

Financial Statements of

**CAPE BRETON-VICTORIA
REGIONAL SCHOOL BOARD**

Year ended March 31, 2014

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board Members
Cape Breton-Victoria Regional School Board

We have audited the accompanying financial statements of Cape Breton-Victoria Regional School Board which comprise the statement of financial position as at March 31, 2014 and the statements of operations, accumulated operating surplus, change 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 generally accepted accounting principles, 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.

Auditors' 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Cape Breton-Victoria Regional School Board as at March 31, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Sydney, Canada
June 16, 2014

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Financial Position

March 31, 2014, with comparative figures for 2013

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents		
General	\$ 1,677,415	\$ 1,927,609
School-based funds (note 2)	3,102,321	2,977,541
	4,779,736	4,905,150
Accounts receivable		
Province of Nova Scotia (note 3)	10,221,704	10,375,072
First Nation (note 4)	264,887	274,119
Government of Canada (note 5)	690,374	806,843
Other	1,592,755	1,520,189
	12,769,720	12,976,223
Province of Nova Scotia, other		
Retirement service awards receivable – teaching (note 6)	7,612,037	6,836,039
Retirement service awards receivable – non-teaching (note 6)	763,344	767,206
Sick leave receivable – teaching (note 7)	16,045,071	15,248,000
Sick leave receivable – non-teaching (note 7)	1,694,459	1,693,827
	26,114,911	24,545,072
Restricted cash and investment – scholarships	460,646	534,912
Total financial assets	44,125,013	42,961,357
FINANCIAL LIABILITIES		
Payables and accruals – trade	4,005,777	4,099,877
Teachers' salary payable	2,357,100	3,058,010
Non-teaching vacation pay payable	968,955	930,064
Other salary payable	2,061,440	2,664,298
	9,393,272	10,752,249
Payables and accruals – government		
Province of Nova Scotia	110,933	32,014
Government of Canada	399	107
Municipalities	20,426	40,411
	131,758	72,532
Province of Nova Scotia, other		
Retirement service awards obligation – teaching (note 6)	7,612,037	6,836,039
Retirement service awards obligation – non-teaching (note 6)	763,344	767,206
Accrued sick leave obligation – teaching (note 7)	16,045,071	15,248,000
Accrued sick leave obligation – non-teaching (note 7)	1,694,459	1,693,827
	26,114,911	24,545,072
Deferred revenue	3,465,253	2,610,301
Scholarship trust funds	460,646	534,912
Total financial liabilities	39,565,840	38,515,066
NET FINANCIAL ASSETS	4,559,173	4,446,291
NON-FINANCIAL ASSETS		
Prepaid expenses	824,865	608,646
Tangible capital assets (note 8)	160,454	171,799
Total non-financial assets	985,319	780,445
ACCUMULATED SURPLUS	\$ 5,544,492	\$ 5,226,736

Commitments (note 14)

Contingencies (note 15)

See accompanying notes to financial statements.

On behalf of the Board

_____ Chairperson
 _____ Board Member

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Operations

Year ended March 31, 2014, with comparative figures for 2013

	2014	2014	2013
	Budget	Actual	Actual
REVENUES (Schedule A)			
Province of Nova Scotia	\$ 120,450,635	\$ 133,054,077	\$ 136,923,509
Government of Canada	1,587,850	1,672,483	1,642,802
Municipal contributions	14,238,100	14,258,102	13,478,292
Other revenues	2,990,775	4,868,095	4,499,614
School-based funds (note 2)	—	4,862,336	6,979,054
	139,267,360	158,715,093	163,523,271
EXPENSES (Schedule B)			
Board governance	373,851	407,890	391,841
Regional management	3,374,247	3,389,762	4,912,523
School management and support	14,168,223	14,255,052	14,362,813
Instructional and school services	69,384,545	73,653,880	70,593,855
Student support	24,154,060	24,137,479	24,222,160
Adult and community education	997,296	995,514	914,789
Property services	19,172,938	27,718,746	31,817,649
Student transportation	6,617,415	6,698,234	6,919,774
Other programs	933,429	2,388,801	2,329,284
Tangible capital asset amortization	91,356	86,397	92,507
School-based funds (note 2)	—	4,665,582	6,848,485
	139,267,360	158,397,337	163,405,680
OPERATING SURPLUS	\$ —	\$ 317,756	\$ 117,591

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Accumulated Operating Surplus

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	\$ 5,226,736	\$ 5,109,145
Operating surplus	317,756	117,591
ACCUMULATED OPERATING SURPLUS, END OF YEAR	\$ 5,544,492	\$ 5,226,736
Accumulated operating surplus consisting of		
Unrestricted	\$ 2,370,197	\$ 2,249,195
Internally restricted funds School-based funds	3,174,295	2,977,541
	\$ 5,544,492	\$ 5,226,736

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ 4,446,291	\$ 4,791,981
Changes during the year		
Operating surplus	317,756	117,591
Acquisition of tangible capital assets	(75,052)	(53,313)
Amortization of tangible capital assets	86,397	92,507
Increase in prepaid expenses	(216,219)	(502,475)
Increase (decrease) in net financial assets	112,882	(345,690)
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,559,173	\$ 4,446,291

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Cash Flows

Year ended March 31, 2014, with comparative figures for 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus	\$ 317,756	\$ 117,591
Non-cash items		
Amortization of tangible capital assets	86,397	92,507
Change in non-cash operating working capital		
Decrease in accounts receivable	206,503	2,215,579
Increase in prepaid expenses	(216,219)	(502,475)
Increase (decrease) in payables and accruals – trade	(94,100)	351,645
Increase (decrease) in salaries payable	(1,264,877)	1,497,304
Increase (decrease) in payables and accruals – government	59,226	(4,056,046)
Increase (decrease) in deferred revenue	854,952	(5,181)
	(50,362)	(289,076)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of tangible capital assets	(75,052)	(53,313)
DECREASE IN CASH AND CASH EQUIVALENTS	(125,414)	(342,389)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,905,150	5,247,539
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,779,736	\$ 4,905,150
Represented on the financial statements by		
General	\$ 1,677,415	\$ 1,927,609
School-based funds	3,102,321	2,977,541
	\$ 4,779,736	\$ 4,905,150
Supplemental cash flow information		
Interest received	\$ 80,693	\$ 72,278

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Scholarship Fund Financial Position

March 31, 2014, with comparative figures for 2013

	2014	2013
ASSETS		
Cash and investments	\$ 460,646	\$ 534,912
FUND BALANCE		
Rossetti	\$ 161,554	\$ 162,358
O'Connell	82,130	151,779
George MacKay Bursary	145,057	145,600
Annie Bell Grady Memorial	19,941	20,689
Townsend	1,011	1,019
McDonagh	5,265	5,257
Panagiotakos	8,926	8,918
McQuarrie	3,168	3,153
Annie Hall	1,920	1,917
C.J.C.B.	3,994	3,994
Daniel Munroe	2,943	2,957
John D. MacLeod Memorial	968	976
T.L. Sullivan Memorial	1,831	1,860
Mary Elizabeth Brennan	2,227	2,230
William Hilchie Memorial	2,952	2,966
Isabel MacDermid Memorial	3,458	3,488
Wendell & Diane Coldwell Memorial	861	925
Jon David Corbett	3,009	3,003
Leonard Matheson	1,385	1,393
Ellen Dunn Balah	2,058	2,528
Minor Hockey	5,744	7,658
Fine Arts	244	244
	\$ 460,646	\$ 534,912

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Continuity of Scholarship Fund

Year ended March 31, 2014, with comparative figures for 2013

	Rossetti	O'Connell	MacKay	Grady	Townsend	McDonagh	Panagiotakos	McQuarrie
Balance, beginning of year	\$ 162,358	\$ 151,779	\$ 145,600	\$ 20,689	\$ 1,019	\$ 5,257	\$ 8,918	\$ 3,153
Interest earned	2,046	1,753	1,757	251	12	63	108	65
	164,404	153,532	147,357	20,940	1,031	5,320	9,026	3,218
Scholarship awarded	2,850	71,402	2,300	1,000	20	55	100	50
Balance, end of year	\$ 161,554	\$ 82,130	\$ 145,057	\$ 19,940	\$ 1,011	\$ 5,265	\$ 8,926	\$ 3,168

	Annie Hall	C.J.C.B.	Munroe	MacLeod	Sullivan	Brennan	Hilchie	MacDermid
Balance, beginning of year	\$ 1,917	\$ 3,994	\$ 2,957	\$ 976	\$ 1,860	\$ 2,230	\$ 2,966	\$ 3,488
Interest earned	23	-	36	12	22	27	36	70
	1,940	3,994	2,993	988	1,882	2,257	3,002	3,558
Scholarship awarded	20	-	50	20	50	30	50	100
Balance, end of year	\$ 1,920	\$ 3,994	\$ 2,943	\$ 968	\$ 1,832	\$ 2,227	\$ 2,952	\$ 3,458

	Coldwell	Corbett	Matheson	Dunn Balah	Minor Hockey	Fine Arts	2014 Total	2013 Total
Balance, beginning of year	\$ 925	\$ 3,003	\$ 1,393	\$ 2,528	\$ 7,658	\$ 244	\$ 534,912	\$ 542,151
Interest earned	11	36	17	30	86	-	6,461	4,675
	936	3,039	1,410	2,558	7,744	244	541,373	546,826
Scholarship awarded	75	30	25	500	2,000	-	80,727	11,914
Balance, end of year	\$ 861	\$ 3,009	\$ 1,385	\$ 2,058	\$ 5,744	\$ 244	\$ 460,646	\$ 534,912

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year ended March 31, 2014

The Cape Breton-Victoria Regional School Board is incorporated under the provisions of the Education Act of the Province of Nova Scotia and its principal business activity is operating a regional school system serving the Cape Breton Regional Municipality and the Municipality of the County of Victoria. The Board is registered as a charitable organization under the Income Tax Act and, therefore, is exempt from income tax and may issue official receipts to donors for income tax purposes.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector which, for purposes of the School Board's financial statements, are represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the CPA Handbook, supplemented where appropriate by other CPA Canada accounting standards or pronouncements.

These financial statements have been prepared using the following significant accounting policies:

(a) Revenues

Revenues are recognized on an accrual basis. Grants received, donations and fees collected in advance of the provision or use of related services are deferred. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

Each year, contributions by volunteers support the delivery of certain programs within schools. Due to the difficulty in determining or otherwise estimating the value of these contributions and because these services are not otherwise purchased, contributed services are not quantified and recognized in these financial statements.

(b) Expenses

Expenses are recorded on an accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised.

(c) Financial assets

Cash and cash equivalents are recorded at cost which approximates market value.

Accounts receivable are recorded at the principal amount less valuation allowance. These allowances are recorded where collectability is considered doubtful.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Liabilities

Teachers' salary and benefit costs are accrued at year end. As directed by the Province of Nova Scotia, an offsetting receivable is recorded from the Province. The annual accrual and offsetting receivable are adjusted as required.

Salaries, vacation pay and benefits of non-teaching employees are also accrued at year end. There is no equivalent offsetting receivable from the Province except for vacation pay.

(e) Net financial assets

Net financial assets represents the financial assets less direct liabilities of the School Board.

(f) Non-financial assets

Tangible capital assets have useful lives extending beyond the accounting period, are held for use in the production or supply of goods and services and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Contributions are not netted against the cost of the related tangible asset. All tangible capital assets are capitalized in accordance with Province of Nova Scotia thresholds and are amortized over the estimated useful life of the asset. The amortization expense is recorded in the statement of operations.

Amortization of tangible capital assets is provided using the following methods and annual rate:

Asset	Basis	Rate
Service vehicles	Declining balance	35%

Prepaid expenses are cash disbursements or other transfers of economic resources for goods or services, other than tangible capital assets and inventories of supplies, of which some or all will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

(g) Accumulated surplus

Accumulated surplus represents the financial assets and non-financial assets of the School Board less the liabilities. This represents the accumulated balance of net surplus arising from the operations of the School Board.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Scholarship trust funds under administration

The scholarship trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students. A schedule of trust funds is included in the financial statements.

(i) Use of estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the carrying value of capital assets, valuation of post retirement benefits and obligations, valuation allowance of accounts receivable and obligations resulting from employee contract negotiations.

(j) Financial instruments

The Board initially measures its financial assets and financial liabilities at fair value.

Financial assets subsequently measured at amortized cost includes cash and cash equivalents, restricted cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost includes payables and accruals and payroll related accruals.

The receivable and obligation relating to retirement service awards and sick leave are recorded based on actuarial valuation.

Investments are subsequently measured at fair market value.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

2. SCHOOL-BASED FUNDS

These financial statements include funds arising from certain school and student activities that are controlled and administered locally by each school, but for which the Board is accountable. Revenues from school-based funds are recognized as the funds are received. School fund activities are recorded as funds are expended.

Changes in cash held by schools are as follows (certain figures for the year ended March 31, 2013 were not readily available):

	2014	2013
Opening balance	\$ 2,977,541	\$ 2,846,972
Additions to school-based funds	4,862,336	6,979,054
School funded activities	(4,665,582)	(6,848,485)
Increase in prepaids	(208,927)	—
Increase in accounts receivable	(205,974)	—
Increase in deferred revenue	300,034	—
Increase in accounts payable	42,893	—
	<u>\$ 3,102,321</u>	<u>\$ 2,977,541</u>

3. ACCOUNTS RECEIVABLE, PROVINCE OF NOVA SCOTIA

	2014	2013
TCA capital	\$ 6,446,408	\$ 6,599,973
Teachers' salary accrual	2,357,100	1,981,600
Other	522,746	280,752
International student program	452,074	345,676
P-3 refresh	204,378	204,378
Non-Teaching Directors Service Award	144,668	—
Gas tax rebate	48,279	54,560
Information economy initiative	46,051	138,736
Teachers' pay adjustment	—	538,205
CUPE pay adjustment	—	231,192
	<u>\$10,221,704</u>	<u>\$10,375,072</u>

4. ACCOUNTS RECEIVABLE, FIRST NATION

	2014	2013
Tuition receivable	\$ 264,887	\$ 274,119

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

5. ACCOUNTS RECEIVABLE, GOVERNMENT OF CANADA

	2014	2013
Harmonized sales tax	\$ 690,374	\$ 806,843

6. RETIREMENT SERVICE AWARDS

Teachers receive a service award upon retirement, disability, death or termination, when entitled to a vested pension, under the contracts between the Nova Scotia Teachers' Union local and the predecessor boards. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is to be made.

Non-teaching employees are entitled to 50% of sick leave accrual upon retirement, death, resignation or termination, provided the employee has at least ten years of service or an employee with at least ten years of service on retirement, death, resignation or termination shall be entitled to \$250.00 for each year of service to a maximum of thirty-five years of service, whichever is greater.

The Province of Nova Scotia assumed responsibility for the payment of service awards for all qualifying School Board employees effective April 1, 2002. As a result, school boards were required to make certain entries on their financial statements beginning with the year ending March 31, 2002, to record the value of projected liabilities, as well as a corresponding receivable from the Province of Nova Scotia. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation calculated the present value of the service awards payable for past services for the School Board to be \$7,612,037 as of March 31, 2014 (2013 - \$6,836,039) – teaching; \$763,344 as of March 31, 2014 (2013 - \$767,206) – non-teaching.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

6. RETIREMENT SERVICE AWARDS (CONTINUED)

The information below provides further detail on the calculation of the accrued retirement service award obligations.

TEACHING

			2014	2013
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 8,128,436	\$ (1,292,397)	\$ 6,836,039	\$ 6,159,118
Current service cost	542,600	–	542,600	621,900
Interest cost	343,140	–	343,140	342,600
Actuarial loss	393,900	(393,900)	–	–
Amortization of actuarial losses	–	271,992	271,992	146,784
Benefit payments	(381,734)	–	(381,734)	(434,363)
Balance, end of year	\$ 9,026,342	\$ (1,414,305)	\$ 7,612,037	\$ 6,836,039

The information below provides further detail on the calculation of retirement service award expense.

TEACHING

	2014	2013
Current service cost	\$ 542,600	\$ 621,900
Interest obligation	343,140	342,600
Amortization of actuarial losses	271,992	146,784
	\$ 1,157,732	\$ 1,111,284

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

6. RETIREMENT SERVICE AWARDS (CONTINUED)

NON-TEACHING

			2014	2013
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 769,194	\$ (1,988)	\$ 767,206	\$ 771,081
Current service cost	27,891	–	27,891	27,051
Interest cost	30,855	–	30,855	32,579
Amortization of actuarial loss	–	221	221	–
Actuarial loss	18,367	(18,367)	–	–
Benefit payments	(62,829)	–	(62,829)	(63,505)
Balance, end of year	\$ 783,478	\$ (20,134)	\$ 763,344	\$ 767,206

The information below provides further detail on the calculation of retirement service award expense.

	2014	2013
Current service cost	\$ 27,891	\$ 27,051
Interest obligation	30,855	32,579
Amortization of actuarial loss	221	–
	\$ 58,967	\$ 59,630

7. ACCRUED SICK LEAVE

The Board has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2014. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them.

This evaluation calculated the present value of the accumulated sick leave for past services for the School Board to be \$16,045,071 as of March 31, 2014 (2013 - \$15,248,000) – teaching; \$1,694,459 as of March 31, 2014 (2013 - \$1,693,827) – non-teaching.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

7. ACCRUED SICK LEAVE (CONTINUED)

The information below provides further detail on the calculation of the accrued benefit obligation.

TEACHING

			2014	2013
	Actual Obligation	Unamortized Gains (losses)	Total	Total
Balance, beginning of year	\$ 15,431,000	\$ (183,000)	\$ 15,248,000	\$ 14,488,000
Current service cost	1,270,000	—	1,270,000	1,229,000
Interest cost	646,000	—	646,000	649,000
Sick leave taken	(1,132,000)	—	(1,132,000)	(1,118,000)
Amortization of actuarial loss	—	13,071	13,071	—
Actuarial losses	397,000	(397,000)	—	—
Balance, end of year	\$ 16,612,000	\$ (566,929)	\$ 16,045,071	\$ 15,248,000

The information below provides further detail on the calculation of accumulated sick leave expense.

	2014	2013
Current service cost	\$ 1,270,000	\$ 1,229,000
Interest cost	646,000	649,000
Amortization of actuarial loss	13,071	—
	\$ 1,929,071	\$ 1,878,000

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

7. ACCRUED SICK LEAVE (CONTINUED)

NON-TEACHING

			2014	2013
	Actual Obligation	Unamortized Gains (losses)	Total	Total
Balance, beginning of year	\$ 1,705,513	\$ (11,686)	\$ 1,693,827	\$ 1,687,085
Current service cost	194,203	–	194,203	189,770
Interest cost	69,124	–	69,124	72,655
Sick leave taken	(263,993)	–	(263,993)	(255,683)
Amortization of actuarial loss	–	1,298	1,298	–
Actuarial losses	34,070	(34,070)	–	–
Balance, end of year	\$ 1,738,917	\$ (44,458)	\$ 1,694,459	\$ 1,693,827

The information below provides further detail on the calculation of accumulated sick leave expense.

	2014	2013
Current service cost	\$ 194,203	\$ 189,770
Interest cost	69,124	72,655
Amortization of actuarial loss	1,298	–
	\$ 264,625	\$ 262,425

8. TANGIBLE CAPITAL ASSETS

			2014	2013
	Cost	Accumulated amortization	Net	Net
Service vehicles	\$ 1,036,763	\$ 876,309	\$ 160,454	\$ 171,799

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

9. DEFERRED TEACHERS' SALARIES

Under the terms of the teachers' contract, the School Board withholds a portion of certain eligible teachers' salaries and deposits it with the Nova Scotia Teachers' Credit Union. These amounts are subsequently withdrawn by the teachers in a year when they are on leave of absence. As at March 31, 2014, the Board had \$564,675 (2013 - \$586,900) of such funds on deposit together with a corresponding liability to these teachers which amounts have not been included in these financial statements.

10. PENSION PLANS

(a) Teachers

The School Board's teachers are members of the pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Province of Nova Scotia has accepted responsibility for funding this plan and accordingly, no provision is included in the Board's financial statements for the related pension amounts.

(b) Non-teachers

The School Board's Canadian Union of Public Employees (CUPE) staff participate in a money purchase pension plan which is accounted for by the School Board as a defined contribution plan. Employer pension costs of \$1,206,207 (2013 - \$1,038,173) are included in the statement of operations which represent the cost of employer contributions for current service of participating employees during the year. Employees and the School Board both contribute at the rate of 5% of pensionable earnings.

The School Board also contributes to an RRSP plan for its confidential non-CUPE employees. Employees and the School Board both contribute at the rate of 9% of pensionable earnings. Included in the March 31, 2014 statement of operations are employer contributions of \$78,632 (2013 - \$83,482), which represents the pension cost to the School Board.

11. INSURANCE

The School Board is a member of the School Insurance Exchange, which provides all insurance coverage, with the exception of fleet insurance, which is contracted to a private carrier.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

12. RELATED PARTY TRANSACTIONS

These financial statements do not include certain expenses paid on behalf of the Board by the Province of Nova Scotia, including but not limited to:

- P-3 schools and facilities leases and operating costs, and
- Payments for the teachers' pension plans and medical premiums.

13. FINANCIAL INSTRUMENTS

The School Board is exposed to various risks through its financial instruments and includes the following significant risk at March 31, 2014.

Credit risk

The School Board's exposure to credit risk relates to accounts receivable and arises from the possibility that creditors do not fulfill their obligations. This risk is mitigated due to receivables being from various levels of government based on approved agreements.

The School Board performs continuous evaluation of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the School Board will encounter difficulty raising funds to meet its liabilities. This is mitigated through regular monitoring of cash flows.

14. COMMITMENTS

The Board has entered into agreements to lease equipment for various periods until 2018. Minimum annual lease payments are as follows:

	Equipment
2015	\$122,153
2016	36,114
2017	12,067
2018	1,386

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2014

14. COMMITMENTS (CONTINUED)

(b) The Board is committed to the following capital projects at March 31, 2014:

	Estimated Cost	Progress Billings	Outstanding
Memorial roof replacement	\$ 1,045,000	\$ 410,285	\$ 634,715
Memorial window replacement	292,716	—	292,716
Glace Bay skilled trades	974,872	—	974,872
Mountainview roof replacement	137,220	51,192	86,028
	<u>\$ 2,449,808</u>	<u>\$ 461,477</u>	<u>\$ 1,988,331</u>

15. CONTINGENCIES

The Board has been named a defendant in four legal matters. The outcome of the matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.

16. COMPARATIVE FIGURES

Certain 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenues

Year ended March 31, 2014, with comparative figures for 2013

	2014		2013
	Budget	Actual	Actual
PROVINCE OF NOVA SCOTIA			
Operating	\$ 118,947,935	\$ 121,504,955	\$ 121,706,768
Restricted	876,500	2,456,192	2,519,632
Capital	126,200	8,048,834	11,777,040
Grants	500,000	1,044,096	920,069
	\$ 120,450,635	\$ 133,054,077	\$ 136,923,509
GOVERNMENT OF CANADA			
AANDC	\$ 1,410,850	\$ 1,330,192	\$ 1,368,980
Secretary of State	177,000	342,291	273,822
	\$ 1,587,850	\$ 1,672,483	\$ 1,642,802
OTHER REVENUES			
Board generated – other	\$ 2,491,460	\$ 4,239,812	\$ 3,900,256
Tuition – students	326,315	413,345	440,908
Rentals	100,000	134,245	86,172
Investment interest	73,000	80,693	72,278
	\$ 2,990,775	\$ 4,868,095	\$ 4,499,614
SCHOOL-BASED FUNDS (note 2)	\$ –	\$ 4,862,336	\$ 6,979,054

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses

Year ended March 31, 2014, with comparative figures for 2013

	2014		2013
	Budget	Actual	Actual
BOARD GOVERNANCE			
Board members	\$ 174,900	\$ 175,091	\$ 169,309
Board secretary	57,451	59,568	52,450
NSSBA dues	141,500	173,231	170,082
	\$ 373,851	\$ 407,890	\$ 391,841
REGIONAL MANAGEMENT			
Management services	\$ 1,631,981	\$ 1,543,837	\$ 3,242,238
Financial services	1,389,817	1,520,769	1,355,525
Human resource services	340,069	306,020	301,858
Communication services	12,380	19,136	12,902
	\$ 3,374,247	\$ 3,389,762	\$ 4,912,523
SCHOOL MANAGEMENT AND SUPPORT			
School management	\$ 12,899,075	\$ 12,901,930	\$ 11,769,353
Program and curriculum support	1,269,148	1,353,122	2,593,460
	\$ 14,168,223	\$ 14,255,052	\$ 14,362,813
INSTRUCTIONAL AND SCHOOL SERVICES			
Instruction	\$ 65,867,062	\$ 70,072,362	\$ 67,087,973
Guidance services	2,675,000	2,671,001	2,651,229
Library services	757,321	827,518	800,799
ITS instructional	85,162	82,999	53,854
	\$ 69,384,545	\$ 73,653,880	\$ 70,593,855
STUDENT SUPPORT			
Program management	\$ 369,257	\$ 347,748	\$ 261,956
Instruction	14,360,419	14,398,375	18,752,983
Program and curriculum support	9,424,384	9,391,356	5,207,221
	\$ 24,154,060	\$ 24,137,479	\$ 24,222,160

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (continued)

Year ended March 31, 2014, with comparative figures for 2013

	2014		2013
	Budget	Actual	Actual
ADULT AND COMMUNITY EDUCATION			
Program management	\$ 930,149	\$ 925,946	\$ 826,744
Program and curriculum support	67,147	69,568	88,045
	\$ 997,296	\$ 995,514	\$ 914,789
PROPERTY SERVICES			
Management services	\$ 387,215	\$ 343,847	\$ 339,142
Custodial services	6,693,222	6,290,012	6,449,896
Maintenance services	11,687,501	20,501,417	24,566,402
Grounds services	405,000	583,470	462,209
	\$ 19,172,938	\$ 27,718,746	\$ 31,817,649
STUDENT TRANSPORTATION			
Management services	\$ 521,951	\$ 520,873	\$ 563,011
Transportation (Board)	2,562,650	2,579,443	2,632,975
Maintenance (Board)	3,343,414	3,418,350	3,530,577
Transportation (Contract)	189,400	179,568	193,211
	\$ 6,617,415	\$ 6,698,234	\$ 6,919,774
SCHOOL FUNDED ACTIVITIES (note 2)	\$ -	\$ 4,665,582	\$ 6,848,485