



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Chinook School Division No. 211, which comprise the statement of financial position as at August 31, 2016, and the statement of operations and accumulated surplus from operations, changes in net financial 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chinook School Division No. 211 as at August 31, 2016, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

CPA LLP
Chartered Professional Accountants
Licensed Professional Accountants

Swift Current, Saskatchewan
November 28, 2016



Chinook School Division No. 211
Statement of Financial Position
as at August 31, 2016

	2016	2015
Financial Assets		
Cash and Cash Equivalents	4,563,901	2,186,308
Accounts Receivable (Note 8)	26,476,113	27,204,658
Portfolio Investments (Note 4)	73,698	71,987
Total Financial Assets	31,113,712	29,462,953
Liabilities		
Accounts Payable and Accrued Liabilities (Note 9)	2,901,103	4,317,174
Long-Term Debt (Note 10)	13,164,345	11,647,902
Liability for Employee Future Benefits (Note 6)	1,654,200	1,595,800
Deferred Revenue (Note 11)	3,115,187	3,172,809
Total Liabilities	20,834,835	20,733,685
Net Financial Assets	10,278,877	8,729,268
Non-Financial Assets		
Tangible Capital Assets (Schedule C)	96,968,825	97,263,026
Inventory of Supplies for Consumption	448,442	369,771
Prepaid Expenses	369,161	380,097
Total Non-Financial Assets	97,786,428	98,012,894
Accumulated Surplus (Note 14)	108,065,305	106,742,162

Contractual Obligations and Commitments (Note 18)

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

Approved by the Board:

	_____	Chairperson
	_____	Chief Financial Officer

Chinook School Division No. 211
Statement of Operations and Accumulated Surplus from Operations
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
REVENUES	(Note 15)		
Property Taxation	39,374,940	40,654,769	40,013,952
Grants	45,379,487	46,022,322	45,631,757
Tuition and Related Fees	482,076	474,989	434,806
School Generated Funds	2,188,400	2,411,975	2,060,264
Complementary Services (Note 12)	841,744	463,227	473,434
External Services (Note 13)	133,925	476,259	523,603
Other	562,000	594,341	820,436
Total Revenues (Schedule A)	88,962,572	91,097,882	89,958,252
EXPENSES			
Governance	520,150	500,162	438,680
Administration	3,746,547	3,803,647	3,431,918
Instruction	59,898,497	58,742,620	60,444,431
Plant	12,829,260	11,814,945	11,188,727
Transportation	10,599,468	10,284,450	10,060,728
Tuition and Related Fees	545,210	535,820	557,412
School Generated Funds	2,174,064	2,426,092	1,976,978
Complementary Services (Note 12)	691,841	496,374	508,426
External Services (Note 13)	129,827	294,460	405,076
Other Expenses	534,618	876,169	752,919
Total Expenses (Schedule B)	91,669,482	89,774,739	89,765,295
Operating Surplus (Deficit) for the Year	(2,706,910)	1,323,143	192,957
Accumulated Surplus from Operations, Beginning of Year	106,742,162	106,742,162	106,549,205
Accumulated Surplus from Operations, End of Year	104,035,252	108,065,305	106,742,162

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

Chinook School Division No. 211
Statement of Changes in Net Financial Assets
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 15)		
Net Financial Assets, Beginning of Year	8,729,268	8,729,268	12,866,331
Changes During the Year			
Operating Surplus (Deficit) for the Year	(2,706,910)	1,323,143	192,957
Acquisition of Tangible Capital Assets (Schedule C)	(5,118,384)	(5,140,883)	(9,371,152)
Proceeds on Disposal of Tangible Capital Assets (Schedule C)	-	106,212	137,511
Net Loss on Disposal of Capital Assets (Schedule C)	-	451,791	28,930
Amortization of Tangible Capital Assets (Schedule C)	5,180,183	4,877,081	4,996,266
Net Acquisition of Inventory of Supplies	-	(78,671)	(66,880)
Net Change in Other Non-Financial Assets	-	10,936	(54,695)
Change in Net Financial Assets	(2,645,111)	1,549,609	(4,137,063)
Net Financial Assets, End of Year	6,084,157	10,278,877	8,729,268

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

Chinook School Division No. 211
Statement of Cash Flows
for the year ended August 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Operating Surplus for the Year	1,323,143	192,957
Add Non-Cash Items Included in Surplus (Schedule D)	5,328,872	5,025,196
Net Change in Non-Cash Operating Activities (Schedule E)	(754,483)	2,715,652
Cash Provided by Operating Activities	5,897,532	7,933,805
CAPITAL ACTIVITIES		
Cash Used to Acquire Tangible Capital Assets	(5,140,883)	(9,371,152)
Proceeds on Disposal of Tangible Capital Assets	106,212	137,511
Cash Used by Capital Activities	(5,034,671)	(9,233,641)
INVESTING ACTIVITIES		
Cash Used to Acquire Portfolio Investments	(2,277)	(1,547)
Proceeds on Disposal of Portfolio Investments	566	11,950
Cash Provided (Used) by Investing Activities	(1,711)	10,403
FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	2,500,000	585,171
Repayment of Long-Term Debt	(983,557)	(1,006,064)
Cash Provided (Used) by Financing Activities	1,516,443	(420,893)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,377,593	(1,710,326)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,186,308	3,896,634
CASH AND CASH EQUIVALENTS, END OF YEAR	4,563,901	2,186,308

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

Chinook School Division No. 211
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Property Taxation Revenue			
Tax Levy Revenue			
Property Tax Levy Revenue	39,374,940	39,008,174	38,505,314
Total Property Tax Revenue	39,374,940	39,008,174	38,505,314
Grants in Lieu of Taxes			
Federal Government	-	422,014	577,092
Provincial Government	-	310,389	302,846
Railways	-	647,140	654,880
Other	-	319,579	60,986
Total Grants in Lieu of Taxes	-	1,699,122	1,595,804
Other Tax Revenues			
House Trailer Fees	-	29,565	29,489
Total Other Tax Revenues	-	29,565	29,489
Additions to Levy			
Penalties	-	126,843	164,512
Other	-	21,583	29,982
Total Additions to Levy	-	148,426	194,494
Deletions from Levy			
Cancellations	-	(152,887)	(303,945)
Other Deletions	-	(77,631)	(7,204)
Total Deletions from Levy	-	(230,518)	(311,149)
Total Property Taxation Revenue	39,374,940	40,654,769	40,013,952
Grants			
Operating Grants			
Ministry of Education Grants			
Operating Grant	43,820,748	42,712,241	42,985,847
Other Ministry Grants	13,200	118,042	59,175
Total Ministry Grants	43,833,948	42,830,283	43,045,022
Grants from Others	342,204	103,786	279,966
Total Operating Grants	44,176,152	42,934,069	43,324,988
Capital Grants			
Ministry of Education Capital Grants	1,203,335	3,088,253	2,306,769
Total Capital Grants	1,203,335	3,088,253	2,306,769
Total Grants	45,379,487	46,022,322	45,631,757

Chinook School Division No. 211
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Tuition and Related Fees Revenue			
Operating Fees			
Tuition Fees			
School Boards	-	13,050	4,350
Federal Government and First Nations	482,076	461,939	430,456
Total Tuition Fees	482,076	474,989	434,806
Total Tuition and Related Fees Revenue	482,076	474,989	434,806
School Generated Funds Revenue			
Non-Curricular Fees			
Commercial Sales - GST	4,400	-	1,309
Commercial Sales - Non-GST	420,000	389,519	484,711
Fundraising	675,000	939,120	701,222
Grants and Partnerships	139,000	185,257	123,992
Students Fees	355,000	235,836	257,217
Other	595,000	662,243	491,813
Total Non-Curricular Fees	2,188,400	2,411,975	2,060,264
Total School Generated Funds Revenue	2,188,400	2,411,975	2,060,264
Complementary Services			
Operating Grants			
Ministry of Education Grants			
Operating Grant	336,804	336,804	326,184
Other Ministry Grants	350,000	8,000	8,000
Other Provincial Grants	-	4,000	-
Federal Grants	27,000	11,875	25,000
Other Grants	-	-	8,585
Total Operating Grants	713,804	360,679	367,769
Fees and Other Revenue			
Tuition and Related Fees	120,440	88,306	89,610
Other Revenue	7,500	14,242	16,055
Total Fees and Other Revenue	127,940	102,548	105,665
Total Complementary Services Revenue	841,744	463,227	473,434

Chinook School Division No. 211
Schedule A: Supplementary Details of Revenues
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
External Services			
Operating Grants			
Ministry of Education Grants			
Other Ministry Grants	-	421,578	462,502
Other Provincial Grants	57,409	46,490	52,207
Other Grants	76,516	-	-
Total Operating Grants	133,925	468,068	514,709
Fees and Other Revenue			
Other Revenue	-	8,191	8,894
Total Fees and Other Revenue	-	8,191	8,894
Total External Services Revenue	133,925	476,259	523,603
Other Revenue			
Miscellaneous Revenue	373,000	385,150	595,309
Sales & Rentals	99,000	74,286	96,047
Investments	90,000	134,905	129,080
Total Other Revenue	562,000	594,341	820,436
TOTAL REVENUE FOR THE YEAR	88,962,572	91,097,882	89,958,252

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Governance Expense			
Board Members Expense	194,500	161,430	183,779
Professional Development- Board Members	35,200	39,449	35,054
Advisory Committees	66,000	50,460	50,437
Professional Development - Advisory Committees	3,500	-	-
Elections	4,000	5,706	-
Other Governance Expenses	216,950	243,117	169,410
Total Governance Expense	520,150	500,162	438,680
Administration Expense			
Salaries	2,582,695	2,648,976	2,574,527
Benefits	277,234	263,456	54,395
Supplies & Services	196,137	197,020	76,948
Non-Capital Furniture & Equipment	49,544	22,252	41,137
Building Operating Expenses	88,100	96,821	92,983
Communications	81,601	105,027	104,855
Travel	96,413	100,965	122,385
Professional Development	64,750	34,721	27,871
Amortization of Tangible Capital Assets	310,073	334,409	336,817
Total Administration Expense	3,746,547	3,803,647	3,431,918
Instruction Expense			
Instructional (Teacher Contract) Salaries	41,306,410	40,111,210	40,443,211
Instructional (Teacher Contract) Benefits	1,918,598	1,965,475	2,137,030
Program Support (Non-Teacher Contract) Salaries	8,772,500	9,123,990	9,302,350
Program Support (Non-Teacher Contract) Benefits	1,645,345	1,660,701	1,724,000
Instructional Aids	2,201,329	1,821,388	1,903,112
Supplies & Services	710,876	872,678	967,309
Non-Capital Furniture & Equipment	687,489	998,329	1,345,777
Communications	187,971	209,016	209,617
Travel	886,994	769,644	698,936
Professional Development	566,789	336,842	682,555
Student Related Expense	304,996	313,144	304,842
Amortization of Tangible Capital Assets	709,200	560,203	725,692
Total Instruction Expense	59,898,497	58,742,620	60,444,431

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Plant Operation & Maintenance Expense			
Salaries	3,384,723	3,320,952	3,257,473
Benefits	595,883	575,488	564,727
Supplies & Services	18,630	9,273	223,130
Non-Capital Furniture & Equipment	36,100	37,134	59,734
Building Operating Expenses	5,854,138	5,078,766	4,290,021
Communications	23,870	10,319	10,648
Travel	173,600	125,801	153,064
Professional Development	7,000	3,615	6,837
Amortization of Tangible Capital Assets	2,735,316	2,653,597	2,623,093
Total Plant Operation & Maintenance Expense	12,829,260	11,814,945	11,188,727
Student Transportation Expense			
Salaries	3,641,535	3,750,183	3,656,776
Benefits	658,390	636,084	627,980
Supplies & Services	1,506,200	1,252,717	1,420,575
Non-Capital Furniture & Equipment	1,058,892	1,063,210	1,045,145
Building Operating Expenses	381,800	312,819	156,027
Communications	17,000	17,697	20,781
Travel	23,000	43,401	32,518
Professional Development	37,168	21,311	14,546
Contracted Transportation	1,861,568	1,868,883	1,787,547
Amortization of Tangible Capital Assets	1,413,915	1,318,145	1,298,833
Total Student Transportation Expense	10,599,468	10,284,450	10,060,728
Tuition and Related Fees Expense			
Tuition Fees	485,898	466,008	499,934
Transportation Fees	59,312	69,812	57,478
Total Tuition and Related Fees Expense	545,210	535,820	557,412
School Generated Funds Expense			
Academic Supplies & Services	7,000	2,849	618
Cost of Sales	540,000	606,676	524,044
Non-Capital Furniture & Equipment	17,000	5,568	35,925
School Fund Expenses	1,600,000	1,801,613	1,406,327
Amortization of Tangible Capital Assets	10,064	9,386	10,064
Total School Generated Funds Expense	2,174,064	2,426,092	1,976,978

Chinook School Division No. 211
Schedule B: Supplementary Details of Expenses
for the year ended August 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Complementary Services Expense			
Instructional (Teacher Contract) Salaries & Benefits	302,220	267,668	278,248
Program Support (Non-Teacher Contract) Salaries & Benefits	85,647	106,560	95,179
Instructional Aids	1,800	10,060	10,787
Supplies & Services	169,054	35,712	41,961
Non-Capital Furniture & Equipment	-	1,944	-
Communications	3,000	12,427	17,058
Travel	69,300	19,937	22,883
Professional Development (Non-Salary Costs)	5,809	340	689
Student Related Expenses	-	1,422	91
Contracted Transportation & Allowances	53,396	38,963	39,763
Amortization of Tangible Capital Assets	1,615	1,341	1,767
Total Complementary Services Expense	691,841	496,374	508,426
External Service Expense			
Program Support (Non-Teacher Contract) Salaries & Benefits	102,952	102,550	185,590
Instructional Aids	1,130	232	-
Supplies & Services	3,540	103,468	149,443
Non-Capital Furniture & Equipment	-	-	525
Communications	1,500	1,233	1,827
Travel	17,530	82,267	66,596
Professional Development (Non-Salary Costs)	2,000	4,710	1,095
Student Related Expenses	1,175	-	-
Total External Services Expense	129,827	294,460	405,076
Other Expense			
Interest and Bank Charges			
Current Interest and Bank Charges	102,400	5,948	15,147
Interest on Capital Loans	392,277	430,067	375,619
Interest on Other Long-Term Debt	39,941	33,548	53,203
Total Interest and Bank Charges	534,618	469,563	443,970
Loss on Disposal of Tangible Capital Assets	-	451,791	28,930
Provision for Uncollectable Accounts	-	(45,185)	280,019
Total Other Expense	534,618	876,169	752,919
TOTAL EXPENSES FOR THE YEAR	91,669,482	89,774,739	89,765,295

Chinook School Division No. 211

**Schedule C - Supplementary Details of Tangible Capital Assets
for the year ended August 31, 2016**

	Land		Buildings		Buildings	School	Other	Furniture and	Computer Hardware and Audio Visual	Computer	Assets Under		
	Land	Improvements	Buildings	Improvements	Short-Term	Buses	Vehicles	Equipment	Equipment	Software	Construction	2016	2015
Tangible Capital Assets - at Cost													
Opening Balance as of September 1	1,231,000	2,667,394	109,071,398	1,985,305	8,986,525	14,583,289	1,250,082	9,550,657	5,403,227	1,452,139	7,247,617	163,428,632	155,394,967
Additions/Purchases	-	-	-	-	-	1,473,389	357,575	162,038	90,277	-	3,057,604	5,140,883	9,371,152
Disposals	-	(108,733)	(1,811,506)	-	(7,260)	(1,123,429)	(85,002)	-	-	-	-	(3,135,930)	(1,337,487)
Transfers to (from)	-	-	4,290,273	-	406,576	-	-	-	-	-	(4,696,849)	-	-
Closing Balance as of August 31	1,231,000	2,558,661	111,550,165	1,985,305	9,385,841	14,933,249	1,522,655	9,712,695	5,493,504	1,452,139	5,608,372	165,433,585	163,428,632
Tangible Capital Assets - Amortization													
Opening Balance as of September 1	-	1,071,902	40,135,267	136,301	2,957,074	8,214,753	1,033,551	6,811,436	4,411,855	1,393,468	-	66,165,606	62,340,386
Amortization of the Period	-	102,270	2,144,429	99,265	404,908	991,353	98,378	568,353	420,716	47,409	-	4,877,081	4,996,266
Disposals	-	(108,733)	(1,321,235)	-	(7,260)	(1,061,507)	(79,192)	-	-	-	-	(2,577,927)	(1,171,046)
Closing Balance as of August 31	N/A	1,065,439	40,958,461	235,566	3,354,722	8,144,599	1,052,737	7,379,789	4,832,571	1,440,877	N/A	68,464,760	66,165,606
Net Book Value													
Opening Balance as of September 1	1,231,000	1,595,492	68,936,131	1,849,004	6,029,451	6,368,536	216,531	2,739,221	991,373	58,672	7,247,617	97,263,026	93,054,581
Closing Balance as of August 31	1,231,000	1,493,222	70,591,704	1,749,739	6,031,119	6,788,650	469,918	2,332,906	660,934	11,262	5,608,372	96,968,825	97,263,026
Change in Net Book Value	-	(102,270)	1,655,573	(99,265)	1,668	420,114	253,387	(406,315)	(330,439)	(47,410)	(1,639,245)	(294,201)	4,208,445
Disposals													
Historical Cost	-	108,733	1,811,506	-	7,260	1,123,429	85,002	-	-	-	-	3,135,930	1,337,487
Accumulated Amortization	-	108,733	1,321,235	-	7,260	1,061,507	79,192	-	-	-	-	2,577,927	1,171,046
Net Cost	-	-	490,271	-	-	61,922	5,810	-	-	-	-	558,003	166,441
Price of Sale	-	-	-	-	-	94,808	11,281	123	-	-	-	106,212	137,511
Gain (Loss) on Disposal	-	-	(490,271)	-	-	32,886	5,471	123	-	-	-	(451,791)	(28,930)

Chinook School Division No. 211
Schedule D: Non-Cash Items Included in Surplus
for the year ended August 31, 2016

	2016	2015
Non-Cash Items Included in Surplus		
Amortization of Tangible Capital Assets (Schedule C)	4,877,081	4,996,266
Net Loss on Disposal of Tangible Capital Assets (Schedule C)	451,791	28,930
Total Non-Cash Items Included in Surplus	5,328,872	5,025,196

Chinook School Division No. 211
Schedule E: Net Change in Non-Cash Operating Activities
for the year ended August 31, 2016

	2016	2015
Net Change in Non-Cash Operating Activities		
Decrease in Accounts Receivable	728,545	4,346,560
Decrease in Accounts Payable and Accrued Liabilities	(1,416,071)	(1,988,350)
Increase (Decrease) in Liability for Employee Future Benefits	58,400	(35,000)
Increase (Decrease) in Deferred Revenue	(57,622)	514,017
Increase in Inventory of Supplies for Consumption	(78,671)	(66,880)
Decrease (Increase) in Prepaid Expenses	10,936	(54,695)
Total Net Change in Non-Cash Operating Activities	(754,483)	2,715,652

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

1. AUTHORITY AND PURPOSE

The school division operates under the authority of *The Education Act, 1995* of Saskatchewan as a corporation under the name of “The Board of Education of the Chinook School Division No. 211” and operates as “the Chinook School Division No. 211”. The school division provides education services to residents within its geographic region and is governed by an elected board of trustees.

The school division is funded mainly by grants from the Government of Saskatchewan and a levy on the property assessment included in the school division’s boundaries at mill rates determined by the provincial government. The school division is exempt from income tax and is a registered charity under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards for other government organizations as established by the Public Sector Accounting Board (PSAB) and as published by the Chartered Professional Accountants of Canada (CPA Canada).

Significant aspects of the accounting policies adopted by the school division are as follows:

a) Basis of Accounting

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

b) Reporting Entity

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

c) Trust Funds

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

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

CHINOOK SCHOOL DIVISION NO. 211
NOTES TO THE FINANCIAL STATEMENTS
As at August 31, 2016

d) Measurement Uncertainty and the Use of Estimates

Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year.

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

- the liability for employee future benefits of \$1,654,200 (2015 - \$1,595,800) because actual experience may differ significantly from actuarial estimations.
- property taxation revenue of \$40,654,769 (2015 - \$40,013,952) because final tax assessments may differ from initial estimates.
- uncollectible taxes of \$972,889 (2015 - \$1,034,049) because actual collectability may differ from initial estimates.
- accrued liabilities for contaminated sites of \$620,000 (2015 - \$620,000) because actual remediation costs may differ from valuation estimates.
- useful lives of capital assets and related accumulated amortization of \$68,464,760 (2015 - \$66,165,606) because the actual useful lives of the capital assets may differ from their estimated economic lives.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require material changes in the amounts recognized or disclosed.

e) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity. A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The school division recognizes a financial instrument when it becomes a party to the contractual provisions of a financial instrument. The financial assets and financial liabilities portray these rights and obligations in the financial statements. Financial instruments of the school division include cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities and long-term debt.

All financial instruments are measured at cost or amortized cost. Transaction costs are a component of the cost of financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenues or expenses.

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Impairment losses such as write-downs or write-offs are reported in the statement of operations and accumulated surplus from operations.

Gains and losses on financial instruments, measured at cost or amortized cost, are recognized in the statement of operations and accumulated surplus from operations in the period the gain or loss occurs.

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

f) Financial Assets

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

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

Accounts Receivable includes taxes receivable, provincial grants receivable and other receivables. Taxes receivable represent education property taxes assessed or estimated owing to the end of the fiscal period but not yet received. The allowance for uncollected taxes is a valuation allowance used to reduce the amount reported for taxes receivable to the estimated net recoverable amount. The allowance represents management's estimate of the amount of taxes that will not be collected taking into consideration prior years' tax collections and information provided by municipalities regarding collectability of outstanding balances. Provincial grants receivable represent operating, capital, and other grants earned but not received at the end of the fiscal year, provided reasonable estimates of the amounts can be made. Grants are earned when the events giving rise to the grant have occurred, the grant is authorized and any eligibility criteria have been met.

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

Portfolio Investments consist of Co-op and Credit Union equity and GIC's with a term longer than one year. The school division values its portfolio investments in accordance with its policy for financial instruments, as described in Note 2 (e).

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g) Non-Financial Assets

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

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the school division to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets of the school division include land, land improvements, buildings, building improvements, buildings – short term, school buses, other vehicles, furniture and equipment, computer software, computer hardware and audio visual equipment, and assets under construction.

Tangible capital assets are recorded at cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The school division does not capitalize interest incurred while a tangible capital asset is under construction.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

Land improvements (pavement, fencing, lighting, etc.)	20 years
Buildings	50 years
Buildings – short-term (portables, storage sheds, outbuildings, garages)	20 years
Building improvements	20 years
School buses	12 years
Other vehicles – passenger	5 years
Other vehicles – heavy (graders, 1 ton truck, etc.)	10 years
Furniture and equipment	10 years
Computer hardware and audio visual equipment	5 years
Computer software	5 years

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

Assets that have a historical or cultural significance, such as works of art, monuments and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Inventory of Supplies for Consumption consists of supplies held for consumption by the school division in the course of normal operations and are recorded at the lower of cost and replacement cost.

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Prepaid Expenses are prepaid amounts for goods or services which will provide economic benefits in one or more future periods. Prepaid expenses include insurance premiums, Saskatchewan School Boards Association membership fees, Workers' Compensation premiums, software licenses and photocopier copy agreements.

h) Liabilities

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

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

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

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

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

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

Long-Term Debt is comprised of capital loans with initial maturities of more than one year and are incurred for the purpose of financing capital expenses in accordance with the provisions of *The Education Act, 1995*.

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Liability for Employee Future Benefits represents post-employment and compensated absence benefits that accrue to the school division's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service. Actuarial valuations are performed periodically using assumptions including discount rate, inflation, salary escalation, termination and retirement rates and mortality. An actuary extrapolates these valuations when a valuation is not done in the current fiscal year. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups.

Deferred Revenue from Non-government Sources represents fees or payments for services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Revenue from tuition and related fees is recognized as the course is delivered, revenue from contractual services is recognized as the services are delivered, and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified by the contributor.

i) Employee Pension Plans

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

Multi-Employer Defined Benefit Plans

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

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

j) Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

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The school division's sources of revenues include the following:

i) Government Transfers (Grants)

Grants from governments are considered to be government transfers. In accordance with PS3410 standard, government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability. For transfers with stipulations, revenue is recognized in the statement of operations and accumulated surplus from operations as the stipulation liabilities are settled.

ii) Property Taxation

Property tax is levied and collected on a calendar year basis. Uniform education property tax mill rates are set by the Government of Saskatchewan. Tax revenues are recognized on the basis of time with 1/12th of estimated total tax revenue recorded in each month of the school division's fiscal year. The tax revenue for the September to December portion of the fiscal year is based on the actual amounts reported by the municipalities for the calendar taxation year. For the January to August portion of its fiscal year, the school division estimates tax revenue based on estimate information provided by municipalities who levy and collect the property tax on behalf of the school division. The final annual taxation amounts are reported to the division by each municipality following the conclusion of each calendar taxation year, and any difference between final amounts and the school division's estimates is recorded as an adjustment to revenue in the next fiscal year.

iii) Fees and Services

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

iv) Interest Income

Interest is recognized on an accrual basis when it is earned.

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v) Other (Non-Government Transfer) Contributions

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the school division if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

k) Statement of Remeasurement Gains and Losses

The school division has not presented a statement of remeasurement gains and losses because it does not have financial instruments that give rise to material remeasurement gains or losses.

3. SHORT-TERM BORROWINGS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$23,000,000 that bears interest at prime less 1.0% per annum with The Bank of Nova Scotia. This line of credit is authorized by a borrowing resolution by the board of education and is secured by operating and capital grants for the current year as well as other revenue. This line of credit was approved by the Minister of Education on May 5, 2011. The balance drawn on the line of credit at August 31, 2016 was \$0 (August 31, 2015 - \$0).

4. PORTFOLIO INVESTMENTS

Portfolio investments are comprised of the following:

	2016	2015
Portfolio investments in the cost and amortized cost category:	<u>Cost</u>	<u>Cost</u>
GICs	\$ 34,395	\$ 34,532
Co-op and Credit Union Equity	39,303	37,455
Total portfolio investments reported at cost and amortized cost	\$ 73,698	\$ 71,987

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5. EXPENSES BY FUNCTION AND ECONOMIC CLASSIFICATION

Function	Salaries & Benefits	Goods & Services	Debt Service	Amortization of TCA	2016 Actual	2015 Actual
Governance	\$ 175,547	\$ 324,615	\$ -	\$ -	\$ 500,162	\$ 438,680
Administration	2,912,432	556,806	-	334,409	3,803,647	3,431,918
Instruction	52,861,376	5,321,041	-	560,203	58,742,620	60,444,431
Plant	3,896,440	5,264,908	-	2,653,597	11,814,945	11,188,727
Transportation	4,386,267	4,580,038	-	1,318,145	10,284,450	10,060,728
Tuition and Related Fees	-	535,820	-	-	535,820	557,412
School Generated Funds	-	2,416,706	-	9,386	2,426,092	1,976,978
Complementary Services	374,228	120,805	-	1,341	496,374	508,426
External Services	102,550	191,910	-	-	294,460	405,076
Other	-	406,606	469,563	-	876,169	752,919
TOTAL	\$ 64,708,840	\$ 19,719,255	\$ 469,563	\$ 4,877,081	\$ 89,774,739	\$ 89,765,295

6. EMPLOYEE FUTURE BENEFITS

The school division provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave, accumulating vacation banks, accumulating paid time off (PTO) banks, and retirement gratuity. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position. Morneau Shepell Ltd., a firm of consulting actuaries, performed an actuarial valuation as at March 31, 2015 and extrapolated the results to estimate the Liability for Employee Future Benefits as at August 31, 2016.

Details of the employee future benefits are as follows:

	2016	2015
	Aug. 31, 2016	Aug. 31, 2015
Actuarial extrapolation date		
Long-term assumptions used:		
Discount rate at end of period	2.10%	2.50%
Inflation and productivity rate (excluding merit and promotion)	3.20%	3.20%
Expected average remaining service life (years)	13	13

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Liability for Employee Future Benefits	2016	2015
Accrued Benefit Obligation - beginning of year	\$ 1,595,800	\$ 1,787,100
Current period service cost	145,700	188,300
Interest cost	41,900	54,300
Benefit payments	(129,200)	(70,900)
Actuarial (gains) / losses	79,900	(88,700)
Plan amendments	-	(274,300)
Accrued Benefit Obligation - end of year	1,734,100	1,595,800
Unamortized Net Actuarial Losses	(79,900)	-
Liability for Employee Future Benefits	\$ 1,654,200	\$ 1,595,800

Expense for Employee Future Benefits	2016	2015
Current period service cost	\$ 145,700	\$ 188,300
Amortization of net actuarial loss	-	13,100
Plan amendments	-	(219,800)
Benefit cost	145,700	(18,400)
Interest cost	41,900	54,300
Total Employee Future Benefits Expense	\$ 187,600	\$ 35,900

7. PENSION PLANS

Multi-Employer Defined Benefit Plans

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

i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP)

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The school division's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

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Details of the contributions to these plans for the school division's employees are as follows:

	2016			2015
	STRP	STSP	TOTAL	TOTAL
Number of active School Division members	568	17	585	649
Member contribution rate (percentage of salary)	10.20%/12.40%	6.05%/7.85%	6.05%/12.40%	6.05%/11.30%
Member contributions for the year	\$ 4,210,125	\$ 27,754	\$ 4,237,879	\$ 3,973,929

ii) Municipal Employees' Pension Plan (MEPP)

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

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

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

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with the Public Sector Accounting Board (PSAB) standards, the plan is accounted for as a defined contribution plan whereby the school division's contributions are expensed when due.

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Details of the MEPP are as follows:

	2016	2015
Number of active School Division members	669	700
Member contribution rate (percentage of salary)	8.15%	8.15%
School Division contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$ 1,354,086	\$ 1,356,821
School Division contributions for the year	\$ 1,353,801	\$ 1,356,821
Actuarial (extrapolation) valuation date	(Dec 31 2015)	Dec 31 2014
Plan Assets (in thousands)	\$ 2,148,676	\$ 2,006,587
Plan Liabilities (in thousands)	\$ 1,831,743	\$ 1,672,585
Plan Surplus (in thousands)	\$ 316,933	\$ 334,002

8. ACCOUNTS RECEIVABLE

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

	2016			2015		
	Total Receivable	Valuation Allowance	Net of Allowance	Total Receivable	Valuation Allowance	Net of Allowance
Taxes Receivable	\$ 26,382,740	\$ 972,889	\$ 25,409,851	\$ 27,152,950	\$ 1,034,049	\$ 26,118,901
Capital Grant Receivable	800,000	-	800,000	688,312	-	688,312
Receivable from First Nations	13,211	-	13,211	13,211	-	13,211
GST Receivable	191,055	-	191,055	220,537	-	220,537
Accrued Interest	2,427	-	2,427	328	-	328
Other	75,544	15,975	59,569	163,368	-	163,368
Total Accounts Receivable	\$ 27,464,977	\$ 988,864	\$ 26,476,113	\$ 28,238,707	\$ 1,034,049	\$ 27,204,658

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Details of accounts payable and accrued liabilities are as follows:

	2016	2015
Accrued Salaries and Benefits	\$ 1,112,953	\$ 889,961
Supplier Payments	1,096,718	2,327,123
Liability for Contaminated Sites	620,000	620,000
Capital Holdbacks	71,432	480,090
Total Accounts Payable and Accrued Liabilities	\$ 2,901,103	\$ 4,317,174

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The school division recognized an estimated liability for contaminated sites of \$620,000 (2015 - \$620,000) for the remediation of Sidney Street School and Herbert Bus Garage using environmental assessment studies. The nature of the liability is hydrocarbon contamination to the soil due to underground gas storage tanks. The assumptions used in estimating the liability include estimation of remediation costs in the environmental studies coupled with past best practices of costs associated with the remediation solutions. The amount of estimated recoveries is \$0 (2015 - \$0).

10. LONG-TERM DEBT

Details of long-term debt are as follows:

	2016	2015
Capital Loans:		
BMO fixed rate (4.95%), unsecured, maturing April 2017. Annual blended payments of \$454,673.	\$ 399,543	\$ 813,705
BMO accrued interest to August 31	6,769	13,731
TD Bank fixed rate (3.58%), unsecured, maturing April 2033. Monthly blended payments of \$55,379.	8,333,980	8,694,028
TD Bank accrued interest to August 31	13,079	12,791
TD Bank fixed rate (2.84%), unsecured, maturing December 2017. Monthly blended payments of \$18,061.	283,236	488,793
TD Bank accrued interest to August 31	353	570
Innovation CU fixed rate (2.98%), secured by general security agreement and assignment of book debts, maturing March 2019. Monthly blended payments of \$6,158.	1,010,286	1,053,352
Innovation CU accrued interest to August 31	1,316	1,290
Innovation CU fixed rate (2.60%), secured by general security agreement and assignment of book debts, maturing December 2019. Monthly blended payments of \$3,129.	546,639	569,642
Royal Bank fixed rate (3.33%), unsecured, maturing November 2035. Annual blended payments of \$173,208.	2,500,000	-
Royal Bank accrued interest to August 31	69,144	-
Total Long-Term Debt	\$ 13,164,345	\$ 11,647,902

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Future principal repayments over the next 5 years are estimated as follows:			
	Capital Loans		Total
2017	\$	1,225,454	\$ 1,225,454
2018		608,052	608,052
2019		549,197	549,197
2020		543,736	543,736
2021		555,692	555,692
Thereafter		9,682,214	9,682,214
Total	\$	13,164,345	\$ 13,164,345

Principal and interest payments on the long-term debt are as follows:			
	Capital Loans		
	2016	2015	
Principal	\$ 983,557	\$ 983,557	\$ 1,006,064
Interest	463,615	463,615	428,822
Total	\$ 1,447,172	\$ 1,447,172	\$ 1,434,886

11. DEFERRED REVENUE

Details of deferred revenues are as follows:

	Balance as at Aug. 31, 2015	Additions during the Year	Revenue recognized in the Year	Balance as at Aug. 31, 2016
Capital projects:				
Federal capital tuition	\$ 56,857	\$ 11,564	\$ -	\$ 68,421
Total capital projects deferred revenue	56,857	11,564	-	68,421
Other deferred revenue:				
Property Taxation	3,044,881	2,977,609	3,044,881	2,977,609
Chinook International Program	42,370	25,682	11,891	56,161
CAMPS - Fundraising	17,671	6,576	13,337	10,910
English as Additional Language Grant	2,070	-	-	2,070
Rentals	960	-	944	16
VTRA Funding	8,000	-	8,000	-
Total other deferred revenue	3,115,952	3,009,867	3,079,053	3,046,766
Total Deferred Revenue	\$ 3,172,809	\$ 3,021,431	\$ 3,079,053	\$ 3,115,187

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12. COMPLEMENTARY SERVICES

Complementary services represent those services and programs where the primary purpose is other than K-12 learning/learning support, but which have the specific objective of enhancing the school division's ability to successfully deliver its K-12 curriculum/learning programs.

Following is a summary of the revenue and expenses of the Complementary Services programs operated by the school division in 2016 and 2015:

Summary of Complementary Services Revenues and Expenses, by Program	Pre-K Programs	Prairie Learning Centre	Chinook International Program	VTRA	2016	2015
Revenue:						
Operating Grants	\$ 336,804	\$ 15,875	\$ -	\$ 8,000	\$ 360,679	\$ 334,184
Fees and Other Revenue	-	1,317	88,306	12,925	102,548	139,250
Total Revenue	336,804	17,192	88,306	20,925	463,227	473,434
Expenses:						
Salaries & Benefits	306,240	67,987	-	-	374,227	373,427
Instructional Aids	3,360	4,771	3,873	-	12,004	10,787
Supplies and Services	-	8,872	18,021	8,820	35,713	41,961
Communications	-	2,198	10,229	-	12,427	17,058
Travel	2,540	9,054	3,908	4,435	19,937	22,883
Professional Development (Non-Salary Costs)	187	153	-	-	340	689
Student Related Expenses	-	-	40,385	-	40,385	39,853
Amortization of Tangible Capital Assets	1,341	-	-	-	1,341	1,767
Total Expenses	313,668	93,035	76,416	13,255	496,374	508,426
Excess (Deficiency) of Revenue over Expenses	\$ 23,136	\$ (75,843)	\$ 11,890	\$ 7,670	\$ (33,147)	\$ (34,990)

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

Other Programs include the Chinook International Program (CIP), Prairie Learning Centre and Violent Threat Risk Assessment (VTRA).

CIP provides opportunity for international students to access an educational experience in a Chinook school.

The Prairie Learning Centre offers learning opportunities for students through a formal partnership with Grasslands National Park.

VTRA training is provided to ensure all school environments are safe and accepting places.

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13. EXTERNAL SERVICES

External services represent those services and programs that are outside of the school division's learning/learning support and complementary programs. These services have no direct link to the delivery of the school division's K-12 programs nor do they directly enhance the school division's ability to deliver its K-12 programs.

Following is a summary of the revenue and expenses of the External Services programs operated by the school division in 2016 and 2015:

Summary of External Services Revenues and Expenses, by Program	Family Advocacy Worker	Cognitive Disability Strategy	Provincial Reading Team	Cafeteria	2016	2015
Revenue:						
Operating Grants	\$ 76,896	\$ 46,490	\$ 344,682	\$ -	\$ 468,068	\$ 204,103
Fees and Other Revenue	-	-	-	8,191	8,191	319,500
Total Revenue	76,896	46,490	344,682	8,191	476,259	523,603
Expenses:						
Salaries & Benefits	58,211	44,340	-	-	102,551	185,591
Supplies and Services	111	2,987	100,601	-	103,699	149,967
Communications	1,233	-	-	-	1,233	1,827
Travel	6,741	3,873	71,653	-	82,267	66,596
Professional Development	4,710	-	-	-	4,710	1,095
Total Expenses	71,006	51,200	172,254	-	294,460	405,076
Excess (Deficiency) of Revenue over Expenses	\$ 5,890	\$ (4,710)	\$ 172,428	\$ 8,191	\$ 181,799	\$ 118,527

Cafeteria is located within the Swift Current Comprehensive High School.

Other programs include Family Advocacy Workers (FAW), Cognitive Disability Strategy, and the Provincial Reading Team.

The FAW program addresses issues encountered by vulnerable Saskatchewan Youth.

Cognitive Disability Strategy employs a consultant who enhances the knowledge and skills of families and service providers in meeting needs of persons with cognitive disabilities.

The Provincial Reading Team is a portion of the Ministry's strategic plan to develop and improve student reading levels.

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14. ACCUMULATED SURPLUS

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

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

Details of accumulated surplus are as follows:

	August 31 2015	Additions during the year	Reductions during the year	August 31 2016
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 97,263,026	\$ 5,140,883	\$ (5,435,084)	\$ 96,968,825
Less: Debt owing on Tangible Capital Assets	11,647,902	2,500,000	(983,557)	13,164,345
	85,615,124	2,640,883	(4,451,527)	83,804,480
PMR maintenance project allocations (1)	839,743	1,488,253	(865,373)	1,462,623
Internally Restricted Surplus:				
Capital projects:				
Designated for tangible capital asset expenditures	100,000	1,221,978	(100,000)	1,221,978
	100,000	1,221,978	(100,000)	1,221,978
Other:				
School generated funds	1,153,880	-	(4,728)	1,149,152
Professional Development	833,169	257,380	(91)	1,090,458
School budget carryovers	257,312	-	(102,594)	154,718
Frontier Playground	1,720	-	-	1,720
Board Election	24,000	-	-	24,000
Additional Programs:				
Prairie Learning Center	54,314	-	(54,314)	-
Cognitive Disability Strategy	40,904	-	(4,710)	36,194
Family Advocacy Project	42,020	5,889	-	47,909
	2,407,319	263,270	(166,438)	2,504,152
Unrestricted Surplus	17,779,975	1,292,097	-	19,072,072
Total Accumulated Surplus	\$ 106,742,162	\$ 6,906,481	\$ 5,583,338	\$ 108,065,305

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- (1) **PMR Maintenance Project Allocations** represent transfers received from the Ministry of Education as funding support for maintenance projects on the school division's approved 3 year capital maintenance plans. Unspent funds at the end of a fiscal year are designated for future approved capital plan maintenance project expenditures.

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

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

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

School Budget carryovers – reflects that balance of yearly budget carryover from allocated budget for decentralized expenditures.

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

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

Additional Programs – reflects funds that have been generated for the particular program. Unspent funds at the end of the fiscal year are designated for those programs.

15. BUDGET FIGURES

Budget figures included in the financial statements were approved by the board of education on June 12, 2015 and the Minister of Education on August 20, 2015.

16. RELATED PARTIES

These financial statements include transactions with related parties. The school division is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges, and crown corporations under the common control of the Government of Saskatchewan. The school division is also related to non-crown enterprises that the Government jointly controls or significantly influences. In addition, the school division is related to other non-government organizations by virtue of its economic interest in these organizations.

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Related Party Transactions

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

	2016	2015
Revenues:		
Ministry of Education	\$ 46,686,418	\$ 46,160,560
Workers' Compensation Board (Saskatchewan)	119,304	118,011
Ministry of Social Services	46,490	52,205
Sask Energy	-	2,585
Saskatchewan Government Insurance	103,786	279,966
Saskatchewan Power Corporation	4,000	6,000
	\$ 46,959,998	\$ 46,619,327
Expenses:		
Minister of Finance	\$ 6,356	\$ 18,298
Cypress Health Region	50	100
Good Spirit School Division - Public Section Trust	59,452	13,641
Great Plains College	305,025	341,242
Information Services Corporation	411	53
Saskatchewan School Divisions	557,577	420,850
SaskEnergy Incorporated	369,318	510,699
Workers' Compensation Board (Saskatchewan)	212,851	187,144
Saskatchewan Power Corporation	631,472	593,429
Saskatchewan Telecommunications Holding Corporation	243,965	241,619
Saskatchewan Government Insurance	174,790	179,833
	\$ 2,561,267	\$ 2,506,908
Accounts Receivable:		
Saskatchewan Government Insurance	\$ -	\$ 5,330
Saskatchewan School Divisions	-	16,930
Ministry of Education	800,000	694,194
	\$ 800,000	\$ 716,454
Prepaid Expenses:		
Saskatchewan Telecommunications Holding Corporation	\$ -	\$ 119
Saskatchewan Workers Compensation Board	75,618	64,310
	\$ 75,618	\$ 64,429
Accounts Payable and Accrued Liabilities:		
Ministry of Education	\$ -	\$ 8,000
SaskEnergy Incorporated	7,966	4,473
Saskatchewan Power Corporation	41,869	41,514
Saskatchewan Polytechnic	1,314	-
Saskatchewan School Divisions	45,641	138,484
Saskatchewan Telecommunications Holding Corporation	95,334	15,953
	\$ 192,124	\$ 208,424

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In addition, the school division pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

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

Other transactions with related parties and amounts due to/from them are described separately in the financial statements or notes thereto.

17. TRUSTS

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

Information about these trusts is as follows:

	Scholarships	
	<u>2016</u>	<u>2015</u>
Cash and short-term investments	\$ 313,323	\$ 315,213
Total Assets	\$ 313,323	\$ 315,213
Revenues		
Contributions and donations	\$ 7,001	\$ 18,816
Interest on investments	3,313	7,577
	<u>10,314</u>	<u>26,393</u>
Expenses		
Recipient and DSLP Payouts	12,204	11,209
	<u>12,204</u>	<u>11,209</u>
Excess (Deficiency) of Revenues over Expenses	(1,890)	15,184
Trust Fund Balance, Beginning of Year	315,213	300,029
Trust Fund Balance, End of Year	\$ 313,323	315,213

18. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the school division are as follows:

- construction contract for Ecole Centennial for \$1,328,300 over 1 year
- construction contract of other capital projects for \$185,156 over 1 year

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The School Division has ongoing service commitments for transportation and school/office equipment. Other contracts and commitments are as follows:

	Busing	Copier	Total
2017	\$ 1,179,808	\$ 276,932	\$ 1,456,740
2018	1,218,448	276,932	1,495,380
2019	1,257,088	276,932	1,534,020
2020	-	276,932	276,932
Total	\$ 3,655,344	\$ 1,107,728	\$ 4,763,072

19. COMPARATIVE INFORMATION

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

20. RISK MANAGEMENT

The school division is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk and foreign exchange risk).

i) Credit Risk

Credit risk is the risk to the school division from potential non-payment of accounts receivable. The credit risk related to the school division's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the school division has adopted credit policies which include close monitoring of overdue accounts. The school division does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect impairment in collectability.

The aging of grants and other accounts receivable at August 31, 2016 was:

	August 31, 2016				
	Total	0-30 days	30-60 days	60-90 days	Over 90 days
Grants Receivable	\$ 800,000	\$ 800,000	\$ -	\$ -	\$ -
Other Receivables	91,182	30,548	425	484	59,726
Gross Receivables	891,182	830,548	425	484	59,726
Allowance for Doubtful Accounts	(15,975)	-	-	-	(15,975)
Net Receivables	\$ 875,207	\$ 830,548	\$ 425	\$ 484	\$ 43,751

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ii) Liquidity Risk

Liquidity risk is the risk that the school division will not be able to meet its financial obligations as they come due. The school division manages liquidity risk by maintaining adequate cash balances, continually monitoring budget practices and cash flows. The following table sets out the contractual maturities of the school division's financial liabilities:

	August 31, 2016			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Accounts payable and accrued liabilities	\$ 2,901,103	\$ -	\$ -	\$ -
Long-term debt	495,962	729,492	2,256,677	9,682,214
Total	\$ 3,397,065	\$ 729,492	\$ 2,256,677	\$ 9,682,214

Long term debt repayments of \$11,606,104 included in the above amounts are repayments on unsecured debt.

iii) Market Risk

The school division is exposed to market risks with respect to interest rates and foreign currency exchange rates, as follows:

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The school division's interest rate exposure relates to cash and cash equivalents and portfolio investments. The school division also has an authorized bank line of credit of \$23,000,000 with interest payable monthly at a rate of prime less 1.0% per annum. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of August 31, 2016.

The school division minimizes these risks by:

- holding cash in an account at a Canadian bank, denominated in Canadian currency
- investing in GICs and term deposits for short terms at fixed interest rates
- managing cash flows to minimize utilization of its bank line of credit
- managing its interest rate risk on long-term debt through the exclusive use of fixed rate terms for its long-term debt

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Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The school division is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, the school division believes that it is not subject to significant foreign exchange risk from its financial instruments.