



Financial Statements

South Shore Regional School Board

March 31, 2015

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South Shore Regional School Board

Financial Statements

March 31, 2015

Management's Responsibility for the Financial Statements

The 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 supplementary schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Audit Committee. The Board reviews internal financial statements on a monthly basis and external audited financial statements annually. The Audit Committee also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Grant Thornton 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 the South Shore Regional School Board and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the South Shore Regional School Board



Wade Tattrie, CA
Director of Finance



James Snyder
Coordinator of Financial Services

June 22, 2015

Independent auditor's report

To the Chairperson and Members of the Board of
the South Shore Regional School Board

We have audited the accompanying financial statements of the South Shore Regional School Board, which comprise the financial position as at March 31, 2015, and the statement of operations and surplus, 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 controls 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 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, the financial statements present fairly, in all material respects, the financial position of the South Shore Regional School Board as at March 31, 2015, and the results of its operations and its 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 8 to 14 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.

Grant Thornton LLP

Bridgewater, Canada
June 22, 2015

Chartered accountants

South Shore Regional School Board Statement of Financial Position

As at March 31

2015

2014

Financial Assets

Cash and Cash Equivalents	\$ 2,084,631	\$ 868,226
Cash Held by Schools (Note 2)	1,774,398	1,478,969
	\$ 3,859,029	\$ 2,347,195
Accounts Receivable		
Province of Nova Scotia	\$ 2,008,331	\$ 1,842,803
Government of Canada	351,343	238,078
Other	336,112	382,938
	\$ 2,695,786	\$ 2,463,819
Accrued Benefit Asset (Note 3)	2,325,700	1,944,800
Receivable - Service Award Allowance (Notes 7)	4,148,195	3,920,806
Receivable - Sick Leave Allowance (Note 7)	9,183,343	8,678,198
Total Financial Assets	\$ 22,212,053	\$ 19,354,818

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 2,870,340	\$ 1,529,049
Accrued Payroll and Employee Deductions	1,708,648	2,013,288
Payables and Accruals - Government		
Province of Nova Scotia	\$ 28,779	\$ 45,183
Government of Canada - Employee Deductions	765,402	-
Municipalities	24,727	22,216
Other (Government Service Organizations)	1,623	-
	\$ 820,531	\$ 67,399
Deferred Revenue (Note 8)	1,327,085	1,153,841
Retirement Obligations (Notes 7)	4,148,195	3,920,806
Sick Leave Obligations (Note 7)	9,183,343	8,678,198
Total Liabilities	\$ 20,058,142	\$ 17,362,581

Net Financial Assets

	\$ 2,153,911	\$ 1,992,237
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ -	\$ 29,254
Inventory	211,326	211,326
Prepaid Expenses	292,725	313,375
	\$ 504,051	\$ 553,955

Accumulated Surplus (Note 1)

	\$ 2,657,962	\$ 2,546,192
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Trust Funds Under Administration (Note 4 and Schedules D and E)

Contractual Obligations (Note 5)

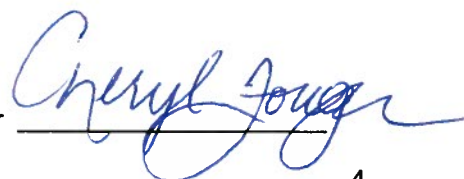
Commitments and Contingencies (Note 7)

On Behalf of the Board

Chairperson



Board Member



See accompanying notes to the financial statements.

South Shore Regional School Board

Statement of Operations and Surplus

For the year ended March 31

2015

2014

	<u>Budget</u> <u>(unaudited)</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 56,657,186	\$ 56,131,326	\$ 54,022,076
Government of Canada	335,726	380,396	457,417
Municipal Contributions	17,317,500	17,317,510	16,895,779
School Generated Funds (Note 2)	2,800,000	3,114,071	2,808,348
Board Operations	1,486,095	1,637,520	1,652,559
Total Revenues	<u>\$ 78,596,507</u>	<u>\$ 78,580,823</u>	<u>\$ 75,836,179</u>
Expenses (Schedule B)			
Board Governance	\$ 223,908	\$ 217,526	\$ 248,587
Regional Management	2,050,600	2,044,870	2,092,110
School Management & Support	6,706,600	6,726,490	6,935,895
Instruction & School Services	36,007,475	36,490,457	35,354,288
Student Support	11,763,377	11,528,264	10,502,795
Adult & Community Education	354,737	361,750	358,832
Property Services	11,935,162	11,352,811	10,872,868
Student Transportation	6,021,664	5,847,733	5,746,905
School Generated Funds (Note 2)	2,800,000	3,022,952	2,868,118
Other Programs	968,209	1,121,724	894,951
Defined Benefit Pension Plan	(235,225)	(245,524)	(94,808)
	<u>\$ 78,596,507</u>	<u>\$ 78,469,053</u>	<u>\$ 75,780,541</u>
School Board Surplus	\$ -	\$ 111,770	\$ 55,638
Accumulated Surplus, Beginning of Year	<u>\$ -</u>	<u>\$ 2,546,192</u>	<u>\$ 2,490,554</u>
Accumulated Surplus, End of Year (Note 1)	<u>\$ -</u>	<u>\$ 2,657,962</u>	<u>\$ 2,546,192</u>

South Shore Regional School Board

Statement of Changes in Net Financial Assets

For the year ended March 31

	2015	2014
	<u>Actual</u>	<u>Actual</u>
Net financial assets, beginning of year	\$ 1,992,237	\$ 1,936,602
Changes in the year		
School Board surplus on an expense basis	\$ 111,770	\$ 55,638
Amortization of tangible capital assets	29,254	15,751
Acquisition of tangible capital assets	-	-
Decrease in inventories of supplies	-	-
Decrease (increase) in prepaid expenses	20,650	(15,754)
Decrease in net financial assets	\$ 161,674	\$ 55,635
Net financial assets, end of year	\$ 2,153,911	\$ 1,992,237

South Shore Regional School Board

Statement of Cash Flows

For the year ended March 31

2015

2014

Operating transactions

School Board surplus on an expense basis	\$ 111,770	\$ 55,638
Items not affecting cash:		
Capital asset amortization	<u>29,254</u>	<u>15,751</u>
	<u>141,024</u>	<u>71,389</u>
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(231,967)	723,058
Increase in accrued benefit asset	(380,900)	(543,700)
Increase in receivable-service awards	(227,389)	(62,093)
Increase in receivable-sick leave	(505,145)	(446,093)
Decrease (increase) in prepaid expenses	20,650	(15,754)
Increase (decrease) in accounts payable and accruals	1,789,783	(1,118,920)
Increase (decrease) in deferred revenue	173,244	(82,922)
Increase in retirement obligations payable	227,389	62,093
Increase in sick leave obligations payable	505,145	446,093
	<u>1,370,810</u>	<u>(1,038,238)</u>
Cash provided (used) by operating activities	<u>1,511,834</u>	<u>(966,849)</u>
Increase (decrease) in cash and cash equivalents	1,511,834	(966,849)
Cash and cash equivalents, beginning of year	<u>2,347,195</u>	<u>3,314,044</u>
Cash and cash equivalents, end of year	<u>\$ 3,859,029</u>	<u>\$ 2,347,195</u>

South Shore Regional School Board

Schedule A - Supplementary Details of Revenues

For the year ended March 31

2015

2014

	<u>Budget</u> <u>(unaudited)</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 37,968,883	\$ 37,968,896	\$ 40,033,093
Restricted	12,702,157	12,658,602	8,891,091
Capital	2,618,800	1,386,910	1,300,223
Other	3,367,346	4,116,918	3,797,669
	<u>\$ 56,657,186</u>	<u>\$ 56,131,326</u>	<u>\$ 54,022,076</u>
Government of Canada			
First Nations/Other	\$ 335,726	\$ 380,396	\$ 457,417
	<u>\$ 335,726</u>	<u>\$ 380,396</u>	<u>\$ 457,417</u>
Municipal Contributions-Mandatory	\$ 17,317,500	\$ 17,317,510	\$ 16,895,779
	<u>\$ 17,317,500</u>	<u>\$ 17,317,510</u>	<u>\$ 16,895,779</u>
School Generated Funds (Note 2)	\$ 2,800,000	\$ 3,114,071	\$ 2,808,348
	<u>\$ 2,800,000</u>	<u>\$ 3,114,071</u>	<u>\$ 2,808,348</u>
Other Revenues-Board Operations:			
Board Generated-Other	\$ 1,458,095	\$ 1,607,658	\$ 1,627,893
Interest/Investment	21,000	25,802	22,159
Sale of Assets	7,000	4,060	2,507
	<u>\$ 1,486,095</u>	<u>\$ 1,637,520</u>	<u>\$ 1,652,559</u>
Total Revenues	<u>\$ 78,596,507</u>	<u>\$ 78,580,823</u>	<u>\$ 75,836,179</u>

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2015

2014

	<u>Budget</u> <u>(unaudited)</u>	<u>Actual</u>	<u>Actual</u>
Board Governance			
Salaries	\$ 114,049	\$ 112,309	\$ 105,236
Benefits	8,734	7,096	6,155
Travel	13,050	11,412	12,416
Contracted Services	24,900	24,399	46,013
Supplies/Telecommunications	7,500	5,867	9,742
Professional Development	11,050	11,818	24,400
NSSBA Dues	44,625	44,625	44,625
Total Board Governance	\$ 223,908	\$ 217,526	\$ 248,587
Regional Management			
Salaries	\$ 1,763,620	\$ 1,789,566	\$ 1,779,990
Benefits	370,212	364,602	304,350
Travel	41,600	46,374	36,672
Professional Services-Legal and Audit	72,000	82,561	78,720
Contracted Services	62,500	55,191	110,915
Repairs/Maintenance	2,500	2,908	2,507
Supplies/Materials/Telecommunications	82,600	70,340	82,737
Professional Development	43,400	32,531	38,127
Insurance	67,757	56,386	59,809
Recovery-Shared Services	(455,589)	(455,589)	(401,717)
Total Regional Management	\$ 2,050,600	\$ 2,044,870	\$ 2,092,110
School Management & Support			
Salaries	\$ 5,431,629	\$ 5,459,593	\$ 5,628,529
Benefits	544,263	578,257	508,605
Travel	65,500	46,356	59,148
Contracted Services	192,500	182,101	165,903
Repairs/Maintenance	18,400	1,361	-
Supplies/Materials/Telecommunications	442,008	433,987	559,461
Professional Development	12,300	24,835	14,249
Total School Management & Support	\$ 6,706,600	\$ 6,726,490	\$ 6,935,895
Instruction & School Services			
Salaries	\$ 31,242,037	\$ 30,945,924	\$ 30,694,300
Benefits	1,934,269	1,930,512	1,786,866
Service Award Allowances-Current (Note 7)		144,102	317,771
Sick Leave Allowances-Current (Note 7)		(9,723)	97,510
Travel	26,804	79,136	72,512
Contracted Services	166,262	139,298	119,506
Repairs/Maintenance	13,806	47,703	23,530
Supplies/Materials/Telecommunications	1,395,848	1,540,652	1,057,810
Textbook Allocation	351,200	351,200	352,700
Conveyance	5,000	4,009	6,149
Professional Development	515,349	409,651	305,068
Service Award Allowances-Interest (Notes 7)	356,900	359,698	171,983
Sick Leave Allowances-Interest (Notes 7)		548,295	348,583
Total Instruction & School Services	\$ 36,007,475	\$ 36,490,457	\$ 35,354,288

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2015

2014

	<u>Budget</u> <u>(unaudited)</u>	<u>Actual</u>	<u>Actual</u>
Student Support			
Salaries	\$ 10,326,987	\$ 10,047,631	\$ 9,250,198
Benefits	1,143,558	1,144,202	1,026,648
Travel	91,200	78,403	68,238
Contracted Services	28,836	35,171	31,810
Repairs/Maintenance	12,000	9,782	14,407
Supplies/Materials/Telecommunications	119,796	170,592	84,308
Professional Development	41,000	42,483	27,186
Total Student Support	<u>\$ 11,763,377</u>	<u>\$ 11,528,264</u>	<u>\$ 10,502,795</u>
Adult & Community Education			
Salaries	\$ 321,158	\$ 326,522	\$ 326,905
Benefits	25,179	27,137	22,074
Travel	800	814	866
Contracted Services	2,800	2,995	2,952
Supplies/Materials/Telecommunications	4,800	4,282	6,035
Total Adult & Community Education	<u>\$ 354,737</u>	<u>\$ 361,750</u>	<u>\$ 358,832</u>
Property Services			
Salaries	\$ 3,767,807	\$ 3,700,438	\$ 3,752,745
Benefits	872,125	905,523	843,173
Travel	33,000	34,499	32,010
Contracted Services	902,918	1,144,750	904,585
Repairs/Maintenance	3,347,952	2,576,975	2,386,211
Vehicle Expenses	92,250	90,130	98,113
Supplies/Materials/Telecommunications	461,020	635,565	533,650
Utilities	2,478,271	2,385,131	2,443,958
Professional Development	81,944	25,525	23,210
Insurance	156,160	156,809	157,342
Amortization	16,259	22,871	12,579
Recoveries	(274,544)	(325,405)	(314,708)
Total Property Services	<u>\$ 11,935,162</u>	<u>\$ 11,352,811</u>	<u>\$ 10,872,868</u>
Student Transportation			
Salaries	\$ 3,204,132	\$ 3,182,660	\$ 3,156,742
Benefits	772,702	775,317	712,802
Travel	34,200	29,354	40,450
Contracted Services	64,000	81,775	74,777
Repairs/Maintenance	37,500	49,596	23,593
Vehicle Maintenance	1,506,600	1,362,383	1,421,760
Conveyance	166,600	156,372	146,609
Supplies/Materials/Telecommunications	92,450	98,477	56,498
Professional Development	22,300	14,169	18,932
Insurance	87,288	91,247	91,570
Amortization	55,892	6,383	3,172
Recoveries	(22,000)	-	-
Total Student Transportation	<u>\$ 6,021,664</u>	<u>\$ 5,847,733</u>	<u>\$ 5,746,905</u>

See accompanying notes to the financial statements.

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2015

2014

	Budget (unaudited)	Actual	Actual
School Generated Funds			
School Funded Activities (Note 2)	\$ 2,800,000	\$ 3,022,952	\$ 2,868,118
Total School Generated Funds	\$ 2,800,000	\$ 3,022,952	\$ 2,868,118
Other Programs			
Salaries	\$ 314,885	\$ 270,179	\$ 211,965
Benefits	24,058	20,282	15,745
Travel	27,120	40,847	24,784
Contracted Services	592,411	725,673	597,215
Supplies/Materials/Telecommunications	41,925	62,177	44,893
Professional Development	350	2,566	349
Recoveries	(32,540)	-	-
Total Other Programs	\$ 968,209	\$ 1,121,724	\$ 894,951
Defined Benefit Pension Plans			
Defined Benefit Expense		\$ 135,376	\$ 448,892
Defined Benefit Pension (Recovery)	(235,225)	(380,900)	(543,700)
	\$ (235,225)	\$ (245,524)	\$ (94,808)
Total Expenditures	\$ 78,596,507	\$ 78,469,053	\$ 75,780,541

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets

For the year ended March 31

	<u>Land, Buildings and Improvements</u>	<u>Major Equipment</u>	<u>Computer Hardware</u>	<u>Vehicles</u>	<u>2015 Total</u>	<u>2014 Total</u>
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 118,419	\$ 118,419	\$ 118,419
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Closing Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,419</u>	<u>\$ 118,419</u>	<u>\$ 118,419</u>
Accumulated Amortization:						
Opening Balance	\$ -	\$ -	\$ -	\$ 89,165	\$ 89,165	\$ 73,414
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	29,254	29,254	15,751
Closing Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,419</u>	<u>\$ 118,419</u>	<u>\$ 89,165</u>
Net Book Value (NBV)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,254</u>
Net Book Value (NBV):						
Opening Balance	\$ -	\$ -	\$ -	\$ 29,254	29,254	\$ 45,005
Closing Balance	-	-	-	29,254	29,254	29,254
Decrease in NBV	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,751)</u>

South Shore Regional School Board
Schedule D - Trust Funds Balance Sheet

As at March 31

2015

2014

Assets

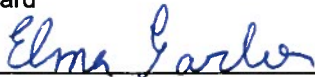
Cash and cash equivalents (Note 4)	\$ 618,214	\$ 635,599
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Equity

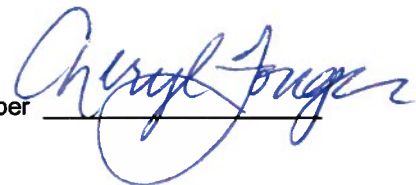
Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 3,610	\$ 3,551
Josephine Christie Fredea Award	1,406	1,390
South Shore District Memorial Scholarship	22,490	19,384
Murray Barkhouse Scholarship Fund	6,031	5,962
Robert Hirtle Memorial Fund	1,581	1,538
Dr. K.C. Marfatia Ghandi Scholarship Fund	18,491	18,770
W.G.L. Hirtle Scholarship	85,648	84,834
Elinor Muir Leary Scholarship	10,001	10,281
Irene and Derrell Ernst Scholarship	5,062	5,002
David Lowe Scholarship	9,056	8,752
Clara Quinlan Scholarship	5,039	5,129
Monte Oickle Scholarship	3,311	3,272
Colleen Finck Memorial	89,329	97,011
Paul Eisnor Memorial	767	659
Timothy Daniels Memorial	5,886	5,815
Sylvia Weagle Bursary	29,120	29,075
Dr. J.C. Wickwire	174	426
M. Ernst MacLeod	4,799	4,743
Colleen Finck Memorial - Acadia	26,928	25,268
Erma Westhaver Loomis	35,871	35,747
John S. Derrick	10,249	10,276
Caterina Cushing	12,305	9,686
Margaret Marshall	1,011	1,049
Teachers Centre	8,139	8,043
Jerome A. Tanner	1,516	1,498
Tech Refresh-Bayview	57,771	72,589
Tech Refresh-Aspotogan	13,152	13,558
David K Berkshire Scholarship	13,149	14,814
Annette V. McNeil (Wamboldt) Memorial	2,916	2,582
Charles Andrews Memorial	2,363	4,321
Norm Johnston PVEC Memorial	5,348	5,781
F. Homer Zwicker Memorial	27,936	27,608
Inez Morse Putnam	64,311	64,548
Dr. J. Murray Beck Scholarship	25,334	25,632
Acadia Broadcasting	2,039	2,005
Dr Charles Uhlman	6,075	5,000
	\$ 618,214	\$ 635,599

On Behalf of the Board

Chairperson



Board Member



South Shore Regional School Board

Schedule E - Supplementary Details of Trust Funds

For the year ended March 31, 2015

		<u>Balance Beginning of Period</u>	<u>Additions</u>	<u>Interest</u>	<u>Disbursements</u>	<u>Balance End of Period</u>
Teachers Scholastic	\$	3,551	\$ 3,361	\$ 48	\$ (3,350)	\$ 3,610
J.C. Fredea Award		1,390		16		1,406
South Shore District Memorial		19,384	10,666	290	(7,850)	22,490
M. Barkhouse Scholarship Fund		5,962	300	69	(300)	6,031
Robert Hirtle Memorial Fund		1,538	1,025	18	(1,000)	1,581
Dr. K.C. Marfatia Ghandi		18,770		221	(500)	18,491
W.G.L. Hirtle		84,834		2,164	(1,350)	85,648
Elinor Muir Leary		10,281		120	(400)	10,001
Irene / Darryl Ernst		5,002		60		5,062
David Lowe		8,752	100	204		9,056
Clara Quinlan		5,129		60	(150)	5,039
Monte Oickle		3,272		39		3,311
Colleen Finck Memorial		97,011		2,318	(10,000)	89,329
Paul Eisnor		659	200	8	(100)	767
Timothy Daniels		5,815	500	71	(500)	5,886
S Weagle Bursary		29,075		345	(300)	29,120
Dr. J.C. Wickwire		426		3	(255)	174
M. Ernst MacLeod		4,743		56		4,799
Colleen Finck Memorial-Acadia		25,268	1,000	660		26,928
Erma Westhaver Loomis		35,747		424	(300)	35,871
John S. Derrick		10,276	350	123	(500)	10,249
Caterina Cushing		9,686	2,485	134		12,305
Margaret Marshall		1,049		12	(50)	1,011
Teachers Centre		8,043		96		8,139
Jerome A Tanner Scholarship		1,498		18		1,516
Tech Refresh Bayview		72,589	56,604	514	(71,936)	57,771
Tech Refresh Aspotogan		13,558	21,786	145	(22,337)	13,152
David K Berkshire Scholarship		14,814		335	(2,000)	13,149
Annette V. McNeil (Wamboldt) Memorial		2,582	300	34		2,916
Charles Andrews Memorial		4,321		42	(2,000)	2,363
Norm Johnston PVEC Memorial		5,781		67	(500)	5,348
F. Homer Zwicker Memorial		27,608		328		27,936
Inez Morse Putnam		64,548		763	(1,000)	64,311
Dr. J. Murray Beck Scholarship		25,632		302	(600)	25,334
Acadia Broadcasting		2,005	2,500	34	(2,500)	2,039
Dr Charles Uhlman		5,000	2,000	75	(1,000)	6,075
	\$	635,599	\$ 103,177	\$ 10,216	\$ (130,778)	\$ 618,214

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

South Shore Regional School Board is an independent legal entity with an elected governing board as stipulated under the Education Act. The Board provides a full range of educational services for all instructional programs from Grade Primary through Grade 12 at public schools within Lunenburg and Queens Counties. 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 in accordance with Board policy.

1. Financial Reporting and Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards, 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 been prepared using the following significant accounting policies:

Reporting Entity

The consolidated statement of financial position is presented using the principles of consolidation prescribed by the Department of Education. Trust funds are not included in the consolidation. For a detailed review the reader should refer to the financial statements of each fund as presented in these financial statements.

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 criteria 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 receipts received before the criteria has 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.

Expenditures

Expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices recorded. Expenditures are recorded on the accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for probable losses on certain loans, investments, accounts receivable, and 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

1. Financial Reporting and Accounting Policies (continued)

Use of estimates

In preparing the Board's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

Financial instruments

The Board's financial instruments include receivables, cash and cash equivalents, bank indebtedness, investments, payable and accruals, due to/from related parties. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, except for payables to related parties, for which fair value was not readily determinable.

Financial Assets

Cash and cash equivalents are recorded at cost which approximates market value. Accounts receivable are recorded at the principal amount less valuation allowances, if applicable.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less.

Liabilities

Pension, Retirement and Other Obligations include various employee benefits. For purposes of these financial statements, the School Board's pension liabilities are calculated using an accrued benefits actuarial method and using accounting assumptions which reflect the Board's best estimates of performance over the long-term. The net pension liabilities represent accrued pension benefits less the market related value of pension assets (if applicable) and the balance of unamortized experience gains and losses.

Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year that the related expenditures are incurred or service performed.

Net Financial Assets

Net financial assets represent the financial assets of the Board less financial liabilities.

Non-Financial Assets

Inventories are bus garage parts and bus tire inventories recorded at average cost. All other supplies and purchases are expensed.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

1. Financial Reporting and Accounting Policies (continued)

Tangible Capital 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 net historical cost, when applicable. Tangible capital assets include land, buildings, computer equipment and software, and vehicles. Tangible capital assets do not include intangibles or assets acquired by right. The buildings and school buses financed by the Province of Nova Scotia and transferred to the School Boards are not accounted for in the School Board's financial statements; rather they are included in the Province of Nova Scotia's financial statements. The Board adopted the Province of Nova Scotia's Tangible Capital Assets Accounting Policy thresholds and only those assets meeting the thresholds are recorded as additions. The thresholds and amortization rates (declining balances) as defined in the policy are as follows:

	<u>Threshold</u>	<u>Rates</u>
Buildings	\$250,000	5%
Building Improvements	\$150,000	5%
Leasehold Improvements	\$150,000	Lease term (SL)
Computer Hardware	\$25,000	50%
Motor Vehicles	\$15,000	35%
Major Equipment	\$50,000	20%
Furniture, Equipment & Technology	\$300,000	30%
Software	\$250,000	50%

Prepaid Expenses and Inventories

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.

Accumulated Surplus

Accumulated Surplus represents the financial assets and non-financial assets of the School Board less liabilities. This represents the accumulated balance of net surplus arising from the operations of the Board and school generated funds. The designation of Accumulated Surplus is as follows:

	2015 Actual	2014 Actual
Operating-Unrestricted, Beginning of Year	\$ 1,067,223	\$ 951,815
School Board Surplus	111,770	55,638
	<u>\$ 1,178,993</u>	<u>\$ 1,007,453</u>
Operating Surplus-Designated to School Funds	(91,119)	59,770
Operating-Unrestricted, End of Year	<u>\$ 1,087,874</u>	<u>\$ 1,067,223</u>
School Funds-Restricted, Beginning of Year	\$ 1,478,969	1,538,739
School Funds-Restricted, Net Surplus for Year	91,119	(59,770)
School Funds-Restricted, End of Year	<u>\$ 1,570,088</u>	<u>\$ 1,478,969</u>
Accumulated Surplus, End of Year	<u>\$ 2,657,962</u>	<u>\$ 2,546,192</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

2. Cash Held by Schools

These financial statements include school generated funds arising from certain school and student activities that are controlled and administered by each school, but for which the Board is accountable. Revenue from school funds is recognized as the funds are received. School funded activity expenditures are recorded as the funds are expended. School Generated Funds include the revenues and expenditures and fund balances of various organizations that exist at the school level under the jurisdiction of the School Board. Changes in cash held by schools are as follows:

	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,478,969	\$ 1,538,739
Additions to School Generated Funds	3,114,071	2,808,348
School Funded Activity Expenditures	<u>(3,022,952)</u>	<u>(2,868,118)</u>
Net School Generated Funds for Year	<u>91,119</u>	<u>(59,770)</u>
Deferred Revenue (Note 8)	<u>204,310</u>	<u>-</u>
Balance, end of year	<u>\$ 1,774,398</u>	<u>\$ 1,478,969</u>

3. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on April 15, 2015 and have been determined by them in accordance with PS 3250 for the South Shore regional School Board C.U.P.E. Staff Pension Plan (the "CUPE Plan") and the South Shore Regional School Board Support Staff Pension Plan (the "Support Staff Plan").

Plan assets used for purposes of the accounting valuation were based on the market value of assets as at December 31, 2013 and December 31, 2014, as presented in the financial statements provided by Desjardins Financial Security as at those dates. These assets were then adjusted for amounts in transit. Contributions to the Plans, benefits and investment earnings were determined from the financial statements.

To calculate the Plan's liabilities, Morneau Shepell used the Plan provisions as at December 31, 2013.

The most recent valuations of the Plans for funding purposes were performed on December 31, 2013.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

3. Defined Benefit Pension Plans (continued)

The following table summarizes the actuarial assumptions and methods used for the valuation:

Actuarial Cost Method	Projected Unit Credit prorated on service																
Discount Rate	5.25% per year																
Expected Return on Plan Assets	5.25% per year																
Salary Increases	2.75% per year																
Interest Credited on Employee Contributions	5.25% per year																
Mortality	CPM-2014 Public Mortality Table with generational projection using improvement scale CPM-B with size adjustment factors Sex distinct No pre-retirement mortality																
Termination of Employment	<table border="1"> <thead> <tr> <th>Age</th> <th>Termination</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>20.0%</td> </tr> <tr> <td>30</td> <td>11.2%</td> </tr> <tr> <td>35</td> <td>6.3%</td> </tr> <tr> <td>40</td> <td>3.4%</td> </tr> <tr> <td>45</td> <td>1.8%</td> </tr> <tr> <td>50</td> <td>1.2%</td> </tr> <tr> <td>55</td> <td>0.7%</td> </tr> </tbody> </table>	Age	Termination	25	20.0%	30	11.2%	35	6.3%	40	3.4%	45	1.8%	50	1.2%	55	0.7%
Age	Termination																
25	20.0%																
30	11.2%																
35	6.3%																
40	3.4%																
45	1.8%																
50	1.2%																
55	0.7%																
Termination Election	50% of terminated members elect a deferred pension																
Discount Rate for members assumed to elect a commuted value transfer upon termination	4.25%																
Disability	None																
Retirement: CUPE Plan Support Staff Plan	Age 65 (or in one year, later) Age 60 (or in one year, later)																
Administrative Expenses	Implicitly recognized in the discount rate																

The following table shows the CUPE and Support Staff Plans' pension expense for the 2015 fiscal year, and the accrued benefit asset/(liability) as at March 31, 2015.

Fiscal 2015 Expense	CUPE	Support Staff	Total
Current Service Cost (net of employee contributions)	\$396,500	\$656,100	\$1,052,600
Past service cost due to plan amendment	-	34,900	34,900
Amortization of Actuarial Losses/(Gains)	(47,800)	(55,300)	(103,100)
Recognition of actuarial losses/(gains)	-	(34,900)	(34,900)
Pension Interest Expenditure/Expense:			
Interest Cost on the Accrued Benefit Obligation	647,900	988,800	1,636,700
Expected Return on Plan Assets	(713,200)	(1,075,400)	(1,788,600)
Total 2015 Pension Expense	\$283,400	\$514,200	\$797,600
Expected Average Remaining Service Lifetime	12 years	12 years	12 years
Development of Accrued Benefit Asset/(Liability) as at March 31, 2015			
Accrued Benefit Asset/(Liability) as at March 31, 2014	\$799,600	\$1,145,200	\$1,944,800
Fiscal 2015 (Expense)/Income	(283,400)	(514,300)	(797,700)
Fiscal 2015 School Board Contributions	405,700	772,900	1,178,600
Accrued Benefit Asset/(Liability) as at March 31, 2015	\$921,900	\$1,403,800	\$2,325,700

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

3. Defined Benefit Pension Plans (continued)

The following table shows the disclosure figures (assets and accrued benefit obligation) as at the end of fiscal 2015 (i.e. measured at December 31, 2014), and the reconciliation of the accrued benefit asset (liability) as at that date. The assets are actual market value as at December 31, 2014, adjusted for amounts in transit.

Reconciliation of Accrued Benefit Asset/(Liability) as at March 31, 2015

	CUPE	Support Staff	Total
Assets	\$14,712,900	\$22,359,800	\$37,072,700
Less: Accrued Benefit Obligation	13,658,100	20,477,600	34,135,700
Funded Status as at March 31, 2015	1,054,800	1,882,200	2,937,000
Less: Unamortized Actuarial Losses/(Gains)	(224,000)	(641,200)	(865,200)
Plus: Employer Contributions January to March 2015	91,100	162,800	253,900
Accrued Benefit Asset/(Liability) as at March 31, 2015	\$921,900	\$1,403,800	\$2,325,700

Other Pension Plans

The School Board's teaching staff is covered by a pension plan established by the Province of Nova Scotia pursuant to the Teachers Pension Act. Employer contributions for these employees are provided directly by the Province of Nova Scotia. The pension costs and obligations related to these plans are the direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements. Some non-teaching employees are covered by a multi-employer pension plan by the Nova Scotia School Board Association.

4. Trust Funds Under Administration

Trust fund assets administered by the School Board are identified in Schedule D. The Trust funds represent capital contributed in trust as well as income thereon. The Trust funds are used primarily to provide scholarships for eligible students or for expenditures for specifically, designated purposes.

5. Contractual Obligations

Contractual obligations over \$100,000 in total in future years are as follows:

	Rental Leases	Renovations/Construction	Total
2015	\$89,130	-	\$89,130
2016	\$118,840	-	\$118,840
2017	\$118,840	-	\$118,840
2018	\$39,613	-	\$39,613
Total	\$366,423	\$ -	\$366,423

6. Legal

There are several outstanding grievances and claims against the Board. The outcomes of these grievances and claims are not determinable. Any settlements resulting from arbitration or resolution of these claims will be treated as a charge to operations in the period the settlement occurs.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies

I. Service Awards - Teachers

For all service on or before July 31, 2000, under the terms of agreements with local units of the Nova Scotia Teachers' Union, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amounts of the awards are as follows:

Queens District	0.45 of 1% of a TC5 - MAX per year of service (maximum 35 years)
Lunenburg District	\$200 per year of service (maximum 35 years)

For all service commencing on or after August 1, 2000 under the terms of agreement with the NSTU and the Province of Nova Scotia, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amount of the award is as follows: .75 of 1% for each year of service with the Board multiplied by the annual salary rate on the last day of employment with the Board.

The service award for service after July 31, 2002 is equal to the greater of the formula provided by the applicable collective agreement and one percent of annual salary at retirement (including any administration allowance) on the last day of employment with the Board.

For all service commencing on or after August 1, 2002 under the terms of agreement with the NSTU and Province of Nova Scotia the Board is required to pay a service award to each teacher who accumulates a minimum of ten years of service with the Board. The amount of the award is as follows: 1% of each year of service with the Board to a maximum of 30 years multiplied by the annual salary rate (including any administration allowance) on the last day of employment with the Board.

The Province of Nova Scotia assumed responsibility for the payment of Service Awards for teachers effective April 1, 2002. The Board has recorded a service award and interest expense for the service awards for teachers, as provided by the Province of Nova Scotia.

Actuarial Assumptions

Discount Rate:	4.10% per year																
Salary Growth Rate:	2.25% per year plus promotional scale. Total salary increases are detailed below: <table> <thead> <tr> <th><u>Age Group</u></th> <th><u>Annual increase</u></th> </tr> </thead> <tbody> <tr> <td>Less than 30</td> <td>5.00%</td> </tr> <tr> <td>30 – 34</td> <td>4.50%</td> </tr> <tr> <td>35 – 39</td> <td>4.00%</td> </tr> <tr> <td>40 – 44</td> <td>3.50%</td> </tr> <tr> <td>45 – 49</td> <td>3.00%</td> </tr> <tr> <td>50 – 59</td> <td>2.50%</td> </tr> <tr> <td>60 plus</td> <td>2.25%</td> </tr> </tbody> </table>	<u>Age Group</u>	<u>Annual increase</u>	Less than 30	5.00%	30 – 34	4.50%	35 – 39	4.00%	40 – 44	3.50%	45 – 49	3.00%	50 – 59	2.50%	60 plus	2.25%
<u>Age Group</u>	<u>Annual increase</u>																
Less than 30	5.00%																
30 – 34	4.50%																
35 – 39	4.00%																
40 – 44	3.50%																
45 – 49	3.00%																
50 – 59	2.50%																
60 plus	2.25%																
Retirement Age:	50% at rule of 85 but not earlier than age 55; remainder at earliest of 35 years of service, age 60 with 10 years of service, and age 65. Members past their Unreduced Retirement Age are assumed to retire at the later age of 60 and their current age.																
Mortality:	No pre-retirement mortality assumed																
Termination:	Nil																
Disability:	Nil																

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Continuity of Service Award Allowance Liability - Teachers	<u>2015</u>	<u>2014</u>
Opening Benefit Obligation, beginning of the year	\$4,203,992	\$4,059,761
Current Service Cost	295,300	281,700
Interest on Obligation	172,066	167,344
Less: Benefits Paid	(309,838)	(403,313)
Actuarial Losses (Gains)	-	98,500
Closing Benefit Obligation, end of year	<u>\$4,361,520</u>	<u>\$4,203,992</u>
Pension Assets, at market related values	-	-
Funded Status - (Deficiency)	<u>(4,361,520)</u>	<u>(4,203,992)</u>
Unamortized Actuarial Losses	<u>356,507</u>	<u>389,496</u>
Accrued Benefit Liability - Teachers	<u>(\$4,005,013)</u>	<u>(\$3,814,496)</u>

II. Service Awards – Non-Teachers

Morneau Shepell has prepared disclosure figures under PSAB 3250. Retiring allowances benefits descriptions and copies of the relevant parts of the collective agreements and letters of understanding for the different boards and union/non-union groups were provided by the Province of Nova Scotia ("the Province").

The calculations have been carried out based on the data provided by the Province of Nova Scotia in connection with both the Sick Leave and Retiring Allowance valuations. This information was supplemented by data supplied by the individual boards. The data included the period of continuous service with the Province, the data of birth, annual salary and contractual hours of work and some detail regarding frozen awards.

All assumptions used in the Retiring Allowance valuation have been chosen by the Province. The assumptions are summarized in the table below.

Valuation Date	March 31, 2012
Annual Discount Rate	4.10% per annum
Annual Salary Increases	2.50% at April 1, 2012 3.00% at April 1, 2013 3.50% at April 1, 2014 2.75% per annum from April 1, 2015 onwards
Inflation Rate	2.25% per annum
Retirement Age	35% at Rule of 80, minimum age 55 65% at the earliest of age 60 and 35 years of service
Mortality	Nil
Termination Before Retirement	Nil

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Continuity of Service Award Liability - Non-Teachers	<u>2014-15</u>	<u>2013-14</u>
Opening Benefit Obligation, beginning of the year	\$107,768	\$118,010
Current Service Cost	11,637	9,467
Interest on Obligation	5,463	4,639
Other (Past Service, Transfers, etc.)	19,654	-
Less: Benefits Paid	-	(23,774)
Actuarial (Gains) Losses	-	(574)
Closing Benefit Obligation, end of year	144,522	107,768
Pension Assets, at market related values	-	-
Funded Status - Surplus (Deficiency)	(144,522)	(107,768)
Unamortized Actuarial (Gains) Losses	766	1,458
Accrued Benefit Liability - Non-Teachers	<u>(\$143,756)</u>	<u>(\$106,310)</u>

Summary of Retirement Obligations

	<u>2015</u>	<u>2014</u>
Service Awards - Teachers	\$4,005,013	\$3,814,496
Service Awards - Non-Teachers	143,756	106,310
Adjustment	(574)	-
Total Retirement Obligations	<u>\$4,148,195</u>	<u>\$3,920,806</u>

The Board has recognized in these financial statements the liability associated with service awards earned by 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.

III. Collective Agreements and other Terms and Conditions of Employment

The provincial collective agreement with the NSTU expires July 31, 2015.

The local collective agreement with the NSTU expires July 31, 2016.

The collective agreement with the NSGEU expired on March 31, 2015.

The collective agreement with SEIU expired March 31, 2015.

The collective agreement with CUPE expired March 31, 2015.

The Non-Union Terms and Conditions of Employment expires February 7, 2016.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

IV. Sick Leave – Teachers

The Board provides benefits for sick leave for teaching staff under the following conditions:

- (a) Full time teachers are entitled to twenty (20) days sick leave in each school year. Teachers who are not full time will receive a pro-rated amount of days.
- (b) Teachers may accumulate 100% of their unused current sick days up to a maximum of 195 days in a sick leave bank.
- (c) Accumulated sick leave cannot be used until the current year's sick leave (20 days per school year) has been expended.
- (d) Accumulated sick leave benefits are not paid out on termination, retirement or resignation.

During 2012, the Board adopted accrual accounting for teachers' accumulated sick leave. Prior to that date the Board recognized benefit expenses equal to its payments for the actual payouts and no liability for accumulated sick leave was recorded in the statement of financial position.

The Province of Nova Scotia provided an actuarial valuation of the board's obligations for the accumulated sick leave for accounting purposes. Key actuarial assumptions used in the valuation were based on the Board's best estimates. Those assumptions involve forecasts of expected future inflation rates, wage and salary increases, cost of long-term debt, and employee turnover and mortality.

Actuarial Assumptions

Discount Rate:	4.10% per year for March 31, 2014 benefit obligation 4.10% per year for 2015 benefit cost, March 31, 2015 benefit obligation, and estimated 2016 benefit cost	
Retirement Age:	50% at earliest age eligible for unreduced pension, remainder at earlier of age 60 with 10 years of service, 35 years of service and age 65	
Mortality:	90% of UP94 with future improvements in accordance with 150% of Scale AA for March 31, 2014 benefit obligation and 2014 benefit cost CPM 2014 Public Sector table with future improvements in accordance with scale CPM-B for March 31, 2015 benefits obligation and estimated 2016 benefit cost	
Termination:	5% per year in first two years of employment	
Salary Growth Rate:	Base rate: 2.00% per year for 2012-13, 2.50% for 2013-14, 3.00% for 2014-15 and 2.25% per year thereafter	
Promotional Scale:	<u>Age Group</u>	<u>Annual increase</u>
	Under 30	2.75%
	30 – 34	2.25%
	35 – 39	1.75%
	40 – 44	1.25%
	45 – 49	0.75%
	50 – 59	0.25%
	60 plus	0.00%

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Current sick leave utilization and sick leave bank utilization was developed from an analysis of the sick leave usage of Nova Scotia teachers during fiscal years 2011-2012, 2012-2013, and 2013-2014. Sick leave usage data was provided by the Department of Education.

Continuity of Sick Leave Liability - Teachers	<u>2015</u>	<u>2014</u>
Opening Benefit Obligation, beginning of the year	\$8,125,000	\$7,511,000
Current Service Cost	663,000	637,000
Interest on Obligation	336,000	315,000
Impact of Plan Amendment	-	-
Other (Past Service, Transfers, etc.)	-	-
Less: Sick Leave Taken	(538,000)	(534,000)
Actuarial (Gains) Losses	(1,871,000)	196,000
Closing Benefit Obligation, end of year	6,715,000	8,125,000
Pension Assets, at market related values	-	-
Funded Status - Surplus (Deficiency)	(6,715,000)	(8,125,000)
Unamortized Actuarial (Gains) Losses	(1,609,602)	280,500
Accrued Benefit (Asset) Liability	<u>(\$8,324,602)</u>	<u>(\$7,844,500)</u>

V. Sick Leave – Non-Teaching

Morneau Shepell provided to the Province of Nova Scotia on December 22, 2014 the requested financial disclosure figures related to the Sick Leave Benefit (the "Sick Leave") to Non-Teaching employees of all School Boards in Nova Scotia for the fiscal year ending March 31, 2015 ("fiscal 2015"). The accounting results are based on the understanding of the methods prescribed under Section PS 3255 of the CICA Public Sector Accounting Handbook ("PS 3255") which applies to sick leave and severance benefits.

Sick Leave historical data for the fiscal years 2009 to 2012 was also provided by the Province. This data was then used to develop an assumption for excess usage (i.e. hours of sick leave used in a given year in excess of the sick leave accrued that year) by age group which was then used in the calculation of the Accrued Benefit Obligation ("ABO") and annual current service cost.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Valuation Date:	March 31, 2012					
Annual Discount Rate:	4.10% per annum					
Annual Salary Increases:	2.5% at April 1, 2012 3.0% at April 1, 2013 3.5% at April 1, 2014 2.75% per annum from April 1, 2015 onward					
Sample Net Excess Utilization Rate of Sick Leave:	<u>Age</u>	<u>Hours</u>	<u>Age</u>	<u>Hours</u>	<u>Age</u>	<u>Hours</u>
	20	4.2	40	11.9	60	19.6
	25	6.1	45	13.8	65	21.5
	30	8.0	50	15.8		
	35	10.0	55	17.7		
Termination:	Nil					
Mortality Pre-Retirement:	Nil					
Retirement Age:	35% at Rule of 80, minimum age of 55 65% at the earliest of age 65 and 35 years of service					
Actuarial Cost Method:	Projected Unit Credit pro-rated on service to date of usage					

Continuity of Sick Leave Liability - Non- Teachers

	<u>2015</u>	<u>2014</u>
Opening Benefit Obligation, beginning of the year	\$853,983	\$817,577
Current Service Cost	113,390	110,073
Interest on Obligation	34,766	33,583
Impact of Plan Amendment	-	-
Other (Past Service, Transfers, etc.)	-	-
Less: Sick Leave Taken	(125,434)	(122,671)
Actuarial (Gains) Losses	-	15,421
Closing Benefit Obligation, end of year	\$876,705	\$853,983
Pension Assets, at market related values	-	-
Funded Status - Surplus (Deficiency)	(876,705)	(853,983)
Unamortized Actuarial (Gains) Losses	17,964	20,285
Accrued Benefit (Asset) Liability	(\$858,741)	(\$833,698)

Summary of Sick Leave Obligations

	<u>2015</u>	<u>2014</u>
Sick Leave - Teachers	\$8,324,602	\$7,844,500
Sick Leave - Non-Teachers	858,741	833,698
Total Sick Leave Obligations	\$9,183,343	\$8,678,198

The Board has recognized in these financial statements, the liability associated with accumulated sick leave earned by 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2015

8. Deferred Revenue

Deferred Revenue as of March 31:	<u>2015</u>	<u>2014</u>
Teachers PD Fund	\$25,658	\$110,077
International Student Program	182,998	-
School Generated Funds (Note 2)	204,310	-
Programs - Province of Nova Scotia	914,119	1,043,764
Total	<u>\$1,327,085</u>	<u>\$1,153,841</u>

9. Bank Indebtedness

The Board has utilized the available operating line of credit during the fiscal year with the Bank of Montreal. There was no outstanding balance at fiscal year-end.
