

Financial Statements of

**CAPE BRETON-VICTORIA
REGIONAL SCHOOL BOARD**

Year ended March 31, 2015



Cape Breton-Victoria *Regional School Board*

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Management's Responsibility for the Financial Statements

The accompanying financial statements of Cape Breton-Victoria Regional School Board are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, MGM & Associates, Chartered Accountants, 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 Cape Breton-Victoria Regional School Board and meet when required.



George Boudreau, Director of Financial Services

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2015

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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, 2015 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, 2015 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, 2015

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Financial Position

March 31, 2015, with comparative figures for 2014

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents		
General	\$ 6,202,268	\$ 1,677,415
School-based funds (note 2)	3,354,446	3,102,321
	9,556,714	4,779,736
Accounts receivable		
Province of Nova Scotia (note 3)	7,484,647	10,221,704
First Nation (note 4)	-	264,887
Government of Canada (note 5)	718,695	690,374
Other	1,741,320	1,592,755
	9,944,662	12,769,720
Province of Nova Scotia, other		
Retirement service awards receivable – teaching (note 6)	8,613,277	7,612,037
Retirement service awards receivable – non-teaching (note 6)	744,729	763,344
Sick leave receivable – teaching (note 7)	16,986,602	16,045,071
Sick leave receivable – non-teaching (note 7)	1,699,775	1,694,459
	28,044,383	26,114,911
Restricted cash and investment – scholarships	451,313	460,646
Total financial assets	47,997,072	44,125,013
FINANCIAL LIABILITIES		
Payables and accruals – trade	6,728,171	4,005,777
Teachers' salary payable	2,463,800	2,357,100
Non-teaching vacation pay payable	1,026,661	968,955
Other salary payable	1,897,307	2,061,440
	12,115,939	9,393,272
Payables and accruals – government		
Province of Nova Scotia	27,274	110,933
Government of Canada	270	399
Municipalities	18,438	20,426
	45,982	131,758
Province of Nova Scotia, other		
Retirement service awards obligation – teaching (note 6)	8,613,277	7,612,037
Retirement service awards obligation – non-teaching (note 6)	744,729	763,344
Accrued sick leave obligation – teaching (note 7)	16,986,602	16,045,071
Accrued sick leave obligation – non-teaching (note 7)	1,699,775	1,694,459
	28,044,383	26,114,911
Deferred revenue	2,892,777	3,465,253
Scholarship trust funds	451,313	460,646
Total financial liabilities	43,550,394	39,565,840
NET FINANCIAL ASSETS	4,446,678	4,559,173
NON-FINANCIAL ASSETS		
Prepaid expenses	351,072	824,865
Tangible capital assets (note 8)	168,047	160,454
Total non-financial assets	519,119	985,319
ACCUMULATED SURPLUS	\$ 4,965,797	\$ 5,544,492

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, 2015, with comparative figures for 2014

	2015		2014
	Budget	Actual	Actual
REVENUES (Schedule A)			
Province of Nova Scotia	\$ 124,577,200	\$ 141,122,212	\$ 133,054,077
Government of Canada	1,508,000	1,565,219	1,672,483
Municipal contributions	14,818,900	14,818,902	14,258,102
Other revenues	2,881,176	5,215,718	4,868,095
School-based funds (note 2)	–	5,269,558	4,862,336
	143,785,276	167,991,609	158,715,093
EXPENSES (Schedule B)			
Board governance	378,761	365,167	407,890
Regional management	3,350,756	3,765,788	3,389,762
School management and support	14,454,627	14,695,906	14,255,052
Instructional and school services	71,785,727	75,468,877	73,653,880
Student support	25,427,520	25,593,092	24,137,479
Adult and community education	1,203,171	1,062,510	995,514
Property services	19,399,142	32,943,515	27,718,746
Student transportation	6,661,040	6,855,943	6,698,234
Other programs	933,430	2,766,330	2,388,801
Tangible capital asset amortization	81,819	90,486	86,397
School-based funds (note 2)	–	4,962,690	4,665,582
	143,675,993	168,570,304	158,397,337
OPERATING SURPLUS (DEFICIT)	\$ 109,283	\$ (578,695)	\$ 317,756

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Accumulated Operating Surplus

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR	\$ 5,544,492	\$ 5,226,736
Operating surplus (deficit)	(578,695)	317,756
ACCUMULATED OPERATING SURPLUS, END OF YEAR	\$ 4,965,797	\$ 5,544,492
Accumulated operating surplus consisting of		
Unrestricted	\$ 1,484,634	\$ 2,370,197
Internally restricted funds School-based funds	3,481,163	3,174,295
	\$ 4,965,797	\$ 5,544,492

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
NET FINANCIAL ASSETS, BEGINNING OF YEAR	\$ 4,559,173	\$ 4,446,291
Changes during the year		
Operating surplus (deficit)	(578,695)	317,756
Acquisition of tangible capital assets	(98,079)	(75,052)
Amortization of tangible capital assets	90,486	86,397
Decrease (increase) in prepaid expenses	473,793	(216,219)
Increase (decrease) in net financial assets	(112,495)	112,882
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,446,678	\$ 4,559,173

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Cash Flows

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus (deficit)	\$ (578,695)	\$ 317,756
Non-cash items		
Amortization of tangible capital assets	90,486	86,397
Change in non-cash operating working capital		
Decrease in accounts receivable	2,825,058	206,503
Decrease (increase) in prepaid expenses	473,793	(216,219)
Increase (decrease) in payables and accruals – trade	2,722,394	(94,100)
Increase (decrease) in salaries payable	273	(1,264,877)
Increase (decrease) in payables and accruals – government	(85,776)	59,226
Increase (decrease) in deferred revenue	(572,476)	854,952
	<u>4,875,057</u>	<u>(50,362)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of tangible capital assets	(98,079)	(75,052)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>4,776,978</u>	<u>(125,414)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,779,736	4,905,150
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,556,714</u>	<u>\$ 4,779,736</u>
Represented on the financial statements by		
General	\$ 6,202,268	\$ 1,677,415
School-based funds	3,354,446	3,102,321
	<u>\$ 9,556,714</u>	<u>\$ 4,779,736</u>
Supplemental cash flow information		
Interest received	\$ 85,846	\$ 80,693

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Scholarship Fund Financial Position

March 31, 2015, with comparative figures for 2014

	2015	2014
ASSETS		
Cash and investments	\$ 451,313	\$ 460,646
FUND BALANCE		
Rossetti	\$ 162,159	\$ 161,554
O'Connell	73,239	82,130
George MacKay Bursary	145,034	145,057
Annie Bell Grady Memorial	20,180	19,941
Townsend	1,003	1,011
McDonagh	5,267	5,265
Panagiotakos	8,933	8,926
McQuarrie	3,174	3,168
Annie Hall	1,923	1,920
C.J.C.B.	3,994	3,994
Daniel Munroe	2,938	2,943
John D. MacLeod Memorial	960	968
T.L. Sullivan Memorial	1,822	1,831
Mary Elizabeth Brennan	2,224	2,227
William Hilchie Memorial	2,937	2,952
Isabel MacDermid Memorial	3,428	3,458
Wendell & Diane Coldwell Memorial	812	861
Jon David Corbett	3,015	3,009
Leonard Matheson	1,376	1,385
Ellen Dunn Balah	2,083	2,058
Minor Hockey	4,812	5,744
Fine Arts	-	244
	\$ 451,313	\$ 460,646

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Statement of Continuity of Scholarship Fund

Year ended March 31, 2015, with comparative figures for 2014

	Rossetti	O'Connell	Mackay	Grady	Townsend	McDonagh	Panagiotakos	McQuarrie
Balance, beginning of year	\$ 161,554	\$ 82,130	\$ 145,057	\$ 19,941	\$ 1,011	\$ 5,265	\$ 8,926	\$ 3,168
Interest earned	1,755	977	1,727	239	12	62	107	66
	163,309	83,107	146,784	20,180	1,023	5,327	9,033	3,234
Scholarship awarded	1,150	9,868	1,750	-	20	60	100	60
Balance, end of year	\$ 162,159	\$ 73,239	\$ 145,034	\$ 20,180	\$ 1,003	\$ 5,267	\$ 8,933	\$ 3,174

	Annie Hall	C.J.C.B.	Munroe	MacLeod	Sullivan	Brennan	Hilchie	MacDermid
Balance, beginning of year	\$ 1,920	\$ 3,994	\$ 2,943	\$ 968	\$ 1,831	\$ 2,227	\$ 2,952	\$ 3,458
Interest earned	23	-	35	12	21	27	35	70
	1,943	3,994	2,978	980	1,852	2,254	2,987	3,528
Scholarship awarded	20	-	40	20	30	30	50	100
Balance, end of year	\$ 1,923	\$ 3,994	\$ 2,938	\$ 960	\$ 1,822	\$ 2,224	\$ 2,937	\$ 3,428

	Coldwell	Corbett	Matheson	Dunn Balah	Minor Hockey	Fine Arts	2015 Total	2014 Total
Balance, beginning of year	\$ 861	\$ 3,009	\$ 1,385	\$ 2,058	\$ 5,744	\$ 244	\$ 460,646	\$ 534,912
Interest earned	11	36	16	25	68	-	5,324	6,461
	872	3,045	1,401	2,083	5,812	244	465,970	541,373
Scholarship awarded	60	30	25	-	1,000	244	14,657	80,727
Balance, end of year	\$ 812	\$ 3,015	\$ 1,376	\$ 2,083	\$ 4,812	\$ -	\$ 451,313	\$ 460,646

See accompanying notes to financial statements.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year ended March 31, 2015

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, 2015

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial 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 financial 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 financial 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, 2015

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

Measurement of 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.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

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:

	2015	2014
Opening balance	\$ 3,102,321	\$ 2,977,541
Additions to school-based funds	5,269,558	4,862,336
School funded activities	(4,962,690)	(4,665,582)
Increase in prepaids	(25,559)	(208,927)
Increase in accounts receivable	(36,624)	(205,974)
Increase (decrease) in deferred revenue	(14,094)	300,034
Increase in accounts payable	21,534	42,893
	<u>\$ 3,354,446</u>	<u>\$ 3,102,321</u>

3. ACCOUNTS RECEIVABLE, PROVINCE OF NOVA SCOTIA

	2015	2014
TCA capital	\$ 4,094,726	\$ 6,446,408
Teachers' salary accrual	2,463,800	2,357,100
Other	128,777	522,746
International student program	285,906	452,074
P-3 refresh	204,378	204,378
Non-Teaching Directors Service Award	151,650	144,668
Gas tax rebate	45,995	48,279
Information economy initiative	109,415	46,051
	<u>\$ 7,484,647</u>	<u>\$10,221,704</u>

4. ACCOUNTS RECEIVABLE, FIRST NATION

	2015	2014
Tuition receivable	\$ -	\$ 264,887

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

5. ACCOUNTS RECEIVABLE, GOVERNMENT OF CANADA

	2015	2014
Harmonized sales tax	\$ 718,695	\$ 690,374

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 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 \$8,613,277 as of March 31, 2015 (2014 - \$7,612,037) – teaching; \$744,729 as of March 31, 2015 (2014 - \$763,344) – non-teaching.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

6. RETIREMENT SERVICE AWARDS (CONTINUED)

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

TEACHING

			2015	2014
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 9,026,342	\$ (1,414,305)	\$ 7,612,037	\$ 6,836,039
Current service cost	568,600	—	568,600	542,600
Interest cost	376,098	—	376,098	343,140
Amortization of actuarial losses	—	331,595	331,595	271,992
Benefit payments	(275,053)	—	(275,053)	(381,734)
Balance, end of year	\$ 9,695,987	\$ (1,082,710)	\$ 8,613,277	\$ 7,612,037

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

TEACHING

	2015	2014
Current service cost	\$ 568,600	\$ 542,600
Interest obligation	376,098	343,140
Amortization of actuarial losses	331,595	271,992
	\$ 1,276,293	\$ 1,157,732

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

6. RETIREMENT SERVICE AWARDS (CONTINUED)

NON-TEACHING

			2015	2014
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 783,478	\$ (20,134)	\$ 763,344	\$ 767,206
Current service cost	12,544	–	12,544	27,891
Interest cost	30,786	–	30,786	30,855
Amortization of actuarial loss	–	2,262	2,262	221
Other adjustments	(13,538)	–	(13,538)	–
Benefit payments	(50,669)	–	(50,669)	(62,829)
Balance, end of year	\$ 762,601	\$ (17,872)	\$ 744,729	\$ 763,344

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

	2015	2014
Current service cost	\$ 12,544	\$ 27,891
Interest obligation	30,786	30,855
Amortization of actuarial loss	2,262	221
Other adjustments	(13,538)	–
	\$ 32,054	\$ 58,967

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, 2015. 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 \$16,986,602 as of March 31, 2015 (2014 - \$16,045,071) – teaching; \$1,699,775 as of March 31, 2015 (2014 - \$1,694,459) – non-teaching.

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

7. ACCRUED SICK LEAVE (CONTINUED)

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

TEACHING

			2015	2014
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 16,612,000	\$ (566,929)	\$ 16,045,071	\$ 15,248,000
Current service cost	1,322,000	—	1,322,000	1,270,000
Interest cost	685,000	—	685,000	646,000
Sick leave taken	(1,114,000)	—	(1,114,000)	(1,132,000)
Amortization of actuarial loss	—	48,531	48,531	13,071
Actuarial gains	(5,241,000)	5,241,000	—	—
Balance, end of year	\$ 12,264,000	\$ 4,722,602	\$ 16,986,602	\$ 16,045,071

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

	2015	2014
Current service cost	\$ 1,322,000	\$ 1,270,000
Interest cost	685,000	646,000
Amortization of actuarial loss	48,531	13,071
	\$ 2,055,531	\$ 1,929,071

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

7. ACCRUED SICK LEAVE (CONTINUED)

NON-TEACHING

			2015	2014
	Actual Obligation	Unamortized Gains (losses)	Total	Total
Balance, beginning of year	\$ 1,738,917	\$ (44,458)	\$ 1,694,459	\$ 1,693,827
Current service cost	200,303	-	200,303	194,203
Interest cost	69,868	-	69,868	69,124
Sick leave taken	(269,939)	-	(269,939)	(263,993)
Amortization of actuarial loss	-	5,084	5,084	1,298
Balance, end of year	\$ 1,739,149	\$ (39,374)	\$ 1,699,775	\$ 1,694,459

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

	2015	2014
Current service cost	\$ 200,303	\$ 194,203
Interest cost	69,868	69,124
Amortization of actuarial loss	5,084	1,298
	\$ 275,255	\$ 264,625

8. TANGIBLE CAPITAL ASSETS

			2015	2014
	Cost	Accumulated amortization	Net	Net
Service vehicles	\$ 1,134,842	\$ 966,795	\$ 168,047	\$ 160,454

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

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, 2015, the Board had \$614,839 (2014 - \$564,675) of such funds on deposit together with a corresponding liability of \$589,427 (2014 - \$564,675) the difference which is set up as a receivable from the Nova Scotia Teachers' Credit Union as at March 31, 2015.

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 \$1,226,014 (2014 - \$1,206,207) 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, 2015 statement of operations are employer contributions of \$81,057 (2014 - \$78,632), 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, 2015

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, 2015.

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
2016	\$41,015
2017	16,743
2018	6,061

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2015

14. COMMITMENTS (CONTINUED)

(b) The Board is committed to the following capital projects at March 31, 2015:

	Estimated Cost	Progress Billings	Outstanding
Transportation maintenance facility	\$ 2,361,747	\$ 1,967,060	\$ 394,687
St. Anne's washrooms	166,463	135,620	30,843
Transportation maintenance facility - consultant services	235,000	202,100	32,900
CSAP heating upgrades	534,120	388,831	145,289
	<u>\$ 3,297,330</u>	<u>\$ 2,693,611</u>	<u>\$ 603,719</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 2014 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, 2015, with comparative figures for 2014

	2015		2014
	Budget	Actual	Actual
PROVINCE OF NOVA SCOTIA			
Operating	\$ 116,073,000	\$ 122,614,860	\$ 121,504,955
Restricted	7,878,000	5,024,698	2,456,192
Capital	126,200	12,178,464	8,048,834
Grants	500,000	1,304,190	1,044,096
	\$ 124,577,200	\$ 141,122,212	\$ 133,054,077
GOVERNMENT OF CANADA			
AANDC	\$ 1,325,000	\$ 1,290,766	\$ 1,330,192
Secretary of State	183,000	274,453	342,291
	\$ 1,508,000	\$ 1,565,219	\$ 1,672,483
OTHER REVENUES			
Board generated – other	\$ 2,670,860	\$ 4,717,202	\$ 4,239,812
Tuition – students	62,316	377,754	413,345
Rentals	60,000	34,916	134,245
Investment interest	88,000	85,846	80,693
	\$ 2,881,176	\$ 5,215,718	\$ 4,868,095
SCHOOL-BASED FUNDS (note 2)	\$ –	\$ 5,269,558	\$ 4,862,336

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses

Year ended March 31, 2015, with comparative figures for 2014

	2015		2014
	Budget	Actual	Actual
BOARD GOVERNANCE			
Board members	\$ 184,614	\$ 183,215	\$ 175,091
Board secretary	52,647	77,553	59,568
NSSBA dues	141,500	104,399	173,231
	\$ 378,761	\$ 365,167	\$ 407,890
REGIONAL MANAGEMENT			
Management services	\$ 1,572,091	\$ 1,773,014	\$ 1,543,837
Financial services	1,432,292	1,658,614	1,520,769
Human resource services	333,993	305,624	306,020
Communication services	12,380	28,536	19,136
	\$ 3,350,756	\$ 3,765,788	\$ 3,389,762
SCHOOL MANAGEMENT AND SUPPORT			
School management	\$ 13,151,007	\$ 13,102,601	\$ 12,901,930
Program and curriculum support	1,303,620	1,593,305	1,353,122
	\$ 14,454,627	\$ 14,695,906	\$ 14,255,052
INSTRUCTIONAL AND SCHOOL SERVICES			
Instruction	\$ 68,258,604	\$ 71,902,036	\$ 70,072,362
Guidance services	2,659,000	2,657,538	2,671,001
Library services	782,961	822,027	827,518
ITS instructional	85,162	87,276	82,999
	\$ 71,785,727	\$ 75,468,877	\$ 73,653,880
STUDENT SUPPORT			
Program management	\$ 366,582	\$ 380,816	\$ 347,748
Instruction	17,345,317	17,502,507	14,398,375
Program and curriculum support	7,715,621	7,709,769	9,391,356
	\$ 25,427,520	\$ 25,593,092	\$ 24,137,479

CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (continued)

Year ended March 31, 2015, with comparative figures for 2014

	2015		2014
	Budget	Actual	Actual
ADULT AND COMMUNITY EDUCATION			
Program management	\$ 1,136,698	\$ 988,237	\$ 925,946
Program and curriculum support	66,473	74,273	69,568
	\$ 1,203,171	\$ 1,062,510	\$ 995,514
PROPERTY SERVICES			
Management services	\$ 376,643	\$ 405,204	\$ 343,847
Custodial services	6,942,598	6,598,026	6,290,012
Maintenance services	11,674,901	25,235,814	20,501,417
Grounds services	405,000	704,471	583,470
	\$ 19,399,142	\$ 32,943,515	\$ 27,718,746
STUDENT TRANSPORTATION			
Management services	\$ 531,335	\$ 575,473	\$ 520,873
Transportation (Board)	3,408,263	3,467,790	2,579,443
Maintenance (Board)	2,532,042	2,667,426	3,418,350
Transportation (Contract)	189,400	145,254	179,568
	\$ 6,661,040	\$ 6,855,943	\$ 6,698,234
SCHOOL FUNDED ACTIVITIES (note 2)	\$ -	\$ 4,962,690	\$ 4,665,582