

# ANNUAL REPORT 2018



## President's Message



It continued to be an honour to serve as the president of the Saskatchewan School Boards Association in 2018. Following a very difficult year for education in 2017, I think it is fair to say that students, parents, communities and the locally elected school boards that represent them sent a strong message about the importance of education and investing in students and classrooms. With a new premier and a newly appointed deputy premier and minister of education in place, school boards started the year continuing to advocate for restored and renewed investment in education, as well as a renewed relationship that engages and collaborates with all education partners towards a common vision.

The strong advocacy from the SSBA, boards of education, SASBO, LEADS, STF, CUPE and SEIU, along with the public voice, certainly showed the importance and value that people in Saskatchewan place on education. The Association worked hard to represent our members speaking with a unified voice and our shared belief that all students should have the resources they need to succeed and achieve, regardless of where they live in the province or their personal circumstances. The development of a shared vision started in 2018 with the Education Summit and ultimately will result in a plan for education in Saskatchewan beyond 2020. With partially restored funding, the SSBA continues to call for predictable and sustainable funding to support a shared vision and the innovation and improvement required in the system for many years to come.



Dr. Shawn Davidson  
President

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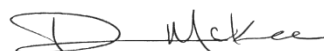
## Executive Director's Message

While the difficult decisions our member boards had to make as a result of the 2017 funding cuts continued in 2018, some of the governance restrictions placed on boards were lifted and the minister and ministry began to re-engage with the sector in an effort to improve relationships. Considerable efforts were made by boards of education and the SSBA to ensure that education is a priority focus and that good work continued for the benefit of all students.



At the SSBA, we continued to adapt our services, advocacy and board development offerings to ensure the important work identified by our members through resolutions and our strategic plan was realized and is highlighted in this report. I want to also recognize the considerable efforts made by the SSBA Executive and staff to find efficiencies and exercise restraint to tackle the deficit budget while still ensuring the high-value services, provincial advocacy and opportunities for board development were available and served our members well.

It remains a privilege to work for boards of education and lead the great staff at the SSBA. I continue to focus forward towards a shared vision for education for the benefit of all students and we know we do this best by working together.



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 – we take pride and responsibility for our work and our decisions;
- Honest relationships built through collaboration, open and transparent communication; and,
- An atmosphere of trust and mutual respect.

## Strategic Intent

The Saskatchewan School Boards Association, as a democratic and voluntary organization, ensures advocacy, leadership and support for member boards of education by speaking as the voice of public education, offering opportunities for trustee development and providing information and services. We are committed to:

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



# 2018 SSBA Strategic Initiatives & Outcomes

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## Board and Public Engagement

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### Education Funding – Invest In Students

The SSBA has eight principles for education funding that have been identified by our members as important; they are: sufficiency, autonomy, equity, engagement, predictability, reciprocal accountability, sustainability and transparency.

Sufficiency was again at the forefront in 2018 with funding for education being cut significantly in 2017.



[Advocacy efforts](#) related to the “Keep Investing in Students” campaign began in 2017 and continued into 2018 amid provincial leadership races and contributed to raising awareness of education funding as an issue. The campaign contributed to significant public awareness and concern about the impact of the funding cuts to education. Key messages and other information were shared with boards to support them in engaging with the communities and families they represent.

- **The target:** Restored funding in the 2018-19 budget with commitments to predictable and sustainable funding going forward that prioritizes education as the most important investment in our province.
- **The outcome:** In early 2018, Premier Scott Moe announced immediate mid-school year funding of \$7.5 million for school divisions to assist in dealing with front-line pressures. Funding was partially restored in the 2018-19 provincial budget (\$30 million over the school division fiscal year). Fully restored, renewed, sustainable and predictable investment going forward is still an issue.

### Maintain and Support Local Voice and Decision Making In Education

*Resolution 17-07 – SSBA advocate to the Ministry of Education to restore funding levels for education sector Governance to a level that is more reflective of the financial restraint applied to the overall education sector and governance restraint measures at the provincial level.*

- **The target:** Maintain and support local voice and decision making in education – stop erosion of local autonomy. Specifically in reference to Resolution 17-07, to have conditions and restrictions removed, ultimately resulting in stronger partnerships in the sector that reflect a shared responsibility for education.
- **The outcome:** It was announced by the Government of Saskatchewan at the provincial budget release that the conditionality and restrictions imposed in 2017 will be removed. We received confirmation (in writing) of this commitment from the Ministry of Education.

# 2018 SSBA Strategic Initiatives & Outcomes

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## *Board and Public Engagement*

*(continued)*

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### *Begin Review of Position Statement 2.3: Teaching & Learning with Technology*

As per the SSBA's Executive Policy No. 11, Position Statement 2.3 was due for review and was identified as needing to be updated. The Resolutions and Policy Development Committee is responsible for the review and update.

- **The target:** To have a relevant and current position statement in place for 2019.
  - **The outcome:** Research, review and re-write began in the fall of 2018 to enable engagement of members for input and feedback in early 2019. The updated position statement will be considered and voted on at the 2019 Fall General Assembly under the sponsorship of the Executive.
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## *Improved Collaboration and Consultation*

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### *A Renewed Commitment to Full Engagement*

After more than a year of uncertainty and multiple reviews in education our members wanted to focus forward on the future of education. The SSBA advocated for a renewed commitment from the Government of Saskatchewan to collaborative processes that include local community voice to fully engage boards with our partners and staff in education as we move forward on education policies, goals of education, legislation review, curriculum renewal and the Education Sector Strategic Plan (ESSP).



#### **The targets:**

- Curriculum Advisory Committee – to become active with influence.
  - Regular meetings with government and partners.
  - Clear protocols for decisions making and consultation for key education decisions and policies.
  - New governance and operations structure in place (e.g. SIC and PLT).
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# 2018 SSBA Strategic Initiatives & Outcomes

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## Improved Collaboration and Consultation

(continued)

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### The outcomes:

- SSBA appointment made to the Curriculum Advisory Committee – the commitment was made by the Minister and Ministry that this Committee will become active. Currently waiting for the Committee to start meeting.
- Regular meetings with government and partners – regular meetings are occurring with the Ministry and education partners. Minister is attending / speaking at the SSBA Assemblies and attending Board Chairs Council meetings regularly.
- Clear protocols for decision-making and consultation for key education decisions and policies – still to be determined. Consultation and collaborative approach was taken in the development of the Education Summit held in October of 2018 and for the vision work currently underway.
- New governance and operations structure in place for Education Sector Strategic Plan – still to be determined.



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## Sector-Wide Approach to Efficiencies

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Service improvement and shared service opportunities for vulnerable students (inter-ministerial and cross-sector).  
Priority resolutions identified for 2018:

- *Resolution 16-08 – SSBA affirm the commitment of Boards of Education to the principles and vision for inclusion outlined in the Saskatchewan Disability Strategy, and that the SSBA request that the Ministry of Education dedicate new, targeted funding for school accessibility projects that reflect the intent of Saskatchewan's Disability Strategy.*
- *Resolution 16-01 – SSBA demand that the Government Saskatchewan provide adequate mental health support for all students in Saskatchewan.*

# 2018 SSBA Strategic Initiatives & Outcomes

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## *Sector-Wide Approach to Efficiencies*

*(continued)*

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### **The targets:**

- In partnership with the Government of Saskatchewan, boards of education, and other stakeholders, develop a mental health strategy with specific actions for the education sector.
- Advocate that the Ministry of Education request new targeted funding for school accessibility projects that reflect the intent of Saskatchewan's Disability Strategy.

### **The outcomes:**

- Meetings and discussions held with Minister of Education and Ministry officials advocating for more inter-ministerial coordination.
- Student data: SAYCW revised survey adds questions related to student mental health.
- Research conducted about initiatives underway in the sector and through the Mental Health and Addictions Action Plan.
- Dr. Jody Carrington presented at the SSBA Fall Assembly, ministry officials were invited to attend.
- No new targeted funding for school accessibility projects.

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## *Research Policy that Supports and Builds Capacity for Evidence Based Decision Making*

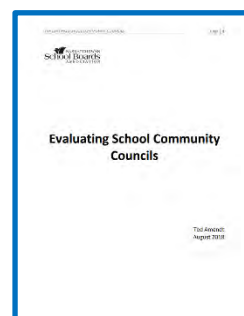
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### **SCC Review**

The review looked at the effectiveness of School Community Councils (SCCs) in achieving their mandate. Priority resolution identified for 2018:

*Resolution 16-04 – SSBA establish a working advisory group to evaluate the effectiveness of the current School Community Council framework in supporting the educational needs of schools and their communities and make recommendations to the government based on its findings.*

- **The target:** To complete the review and make recommendations.
- **The outcome:** The review was completed in 2018, discussed with Board Chairs Council and subsequently released to boards of education in September 2018. Themes from [the report](#) emerged at the Provincial Education Summit, *Shaping the Future of Education: A Shared Vision* held on October 11 & 12, 2018. Implementation of the recommendations in the report are being considered within the context of education visioning work being conducted in 2019.



# 2018 SSBA Strategic Initiatives & Outcomes

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## *Research Policy that Supports and Builds Capacity for Evidence Based Decision Making*

*(continued)*

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### SSBA First Nations and Métis Education and Communications Services Review

The SSBA has created a Services Consultation Framework whereby each service area within the Association is reviewed in a cycle between the five-year larger services review, in order to conduct a 'deep dive' within each service area. Service reviews of Communications and First Nations and Métis Education were conducted and completed in 2018.

- **The target:** To ensure the longevity and sustainability of the services provided, seek feedback on specific service areas, and adjust or plan any improvements to the services as determined through the review process.
- **The outcomes:**
  - SSBA Communications Services are utilized by the Executive, member boards and their staffs in a variety of different ways and levels and are generally well regarded and utilized. While there was some suggestion to further expand these services and enable a wider reach – given budgetary limitations facing the SSBA and in consideration of existing efforts to seek continuous improvement, the Executive approved to maintain the status quo staffing levels and internally tweak service offerings where possible to broaden the availability of those most valued and desired by members.
  - The review of the SSBA First Nations and Métis Education services identified some priorities for this service including, that the SSBA undertake a process to determine the FNME needs of boards of education, highlighting the TRC Calls to Action as a priority focus, and change the focus of SSBA FNME Services to align with these needs; that measurable strategic goals and actions are created for SSBA FNME Services, and that a monitoring and reporting mechanism is created and reported to the membership regarding the outcomes of the service. While there was some suggestion to restore the staffing function to full-time, given budgetary limitations facing the SSBA, the Executive approved to maintain the status quo staffing level of SSBA FNME Services. The review also highlighted a need for the SSBA Executive to provide leadership in strategic communications with the membership regarding their ongoing support of FNME Services, and to support a re-focusing of the service.



# 2018 SSBA Strategic Initiatives & Outcomes

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## *Research Policy that Supports and Builds Capacity for Evidence Based Decision Making*

*(continued)*

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### Beyond 2020 – A Shared Vision for Education

After more than a year of uncertainty and multiple reviews in education, our members and the communities and families they represent wanted to focus forward on the future of education. The SSBA advocated for a renewed commitment from the Government of Saskatchewan to collaborative processes that include local community voice to fully engage boards with our partners and staff in education as we move forward on education policies, goals of education, legislation review, curriculum renewal and the Education Sector Strategic Plan (ESSP).

- **The target:** Beyond 2020 – a shared vision for education developed with the entire sector and with meaningful public, staff, student and parent engagement. To have a process, structure, and engagements in place to support success.
- **The outcome:** The Ministry agreed to lead and fulfill their mandate regarding the development of vision for education for 2020 and beyond. An Education Summit, *Shaping the Future of Education: A Shared Vision*, was held on October 11 & 12, 2018. There were 262 individuals in attendance from about 80 organizations, including, but not limited to representatives from the Pre-Kindergarten to Grade 12 system, post-secondary education system, First Nations organizations, Métis Nation, community, business, New Canadian organization, union, industry and provincial government. The SSBA established an Education Visioning Working Advisory Group in late 2018 to lead the consultation and engagement process with boards of education beginning in early 2019.



# 2018 SSBA Strategic Initiatives & Outcomes

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## Research Policy that Supports and Builds Capacity for Evidence Based Decision Making

(continued)

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### SSBA General Insurance Working Advisory Group (WAG)

The SSBA General Insurance Plan (GIP WAG) was established in 2018. Priority resolution identified for 2018:

*Resolution 16-12 – SSBA annually report to boards on the level of insurance fund reserves held by the Association and potential claims against said loss pools, compare same against the loss pool levels contemplated in the respective loss pool trust documentation and best practice, and provide a concrete plan for dealing with either surplus or deficit situations; the goal being to provide contributing boards with more meaningful information regarding their funds, held in trust by the SSBA, that can be gleaned from a review of the Association’s Audited Financial Statements.*

- **The target:** To establish a stakeholder General Insurance Plan Working Advisory Group (GIP WAG) that leads the development of a new accountability framework for insurance approved by the membership.
- **The outcome:** The GIP WAG was established and oversaw an independent third-party (AON) review of the GIP Loss Pools’ governance, accountability process and structural content. The work was conducted in two phases, was reported on regularly to the membership, and completed on time and on budget. The recommendations of this work were approved by the Executive and implementation, which will be led by a GIP Team, is scheduled for 2019.



Proud to support your vision for a thriving Saskatchewan through the SSBA Benefits, Insurance and Risk Management Programs.

# 2018 SSBA Strategic Initiatives & Outcomes

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## First Nations and Metis Education - Student Achievement

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### TRC Recommendations – Action in Education

The SSBA [FNME webpage](#) includes highlights of action in education related to the Truth and Reconciliation Commission recommendations. The SSBA actively supported this work by:

- Gathering and sharing actions in education with our member boards.
- Collaborating with education partners regarding strengthening Reconciliation through Treaty awareness and education.



#### Priority resolutions identified for 2018:

*Resolution 17-10 – All publicly funded schools in Saskatchewan be encouraged to display the Treaty symbol within their schools and board offices.*

- Approximately 6 divisions (179 schools) have the Treaty Symbol to be displayed within the schools and division office. Treaty Symbol designs are available on the SSBA website. Invitation was sent, in the spirit of our MOU on Treaty Education, to FSIN Chief to present a Treaty Symbol to each board chair at an SSBA Assembly in 2019.

*Resolution 17-11 – SSBA advocate for a mandatory Indigenous Studies course in Saskatchewan high schools as part of the required curriculum for students graduating from grade twelve in addition to Indigenous teachings currently embedded into the curriculum.*

- The SSBA advocated for and met with FSIN Chief Cameron and the Ministry of Education about curriculum renewal and having mandatory high school courses that are based on the foundational integration of Indigenous content, perspectives and ways of knowing. Discussions are ongoing.

### Indigenous Council Strategic Plan – Implementation

#### Memorandum of Understanding on Treaty Education

The Federation of Sovereign Indigenous Nations, the Saskatchewan Indigenous Cultural Centre, the Office of the Treaty Commissioner and the Saskatchewan School Boards Association signed a Memorandum of Understanding (MOU) on Reconciliation through Treaty education in February of 2018. The MOU recognizes that Reconciliation through Treaty education can be the tool to overcome obstacles that affect Treaty relations. It also endorses partnerships to address the advancement of Treaty awareness and education, as vehicles toward the elimination of systemic discrimination and embody the Truth and Reconciliation Commission's Calls to Action.

#### Memorandum of Understanding "Strengthening Our Commitment for Success of Saskatchewan Métis Students"

The Métis Nation–Saskatchewan (MN-S) and the Saskatchewan School Boards Association (SSBA) signed a Memorandum of Understanding (MOU) on "strengthening our commitment for success of Saskatchewan Métis Students" in July of 2018. The MOU recognizes that the advancement of Métis culture, traditions and ways of knowing can be the vehicle to overcome obstacles that affect Métis student success and their educational aspirations.

# Resolutions

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Resolutions passed at the Annual General Meeting help drive the work of the SSBA and priorities are set based in part upon adopted resolutions. While some of the resolutions are identified under our strategic priorities for 2018 – the following resolutions have also been prioritized for 2018. For a complete update of all resolutions and the associated work plans you can view more details online at: <http://saskschoolboards.ca/about-us/resolutions/>

*(AGM 16-05)*

*SSBA lobby the Government of Saskatchewan to amend the School Review legislated process to include the ability for rural school divisions to develop long range facility plans which may include consolidation.*

*(AGM 16-09)*

*SSBA consult with the Ministry of Education to review the rationale for and mechanic of the social impact bond recently entered into by the Government of Saskatchewan with a view to the broader potential impact on funding for public education in Saskatchewan and the operation of publicly funded schools.*

*(AGM 16-13)*

*SSBA support the Government of Saskatchewan to push for an economic impact assessment of a carbon tax on the operating budgets of our schools and facilities.*

*(AGM 16-10)*

*SSBA urge the Government of Saskatchewan to revise the Education Property Tax Bill to include the establishment of a distinct and separate fund to which education property tax levies would be deposited and payments made to school boards.*

*(AGM 17-04)*

*SSBA consult with the Government of Saskatchewan, Elections Saskatchewan and SSBA Chairs' Council to consider qualifications for eligibility including the requirement of a satisfactory vulnerable section check to be nominated as a candidate for and hold office as a board member for a school division under section 45 of The Local Government Election Act, 2015.*

*(AGM 17-13)*

*SSBA request the Government of Saskatchewan amend the Provincial Sales Tax Act to exempt school boards from paying PST on insurance premiums and construction services.*

# Resolutions

(continued)

## Dashboard

# Saskatchewan School Boards Association

## ADOPTED RESOLUTIONS PROGRESS

Updated March 2019

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

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

Bylaw Amendment No. 41 (c) (vii)	Bylaw Amendment No. 41.7. (5)	Bylaw Amendment No. 41.7. (7)	Budget Resolution	AGM 18-01 Position Statement 1.1	AGM 18-02 Vulnerable Children	AGM 18-03 Recruitment Strategy	AGM 18-04 Treaty Education	AGM 18-05 Campaign Donations	AGM 18-06 Executive Composition	

**2017** — workplan online at <http://saskschoolboards.ca/wp-content/uploads/2017-Adopted-Resolutions-Work-Plan-and-Assignments-March-2017-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-2016-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						

*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 2018

Ten Saskatchewan schools each received \$10,000 to support student nutrition after winning the [Mosaic Extreme School Makeover Challenge](#) for 2018. The grants, provided by the Mosaic Company, [supported projects](#) that have goals including developing or upgrading indoor and outdoor kitchen and garden facilities; improving education for students and communities about nutrition, cooking, agriculture, food safety and First Nations and Métis knowledge; aiding in the path toward reconciliation; and, developing or furthering breakfast and snack programs.



*Walk to Breakfast 2018*

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## Premier's Board of Education Award for Innovation and Excellence 2018

Prairie Spirit School Division received the 2018 [Premier's Board of Education Award for Innovation and Excellence in Education](#), for its submission of "[innovative music programming](#)" in the division.



*Presentation of the 2018 Premier's Award*



# Community and Partner Support

(continued)

## 2018 Executive Delegations

The [SSBA Provincial Executive](#) met with many delegations in 2018, including:

- CUPE Education Workers Steering Committee
- LEADS
- Minister of Education
- Public Section
- Catholic Section
- Deloitte (Auditors)
- SUMA
- SHSAA
- Opposition Education Critic
- Dean of Education – University of Regina



# SSBA Highlights for 2018

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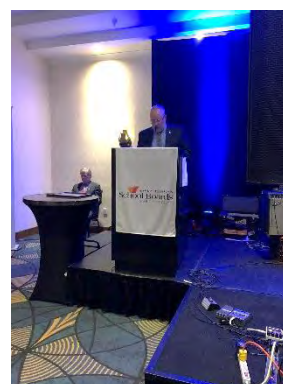
## 2018 Scholarships and Awards



*Alabi AbdulFattah was the recipient of an SSBA [Education Scholarship](#) in 2018.*



*Connie Bailey and Élizabéth Perreault were honoured as Life Members at the 2018 Fall Assembly.*



*Larry Caswell, Bert de Gooijer and Ray Morrison received SSBA [Awards of Distinction](#) in 2018.*



# SSBA Highlights for 2018

(continued)

## Loss Control and Prevention Seminar



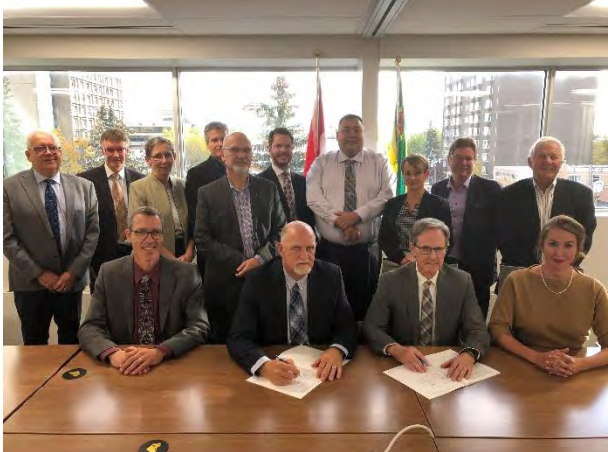
Forty delegates from 18 school divisions and one delegate from the Ministry of Education attended the SSBA General Insurance Plan (GIP) Loss Control and Prevention Seminar, which was held in March 2018 in Saskatoon. This was SSBA GIP's first Loss Control and Prevention Seminar held since 2012.

## Local Government Week Proclaimed



The first-ever Local Government Week was proclaimed in the province at the joint request of the Saskatchewan Association of Rural Municipalities (SARM), the Saskatchewan Urban Municipalities Association (SUMA) and the Saskatchewan School Boards Association (SSBA).

## Teachers Collective Agreement Signed



Teachers and the Government-Trustee Bargaining Committee signed a new collective agreement. An arbitration board handed down a decision, outlining a new collective agreement for teachers. The agreement, signed Oct. 3 in Regina, is based on language outlined in that arbitration ruling.

## Orange Shirt Day & Students' Day



At the SSBA's request, Provincial Students' Day and Orange Shirt Day are proclaimed in September each year. Provincial Students' Day is to help ensure a focus on safety as students return to school. Orange Shirt Day is an opportunity for reflection to occur regarding residential schools.

# SSBA Highlights for 2018

(continued)

## LAFOIP Webinars



Members of the SSBA Legal Services team participated in two province-wide webinars with the Saskatchewan Information and Privacy Commissioner's office in 2018. The webinars were related to the Local Authority Freedom of Information and Protection of Privacy Act.

## Provincial Budget Day



SSBA President Shawn Davidson and Vice-President Aleana Young attended at the provincial Legislative Building for budget day. They brought forward a message calling for renewed investment in education as important to support continued progress in the area of student achievement.

## Employee Benefits Plan Seminar



The 2018 Benefits and Pension Administration Seminar took place in Regina in October. The SSBA Employee Benefits Plan is available to all permanent non-teaching employees and to trustees of member boards. The products are uniquely customized for the education sector.

## New Zealand Visitors



Visitors from the New Zealand School Trustees Association toured Saskatchewan in June 2018, including making a visit to the SSBA offices in Regina. There are approximately 18,000 people currently serving on 2,425 state and state integrated school boards in New Zealand.

# SSBA Highlights for 2018

(continued)

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## Employee Benefits Plan (EBP)

Offering benefits to 25 Boards of Education:

- ✓ \$6.5 million in Health Claims
- ✓ \$5 million in Dental Claims
- ✓ \$3.2 million in Life and Disability Claims

## General Insurance Plan (GIP)

All 27 Boards of Education participate and receive:

- ✓ Shared Value
- ✓ Shared Risk
- ✓ Shared Protection

## Group Tendering

- ✓ Hotel Lodging
- ✓ School Bus Tires

## Board Development

- ✓ Risk Management Workshops & Presentations
- ✓ Board & Director Evaluation
- ✓ Policy Support, Information & Research
- ✓ Trustee Education & Board Development
- ✓ SSBA Governance Handbook
- ✓ SSBA Spring & Fall Assemblies

## Legal Services

- ✓ Advice & Support to all 27 Boards
- ✓ Presentations & Workshops
- ✓ Reference Materials
- ✓ Legal Services Dropbox (resources)

## Human Resources & Employees Relations

- ✓ Advice & Research
- ✓ Reference Materials
- ✓ Training Sessions
- ✓ Data Warehouse

## Communications & Advocacy

- ✓ Provincial Advocacy & Local Support
- ✓ Advice & Issues Management
- ✓ Strategic Planning & Facilitation
- ✓ Workshops & Presentations
- ✓ Media Relations
- ✓ Writing & Editing

## First Nations and Métis Education

- ✓ Advice
- ✓ Presentations
- ✓ Information & Research



# Provincial Executive



Dr. Shawn Davidson  
President



Aleana Young  
Vice-President



Jerome Niezgoda  
Catholic Constituency



Jaimie Smith-Windsor  
Central Constituency



Martin Prince  
CSF Constituency



Joe Daigneault  
Indigenous Constituency  
(as of November 2018)



Jansen Corrigan  
Northern Constituency



Janet Kotylak  
Southern Constituency



Donna Banks  
Urban Public Constituency

Thanks to Duane Favel (outgoing in 2018) for his service as Indigenous Constituency Representative.



# SSBA Staff



Darren McKee  
Executive Director



Ted Amendt  
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>2</sup>



Catherine Vu  
Director, Corporate  
Services<sup>2</sup>



Jill Welke  
Director,  
Communications  
Services



Leona Baun  
Benefits Supervisor



April Blondeau  
Strategic HR / ER



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



Joe Couture  
Communication  
and Research  
Consultant



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



Innocent Ihenyen  
Insurance  
Administrator



Maureen Jickling  
Solicitor



Bini Johnson  
Benefits Clerk



Geraldine Knudsen  
Solicitor



Cindy Komonosky  
Receptionist<sup>3</sup>



Krista Lenius  
Administrative  
Paralegal



Chris Pelford  
Benefits  
Administrator



Leanne Pelford  
Benefits  
Administrator



Debby Thomas  
Administrative  
Assistant



Patty Webb  
Benefits  
Administrator

## Notes:

1. Ketan Chavda covered for Rong Hu's leave until February 2018.
2. Marie Stewart covered for Catherine Vu's leave until June 2018.
3. Cindy Komonosky left the SSBA in May 2018.

## Staff Celebrations in 2018:

- ✓ Service Awards – Debby Thomas (30 years), Jamie Lerat (10 years), Ted Amendt (5 years)
- ✓ Innocent Ihenyen – completed his Certified Insurance Professional
- ✓ Joe Couture – received a University of Regina Graduate Scholarship
- ✓ Ted Amendt – as part of his Doctoral work had an article, co-authored with Debbie Pushor, published in *the School Leadership and Management Journal* (UK)
- ✓ Darren McKee – recognized as an outstanding alumnus in the category of Indigenous Initiatives for the University of Saskatchewan College of Education 2017 Alumni Wall of Honour
- ✓ Debby Thomas – completed Level 1 Excel 2013 training at the MicroAge Training Centre

# Financial Summary

The Association maintains a good financial position with total net assets of \$2.3M in the Operating Fund and \$23.2M in the Benefits and Insurance Funds. The Association ended the year with a net surplus of almost \$164K in operations, and a net deficit of \$3.4M in the Benefits and Insurance Funds.

The final result was better than budgeted due to spending restraints, efficiencies, and contract negotiations to manage known cost pressures. The Association's Operating Fund net surplus of \$164K for 2018 is due primarily to the following:

- \$30K surplus for reduced Executive expenditures utilizing more video/teleconferencing opportunities;
- \$50K surplus in building as a result of contract negotiations and management restrictions to increase reserves to offset future rental income loss;
- \$100K surplus in Legal and Employee Relations as use of external consultants was not required;
- \$20K savings in Employee Relations for postponing Data Warehouse enhancements;
- (\$10K) increase in expenses for bad debt related to unpaid portion (50%) of Englefeld Protestant Separate School Division's membership fee; and,
- (\$25K) reduction in revenue related to investment income and the completion of the Connect Energy Natural Gas Partnership Program.

The Association also saved \$70K in the Executive Director/Administration expense line by managing temporary vacancies in Corporate Services. The savings was used to offset the transitional staffing costs incurred in Employee Relations (\$54K) and First Nation and Métis Education Services (\$10K).

Although the decline in the investment market at the end of 2018 did not significantly impact the operations portfolio, it did affect the Benefits and Insurance Funds investment income by over \$1M.

The Benefits Fund reflects a deficit of \$1.5M due to higher number of claims in the current year and \$0.7M to provide members an administration fee holiday, to utilize the unappropriated reserves accumulated over several years (\$1.9M). A reserve fund of \$1.0M exists to manage claims fluctuations surrounding the estimated claims incurred by not yet reported.

The Insurance Fund had a net deficit of \$1.9M due primarily to the distribution of \$1.8M from the Air Quality Insurance Pool to the members, higher claims and lower investment earnings related to the declining market and utilization of invested funds.

Financial statements of

**Saskatchewan School Boards  
Association**

December 31, 2018



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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of Saskatchewan School Boards Association (the "Association"), which comprise the statement of financial position as at December 31, 2018, and the statements of revenue, expenses and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2018, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Association 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 audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities 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 GAAS 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 GAAS, 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 Association'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 Association'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 Association 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.



Chartered Professional Accountants  
Regina, Saskatchewan  
May 23, 2019

# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Statement of financial position

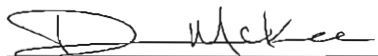
as at December 31, 2018

	Operating Fund	Benefits Fund	Insurance Fund	2018	Total 2017
<b>Assets</b>					
<b>Current assets</b>					
Cash	\$ 959,211	\$ -	\$ -	\$ 959,211	\$ 2,039,453
Accounts receivable	12,844	709,609	-	722,453	801,637
Prepaid expenses	12,443	-	-	12,443	5,909
Due from other funds	-	168,735	89,133	257,868	490,708
Short-term investments (Note 3)	1,291,712	521,088	2,333,473	4,146,273	4,151,414
	2,276,210	1,399,432	2,422,606	6,098,248	7,489,121
Long-term investments (Note 3)	-	4,765,440	21,340,998	26,106,438	26,658,487
Capital assets (Note 4)	1,048,735	-	-	1,048,735	1,076,182
	\$ 3,324,945	\$ 6,164,872	\$ 23,763,604	\$ 33,253,421	\$ 35,223,790
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities	\$ 155,635	\$ 1,986,003	\$ 917,864	\$ 3,059,502	\$ 2,433,853
Provision for unpaid claims	-	1,260,000	2,510,000	3,770,000	3,402,000
Due to other funds	257,868	-	-	257,868	490,708
Deferred revenue	580,099	-	-	580,099	11,130
	993,602	3,246,003	3,427,864	7,667,469	6,337,691
<b>Net assets (Schedule 1)</b>					
Appropriated	1,698,152	1,002,314	20,335,740	23,036,206	25,065,799
Unappropriated	633,191	1,916,555	-	2,549,746	3,820,300
	2,331,343	2,918,869	20,335,740	25,585,952	28,886,099
	\$ 3,324,945	\$ 6,164,872	\$ 23,763,604	\$ 33,253,421	\$ 35,223,790

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, 2018

	Operating Fund	Benefits Fund	Insurance Fund	Total 2018	Total 2017
<b>REVENUE</b>					
Membership fees	\$ 2,140,531	\$ -	\$ -	\$ 2,140,531	\$ 2,526,240
Premiums	-	18,326,930	3,003,287	21,330,217	20,243,234
Investment income	17,069	25,122	21,586	63,777	1,404,340
Other income	162,317	7,524	-	169,841	205,325
Assemblies, events and board development	119,245	-	-	119,245	184,649
Building	270,621	-	-	270,621	223,114
Mosaic Breakfast for Learning	115,000	-	-	115,000	115,000
	\$ 2,824,783	\$ 18,359,576	\$ 3,024,873	\$ 24,209,232	\$ 24,901,902
<b>EXPENSES</b>					
Executive activity/membership engagement	\$ 342,624	\$ -	\$ -	\$ 342,624	\$ 319,200
Executive director/administration	598,148	-	-	598,148	645,643
Communication services	267,444	-	-	267,444	267,697
Board of education development services	287,017	-	-	287,017	340,156
Employee relations	216,463	-	-	216,463	279,233
Legal services	352,505	-	-	352,505	493,435
First nations andmetis education services	73,779	-	-	73,779	109,019
Association operations	163,568	727,676	411,906	1,303,150	1,189,196
Building	207,873	-	-	207,873	273,486
Mosaic Breakfast for Learning	113,557	-	-	113,557	111,879
Claims/carrier (Note 5)	-	19,176,302	2,715,443	21,891,745	20,413,494
Air Quality insurance pool rebate	-	-	1,817,127	1,817,127	-
Bad debt expense	10,500	-	-	10,500	-
Amortization	27,447	-	-	27,447	27,447
	\$ 2,660,925	\$ 19,903,978	\$ 4,944,476	\$ 27,509,379	\$ 24,469,885
Excess (deficit) of revenue over expenses	\$ 163,858	\$ (1,544,402)	(1,919,603)	(3,300,147)	\$ 432,017
Net assets, beginning of year	2,167,485	4,463,271	22,255,343	28,886,099	28,454,082
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 2,331,343</b>	<b>\$ 2,918,869</b>	<b>\$ 20,335,740</b>	<b>\$ 25,585,952</b>	<b>\$ 28,886,099</b>

See accompanying notes

# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Statement of cash flows

for the year ended December 31, 2018

	Total 2018	2017
<b>OPERATING ACTIVITIES</b>		
(Deficit) excess of revenue over expenses	\$ (3,300,147)	\$ 432,017
Items not involving cash		
Amortization	27,447	27,447
Unrealized loss (gain) on investments	1,344,958	(512,777)
Change in non-cash working capital		
Decrease (increase) in accounts receivable	79,184	(42,200)
(Increase) decrease in prepaid expenses	(6,534)	11,841
Increase (decrease) in accounts payable and accrued liabilities	625,649	(617,533)
Increase in provision for unpaid claims	368,000	1,117,148
Increase (decrease) in deferred revenue	568,969	(1,508,711)
<b>Cash (used in) provided by Operating Activities</b>	<b>\$ (292,474)</b>	<b>\$ (1,092,768)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	\$ 3,657,868	\$ 2,072,379
Purchase of investments	(4,445,636)	(1,872,516)
<b>Cash (used in) provided by Investing Activities</b>	<b>\$ (787,768)</b>	<b>\$ 199,863</b>
<b>DECREASE IN CASH</b>	<b>\$ (1,080,242)</b>	<b>\$ (892,905)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>2,039,453</b>	<b>2,932,358</b>
<b>CASH, END OF YEAR</b>	<b>\$ 959,211</b>	<b>\$ 2,039,453</b>

See accompanying notes

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2018

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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, 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, 2018

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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, 2018

### 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 remaining maturity or have a maturity date of 12 months or less.

	Operating Fund	Benefits Fund	Insurance Fund	Total 2018	Total 2017
Cash & short term investments	\$ 1,291,712	\$ 521,088	\$ 2,333,473	\$ 4,146,273	\$ 4,151,414
Pooled funds - Fixed income	\$ -	\$ 3,479,419	\$ 15,581,940	\$ 19,061,359	\$ 19,008,676
Pooled funds - Canadian equities	-	926,244	4,147,861	5,074,105	5,200,288
Pooled funds - U.S. equities	-	359,777	1,611,197	1,970,974	2,449,523
Long-term investments	\$ -	\$ 4,765,440	\$ 21,340,998	\$ 26,106,438	\$ 26,658,487
Total investments	\$ 1,291,712	\$ 5,286,528	\$ 23,674,471	\$ 30,252,711	\$ 30,809,901

**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
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**3. INVESTMENTS (Continued)**

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

	2017 Balance	Net Investment Income	Unrealized Loss	Transfers	2018 Balance
Operating Fund	\$ 1,277,000	\$ 16,005	\$ -	\$ (1,293)	\$ 1,291,712
Benefits Fund	7,094,505	300,005	(293,366)	(1,814,616)	5,286,528
Insurance Fund	22,438,396	1,004,794	(1,051,592)	1,282,873	23,674,471
Total investments	\$ 30,809,901	\$ 1,320,804	\$ (1,344,958)	\$ (533,036)	\$ 30,252,711

Short term investments have been reported separately on the financial statements and prior year's figures have been reclassified.

**4. CAPITAL ASSETS**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Building	\$ 2,181,040	\$ (1,244,942)	\$ 936,098	\$ 958,490
Land	100,000	-	100,000	100,000
Office furniture and equipment	25,275	(12,638)	12,637	17,692
	\$ 2,306,315	\$ (1,257,580)	\$ 1,048,735	\$ 1,076,182

The most recently published valuation appraisal as of December 20, 2018 reported the following:

Cost of Reproduction New:	\$7,623,700
Cost of Reproduction New Less Depreciation:	\$4,390,100

**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 \$662,000 (2017 - \$418,000) for the Benefits Fund for the period of January 1 to December 31, 2018. This amount is reflected in accounts payable and accrued liabilities.



# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2018

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### 6. PENSION PLAN

During the year, the employee's contribution rate and the Association's contribution rates relating to MEPP rose to 9.00% effective July 1, 2018 (2017 - 8.15%). The Association's contributions were \$160,307 (2017 - 132,326).

Every three years, MEPP has an actuary perform an actuarial valuation of the pension fund. 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
Funded Ratio:	110.1%

### 7. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

	Office
	Equipment
2019	\$ 7,192
2020	7,192
2021	7,192
2022	3,596
Total	\$ 25,172

### 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, 2018 was \$2,278,917 (\$2,267,732 in 2017). These amounts are not reflected in the financial statements.

# Saskatchewan School Boards Association

## Notes to the financial statements

December 31, 2018

### 10. ALLOCATION OF EXPENSES

The Association allocates expenses associated with administrative and communications support to the Benefits and Insurance Funds. 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.

Administrative support includes costs associated with information technology, payroll, expense processing, financial management, financial reporting, communications, and Executive Director support. In addition, building rent costs were transferred to each fund using existing office space square footage and the rate charged to other building tenants.

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

	2018		2017	
	Benefits Fund	Insurance Fund	Benefits Fund	Insurance Fund
Administrative support and office space	\$ 117,310	\$ 37,022	\$ 117,310	\$ 37,022

### 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 was 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. As this work is now part of normal operations, the Executive approved the dissolution of this reserve on March 7, 2019.
- 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, 2018**

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**11. APPROPRIATED FUNDS (Continued)**

**Benefits Fund Reserves**

- a. Unappropriated reserves - The amount of this reserve shall not be more 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.

The unappropriated reserve has been in excess of the Association policy and a plan was developed to utilize the excess by reducing administration fees collected over several years to minimize the impact. The administration fee is estimated around \$700,000 per year.

- 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.

**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
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**11. APPROPRIATED FUNDS (Continued)**

- 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.

The insurance funds reserves have been in excess of the Association policy for many years. A working advisory group is currently tasked with developing a plan to address the excess.

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, 2018, investments in U.S. equities accounted for 7% (2017 – 8%) 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.

**Saskatchewan School Boards Association**  
**Notes to the financial statements**  
**December 31, 2018**

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**12. FINANCIAL RISKS (continued)**

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, 2018, investments in equities accounted for 24% (2017 - 25%) of the total portfolio for both the Benefits and the Insurance Funds as compared to a policy limit of 40% (2017 - 40%) for each fund.

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, 2018 (2017 - \$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, 2018, the Association has accounts payable and accrued liabilities of \$6,829,502 (2017 - \$5,835,853).

**13. COMPARATIVE FIGURES**

Certain figures for 2017 have been reclassified to conform to the presentation adopted in 2018.



# SASKATCHEWAN SCHOOL BOARDS ASSOCIATION

## Schedule 1 - Schedule of changes in reserves

for the year ended December 31, 2018

	Net Assets 2017	Net revenue over expenses	Transfers	Net Assets 2018
<b>OPERATING FUND</b>				
Building repairs	\$ 306,215	\$ -	\$ 250,000	\$ 556,215
Bylaw review	21,346	-	(21,346)	-
Investment in capital assets	1,076,183	(27,447)	-	1,048,736
Provincial bargaining	55,026	(11,825)	50,000	93,201
Unappropriated	708,715	203,130	(278,654)	633,191
	<u>2,167,485</u>	<u>163,858</u>	<u>-</u>	<u>2,331,343</u>
<b>BENEFITS FUND</b>				
Claims Reserve	1,351,686	(849,372)	500,000	1,002,314
Unappropriated	3,111,585	(695,030)	(500,000)	1,916,555
	<u>4,463,271</u>	<u>(1,544,402)</u>	<u>-</u>	<u>2,918,869</u>
<b>INSURANCE FUND</b>				
Property pool	3,678,554	(194,488)	-	3,484,066
Sexual molestation pool	6,058,353	159,246	-	6,217,599
General liability pool	8,701,309	(59,349)	-	8,641,960
Air quality pool	3,817,127	(1,825,012)	-	1,992,115
	<u>22,255,343</u>	<u>(1,919,603)</u>	<u>-</u>	<u>20,335,740</u>
	<u>\$ 28,886,099</u>	<u>\$ (3,300,147)</u>	<u>\$ -</u>	<u>\$ 25,585,952</u>

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







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