ATLANTIC PROVINCES SPECIAL EDUCATION AUTHORITY
FINANCIAL STATEMENTS
MARCH 31, 2015

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Management's Report

Management's Responsibility for the Financial Statements

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board meets throughout the year and reviews external audited financial statements yearly.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Atlantic Provinces Special Education Authority and meet when required.

On behalf of Atlantic Provinces Special Education Authority:

Deloitte.

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Independent Auditor's Report

To the Board of Directors of the Atlantic Provinces Special Education Authority

Report on the Financial Statements

We have audited the accompanying financial statements of Atlantic Provinces Special Education Authority, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, remeasurement gains and losses, changes in net financial assets and cash flow 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.

Independent Auditor's Report (continued)

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

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, Atlantic Provinces Special Education Authority derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Atlantic Provinces Special Education Authority. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2015 and March 31, 2014, current assets as at March 31, 2015 and March 31, 2014, and net assets as at April 1 and March 31 for both the 2015 and 2014 years.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Atlantic Provinces Special Education Authority as at March 31, 2015, and the results of its operations, changes in net financial assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Accountants
December 16, 2015
Halifax, NS

	2015	2014
Financial Assets		
Cash and cash equivalents	$ 9,666,202	$ 7,664,859
Short-term investments	245,196	242,873
Accounts receivable	163,390	219,834
Accounts receivable from provinces	16,519	238,308
Receivables for early retirement incentive plan (Note 4)	1,232,100	1,388,200
Receivables for post-retirement benefits (Note 6)	3,483,400	3,362,500
Receivables for teachers sick leave (Note 10)	551,000	557,800
Portfolio investments – blind/visually impaired	7,188,461	6,814,801
Portfolio investments – deaf/hard of hearing	4,139,274	4,015,820
	26,685,542	24,504,995
Liabilities		
Accounts payable	1,045,534	1,056,956
Deferred revenue	-	9,178
Due to provinces (Schedule 1)	7,869,486	6,513,439
Public Service early retirement incentive plan (Note 4)	1,232,100	1,388,200
Post-retirement benefits (Note 6)	3,483,400	3,362,500
Teachers sick leave (Note 10)	551,000	557,800
Operating advances (Note 5)	830,000	830,000
	15,011,520	13,718,073
Net financial assets	11,674,022	10,786,922
Non-financial assets		
Tangible capital assets, net (Note 7)	5,142,692	5,364,607
Accumulated surplus (Note 9)	16,816,714	16,151,529
Accumulated surplus is comprised of:		
Accumulated operating surplus	13,251,131	12,961,450
Accumulated remeasurement gains	3,565,583	3,190,079
	$ 16,816,714	$ 16,151,529

APPROVED ON BEHALF OF THE BOARD

Member

Member

Atlantic Provinces Special Education Authority
Statement of Operations and Accumulated Surplus
For the Year Ended March 31, 2015

REVENUES	2015 Budget (Unaudited)	2015 Actual	2014 Actual
Government grants	$17,561,443	$15,826,139	$ 15,853,891
Other income			
Shared by four provinces	30,000	63,570	67,533
Shared by three provinces	255,000	304,247	290,737
Centre-based programs	322,000	395,517	416,007
Annuities, bequests and donations	-	147,950	373,611
Investment income	-	662,997	415,975
Other	-	6,835	4,146
	607,000	1,581,116	1,568,009
	18,168,443	17,407,255	17,421,900
EXPENDITURES			
Administration and consultation (shared by four provinces)			
Administration	754,436	676,033	615,862
Programs – blind/visually impaired	249,874	202,852	175,283
Resource and assessment	-	-	80,102
Resource services	1,569,059	1,364,816	1,451,605
Autism in education	132,500	135,210	148,325
	2,705,869	2,378,911	2,471,177
Administration and consultation (shared by three provinces)			
Programs – deaf/hard of hearing	296,537	190,028	184,159
Audiology	509,283	576,674	509,810
	805,820	766,702	693,969
Assessment services	799,017	569,036	690,622
Centre-based programs			
Education	882,235	765,296	796,409
Residence	685,043	574,711	581,435
Medical	86,138	77,662	76,831
Building maintenance	849,548	928,247	918,823
Food services	196,000	187,507	189,466
	2,698,964	2,533,423	2,562,964
Provincial programs			
New Brunswick – deaf/hard of hearing	3,040,672	2,663,117	2,670,130
New Brunswick – blind/visually impaired	1,304,748	1,173,289	1,115,364
	4,345,420	3,836,406	3,785,494
Nova Scotia – deaf/hard of hearing	3,902,747	3,584,748	3,514,005
Nova Scotia – blind/visually Impaired	2,467,791	2,430,182	2,386,702
	6,370,538	6,014,930	5,900,707
Newfoundland and Labrador – blind/visually impaired	86,399	29,570	71,197
Prince Edward Island – blind/visually impaired	510,084	458,096	481,740
Total program expenses	18,322,111	16,587,074	16,657,870
Early retirement incentive plan	46,332	42,717	46,654
Amortization of tangible capital assets	254,000	281,915	269,632
Trust fund expenditures – blind/visually impaired (Note 8)	-	125,066	115,318
Trust fund expenditures – deaf/hard of hearing (Note 8)	-	80,802	69,943
	-	205,868	185,261
Total expenses	18,622,443	17,117,574	17,159,417
Annual (deficit) surplus	$ (454,000)	$ 289,681	$ 262,483
Accumulated operating surplus, beginning of year	12,961,450	12,961,450	12,698,967
Accumulated operating surplus, end of year	$12,507,450	$13,251,131	$12,961,450

Atlantic Provinces Special Education Authority
Statement of Remeasurement Gains and Losses
For the Year Ended March 31, 2015

	2015	2014
Accumulated remeasurement gains, beginning of year	$3,190,079	$2,485,066
Remeasurement gains on portfolio investments quoted in an active market	655,799	792,577
Less: realized gains on portfolio investments quoted in an active market	280,295	87,564
Net remeasurement gains for the year	375,504	705,013
Accumulated remeasurement gains, end of year	$3,565,583	$3,190,079

Atlantic Provinces Special Education Authority
Statement of Changes in Net Financial Assets
For the Year Ended March 31, 2015

	2015 Budget (Unaudited)	2015 Actual	2014 Actual
Annual (deficit) surplus	$(454,000)	$289,681	$ 262,483
Acquisition of tangible capital assets	-	(60,000)	(229,149)
Amortization of tangible capital assets	254,000	281,915	269,632
Operating expenditures paid from trust funds	200,000	-	-
	-	511,596	302,966
Net remeasurement gains	-	375,504	705,013
Increase in net financial assets	-	887,100	1,007,979
Net financial assets, beginning of year	10,786,922	10,786,922	9,778,943
Net financial assets, end of year	$10,786,922	$11,674,022	$10,786,922

Atlantic Provinces Special Education Authority
Statement of Cash Flows
For the Year Ended March 31, 2015

	2015	2014
Cash flows from operating activities		
Annual surplus	$289,681	$262,483
Donated investments	-	(312,198)
Amortization of tangible capital assets	281,915	269,632
	571,596	219,917
Add (deduct) changes in non-cash working capital		
Changes in accounts receivable	56,444	(12,188)
Changes in accounts receivable from provinces	221,789	1,750,900
Changes in accounts payable	(11,422)	(214,017)
Changes in due to provinces	1,356,047	(406,097)
Changes in deferred revenue	(9,178)	(18,322)
	1,613,680	1,100,276
Net cash and cash equivalents provided by operating activities	2,185,276	1,320,193
Cash flows from capital activities		
Purchase of tangible capital assets	(60,000)	(229,149)
Cash flows from investing activities		
Proceeds of sale of investments	815,982	1,366,663
Purchase of investments	(939,915)	(1,588,099)
Net cash and cash equivalents used in investing activities	(123,933)	(221,436)
Increase in cash	2,001,343	869,608
Cash and cash equivalents, beginning of year	7,664,859	6,795,251
Cash and cash equivalents, end of year	$9,666,202	$7,664,859

1. Authority

The Atlantic Provinces Special Education Authority (APSEA) is an inter-provincial cooperative agency established in 1975 by joint agreement among the Ministers of Education of the Atlantic Provinces. The agreement provides for the creation of the APSEA and authorizes it to provide educational services, programs and opportunities for children and youth who are deaf, hard of hearing, blind, or visually impaired and who are residents in Atlantic Canada.

2. Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Canadian Public Sector Accounting Board (PSAB).

Operating Account and Trust Fund Accounts

These statements include the operating accounts for APSEA's program delivery and administrative activity and trust accounts, which are internally restricted. There are two trust accounts, the trust fund for students who are blind or visually impaired (BVI) and the trust fund for students who are deaf or hard of hearing (DHH).

Cost Sharing

Pursuant to the agreement and amendments thereto, program expenditures are shared on the following basis:

Certain administration and consultation expenditures are allocated to the provinces in the ratio of their general population to the total population, based on the 2011 quinquennial census figures released by Statistics Canada.

Administration and consultation expenditures shared by the four provinces are allocated as follows:

Nova Scotia	40.1%
New Brunswick	32.0%
Newfoundland and Labrador	21.7%
Prince Edward Island	6.2%
	100.0%

2. Accounting Policies (continued)

Other administration and consultation costs for the program for students who are deaf or hard of hearing are shared by three provinces and allocated as follows:

Nova Scotia	51.3%
New Brunswick	40.8%
Prince Edward Island	7.9%
	100.0%

Certain centre-based expenditures are allocated on the basis of respective student enrolments for the three preceding calendar years as follows:

Nova Scotia	65.7%
New Brunswick	22.3%
Newfoundland and Labrador	4.5%
Prince Edward Island	7.5%
	100.0%

Portions of the assessment services expenditures are allocated to the provinces using the administration and consultation formula (4 provinces), the administration formula (3 provinces) and the centre-based formula with the following results:

Nova Scotia	55.5%
New Brunswick	29.1%
Newfoundland and Labrador	8.2%
Prince Edward Island	7.2%
	100.0%

Provincial program expenditures are charged directly to the province in which the program is conducted.

Revenue Recognition

Government contributions are recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent the transfer includes stipulations which have not yet been met. Government contributions with stipulations are initially deferred and recognized as revenue as the related stipulations are met.

Investment revenue includes dividends, capital gains and losses as well as interest on cash balances and fixed income securities. Dividend income is recognized as revenue at the record date and interest income is recognized on an accrual basis. Gains or losses on disposal of investments are recorded as realized.

2. Accounting Policies (continued)

Annuities, bequests and donations are recognized as income in the period received except when and to the extent the annuities, bequests and donations includes stipulations which have not yet been met. Annuities, bequests and donations with stipulations are initially deferred and recognized as revenue as the related stipulations are met.

Other revenues, including rent, parking, audiology and revenue generated from provision of short-term programs and assessments, are recognized as revenue in the period the service is provided.

Financial Instruments

Cash - Cash includes petty cash and amounts on deposit with financial institutions and is measured at fair market value.

Short-term investments – Short-term investments include mutual funds and guaranteed investment certificates with a maturity less than one year. They are measured at fair value.

Accounts receivable and accounts receivable from provinces - Accounts receivable and accounts receivable from Provinces are measured at amortized cost using the effective interest rate method. A valuation allowance is used to reduce the recorded value to the lower of its cost or net recoverable value. Gains and losses are recognized in the statement of operations in the period the receivable is derecognized or impaired.

Portfolio investments - Portfolio investments include investments which are publicly traded and quoted in an active market. They are measured at fair value whereby unrealized gains and losses are reported in the statement of remeasurement gains and losses until they are derecognized or impaired, at which time the cumulative gain or loss is transferred to the statement of operations.

Accounts payable and due to provinces - Accounts payable and amounts due to provinces are measured at amortized cost using the effective interest method with gains and losses recognized in the statement of operations in the period the liability is derecognized. The amounts due to provinces are non-interest bearing and have no set date of repayment.

Operating advances – Operating advances are measured at amortized cost using the effective interest method with gains and losses recognized in the statement of operations in the period the liability is derecognized. Operating advances are non-interest bearing and have no set date of repayment.

Fair value - Fair value is the estimated amount for which a financial instrument could be exchanged between willing parties, based on the current market for instruments with the same risk, principal and remaining maturity. Certain fair value estimates are significantly affected by the assumptions for the amount and timing of estimated cash flows and discount rates, all of which reflect varying degrees of risk. As a result, the fair values may not necessarily be indicative of the amounts that would be realized if these instruments were actually settled. The methods and assumptions used to estimate the fair value of financial instruments are described in the following paragraphs.

2. Accounting Policies (continued)

The fair values of investments in securities which are publicly held and quoted in an active market are based on quoted closing prices.

Due to the short period to maturity, the fair value of cash, receivables, and payables approximate their carrying values as presented in the statement of financial position.

Use of Estimates

The preparation of financial statements in conformity with Canadian PSAS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those reported. The most significant estimates used in these financial statements include accrued liabilities, useful lives of capital assets and post-employment benefits.

Tangible Capital Assets

Tangible capital assets are recorded at cost and amortized at the following annual rates:

Buildings	40 years straight line
Parking lot	10 years straight line
Equipment	10 years straight line

Tangible capital assets are written down when conditions indicate that they no longer contribute to APSEA's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write downs are accounted for as expenses in the statement of operations and are not reversed.

APSEA expenses individual asset purchases below a $10,000 threshold.

Early Retirement Incentive Plan

APSEA participated in the early retirement incentive plan (ERIP), offered by the Province of Nova Scotia, from November 1993 to March 1998. The programs offered additional years of pensionable service for those who qualified and elected to retire. The portion of pension payable attributable to this additional service is receivable from the Province and is not paid from the Public Service Superannuation Fund. The accrued benefit obligation is determined by an actuarial assessment, using a discount rate consistent with the rate used to determine the unfunded liability for the Province of Nova Scotia.

2. Accounting Policies (continued)

Pension Plan

The employees of APSEA are entitled to receive pension benefits pursuant to the Nova Scotia Public Service Superannuation Act, the Nova Scotia Teachers' Pension Plan Act or the New Brunswick Teachers' Pension Act. These are multi-employer joint trustee, defined benefit plans. The joint trustee board of the plan determines the required plan contributions annually. The contributions to the plan by APSEA are recorded as an expense for the year.

3. Exposure to Risks Arising from Financial Instruments

APSEA is exposed to credit risk, liquidity risks, and market risks through transactions in financial instruments. The Board of Directors has the overall responsibility for the oversight of these risks and reviews APSEA's policies on an ongoing basis to ensure that these risks are appropriately managed. The following provides helpful information in assessing the extent of ASPEA's exposure to these risks:

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. APSEA's revenue is derived mainly from the four provincial governments of Atlantic Canada and other entities that do not present a credit risk. Amounts subject to credit risk are nominal and APSEA does not anticipate significant loss for non-performance. Furthermore, credit risk is reduced inherently for APSEA due to the fact that the majority of their receivables are with other government entities that will not fail to discharge their obligations. Amounts subject to credit risk are nominal and APSEA does not anticipate significant loss for non-performance.

Liquidity risk
Liquidity risk is the risk that APSEA will encounter difficulty in meeting obligations associated with financial liabilities. APSEA is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. APSEA monitors its cash balance and cash flows generated from operations to meet its requirements.

Market Risk
Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect APSEA's excess of revenue over expenditures or the value of its financial instruments.

(a) Interest rate risk
Short and long-term instruments held in trust by APSEA are exposed to market risk, which consists of both interest rate and price risks. APSEA has minimal exposure to interest rate risk. Substantially all of APSEA's investments subjected to interest are held in fixed rate securities.

(b) Foreign exchange risk
APSEA's functional currency is Canadian dollars and it has limited transactions in foreign currencies limiting its exposure to foreign currency risk.

4. Early Retirement Incentive Plan (ERIP)

In November 1993, the Province of Nova Scotia announced its intention to implement an ERIP. As an outside agency, APSEA was invited to participate, providing it agreed to pay the province all costs of the plan not covered by the Public Service Superannuation Fund. The Board approved APSEA's participation in the plan. The plan ceased on March 31, 1998.

The liability of $1,232,100 was based on a March 31, 2015 actuarial calculation (2014 - $1,275,700). Of the $1,232,100 receivable from Provinces, $710,637 relates to the Province of Nova Scotia (2014 – $727,358), and the remaining $521,463 relates to the other Atlantic Provinces (2014 - $548,342). These amounts will be collected in the year in which the related payments to the plan are made.

The significant actuarial assumptions adopted in measuring the obligation are as follows:

	2015	**2014**
Discount rate	4.1%	4.3%
Inflation	2.25%	2.25%
Future mortality rate	CPM 2014 Mortality Table [1]	CPM 2014 Mortality Table [1]

[1] Canadian Pensioners' Mortality (CPM) Table with generational projection using improvement scale CPM-B

The accrued liability as a result of the above noted assumptions is:

	2015	**2014**
ERIP liability, beginning of year	$1,275,700	$1,335,300
Fiscal 2015 expense	57,400	49,400
Fiscal 2015 payments by APSEA	(101,000)	(109,000)
Accrued liability, end of year	1,232,100	1,275,700
Less: unamortized actuarial experience loss	-	112,500
Accrued obligation, end of year	1,232,100	1,388,200

5. Operating Advances

This amount represents operating advances from the Provinces of Nova Scotia and New Brunswick. The amounts are non-interest bearing and have no set terms of repayment. The amounts owed to the provinces are as follows:

	2015	2014
Province of Nova Scotia	$480,000	$480,000
Province of New Brunswick	350,000	350,000
	$830,000	$830,000

6. Post-Retirement Benefits

Pension benefits - Employees of APSEA are entitled to receive pension benefits pursuant to the provisions of the Nova Scotia Public Service Superannuation Act, the Nova Scotia Teachers' Pension Act or the New Brunswick Teachers' Pension Act. The plans are funded by equal employee and employer contributions. The employer's contributions are included in APSEA's expenditures. APSEA is not responsible for any unfunded liability except for amounts disclosed in Note 4.

Retirement allowance and post-employment health benefits - APSEA has provided for post-employment benefits other than pensions consisting of retirement allowances, and post-employment health benefits using the projected benefit method prorated on services.

The significant actuarial assumptions adopted in measuring these accrued benefit obligations are as follows:

	2015	2014
Discount rate	4.1%	4.3%
Inflation	2.25%	2.25%
Mortality (post-retirement only)	CPM 2014 Mortality Table [1]	CPM 2014 Mortality Table [1]
Extended health care cost increases	6.67%[2]	6.15% [2]
Retirement age assumption	58 years	58 years
Salary increase	2.5%	2.5%

[1] Canadian Pensioners' Mortality (CPM) Table with generational projection using improvement scale CPM-B

[2] decreasing annually by 0.167% (2014 – 0.15%) to a rate of 4.5% (2014 – 4.5%)

6. Post-Retirement Benefits (continued)

The accrued benefit liability as a result of the above noted plans and actuarial assumptions is as follows:

	Teacher Service Award	Non-Teacher Service Award	Non-Teacher Post-Retirement Health	2015	2014
Retirement benefit liability, beginning of year	$1,004,200	$687,500	$1,700,000	$3,391,700	$3,341,500
Fiscal 2015 retirement benefit expenses	112,200	91,500	122,100	325,800	313,200
Fiscal 2015 benefit payments by APSEA	(101,100)	(41,300)	(38,100)	(180,500)	(263,000)
Accrued benefit liability, end of year	1,015,300	737,700	1,784,000	3,537,000	3,391,700
Less: Unamortized actuarial experience (gain)/loss	-	-	(53,600)	(53,600)	(29,200)
Accrued benefit obligations, end of year	$1,015,300	$737,700	$1,730,400	$3,483,400	$3,362,500

The liability of $3,537,000 (2014 - $3,391,700) is fully funded by the provinces, thus an offsetting accounts receivable is recorded. Based on current cost sharing formulas, the liability and receivable are divided among the provinces as follows:

	2015	2014
Nova Scotia	$1,860,993	$1,991,083
New Brunswick	1,201,284	953,483
Newfoundland and Labrador	243,413	240,721
Prince Edward Island	177,710	177,213
	$3,483,400	$3,362,500

7. Tangible Capital Assets

March 31, 2015

	Land	Buildings	Parking Lot	Equipment	2015 Total
Cost					
Opening balance	$2,324,930	$9,729,956	$105,094	$143,553	$12,303,533
Additions	-	-	-	60,000	60,000
Closing balance	2,324,930	9,729,956	105,094	203,553	12,363,533
Accumulated amortization					
Opening balance	-	6,811,441	105,094	22,391	6,938,926
Amortization	-	261,560	-	20,355	281,915
Closing balance	-	7,073,001	105,094	42,746	7,220,841
Net book value	$2,324,930	$ 2,656,955	$ -	$160,807	$5,142,692

7. Tangible Capital Assets (continued)

March 31, 2014

	Land	Buildings	Parking Lot	Equipment	2014 Total
Cost					
Opening balance	$ 2,324,930	$ 9,626,456	$ 105,094	$ 17,904	$12,074,384
Additions	-	103,500	-	125,649	229,149
Closing balance	2,324,930	9,729,956	105,094	143,553	12,303,533
Accumulated amortization					
Opening balance	-	6,549,881	105,094	14,319	6,669,294
Amortization	-	261,560	-	8,072	269,632
Closing balance	-	6,811,441	105,094	22,391	6,938,926
Net book value	$ 2,324,930	$ 2,918,515	-	$121,162	$ 5,364,607

8. Trust Fund Expenditures

Trust fund expenditures consist of the following:

	Trust Funds – Blind & Visually Impaired		Trust Funds – Deaf & Hard of Hearing	
	2015	2014	2015	2014
Recreational/social/cultural grants	$46,546	$27,088	$9,353	$5,671
Teacher education grants	2,700	5,000	4,000	5,000
Student prizes	8,150	10,075	2,227	2,425
Scholarships	4,500	7,200	36,710	30,600
Professional development	2,917	3,804	1,140	1,769
Investment fees	45,799	42,441	25,788	23,224
Other	14,454	19,710	1,584	1,254
	$125,066	$115,318	$80,802	$69,943

9. Accumulated Surplus

	2015	2014
Accumulated surplus is comprised of:		
Internally restricted – trust fund BVI	$7,545,364	$6,950,290
Internally restricted – trust fund DHH	4,482,237	4,329,240
Unrestricted operating fund	(353,579)	(492,608)
Net assets invested in capital assets	5,142,692	5,364,607
Total accumulated surplus	$16,816,714	$ 16,151,529

10. Teachers' Sick Leave

Teachers are entitled to accumulate up to 195 sick days for use over their term of employment.

The significant actuarial assumptions adopted in measuring the obligation are:

	2015	2014
Discount rate	4.1%	4.3%
Inflation	2.25%	2.25%
Mortality	No pre-retirement mortality	No pre-retirement mortality
Retirement age	58	58
Salary Increase	2.5%	2.75%

The accrued liability as a result of the above noted actuarial assumptions is as follows:

	2015	2014
Teachers sick leave liability, beginning of year	$552,200	$562,000
Fiscal 2015 expense	86,700	$86,500
Fiscal 2015 payments	(98,700)	(96,300)
Accrued teachers sick leave liability, end of year	540,200	552,200
Less: unamortized actuarial experience (gain)/loss	10,800	5,600
Accrued teachers sick leave obligations, end of year	$551,000	$557,800

The liability of $551,000 (2014 - $557,800) is fully funded by the provinces, thus an offsetting accounts receivable is recorded. Based on current cost sharing formulas the liability and receivable are divided among the provinces as follows:

	2015	2014
Nova Scotia	$318,849	$320,100
New Brunswick	195,226	197,626
Newfoundland and Labrador	5,396	8,381
Prince Edward Island	31,529	31,693
	$551,000	$557,800

11. Commitments

APSEA has commitments for photocopier leases that expire on September 26, 2017 as indicated below:

2016	$16,317
2017	9,153
2018	3,983
Thereafter	-

Schedule of Continuity – Due to Provinces
For the Year Ended March 31, 2015

	Nova Scotia	New Brunswick	Newfoundland and Labrador	Prince Edward Island	2015 Total	2014 Total
Due to provinces, beginning of year	$4,390,693	$1,288,787	$165,956	$668,003	$6,513,439	$ 6,919,536
Add: payments received	9,797,428	6,164,236	769,379	951,143	17,682,186	15,488,957
Deduct: withdrawals	-	-	-	500,000	500,000	-
Administration and consultation (4 provinces)	899,565	717,857	486,797	139,085	2,243,304	2,299,147
Administration and consultation (3 provinces)	237,239	188,682	-	36,534	462,455	403,232
Assessment services	315,816	165,590	46,660	40,970	569,036	690,622
Centre-based programs	1,404,604	476,753	96,206	160,343	2,137,906	2,146,957
Provincial programs	6,014,930	3,836,406	29,570	458,096	10,339,002	10,239,138
ERIP	-	26,686	8,778	7,253	42,717	46,654
Amortization	20,840	7,073	1,427	2,379	31,719	28,142
Other	-	-	-	-	-	41,162
Total deductions	8,892,994	5,419,047	669,438	844,660	15,826,139	15,895,054
	$5,295,127	$2,033,976	$265,897	$274,486	$7,869,486	$ 6,513,439