

Financial Statements of the

**CHIGNECTO-CENTRAL
REGIONAL SCHOOL BOARD**

Year Ended March 31, 2015

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2015

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Independent auditor's report

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To the Members of Chignecto-Central Regional School Board

We have audited the accompanying financial statements of Chignecto-Central Regional School Board, which comprise the statement of financial position as at March 31, 2015, the statement of operations and accumulated 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 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 Chignecto-Central Regional School Board as at March 31, 2015, 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 23 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 23, 2015

Chartered Accountants

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Financial Position

As At March 31, 2015

2015

2014

Financial Assets

Cash and cash equivalents

General	\$ 11,899,556	\$ 5,863,803
Restricted - Instructional program enhancement	316,255	346,913
School generated	<u>2,735,381</u>	<u>2,634,355</u>
	14,951,192	8,845,071

Accounts receivable:

Government of Canada - HST	679,409	648,425
Province of Nova Scotia (note 3)	4,949,880	9,880,600
First Nations (note 4)	389,146	458,132
Municipalities	572,812	-
Other	2,158,968	1,812,204
Province of Nova Scotia - Post employment benefits (note 5)	17,261,382	16,831,332
Province of Nova Scotia - Compensated absences (note 6)	<u>24,646,777</u>	<u>23,409,960</u>

Total financial assets

65,609,566 61,885,724

Liabilities

Accounts payable and accrued liabilities	15,465,871	12,638,451
Deferred revenue	2,289,226	2,408,743
Province of Nova Scotia - Post employment benefits (note 5)	17,261,382	16,831,332
Province of Nova Scotia - Compensated absences (note 6)	<u>24,646,777</u>	<u>23,409,960</u>

Total liabilities

59,663,256 55,288,486

Net Financial Assets

5,946,310 6,597,238

Non-Financial Assets

Prepaid expenses	837,695	587,351
Inventories of supplies	1,415,522	1,208,166
Tangible capital assets (Schedule C)	<u>2,249,655</u>	<u>2,037,551</u>
Total non-financial assets	<u>4,502,872</u>	<u>3,833,068</u>



Accumulated surplus

\$ 10,449,182 \$ 10,430,306

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, 2015

2015

2014

Accumulated Surplus

General Fund	\$ <u>4,859,399</u>	\$ <u>5,039,793</u>
General Fund - Capital	<u>2,249,655</u>	<u>2,037,551</u>
Internally restricted funds		
School generated funds	3,023,873	3,006,049
Instructional program enhancement at school level	<u>316,255</u>	<u>346,913</u>
	<u>3,340,128</u>	<u>3,352,962</u>
	<u>\$ 10,449,182</u>	<u>\$ 10,430,306</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
Revenue (Schedule A)			
Province of Nova Scotia	\$ 162,032,817	\$ 164,662,007	\$ 158,147,685
Appropriation from Councils	27,721,300	27,721,313	26,822,810
School generated funds	5,100,000	5,077,139	5,066,961
Board operations	4,262,389	4,897,202	4,447,953
First Nations' students	1,950,000	2,147,776	2,009,057
Government of Canada	<u>314,160</u>	<u>331,283</u>	<u>438,331</u>
	<u>201,380,666</u>	<u>204,836,720</u>	<u>196,932,797</u>
Expenses (Schedule B)			
Board governance	375,117	390,086	373,730
Regional management	5,113,284	4,981,526	4,884,135
School management and support	24,049,698	26,510,441	24,361,526
Instruction and school services	97,643,038	98,407,267	95,335,156
Student support	29,446,700	29,392,749	27,923,932
Property services	24,351,793	24,552,754	23,956,248
Student transportation	12,918,826	12,911,682	12,630,881
Other programs	2,159,388	2,364,891	2,124,423
School generated funds	5,100,000	5,059,314	5,090,784
Capital asset amortization	<u>222,822</u>	<u>247,134</u>	<u>244,176</u>
	<u>201,380,666</u>	<u>204,817,844</u>	<u>196,924,991</u>
Surplus	\$ -	\$ 18,876	\$ 7,806
Accumulated surplus, beginning of year		<u>10,430,306</u>	<u>10,422,500</u>
Accumulated surplus, end of year		<u>\$ 10,449,182</u>	<u>\$ 10,430,306</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
Net financial assets, beginning of year	\$ 6,597,238	\$ 6,597,238	\$ 6,497,080
Changes during the year:			
Annual surplus	-	18,876	7,806
Acquisition of tangible capital assets	(150,000)	(460,893)	(189,381)
Amortization of tangible capital assets	222,822	247,134	244,176
Gain on sale of tangible capital assets	-	(7,452)	(5,619)
Proceeds on sale of tangible capital assets	-	9,107	6,586
(Increase) decrease in inventories of supplies	-	(207,356)	30,182
(Increase) decrease in prepaid expenses	<u>-</u>	<u>(250,344)</u>	<u>6,408</u>
(Decrease) increase in net financial assets	<u>72,822</u>	<u>(650,928)</u>	<u>100,158</u>
Net financial assets, end of year	<u>\$ 6,670,060</u>	<u>\$ 5,946,310</u>	<u>\$ 6,597,238</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Cash Flows

For The Year Ended March 31, 2015

2015

2014

Operating activities

Cash received from:

Annual operating surplus \$ 18,876 \$ 7,806

Items not affecting cash:

Tangible capital asset amortization 247,134 244,176

Changes in non-cash working capital:

Decrease (increase) in accounts receivable 4,049,146 (1,141,824)

(Increase) decrease in inventories of supplies (207,356) 30,182

(Increase) decrease in prepaid expenses (250,344) 6,408

Increase in accounts payable and accrued liabilities 2,827,420 1,453,527

(Decrease) increase in deferred revenue (119,517) 260,964

6,299,349 609,257

Cash provided by operating activities 6,565,359 861,239

Capital activities

Cash used to acquire tangible capital assets (460,893) (189,381)

Gain on sale of tangible capital assets (7,452) (5,619)

Proceeds on sale of tangible capital assets 9,107 6,586

Cash provided by capital activities (459,238) (188,414)

Increase (decrease) in cash 6,106,121 672,825

Cash at beginning of year 8,845,071 8,172,246

Cash at end of year \$ 14,951,192 \$ 8,845,071

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2015

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.

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, 2015

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, 2015

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 actuarially 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, 2015

3. Accounts Receivable, Province of Nova Scotia

	<u>2015</u>	<u>2014</u>
Teacher's salary accrual	\$ 3,263,700	\$ 3,072,100
Retro wage receivable	-	417,640
Special projects	1,280,235	5,401,982
Other	<u>405,945</u>	<u>988,878</u>
	<u>\$ 4,949,880</u>	<u>\$ 9,880,600</u>

4. Accounts Receivable, First Nations

The First Nations receivable includes a Promissory Note with a remaining balance of \$392,000 (2014 - \$448,000). 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, 2015:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	4.10%	4.10%
Salary increase	2.25-5.00%	3.50%
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, 2015

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>2015</u>	<u>2014</u>
	Total post employment benefits	Total post employment benefits
Accrued benefit plan obligation	\$ <u>14,599,196</u>	\$ <u>13,988,314</u>
Plan deficit	\$ 14,599,196	\$ 13,988,314
Unamortized actuarial gains	<u>2,662,186</u>	<u>2,843,018</u>
Total liability	\$ <u><u>17,261,382</u></u>	\$ <u><u>16,831,332</u></u>
Current year benefit costs	\$ 920,800	\$ 800,800
Interest on accrued benefit obligation	575,780	579,344
Amortized actuarial gains	<u>(181,432)</u>	<u>(161,409)</u>
Retirement and post employment benefits expense	\$ <u><u>1,315,148</u></u>	\$ <u><u>1,218,735</u></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, 2015. 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 actuarial valuation for Teachers non-vesting sick leave banks usage was as at July 31, 2011, and have been extrapolated to March 31, 2015. The actuarial valuation for Non Teacher non-vesting sick leave banks usage was as at March 31, 2012, and have been extrapolated to March 31, 2015.

The following actuarial assumptions have been used in these valuations as at March 31, 2015:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	4.10%	4.10%
Salary increase	3.00%	3.50%
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, 2015

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>2015</u> Total compensated absences	<u>2014</u> Total compensated absences
Accrued benefit plan obligation	\$ <u>19,172,088</u>	\$ <u>24,206,145</u>
Plan deficit	\$ 19,172,088	\$ 24,206,145
Unamortized actuarial gain (loss)	<u>5,474,689</u>	<u>(796,185)</u>
Total liability	<u>\$ 24,646,777</u>	<u>\$ 23,409,960</u>
Current year benefit costs (recoveries)	\$ 179,919	\$ 103,122
Interest on accrued benefit obligation	<u>996,021</u>	<u>943,058</u>
Compensated absences benefit expense	<u>\$ 1,175,940</u>	<u>\$ 1,046,180</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, 2015

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, 2015

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, 2015. 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 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2015.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue

Year Ended March 31, 2015

2015 Budget

2015 Actual

2014 Actual

Province of Nova Scotia:

General formula	\$ 132,057,700	\$ 131,714,304	\$ 126,478,778
Special education	23,928,900	24,178,674	23,469,950
Textbook credit allocation	1,079,800	1,106,110	1,133,932
Post employment benefits (note 5)	1,034,500	1,315,148	1,218,735
Compensated absences (note 6)	900,000	1,175,940	1,046,180
Information Economy Initiative	719,400	731,187	719,453
Retro wage recoveries	-	-	648,408
Other	<u>2,312,517</u>	<u>4,440,644</u>	<u>3,432,249</u>
	<u>\$ 162,032,817</u>	<u>\$ 164,662,007</u>	<u>\$ 158,147,685</u>

Appropriation From Councils:

Municipality of Colchester	\$ 6,710,431	\$ 6,710,424	\$ 6,517,560
Municipality of Cumberland	3,602,097	3,602,100	3,458,113
Municipality of East Hants	4,459,861	4,459,860	4,250,340
Municipality of Pictou	4,355,132	4,355,136	4,192,080
Town of Amherst	1,494,222	1,494,222	1,473,564
Town of New Glasgow	1,648,452	1,648,452	1,607,484
Town of Oxford	207,822	207,828	202,248
Town of Parrsboro	183,391	183,396	179,747
Town of Pictou	488,846	488,844	474,804
Town of Springhill	429,439	429,439	425,042
Town of Stellarton	759,237	759,240	725,484
Town of Stewiacke	225,930	225,927	216,000
Town of Trenton	329,510	329,508	328,428
Town of Truro	2,422,950	2,422,956	2,380,176
Town of Westville	<u>403,980</u>	<u>403,981</u>	<u>391,740</u>
	<u>\$ 27,721,300</u>	<u>\$ 27,721,313</u>	<u>\$ 26,822,810</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue (Continued)

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
School Generated Funds:			
School based receipts	\$ <u>5,100,000</u>	\$ <u>5,077,139</u>	\$ <u>5,066,961</u>
Board Operations:			
Public Private Partnership	\$ 280,000	\$ 288,033	\$ 285,770
Investment interest	150,000	163,323	123,829
Adult education fees	-	-	-
Rentals	332,000	330,250	325,146
International Student Program	3,054,389	3,361,520	3,094,139
Other	<u>446,000</u>	<u>754,076</u>	<u>619,069</u>
	\$ <u>4,262,389</u>	\$ <u>4,897,202</u>	\$ <u>4,447,953</u>
First Nations' students:			
Student tuitions	\$ <u>1,950,000</u>	\$ <u>2,147,776</u>	\$ <u>2,009,057</u>
Government of Canada:			
Secretary of State:			
Minority language	\$ 52,410	\$ 61,900	\$ 121,500
French special projects	206,250	206,250	247,094
Other	<u>55,500</u>	<u>63,133</u>	<u>69,737</u>
	\$ <u>314,160</u>	\$ <u>331,283</u>	\$ <u>438,331</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
Board Governance:			
Member honorarium	\$ 166,100	\$ 175,933	\$ 166,100
Secretarial wages	26,244	24,592	30,380
Benefits	9,373	9,461	11,258
Travel	34,600	43,715	36,772
Telecommunications	7,500	4,741	4,711
Supplies and materials	9,900	10,294	7,826
Professional development	40,600	40,600	43,095
Dues and fees	<u>80,800</u>	<u>80,750</u>	<u>73,588</u>
	<u>\$ 375,117</u>	<u>\$ 390,086</u>	<u>\$ 373,730</u>
Regional Management:			
Salaries and wages	\$ 3,457,380	\$ 3,469,434	\$ 3,393,405
Employee benefits	638,410	609,456	571,370
Travel	97,900	94,584	100,676
Professional fees	230,500	163,054	230,768
Consulting and contracted services	42,189	51,483	-
Equipment	19,000	33	721
Telecommunications	69,000	70,941	71,325
Advertising	23,000	27,645	25,673
Supplies and materials	279,265	280,034	237,028
Professional development	74,560	78,656	105,345
Administrative services	31,800	18,703	13,927
Insurance	<u>150,280</u>	<u>117,503</u>	<u>133,897</u>
	<u>\$ 5,113,284</u>	<u>\$ 4,981,526</u>	<u>\$ 4,884,135</u>
School Management and Support:			
Salaries and wages	\$ 19,240,524	\$ 19,934,074	\$ 18,336,163
Employee benefits	1,652,487	1,835,386	1,697,228
Travel	194,341	241,878	227,253
Equipment	185,809	288,742	162,503
Telecommunications	47,114	46,108	41,806
Supplies and materials	1,999,464	3,265,105	2,925,510
Professional development	<u>729,959</u>	<u>899,148</u>	<u>971,063</u>
	<u>\$ 24,049,698</u>	<u>\$ 26,510,441</u>	<u>\$ 24,361,526</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
Instruction and School Services:			
Salaries and wages	\$ 86,743,021	\$ 86,365,055	\$ 84,185,779
Employee benefits	4,907,866	5,468,384	5,029,154
Post employment benefits (note 5)	600,000	739,368	639,391
Post employment benefits interest (note 5)	700,000	575,780	579,344
Compensated absences (note 6)	900,000	179,919	103,122
Compensated absences interest (note 6)	-	996,021	943,058
Travel	122,432	136,965	172,519
Equipment	4,800	4,295	13,434
Telecommunications	448,712	470,837	452,586
Textbook credit allocation	1,079,800	1,108,493	1,138,531
Supplies and materials	2,034,141	2,254,453	1,972,710
Professional development	<u>102,266</u>	<u>107,697</u>	<u>105,528</u>
	<u>\$ 97,643,038</u>	<u>\$ 98,407,267</u>	<u>\$ 95,335,156</u>
Student Support:			
Salaries and wages	\$ 25,593,577	\$ 25,552,784	\$ 24,303,731
Employee benefits	2,942,550	2,923,640	2,790,221
Travel	127,716	187,229	159,474
Consulting and contracted services	46,000	88,856	62,267
Equipment	-	28	156
Telecommunications	18,154	19,934	20,403
Supplies and materials	634,903	532,817	506,734
Professional development	<u>83,800</u>	<u>87,461</u>	<u>80,946</u>
	<u>\$ 29,446,700</u>	<u>\$ 29,392,749</u>	<u>\$ 27,923,932</u>
Property Services:			
Salaries and wages	\$ 9,220,478	\$ 9,426,936	\$ 8,780,499
Employee benefits	2,150,216	2,112,499	2,037,751
Travel	30,060	8,396	7,636
Consulting and contracted services	1,414,833	1,837,217	1,661,945
Repairs and maintenance	1,804,705	2,362,282	1,922,886
Vehicle	477,306	358,933	301,008
Telecommunications	65,000	56,104	55,497
Supplies and materials	488,879	526,875	483,596
Utilities	8,289,796	7,499,247	8,345,312
Professional development	26,000	25,446	37,960
Insurance	<u>384,520</u>	<u>338,819</u>	<u>322,158</u>
	<u>\$ 24,351,793</u>	<u>\$ 24,552,754</u>	<u>\$ 23,956,248</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2015	2015 Budget	2015 Actual	2014 Actual
Student Transportation:			
Salaries and wages	\$ 6,956,961	\$ 7,117,314	\$ 6,600,539
Employee benefits	1,650,460	1,542,254	1,462,464
Travel	4,945	9,366	7,879
Consulting and contracted services	99,370	99,351	99,350
Equipment	50,512	268,215	255,436
Vehicle	3,383,557	3,257,607	3,609,749
Contract conveyance	190,000	114,519	106,120
Telecommunications	40,000	24,327	23,623
Supplies and materials	72,950	79,008	64,044
Utilities	190,371	133,780	149,532
Professional development	36,000	21,243	11,439
Insurance	<u>243,700</u>	<u>244,698</u>	<u>240,706</u>
	<u>\$ 12,918,826</u>	<u>\$ 12,911,682</u>	<u>\$ 12,630,881</u>
Other Programs:			
Salaries and wages	\$ 477,133	\$ 538,943	\$ 507,343
Employee benefits	45,818	55,642	50,212
Travel	57,301	73,086	50,572
International student lodging	1,247,000	1,413,572	1,254,935
Telecommunications	9,980	7,510	8,616
Supplies and materials	265,156	264,260	209,390
Insurance	<u>57,000</u>	<u>11,878</u>	<u>43,355</u>
	<u>\$ 2,159,388</u>	<u>\$ 2,364,891</u>	<u>\$ 2,124,423</u>
School Generated Funds:			
School based expenditures	<u>\$ 5,100,000</u>	<u>\$ 5,059,314</u>	<u>\$ 5,090,784</u>
Capital Asset Amortization:			
Building	\$ 69,165	\$ 71,683	\$ 72,805
Vehicles	<u>153,657</u>	<u>175,451</u>	<u>171,371</u>
	<u>\$ 222,822</u>	<u>\$ 247,134</u>	<u>\$ 244,176</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule C - Supplementary Details of Tangible Capital Assets

Year Ended March 31, 2015

	<u>Land</u>	<u>Building</u>	<u>Vehicles</u>	<u>2015 Total</u>	<u>2014 Total</u>
Cost:					
Opening balance	\$ 117,892	\$ 2,516,922	\$ 1,938,252	\$ 4,573,066	\$ 4,435,713
Additions	-	302,191	158,702	460,893	189,381
Disposals	<u>-</u>	<u>-</u>	<u>66,267</u>	<u>66,267</u>	<u>52,028</u>
Closing balance	<u>117,892</u>	<u>2,819,113</u>	<u>2,030,687</u>	<u>4,967,692</u>	<u>4,573,066</u>
Accumulated Amortization:					
Opening balance	-	1,068,468	1,467,047	2,535,515	2,342,400
Disposals	-	-	64,612	64,612	51,061
Amortization expense	<u>-</u>	<u>71,683</u>	<u>175,451</u>	<u>247,134</u>	<u>244,176</u>
Closing balance	<u>-</u>	<u>1,140,151</u>	<u>1,577,886</u>	<u>2,718,037</u>	<u>2,535,515</u>
Net book value	<u>\$ 117,892</u>	<u>\$ 1,678,962</u>	<u>\$ 452,801</u>	<u>\$ 2,249,655</u>	<u>\$ 2,037,551</u>
Net Book Value:					
Opening balance	\$ 117,892	\$ 1,448,454	\$ 471,205	\$ 2,037,551	\$ 2,093,313
Closing balance	<u>117,892</u>	<u>1,678,962</u>	<u>452,801</u>	<u>2,249,655</u>	<u>2,037,551</u>
Change in net book value	<u>\$ -</u>	<u>\$ 230,508</u>	<u>\$ (18,404)</u>	<u>\$ 212,104</u>	<u>\$ (55,762)</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule D - Trust Fund Balance Sheet

March 31, 2015

	<u>2015</u>	<u>2014</u>
Assets		
Investments, at cost plus interest	\$ <u>542,954</u>	\$ <u>525,091</u>
	<u>\$ 542,954</u>	<u>\$ 525,091</u>
Equity		
Trust Funds (Schedule E)	\$ <u>542,954</u>	\$ <u>525,091</u>
	<u>\$ 542,954</u>	<u>\$ 525,091</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, 2015

	<u>2014</u>	<u>Addition</u>	<u>Interest</u>	<u>Disbursement</u>	<u>2015</u>
ARHS Prize	\$ 2,048	\$ -	\$ 58	\$ -	\$ 2,106
Balagot	11,974	-	332	1,200	11,106
Barteaux	213	-	6	-	219
Biggs	20,331	-	581	1,000	19,912
Blaikie	1,185	1,000	43	500	1,728
Brine	1,241	-	36	-	1,277
Campbell	1,241	-	35	52	1,224
Carson	5,040	1,500	141	250	6,431
Christie	21,654	600	617	500	22,371
Cole	2,069	-	58	82	2,045
Decker	5,442	-	158	500	5,100
Demetre	858	1,500	19	2,000	377
Devenne	3,214	-	94	500	2,808
Dunbar	3,101	-	87	125	3,063
Eaton	1,095	-	30	500	625
Edwards	7,812	160	230	500	7,702
Fields	1,783	-	50	70	1,763
Fife	215	3,000	18	675	2,558
Fort Lawrence	5,675	-	159	-	5,834
Fullerton	-	2,725	10	-	2,735
Fulmer	29,627	-	831	-	30,458
Glantz	3,531	740	102	500	3,873
Gosse	3,058	-	85	225	2,918
Harrison	3,395	-	103	500	2,998
Hewson	24,404	-	687	500	24,591
Hunter	55,376	-	1,564	1,500	55,440
Juurlink	10,289	-	289	-	10,578
Kelly	-	3,080	1	-	3,081
Kirkpatrick	237	500	12	500	249
LeBlanc	8,386	345	236	1,000	7,967
Loggie	17,979	-	504	500	17,983
MacInnis	2,153	-	60	75	2,138
MacIver	1,552	-	44	62	1,534
MacKenzie	12,646	-	357	-	13,003
McBrien	2,978	-	89	500	2,567
McIver	6,230	-	176	275	6,131
Milner	892	-	26	-	918
Parrsboro Prize	1,076	-	31	-	1,107
Pugsley	91,951	-	2,595	1,000	93,546
Red Cross	3,102	-	87	125	3,064
Rhodes	1,550	-	33	-	1,583
Roach	1,739	-	49	-	1,788
Smith	1,648	-	46	-	1,694
Sorge	5,650	-	161	-	5,811
Stay-In-School	14,218	-	402	1,370	13,250
Taylor	1,231	-	45	500	776
Thompson	14,056	-	398	-	14,454
Tingley	12,818	-	362	125	13,055
Tye	88,056	7,744	2,536	2,300	96,036
Wilkes	9,072	550	257	500	9,379
	<u>\$ 525,091</u>	<u>\$ 23,444</u>	<u>\$ 14,930</u>	<u>\$ 20,511</u>	<u>\$ 542,954</u>