

Financial Statements of the

**CHIGNECTO-CENTRAL
REGIONAL SCHOOL BOARD**

Year Ended March 31, 2014

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2014

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Independent auditor's report

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To the Members of the Chignecto-Central Regional School Board

We have audited the accompanying financial statements of the Chignecto-Central Regional School Board, which comprise the financial position as at March 31, 2014, and the statements of operations and accumulated surplus, change in net financial resources 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 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 School Board'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 the Chignecto-Central Regional School Board as at March 31, 2014, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 16 to 24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Truro, Canada
June 11, 2014



Chartered Accountants

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Financial Position

As At March 31, 2014

2014

2013

Financial Assets

Cash and cash equivalents

General	\$ 5,863,803	\$ 5,198,283
Restricted - Instructional program enhancement	346,913	231,779
School generated	<u>2,634,355</u>	<u>2,742,184</u>
	8,845,071	8,172,246

Accounts receivable:

Government of Canada - HST	648,425	568,138
Province of Nova Scotia (note 3)	9,880,600	7,209,815
First Nations (note 4)	458,132	920,753
Municipalities	-	1,120,188
Other	1,812,204	1,838,643

Province of Nova Scotia - Post employment benefits (note 5)	16,831,332	16,822,122
Province of Nova Scotia - Compensated absences (note 6)	<u>23,409,960</u>	<u>22,344,599</u>

Total financial assets 61,885,724 58,996,504

Liabilities

Accounts payable and accrued liabilities	12,638,451	11,184,924
Deferred revenue	2,408,743	2,147,779
Province of Nova Scotia - Post employment benefits (note 5)	16,831,332	16,822,122
Province of Nova Scotia - Compensated absences (note 6)	<u>23,409,960</u>	<u>22,344,599</u>

Total liabilities 55,288,486 52,499,424

Net Financial Assets 6,597,238 6,497,080

Non-Financial Assets

Prepaid expenses	587,351	593,759
Inventories of supplies	1,208,166	1,238,348
Tangible capital assets (Schedule C)	<u>2,037,551</u>	<u>2,093,313</u>

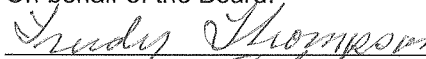
Total non-financial assets 3,833,068 3,925,420

Accumulated surplus \$ 10,430,306 \$ 10,422,500

Contingencies (note 11)

See accompanying notes to financial statements.

On behalf of the Board:

 Chairperson

 Board Member

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Accumulated Surplus

As At March 31, 2014

2014

2013

Accumulated Surplus

General Fund	\$ <u>5,039,793</u>	\$ <u>5,067,536</u>
General Fund - Capital	<u>2,037,551</u>	<u>2,093,313</u>
Internally restricted funds		
School generated funds	3,006,049	3,029,872
Instructional program enhancement at school level	<u>346,913</u>	<u>231,779</u>
	<u>3,352,962</u>	<u>3,261,651</u>
	<u>\$ 10,430,306</u>	<u>\$ 10,422,500</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 156,218,179	\$ 158,147,685	\$ 156,325,821
Appropriation from Councils	26,822,800	26,822,810	25,446,211
School generated funds	5,300,000	5,066,961	5,377,852
Board operations	4,269,000	4,447,953	4,304,495
First Nations' students	1,900,000	2,009,057	1,978,449
Government of Canada	<u>333,106</u>	<u>438,331</u>	<u>308,805</u>
	<u>194,843,085</u>	<u>196,932,797</u>	<u>193,741,633</u>
Expenses (Schedule B)			
Board governance	390,389	373,730	351,232
Regional management	5,079,059	4,884,135	4,861,351
School management and support	23,014,100	24,361,526	23,429,062
Instruction and school services	93,336,882	95,335,156	94,012,784
Student support	28,573,905	27,923,932	27,427,817
Adult and community education	-	-	646,681
Property services	24,157,701	23,956,248	23,157,598
Student transportation	12,614,287	12,630,881	12,110,055
Other programs	2,145,000	2,124,423	2,105,501
School generated funds	5,300,000	5,090,784	5,357,060
Capital asset amortization	<u>231,762</u>	<u>244,176</u>	<u>243,251</u>
	<u>194,843,085</u>	<u>196,924,991</u>	<u>193,702,392</u>
Surplus	<u>\$ -</u>	<u>\$ 7,806</u>	<u>\$ 39,241</u>
Accumulated surplus, beginning of year		<u>10,422,500</u>	<u>10,383,259</u>
Accumulated surplus, end of year		<u>\$ 10,430,306</u>	<u>\$ 10,422,500</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

For The Year Ended March 31, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Net financial assets, beginning of year	\$ 6,497,080	\$ 6,497,080	\$ 6,520,465
Changes during the year:			
Annual surplus	-	7,806	39,241
Acquisition of tangible capital assets	(150,000)	(189,381)	(209,968)
Amortization of tangible capital assets	231,762	244,176	243,251
Gain on sale of tangible capital assets	-	(5,619)	(1,591)
Proceeds on sale of tangible capital assets	-	6,586	2,151
Decrease (increase) in inventories of supplies	-	30,182	(128,616)
Decrease in prepaid expenses	<u>-</u>	<u>6,408</u>	<u>32,147</u>
Increase (decrease) in net financial assets	<u>81,762</u>	<u>100,158</u>	<u>(23,385)</u>
Net financial assets, end of year	\$ <u>6,578,842</u>	\$ <u>6,597,238</u>	\$ <u>6,497,080</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Cash Flows

For The Year Ended March 31, 2014

2014

2013

Operating activities

Cash received from:

Annual operating surplus \$ 7,806 \$ 39,241

Items not affecting cash:

Tangible capital asset amortization 244,176 243,251

Changes in non-cash working capital:

Increase in accounts receivable (1,141,824) (3,473,288)

Decrease (Increase) in inventories of supplies 30,182 (128,616)

Decrease in prepaid expenses 6,408 32,147

Increase (Decrease) in accounts payable and accrued liabilities 1,453,527 (239,498)

Increase in deferred revenue 260,964 454,002

609,257 (3,355,253)

Cash provided by operating activities 861,239 (3,072,761)

Capital activities

Cash used to acquire tangible capital assets (189,381) (209,968)

Gain on sale of tangible capital assets (5,619) (1,591)

Proceeds on sale of tangible capital assets 6,586 2,151

Cash provided by capital activities (188,414) (209,408)

Increase (Decrease) in cash 672,825 (3,282,169)

Cash at beginning of year 8,172,246 11,454,415

Cash at end of year \$ 8,845,071 \$ 8,172,246

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

1. Nature of Operations

Pursuant to an Act passed by the Province of Nova Scotia, the Colchester-East Hants District School Board, Cumberland District School Board, and the Pictou District School Board were amalgamated to form the Chignecto-Central Regional School Board. The 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.

The Board is registered as a charitable organization under the Income Tax Act and, therefore, is exempt from income taxes and may issue official receipts to donors for income tax purposes.

2. Financial Reporting and Accounting Policies

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 Canadian Institute of Chartered Accountants (CICA), supplemented where appropriate by other CICA accounting standards or pronouncements.

These financial statements have also been prepared to comply with the provision of the School Board Financial Handbook as prescribed by the Ministerial Regulations of the Education Act of Nova Scotia. This handbook was extensively revised to reflect the requirements of the Public Sector Accounting Board, effective March 31, 2005.

The financial statements of the School Board are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

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

Significant accounting policies

Revenues

Provincial government transfers for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility credits or stipulations, it is recognized when the transfer(s) from the Province of Nova Scotia and Municipalities are authorized.

All non-government contribution or grant/revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has not been met is reported as a liability until the resources are used for the purpose or purposes specified.

Public Private Partnership and International Student Program revenues are recognized as revenue when the related service is rendered.

Rental income is recognized over the term of the lease.

Investment income is recognized as revenue in the year in which it is earned.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

2. Financial Reporting and Accounting Policies (continued)

Expenses

Expenses are recorded on the accrual basis. Provisions are made for probable losses on certain loans, investments, accounts receivable, and 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, at least annually.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, short term deposits and bank balances held by schools. Bank borrowings are considered to be financing activities.

Financial instruments

The school board classifies its financial instruments at amortized cost.

This category includes cash and cash equivalents, receivables, payables and accruals and deferred revenue. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Management assess each financial instrument to determine whether there is any impairment losses and if any, are reported in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

There are no unrealized gains or losses therefore the statement of remeasurement gains and losses has not been presented.

Net financial assets

Net Financial Assets represents the financial assets less direct liabilities of the Board.

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 historical cost (or estimated cost when the actual is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Tangible capital assets include land, buildings, and vehicles. Tangible capital assets do not include intangibles or assets acquired by right, such as forests, water and mineral resources or works of art and historical treasures.

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

Asset	Basis	Rate
Building	Declining Balance	5%
Vehicles	Declining Balance	35%

When conditions indicate that a tangible capital asset no longer contributes to the school board's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Write-downs are not reversed.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

2. Financial Reporting and Accounting Policies (continued)

Prepaid expenses are cash disbursements 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.

Inventories represent amounts expended on supplies and other consumables which will be used or consumed in a future period. They are recorded at the lower of cost and net realizable value. Once items have been shipped to the schools they are expensed and are not considered inventory.

Accumulated surplus

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

Trust funds

The trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students.

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 and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets; valuation allowances for receivables and inventories; and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

Post employment benefits and compensated absences

The school board provides defined, services awards and compensated absences to certain employee groups. These benefits include pension, service awards and non-vesting sick leave. The school board has adopted the following policies with respect to accounting for these employee benefits:

i) The costs of post-employment service awards are actually determined using management's best estimate of employee retention, retirement ages of employees, salary escalation, other cost escalation, long term inflation and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.

ii) The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

iii) The costs of multi-employer defined benefit pension are the employer's contributions due to the plan in the period and are accounted for as a defined contribution plan.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

3. Accounts Receivable, Province of Nova Scotia

	<u>2014</u>	<u>2013</u>
Teacher's salary accrual	\$ 3,072,100	\$ 2,562,600
Retro wage receivable	417,640	969,578
Special projects	5,401,982	3,003,637
Other	<u>988,878</u>	<u>674,000</u>
	<u>\$ 9,880,600</u>	<u>\$ 7,209,815</u>

4. Accounts Receivable, First Nations

The First Nations receivable includes a Promissory Note with a remaining balance of \$448,000 (2013 - \$504,000). This Note is being repaid annually in principal installments of \$56,000, with interest at Prime less 1.625%.

5. Post employment benefits

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 locals and the predecessor boards. Nova Scotia Government Employee Union and Non Union employees of the predecessor Cumberland District School Board receive a service award upon retirement, disability, death or termination, when entitled to a vested pension under contracts between said groups and the predecessor Board. The Province of Nova Scotia contracts a third party to perform an actuarial valuation for all government departments' agencies and boards. The last actuarial valuation for Teachers service awards was conducted as at July 31, 2013. The actuarial liabilities for Teachers service awards as at March 31 were extrapolated based on the latest actuarial valuations. The actuarial valuation for the Non Teacher service awards was as at September 30, 2010.

The service award values are calculated by the Department of Finance for the school board. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is made. It is calculated using the projected benefit method prorated on services as required under Section 3250 of the Public Sector Accounting Handbook. Experience gains and losses and assumption changes are amortized on a linear basis over the expected average remaining service life of 15 years. Annually, results along with values to record the liability and expenses are provided by the Department of Finance. The Department of Finance fully funds this liability, thus an offsetting receivable balance is recorded.

The following actuarial assumptions have been used in these valuations as at March 31, 2014:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	4.30%	4.30%
Salary increase	2.25-5.00%	3.25%
Inflation		2.25%

i) The actuary for the Teachers service awards assumed that 50% of employees will retire on the date they are first eligible for an unreduced retirement pension, but not earlier than age 55. The remainder will retire at the earliest of age 60 with 10 years of service, and age 65 with 35 years of service. Members past their unreduced retirement ages are assumed to retire at the later of age 60 and their current age.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

5. Post employment benefits (continued)

ii) The actuary for the Non Teachers service awards assumed 35% of employees will retire on the date they are first eligible for an unreduced retirement pension, but not earlier than age 55. The 65% remaining employees will retire at the earlier of age 60 and 35 years of service. Those already at retirement age are assumed to retire one year later.

Information respecting the Teachers service awards and Non Teachers service awards is as follows:

	<u>2014</u>	<u>2013</u>
	Total post employment benefits	Total post employment benefits
Accrued benefit plan obligation	\$ <u>13,988,314</u>	\$ <u>14,099,695</u>
Plan deficit	\$ 13,988,314	\$ 14,099,695
Unamortized actuarial gains	<u>2,843,018</u>	<u>2,722,427</u>
Total liability	<u>\$ 16,831,332</u>	<u>\$ 16,822,122</u>
Current year benefit costs	\$ 800,800	\$ 965,900
Interest on accrued benefit obligation	579,344	606,900
Amortized actuarial gains	<u>(161,409)</u>	<u>(176,078)</u>
Retirement and post employment benefits expense	<u>\$ 1,218,735</u>	<u>\$ 1,396,722</u>

6. Compensated absences

Qualifying employees are entitled to a prescribed number of sick leave days for use over their employment term. The school board has recognized in these financial statements, the liability associated with accumulated sick leave earned by teaching and non teaching staff. The school board has also recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2014. Compensated absences for qualifying employees are actuarially determined. The Province of Nova Scotia contracts a third party to perform an actuarial valuation for all Provincial School Boards. The initial actuarial valuation for Teachers non-vesting sick leave banks usage was as at July 31, 2011. The actuarial valuation for Non Teacher non-vesting sick leave banks usage was at March 31, 2012. These actuarial liabilities as at March 31, 2012 were extrapolated to March 31, 2014.

The following actuarial assumptions have been used in these valuations as at March 31, 2014:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	4.30%	4.30%
Salary increase	2.25-5.00%	3.25%
Termination	5.00%	

i) The actuary for the Teachers sick leave assumed that 50% of employees will retire on the date they are first eligible for an unreduced retirement pension, and the remainder will retire at the earlier of age 60 with 10 years of service, and age 65 with 35 years of service.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

6. Compensated absences (continued)

ii) The actuary for the Non Teachers sick leave assumed 35% of employees will retire on the date they are first eligible for an unreduced pension, and the 65% of remaining employees will retire at the earliest of age 65 and 35 years of service. Those already at retirement age are assumed to retire one year later.

	<u>2014</u> Total compensated absences	<u>2013</u> Total compensated absences
Accrued benefit plan obligation	\$ <u>24,206,145</u>	\$ <u>22,603,655</u>
Plan deficit	\$ 24,206,145	\$ 22,603,655
Unamortized actuarial losses	<u>(796,185)</u>	<u>(259,056)</u>
Total liability	<u>\$ 23,409,960</u>	<u>\$ 22,344,599</u>
Current year benefit costs (recoveries)	\$ 103,122	\$ 55,310
Interest on accrued benefit obligation	<u>943,058</u>	<u>951,373</u>
Compensated absences benefit expense	<u>\$ 1,046,180</u>	<u>\$ 1,006,683</u>

7. Capital Assets

In 1982, on creation of the former District School Boards, an agreement was made with respect to capital assets which stated that all land and school buildings on hand at December 31, 1981 remain assets of the municipal units but will be under the operational control of the District School Boards until such time as the School Boards no longer require the assets for school purposes. At that time, control will revert back to the municipalities. In addition, one of the former District School Boards also had an agreement to offer back to the municipalities, at no cost, certain land and buildings acquired in 1970 if they are ever declared surplus by the Board. These agreements have been carried forward to the Regional School Board.

As a result of improvements made to school buildings, the Chignecto-Central Regional School Board now has an interest in real property to which it does not have title. Under the Education Act, should a building returned by the Regional School Board under the circumstances noted above, be sold by the Municipal unit or destroyed, a portion of any proceeds may be payable to the Regional School Board.

8. Insurance

The Board is a member of a self insurance plan with the Nova Scotia School Insurance Exchange's School Insurance Program (SIP).

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

9. Pension Plans

i) The Regional School Board's Canadian Union of Public Employees (CUPE) staff participate in a multi-employer defined benefit pension plan held on behalf of the Regional School Board by the Nova Scotia School Boards Association.

ii) The Regional School Board's Nova Scotia Government Employees Union (NSGEU) and non-union staff are covered by a multi-employer pension plan established by the Province of Nova Scotia pursuant to the Public Service Superannuation Act.

iii) The Regional School Board's teachers are covered by a multi-employer pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act.

The Regional School Board accounts for the above plans as defined contribution plans and as such no accrued liability is recorded, and only the contributions paid or payable are expensed in the year.

10. Financial Instrument Risk Management

Credit risk

Credit risk is the risk of financial loss to the school board if a debtor fails to make payments when due. The school board is exposed to this risk relating to its receivables.

Receivables are ultimately due from the federal and provincial government and the towns and municipalities under the school boards jurisdiction. Credit risk is mitigated by management review of aging and collection of receivables and billings. The school board recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable.

The school board measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the school board's historical experience regarding collections.

The school board mitigates credit risk by ensuring that grants are entered into by way of a contract and by continuous monitoring of outstanding balances to ensure collection is timely. Management closely evaluates the collectability of its receivables and maintains provisions for potential credit losses, which are assessed on a regular basis.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and other price risk. The school board is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2014

10. Financial Instrument Risk Management (continued)

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The school board is exposed to this risk through its variable interest bearing bank overdraft. However, management does not feel that this represents a material risk to the school board as fluctuations in market interest rates would not materially impact future cash flows and operations relating to the bank overdraft.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the school board will not be able to meet all cash outflow obligations as they come due. The school board mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining a bank overdraft credit facility if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

All accounts payable and accrued liabilities are due within a one year period with the exception of post employment benefits and compensated absences.

11. Contingencies

a) Environmental remediation

During the 2008-09 fiscal year, the Board recorded a liability of \$400,000 in relation to oil contamination at one of its sites. Of this amount, \$200,000 in actual costs have been incurred up to March 31, 2014. It is unknown whether any additional costs will be incurred relating to this matter.

b) Liability claim

During the 2010-11 fiscal year a claim has been made against the School Board based upon the principle of vicarious liability, for actions of a former employee of a predecessor board. The claim is at a preliminary stage and neither the outcome, nor the amount of any possible settlement, can be reasonably estimated. Therefore no provision has been made in the financial statements.

12. Comparative Figures

Certain 2013 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2014.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue

Year Ended March 31, 2014

Province of Nova Scotia:

	2014 Budget	2014 Actual	2013 Actual
General formula	\$ 126,261,500	\$ 126,478,778	\$ 126,302,721
Special education	23,443,600	23,469,950	22,803,110
Textbook credit allocation	1,083,300	1,133,932	1,123,977
Post employment benefits (note 5)	1,034,500	1,218,735	1,396,722
Compensated absences (note 6)	900,000	1,046,180	1,006,683
Information Economy Initiative	719,400	719,453	728,503
Retro wage recoveries	776,637	648,408	969,578
Other	<u>1,999,242</u>	<u>3,432,249</u>	<u>1,994,527</u>
	<u>\$ 156,218,179</u>	<u>\$ 158,147,685</u>	<u>\$ 156,325,821</u>

Appropriation From Councils:

Municipality of Colchester	\$ 6,517,558	\$ 6,517,560	\$ 6,180,720
Municipality of Cumberland	3,458,115	3,458,113	3,268,668
Municipality of East Hants	4,250,344	4,250,340	3,992,868
Municipality of Pictou	4,192,077	4,192,080	3,948,972
Town of Amherst	1,473,569	1,473,564	1,422,816
Town of New Glasgow	1,607,487	1,607,484	1,565,784
Town of Oxford	202,242	202,248	197,472
Town of Parrsboro	179,747	179,747	164,604
Town of Pictou	474,801	474,804	461,496
Town of Springhill	425,042	425,042	415,411
Town of Stellarton	725,480	725,484	664,524
Town of Stewiacke	216,001	216,000	198,420
Town of Trenton	328,427	328,428	312,540
Town of Truro	2,380,174	2,380,176	2,284,272
Town of Westville	<u>391,736</u>	<u>391,740</u>	<u>367,644</u>
	<u>\$ 26,822,800</u>	<u>\$ 26,822,810</u>	<u>\$ 25,446,211</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue (Continued)

Year Ended March 31, 2014	2014 Budget	2014 Actual	2013 Actual
School Generated Funds:			
School based receipts	\$ <u>5,300,000</u>	\$ <u>5,066,961</u>	\$ <u>5,377,852</u>
Board Operations:			
Public Private Partnership	\$ 280,000	\$ 285,770	\$ 279,860
Investment interest	150,000	123,829	140,368
Adult education fees	-	-	3,854
Rentals	339,000	325,146	341,506
International Student Program	3,020,000	3,094,139	2,982,481
Other	<u>480,000</u>	<u>619,069</u>	<u>556,426</u>
	\$ <u>4,269,000</u>	\$ <u>4,447,953</u>	\$ <u>4,304,495</u>
First Nations' students:			
Student tuitions	\$ <u>1,900,000</u>	\$ <u>2,009,057</u>	\$ <u>1,978,449</u>
Government of Canada:			
Secretary of State:			
Minority language	\$ 52,410	\$ 121,500	\$ 51,783
French special projects	202,696	247,094	200,762
Other	<u>78,000</u>	<u>69,737</u>	<u>56,260</u>
	\$ <u>333,106</u>	\$ <u>438,331</u>	\$ <u>308,805</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses

Year Ended March 31, 2014

2014 Budget

2014 Actual

2013 Actual

Board Governance:

Member honorarium	\$ 166,100	\$ 166,100	\$ 166,681
Secretarial wages	39,971	30,380	50,999
Benefits	10,918	11,258	13,055
Travel	34,600	36,772	32,614
Telecommunications	7,500	4,711	4,054
Supplies and materials	9,900	7,826	8,949
Professional development	40,600	43,095	(5,870)
Dues and fees	80,800	73,588	80,750
	<u>\$ 390,389</u>	<u>\$ 373,730</u>	<u>\$ 351,232</u>

Regional Management:

Salaries and wages	\$ 3,390,754	\$ 3,393,405	\$ 3,244,304
Employee benefits	635,811	571,370	652,318
Travel	97,900	100,676	87,443
Professional fees	235,500	230,768	273,555
Consulting and contracted services	42,189	-	18,108
Equipment	19,000	721	3,734
Telecommunications	70,000	71,325	69,693
Advertising	23,000	25,673	20,781
Supplies and materials	308,265	237,028	254,221
Professional development	74,560	105,345	88,160
Administrative services	31,800	13,927	15,018
Insurance	150,280	133,897	134,016
	<u>\$ 5,079,059</u>	<u>\$ 4,884,135</u>	<u>\$ 4,861,351</u>

School Management and Support:

Salaries and wages	\$ 18,121,074	\$ 18,336,163	\$ 18,108,886
Employee benefits	1,635,981	1,697,228	1,577,163
Travel	194,841	227,253	236,514
Equipment	187,362	162,503	94,934
Telecommunications	47,614	41,806	46,886
Supplies and materials	1,808,419	2,925,510	2,563,734
Professional development	1,018,809	971,063	800,945
	<u>\$ 23,014,100</u>	<u>\$ 24,361,526</u>	<u>\$ 23,429,062</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2014	2014 Budget	2014 Actual	2013 Actual
Instruction and School Services:			
Salaries and wages	\$ 83,044,220	\$ 84,185,779	\$ 82,980,073
Employee benefits	4,815,668	5,029,154	4,944,925
Post employment benefits (note 5)	600,000	639,391	789,822
Post employment benefits interest (note 5)	700,000	579,344	606,900
Compensated absences (note 6)	900,000	103,122	55,310
Compensated absences interest (note 6)	-	943,058	951,373
Travel	146,172	172,519	158,088
Equipment	10,833	13,434	16,628
Telecommunications	511,790	452,586	497,222
Textbook credit allocation	1,083,300	1,138,531	1,132,224
Supplies and materials	1,420,596	1,972,710	1,785,134
Professional development	104,303	105,528	95,085
	<u>\$ 93,336,882</u>	<u>\$ 95,335,156</u>	<u>\$ 94,012,784</u>
Student Support:			
Salaries and wages	\$ 24,969,103	\$ 24,303,731	\$ 23,812,186
Employee benefits	2,846,613	2,790,221	2,722,898
Travel	128,216	159,474	171,584
Consulting and contracted services	80,000	62,267	92,661
Equipment	-	156	-
Telecommunications	18,154	20,403	22,679
Supplies and materials	448,019	506,734	526,620
Professional development	83,800	80,946	79,189
	<u>\$ 28,573,905</u>	<u>\$ 27,923,932</u>	<u>\$ 27,427,817</u>
Adult and Community Education:			
Salaries and wages	\$ -	\$ -	\$ 463,727
Employee benefits	-	-	157,020
Travel	-	-	6,548
Telecommunications	-	-	5,671
Supplies and materials	-	-	13,715
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,681</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2014	2014 Budget	2014 Actual	2013 Actual
Property Services:			
Salaries and wages	\$ 9,293,890	\$ 8,780,499	\$ 9,119,713
Employee benefits	2,100,286	2,037,751	2,097,944
Travel	30,060	7,636	8,316
Consulting and contracted services	1,364,833	1,661,945	1,559,604
Repairs and maintenance	1,804,705	1,922,886	1,599,691
Vehicle	462,407	301,008	308,399
Telecommunications	65,000	55,497	57,892
Supplies and materials	488,879	483,596	568,092
Utilities	8,137,121	8,345,312	7,471,760
Professional development	26,000	37,960	13,429
Insurance	<u>384,520</u>	<u>322,158</u>	<u>352,758</u>
	<u>\$ 24,157,701</u>	<u>\$ 23,956,248</u>	<u>\$ 23,157,598</u>
Student Transportation:			
Salaries and wages	\$ 6,981,520	\$ 6,600,539	\$ 6,671,955
Employee benefits	1,570,933	1,462,464	1,558,856
Travel	4,945	7,879	9,166
Consulting and contracted services	99,370	99,350	91,877
Equipment	50,512	255,436	149,645
Vehicle	3,138,908	3,609,749	3,069,031
Contract conveyance	190,000	106,120	110,062
Telecommunications	40,000	23,623	25,518
Supplies and materials	72,950	64,044	34,238
Utilities	185,449	149,532	137,877
Professional development	36,000	11,439	23,822
Insurance	<u>243,700</u>	<u>240,706</u>	<u>228,008</u>
	<u>\$ 12,614,287</u>	<u>\$ 12,630,881</u>	<u>\$ 12,110,055</u>
Other Programs:			
Salaries and wages	\$ 469,160	\$ 507,343	\$ 496,556
Employee benefits	39,403	50,212	46,881
Travel	57,301	50,572	57,376
International student lodging	1,247,000	1,254,935	1,251,761
Telecommunications	9,980	8,616	10,340
Supplies and materials	265,156	209,390	230,602
Insurance	<u>57,000</u>	<u>43,355</u>	<u>11,985</u>
	<u>\$ 2,145,000</u>	<u>\$ 2,124,423</u>	<u>\$ 2,105,501</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2014	2014 Budget	2014 Actual	2013 Actual
School Generated Funds:			
School based expenditures	\$ <u>5,300,000</u>	\$ <u>5,090,784</u>	\$ <u>5,357,060</u>
<hr/>			
Capital Asset Amortization:			
Building	\$ 72,805	\$ 72,805	\$ 76,637
Vehicles	<u>158,957</u>	<u>171,371</u>	<u>166,614</u>
	<u>\$ 231,762</u>	<u>\$ 244,176</u>	<u>\$ 243,251</u>
<hr/>			

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule C - Supplementary Details of Tangible Capital Assets

Year Ended March 31, 2014

	<u>Land</u>	<u>Building</u>	<u>Vehicles</u>	<u>2014 Total</u>	<u>2013 Total</u>
Cost:					
Opening balance	\$ 117,892	\$ 2,516,922	\$ 1,800,899	\$ 4,435,713	\$ 4,244,167
Additions	-	-	189,381	189,381	209,968
Disposals	<u>-</u>	<u>-</u>	<u>52,028</u>	<u>52,028</u>	<u>18,422</u>
Closing balance	<u>117,892</u>	<u>2,516,922</u>	<u>1,938,252</u>	<u>4,573,066</u>	<u>4,435,713</u>
Accumulated Amortization:					
Opening balance	-	995,663	1,346,737	2,342,400	2,117,011
Disposals	-	-	51,061	51,061	17,862
Amortization expense	<u>-</u>	<u>72,805</u>	<u>171,371</u>	<u>244,176</u>	<u>243,251</u>
Closing balance	<u>-</u>	<u>1,068,468</u>	<u>1,467,047</u>	<u>2,535,515</u>	<u>2,342,400</u>
Net book value	<u>\$ 117,892</u>	<u>\$ 1,448,454</u>	<u>\$ 471,205</u>	<u>\$ 2,037,551</u>	<u>\$ 2,093,313</u>
Net Book Value:					
Opening balance	\$ 117,892	\$ 1,521,259	\$ 454,162	\$ 2,093,313	\$ 2,127,156
Closing balance	<u>117,892</u>	<u>1,448,454</u>	<u>471,205</u>	<u>2,037,551</u>	<u>2,093,313</u>
Change in net book value	<u>\$ -</u>	<u>\$ (72,805)</u>	<u>\$ 17,043</u>	<u>\$ (55,762)</u>	<u>\$ (33,843)</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule D - Trust Fund Balance Sheet

March 31, 2014

	<u>2014</u>	<u>2013</u>
Assets		
Investments, at cost plus interest	\$ <u>525.091</u>	\$ <u>517.082</u>
	\$ <u>525.091</u>	\$ <u>517.082</u>
Equity		
Trust Funds (Schedule E)	\$ <u>525.091</u>	\$ <u>517.082</u>
	\$ <u>525.091</u>	\$ <u>517.082</u>

See accompanying notes to financial statements.

On behalf of the Board:

_____ Chairperson

_____ Board Member

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule E - Supplementary Details of Trust Funds

Year Ended March 31, 2014

	<u>2013</u>	<u>Addition</u>	<u>Interest</u>	<u>Disbursement</u>	<u>2014</u>
ARHS Prize	\$ 2,062	\$ -	\$ 68	\$ 82	\$ 2,048
Balagot	12,760	-	414	1,200	11,974
Barteaux	195	-	18	-	213
Biggs	20,896	-	685	1,250	20,331
Blaikie	1,134	1,000	51	1,000	1,185
Brine	1,249	-	41	49	1,241
Campbell	1,251	-	41	51	1,241
Carson	4,880	-	160	-	5,040
Christie	21,644	300	710	1,000	21,654
Cole	2,082	-	68	81	2,069
Decker	5,752	-	190	500	5,442
Demetre	1,319	1,500	39	2,000	858
Devenne	3,839	-	125	750	3,214
Dunbar	3,122	-	102	123	3,101
Eaton	1,060	-	35	-	1,095
Edwards	8,437	100	275	1,000	7,812
Fields	1,792	-	59	68	1,783
Fife	-	2,500	23	2,308	215
Fort Lawrence	5,495	-	180	-	5,675
Fulmer	29,174	-	953	500	29,627
Glantz	3,022	910	99	500	3,531
Gosse	3,107	-	101	150	3,058
Harrison	4,014	-	131	750	3,395
Hewson	24,110	-	794	500	24,404
Hunter	55,059	-	1,817	1,500	55,376
Juurlink	10,553	-	336	600	10,289
Kirkpatrick	709	-	28	500	237
LeBlanc	8,202	915	269	1,000	8,386
Loggie	17,409	-	570	-	17,979
MacInnis	2,085	-	68	-	2,153
MacIver	1,561	-	51	60	1,552
MacKenzie	12,728	-	418	500	12,646
McBrien	3,363	-	115	500	2,978
McIver	6,275	-	205	250	6,230
Milner	958	-	34	100	892
Parrsboro Prize	1,042	-	34	-	1,076
Pugsley	90,717	-	2,984	1,750	91,951
Red Cross	3,123	-	102	123	3,102
Rhodes	160	1,380	10	-	1,550
Roach	1,684	-	55	-	1,739
Smith	1,596	-	52	-	1,648
Sorge	5,684	-	186	220	5,650
Stay-In-School	15,307	-	502	1,591	14,218
Taylor	2,149	-	82	1,000	1,231
Thompson	13,940	-	456	340	14,056
Tingley	12,894	-	424	500	12,818
Tye	78,752	7,397	2,657	750	88,056
Wilkes	8,736	550	286	500	9,072
	<u>\$ 517,082</u>	<u>\$ 16,552</u>	<u>\$ 17,103</u>	<u>\$ 25,646</u>	<u>\$ 525,091</u>