



# **ANNUAL REPORT 2017**

## President's Message

It continued to be an honour and privilege to serve as the president of the Saskatchewan School Boards Association this year. 2017 proved to be a challenging year for education in our province. The strong advocacy from the SSBA, boards of education, partners and the community certainly showed the importance and value that people in Saskatchewan place on democracy and locally elected representation in education.



We also saw significant concerns raised and engagement from the communities we serve as a result of the major funding cuts to education, the conditionality placed on that funding and the introduction of Bill 63 that infringed on the autonomy of boards. Your Association worked hard to represent our members and the communities they serve to ensure that local voice was represented and heard provincially. While we are not where we need to be as a result of the cuts and changes experienced in 2017, we will continue to represent the interests of all school boards in our province as we lead our Association forward – speaking with a unified voice on matters important to our sector and the best interests of the students we serve. The Executive shares with every trustee a belief in the importance of our education system for the future of our children and our province.

Dr. Shawn Davidson  
President

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## Executive Director's Message

The fiscal and relationship challenges our sector faced in 2017 were certainly unwanted distractions that reminded us daily of the important focus we need to maintain for the benefit of all students. The community support and rallying around education was a further reminder of the importance of education for the future of this province. That local voice and community engagement should not go unnoticed.



While our members experienced very difficult decisions as a result of the funding cuts, the SSBA made every effort to respond and adapt by reducing membership fees and finding operational efficiencies and cuts. While the impact was felt across the sector, we believe we maintained our core services and continue to offer high quality advocacy, services and board development to our members. The SSBA continues to serve many roles for its members and the importance of our advocacy efforts this year is a clear indication how we serve students best by working together.

It remains a privilege to lead the dedicated and talented staff at the SSBA and I am looking forward to working towards a shared vision for education and continued engagement to meet the challenges we face.

Darren McKee  
Executive Director

# Strategic Direction

## Vision 2025

By 2025, Saskatchewan has a globally recognized education system that others wish to emulate.

## Mission

Provide leadership, coordination and services to member boards of education to support student achievement.

## Values

- Personal integrity and courageous leadership;
- Honest relationships built through collaboration, open and transparent communication; and,
- An atmosphere of trust and mutual respect.

## Strategic Intent

The SSBA's Vision 2025 call for achieving outcomes in four strategic intent or theme areas:

- Engagement at All Levels
- Alignment at All Levels
- Accountability for All
- Courageous Leadership



# 2017 SSBA Strategic Plan Outcome Priorities

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## **Outcome Priority #1: Board and Public Engagement**

*This outcome relates to the engagement and effectiveness of governance resources and representation of local voice.*

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### **Completion of Board Chairs Council Two-Year Pilot**

The two-year Board Chairs Council pilot was completed in 2017.

A survey was sent to members following Board Chairs Council in September. The SSBA Executive received a mandate by Boards of Education to renew the term for Board Chairs Council. (Eighty per cent of respondents in Fall 2017 provided their support for the continuation of Board Chairs Council.)

Attendance and engagement of boards at BCC has remained consistently high. BCC has been used to provide advice to the SSBA Executive. It has also resulted in broad support for the “Education Belongs to Community” campaign and other initiatives.

### **Online Comprehensive Governance Resource for Members**

The SSBA presented and introduced its online [Governance Handbook](#) at Fall Assembly 2016 and at School for New Trustees in January 2017.

This handbook provides boards of education with an online document complete with videos, supplemental information and tools, and “questions boards should ask” related to the four core areas of governance: Strategy, Risk, People and Resources.

The objective in 2017 considered communicating and operationalizing the new Governance Handbook through promoting and sharing information in presentations and other supports to boards. Other ongoing governance-related training and supports were also provided to the Executive and member boards as part of the SSBA’s [Board Development Services](#).

# 2017 SSBA Strategic Plan Outcome Priorities

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## **Outcome Priority #1: Board and Public Engagement**

*(continued)*

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### **Major Advocacy Campaigns**

[Advocacy efforts](#) related to the “Education Belongs to Community” campaign continued in 2017 and a new campaign focused on “Keep Investing in Students” also was launched.

The “Education Belongs to Community” campaign resulted in hundreds of thousands of video views and, thousands of webpage visits and about 1,500 responses to the SSBA Add Your Voice! survey. The government’s Education Governance Review Panel received more than 3,000 submissions.

The government announced elected boards will be maintained and there will be no major boundary changes. Education funding was cut and further challenges for the sector came with the surprise introduction of Bill 63. Amendments made to Bill 63 address some concerns of school boards.

The “Keep Investing in Students” campaign continued into 2018 amid provincial leadership races and contributed to raising awareness of education funding as an issue.

Both campaigns contributed to supporting boards of education in leading opportunities to engage with communities to ensure local input into the future of education for the benefit of all students. Key messages and other information were shared with boards to support and engage them in the advocacy campaigns (and in relation to other issues including curriculum renewal and cannabis legislation.) Engagement with the SSBA’s messages increased significantly with the launch of the campaigns. Media scanning, content analysis and social media tracking indicated public awareness about the issues in Saskatchewan education.



# 2017 SSBA Strategic Plan Outcome Priorities

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## **Outcome Priority #2: Improve Communications**

*This outcome supports continuous improvement in communications effectiveness with members and stakeholders.*

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### **Member and Stakeholder Information and Engagement**

Continuous improvement efforts in 2017 included increasing awareness and getting feedback related to SSBA initiatives and services; ongoing engagement with members; more regular updates and sharing of information; and significant member engagement in both advocacy campaigns.

### **Prioritization of Advocacy Resolutions**

Work in 2017 began to raise awareness and seek direction for priority related to numerous resolutions active over a three-year period that were “advocacy” in nature. This resulted in more focused advocacy efforts and identified priority resolutions for 2017.

### **Communications and Advocacy Strategic Plan**

[Communications efforts](#) are also guided by the communications and advocacy strategy approved annually by the Executive. Objectives for the 2017 year included promoting and advocating for the importance of local voice and locally elected school boards; advocating for K-12 education funding that adheres to the principles identified by the SSBA membership in its position statement on financing; ensuring member boards and stakeholders have a good understanding of the services the SSBA provides and the value for service; and, improving communications (continuous improvement).



*SSBA President Shawn Davidson and Vice-President Aleana Young on Budget Day 2017*

# 2017 SSBA Strategic Plan Outcome Priorities

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## **Outcome Priority #3: Sector-Wide Approach to Efficiencies and Value Add**

*Administrative and cost efficient services that meet the strategic objectives of the SSBA and its membership are a primary goal in relation to the ESSP.*

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### **External**

The Education Sector Strategic Plan target of \$60 million in efficiencies by 2019 was 100 per cent achieved by 2017. The SSBA, working with its sector partners, has helped to coordinate provincial efficiencies and value-add with participating school divisions.

### **Internal**

An efficient SSBA service model is one in which a service supplied to school divisions is viewed as valuable by the membership. Identification of service improvement and development of shared-service opportunities has resulted in increased efficiencies. 100 per cent of member boards participate in the SSBA [General Insurance Plan](#) and 93 per cent of member boards and education partners participate in the SSBA [Employee Benefits Plan](#).



*School division employees participated in the 2017 EBP Seminar*

### **General Insurance Plan Working Advisory Group**

Work began in 2017 toward a Working Advisory Group to oversee the independent third-party review of the GIP Loss Pools' governance, financial and content, to result in a new accountability framework.



# 2017 SSBA Strategic Plan Outcome Priorities

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## ***Outcome Priority #4: Managing and Supporting Education Sector Changes – Research Policy that Supports and Builds Capacity for Evidence Based Decision Making***

*This outcome shifted significantly during 2017 and was updated with new priorities approved by the Executive in May 2017. With reviews, legislation, and significant changes being introduced, the focus, attention, time and efforts of the staff and Executive was redirected to engage with members in order to manage and support the changes.*

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### **SSBA HR/Legal Services Review**

Service reviews of [Strategic Human Resources and Employee Relations](#) and [Legal Services](#) were completed in 2017 and HR and Legal tracking/reporting began in 2017. From October to December 2017, an average of 24 out of 27 school divisions contacted Legal Services each month. Legal Services had an average of 315 contacts from its clients each month. HR/Legal in 2017 also provided support through presentations and participation on committees.

### **Organizational Analysis in Response to Provincial Context / Budget Implications**

The 2018 SSBA budget was approved by the membership at the 2017 Fall Assembly and the 2018 [strategic plan](#) was shared. After the provincial budget cuts seen in 2017, the SSBA reduced costs in all departments, and as part of the SSBA's regular evaluation of value to members, program and services reviews were conducted for two departments. Consolidations and efficiencies were found as a result.

### **Bill 63 / Amendments**

[Amendments](#) were made to provincial Bill 63 that addressed some concerns raised by school boards. In particular, Bill 63, *The Education Amendment Act, 2017*, no longer repealed sections about board rights and responsibilities from legislation into regulations. The revised bill also clarified language about the local election of trustees. Those had been among concerns identified by school boards.



# 2017 SSBA Strategic Plan Outcome Priorities

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## ***Outcome Priority #4: Managing and Supporting Education Sector Changes – Research Policy that Supports and Builds Capacity for Evidence Based Decision Making*** *(continued)*

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### **K-12 Education Governance Review Panel submission and presentation**

A presentation was made by the SSBA Executive to the provincial K-12 Education Governance Review Panel process in January 2017 and a [submission](#) was completed and approved following the presentation and then sent to the panel and was made available to members. The panel concluded its work and a [report](#) was provided in March 2017. The government announced at budget that elected boards would continue and there would be no major school division boundary changes.

### **Understand Carbon Tax Implications**

In 2017, a carbon tax implications survey was sent to all divisions and data was collected by the SSBA to support Adopted Resolution AGM16-13.

### **Locally Determined Terms and Conditions Review and Analysis Committee**

LDTC committee work was paused in spring 2017 to await government direction and next steps.

### **Call for Full Review of *The Education Act, 1995***

The SSBA in spring 2017 announced plans to call for a complete review of *The Education Act, 1995*. This continues to be considered as part of work toward a shared vision for education beyond 2020.

# 2017 SSBA Strategic Plan Outcome Priorities

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## **Outcome Priority #5: FNME Student Achievement**

*This relates to FNMI student success – engagement, attendance and graduation.*

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### **TRC Recommendations – Action in Education**

Ongoing updates to the SSBA [FNME webpage](#) have included highlights of action in education related to the Truth and Reconciliation Commission recommendations. SSBA staff also provided feedback related to the government’s “Supporting Reconciliation in Saskatchewan Schools” website.

### **Aboriginal Council**

The Aboriginal Council 2017 Strategic Plan identified, and subsequent work was conducted in relation to, the priority of mandatory cultural education training courses. Letters to the Minister and both universities applauded past and current efforts and provided encouragement to continue down the path of prioritizing FNME throughout the sector. The priority of growth of the Aboriginal Council was not achieved due to budget constraints.

### **Curriculum Renewal**

The SSBA [position paper](#) on Mandatory Curriculum, History of First Nations and Métis Peoples was shared. Resolutions supporting a mandatory Indigenous Studies course and encouraging the displaying of the Treaty Symbol within schools and board offices were passed at the 2017 Fall Assembly. A student panel shared their stories at the assembly regarding inclusion of Indigenous history and culture.



*SSBA Aboriginal Council meets with the Education Governance Review Panel in 2017*

# Resolutions




## Dashboard

Resolutions passed at the Annual General Meeting help drive the work of the SSBA and priorities are set based in part upon adopted resolutions. [Adopted resolutions work plans](#) are regularly updated online.

# Saskatchewan School Boards Association

## ADOPTED RESOLUTIONS PROGRESS

Updated March 2018

 Complete	 In progress	 Early stages	PS = Position Statement
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For detailed information on resolutions, visit <http://saskschoolboards.ca/about-us/resolutions/>.

### 2017

— workplan online at <http://saskschoolboards.ca/wp-content/uploads/2017-Adopted-Resolutions-Work-Plan-and-Assignments-March-2018-Updates.pdf>

Bylaw 17-01 Bylaw Amendment	Bylaw 17-02 Bylaw Amendment	Budget Resolution	AGM 17-01 PS 3.3 Equity	AGM 17-02 PS 4.1 Bargaining	AGM 17-03 PS 5.2 Partnerships	AGM 17-04 Vulnerable Check	AGM 17-05 Repeal Clause	AGM 17-07 Governance Funding	AGM 17-08 Personal Finance	AGM 17-09 Cannabis Legislation	AGM 17-10 Treaty Symbol
AGM 17-11 Indigenous Studies	AGM 17-12 Funding Conditions	AGM 17-13 PST Exemptions									

### 2016

— workplan online at <http://saskschoolboards.ca/wp-content/uploads/2016-Adopted-Resolutions-Work-Plan-and-Assignments-March-2018-Updates.pdf>

16-01 Mental Health Support	16-02 Syrian Refugee Funding	16-03 Orange Shirt Day	Bylaw 16-01 Bylaw Amendment	Budget Resolution	AGM 16-01 PS 2.2 Assessment	AGM 16-02 PS 4.2 Certification	AGM 16-03 PS 5.1 Engagement	AGM 16-04 SCC Framework	AGM 16-05 School Review	AGM 16-06 Curriculum FNM	AGM 16-07 Student Transience
AGM 16-08 Disability Strategy	AGM 16-09 Social Impact Bond	AGM 16-10 Property Tax Bill	AGM 16-11 NORTEP / NORPAC	AGM 16-12 Insurance Reserves	AGM 16-13 Carbon Tax						

### 2015

— workplan online at <http://saskschoolboards.ca/wp-content/uploads/2015-Adopted-Resolutions-Work-Plan-and-Assignments-March-2018-Updates.pdf>

Budget Resolution	15-08 Same-Year Enrolment	15-12 Employee Benefits	15-06 Poverty Coalition	15-04 Financial Literacy	15-01 Chairs Council	15-09 Expense Reports	15-14 Auditor / Bus Drivers	15-13 Leaves of Absence	15-07 Common Assessment	15-10 Fees and Formula	15-03 Pre-K Flexibility

*This Adopted Resolutions Progress dashboard is regularly updated and shared with members.*

# Community and Partner Support

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## Mosaic Extreme School Makeover Challenge 2017

After winning the [Mosaic Extreme School Makeover Challenge](#) for 2017, 10 Saskatchewan schools each received \$10,000 to support student nutrition. The grants, provide by The Mosaic Company, supported [winning projects](#) with goals including developing or expanding school and community gardens; improving education for students and communities about nutrition, cooking, agriculture, food safety and First Nations learnings; purchasing kitchen equipment; and, developing or furthering breakfast and snack programs. With Mosaic and the SSBA as partners, the Makeover Challenge began in 2006.



*Walk to Breakfast 2017*

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## Premier's Board of Education Award for Innovation and Excellence 2017

The 2017 [Premier's Board of Education Award For Innovation and Excellence](#) was received by Greater Saskatoon Catholic Schools, Saskatoon Tribal Council and the College of Education Indian Teacher Education Program at the University of Saskatchewan received for [ni ahkwatonâmonân: An Indigenous Language Pathway to Improved Student Learning Outcomes at St. Frances Cree Bilingual School](#).



*Presentation of the 2017 Premier's Award*

# Community and Partner Support

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## 2017 Scholarships and Awards



*Arslan Azeem and Mathieu Mihalicz were the recipients of SSBA [Education Scholarships](#) in 2017.*



*Larry Pavloff, Ronna Pethick and Elizabeth Perreault were honoured as a new [Life Members](#) in 2017.*

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## 2017 Executive Delegations

The [SSBA Provincial Executive](#) met with many delegations in 2017, including:

Public Schools of Saskatchewan  
Saskatchewan Catholic School Boards Association  
Saskatchewan Teachers' Federation  
University of Saskatchewan Dean of Education  
University of Regina's Acting Dean of Education  
Saskatchewan Urban Municipalities Association  
Saskatchewan Rural Municipalities Association  
Saskatchewan High Schools Athletic Association  
Opposition Critic for Education

## Provincial Executive



Dr. Shawn Davidson  
President



Aleana Young  
Vice-President



Duane Favel  
Aboriginal Constituency



Jerome Niezgoda  
Catholic Constituency



Jaimie Smith-Windsor  
Central Constituency



Martin Prince  
CSF Constituency



Jansen Corrigan  
Northern Constituency  
(as of November 2017)



Janet Kotylak  
Southern Constituency



Donna Banks  
Urban Public Constituency

Thanks to Joe Daigneault (outgoing in 2017) for his service as Northern Constituency Representative.



# Staff



Darren McKee  
Executive Director



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Director, Board  
Development,  
Strategic HR and  
Legal Services



Jamie Lerat  
Director, First  
Nations and Métis  
Education



Jeff McNaughton  
Director, Employee  
Benefits and  
Insurance Plans



Marie Stewart  
Director, Corporate  
Services<sup>4</sup>



Catherine Vu  
Director, Corporate  
Services<sup>4</sup>



Jill Welke  
Director,  
Communications  
Services



Leona Baun  
Benefits Supervisor



April Blondeau  
Strategic HR / ER



Ketan Chavda  
Accounting and  
Benefits Clerk<sup>1,6</sup>



Joe Couture  
Communication  
and Research  
Consultant



Sheila Gyorgy  
Benefits  
Administrator<sup>2</sup>



Rong Hu  
Accounting Clerk<sup>1</sup>



Innocent Ihenyen  
Insurance  
Administrator



Maureen Jickling  
Solicitor



Bini Johnson  
Benefits Clerk<sup>7</sup>



Geraldine Knudsen  
Solicitor



Cindy Komonosky  
Receptionist



Krista Lenius  
Administrative  
Paralegal



Cathy Nyhus  
Benefits Clerk<sup>5</sup>



Chris Petford  
Benefits  
Administrator



Leanne Petford  
Benefits  
Administrator



Debby Thomas  
Administrative  
Assistant



Patty Webb  
Benefits  
Administrator



Helen Yum  
Solicitor<sup>3</sup>



Greg Zaba  
Strategic HR / ER<sup>3</sup>

## Notes:

1. Ketan Chavda covered for Rong Hu's leave starting February 2017.
2. Sheila Gyorgy left the SSBA in March 2017.
3. Helen Yum and Greg Zaba left the SSBA in May 2017.
4. Marie Stewart covered for Catherine Vu's leave starting June 2017.
5. Cathy Nyhus left the SSBA in August 2017.
6. Ketan Chavda began as Benefits Clerk in October 2017.
7. Bini Johnson began as Benefits Clerk in November 2017.



## Financial Summary

The Association maintains its financial position with net assets of \$2.2M in the Operating Fund, \$4.5M in the Benefits Plan Fund and \$22.3M in the Insurance Fund. In operations, we completed the year with revenues over expenditures of \$241,364, attributed mainly to reduction of costs in Executive Activity / Membership engagement and ongoing efforts by management to reduce costs in all departments. The SSBA building comprises the capital assets, of which two thirds is rented to long-term tenants.

After the provincial budget cuts seen in 2017, and as part of the SSBA's regular evaluation of value to members – program and services reviews were conducted for two departments. Consolidations and efficiencies were found as a result.

The Association continues to manage the Benefits and Insurance Funds in a fiscally responsible manner. A new member joined the Employee Benefits Plan in September and all School Divisions participate in the Insurance Plan. In response to a 2017 resolution, a Working Advisory Group was formed to evaluate the SSBA's Insurance Plan including a review of the adequacy, needs and governance structure going forward. The Insurance Plan remains in a strong position, seeing surplus funds invested, with the \$22M fund managed by Scotia Asset Management. The Employee Benefits Plan estimates a deficit for 2017 but this is also planned for and managed by an \$8M fund with Scotia Asset Management.

Financial statements of

**Saskatchewan School Boards  
Association**

December 31, 2017

## Independent Auditor's Report

To the Members of  
**Saskatchewan School Boards Association**

We have audited the accompanying financial statements of Saskatchewan School Boards Association, which comprise the statement of financial position as at December 31, 2017, and the statements of revenue, expenses and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Audit Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan School Boards Association as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants  
Licensed Professional Accountants  
May 24, 2018  
Regina, Saskatchewan

# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Statement of financial position

as at December 31, 2017

	Operating Fund	Benefits Fund	Insurance Fund	Total 2017	Total 2016
<b>Assets</b>					
Current assets					
Cash	\$ -	\$ -	\$ 2,039,453	\$ 2,039,453	\$ 2,932,358
Accounts receivable	11,911	789,726	-	801,637	759,437
Prepaid expenses	5,909	-	-	5,909	17,750
Due from other funds	-	-	490,708	490,708	992,324
	17,820	789,726	2,530,161	3,337,707	4,701,869
Investments (Note 3)	1,277,000	7,094,505	22,438,396	30,809,901	30,496,987
Capital assets (Note 4)	1,076,182	-	-	1,076,182	1,103,629
	\$ 2,371,002	\$ 7,884,231	\$ 24,968,557	\$ 35,223,790	\$ 36,302,485
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	\$ 83,753	\$ 2,346,886	\$ 3,214	\$ 2,433,853	\$ 3,051,386
Provision for unpaid claims	-	692,000	2,710,000	3,402,000	2,284,852
Due to other funds	108,634	382,074	-	490,708	992,324
Deferred revenue	11,130	-	-	11,130	1,519,841
	203,517	3,420,960	2,713,214	6,337,691	7,848,403
<b>Net assets (Schedule 1)</b>					
Appropriated	1,458,770	1,351,686	22,255,343	25,065,799	24,223,745
Unappropriated	708,715	3,111,585	-	3,820,300	4,230,337
	2,167,485	4,463,271	22,255,343	28,886,099	28,454,082
	\$ 2,371,002	\$ 7,884,231	\$ 24,968,557	\$ 35,223,790	\$ 36,302,485

See accompanying notes

Approved by the Executive

 President

 Executive Director

**SASKATCHEWAN SCHOOL BOARDS ASSOCIATION**  
**Statement of revenue, expenses and changes in net assets**  
**for the year ended December 31, 2017**

	<b>Operating Fund</b>	<b>Benefits Fund</b>	<b>Insurance Fund</b>	<b>Total 2017</b>	<b>Total 2016</b>
<b>REVENUE</b>					
Membership fees	\$ 2,526,240	\$ -	\$ -	\$ 2,526,240	\$ 2,526,240
Premiums	-	17,292,369	2,950,865	20,243,234	18,598,723
Investment income	19,046	386,803	998,491	1,404,340	1,208,904
Other income	194,420	10,905	-	205,325	250,572
Assemblies, events and board development	184,649	-	-	184,649	207,436
Building	223,114	-	-	223,114	169,133
SK Nutritional Advisory Council for Kids	115,000	-	-	115,000	115,000
Aboriginal affairs	-	-	-	-	105,738
	<b>\$ 3,262,469</b>	<b>\$ 17,690,077</b>	<b>\$ 3,949,356</b>	<b>\$ 24,901,902</b>	<b>\$ 23,181,746</b>
<b>EXPENSES</b>					
Executive activity/membership engagement	\$ 319,200	\$ -	\$ -	\$ 319,200	\$ 402,210
Executive director/administration	645,643	-	-	645,643	628,213
Association operations	153,910	710,484	324,802	1,189,196	1,294,308
Building	273,486	-	-	273,486	189,743
Communication services	267,697	-	-	267,697	280,994
Board of education development services	340,156	-	-	340,156	366,749
Employee relations	279,233	-	-	279,233	315,647
Legal services	493,435	-	-	493,435	519,749
First nations and metis education services	109,019	-	-	109,019	111,445
SK Nutritional Advisory Council for Kids	111,879	-	-	111,879	118,575
Aboriginal affairs	-	-	-	-	61,730
Claims/carrier (Note 5)	-	17,721,591	2,691,903	20,413,494	18,020,931
Amortization	27,447	-	-	27,447	13,723
	<b>\$ 3,021,105</b>	<b>\$ 18,432,075</b>	<b>\$ 3,016,705</b>	<b>\$ 24,469,885</b>	<b>\$ 22,324,017</b>
Excess (deficit) of revenue over expenses	\$ 241,364	\$ (741,998)	\$ 932,651	\$ 432,017	\$ 857,729
Net assets, beginning of year	1,926,121	5,205,269	21,322,692	28,454,082	27,596,353
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,167,485</b>	<b>\$ 4,463,271</b>	<b>\$ 22,255,343</b>	<b>\$ 28,886,099</b>	<b>\$ 28,454,082</b>

*See accompanying notes*

# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Statement of Cash Flows

for the year ended December 31, 2017

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 432,017	\$ 857,729
Items not involving cash		
Amortization	27,447	13,723
Unrealized gain on investments	(512,777)	(42,820)
Change in non-cash working capital		
Increase in accounts receivable	(42,200)	(343,807)
Decrease in prepaid expenses	11,841	7,310
(Decrease) increase in accounts payable and accrued liabilities	(617,533)	563,981
Increase (decrease) in provision for unpaid claims	1,117,148	(33,081)
(Decrease) increase in deferred revenue	(1,508,711)	669,396
<b>Cash (used in) provided by Operating Activities</b>	<b>\$ (1,092,768)</b>	<b>\$ 1,692,431</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	\$ 2,072,379	\$ 3,129,848
Purchase of investments	(1,872,516)	(4,204,498)
Capital expenditures	-	(920,951)
<b>Cash provided by (used in) Investing Activities</b>	<b>\$ 199,863</b>	<b>\$ (1,995,601)</b>
<b>DECREASE IN CASH</b>	<b>\$ (892,905)</b>	<b>\$ (303,170)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>2,932,358</b>	<b>3,235,528</b>
<b>CASH, END OF YEAR</b>	<b>\$ 2,039,453</b>	<b>\$ 2,932,358</b>

*See accompanying notes*

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2017

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### 1. PURPOSE OF THE ASSOCIATION

The Saskatchewan School Boards Association (the “Association”) is a democratic and voluntary organization. It provides advocacy, leadership and support for member boards of education by speaking as the voice for quality public education for all children, offering opportunities for trustee development and providing information and services. The Association operates an Employee Benefits Plan for non-teaching staff in the Province of Saskatchewan and a group Insurance Plan for school divisions.

The Association is incorporated under “An Act to Incorporate Saskatchewan School Boards Association” and is exempt from income tax.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not for-profit organizations and include the following significant accounting policies:

#### *a. Fund accounting*

##### Operating Fund

Revenue and expenses related to program delivery and administrative activities are reported in the Operating Fund.

##### Benefits Fund

Revenue and expenses related to the services offered through the Employee Benefits Plan (EBP) are reported in the Benefits fund. This plan is a group employee benefits plan offering group insurance and related products to member school boards.

##### Insurance Fund

Revenue and expenses related to the services offered through the General Insurance Plan are reported in the Insurance Fund. This is a group insurance plan offering general insurance coverage (property, boiler and machinery breakdown, general liability, sexual molestation/abuse and air quality liability) to member school boards.

#### *b. Cash*

Cash represents cash held in the bank. The Association operates one bank account and therefore for financial statement purposes, the cash held by the Association is allocated between the operating fund, the benefits fund, and the insurance fund.

#### *c. Financial instruments*

Financial assets and financial liabilities are initially recognized at fair value when the Association becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except investments, which are measured at fair value.

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred.



**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
**December 31, 2017**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

With respect to financial assets measured at cost or amortized cost, the Association recognizes in net earnings an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

**d. *Capital Assets***

Land and building are stated at cost. Amortization is recognized to write off the cost of the building less its residual values over its useful life of 40 years, using the straight-line method.

Office furniture and equipment are stated at cost. Amortization is recognized to write off the cost over its useful life of 5 years, using the straight-line method.

**e. *Impairment of long-lived assets***

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

**f. *Revenue recognition***

Membership fees are recorded as revenue over the applicable membership period as services are performed and collection is reasonably assured.

Premiums are recognized as revenue in the period to which they relate. Any premiums relating to the current year and not yet received at the end of the year are accrued as revenue for the current year.

Interest on investments is recognized as revenue as it is earned. Dividend income is recognized as revenue when received. Realized and unrealized gains and losses from changes in market values are recognized in income in the period that gains and losses occur.

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably assured and collection is reasonably assured.

All other revenues are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

**g. *Claims incurred not yet reported***

An accrual is recorded for benefit claims that occurred at the end of the year but have not yet been paid by the Benefit Fund.

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2017

### 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *h. Employee Pension Plan*

Employees of the Saskatchewan School Boards Association participate in the Municipal Employees' Pension Plan (MEPP). The multiemployer plan is a defined benefit pension plan that provides pensions calculated using a formula that takes into account a member's service and salary history. The contributions by the participant employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. The portion of the annual benefit costs and of the asset surpluses (deficits) that are attributable to the Association cannot be easily determined. Accordingly, the multiemployer plan is accounted for on the defined contribution basis. No portion of the asset (deficit) surplus of the plan is recognized in these financial statements. The Association's liability is limited to the employer contribution which are expensed in the period that they become payable.

#### *i. Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Key areas of estimation include useful lives of capital assets and accruals for claims incurred not yet reported. Actual amounts could differ from these estimates.

### 3. INVESTMENTS

Short term investments include highly liquid investments that can be quickly converted into cash or have a maturity date of 12 months or less.

	Operating Fund	Benefits Fund	Insurance Fund	Total 2017	Total 2016
Cash & Short Term Investments	\$ 1,277,000	\$ 690,678	\$ 2,183,736	\$ 4,151,414	\$ 4,321,023
Fixed Income	-	4,599,415	14,409,261	19,008,676	18,956,868
Canadian Equities	-	1,215,989	3,984,299	5,200,288	4,600,503
U.S. Equities	-	588,423	1,861,100	2,449,523	2,618,593
Total	\$ 1,277,000	\$ 7,094,505	\$ 22,438,396	\$ 30,809,901	\$ 30,496,987

The net investment income and unrealized gains (losses) for each fund is provided in the following table:

	2016 Balance	Net Investment Income	Unrealized Gains (Losses)	Transfers	Balance
Operating Fund	\$ 1,264,413	\$ 12,587	\$ -	\$ -	\$ 1,277,000
Benefits Fund	8,731,103	\$ 205,806	\$ 156,817	(1,999,221)	7,094,505
Insurance Fund	20,501,471	\$ 580,965	\$ 355,960	1,000,000	22,438,396
Total Investments	\$ 30,496,987	\$ 799,358	\$ 512,777	\$ (999,221)	\$ 30,809,901

**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
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**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Building	\$ 2,181,040	\$ (1,222,550)	\$ 958,490	\$ 980,882
Land	100,000	-	100,000	100,000
Office furniture and equipment	25,275	(7,583)	17,692	22,747
	<u>\$ 2,306,315</u>	<u>\$ (1,230,133)</u>	<u>\$ 1,076,182</u>	<u>\$ 1,103,629</u>

The most recently published valuation appraisal as of December 13, 2017 reported the following:

Cost of Reproduction New:	\$7,423,000
Cost of Reproduction New Less Depreciation:	\$4,375,000

**5. BENEFITS FUND**

In 2005, the Association entered into an agreement with Manufacturers Life Insurance Company (Manulife) whereby the Association assumed the risk for the extended health, dental and vision plans. Manulife is responsible for the administration of the plans and provides an annual accounting of the financial results of the plans - premiums less claims and certain administrative expenses.

The Association currently estimates a deficit of \$418,000 (2016 - \$1,117,000) for the Benefits Fund for the period of January 1 to December 31, 2017. This amount is reflected in accounts payable and accrued liabilities.

**6. PENSION PLAN**

During the year, the employee's contribution rate and the Association's contribution rates relating to MEPP were 8.15% (2016 - 8.15%). The Association's contributions were \$132,326 (2016 - 179,431).

The most recently published actuarial valuation as of December 31, 2016 reported the following:

Plan Assets:	\$2,135,357,000
Plan Liabilities:	\$1,938,975,000
Plan Surplus:	\$ 196,382,000

**Saskatchewan School Boards Association**  
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**7. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

Significant contractual obligations and commitments of the Association are as follows:

	Office	Equipment
2018	\$	7,192
2019		7,192
2020		7,192
2021		7,192
2020		3,596
Total	\$	32,364

**8. CONTINGENT LIABILITIES**

A contingent liability exists for the Insurance fund associated with legal action related to various insurance claims. The liability for some of the claims cannot be estimated until the results of the legal action are known.

**9. FUNDS HELD IN TRUSTS**

The Association administers funds for the School Division Specific Land Claims Tax Loss Compensation Fund held in trust pursuant to an agreement between the Government of Saskatchewan and the Association. The total cash and investments held in the trust as at December 31, 2017 was \$2,267,732 (\$2,291,640 in 2016). These amounts are not reflected in the financial statements.

**10. ALLOCATION OF EXPENSES**

The Association allocates expenses associated with administrative and communications support to the Benefits and Insurance Funds using results from an updated cost study in 2014. The appropriate cost driver was determined for each function and applied appropriately. Examples of cost drivers include payroll costs allocated based on percentage of employees in each department and communications support allocated based on percentage of time of specific employees used to support the Benefits and Insurance Fund activities.

In addition, building rent costs were transferred to each fund using existing office space square footage and the rate charged to other building tenants.

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2017

### 10. ALLOCATION OF EXPENSES (Continued)

The cost transfers from the Operating Fund to the Benefits and Insurance Funds are provided in the following table:

	2017		2016	
	Benefits Fund	Insurance Fund	Benefits Fund	Insurance Fund
Administrative support and office space	\$ 117,310	\$ 37,022	\$ 89,646	\$ 31,184
Total	\$ 117,310	\$ 37,022	\$ 89,646	\$ 31,184

- (1) Administrative support includes costs associated with payroll, expense processing, financial management, financial reporting, communications, and Executive Director support.

### 11. APPROPRIATED FUNDS

#### Operating Fund Reserves

- a. Reserve for Building Repairs and Renovations - Amounts have been appropriated in expectation of future major building repairs. Expenditures for major repairs and renovations are charged to the reserve.
- b. Bylaw Review – The purpose of this reserve is to set aside an appropriation for work to periodically review the mission, mandate and bylaws of the Association, pursuant to section 8 of Bylaw No. 13.
- c. Investment in Property - This reserve is equal to the net book value of property.
- d. Provincial Bargaining – The purpose of this reserve is to set aside an appropriation for costs incurred by the Association for involvement in the Provincial Bargaining process.
- e. Unappropriated Reserve – The purpose of this reserve is to:
  - i) set aside an appropriation for costs associated with the winding down of the Association if the corporation is dissolved; and
  - ii) to set aside an appropriation for unbudgeted expenditures that were unforeseen and could not have been reasonably anticipated at the time the budget was approved and to address emergent situations that arise between budgets.

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2017

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### 11. APPROPRIATED FUNDS (Continued)

#### Benefits Fund Reserves

- a. Unappropriated reserves - The amount of this reserve shall not be less than \$1,000,000 as per Association policy. The purpose of this fund is:
  - i) to set aside an appropriation for administrative costs associated with the winding down of the plan if dissolved,
  - ii) to set aside an appropriation for costs incurred as a result of a significant group withdrawal from the plan, creating a plan deficit,
  - iii) to set aside an appropriation for administrative expenditures that have not been budgeted for that were unforeseen and could not have been reasonably anticipated at the time the budget was approved and to address emergent situations that arise between budgets, and
  - iv) to set aside an appropriation for development of administrative infrastructure to support the Employee Benefits Plan in its role as a third party benefit administrator and policy holder.
- b. Claims Fund Reserve - The purpose of this fund is to set aside an appropriation for Incurred But Not Reported (IBNR) amounts and to ensure that an amount is appropriated for claims fluctuations.

#### Insurance Fund Reserves

Reserve accounts have been established to set aside an appropriation for self-insurance amounts and/or unanticipated costs.

- a. Property pool – This reserve is designated as a “group self-insurance plan” for members’ losses for property claims to be used to cover members’ losses in excess of the basic insurance deductible of \$5,000 to a maximum of \$200,000 per occurrence. The Association’s maximum annual exposure for the pool is \$2,000,000.
- b. General liability pool – This reserve is designated as a “group self-insurance plan” for general liability claims against school boards for bodily injury and property damage. The statute of limitations on liability insurance is currently two years beyond the age of majority for an individual to claim damages for negligence against a school board. \$400,000 is set aside annually for this pool with a maximum of \$45,000 available per claim.
- c. Sexual molestation pool – This reserve is designated as a “group self-insurance plan” for the risk and exposure to school boards resulting from sexual molestation claims. Association policy requires a minimum balance of \$2,000,000 in this pool. Annual coverage is provided by insurers for expenses between \$1,000,000 and \$8,000,000. This reserve is funded by the addition of \$1.00 per student to the cost of insurance to school boards.
- d. Air quality pool – This reserve is designed as a “group self-insurance plan” to offset the risk and exposure to school boards resulting from air quality, mold and fungus. There is a maximum of \$1,000,000 annual aggregate expenses to this reserve and a \$500,000 per claim limit, with a \$5,000 deductible for each claim. This reserve is funded by the addition of \$1.00 per student to the cost of insurance to the school boards.

Schedule 1 outlines the transfers between the unappropriated and appropriated reserves.

## **12. FINANCIAL RISKS**

The Association is exposed to various risks through its financial instruments.

### **a. *Market Risk***

Market risk is the risk of loss that may arise from change in market factors such as interest rates, foreign currency rates and equity prices. The Association is mainly exposed to this market risk in its investing activities.

#### **i) Interest rate risk**

Interest rate risk refers to the adverse consequences of interest rate changes on the Association's cash flows and appropriated and unappropriated funds. The investment portfolio is exposed to interest rate risk in respect to its fixed income and short-term investments. Fixed rate instruments subject the Association to a fair value risk. To manage, interest rate risk, the Association investment policy provides for distribution of investments among several classes of investments in order to reduce exposure to investment volatility.

#### **ii) Foreign currency risk**

Foreign currency exposure arises from holdings of non-Canadian investments. The investment policy limits foreign currency risk by providing maximum investment amounts in US and International Equities as a percentage of the total investment portfolio for both the Benefits and Insurance Funds. Investment in international equities requires prior approval from the Audit and Investment Committee.

The Operating Fund is limited to investments in Canadian cash and short-term securities.

At December 31, 2017, investments in U.S. equities accounted for 8% (2016 – 9%) of the total portfolio for both the Benefits and the Insurance Funds as compared to a policy limit of 15% for each fund. There are no investments in international equities.

#### **iii) Equity price risk**

Equity price risk is the risk the fair value or future cash flows of an equity investment will fluctuate because of changes in market prices (other than those arising from interest risk or foreign currency risk), whether those changes are caused by factors specific to the individual equity instrument or factors affecting similar equity instruments traded in the market.

The investment policy limits equity price risk by providing maximum investment amounts in equities as a percentage of the total investment portfolio. At December 31, 2017, investments in equities accounted for 25% (2016 - 25%) of the total portfolio for both the Benefits and the Insurance Funds as compared to a policy limit of 40% (2016 - 40%) for each fund.



**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
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**12. FINANCIAL RISKS (continued)**

**b. *Credit Risk***

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations of the Association, as and when they come due.

The investment policy limits credit risk by dealing with investees that are considered to be of high quality.

Cash and short term securities investments are limited to Treasury Bills and other securities issued or guaranteed by the federal government, provinces or municipalities of Canada, Bankers Acceptances and other bank and trust company obligations or deposits, and corporate and asset backed commercial paper with credit ratings of A or stronger.

Fixed Income Securities are limited to securities issued or guaranteed by the federal government, provinces, or municipalities of Canada, corporate bonds with credit ratings of A or stronger, and mortgage and other asset backed securities.

None of the assets in the investment portfolio are past due or impaired as at December 31, 2017 (2016 - \$nil).

**c. *Liquidity Risk***

The business of the Association necessitates the management of liquidity risk. Liquidity risk is the risk of being unable to meet financial commitments, under all circumstances, without having to raise funds at unreasonable prices or sell assets at a forced basis.

As at December 31, 2017, the Association has accounts payable and accrued liabilities of \$5,835, 853 (2016 - \$5,290,975).

# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Schedule 1 - Schedule of Changes in Reserves

for the year ended December 31, 2017

	Net Assets 2016	Net revenue over expenses	Net Assets 2017
<b>OPERATING FUND</b>			
Building repairs	\$ 306,215	\$ -	\$ 306,215
Bylaw review	21,346	-	21,346
Investment in capital assets	1,103,630	(27,447)	1,076,183
Provincial bargaining	75,757	(20,731)	55,026
Unappropriated	419,173	289,542	708,715
	<b>1,926,121</b>	<b>241,364</b>	<b>2,167,485</b>
<b>BENEFITS FUND</b>			
Claims Reserve	1,394,105	(42,419)	1,351,686
Unappropriated	3,811,164	(699,579)	3,111,585
	<b>5,205,269</b>	<b>(741,998)</b>	<b>4,463,271</b>
<b>INSURANCE FUND</b>			
Property pool	4,085,093	(406,539)	3,678,554
Sexual molestation pool	5,680,629	377,724	6,058,353
General liability pool	8,042,924	658,385	8,701,309
Air quality pool	3,514,046	303,081	3,817,127
	<b>21,322,692</b>	<b>932,651</b>	<b>22,255,343</b>
	<b>\$ 28,454,082</b>	<b>\$ 432,017</b>	<b>\$ 28,886,099</b>

See Note 11 for further information regarding the reserves and their purpose.



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