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP

Chartered Accountants
Regina, Saskatchewan
October 30, 2008



Saskatchewan
Learning

Auditor's Report and Financial Statement

of the Regina School Division No. 4

School Division No. 2150000

For the Period Ending: August 31, 2008

D.G. Burnett
Secretary Treasurer

Meyers Norris Penny LLP
Auditor

Note - Copy to be sent to Saskatchewan Learning, Regina

Regina School Division No. 4**Statement of Financial Position****as at August 31, 2008**

	Operating Fund	Capital Fund	Other Funds	Current Yr Total	Prior Yr Total
Financial Assets					
Cash	29,299,100	-	-	29,299,100	52,182,564
Short Term Investments	45,500,277	-	-	45,500,277	-
Taxes Receivable	381,280				
Less Allowance	381,280	-	-	381,280	-
Provincial Grants Receivable	215,415	-	-	215,415	1,020,321
Other Receivables	989,232	1,427,438	-	2,416,670	2,242,213
Prepaid Items	1,080,063	-		1,080,063	1,042,020
Inventories	738,561	-	-	738,561	1,175,475
Long Term Investments (Note 4)	687,870	-	-	687,870	692,671
Interfund Debt Receivable	-	-	30,195,980		
Total Financial Assets	78,891,798	1,427,438	30,195,980	80,319,236	58,355,264
Liabilities					
Other Payables	26,460,353	-	-	26,460,353	22,271,534
Accrued Employee Future Benefits (Note7)	5,960,891	-	-	5,960,891	6,001,000
Other Long Term Debt (Note 6)	-	6,482,892	-	6,482,892	5,999,688
Interfund Debt Payable	30,195,980	-	-		
Total Liabilities	62,617,224	6,482,892	-	38,904,136	34,272,222
Net Financial Assets (Debt)	16,274,574	(5,055,454)	30,195,980	41,415,100	24,083,042
Physical Assets		162,822,313		162,822,313	160,832,437
Net Assets	16,274,574	157,766,859	30,195,980	204,237,413	184,915,479
Equity in Physical Assets		157,766,859		157,766,859	156,260,187
Fund Balances	16,274,574	-	30,195,980	46,470,554	28,655,292
School Position	16,274,574	157,766,859	30,195,980	204,237,413	184,915,479

The accompanying notes are an integral part of these statements

Approved by the Board:

Barbara Young

Chairperson

DY Burnett

Secretary-Treasurer

Regina School Division No. 4
Statement of Financial Activities and Fund Balances
for the period ending August 31, 2008

	Operating Fund	Capital Fund	Other Funds	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
REVENUES						
Property Taxation	80,752,552		-	80,752,552	76,984,780	77,469,963
Grants	72,891,982	15,274,148		88,166,130	70,829,090	67,384,212
Tuition and Related Fees	1,474,838	1,627		1,476,465	1,491,318	3,010,281
Complementary Services	3,025,092	-		3,025,092	2,425,134	3,116,809
External Services	8,320,622	-		8,320,622	7,543,579	7,529,739
Other	3,743,918	600,279	-	4,344,197	1,958,500	7,005,841
Total Revenues	170,209,004	15,876,054	-	186,085,058	161,232,401	165,516,845
EXPENDITURES						
Governance	354,614	-		354,614	298,850	531,243
Administration	1,747,012	307,821		2,054,833	1,721,428	1,902,606
Instruction	122,193,182	757,542		122,950,724	122,863,324	116,622,615
Plant	24,202,980	963,826		25,166,806	23,713,299	23,714,603
Transportation	5,260,356	918,187		6,178,543	4,446,557	6,343,992
Tuition and Related Fees	300,949	-		300,949	192,520	215,896
Complementary Services	4,426,392	-		4,426,392	4,345,736	4,572,344
External Services	7,055,811	-		7,055,811	6,338,001	6,542,868
Interest and Bank Charges	21,405	242,923	-	264,328	23,000	254,591
Total Expenditures	165,562,701	3,190,299	-	168,753,000	163,942,715	160,700,758
Excess(Deficiency) of Revenue over Expenditure	4,646,303	12,685,755	-	17,332,058	(2,710,314)	4,816,087
Interfund Transfers to (from)						
for Capital Expenditures	(1,125,764)	(13,136,050)	14,261,814			
for Debt Repayment	-	-	-			
for Reserves	658,272	(32,909)	(625,363)			
Excess (Deficiency) after Interfund Transfers	4,178,811	(483,204)	13,636,451	17,332,058	(2,710,314)	4,816,087
Long Term Capital Debt Issued		924,513		924,513	-	1,704,307
Long Term Capital Debt Repaid		(441,309)		(441,309)	-	(1,227,730)
Surplus(Deficit) for the Year	4,178,811	-	13,636,451	17,815,262	(2,710,314)	5,292,664
Opening Fund Balances, as Previously Reported	18,096,763	-	16,559,529	34,656,292	34,656,292	29,363,628
Change in Accrued Employee Future Benefits (Note 12)	(6,001,000)	-	-	(6,001,000)	-	(6,001,000)
Opening Fund Balances, as Restated	12,095,763	-	16,559,529	28,655,292	34,656,292	23,362,628
Closing Fund Balances	16,274,574	-	30,195,980	46,470,554	31,945,978	28,655,292

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Statement of Changes in Financial Position
for the period ending August 31, 2008

	Current Year	Prior Year
Operations		
Net Revenue before Financing	17,332,058	4,816,087
(Increase) in Taxes Receivable	(381,280)	-
Decrease (Increase) in Grants Receivable	804,906	(502,234)
(Increase) in Other Receivables	(174,457)	(323,871)
(Increase) in Prepaid Items	(38,043)	(389,824)
Increase In Other Payables	4,188,819	8,162,622
(Decrease) in Accrued Employee Future Benefits	(40,109)	-
Net Increase in Cash from Operations	21,691,894	11,762,780
Investing		
Decrease (Increase) in Inventories	436,915	(747,494)
Decrease in Long Term Investments	4,801	4,551
Net Increase (Decrease) in Cash from Investing	441,716	(742,943)
Financing		
Other Capital Loans and Long Term Debt Issued	924,513	1,704,307
Other Capital Loans and Long Term Debt Repaid	(441,309)	(1,227,730)
Net Increase in Cash from Financing	483,204	476,577
Net Change In Cash and Cash Equivalents	22,616,814	11,496,414
Opening Cash and Equivalents	52,182,564	40,686,150
Closing Cash and Cash Equivalents	74,799,378	52,182,564

*Cash and cash equivalents is comprised of cash and short term investments
The accompanying notes are an integral part of these statements*

Regina School Division No. 4
Details of Revenue
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Property Taxation Revenue			
Operating Fund			
Tax Revenue:			
Property Tax Revenue (<i>net Education Tax Credit</i>)	75,540,149	72,069,522	72,587,829
Revenue from Supplemental Levies	707,748	600,000	568,076
Total Property Tax Revenue	76,247,897	72,669,522	73,155,905
Grants in Lieu of Taxes:			
Federal Government	1,630,718	1,545,498	1,630,009
Provincial Government	4,233,778	4,185,811	4,002,411
Railways	-	-	-
Other	-	-	-
Total Grants in Lieu of Taxes	5,864,496	5,731,309	5,632,420
Treaty Land Entitlement			
House Trailer Fees			
Additions to Levy:			
Penalties	-	-	-
Other	-	-	-
Total Additions to Levy	-	-	-
Deletions from Levy:			
Discounts	-	-	-
Cancellations	-	-	-
Other Deletions	(1,359,841)	(1,416,051)	(1,318,362)
Provision for Uncollectable Taxes	-	-	-
Total Deletions from Levy	(1,359,841)	(1,416,051)	(1,318,362)
Total Operating Property Tax Revenue to Summary	80,752,552	76,984,780	77,469,963
Other Funds			
Tax Levy:			
Special Tax Levy	-	-	-
Total Other Funds Property Tax Revenue to Summary	-	-	-
Total Property Taxation Revenue to Summary	80,752,552	76,984,780	77,469,963
Grants:			
Operating Fund			
Department of Learning Grants:			
Foundation Operating Grant	63,891,170	63,944,090	59,982,191
Other Department Grants	9,000,812	6,885,000	6,345,115
Total Department Grants	72,891,982	70,829,090	66,327,306
Other Provincial Grants	-	-	-
Federal Grants	-	-	1,136
Grants from Others	-	-	-
Total Operating Fund Grants To Summary	72,891,982	70,829,090	66,328,442
Capital Fund			
Capital Grants	15,274,148	-	1,055,770
Total Capital Fund Grants to Summary	15,274,148	-	1,055,770
Total Grants to Summary	88,166,130	70,829,090	67,384,212

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Revenue (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Tuition and Related Fees Revenue			
Operating Fund			
Tuition Fees:			
School Boards	946,895	1,009,900	2,629,329
Federal Government and First Nations	-	22,000	-
Individuals and Other	523,943	453,418	374,608
Total Tuition Fees	1,470,838	1,485,318	3,003,937
Transportation Fees	4,000	6,000	5,600
Other Related Fees	-	-	-
Total Operating Fund Tuition and Fees to Summary	1,474,838	1,491,318	3,009,537
Capital Fund			
Federal/First Nations Capital Fees	1,627	-	744
Total Capital Fund Tuition and Fees to Summary	1,627	-	744
Total Tuition and Related Fees Revenue to Summary	1,476,465	1,491,318	3,010,281
Complementary Services			
Operating Fund			
Sk Learning Grants:			
SK Learning Grants-Foundation Operating Grant	2,749,204	2,314,734	2,647,938
Sask Learning Grants-Property Tax Credit	-	-	-
Sask Learning Grants-Other	110,440	-	289,271
Other Provincial Grants	141,046	110,400	110,420
Federal Grants	-	-	64,555
Other Grants	-	-	-
Tuition Fees:			
Tuition Fees-School Divisions	-	-	-
Tuition Fees-Federal Government	-	-	-
Tuition Fees-First Nations	-	-	-
Tuition Fees-Individuals and Other Parties	-	-	-
Transporation Fees:			
Transp Fees-School Divisions	-	-	-
Transp Fees-Federal Government	-	-	-
Transp Fees-First Nations	-	-	-
Transp Fees-Individuals and Other Parties	-	-	-

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Revenue (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Other Related Fees:			
Other Related Fees-School Divisions	-	-	-
Other Related Fees-Federal Government	-	-	-
Other Related Fees-First Nations	-	-	-
Other Related Fees-Individuals and Other Parties	-	-	-
Misc Revenue:			
Misc Revenue-User Fees	-	-	-
Misc Revenue-Reimbursements	-	-	-
Misc Revenue-Other Miscellaneous Revenue	24,402	-	4,625
Food Sales	-	-	-
Sale of Materials	-	-	-
Rentals	-	-	-
Sale of Non-Capital Assets	-	-	-
Other Sales and Rentals Revenue	-	-	-
Total Operating Fund Complementary Services Revenue to Summary	3,025,092	2,425,134	3,116,809
Capital Fund			
Sk Learning Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Federal Capital Grants	-	-	-
Capital Grants-other	-	-	-
Other Miscellaneous Revenue	-	-	-
Sale of Capital Assets	-	-	-
Interest and Dividends	-	-	-
Total Capital Fund Complementary Services Revenue to Sum	-	-	-
Total Complementary Services Revenue to Summary	3,025,092	2,425,134	3,116,809
External Services			
Operating Fund			
Foundation Operating Grant	4,648,966	4,443,579	4,037,062
Other Saskatchewan Learning Grants	63,000	100,000	102,000
Other Provincial Grants	-	-	500
Federal Grants	-	-	-
Other Grants	-	-	-
Tuition Fees:			
Tuition Fees-School Divisions	-	-	-
Tuition Fees-Federal Government	-	-	-
Tuition Fees-First Nations	-	-	-
Tuition Fees-Individuals and Other Parties	36,030	-	8,097
Transportation Fees:			
Transp Fees-School Divisions	-	-	-
Transp Fees-Federal Government	-	-	-
Transp Fees-First Nations	-	-	-
Transp Fees-Individuals and Other Parties	-	-	-
Other Related Fees:			
Other Related Fees-School Divisions	-	-	-
Other Related Fees-Federal Government	-	-	-
Other Related Fees-First Nations	-	-	-
Other Related Fees-Individuals and Other Parties	-	-	-

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Revenue (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Misc Revenue:			
Misc Revenue-User Fees	-	-	-
Misc Revenue-Reimbursements	293,573	-	124,496
Misc Revenue-Other Miscellaneous Revenue	3,279,053	3,000,000	3,257,584
Food Sales	-	-	-
Sale of Materials	-	-	-
Rentals	-	-	-
Sale of Non-Capital Assets	-	-	-
Other Sales and Rentals Revenue	-	-	-
Total Operating Fund External Services Revenue to Summary	8,320,622	7,543,579	7,529,739
Capital Fund			
Sk Learning Capital Grants	-	-	-
Other Provincial Capital Grants	-	-	-
Federal Capital Grants	-	-	-
Capital Grants	-	-	-
Other Miscellaneous Revenue	-	-	-
Sale of Capital Assets	-	-	-
Interest and Dividends	-	-	-
Total Capital Fund External Services Revenue to Summary	-	-	-
Total External Services Revenue to Summary	8,320,622	7,543,579	7,529,739
Other Revenue			
Operating Fund			
Miscellaneous Revenue	1,798,276	600,000	1,876,747
Sales & Rentals	495,314	358,500	475,851
Investments	1,450,328	1,000,000	1,310,198
Total Operating Fund Other Revenue to Summary	3,743,918	1,958,500	3,662,796
Capital Fund			
Miscellaneous Revenue	-	-	2,500,000
Sales & Rentals	90	-	808,809
Investments	600,189	-	34,236
Total Capital Fund Other Revenue to Summary	600,279	-	3,343,045
Other Funds			
Miscellaneous Revenue	-	-	-
Investments	-	-	-
Total Other Funds Other Revenue to Summary	-	-	-
Total Other Revenue to Summary	4,344,197	1,958,500	7,005,841

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Expenses
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Governance Expenses			
Operating Fund			
Board Members Expense	159,782	153,250	150,345
Conventions - Board Members	6,013	14,000	5,989
Local Boards/Advisory Committees	-	-	-
Conventions - Local Boards/Advisory Committees	-	-	-
Elections	-	-	113,222
Other Governance Expenses	188,819	131,600	261,687
Total Operating Fund Governance Expenses to Summary	354,614	298,850	531,243
Capital Fund			
Capital Equipment	-	-	-
Total Capital Fund Governance Expenses to Summary	-	-	-
Total Governance Expenses to Summary	354,614	298,850	531,243
Administration Expenses			
Operating Fund			
Salaries	1,099,186	1,068,219	1,015,168
Benefits	199,034	208,709	202,385
Supplies/Services	301,876	297,500	426,656
Non-Capital Equipment	51,915	82,000	22,254
Building Operating Expenses	-	-	-
Communications	82,456	47,000	53,359
Travel	-	-	-
Professional Development	12,545	18,000	19,157
Total Operating Fund Administration to Summary	1,747,012	1,721,428	1,738,979
Capital Fund			
Capital Equipment	307,821	-	163,627
Total Capital Fund Administration to Summary	307,821	-	163,627
Total Administration Expenses to Summary	2,054,833	1,721,428	1,902,606

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Instruction Expenses			
Operating Fund			
Instructional Salaries:			
Instructional Salaries	79,521,264	80,302,450	75,727,021
Supportive Instructional Salaries	5,907,360	6,052,480	5,340,388
Substitute Instructional Salaries	4,028,838	3,950,037	3,753,834
Other Instructional Salaries	-	-	-
Total Instructional Salaries	89,457,462	90,304,967	84,821,243
Instructional Benefits	5,660,168	5,496,351	5,380,326
Non-Teacher Support Salaries	14,213,829	14,452,180	13,025,588
Non-Instructional Support Benefits	2,343,519	2,405,132	2,183,792
Instructional Aids	3,901,325	5,251,264	4,372,234
Supplies and Services	1,604,149	1,077,730	1,335,772
Non-Capital Equipment	2,715,624	2,428,670	3,324,474
Communications	209,242	181,385	215,094
Travel	265,049	269,575	255,352
Professional Development	615,348	636,024	633,387
Student Related Expense	1,207,467	360,046	976,982
Total Operating Fund Instruction to Summary	122,193,182	122,863,324	116,524,244
Capital Fund			
Capital Equipment	757,542	-	98,371
Total Capital Fund Instruction to Summary	757,542	-	98,371
Total Instruction Expenses to Summary	122,950,724	122,863,324	116,622,615
Plant Operation & Maintenance Expenses			
Operating Fund			
Salaries	8,387,567	8,566,406	8,093,741
Benefits	2,043,489	2,215,017	2,009,830
Supplies/Services	997	3,000	2,273
Non-Capital Equipment	135,335	117,462	88,437
Building Operating Expenses	12,891,051	12,079,005	10,848,063
Communications	513,390	518,000	549,168
Travel	199,768	179,409	159,100
Professional Development	31,383	35,000	30,078
Total Operating Fund Plant & Maintenance to Summary	24,202,980	23,713,299	21,780,690
Capital Fund			
Capital Equipment and Building Costs	963,826	-	1,933,913
Total Capital Fund Plant & Maintenance to Summary	963,826	-	1,933,913
Total Plant Operation & Maintenance Expenses to Summary	25,166,806	23,713,299	23,714,603

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Student Transportation Expenses			
Operating Fund			
Salaries	149,078	141,439	138,202
Benefits	29,086	30,118	29,224
Supplies/Services	478,966	360,000	392,299
Non-Capital Equipment	383,179	324,000	327,921
Building Operating Expenses	127,353	139,000	111,515
Communications	6,788	-	6,897
Travel	-	-	-
Professional Development	3,248	2,000	-
Other	-	-	-
Contracted Transportation	4,082,658	3,450,000	3,428,936
Total Operating Fund Student Transportation to Summary	5,260,356	4,446,557	4,434,994
Capital Fund			
Capital Equipment	918,187	-	1,908,998
Total Capital Fund Student Transportation to Summary	918,187	-	1,908,998
Total Student Transportation Expenses to Summary	6,178,543	4,446,557	6,343,992
Tuition and Related Fees Expenses			
Operating Fund			
Tuition Fees	280,926	180,520	200,296
Transportation Fees	20,023	12,000	15,600
Other Fees	-	-	-
Total Operating Fund Tuition and Related Fees to Summary	300,949	192,520	215,896
Capital Fund			
Capital Equipment	-	-	-
Total Capital Fund Tuition and Related Fees to Summary	-	-	-
Total Tuition and Related Fees Expenses to Summary	300,949	192,520	215,896

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Expenses (continued)
for the period ending August 31, 2008

	Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Complementary Services Expenses			
Operating Fund			
Tuition Fees	-	-	-
Transportation Fees	-	-	-
Other Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional Salaries & Benefits	878,021	821,968	781,213
Program Support (Non-Teacher Contract)	2,696,703	2,839,757	2,670,132
Plant Operation & Maint Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	568,036	572,446	712,511
Supplies & Services	164,996	-	250,597
Non-Capital Furniture & Equipment	44,074	40,600	28,918
Building Operating Expenses	-	-	-
Communications	18,298	13,600	21,442
Travel	19,867	12,365	22,483
Professional Development (Non-Salary Costs)	7,458	10,000	13,282
Student Related Expenses	28,939	35,000	71,766
Contracted Transportation & Allowances	-	-	-
Total Operating Fund Complementary Services to Summary	4,426,392	4,345,736	4,572,344
Capital Fund			
Capital Expenditures	-	-	-
Total Capital Fund Complementary Services to Summary	-	-	-
Total Complementary Services Expenses to Summary	4,426,392	4,345,736	4,572,344
External Services			
Operating Fund			
Tuition Fees	443,957	382,634	418,882
Transportation Fees	-	-	-
Other Related Fees	-	-	-
Administration Salaries & Benefits	-	-	-
Instructional Salaries & Benefits	3,057,781	2,846,854	2,622,252
Program Support (Non-Teacher Contract) Salaries & Benefits	54,565	25,883	46,800
Plant Operation & Maintenance Salaries & Benefits	-	-	-
Transportation Salaries & Benefits	-	-	-
Instructional Aids	1,269	21,000	8,303
Supplies & Services	21,645	40,830	22,329
Non-Capital Furniture & Equipment	10,032	12,500	22
Building Operating Expenses	-	-	-
Communications	2,988	5,300	4,857
Travel	-	-	-
Professional Development (Non-Salary Costs)	7,490	3,000	18,289
Student Related Expenses	3,456,084	3,000,000	3,401,134
Contracted Transportation & Allowances	-	-	-
Total Operating Fund External Services to Summary	7,055,811	6,338,001	6,542,868
Capital Fund			
Capital Expenditures	-	-	-
Total Capital Fund External Services to Summary	-	-	-
Total Complementary Services Expenses to Summary	7,055,811	6,338,001	6,542,868

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Details of Expenses (continued)
for the period ending August 31, 2008

		Current Yr Consolidated	Current Yr Budget	Prior Yr Consolidated
Interest and Bank Charges Expense				
Operating Fund				
Current Interest and Bank Charges		21,405	23,000	21,406
Total Operating Fund Interest and Bank Charges to Summary		21,405	23,000	21,406
Capital Fund				
Interest on Debentures				
Other Interest	- School Facilities	-	-	-
	- Other	-	-	-
Interest on Other Capital Loans and Long Term Debt				
Other Interest	- School Facilities	-	-	-
	- Other	242,923	-	233,185
Total Capital Fund Interest to Summary		242,923	-	233,185
Other Funds				
Current Interest and Bank Charges		-	-	-
Total Other Funds Interest and Bank Charges to Summary		-	-	-
Total Interest and Bank Charges Expense to Summary		264,328	23,000	254,591
Capital Fund Debt Principal Repayment				
Debenture Principal				
Other Debt	- School Facilities	-	-	-
	- Other	-	-	-
Other Capital Loan and Long Term Debt Principal				
Other Debt	- School Facilities	-	-	-
	- Other	441,309	-	1,227,730
Total Capital Fund Debt Principal Repayment to Summary		441,309	-	1,227,730

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Schedule of Physical Assets
for the period ending August 31, 2008

	Land	Buildings	Equipment	Work-in-Progress	Current Yr Total	Prior Yr Total
Physical Assets - at Cost:						
Opening cost	8,861,718	132,770,124	19,200,595	-	160,832,437	158,662,454
Additions	307,821	-	1,682,055	-	1,989,876	3,973,796
Write-downs	-	-	-	-	-	-
Disposals	-	-	-	-	-	(1,803,813)
Transfers to (from)	-	-	-	-	-	-
Closing Cost of Physical Assets	9,169,539	132,770,124	20,882,650	-	162,822,313	160,832,437
Equity in Physical Assets:						
Opening balance	10,289,156	131,170,124	14,800,907	-	156,260,187	154,566,780
Physical asset additions	307,821	-	1,682,055	-	1,989,876	3,973,796
Physical asset write-downs	-	-	-	-	-	-
Physical asset disposals	-	-	-	-	-	(1,803,813)
Debentures & LT Debt issued	-	-	(924,513)	-	(924,513)	(1,704,307)
Debentures & LT Debt principal repaid	-	-	441,309	-	441,309	1,227,730
Transfers to (from)	-	-	-	-	-	1
Closing Equity in Physical Assets	10,596,977	131,170,124	15,999,758	-	157,766,859	156,260,187

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Summary of Complementary Services Revenue and Expenses, by Program
for the period ending August 31, 2008

	Circle of Courage	Community Schools	FA\$T Program	Indian/Metis Education	Nutrition Program
Complementary Services Revenue					
Operating Fund					
Sask Learning Grants	-	1,622,624	-	-	-
Other Provincial Grants	-	-	-	50,521	102,287
Other	-	-	-	-	1,500
Total Operating Fund Complementary Services Revenue	-	1,622,624	-	50,521	103,787
Capital Fund					
Capital Revenue	-	-	-	-	-
Total Capital Fund Complementary Services Revenue	-	-	-	-	-
Total Complementary Services Revenue	-	1,622,624	-	50,521	103,787
 Complementary Services Expenses					
Operating Fund					
Salaries & Benefits	-	2,204,610	-	-	159,304
Supplies & Services	50,615	249,887	12,515	5,455	203,821
Non-Capital Furniture & Equipment	-	375	-	-	6,173
Building Operating Expenses	-	-	-	-	-
Communications	-	15,227	-	-	-
Travel	-	11,453	-	-	58
Professional Development (Non-Salary Costs)	-	7,458	-	-	-
Student Related Expenses	-	-	-	-	-
Tuition and Other Related Fees	-	-	-	-	-
Contracted Transportation & Allowances	-	-	-	-	-
Total Operating Fund Complementary Services Expenses	50,615	2,489,010	12,515	5,455	369,356
Capital Fund					
Capital Expenditures	-	-	-	-	-
Total Capital Fund Complementary Services Expenses	-	-	-	-	-
Total Complementary Services Expenses to Summary	50,615	2,489,010	12,515	5,455	369,356
Excess (Deficiency) of Revenue Over Expenses	(50,615)	(866,386)	(12,515)	45,066	(265,569)

The accompanying notes are an integral part of these statements

Regina School Division No. 4

Summary of Complementary Services Revenue and Expenses, by Program
for the period ending August 31, 2008

	Pre- Kindergarten	Resource Officer Program	Kids in Custody	Dreambrokers Program
Complementary Services Revenue				
Operating Fund				
Sask Learning Grants	919,749	-	206,831	-
Other Provincial Grants	44,912	-	-	-
Other	-	-	-	-
Total Operating Fund Complementary Services Revenue	964,661	-	206,831	22,902
Capital Fund				
Capital Revenue	-	-	-	-
Total Capital Fund Complementary Services Revenue	-	-	-	-
Total Complementary Services Revenue	964,661	-	206,831	22,902
Complementary Services Expenses				
Operating Fund				
Salaries & Benefits	1,129,618	-	81,192	-
Supplies & Services	23,017	-	110,769	23,187
Non-Capital Furniture & Equipment	35,138	-	-	2,388
Building Operating Expenses	-	-	-	-
Communications	-	-	3,071	-
Travel	437	-	7,919	-
Professional Development (Non-Salary Costs)	-	-	-	-
Student Related Expenses	-	28,939	-	-
Tuition and Other Related Fees	-	-	-	-
Contracted Transportation & Allowances	-	-	-	-
Total Operating Fund Complementary Services Expenses	1,188,210	28,939	202,951	25,575
Capital Fund				
Capital Expenditures	-	-	-	-
Total Capital Fund Complementary Services Expenses	-	-	-	-
Total Complementary Services Expenses to Summary	1,188,210	28,939	202,951	25,575
Excess (Deficiency) of Revenue Over Expenses	(223,549)	(28,939)	3,880	(2,673)

The accompanying notes are an integral part of these statements

Regina School Division No. 4

**Summary of Complementary Services Revenue and Expenses, by Program
for the period ending August 31, 2008**

	PREK Literacy Project	Career Development	Other	Other	Total
	Complementary Services				
Complementary Services Revenue					
Operating Fund					
Sask Learning Grants	-	-	-	-	2,749,204
Other Provincial Grants	15,007	38,759	-	-	251,486
Other	-	-	-	-	24,402
Total Operating Fund Complementary Services Revenue	15,007	38,759	-	-	3,025,092
Capital Fund					
Capital Revenue	-	-	-	-	-
Total Capital Fund Complementary Services Revenue	-	-	-	-	-
Total Complementary Services Revenue	15,007	38,759	-	-	3,025,092
Complementary Services Expenses					
Operating Fund					
Salaries & Benefits	-	-	-	-	3,574,724
Supplies & Services	15,007	38,759	-	-	733,032
Non-Capital Furniture & Equipment	-	-	-	-	44,074
Building Operating Expenses	-	-	-	-	-
Communications	-	-	-	-	18,298
Travel	-	-	-	-	19,867
Professional Development (Non-Salary Costs)	-	-	-	-	7,458
Student Related Expenses	-	-	-	-	28,939
Tuition and Other Related Fees	-	-	-	-	-
Contracted Transportation & Allowances	-	-	-	-	-
Total Operating Fund Complementary Services Expenses	15,007	38,759	-	-	4,426,392
Capital Fund					
Capital Expenditures	-	-	-	-	-
Total Capital Fund Complementary Services Expenses	-	-	-	-	-
Total Complementary Services Expenses to Summary	15,007	38,759	-	-	4,426,392
Excess (Deficiency) of Revenue Over Expenses	-	-	-	-	(1,401,300)

The accompanying notes are an integral part of these statements

Regina School Division No. 4
Summary of External Services Revenue and Expenses, by Program
for the period ending August 31, 2008

	Associate Schools	Distance Education	Visa Program	School Funds	Total External Services
External Services Revenue					
Operating Fund					
Sask Learning Grants	4,648,966	-	-	-	4,648,966
Other Provincial Grants	-	63,000	-	-	63,000
Other	293,573	-	37,780	3,277,303	3,608,656
Total Operating Fund External Services Revenue	4,942,539	63,000	37,780	3,277,303	8,320,622
Capital Fund					
Capital Revenue	-	-	-	-	-
Total Capital Fund External Services Revenue					
Total External Services Revenue	4,942,539	63,000	37,780	3,277,303	8,320,622
 External Services Expenses					
Operating Fund					
Salaries & Benefits	3,112,346	-	-	-	3,112,346
Supplies & Services	-	1,121	21,793	-	22,914
Non-Capital Furniture & Equipment	-	171	9,861	-	10,032
Building Operating Expenses	-	-	-	-	-
Communications	-	1,220	1,768	-	2,988
Travel	-	-	-	-	-
Professional Development (Non-Salary Costs)	-	-	7,490	-	7,490
Student Related Expenses	-	-	-	3,456,084	3,456,084
Tuition and Other Related Fees	443,957	-	-	-	443,957
Contracted Transportation & Allowances	-	-	-	-	-
Total Operating Fund External Services Expenses	3,556,303	2,512	40,912	3,456,084	7,055,811
Capital Fund					
Capital Expenditures	-	-	-	-	-
Total Capital Fund External Services Expenses					
Total External Services Expenses to Summary	3,556,303	2,512	40,912	3,456,084	7,055,811
Excess (Deficiency) of Revenue Over Expenses	1,386,236	60,488	(3,132)	(178,781)	1,264,811

The accompanying notes are an integral part of these statements

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

1. PURPOSE AND AUTHORITY

The Board of Education (the “Board”) of the Regina School Division No. 4 of Saskatchewan (the “School Division”) delivers education programs under the authority of Section 87 of *The Education Act, 1995*.

The Board is responsible for administering and managing the educational affairs of the School Division in accordance with the intent of *The Education Act, 1995* and *Regulations*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Fund Accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, to segregate the transactions of a particular activity. These funds are:

Operating Fund

The Operating Fund contains the current revenues, expenses, assets and liabilities pertaining to the general operations of the School Division.

Capital Fund

The Capital Fund contains the physical assets which are property and equipment, long-term debt and transactions pertaining to the capital fund and the equity in physical assets.

Other Funds

Other Funds contain the assets, liabilities, transactions and fund balances that have been designated by the school division. These funds are used to account for trusts, school funds and reserves for the anticipated future costs of planned projects.

Reserves are created by authorization of the Board of Education. Contributions to, and expenditures from the reserves are made in accordance with terms and conditions established by the Board.

b) 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 reported financial assets and liabilities at the date of the financial statements and the reported revenues and expenditures during the period. Actual results could differ from those estimates.

Significant estimates include assumptions used in estimating the collectability of amounts receivable to determine the allowance for doubtful accounts and in the estimating of provisions for accrued liabilities.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks and temporary cash investments with original maturity of 90 days or less. Short term investments are valued at the lower of cost and market value.

d) Inventory

Inventory consists of stock and supplies for internal use and is valued at the lower of cost and net realizable value. Cost is determined by the weighted-average method.

e) Physical assets

Physical assets are accounted for at cost in the Capital Fund and are not depreciated. The cost of repairs, maintenance and replacements for existing equipment are recorded as expenditures in the year.

f) Long term investments

Long term investments 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.

g) Revenue recognition

Revenue and related assets are recorded at the time the School Division has earned the entitlement to receive the revenue without further obligation.

Unrestricted grants are recognized as revenue of the appropriate fund when received or receivable. Restricted grants are recognized as revenue of the appropriate fund in the year in which the related expenditures are incurred. Taxation revenue is recognized as it is earned. Tuition fees and other service revenue are recognized as the course instruction or services are delivered.

h) Revenue contributions to capital

Certain capital expenditures not financed through capital building grants or debentures proceeds are funded through inter-fund transfers from the operating fund and are expensed in the capital fund.

These capital additions are also reflected as additions to property and equipment with a corresponding increase to investment in physical assets.

i) Pension

The School Division's non-teaching employees participate in a multi-employer defined benefit plan. Accordingly, the School Division expenses all contributions it is required to make in the period.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

j) Financial Instruments

For certain of the School Division's financial instruments, including cash, short term investments, taxes receivable, provincial grants receivable, other receivables, long term investments, other payables, capital loans and other long term debt, the carrying amount approximates fair value due to the immediate or short-term maturity of these items.

k) Employee Future Benefits

The School Division provides certain post-employment benefits, including retirement gratuities and severance benefits, for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs under employee future benefit plans. The future benefit cost is actuarially determined using the projected benefit method pro rated on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

l) Tangible Capital Assets

In September 2006, the CICA revised Section PS 3150, Tangible capital assets. This section establishes standards on how to account for and report tangible capital assets in government financial statements and will be applicable to financial statements for fiscal years beginning on or after January 1, 2009. The section applies to all levels of government, including local governments.

3. 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.

4. LONG TERM INVESTMENTS

Long term investments consist of bonds with the Government of Canada, the provincial government and a financial institution. Interest rates range from 5.375% to 8.30% and maturities range from 2010 to 2013. The fair value of these bonds at August 31, 2008 was \$687,870 (August 31, 2007 - \$692,671).

5. LINE OF CREDIT

The School Division has a line of credit with an authorization limit of \$20,000,000. The balance of the line of credit as at August 31, 2008 was \$nil at an interest rate of 4.25% (August 31, 2007 - \$nil at an interest rate of 5.75%).

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

6. CAPITAL LOANS AND OTHER LONG TERM DEBT

	August 31 2008	August 31 2007
Purchase obligation payable on November 18, 2013 with no interest	\$ 1,600,000	\$ 1,600,000
Capital Lease Obligations	4,882,892	4,399,688
	<hr/> \$ 6,482,892	<hr/> \$ 5,999,688

Due to the nature of the purchase obligation payable the fair value is not readily available. The carrying amount of the demand term loan approximates fair value because the stated interest rate approximates the market rate.

The School Division has entered into various capital lease agreements with differing terms and conditions. Assets under capital lease, with a net book value of \$5,963,764, are included in the Equipment column in the Schedule of Physical Assets. The carrying amount of the capital lease obligations approximates fair value because the stated rate of interest approximates market rates. The stated rates of interest range from 5.516% to 6.747%.

Principal payments for future capital lease obligations over the next five years are estimated as follows:

	Principal Payments	Interest Payments
2009	\$ 560,414	\$ 269,943
2010	575,545	229,812
2011	482,689	185,168
2012	488,126	153,257
2013	256,443	74,776

7. EMPLOYEE FUTURE BENEFITS

The School Division provides certain post-employment benefits, including retirement gratuities and severance benefits, for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs under employee future benefit plans. The future benefit cost is actuarially determined using the projected benefit method pro rated on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date. The accrued benefit obligation was determined as of September 1, 2007 and as a result comparative disclosures for the prior year are not available. An actuarial assessment was completed on September 1, 2007 and extrapolated to August 31, 2008.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

7. EMPLOYEE FUTURE BENEFITS (CON'T)

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets.

The period of amortization, if any, is equal to the expected average remaining service lifetime (EARSL) of active employees.

**August 31
2008**

Reconciliation of accrued benefit obligation

Accrued benefit obligation, September 1	\$ 6,001,000
Service cost	383,100
Interest cost	322,187
Benefit payments	(745,396)
Actuarial losses (gains)	-
Accrued benefit obligation, August 31	\$ 5,960,891

Components of net benefit expense

Service cost	\$ 383,100
Interest cost	322,187
Net benefit cost	\$ 705,287

The significant actuarial assumptions adopted for measuring the School Division's accrued benefit obligation are:

**August 31
2008**

Assumptions

Discount rate	5.40%
Salary growth	3.00% to 8.70%
Expected Average Remaining Service Lifetime (EARSL)	13.0 years
Retirement	One year after eligible for an unreduced pension and no later than age 65
Mortality	Uninsured Pensioners' Table for 1994 projected to 2015

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

7. EMPLOYEE FUTURE BENEFITS (CON'T)

- a) Retirement gratuities – are provided to certain employees that retire with the school division and that have at least fifteen years of service with the school division. Information about the retirement gratuity accrued benefit obligation is as follows:

	August 31 2008
Reconciliation of accrued benefit obligation	
Accrued benefit obligation, September 1	\$ 5,085,300
Service cost	311,600
Interest cost	272,197
Benefit payments	(671,388)
Accrued benefit obligation, August 31	\$ 4,997,709

	Components of net benefit expense
Service cost	\$ 311,600
Interest cost	272,197
Net benefit cost	\$ 583,797

- b) Severance benefits – are provided to certain employees based on the sick leave pool they accumulate from their date of employment to the date they leave the employment of the school division. Information about the severance accrued benefit obligation is as follows:

	August 31 2008
Reconciliation of accrued benefit obligation	
Accrued benefit obligation, September 1	\$ 915,700
Service cost	71,500
Interest cost	49,990
Benefit payments	(74,008)
Accrued benefit obligation, August 31	\$ 963,182

	Components of net benefit expense
Service cost	\$ 71,500
Interest cost	49,990
Net benefit cost	\$ 121,490

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

8. PROVISION FOR RESERVES

Reserves are created by charging current operations with the anticipated future costs of planned projects. When the actual expenditure is made for a specific project, it is recognized as a current expenditure and the reserve is decreased by a transfer to current revenue.

Reserves are comprised of the following:

	Aug. 31/07	Transfers	Provision	Aug. 31/08
Appeals Reserve (Note 10)	\$ 1,202,253	\$ -	\$ (549,466)	\$ 652,787
Election Reserve	16,013	30,000	-	46,013
General Reserves	2,844,888	549,466	-	3,394,354
Capital Contribution				
Local	7,380,388	542	-	7,380,930
Provincial	815,926	15,617,983	(810,560)	15,623,349
Transportation	325,000	-	(25,000)	300,000
School Funds	1,694,214	1,305,086	(1,694,214)	1,305,086
Encumberances	736,889	692,864	(736,889)	692,864
Other	1,543,958	2,138,893	(2,882,254)	800,597
Total	<u>\$ 16,559,529</u>	<u>\$ 20,334,834</u>	<u>\$ (6,698,383)</u>	<u>\$ 30,195,980</u>

9. PENSION

Employees of the School Division participate in one of the following three pension plans. Teachers participate in the Saskatchewan Teachers Retirement Plan (STRP) or Saskatchewan Teachers Superannuation Commission (STSC), which are multi-employer defined benefit plans. Non-teaching employees participate in the Regina Civic Employees Pension Plan, which is a multi-employer defined benefit plan.

An actuarial valuation of the Regina Civic Employees Pension Plan was filed on September 25, 2006. This valuation identified an unfunded liability of \$34,989,000 as of December 31, 2005. The funded ratio was 95.4% at December 31, 2005. Based on the valuation, it is expected that special payments of \$4,098,000 per year will be required over the 15 year period to December 31, 2020 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.

Effective January 1, 2007 employee and employer contribution rates were 8.85% of earnings below the CPP maximum (2006 – 9.48%) and 13.11% of earnings above the CPP maximum (2006 – 14.05%). These reductions were a result of approved amendments to the Regina Civic Employees Pension Plan.

The Board's obligation to the STRP and STSC plans is limited to collecting and remitting contributions of the employees.

Pension expense for the period amounted to \$2,092,428 (August 31, 2007 - \$2,056,029) and is included in benefits.

REGINA SCHOOL DIVISION NO. 4 OF SASKATCHEWAN

Notes to the Financial Statements

August 31, 2008

10. CITY OF REGINA TAX LEVY

The City of Regina issues property tax billings based on assessed values in accordance with legislation and the Saskatchewan Assessment Manual. The assessed values are multiplied by the mill rate factors for property classes, and by the Education mill rate in order to arrive at the School Division's gross taxation revenue for the year. The City of Regina collects taxation revenues on behalf of the School Division, net of collection fees and payments resulting from tax appeals.

Individual and corporate taxpayers have the right to appeal their assessments initially to a local Board of Revision, then to the Saskatchewan Municipal Board Assessment Committee and ultimately to the Provincial Appeals Court.

While the final outcome of the appeals cannot be definitively predicted at this time, it is estimated that the School Division's gross exposure for potentially refundable taxes related to appeals for the years 2001 through 2008 is approximately \$2,370,082. It is expected that approximately \$1,717,296 of this total could, according to current practice, be recoverable from the provincial government. Provision for the projected net exposure of the School Division has been recorded in the reserve funds.

11. COMMITMENTS

The School Division has entered into various lease agreements with estimated minimum annual payments as follows:

2008-2009	\$ 1,068,439
2009-2010	\$ 1,019,631
2010-2011	\$ 1,019,631
2011-2012	\$ 1,019,631
2012-2013	\$ 598,290

12. CHANGE IN ACCOUNTING POLICY/PRIOR PERIOD ADJUSTMENT

During the year, the School Division adopted the Public Sector Accounting Handbook Section 3255, Post-employment benefits, compensated absences and termination benefits. Prior period statements have been adjusted to reflect the change in accounting policy. The effect of the restatement was to decrease fund balances by \$6,001,000. The operating fund balance decreased from \$18,096,763 to \$12,095,763. The total fund balances changed from \$34,656,292 to \$28,655,292. The impact on the current year for the Accrued Employee Future benefits was an expense of \$40,109 which was recorded as an expense in the instruction expenses line item.

13. CONTINGENCY NOTE

The School Division is subject to a potential liability relating to non-vested sick leave for certain employees. The School Division is currently in discussions with the provincial government to determine who is responsible for payment of the outstanding liability as it becomes due. The total liability assessed for non-vested sick leave is \$2,227,400; the portion the School Division's liable for is undeterminable at this time. The amount, if any, that the School Division will be responsible for, will be expenses in the year the liability is determined.