

**SPECIAL MEETING ----- November 26, 2018**

**Minutes of the Special Meeting of the Board of Education of the Chinook School Division No. 211 held on Monday, November 26, 2018 at 3:00 p.m. at the Chinook Education Centre.**

**PRESENT:** Kimberly Pridmore  
Katelyn Toney  
Shane Andrus  
Gwen Humphrey  
Susan Mouland  
Tim Ramage  
Tim Weinbender

Kyle McIntyre – Director of Education  
Rod Quintin – Chief Financial Officer  
Joanne Booth – Communications Coordinator  
Jackie Wiebe – Executive Assistant

**REGRETS:** Dianne Hahn  
Allan Bridal  
Larry Caswell

The meeting was called to order at 3:00 p.m. by Chair Kimberly Pridmore.

AGENDA     161/18 Andrus     THAT the Special Meeting Agenda be approved as circulated and revised.

CARRIED

Terry Olfert, Stark and Marsh, presented the Auditors Report

AUDITORS     162/18 Mouland     The Auditors Report is received

CARRIED

**SPECIAL MEETING ----- November 26, 2018**

AUDITORS 163/18 Weinbender THAT the Auditor's Report and Financial Statement, Supporting  
REPORT Schedules and notes for the period ending August 31, 2018, be  
approved as attached pending minor changes made after Ministry  
of Education and Finance format, review and approve.

CARRIED

ANNUAL 164/18 Ramage THAT the Annual Report, including Financial Statements and  
REPORT Public Accounts, for the Chinook School Division No. 211 for  
the period of September 1, 2017 to August 31, 2018 be approved.

CARRIED

DISCIPLINE 165/18 Humphrey THAT the recommendations contained within the Chinook School  
COMMITTEE Report, dated November 13, 2018, be approved.  
REPORT

CARRIED

SEIU 166/18 Toney THAT subject to ratification by the Union the Collective  
AGREEMENT Bargaining Agreement for the period of September 1, 2018 to  
August 31, 2021 with the Service Employees International Union  
(SEIU) West be ratified.

CARRIED

ADJOURN 167/18 Weinbender THAT we do now adjourn.

CARRIED

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Board Chair

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## Audited Financial Statements

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Of the Chinook School Division No. 211

School Division No. 2110500

For the Period Ending: August 31, 2018

Rod Quintin  
Chief Financial Officer

Stark & Marsh CPA LLP  
Auditor

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

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## **Management's Responsibility for the Financial Statements**

The school division's management is responsible for the preparation of the financial statements in accordance with Canadian public sector accounting standards and the format specified in the Financial Reporting Manual issued by the Ministry of Education. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The school division's management maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and 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.

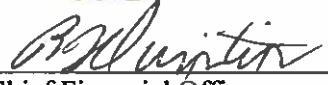
The Board of Education is composed of elected officials who are not employees of the school division. The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for approving the financial statements. The Board is also responsible for the appointment of the school division's external auditors.

The external auditors, Stark and Marsh CPA LLP, conduct an independent examination in accordance with Canadian auditing standards and express their opinion on the financial statements. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the school division's financial statements. 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.

On behalf of the Chinook School Division No. 211:

  
Board Chair

  
Director of Education

  
Chief Financial Officer

November 26, 2018



## INDEPENDENT AUDITOR'S REPORT

To: The Board of Trustees of Chinook School Division No. 211:

We have audited the accompanying financial statements of Chinook School Division No. 211, which comprise the statement of financial position as at August 31, 2018, and the statements of operations and accumulated surplus from operations, statement of changes in net financial assets and statement of 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.

### Auditor's 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 auditor's 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 organization'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 organization'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 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 Chinook School Division No. 211 as at August 31, 2018, and its financial performance and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in black ink that reads 'Stark &amp; Marsh'.

————— CPA LLP —————  
Chartered Professional Accountants  
Licensed Professional Accountants

Swift Current, SK  
November 26, 2018

**Chinook School Division No. 211**  
**Statement of Financial Position**  
**as at August 31, 2018**

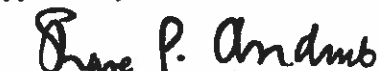
	2018	2017
	\$	\$
<b>Financial Assets</b>		
Cash and Cash Equivalents	26,472,987	5,410,866
Accounts Receivable (Note 8)	235,018	24,307,881
Assets Held for Sale	-	309,895
Portfolio Investments (Note 4)	59,550	76,274
<b>Total Financial Assets</b>	<b>26,767,555</b>	<b>30,104,916</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 9)	2,264,514	3,338,802
Long-Term Debt (Note 10)	13,304,315	12,014,000
Liability for Employee Future Benefits (Note 6)	1,906,300	1,794,300
Deferred Revenue (Note 11)	136,766	2,763,649
<b>Total Liabilities</b>	<b>17,611,895</b>	<b>19,910,751</b>
<b>Net Financial Assets</b>	<b>9,155,660</b>	<b>10,194,165</b>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule C)	93,111,414	95,824,644
Inventory of Supplies for Consumption	522,531	513,040
Prepaid Expenses	311,910	567,774
<b>Total Non-Financial Assets</b>	<b>93,945,855</b>	<b>96,905,458</b>
<b>Accumulated Surplus (Note 14)</b>	<b>103,101,515</b>	<b>107,099,623</b>

Contractual Rights (Note 18)

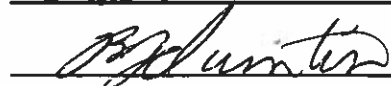
Contractual Obligations and Commitments (Note 19)

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

Approved by the Board:



Chairperson



Chief Financial Officer

**Chinook School Division No. 211**  
**Statement of Operations and Accumulated Surplus from Operations**  
**for the year ended August 31, 2018**

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	(Note 15)		
<b>REVENUES</b>			
Property Taxation	13,499,482	13,307,171	39,747,230
Grants	63,549,076	64,837,406	43,485,719
Tuition and Related Fees	791,343	975,361	898,260
School Generated Funds	2,294,400	2,236,300	2,245,068
Complementary Services (Note 12)	413,687	433,928	448,763
External Services (Note 13)	85,516	83,229	222,244
Other	640,535	1,160,844	698,630
<b>Total Revenues (Schedule A)</b>	<b>81,274,039</b>	<b>83,034,239</b>	<b>87,745,914</b>
<b>EXPENSES</b>			
Governance	353,921	274,546	504,170
Administration	3,469,344	3,453,781	3,763,347
Instruction	57,325,193	54,472,805	58,031,807
Plant	12,532,550	13,515,709	12,311,968
Transportation	9,962,578	9,790,057	10,550,543
Tuition and Related Fees	521,835	670,879	458,499
School Generated Funds	2,152,386	2,108,962	2,219,999
Complementary Services (Note 12)	412,092	377,279	481,856
External Services (Note 13)	72,428	76,980	163,720
Other Expenses	414,029	2,291,349	225,687
<b>Total Expenses (Schedule B)</b>	<b>87,216,356</b>	<b>87,032,347</b>	<b>88,711,596</b>
<b>Operating Deficit for the Year</b>	<b>(5,942,317)</b>	<b>(3,998,108)</b>	<b>(965,682)</b>
<b>Accumulated Surplus from Operations, Beginning of Year</b>	<b>107,099,623</b>	<b>107,099,623</b>	<b>108,065,305</b>
<b>Accumulated Surplus from Operations, End of Year</b>	<b>101,157,306</b>	<b>103,101,515</b>	<b>107,099,623</b>

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

**Chinook School Division No. 211**  
**Statement of Changes in Net Financial Assets**  
**for the year ended August 31, 2018**

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
	\$	\$	\$
	(Note 15)		
<b>Net Financial Assets, Beginning of Year</b>	<b>10,194,165</b>	<b>10,194,165</b>	<b>10,278,877</b>
<b>Changes During the Year</b>			
Operating Deficit for the Year	(5,942,317)	(3,998,108)	(965,682)
Acquisition of Tangible Capital Assets (Schedule C)	(1,699,000)	(2,362,509)	(4,477,891)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	608,000	173,695	618,578
Net Gain on Disposal of Capital Assets (Schedule C)	-	(77,454)	(48,793)
Amortization of Tangible Capital Assets (Schedule C)	4,878,704	4,979,498	5,052,287
Net Acquisition of Inventory of Supplies	-	(9,491)	(64,598)
Net Change in Other Non-Financial Assets	-	255,864	(198,613)
<b>Change in Net Financial Assets</b>	<b>(2,154,613)</b>	<b>(1,038,505)</b>	<b>(84,712)</b>
<b>Net Financial Assets, End of Year</b>	<b>8,039,552</b>	<b>9,155,660</b>	<b>10,194,165</b>

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



**Chinook School Division No. 211**  
**Statement of Cash Flows**  
**for the year ended August 31, 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Operating Deficit for the Year	(3,998,108)	(965,682)
Add Non-Cash Items Included in Deficit (Schedule D)	4,902,044	5,003,494
Net Change in Non-Cash Operating Activities (Schedule E)	21,039,960	1,821,387
<b>Cash Provided by Operating Activities</b>	<b>21,943,896</b>	<b>5,859,199</b>
<b>CAPITAL ACTIVITIES</b>		
Cash Used to Acquire Tangible Capital Assets	(2,362,509)	(4,477,891)
Proceeds on Disposal of Tangible Capital Assets	173,695	618,578
<b>Cash Used by Capital Activities</b>	<b>(2,188,814)</b>	<b>(3,859,313)</b>
<b>INVESTING ACTIVITIES</b>		
Cash Used to Acquire Portfolio Investments	(1,508)	(4,480)
Proceeds on Disposal of Portfolio Investments	18,232	1,904
<b>Cash Provided (Used) by Investing Activities</b>	<b>16,724</b>	<b>(2,576)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from Issuance of Long-Term Debt	1,938,635	-
Repayment of Long-Term Debt	(648,320)	(1,150,345)
<b>Cash Provided (Used) by Financing Activities</b>	<b>1,290,315</b>	<b>(1,150,345)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>21,062,121</b>	<b>846,965</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>5,410,866</b>	<b>4,563,901</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>26,472,987</b>	<b>5,410,866</b>

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

**Chinook School Division No. 211**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Property Taxation Revenue</b>			
<b>Tax Levy Revenue</b>			
Property Tax Levy Revenue	13,499,482	12,799,010	38,751,364
<b>Total Property Tax Revenue</b>	<b>13,499,482</b>	<b>12,799,010</b>	<b>38,751,364</b>
<b>Grants in Lieu of Taxes</b>			
Federal Government	-	68,082	596,247
Provincial Government	-	159,555	248,589
Railways	-	132,652	645,888
Other	-	201,468	(42,146)
<b>Total Grants in Lieu of Taxes</b>	<b>-</b>	<b>561,757</b>	<b>1,448,578</b>
<b>Other Tax Revenues</b>			
Treaty Land Entitlement - Rural	-	7,133	-
House Trailer Fees	-	(10,524)	29,367
<b>Total Other Tax Revenues</b>	<b>-</b>	<b>(3,391)</b>	<b>29,367</b>
<b>Additions to Levy</b>			
Penalties	-	101,314	74,732
Other	-	(12,591)	161,534
<b>Total Additions to Levy</b>	<b>-</b>	<b>88,723</b>	<b>236,266</b>
<b>Deletions from Levy</b>			
Cancellations	-	(138,232)	(736,588)
Other Deletions	-	(696)	18,243
<b>Total Deletions from Levy</b>	<b>-</b>	<b>(138,928)</b>	<b>(718,345)</b>
<b>Total Property Taxation Revenue</b>	<b>13,499,482</b>	<b>13,307,171</b>	<b>39,747,230</b>
<b>Grants</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	61,498,956	62,507,614	41,336,082
Other Ministry Grants	65,300	67,709	10,058
<b>Total Ministry Grants</b>	<b>61,564,256</b>	<b>62,575,323</b>	<b>41,346,140</b>
Other Provincial Grants	-	-	4,000
Grants from Others	269,103	282,557	352,302
<b>Total Operating Grants</b>	<b>61,833,359</b>	<b>62,857,880</b>	<b>41,702,442</b>
<b>Capital Grants</b>			
Ministry of Education Capital Grants	1,715,717	1,979,526	1,783,277
<b>Total Capital Grants</b>	<b>1,715,717</b>	<b>1,979,526</b>	<b>1,783,277</b>
<b>Total Grants</b>	<b>63,549,076</b>	<b>64,837,406</b>	<b>43,485,719</b>

**Chinook School Division No. 211**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Tuition and Related Fees Revenue</b>			
<b>Operating Fees</b>			
Tuition Fees			
School Boards	17,000	26,100	26,100
Federal Government and First Nations	502,740	608,290	540,423
Individuals and Other	-	13,955	13,391
<b>Total Tuition Fees</b>	<b>519,740</b>	<b>648,345</b>	<b>579,914</b>
Transportation Fees	271,603	327,016	318,346
<b>Total Operating Tuition and Related Fees</b>	<b>791,343</b>	<b>975,361</b>	<b>898,260</b>
<b>Total Tuition and Related Fees Revenue</b>	<b>791,343</b>	<b>975,361</b>	<b>898,260</b>
<b>School Generated Funds Revenue</b>			
<b>Non-Curricular Fees</b>			
Commercial Sales - GST	4,400	-	-
Commercial Sales - Non-GST	400,000	130,166	148,959
Fundraising	800,000	1,123,617	1,253,221
Grants and Partnerships	190,000	85,211	164,245
Students Fees	250,000	435,293	215,107
Other	650,000	462,013	463,536
<b>Total Non-Curricular Fees</b>	<b>2,294,400</b>	<b>2,236,300</b>	<b>2,245,068</b>
<b>Total School Generated Funds Revenue</b>	<b>2,294,400</b>	<b>2,236,300</b>	<b>2,245,068</b>
<b>Complementary Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Operating Grant	327,237	327,348	336,900
<b>Total Operating Grants</b>	<b>327,237</b>	<b>327,348</b>	<b>336,900</b>
<b>Fees and Other Revenue</b>			
Tuition and Related Fees	86,450	106,580	104,713
Other Revenue	-	-	7,150
<b>Total Fees and Other Revenue</b>	<b>86,450</b>	<b>106,580</b>	<b>111,863</b>
<b>Total Complementary Services Revenue</b>	<b>413,687</b>	<b>433,928</b>	<b>448,763</b>

**Chinook School Division No. 211**  
**Schedule A: Supplementary Details of Revenues**  
**for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>External Services</b>			
<b>Operating Grants</b>			
Ministry of Education Grants			
Other Ministry Grants	-	76,896	191,896
Other Provincial Grants	76,516	-	22,584
<b>Total Operating Grants</b>	<b>76,516</b>	<b>76,896</b>	<b>214,480</b>
<b>Fees and Other Revenue</b>			
Other Revenue	9,000	6,333	7,764
<b>Total Fees and Other Revenue</b>	<b>9,000</b>	<b>6,333</b>	<b>7,764</b>
<b>Total External Services Revenue</b>	<b>85,516</b>	<b>83,229</b>	<b>222,244</b>
<b>Other Revenue</b>			
Miscellaneous Revenue	557,105	707,588	434,970
Sales & Rentals	83,430	74,564	95,980
Investments	-	301,238	118,887
Gain on Disposal of Capital Assets	-	77,454	48,793
<b>Total Other Revenue</b>	<b>640,535</b>	<b>1,160,844</b>	<b>698,630</b>
<b>TOTAL REVENUE FOR THE YEAR</b>	<b>81,274,039</b>	<b>83,034,239</b>	<b>87,745,914</b>

**Chinook School Division No. 211**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
<b>Governance Expense</b>			
Board Members Expense	135,896	100,209	169,971
Professional Development - Board Members	15,000	13,955	34,586
Advisory Committees	60,627	50,971	52,758
Elections	4,000	-	35,246
Other Governance Expenses	138,398	109,411	211,609
<b>Total Governance Expense</b>	<b>353,921</b>	<b>274,546</b>	<b>504,170</b>
<b>Administration Expense</b>			
Salaries	2,329,322	2,448,278	2,720,582
Benefits	255,440	241,993	260,814
Supplies & Services	193,377	234,230	175,541
Non-Capital Furniture & Equipment	71,244	25,836	12,145
Building Operating Expenses	102,500	92,742	93,071
Communications	106,205	89,230	105,189
Travel	83,756	84,456	81,203
Professional Development	53,000	9,027	8,815
Amortization of Tangible Capital Assets	274,500	227,989	305,987
<b>Total Administration Expense</b>	<b>3,469,344</b>	<b>3,453,781</b>	<b>3,763,347</b>
<b>Instruction Expense</b>			
Instructional (Teacher Contract) Salaries	40,229,460	38,770,198	40,418,535
Instructional (Teacher Contract) Benefits	1,920,191	1,936,512	1,991,444
Program Support (Non-Teacher Contract) Salaries	8,167,249	7,791,605	8,688,119
Program Support (Non-Teacher Contract) Benefits	1,560,092	1,428,997	1,580,758
Instructional Aids	1,745,415	1,214,623	1,608,146
Supplies & Services	674,987	631,828	675,940
Non-Capital Furniture & Equipment	917,748	1,092,043	1,051,525
Communications	199,101	199,143	222,318
Travel	583,233	454,831	665,747
Professional Development	555,663	234,998	375,532
Student Related Expense	393,135	401,424	307,054
Amortization of Tangible Capital Assets	378,919	316,603	446,689
<b>Total Instruction Expense</b>	<b>57,325,193</b>	<b>54,472,805</b>	<b>58,031,807</b>

**Chinook School Division No. 211**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2018**

	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Plant Operation &amp; Maintenance Expense</b>			
Salaries	3,160,074	3,188,050	3,371,310
Benefits	570,513	565,310	576,253
Supplies & Services	14,200	13,528	14,333
Non-Capital Furniture & Equipment	39,000	31,859	48,938
Building Operating Expenses	5,863,341	6,618,937	5,293,891
Communications	15,258	12,839	13,073
Travel	154,500	137,475	133,604
Professional Development	7,000	18,370	16,193
Amortization of Tangible Capital Assets	2,708,664	2,929,341	2,844,373
<b>Total Plant Operation &amp; Maintenance Expense</b>	<b>12,532,550</b>	<b>13,515,709</b>	<b>12,311,968</b>
<b>Student Transportation Expense</b>			
Salaries	3,372,694	3,512,843	3,743,115
Benefits	628,316	587,571	645,761
Supplies & Services	1,449,475	1,220,693	1,332,189
Non-Capital Furniture & Equipment	865,277	832,357	1,096,092
Building Operating Expenses	167,000	156,459	166,007
Communications	28,908	21,287	22,746
Travel	30,000	20,831	22,541
Professional Development	37,168	2,600	15,079
Contracted Transportation	1,877,847	1,941,758	2,063,150
Amortization of Tangible Capital Assets	1,505,893	1,493,658	1,443,863
<b>Total Student Transportation Expense</b>	<b>9,962,578</b>	<b>9,790,057</b>	<b>10,550,543</b>
<b>Tuition and Related Fees Expense</b>			
Tuition Fees	448,835	586,049	353,441
Transportation Fees	73,000	84,830	105,058
<b>Total Tuition and Related Fees Expense</b>	<b>521,835</b>	<b>670,879</b>	<b>458,499</b>
<b>School Generated Funds Expense</b>			
Academic Supplies & Services	5,000	625	2,624
Cost of Sales	620,000	721,679	662,684
Non-Capital Furniture & Equipment	18,000	8,167	3,183
School Fund Expenses	1,500,000	1,367,591	1,541,444
Amortization of Tangible Capital Assets	9,386	10,900	10,064
<b>Total School Generated Funds Expense</b>	<b>2,152,386</b>	<b>2,108,962</b>	<b>2,219,999</b>

**Chinook School Division No. 211**  
**Schedule B: Supplementary Details of Expenses**  
**for the year ended August 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
	\$	\$	\$
<b>Complementary Services Expense</b>			
Instructional (Teacher Contract) Salaries & Benefits	231,305	186,381	278,572
Program Support (Non-Teacher Contract) Salaries & Benefits	66,572	99,642	78,393
Transportation Salaries & Benefits	24,946	28,599	39,194
Instructional Aids	1,778	3,482	3,422
Supplies & Services	33,000	15,006	16,296
Non-Capital Furniture & Equipment	-	-	673
Communications	1,100	637	9,239
Travel	2,000	1,486	4,152
Professional Development (Non-Salary Costs)	5,050	341	-
Student Related Expenses	-	3,804	6,393
Contracted Transportation & Allowances	45,000	36,894	44,211
Amortization of Tangible Capital Assets	1,341	1,007	1,311
<b>Total Complementary Services Expense</b>	<b>412,092</b>	<b>377,279</b>	<b>481,856</b>
<b>External Service Expense</b>			
Program Support (Non-Teacher Contract) Salaries & Benefits	59,928	57,499	98,199
Instructional Aids	-	-	147
Supplies & Services	1,000	2,783	49,880
Non-Capital Furniture & Equipment	-	5,300	-
Communications	1,500	1,208	1,390
Travel	8,000	10,190	11,916
Professional Development (Non-Salary Costs)	2,000	-	2,188
<b>Total External Services Expense</b>	<b>72,428</b>	<b>76,980</b>	<b>163,720</b>
<b>Other Expense</b>			
<b>Interest and Bank Charges</b>			
Current Interest and Bank Charges	12,400	717	8,121
Interest on Capital Loans	401,629	403,540	433,322
<b>Total Interest and Bank Charges</b>	<b>414,029</b>	<b>404,257</b>	<b>441,443</b>
Transfer of Taxes Receivable	-	1,887,092	-
Provision for Uncollectable Accounts	-	-	(215,756)
<b>Total Other Expense</b>	<b>414,029</b>	<b>2,291,349</b>	<b>225,687</b>
<b>TOTAL EXPENSES FOR THE YEAR</b>	<b>87,216,356</b>	<b>87,032,347</b>	<b>88,711,596</b>

**Chinook School Division No. 211**
**Schedule C - Supplementary Details of Tangible Capital Assets  
for the year ended August 31, 2018**

	Land		Buildings		Buildings	School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under		
	Land	Improvements	Buildings	Improvements	Short-Term	Buses	Vehicles	Equipment	Equipment	Software	Construction	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b><i>Tangible Capital Assets - at Cost</i></b>													
Opening Balance as of September 1	1,231,000	2,558,661	118,574,641	1,985,305	9,352,152	15,825,558	1,628,415	9,814,864	5,510,441	1,452,139	35,656	<b>167,968,832</b>	<b>165,433,586</b>
Additions/Purchases	-	-	-	-	-	2,204,571	57,135	64,047	36,756	-	-	<b>2,362,509</b>	<b>4,477,891</b>
Disposals	-	-	-	-	(140,437)	(746,372)	(63,614)	(4,721,176)	(4,475,659)	(1,427,555)	-	<b>(11,574,813)</b>	<b>(1,942,645)</b>
<b>Closing Balance as of August 31</b>	<b>1,231,000</b>	<b>2,558,661</b>	<b>118,574,641</b>	<b>1,985,305</b>	<b>9,211,715</b>	<b>17,283,757</b>	<b>1,621,936</b>	<b>5,157,735</b>	<b>1,071,538</b>	<b>24,584</b>	<b>35,656</b>	<b>158,756,528</b>	<b>167,968,832</b>
<b><i>Tangible Capital Assets - Amortization</i></b>													
Opening Balance as of September 1	-	1,159,267	43,288,905	334,832	3,746,268	7,914,652	1,177,235	7,881,259	5,195,974	1,445,796	-	<b>72,144,188</b>	<b>68,464,761</b>
Amortization of the Period	-	93,828	2,440,493	99,264	404,769	1,145,988	142,088	441,366	206,785	4,917	-	<b>4,979,498</b>	<b>5,052,287</b>
Disposals	-	-	-	-	(140,437)	(650,131)	(63,614)	(4,721,176)	(4,475,659)	(1,427,555)	-	<b>(11,478,572)</b>	<b>(1,372,860)</b>
<b>Closing Balance as of August 31</b>	<b>N/A</b>	<b>1,253,095</b>	<b>45,729,398</b>	<b>434,096</b>	<b>4,010,600</b>	<b>8,410,509</b>	<b>1,255,709</b>	<b>3,601,449</b>	<b>927,100</b>	<b>23,158</b>	<b>N/A</b>	<b>65,645,114</b>	<b>72,144,188</b>
<b>Net Book Value</b>													
Opening Balance as of September 1	1,231,000	1,399,394	75,285,736	1,650,473	5,605,884	7,910,906	451,180	1,933,605	314,467	6,343	35,656	<b>95,824,644</b>	<b>96,968,825</b>
Closing Balance as of August 31	1,231,000	1,305,566	72,845,243	1,551,209	5,201,115	8,873,248	366,227	1,556,286	144,438	1,426	35,656	<b>93,111,414</b>	<b>95,824,644</b>
<b>Change in Net Book Value</b>	<b>-</b>	<b>(93,828)</b>	<b>(2,440,493)</b>	<b>(99,264)</b>	<b>(404,769)</b>	<b>962,342</b>	<b>(84,953)</b>	<b>(377,319)</b>	<b>(170,029)</b>	<b>(4,917)</b>	<b>-</b>	<b>(2,713,230)</b>	<b>(1,144,181)</b>
<b>Disposals</b>													
Historical Cost	-	-	-	-	140,437	746,372	63,614	4,721,176	4,475,659	1,427,555	-	<b>11,574,813</b>	<b>1,942,645</b>
Accumulated Amortization	-	-	-	-	140,437	650,131	63,614	4,721,176	4,475,659	1,427,555	-	<b>11,478,572</b>	<b>1,372,860</b>
<b>Net Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96,241</b>	<b>569,785</b>
Price of Sale	-	-	-	-	86,346	82,890	4,459	-	-	-	-	<b>173,695</b>	<b>618,578</b>
<b>Gain (Loss) on Disposal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86,346</b>	<b>(13,351)</b>	<b>4,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,454</b>	<b>48,793</b>



**Chinook School Division No. 211**  
**Schedule D: Non-Cash Items Included in Deficit**  
**for the year ended August 31, 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Cash Items Included in Deficit</b>		
Amortization of Tangible Capital Assets (Schedule C)	4,979,498	5,052,287
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(77,454)	(48,793)
<b>Total Non-Cash Items Included in Deficit</b>	<b>4,902,044</b>	<b>5,003,494</b>

**Chinook School Division No. 211**  
**Schedule E: Net Change in Non-Cash Operating Activities**  
**for the year ended August 31, 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Net Change in Non-Cash Operating Activities</b>		
Decrease in Accounts Receivable	24,072,863	2,168,232
Decrease (Increase) in Assets Held for Sale	309,895	(309,895)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,074,288)	437,699
Increase in Liability for Employee Future Benefits	112,000	140,100
Decrease in Deferred Revenue	(2,626,883)	(351,538)
Increase in Inventory of Supplies for Consumption	(9,491)	(64,598)
Increase in Prepaid Expenses	255,864	(198,613)
<b>Total Net Change in Non-Cash Operating Activities</b>	<b>21,039,960</b>	<b>1,821,387</b>

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**1. AUTHORITY AND PURPOSE**

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Chinook School Division No. 211” and operates as “the Chinook School Division No. 211”. 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 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 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) Basis of Accounting**

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

**b) Reporting Entity**

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

**c) Trust Funds**

Trust funds are properties assigned to the school division (trustee) under a trust agreement or statute to be administered for the benefit of the trust beneficiaries. As a trustee, the school division merely administers the terms and conditions embodied in the agreement, and it has no unilateral authority to change the conditions set out in the trust indenture.

Trust funds are not included in the financial statements as they are not controlled by the school division. Trust fund activities administered by the school division are disclosed in Note 17 of the financial statements.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**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 amounts of revenues and expenses during the year.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$1,906,300 (2017 - \$1,794,300) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$39,747,230 in the previous year because final tax assessments may differ from initial estimates. As per Note 2 j) ii) the School Division no longer collects property tax and a measurement uncertainty does not exist at August 31, 2018.
- uncollectible taxes of \$759,897 in the previous year because actual collectability may differ from initial estimates. As per Note 2 j) ii) the School Division no longer collects property tax and a measurement uncertainty does not exist at August 31, 2018.
- accrued liabilities for contaminated sites of \$500,000 (2017 - \$500,000) because actual remediation costs may differ from valuation estimates.
- useful lives of capital assets and related accumulated amortization of \$65,645,114 (2017 - \$72,144,188) because the actual useful lives of the capital assets may differ from their estimated economic lives.

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 material changes 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 the contractual provisions of 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, accounts payable and accrued liabilities, and long-term debt.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of 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 revenues or expenses. Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

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.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transactions. Financial assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. The school division believes that it is not subject to significant unrealized foreign exchange translation gains and losses arising from its financial instruments.

**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.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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

**Assets Held for Sale** consist of school buses 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 amortized cost. Net realizable value is the estimated selling price in the ordinary course of business.

**Portfolio Investments** consist of Co-op and Credit Union equity and GICs with a term longer than one year. 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.

**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 of the school division include land, land improvements, buildings, building improvements, buildings – short-term, school buses, other vehicles, furniture and equipment, computer software, computer hardware and audio visual equipment, 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
Building improvements	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

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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Assets under construction are not amortized until completed and placed into service for use.

**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 insurance premiums, Workers' Compensation premiums, software licenses and photocopier copy agreements.

**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.

**Liability for Contaminated Sites** arises when contamination is being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the school division:
  - is directly responsible; or
  - accepts responsibility
- the school division expects that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Liabilities are accrued to record the estimated costs related to the management and remediation of contaminated sites where the school division is obligated or likely to be obligated to incur such costs. The liability estimate includes costs that are directly attributable to the remediation activities and reflects the costs required to bring the site up to the current environmental standard for its use prior to contamination. The liability is recorded net of any expected recoveries.

A detail of the accrued Liability for Contaminated Sites is included in Note 9 – Accounts Payable and Accrued Liabilities of the financial statements.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**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*.

**Liability for Employee Future Benefits** represents 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:

- i) Teachers participate in the Saskatchewan Teachers' Retirement Plan (STRP) or the Saskatchewan Teachers' Superannuation Plan (STSP). The school division's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**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. 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 1/12<sup>th</sup> of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

On January 1, 2018, pursuant to *The Education Property Tax Act*, the Government of Saskatchewan became the taxing authority for education property tax. As of that date, the school division no longer earns taxation revenue.

**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.



**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**iv) Interest Income**

Interest is recognized as revenue 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 and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

**3. SHORT-TERM BORROWINGS**

**Bank indebtedness** consists of a demand operating line of credit with a maximum borrowing limit of \$23,000,000 that bears interest at prime less 1.0% per annum with The Bank of Nova Scotia. This line of credit is authorized by a borrowing resolution by the board of education and is secured by operating and capital grants for the current year as well as other revenue. This line of credit was approved by the Minister of Education on May 5, 2011. The balance drawn on the line of credit at August 31, 2018 was \$0 (August 31, 2017 - \$0).

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of the following:

	2018	2017
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
GICs	\$ 32,442	\$ 32,527
Co-op and Credit Union Equity	27,108	43,747
<b>Total portfolio investments reported at cost and amortized cost</b>	<b>\$ 59,550</b>	<b>\$ 76,274</b>

**5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION**

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2018 Actual	2017 Actual
Governance	\$ 100,209	\$ 174,337	\$ -	\$ -	\$ 274,546	\$ 504,170
Administration	2,690,271	535,521	-	227,989	3,453,781	3,763,347
Instruction	49,927,312	4,228,890	-	316,603	54,472,805	58,031,807
Plant	3,753,360	6,833,008	-	2,929,341	13,515,709	12,311,968
Transportation	4,100,414	4,195,985	-	1,493,658	9,790,057	10,550,543
Tuition and Related Fees	-	670,879	-	-	670,879	458,499
School Generated Funds	-	2,098,062	-	10,900	2,108,962	2,219,999
Complementary Services	314,622	61,650	-	1,007	377,279	481,856
External Services	57,499	19,481	-	-	76,980	163,720
Other	-	1,887,092	404,257	-	2,291,349	225,687
<b>TOTAL</b>	<b>\$ 60,943,687</b>	<b>\$ 20,704,905</b>	<b>\$ 404,257</b>	<b>\$ 4,979,498</b>	<b>\$ 87,032,347</b>	<b>\$ 88,711,596</b>

**6. EMPLOYEE FUTURE BENEFITS**

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, accumulating vacation banks, accumulating paid time off (PTO) banks, and retirement gratuity. 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. Morneau Shepell Ltd, a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2018 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2018.

**CHINOOK SCHOOL DIVISION NO. 211**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**As at August 31, 2018**

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Details of the employee future benefits are as follows:

	2018	2017
Long-term assumptions used:		
Discount rate at end of period	3.00%	2.69%
Inflation and productivity rate (excluding merit and promotion) - Teachers	2.50%	2.50%
Inflation and productivity rate (excluding merit and promotion) - Non-Teachers	3.00%	3.00%
Expected average remaining service life (years)	13	13

Liability for Employee Future Benefits	2018	2017
Accrued Benefit Obligation - beginning of year	\$ 1,636,800	\$ 1,734,100
Current period service cost	137,000	160,100
Interest cost	46,900	39,100
Benefit payments	(60,200)	(65,200)
Actuarial gains	(297,100)	(231,300)
Accrued Benefit Obligation - end of year	1,463,400	1,636,800
Unamortized Net Actuarial Gains	442,900	157,500
Liability for Employee Future Benefits	\$ 1,906,300	\$ 1,794,300

Expense for Employee Future Benefits	2018	2017
Current period service cost	\$ 137,000	\$ 160,100
Amortization of net actuarial (gain) loss	(11,700)	6,100
Benefit cost	125,300	166,200
Interest cost	46,900	39,100
Total Employee Future Benefits Expense	\$ 172,200	\$ 205,300

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**7. PENSION PLANS**

**Multi-Employer Defined Benefit Plans**

Information on the multi-employer pension plans to which the school division contributes is as follows:

**i) Saskatchewan Teachers' Retirement Plan (STRP) and 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:

	2018			2017
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	540	10	550	576
Member contribution rate (percentage of salary)	11.30%/13.50%	6.05%/7.85%	6.05%/13.50%	6.05%/13.50%
Member contributions for the year	\$ 4,551,147	\$ 10,324	\$ 4,561,471	\$ 4,789,565

**ii) Municipal Employees' Pension Plan (MEPP)**

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

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The contributions to the MEPP 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. The plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

Details of the MEPP are as follows:

	2018	2017
Number of active School Division members	584	619
Member contribution rate (percentage of salary)	9.00%/8.15%	8.15%
School Division contribution rate (percentage of salary)	9.00%/8.15%	8.15%
Member contributions for the year	\$ 1,245,705	\$ 1,312,641
School Division contributions for the year	\$ 1,245,705	\$ 1,310,402
Actuarial extrapolation date	Dec-31-2017	Dec-31-2016
Plan Assets (in thousands)	\$ 2,469,995	\$ 2,323,947
Plan Liabilities (in thousands)	\$ 2,015,818	\$ 1,979,463
Plan Surplus (in thousands)	\$ 454,177	\$ 344,484

## 8. ACCOUNTS RECEIVABLE

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

	2018			2017		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ -	\$ -	\$ -	\$ 24,134,912	\$ 759,897	\$ 23,375,015
Capital Grant Receivable	-	-	-	67,560	-	67,560
Receivable from First Nations	13,211	13,211	-	331,515	13,211	318,304
GST Receivable	186,903	-	186,903	321,269	-	321,269
Other	48,115	-	48,115	225,733	-	225,733
<b>Total Accounts Receivable</b>	<b>\$ 248,229</b>	<b>\$ 13,211</b>	<b>\$ 235,018</b>	<b>\$ 25,080,989</b>	<b>\$ 773,108</b>	<b>\$ 24,307,881</b>

During the year, \$1,887,092 of taxes receivable were transferred from the school division to the Government of Saskatchewan. This amount has been expensed in the statements on Schedule B Other Expenses.

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**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Details of accounts payable and accrued liabilities are as follows:

	2018	2017
Accrued Salaries and Benefits	\$ 914,557	\$ 869,955
Supplier Payments	778,919	1,958,245
Liability for Contaminated Sites	500,000	500,000
Capital Holdbacks	71,038	10,602
<b>Total Accounts Payable and Accrued Liabilities</b>	<b>\$ 2,264,514</b>	<b>\$ 3,338,802</b>

The school division recognized an estimated liability for contaminated site of \$500,000 (2017 - \$500,000) for the remediation of Sidney Street School using environmental assessment studies. The nature of the liability is hydrocarbon contamination to the soil due to underground gas storage tanks. The assumptions used in estimating the liability include estimation of remediation costs in the environmental studies coupled with past best practices of costs associated with the remediation solutions. The amount of estimated recoveries is \$0 (2017 - \$0).

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**10. LONG-TERM DEBT**

Details of long-term debt are as follows:

	2018	2017
Capital Loans:		
Bank of Nova Scotia fixed rate (4.09%), secured by security agreement for Municipalities and School Boards, maturing July 2023. Annual blended payments of \$30,410.	\$ 1,914,959	\$ -
TD Bank fixed rate (3.58%), unsecured, maturing April 2033. Monthly blended payments of \$55,379.	7,575,984	7,961,766
TD Bank accrued interest to August 31, 2018	11,889	13,275
TD Bank fixed rate (2.84%), unsecured, matured December 2017. Monthly blended payments of \$18,061.	-	71,818
TD Bank accrued interest to August 31, 2018	-	95
Innovation CU fixed rate (2.98%), secured by general security agreement and assignment of book debts, maturing March 2019. Monthly blended payments of \$6,158.	920,132	965,864
Innovation CU accrued interest to August 31, 2018	1,202	1,257
Innovation CU fixed rate (2.60%), secured by general security agreement and assignment of book debts, maturing December 2019. Monthly blended payments of \$3,129.	498,761	523,004
Royal Bank fixed rate (3.33%), unsecured, maturing November 2035. Annual blended payments of \$173,208.	2,317,089	2,410,042
Royal Bank accrued interest to August 31, 2018	64,299	66,879
<b>Total Long-Term Debt</b>	<b>\$ 13,304,315</b>	<b>\$ 12,014,000</b>

Future principal repayments over the next 5 years are estimated as follows:

	Capital Loans	Total
2019	\$ 940,711	\$ 940,711
2020	876,534	876,534
2021	907,888	907,888
2022	939,905	939,905
2023	973,215	973,215
Thereafter	8,666,062	8,666,062
<b>Total</b>	<b>\$ 13,304,315</b>	<b>\$ 13,304,315</b>

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Principal and interest payments on the long-term debt are as follows:				
	Capital Loans		2018	2017
Principal	\$	648,320	\$	648,320
Interest		403,540		403,540
Total	\$	1,051,860	\$	1,051,860

## 11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2017	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2018
<b>Capital projects:</b>				
Federal capital tuition	\$ 81,444	\$ 15,213	\$ -	\$ 96,657
<b>Total capital projects deferred revenue</b>	<b>81,444</b>	<b>15,213</b>	<b>-</b>	<b>96,657</b>
<b>Other deferred revenue:</b>				
Property Taxation	2,595,595	-	2,595,595	-
Chinook International Program	82,905	-	58,784	24,121
CAMPS - Fundraising	1,620	12,284	-	13,904
English as Additional Language Grant	2,070	-	-	2,070
Rentals	15	-	1	14
<b>Total other deferred revenue</b>	<b>2,682,205</b>	<b>12,284</b>	<b>2,654,380</b>	<b>40,109</b>
<b>Total Deferred Revenue</b>	<b>\$ 2,763,649</b>	<b>\$ 27,497</b>	<b>\$ 2,654,380</b>	<b>\$ 136,766</b>

## 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:



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Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Chinook International Program	2018	2017
Revenue:				
Operating Grants	\$ 327,348	\$ -	\$ 327,348	\$ 336,900
Fees and Other Revenue	-	106,580	106,580	111,863
<b>Total Revenue</b>	<b>327,348</b>	<b>106,580</b>	<b>433,928</b>	<b>448,763</b>
Expenses:				
Salaries & Benefits	314,622	-	314,622	396,158
Instructional Aids	1,573	1,909	3,482	3,423
Supplies and Services	-	15,006	15,006	16,969
Communications	-	637	637	9,239
Travel	536	950	1,486	4,152
Professional Development (Non-Salary Costs)	341	-	341	-
Student Related Expenses	-	3,804	3,804	6,393
Contracted Transportation & Allowances	-	36,894	36,894	44,211
Amortization of Tangible Capital Assets	1,007	-	1,007	1,311
<b>Total Expenses</b>	<b>318,079</b>	<b>59,200</b>	<b>377,279</b>	<b>481,856</b>
<b>Excess (Deficiency) of Revenue over Expenses</b>	<b>\$ 9,269</b>	<b>\$ 47,380</b>	<b>\$ 56,649</b>	<b>\$ (33,093)</b>

The purpose and nature of each Complementary Services program is as follows:

Pre-Kindergarten Programs provide developmental programming within a school setting prior to the traditional kindergarten.

Chinook International Program (CIP) provides opportunity for international students to access an educational experience in a Chinook Division school.

### **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:

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Summary of External Services Revenues and Expenses, by Program	Family Advocacy Worker	Cafeteria	2018	2017
Revenue:				
Operating Grants	\$ 76,896	\$ -	\$ 76,896	\$ 214,480
Fees and Other Revenue	-	6,333	6,333	7,764
<b>Total Revenue</b>	<b>76,896</b>	<b>6,333</b>	<b>83,229</b>	<b>222,244</b>
Expenses:				
Salaries & Benefits	57,499	-	57,499	98,199
Supplies and Services	8,083	-	8,083	50,027
Communications	1,208	-	1,208	1,390
Travel	10,190	-	10,190	11,916
Professional Development	-	-	-	2,188
<b>Total Expenses</b>	<b>76,980</b>	<b>-</b>	<b>76,980</b>	<b>163,720</b>
Excess (Deficiency) of Revenue over Expenses	\$ (84)	\$ 6,333	\$ 6,249	\$ 58,524

The purpose and nature of each External Services program is as follows:

The Cafeteria is located within the Swift Current Comprehensive High School.

The Family Advocacy Worker (FAW) program addresses issues encountered by vulnerable Saskatchewan Youth.

#### **14. ACCUMULATED SURPLUS**

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

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes (school generated funds, school based budget, professional development, board election and other programs). These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the internally restricted amounts.

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Details of accumulated surplus are as follows:

	August 31 2017	Additions during the year	Reductions during the year	August 31 2018
<b>Invested in Tangible Capital Assets:</b>				
Net Book Value of Tangible Capital Assets	\$ 95,824,644	\$ 2,362,509	\$ (5,075,739)	\$ 93,111,414
Less: Debt owing on Tangible Capital Assets	12,014,000	1,938,635	(648,320)	13,304,315
	<b>83,810,644</b>	<b>423,874</b>	<b>(4,427,419)</b>	<b>79,807,099</b>
<b>PMR maintenance project allocations (1)</b>	<b>2,089,559</b>	<b>1,982,530</b>	<b>(1,765,774)</b>	<b>2,306,315</b>
<b>Internally Restricted Surplus:</b>				
Other:				
School Generated Funds	1,180,107	139,903	-	1,320,010
Professional Development	1,182,380	224,733	(48,286)	1,358,827
School Budget Carryovers	166,901	238,953	-	405,854
Frontier Playground	1,720	-	-	1,720
Board Election	24,000	-	-	24,000
Family Advocacy Project	46,152	-	(85)	46,067
	<b>2,601,260</b>	<b>603,589</b>	<b>(48,371)</b>	<b>3,156,478</b>
<b>Unrestricted Surplus</b>	<b>18,598,160</b>	<b>-</b>	<b>(766,537)</b>	<b>17,831,623</b>
<b>Total Accumulated Surplus</b>	<b>\$ 107,099,623</b>	<b>\$ 3,009,993</b>	<b>\$ 7,008,101</b>	<b>\$ 103,101,515</b>

- (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.

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

School Generated Funds – Public funds that have been generated at the schools and used to enhance the development of education programs and to support school initiatives and activities.

Professional Development – As per the current Local Implementation and Negotiation Committee (LINC) agreement, 1.5% of teacher salaries excluding allowances are budgeted for professional development each year. Any unused funds are reflected as restricted surplus.

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School Budget Carryovers – Reflects that balance of yearly budget carryover from allocated budget for decentralized expenditures.

Frontier Playground – Reflects funds that have been generated for a new playground for Frontier School.

Board Election – Reflects funds that are restricted for future board election expenditures.

Family Advocacy Project – Reflects funds that have been generated for the particular program. Unspent funds at the end of the fiscal year are designated for this program.

**15. BUDGET FIGURES**

Budget figures included in the financial statements were approved by the board of education on June 26, 2017 and the Minister of Education on August 28, 2017.

**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, Saskatchewan Health Authority, colleges, and crown corporations under the common control of the Government of Saskatchewan. Related parties of the school division also include its key management personnel, close family members of its key management personnel, and entities controlled by, or under shared control of any of these individuals.

**Related Party Transactions**

Transactions with these related parties have occurred and been settled on normal trade terms.

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	2018	2017
<b>Revenues:</b>		
Ministry of Education	\$ 65,124,556	\$ 43,768,391
Workers' Compensation Board (Saskatchewan)	1,996	141,875
Ministry of Social Services	-	22,584
Saskatchewan School Divisions	351,963	341,561
Saskatchewan Government Insurance	282,557	352,302
Saskatchewan Power Corporation	-	4,000
	<b>\$ 65,761,072</b>	<b>\$ 44,630,713</b>
<b>Expenses:</b>		
Minister of Finance	\$ 3,936	\$ 4,529
Saskatchewan Health Authority	-	133
Good Spirit School Division - Public Section Trust	4,134	52,548
Great Plains College	403,922	232,648
Queen's Printer Revolving Fund	382	483
Saskatchewan School Divisions	424,802	454,907
SaskEnergy Incorporated	529,809	466,193
Workers' Compensation Board (Saskatchewan)	174,052	210,086
Saskatchewan Power Corporation	690,069	671,599
Saskatchewan Telecommunications Holding Corporation	201,463	295,795
Saskatchewan Government Insurance	303,116	184,218
	<b>\$ 2,735,685</b>	<b>\$ 2,573,139</b>
<b>Accounts Receivable:</b>		
Ministry of Education	\$ -	\$ 133,697
Saskatchewan School Divisions	3,857	-
	<b>\$ 3,857</b>	<b>\$ 133,697</b>
<b>Prepaid Expenses:</b>		
Workers' Compensation Board (Saskatchewan)	\$ 73,453	\$ 82,551
	<b>\$ 73,453</b>	<b>\$ 82,551</b>
<b>Accounts Payable and Accrued Liabilities:</b>		
SaskEnergy Incorporated	\$ 9,520	\$ 7,185
Saskatchewan Power Corporation	41,109	44,921
Saskatchewan School Divisions	72,792	10,811
Saskatchewan Telecommunications Holding Corporation	15,095	16,406
	<b>\$ 138,516</b>	<b>\$ 79,323</b>

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

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**17. TRUSTS**

The school division, as the trustee, administers trust funds for scholarships. The trust assets and transactions are not included in the financial statements.

Information about these trusts is as follows:

Scholarships		
	<u>2018</u>	<u>2017</u>
Cash and short-term investments	\$ 288,562	\$ 296,589
<b>Total Assets</b>	<b>288,562</b>	<b>296,589</b>
Revenues		
Contributions and donations	2,000	-
Interest on investments	4,921	3,306
	<u>6,921</u>	<u>3,306</u>
Expenses		
Recipient and DSLP Payouts	14,948	20,040
	<u>14,948</u>	<u>20,040</u>
Deficiency of Revenues over Expenses	(8,027)	(16,734)
Trust Fund Balance, Beginning of Year	296,589	313,323
<b>Trust Fund Balance, End of Year</b>	<b>\$ 288,562</b>	<b>\$ 296,589</b>

**18. CONTRACTUAL RIGHTS**

Significant contractual rights of the school division are as follows:

- Bussing contract to transport Holy Trinity School Division students based on a yearly calculated cost per student applied to the number of Holy Trinity students transported. This contract is in effect for 5 years effective August 31, 2018

**19. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

The school division has ongoing service commitments for school/office equipment. Copier contract and commitments are as follows:

	Copier	Total
2019	\$ 289,302	\$ 289,302
2020	289,302	289,302
2021	289,302	289,302
2022	289,302	289,302
2023	289,302	289,302
<b>Total</b>	<b>\$ 1,446,510</b>	<b>\$ 1,446,510</b>

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**20. COMPARATIVE INFORMATION**

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

**21. 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. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of other accounts receivable at August 31, 2018 was:

<b>August 31, 2018</b>					
	<b>Total</b>	<b>0-30 days</b>	<b>30-60 days</b>	<b>60-90 days</b>	<b>Over 90 days</b>
Other Receivables	\$61,326	\$23,666	\$286	-	\$37,374
<b>Gross Receivables</b>	61,326	23,666	286	-	37,374
Allowance for Doubtful Accounts	(13,211)	-	-	-	(13,211)
<b>Net Receivables</b>	<b>\$ 48,115</b>	<b>\$ 23,666</b>	<b>\$ 286</b>	<b>\$ -</b>	<b>\$ 24,163</b>

Receivable amounts related to GST are not applicable to credit risk, as these do not meet the definition of a financial instrument.

**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 continually monitoring budget practices and cash flows. The following table sets out the contractual maturities of the school division's financial liabilities:

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	August 31, 2018				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,264,514	\$ 1,764,514	\$ -	\$ -	\$ 500,000
Long-term debt	13,304,315	542,848	397,863	3,697,542	8,666,062
<b>Total</b>	<b>\$ 15,568,829</b>	<b>\$ 2,307,362</b>	<b>\$ 397,863</b>	<b>\$ 3,697,542</b>	<b>\$ 9,166,062</b>

Long-term debt repayments of \$9,969,261 included in the above amounts are repayments on unsecured debt.

### 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 \$23,000,000 with interest payable monthly at a rate of prime less 1.0% per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2018.

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
- 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 school division believes that it is not subject to significant foreign exchange risk from its financial instruments.