

Minutes of the Special Meeting of the Board of Education of the Chinook School Division No. 211 held on Monday, November 25, 2019 at 3:00 p.m. at the Chinook Education Centre.

PRESENT: Kimberly Pridmore
Katelyn Toney
Shane Andrus
Allan Bridal
Larry Caswell
Dianne Hahn
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

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

AGENDA 158/19 Ramage THAT the Special Meeting Agenda be approved as circulated and revised.

CARRIED

Terri Olfert and Brian Tuntland of Stark and Marsh, presented the Auditors Report

AUDITORS 159/19 Bridal The Auditors Report is received

CARRIED

SPECIAL MEETING ----- November 25, 2019

AUDITORS 160/19 Weinbender THAT the Auditor’s Report and Financial Statement, Supporting
REPORT Schedules and notes for the period ending August 31, 2019, be
approved as attached pending any significant changes made after
Ministry of Education and Finance format, review and approve.

CARRIED

ANNUAL 161/19 Toney THAT the Annual Report, including Financial Statements and
REPORT Public Accounts, for the Chinook School Division No. 211 for
the period of September 1, 2018 to August 31, 2019 be approved.

CARRIED

ADJOURN 162/19 Hahn THAT we do now adjourn.

CARRIED

Board Chair

CFO

Audited Financial Statements

Of the Chinook School Division No. 211

School Division No. 2110500

For the Period Ending: August 31, 2019

Rod Quintin
Chief Financial Officer

Stark & Marsh CPA LLP
Auditor

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

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 25, 2019

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Chinook School Division No. 211, which comprise the statement of financial position as at August 31, 2019, and the statements of operations and accumulated surplus from operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CPA LLP
Chartered Professional Accountants

Swift Current, Saskatchewan
<< Pending Board approval of draft financial statements >>

Chinook School Division No. 211
Statement of Financial Position
as at August 31, 2019

	2019	2018
	\$	\$
Financial Assets		
Cash and Cash Equivalents	25,622,054	26,472,987
Accounts Receivable (Note 7)	702,964	235,018
Portfolio Investments (Note 3)	1,536,206	59,550
Total Financial Assets	27,861,224	26,767,555
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	2,680,977	2,341,904
Long-Term Debt (Note 9)	12,367,519	13,226,925
Liability for Employee Future Benefits (Note 5)	1,942,600	1,906,300
Deferred Revenue (Note 10)	177,212	136,766
Total Liabilities	17,168,308	17,611,895
Net Financial Assets	10,692,916	9,155,660
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	89,094,262	93,111,414
Inventory of Supplies for Consumption	547,560	522,531
Prepaid Expenses	377,198	311,910
Total Non-Financial Assets	90,019,020	93,945,855
Accumulated Surplus (Note 13)	100,711,936	103,101,515

Contractual Rights (Note 16)

Contractual Obligations and Commitments (Note 17)

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, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
REVENUES	(Note 14)		
Property Taxes and Other Related Grants	-	-	13,307,171
Grants	77,268,641	77,927,635	64,837,406
Tuition and Related Fees	945,361	968,902	975,361
School Generated Funds	2,294,400	2,142,756	2,236,300
Complementary Services (Note 11)	419,798	404,315	433,928
External Services (Note 12)	85,896	108,161	83,229
Other	422,430	849,559	1,160,844
Total Revenues (Schedule A)	81,436,526	82,401,328	83,034,239
EXPENSES			
Governance	353,920	351,173	274,546
Administration	3,359,599	3,200,487	3,453,781
Instruction	55,602,154	53,232,234	54,472,805
Plant	12,929,263	14,720,751	13,515,709
Transportation	10,020,314	9,680,427	9,790,057
Tuition and Related Fees	659,713	498,717	670,879
School Generated Funds	2,153,900	2,095,705	2,108,962
Complementary Services (Note 11)	448,340	438,388	377,279
External Services (Note 12)	73,804	105,359	76,980
Other	483,811	467,666	2,291,349
Total Expenses (Schedule B)	86,084,818	84,790,907	87,032,347
Operating Deficit for the Year	(4,648,292)	(2,389,579)	(3,998,108)
Accumulated Surplus from Operations, Beginning of Year	103,101,515	103,101,515	107,099,623
Accumulated Surplus from Operations, End of Year	98,453,223	100,711,936	103,101,515

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, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
	(Note 14)		
Net Financial Assets, Beginning of Year	9,155,660	9,155,660	10,194,165
Changes During the Year			
Operating Deficit for the Year	(4,648,292)	(2,389,579)	(3,998,108)
Acquisition of Tangible Capital Assets (Schedule C)	(310,000)	(968,719)	(2,362,509)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	75,771	173,695
Net Gain on Disposal of Capital Assets (Schedule C)	-	(4,781)	(77,454)
Amortization of Tangible Capital Assets (Schedule C)	4,815,336	4,914,881	4,979,498
Net Acquisition of Inventory of Supplies	-	(25,029)	(9,491)
Net Change in Other Non-Financial Assets	-	(65,288)	255,864
Change in Net Financial Assets	(142,956)	1,537,256	(1,038,505)
Net Financial Assets, End of Year	9,012,704	10,692,916	9,155,660

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, 2019

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Operating Deficit for the Year	(2,389,579)	(3,998,108)
Add Non-Cash Items Included in Deficit (Schedule D)	4,910,100	4,902,044
Net Change in Non-Cash Operating Activities (Schedule E)	(142,444)	21,035,845
Cash Provided by Operating Activities	2,378,077	21,939,781
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(968,719)	(2,362,509)
Proceeds on Disposal of Tangible Capital Assets	75,771	173,695
Cash Used by Capital Activities	(892,948)	(2,188,814)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(1,501,688)	(1,508)
Proceeds on Disposal of Portfolio Investments	25,032	18,232
Cash Provided (Used) by Investing Activities	(1,476,656)	16,724
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	1,938,635
Repayment of Long-Term Debt	(859,406)	(644,205)
Cash Provided (Used) by Financing Activities	(859,406)	1,294,430
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(850,933)	21,062,121
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	26,472,987	5,410,866
CASH AND CASH EQUIVALENTS, END OF YEAR	25,622,054	26,472,987

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, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Property Taxes and Other Related Revenue			
Tax Levy Revenue			
Revenue from Supplemental Levies	-	-	12,799,010
Total Property Tax Revenue	-	-	12,799,010
Grants in Lieu of Taxes			
Federal Government	-	-	68,082
Provincial Government	-	-	159,555
Railways	-	-	132,652
Other	-	-	201,468
Total Grants in Lieu of Taxes	-	-	561,757
Other Tax Revenues			
Treaty Land Entitlement - Urban	-	-	7,133
House Trailer Fees	-	-	(10,524)
Total Other Tax Revenues	-	-	(3,391)
Additions to Levy			
Penalties	-	-	101,314
Other	-	-	(12,591)
Total Additions to Levy	-	-	88,723
Deletions from Levy			
Cancellations	-	-	(138,232)
Other Deletions	-	-	(696)
Total Deletions from Levy	-	-	(138,928)
Total Property Taxes and Other Related Revenue	-	-	13,307,171
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	74,867,292	74,976,324	62,507,614
Other Ministry Grants	65,300	67,652	67,709
Total Ministry Grants	74,932,592	75,043,976	62,575,323
Other Provincial Grants	-	304	-
Grants from Others	353,519	274,782	282,557
Total Operating Grants	75,286,111	75,319,062	62,857,880
Capital Grants			
Ministry of Education Capital Grants	1,982,530	2,608,573	1,979,526
Total Capital Grants	1,982,530	2,608,573	1,979,526
Total Grants	77,268,641	77,927,635	64,837,406

Chinook School Division No. 211
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
School Boards	26,100	39,150	26,100
Federal Government and First Nations	592,245	537,356	608,290
Individuals and Other	-	-	13,955
Total Tuition Fees	618,345	576,506	648,345
Transportation Fees	327,016	392,396	327,016
Total Operating Tuition and Related Fees	945,361	968,902	975,361
Total Tuition and Related Fees Revenue	945,361	968,902	975,361
School Generated Funds Revenue			
Non-Curricular Fees			
Commercial Sales - GST	4,400	-	-
Commercial Sales - Non-GST	400,000	64,857	130,166
Fundraising	800,000	893,059	1,123,617
Grants and Partnerships	190,000	144,905	85,211
Students Fees	250,000	207,680	435,293
Other	650,000	832,255	462,013
Total Non-Curricular Fees	2,294,400	2,142,756	2,236,300
Total School Generated Funds Revenue	2,294,400	2,142,756	2,236,300
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	333,348	333,391	327,348
Total Operating Grants	333,348	333,391	327,348
Fees and Other Revenue			
Tuition and Related Fees	86,450	63,514	106,580
Other Revenue	-	7,410	-
Total Fees and Other Revenue	86,450	70,924	106,580
Total Complementary Services Revenue	419,798	404,315	433,928
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	76,896	102,492	76,896
Total Operating Grants	76,896	102,492	76,896
Fees and Other Revenue			
Other Revenue	9,000	5,669	6,333
Total Fees and Other Revenue	9,000	5,669	6,333
Total External Services Revenue	85,896	108,161	83,229
Other Revenue			
Miscellaneous Revenue	313,000	360,474	707,588
Sales & Rentals	9,430	16,311	74,564
Investments	100,000	467,993	301,238
Gain on Disposal of Capital Assets	-	4,781	77,454
Total Other Revenue	422,430	849,559	1,160,844
TOTAL REVENUE FOR THE YEAR	81,436,526	82,401,328	83,034,239

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Governance Expense			
Board Members Expense	128,003	150,575	100,209
Professional Development - Board Members	20,790	15,679	13,955
School Community Councils	60,627	49,615	50,971
Elections	4,000	728	-
Other Governance Expenses	140,500	134,576	109,411
Total Governance Expense	353,920	351,173	274,546
Administration Expense			
Salaries	2,262,844	2,227,715	2,448,278
Benefits	279,571	240,096	241,993
Supplies & Services	309,477	305,965	234,230
Non-Capital Furniture & Equipment	49,694	24,283	25,836
Building Operating Expenses	102,500	80,250	92,742
Communications	104,737	90,998	89,230
Travel	69,378	74,915	84,456
Professional Development	47,000	20,612	9,027
Amortization of Tangible Capital Assets	134,398	135,653	227,989
Total Administration Expense	3,359,599	3,200,487	3,453,781
Instruction Expense			
Instructional (Teacher Contract) Salaries	38,369,023	37,234,236	38,770,198
Instructional (Teacher Contract) Benefits	1,757,484	1,736,206	1,936,512
Program Support (Non-Teacher Contract) Salaries	8,304,676	8,077,184	7,791,605
Program Support (Non-Teacher Contract) Benefits	1,540,161	1,550,130	1,428,997
Instructional Aids	1,939,309	1,262,997	1,214,623
Supplies & Services	845,178	762,424	631,828
Non-Capital Furniture & Equipment	873,974	1,008,798	1,092,043
Communications	189,171	188,194	199,143
Travel	569,903	414,676	454,831
Professional Development	531,164	337,929	234,998
Student Related Expense	409,385	426,968	401,424
Amortization of Tangible Capital Assets	272,726	232,492	316,603
Total Instruction Expense	55,602,154	53,232,234	54,472,805

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Plant Operation & Maintenance Expense			
Salaries	3,215,940	3,300,966	3,188,050
Benefits	591,868	588,299	565,310
Supplies & Services	14,400	8,389	13,528
Non-Capital Furniture & Equipment	39,100	39,361	31,859
Building Operating Expenses	6,145,076	7,737,857	6,618,937
Communications	15,258	12,938	12,839
Travel	151,500	113,013	137,475
Professional Development	10,000	4,086	18,370
Amortization of Tangible Capital Assets	2,746,121	2,915,842	2,929,341
Total Plant Operation & Maintenance Expense	12,929,263	14,720,751	13,515,709
Student Transportation Expense			
Salaries	3,976,581	4,025,997	3,512,843
Benefits	717,502	705,579	587,571
Supplies & Services	1,605,855	1,304,881	1,220,693
Non-Capital Furniture & Equipment	958,777	1,058,902	832,357
Building Operating Expenses	190,500	128,563	156,459
Communications	34,907	20,179	21,287
Travel	30,000	28,265	20,831
Professional Development	42,918	4,923	2,600
Contracted Transportation	813,090	784,151	1,941,758
Amortization of Tangible Capital Assets	1,650,184	1,618,987	1,493,658
Total Student Transportation Expense	10,020,314	9,680,427	9,790,057
Tuition and Related Fees Expense			
Tuition Fees	572,044	439,647	586,049
Transportation Fees	87,669	59,070	84,830
Total Tuition and Related Fees Expense	659,713	498,717	670,879
School Generated Funds Expense			
Academic Supplies & Services	5,000	4,486	625
Cost of Sales	620,000	253,189	721,679
Non-Capital Furniture & Equipment	18,000	7,246	8,167
School Fund Expenses	1,500,000	1,819,884	1,367,591
Amortization of Tangible Capital Assets	10,900	10,900	10,900
Total School Generated Funds Expense	2,153,900	2,095,705	2,108,962

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2019

	2019 Budget	2019 Actual	2018 Actual
	\$	\$	\$
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	233,328	215,534	186,381
Program Support (Non-Teacher Contract) Salaries & Benefits	101,121	115,741	99,642
Transportation Salaries & Benefits	25,524	39,880	28,599
Instructional Aids	1,210	5,884	3,482
Supplies & Services	33,000	16,966	15,006
Communications	1,100	3,461	637
Travel	2,000	6,112	1,486
Professional Development (Non-Salary Costs)	5,050	-	341
Student Related Expenses	-	1,994	3,804
Contracted Transportation & Allowances	45,000	31,809	36,894
Amortization of Tangible Capital Assets	1,007	1,007	1,007
Total Complementary Services Expense	448,340	438,388	377,279
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	61,304	59,636	57,499
Instructional Aids	-	3,252	-
Supplies & Services	1,000	25,188	2,783
Non-Capital Furniture & Equipment	-	5,386	5,300
Communications	1,500	1,225	1,208
Travel	8,000	10,607	10,190
Professional Development (Non-Salary Costs)	2,000	65	-
Total External Services Expense	73,804	105,359	76,980
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	20,400	97	717
Interest on Capital Loans	463,411	453,614	403,540
Total Interest and Bank Charges	483,811	453,711	404,257
Transfer of Taxes Receivable	-	-	1,887,092
Provision for Uncollectable Accounts	-	13,955	-
Total Other Expense	483,811	467,666	2,291,349
TOTAL EXPENSES FOR THE YEAR	86,084,818	84,790,907	87,032,347

Chinook School Division No. 211

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2019**

	Land		Buildings		Buildings	School	Other	Furniture and	Computer Hardware and	Computer	Assets		
	Land	Improvements	Buildings	Improvements	Short-Term	Buses	Vehicles	Equipment	Audio Visual Equipment	Software	Under Construction	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>													
Opening Balance as of September 1	1,231,000	2,558,661	118,574,641	1,985,305	9,211,715	17,283,757	1,621,936	5,157,735	1,071,538	24,584	35,656	158,756,528	167,968,832
Additions/Purchases	-	-	-	-	-	562,630	141,555	116,155	138,945	9,434	-	968,719	2,362,509
Disposals	-	-	-	-	-	(402,247)	-	-	-	-	-	(402,247)	(11,574,813)
Closing Balance as of August 31	1,231,000	2,558,661	118,574,641	1,985,305	9,211,715	17,444,140	1,763,491	5,273,890	1,210,483	34,018	35,656	159,323,000	158,756,528
<i>Tangible Capital Assets - Amortization</i>													
Opening Balance as of September 1	-	1,253,095	45,729,398	434,096	4,010,600	8,410,509	1,255,709	3,601,449	927,100	23,158	-	65,645,114	72,144,188
Amortization of the Period	-	91,512	2,440,488	99,264	399,492	1,278,888	144,577	379,310	79,922	1,428	-	4,914,881	4,979,498
Disposals	-	-	-	-	-	(331,257)	-	-	-	-	-	(331,257)	(11,478,572)
Closing Balance as of August 31	N/A	1,344,607	48,169,886	533,360	4,410,092	9,358,140	1,400,286	3,980,759	1,007,022	24,586	N/A	70,228,738	65,645,114
Net Book Value													
Opening Balance as of September 1	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	93,111,414	95,824,644
Closing Balance as of August 31	1,231,000	1,214,054	70,404,755	1,451,945	4,801,623	8,086,000	363,205	1,293,131	203,461	9,432	35,656	89,094,262	93,111,414
Change in Net Book Value	-	(91,512)	(2,440,488)	(99,264)	(399,492)	(787,248)	(3,022)	(263,155)	59,023	8,006	-	(4,017,152)	(2,713,230)
Disposals													
Historical Cost	-	-	-	-	-	402,247	-	-	-	-	-	402,247	11,574,813
Accumulated Amortization	-	-	-	-	-	331,257	-	-	-	-	-	331,257	11,478,572
Net Cost	-	-	-	-	-	70,990	-	-	-	-	-	70,990	96,241
Price of Sale	-	-	-	-	-	75,771	-	-	-	-	-	75,771	173,695
Gain on Disposal	-	-	-	-	-	4,781	-	-	-	-	-	4,781	77,454

Chinook School Division No. 211
Schedule D: Non-Cash Items Included in Deficit
for the year ended August 31, 2019

	2019	2018
	\$	\$
Non-Cash Items Included in Deficit		
Amortization of Tangible Capital Assets (Schedule C)	4,914,881	4,979,498
Net Gain on Disposal of Tangible Capital Assets (Schedule C)	(4,781)	(77,454)
Total Non-Cash Items Included in Deficit	4,910,100	4,902,044

Chinook School Division No. 211
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2019

	2019	2018
	\$	\$
Net Change in Non-Cash Operating Activities		
(Increase) Decrease in Accounts Receivable	(467,946)	24,072,863
Decrease in Assets Held for Sale	-	309,895
Increase (Decrease) in Accounts Payable and Accrued Liabilities	339,073	(1,078,403)
Increase in Liability for Employee Future Benefits	36,300	112,000
Increase (Decrease) in Deferred Revenue	40,446	(2,626,883)
(Increase) in Inventory of Supplies for Consumption	(25,029)	(9,491)
(Increase) Decrease in Prepaid Expenses	(65,288)	255,864
Total Net Change in Non-Cash Operating Activities	(142,444)	21,035,845

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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) 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 15 of the financial statements.

c) 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.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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

- the liability for employee future benefits of \$1,942,600 (2018 - \$1,906,300) because actual experience may differ significantly from actuarial estimations.
- uncollectible accounts receivable of \$40,327 (2018 - \$13,211) because actual collectability may differ from initial estimates.
- accrued liabilities for contaminated sites of \$500,000 (2018 - \$500,000) because actual remediation costs may differ from valuation estimates.
- useful lives of capital assets and related accumulated amortization of \$70,228,716 (2018 - \$65,645,114) 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.

d) 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.

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.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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.

Remeasurement Gains and Losses have not been recognized by the school division in a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material gains or losses.

e) Financial Assets

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

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

Accounts Receivable includes provincial grants receivable and other receivables. Provincial grants receivable represent capital grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

Portfolio Investments consist of Co-op and Credit Union equity and Guaranteed Investment Certificates 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 (d).

f) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
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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

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. Cost is determined by LIFO.

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 and software licenses.

g) Liabilities

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

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

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

Liability for Contaminated Sites are recorded using the school division's best estimate of the amount required to remediate sites for which the school division is either directly responsible or has accepted responsibility. The contaminated sites liability represents the cost of activities to bring the site to the current minimum environmental standard based on the nature of its use prior to contamination. These liabilities are reported net of any expected recoveries.

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.

h) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

- i) Teachers participate in the 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.

i) 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.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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, except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. Transfers with stipulations are recorded as deferred revenue and recognized as revenue in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

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.

Prior to January 1, 2018, the school division levied and collected property tax on a calendar year basis. Uniform education property tax mill rates were set by the Government of Saskatchewan. Tax revenues were recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. Tax revenue for September to December 2017 was based on actual amounts reported by the municipalities for the calendar taxation year.

iii) Fees and Services

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

iv) Interest Income

Interest is recognized as revenue when it is earned.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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 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.

3. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2019	2018
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
GICs:		
Canaccord Genuity, 2.80%, maturing April, 2020	\$ 750,000	\$ -
Canaccord Genuity, 2.55%, maturing May, 2020	750,000	-
Affinity Credit Union, 2.75%, maturing November, 2022	7,410	7,410
Sandhills Credit Union, 0.90%, maturing April, 2019	-	12,000
Sandhills Credit Union, 0.70%, maturing November, 2018	-	5,236
Royal Bank of Canada, 1.70%, maturing October, 2021	-	7,796
Co-op and Credit Union Equity	28,796	27,108
Total portfolio investments reported at cost and amortized cost	\$ 1,536,206	\$ 59,550

4. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2019 Actual	2018 Actual
Governance	\$ 150,575	\$ 200,598	\$ -	\$ -	\$ 351,173	\$ 274,546
Administration	2,467,811	597,023	-	135,653	3,200,487	3,453,781
Instruction	48,597,756	4,401,986	-	232,492	53,232,234	54,472,805
Plant	3,889,265	7,915,644	-	2,915,842	14,720,751	13,515,709
Transportation	4,731,576	3,329,864	-	1,618,987	9,680,427	9,790,057
Tuition and Related Fees	-	498,717	-	-	498,717	670,879
School Generated Funds	-	2,084,805	-	10,900	2,095,705	2,108,962
Complementary Services	371,155	66,226	-	1,007	438,388	377,279
External Services	59,636	45,723	-	-	105,359	76,980
Other	-	13,955	453,711	-	467,666	2,291,349
TOTAL	\$ 60,267,774	\$ 19,154,541	\$ 453,711	\$ 4,914,881	\$ 84,790,907	\$ 87,032,347

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

5. 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, 2019.

Details of the employee future benefits are as follows:

	2019	2018
Long-term assumptions used:		
Discount rate at end of period	1.93%	3.00%
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	2019	2018
Accrued Benefit Obligation - beginning of year	\$ 1,463,400	\$ 1,636,800
Current period service cost	114,200	137,000
Interest cost	46,000	46,900
Benefit payments	(89,300)	(60,200)
Actuarial gains (losses)	209,000	(297,100)
Plan amendments	27,800	-
Accrued Benefit Obligation - end of year	1,771,100	1,463,400
Unamortized Net Actuarial Gains	171,500	442,900
Liability for Employee Future Benefits	\$ 1,942,600	\$ 1,906,300

Expense for Employee Future Benefits	2019	2018
Current period service cost	\$ 114,200	\$ 137,000
Amortization of net actuarial gain	(34,600)	(11,700)
Benefit cost	79,600	125,300
Interest cost	46,000	46,900
Total Employee Future Benefits Expense	\$ 125,600	\$ 172,200

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

6. 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:

	2019			2018
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	525	5	530	550
Member contribution rate (percentage of salary)	9.50%/11.70%	6.05%/7.85%	6.05%/11.70%	6.05%/13.50%
Member contributions for the year	\$ 3,730,534	\$ 853	\$ 3,731,387	\$ 4,561,471

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.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

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:

	2019	2018
Number of active School Division members	620	584
Member contribution rate (percentage of salary)	9.00%	9.00%/8.15%
School Division contribution rate (percentage of salary)	9.00%	9.00%/8.15%
Member contributions for the year	\$ 1,365,957	\$ 1,245,705
School Division contributions for the year	\$ 1,369,793	\$ 1,245,705
Actuarial extrapolation date	Dec-31-2018	Dec-31-2017
Plan Assets (in thousands)	\$ 2,487,505	\$ 2,469,995
Plan Liabilities (in thousands)	\$ 2,024,269	\$ 2,015,818
Plan Surplus (in thousands)	\$ 463,236	\$ 454,177

7. 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:

	2019			2018		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Capital Grant Receivable	\$ 222,866	\$ -	\$ 222,866	\$ -	\$ -	\$ -
Receivable from First Nations	177,540	13,211	164,329	13,211	13,211	-
GST Receivable	168,765	-	168,765	186,903	-	186,903
Other	174,120	27,116	147,004	48,115	-	48,115
Total Accounts Receivable	\$ 743,291	\$ 40,327	\$ 702,964	\$ 248,229	\$ 13,211	\$ 235,018

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2019	2018
Accrued Salaries and Benefits	\$ 928,571	\$ 914,557
Supplier Payments	1,080,041	778,919
Liability for Contaminated Sites	500,000	500,000
Accrued interest	74,527	77,390
Capital Holdbacks	97,838	71,038
Total Accounts Payable and Accrued Liabilities	\$ 2,680,977	\$ 2,341,904

The school division recognized an estimated liability for contaminated site of \$500,000 (2018 - \$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 (2018 - \$0).

9. LONG-TERM DEBT

Details of long-term debt are as follows:

	2019	2018
Capital Loans:		
Bank of Nova Scotia fixed rate (4.09%), secured by security agreement for Municipalities and School Boards, maturing July 2023. Monthly blended payments of \$30,410.	\$ 1,622,725	\$ 1,914,959
TD Bank fixed rate (3.58%), unsecured, maturing April 2033. Monthly blended payments of \$55,379.	7,176,177	7,575,984
Innovation CU fixed rate (4.26%), secured by general security agreement and assignment of book debts, maturing March 2029. Monthly blended payments of \$6,745.	873,698	920,132
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.	473,879	498,761
Royal Bank fixed rate (3.33%), unsecured, maturing November 2035. Annual blended payments of \$173,208.	2,221,040	2,317,089
Total Long-Term Debt	\$ 12,367,519	\$ 13,226,925

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2019

Future principal repayments over the next 5 years are estimated as follows:			
	Capital Loans		Total
2020	\$	892,276	\$ 892,276
2021		924,795	924,795
2022		959,875	959,875
2023		996,297	996,297
2024		1,003,109	1,003,109
Thereafter		7,591,167	7,591,167
Total	\$	12,367,519	\$ 12,367,519

Principal and interest payments on the long-term debt are as follows:				
	Capital Loans		2019	2018
Principal	\$	859,406	\$ 859,406	\$ 644,205
Interest		453,614	453,614	403,540
Total	\$	1,313,020	\$ 1,313,020	\$ 1,047,745

10. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2018	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2019
Capital projects:				
Federal capital tuition	\$ 96,657	\$ 14,874	\$ -	\$ 111,531
Total capital projects deferred revenue	96,657	14,874	-	111,531
Non-Capital deferred revenue:				
Chinook International Program	24,121	19,449	-	43,570
CAMPS - Fundraising	13,904	6,124	-	20,028
English as Additional Language Grant	2,070	-	-	2,070
Rentals	14	-	1	13
Total Non-Capital deferred revenue	40,109	25,573	1	65,681
Total Deferred Revenue	\$ 136,766	\$ 40,447	\$ 1	\$ 177,212

11. 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.

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
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Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Violent Threat Risk Assessment	Chinook International Program	2019	2018
Revenue:					
Operating Grants	\$ 333,391	\$ -	\$ -	\$ 333,391	\$ 327,348
Fees and Other Revenue	-	7,410	63,514	70,924	106,580
Total Revenue	333,391	7,410	63,514	404,315	433,928
Expenses:					
Salaries & Benefits	371,155	-	-	371,155	314,622
Instructional Aids	5,884	-	-	5,884	3,482
Supplies and Services	-	-	16,966	16,966	15,006
Communications	-	-	3,461	3,461	637
Travel	390	2,364	3,358	6,112	1,486
Professional Development (Non-Salary Costs)	-	-	-	-	341
Student Related Expenses	-	-	1,994	1,994	3,804
Contracted Transportation & Allowances	-	-	31,809	31,809	36,894
Amortization of Tangible Capital Assets	1,007	-	-	1,007	1,007
Total Expenses	378,436	2,364	57,588	438,388	377,279
Excess (Deficiency) of Revenue over Expenses	\$ (45,045)	\$ 5,046	\$ 5,926	\$ (34,073)	\$ 56,649

12. 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:

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
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Summary of External Services Revenues and Expenses, by Program	Family Advocacy Worker	Cafeteria	2019	2018
Revenue:				
Operating Grants	\$ 102,492	\$ -	\$ 102,492	\$ 76,896
Fees and Other Revenue	-	5,669	5,669	6,333
Total Revenue	102,492	5,669	108,161	83,229
Expenses:				
Salaries & Benefits	59,636	-	59,636	57,499
Instructional Aids	3,252	-	3,252	-
Supplies and Services	25,188	-	25,188	2,783
Non-Capital Equipment	5,300	86	5,386	5,300
Communications	1,225	-	1,225	1,208
Travel	10,607	-	10,607	10,190
Professional Development	65	-	65	-
Total Expenses	105,273	86	105,359	76,980
Excess (Deficiency) of Revenue over Expenses	\$ (2,781)	\$ 5,583	\$ 2,802	\$ 6,249

13. ACCUMULATED SURPLUS

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

Certain amounts of the accumulated surplus, as approved by the board of education, have been designated for specific future purposes. These internally restricted amounts, or designated assets, are included in the accumulated surplus presented in the statement of financial position. The school division does not maintain separate bank accounts for the designated assets.

Details of accumulated surplus are as follows:

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
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	August 31 2018	Additions during the year	Reductions during the year	August 31 2019
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 93,111,414	\$ 968,719	\$ (4,985,871)	\$ 89,094,262
Less: Debt owing on Tangible Capital Assets	13,226,925	-	(859,406)	12,367,519
	79,884,489	968,719	(4,126,465)	76,726,743
PMR maintenance project allocations (1)	2,306,315	2,263,184	(2,933,206)	1,636,293
Designated Assets:				
Other:				
School generated funds	1,320,010	8,454	-	1,328,464
Professional Development	1,358,827	66,694	(135,510)	1,290,011
School budget carryovers	405,854	388,991	-	794,845
Curriculum Renewal	-	1,500,000	-	1,500,000
Frontier Playground	1,720	-	-	1,720
Board Election	24,000	-	-	24,000
Family Advocacy Project	46,067	-	(2,780)	43,287
	3,156,478	1,964,139	(138,290)	4,982,327
Unrestricted Surplus	17,754,233	-	(387,660)	17,366,573
Total Accumulated Surplus	\$ 103,101,515	\$ 5,196,042	\$ (7,585,621)	\$ 100,711,936

- (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.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 25, 2018 and the Minister of Education on August 22, 2018.

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15. 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	
	2019	2018
Cash and short-term investments	\$ 289,487	\$ 288,562
Total Assets	289,487	288,562
Revenues		
Contributions and donations	11,796	2,000
Interest on investments	6,492	4,921
	<u>18,288</u>	<u>6,921</u>
Expenses		
Recipient Payouts	17,363	14,948
	<u>17,363</u>	<u>14,948</u>
Excess (Deficiency) of Revenues over Expenses	925	(8,027)
Trust Fund Balance, Beginning of Year	288,562	296,589
Trust Fund Balance, End of Year	\$ 289,487	\$ 288,562

16. CONTRACTUAL RIGHTS

Significant contractual rights of the school division are as follows:

- Bussing contract to transport Holy Trinity Roman Catholic Separate 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.

17. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

	Copier	Total
2020	\$ 294,639	\$ 294,639
2021	294,639	294,639
2022	294,639	294,639
2023	294,639	294,639
2024	294,639	294,639
Total	\$ 1,473,195	\$ 1,473,195

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18. COMPARATIVE INFORMATION

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

19. 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 grants and other accounts receivable at August 31, 2019 was:

	August 31, 2019				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 222,866	\$ 222,866	\$ -	\$ -	\$ -
Other Receivables	351,660	300,660	446	2,771	47,783
Gross Receivables	574,526	523,526	446	2,771	47,783
Allowance for Doubtful Accounts	(40,327)	-	-	-	(40,327)

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, 2019				
	Total	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,680,977	\$ 2,180,977	\$ -	\$ -	\$ 500,000
Long-term debt	12,367,519	485,583	406,693	3,884,076	7,591,167
Total	\$ 15,048,496	\$ 2,666,560	\$ 406,693	\$ 3,884,076	\$ 8,091,167

Long-term debt repayments of \$9,397,217 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 \$21,000,000 with interest payable monthly at a rate of prime less 1.00% per annum. This line of credit was approved by the Minister of Education on May 5, 2011. 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, 2019.

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.