



Grant Thornton

Financial statements

Strait Regional School Board

March 31, 2015

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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 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 2 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 Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss 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 Strait Regional School Board and meet when required. The accompanying independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.



Director of Finance



Superintendent

Independent auditor's report

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To the Chairperson and Members of the Board of the
Strait Regional School Board

We have audited the accompanying statement of financial position of the Strait Regional School Board (the "Board") as at March 31, 2015, and the statements of operations, changes 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

The Board's 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 Board'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 Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board's 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 Strait Regional School Board as at March 31, 2015, and the results of its operations, changes in its net financial assets, 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 purposes of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 20 to 25 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

Port Hawkesbury, Canada
June 17, 2015

Chartered accountants

Strait Regional School Board

Statement of financial position

March 31

2015

2014

Financial assets

Cash and cash equivalents	\$ 3,751,815	\$ 1,743,950
Receivables		
Province of Nova Scotia	19,334,409	19,880,128
Municipal councils	11,239	-
Government of Canada	198,556	856,843
Other	<u>2,670,936</u>	<u>2,713,028</u>

Total financial assets

25,966,955 25,193,949

Financial liabilities

Payables and accruals - trade	4,290,058	4,604,592
Payables and accruals - government		
Province of Nova Scotia	17,363	23,218
Municipalities	7,592	14,656
Deferred revenues	733,390	895,598
Post-employment benefits (Note 6)	7,655,089	7,455,860
Compensated absences benefits (Note 7)	<u>9,266,746</u>	<u>8,817,255</u>

Total financial liabilities

21,970,238 21,811,179

Net financial assets

3,996,717 3,382,770

Non-financial assets

Capital assets (net of accumulated depreciation) (Page 25)		
School buildings and improvements	1,422,843	1,497,730
Equipment and furnishings	41,118	51,397
Motor vehicles	<u>85,883</u>	<u>100,500</u>

1,549,844 1,649,627

Prepays	<u>26,296</u>	<u>391,716</u>
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1,576,140 2,041,343

Accumulated surplus (Note 9)

\$ 5,572,857 \$ 5,424,113

On behalf of the Board

Francine Boudreau Chairperson

Id. Ri Superintendent

See accompanying notes to the financial statements.

Strait Regional School Board

Statement of operations

Year ended March 31 2015 2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Province of Nova Scotia	\$ 62,146,238	\$ 70,096,479	\$ 66,676,228
Government of Canada	116,655	114,632	204,554
Local First Nations	1,155,924	1,185,142	1,164,021
Municipal contributions	12,450,700	12,450,738	12,282,851
Other revenues	4,701,979	5,088,761	5,051,437
School generated funds	<u>-</u>	<u>2,378,362</u>	<u>2,238,483</u>
	<u>80,571,496</u>	<u>91,314,114</u>	<u>87,617,574</u>
Expenditure			
Board governance	294,364	292,376	329,166
Regional management	2,445,327	2,545,977	2,569,130
School management and support	6,668,728	6,522,557	6,355,343
Instructional and school services	37,449,968	37,539,334	36,774,396
Student support	10,586,677	11,029,413	10,137,239
Property services	11,734,443	17,985,856	17,340,011
Student transportation	7,702,545	7,730,137	7,448,255
Other programs	3,645,088	4,486,091	3,739,237
Interest expense	-	667,428	637,049
School generated funds	-	2,234,791	2,094,341
Depreciation	<u>44,356</u>	<u>131,410</u>	<u>145,793</u>
	<u>80,571,496</u>	<u>91,165,370</u>	<u>87,569,960</u>
School Board annual surplus	<u>\$ -</u>	<u>\$ 148,744</u>	<u>\$ 47,614</u>

Accumulated surplus (Note 9)

Balance, beginning of year	\$ 5,424,113	\$ 5,376,499
School Board annual surplus	<u>148,744</u>	<u>47,614</u>
Balance, end of year	<u>\$ 5,572,857</u>	<u>\$ 5,424,113</u>

See accompanying notes to the financial statements.

Strait Regional School Board

Statement of changes in net financial assets

Year ended March 31

2015

2014

	<u>Actual</u>	<u>Actual</u>
Net financial assets, beginning of year	<u>\$ 3,382,770</u>	<u>\$ 3,231,350</u>
Changes in the year		
School Board annual surplus	148,744	47,614
Acquisition of tangible capital assets	(31,627)	(51,314)
Depreciation of tangible capital assets	131,410	145,793
Decrease in prepaids	<u>365,420</u>	<u>9,327</u>
Increase in net financial assets	<u>613,947</u>	<u>151,420</u>
Net financial assets, end of year	<u>\$ 3,996,717</u>	<u>\$ 3,382,770</u>

See accompanying notes to the financial statements.

Strait Regional School Board

Statement of cash flows

Year ended March 31

2015

2014

Increase (decrease) in cash and cash equivalents

Operating transactions

School Board annual surplus	\$ 148,744	\$ 47,614
Non-cash items included in annual surplus		
Depreciation	131,410	145,793
Decrease (increase) in receivables	1,234,859	(133,341)
Decrease in payables	(327,453)	(1,359,982)
Increase in post-employment benefits	199,229	112,752
Increase in compensated absences benefits	449,491	392,332
Decrease in prepaids	365,420	9,327
Decrease in deferred revenues	<u>(162,208)</u>	<u>(278,041)</u>

Cash provided (used) by operating transactions 2,039,492 (1,063,546)

Capital transactions

Acquisition of tangible capital assets	<u>(31,627)</u>	<u>(51,314)</u>
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Cash applied to capital transactions (31,627) (51,314)

Net increase (decrease) in cash and cash equivalents 2,007,865 (1,114,860)

Cash and cash equivalents, beginning of year 1,743,950 2,858,810

Cash and cash equivalents, end of year \$ 3,751,815 \$ 1,743,950

See accompanying notes to the financial statements.

Strait Regional School Board

Notes to the financial statements

March 31, 2015

1. Nature of operations

The Strait Regional School Board manages education programs and finances of public schools within Inverness, Guysborough, Richmond, and Antigonish counties. The Board is registered as a charitable organization under the Income Tax Act and therefore, is exempt from income tax.

2. Summary of significant accounting policies

These financial statements have been 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 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.

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 inflow received before the criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

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.

Strait Regional School Board

Notes to the financial statements

March 31, 2015

2. Summary of significant accounting policies (continued)

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.

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.

Net financial assets

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

Non-financial assets

Tangible capital assets that 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 (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Tangible capital assets include land, buildings, computer equipment and software, 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.

Prior to 2001, all building improvements and acquisitions of furniture and equipment were recorded at cost. Commencing in 2001, 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. These thresholds are as follows:

Buildings	\$ 250,000
Leasehold improvements	\$ 250,000
Computer hardware	\$ 25,000
Motor vehicles	\$ 15,000
Major equipment	\$ 50,000

Under the agreement with the municipal councils, all school buildings and land on hand at January 1, 1982, remain assets of the Municipality but are under the operational control of the Board until such time, as the Board no longer requires the asset for school purposes. At that time, control will revert back to the municipal councils.

Strait Regional School Board

Notes to the financial statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Non-financial assets (continued)

The Board has made additions to school buildings, legal title to which is held by the Municipality. Under the Education Act, should the buildings in question be disposed of, the Board will be entitled to a portion of any net proceeds of disposition.

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

Reserves and reserve funds

Reserves and reserve funds represent funds appropriated for general and specific purposes. Reserves are charged or credited to the reserve fund as a part of the accumulated surplus and are not reported on the statement of operations in the year appropriated or drawn.

Trust funds

The trust funds represent capital contributed in trust on which the income thereon is used to provide scholarships for eligible students. In addition to these scholarships, individual schools and their students raise funds for various specific activities or projects. These funds can only be used for these designated activities and are thus shown as trust funds. Trust fund assets administered by the School Board are identified in Schedule C.

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.

Capital assets

Capital assets are depreciated using the declining balance method at the following rates:

Buildings	5%
Equipment	20%
Motor vehicles	35%

Strait Regional School Board

Notes to the financial statements

March 31, 2015

2. Summary of significant 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 at the date of the financial statements, and reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

School generated funds

These financial statements include 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 detailed in Schedule D of the financial statements.

Post-employment benefits and compensated allowances

The Board provides defined service rewards and compensated absences to certain employee groups. These benefits include pension, service awards and non-vesting sick leave. The 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 costs of non-vesting sick leave 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.
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Strait Regional School Board

Notes to the financial statements

March 31, 2015

3. Pension plans

The Board contributes to the following pension plans on behalf of its employees:

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

4. Bank indebtedness

The Board has an operating line of credit of \$726,000 which was fully available as at March 31, 2015.

5. Related party transactions

These financial statements do not include certain expenditures paid and services provided on behalf of the Board by the Province of Nova Scotia, including but not limited to:

- Early Retirement Program payments;
 - P3 schools and facilities leases and operating costs;
 - Payments for the teachers' pension plan and medical premiums; and
 - Certain IT systems and support.
-

Strait Regional School Board

Notes to the financial statements

March 31, 2015

6. Post-employment benefits

Retirement allowance – Teachers

For all service on or before July 31, 2002, 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 of service with the Board at varying rates.

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 multiplied by the annual salary rate on the last day of employment with the Board, to a maximum of 30 years.

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 through an actuarial valuation obtained as required under Section 3250 of the Public Sector Accounting Handbook.

	<u>2015</u>	<u>2014</u>
Accrued benefit obligation, beginning of year	\$ 4,560,600	\$ 4,241,045
Current service cost	302,400	288,500
Interest on obligation	186,887	175,493
Less: benefits paid	(307,169)	(381,538)
Actuarial losses	<u>-</u>	<u>237,100</u>
Accrued benefit obligation, end of year	4,742,718	4,560,600
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – (deficiency)	(4,742,718)	(4,560,600)
Unamortized actuarial losses	<u>(312,759)</u>	<u>(288,871)</u>
Accrued benefit liability – Teachers	<u>\$ (5,055,477)</u>	<u>\$ (4,849,471)</u>

Retirement allowance – Non-Teachers

An actuarial valuation has been obtained by the Province of Nova Scotia which has been prepared under PSAB 3250 of the Public Sector Accounting Handbook. 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 post-retirement benefit 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.

Strait Regional School Board

Notes to the financial statements

March, 31, 2015

6. Post-employment benefits (continued)

	<u>2015</u>	<u>2014</u>
Accrued benefit obligation, beginning of year	\$ 2,663,445	\$ 2,598,053
Current service cost	104,021	144,277
Interest on obligation	104,948	105,441
Other (past service, transfer, etc)	(89,221)	-
Less: benefits paid	(133,049)	(228,042)
Actuarial losses	<u>-</u>	<u>43,716</u>
Accrued benefit obligation, end of year	2,650,144	2,663,445
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – (deficiency)	(2,650,144)	(2,663,445)
Unamortized actuarial gains	<u>50,532</u>	<u>57,056</u>
Accrued benefit liability – Non-Teachers	<u>\$ (2,599,612)</u>	<u>\$ (2,606,389)</u>

Summary of post-employment benefits

	<u>2015</u>	<u>2014</u>
Accrued benefit liability – Teachers	\$ (5,055,477)	\$ (4,849,471)
Accrued benefit liability – Non-teachers	<u>(2,599,612)</u>	<u>(2,606,389)</u>
Total post-employment benefit obligation	<u>\$ (7,655,089)</u>	<u>\$ (7,455,860)</u>

The following actuarial assumptions have been used in the determination of the accrued benefit obligation related to retiring allowances as at March 31:

	<u>2015</u>	<u>2014</u>
Discount rate	4.1%	4.1%
Rate of compensation increase	2.25 - 3.5%	2.5% - 3.5%
Termination rates	Nil	Nil
Mortality rates	Nil	Nil

The actuary assumed for teachers that 50% of employees will retire at rule of 85 but not earlier than age 55, and the 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 of age 60 and their current age. The actuary assumed for non-teachers that 65% of employees will retire on the date they are first eligible for retirement (earliest of age 65 and 35 years of service), and the remainder will retire at rule of 80, minimum age of 55.

The Board has recognized in these financial statements the liability associated with retirement allowances 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.

Strait Regional School Board

Notes to the financial statements

March, 31, 2015

7. Compensated absences benefits

Qualifying employees are entitled to a prescribed number of sick leave days for use over their employment term.

The Board has recognized in these financial statements, the liability associated with accumulated sick leave earned by staff. The 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. These amounts have been determined by the Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation has calculated the benefit obligation for the Board to be \$9,266,746 of March 31, 2015 (2014 - \$8,817,255).

	<u>2015</u>	<u>2014</u>
Accrued benefit obligation, beginning of year	\$ 9,131,108	\$ 8,528,248
Current service cost	712,830	684,760
Interest on obligation	375,593	356,115
Less: Sick leave taken	(662,620)	(656,094)
Actuarial losses	<u>(2,168,000)</u>	<u>218,079</u>
Accrued benefit obligation, end of year	7,388,911	9,131,108
Pension assets, at market related values	<u>-</u>	<u>-</u>
Funded status – (deficiency)	(7,388,911)	(9,131,108)
Unamortized actuarial (losses) gains	<u>(1,877,835)</u>	<u>313,853</u>
Compensated absences benefits liability	<u>\$ (9,266,746)</u>	<u>\$ (8,817,255)</u>

These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the board's best estimate of expected rates of:

	<u>2015</u>	<u>2014</u>
Discount rate	4.1%	4.1%
Rate of compensation increase	2.25% - 3.5%	2.5% - 3.5%
Termination rates	2.5% - Nil	2.5% - Nil
Mortality rates	Nil	3.5% - Nil

Strait Regional School Board

Notes to the financial statements

March 31, 2015

8. Expenditures by object	<u>2015</u>	<u>2014</u>
Salaries, wages, and benefits	\$ 67,083,630	\$ 64,064,002
Travel	615,541	505,328
Contracted services	872,184	723,076
Equipment	1,659,663	2,274,537
Property	6,869,362	5,887,705
Vehicle	1,911,881	1,980,886
Utilities	4,080,426	4,483,627
Supplies	4,090,658	3,787,104
Conferences	269,485	366,862
Professional development	678,911	619,650
Depreciation	131,410	145,793
School based funds	2,234,791	2,094,341
Interest expense	<u>667,428</u>	<u>637,049</u>
	<u>\$ 91,165,370</u>	<u>\$ 87,569,960</u>

Strait Regional School Board

Notes to the financial statements

March 31, 2015

9. Accumulated surplus	<u>2015</u>	<u>2014</u>
Operating fund	\$ 2,640,196	\$ 2,535,240
School generated funds	1,382,817	1,239,246
Capital fund	<u>1,549,844</u>	<u>1,649,627</u>
	<u>\$ 5,572,857</u>	<u>\$ 5,424,113</u>
Operating fund		
Balance, beginning of year	\$ 2,535,240	\$ 2,537,289
School Board annual surplus	<u>148,744</u>	<u>47,614</u>
	2,683,984	2,584,903
Transfer to school generated funds	(143,571)	(144,142)
Transfer from capital fund	131,410	145,793
Transfer to capital fund	<u>(31,627)</u>	<u>(51,314)</u>
Balance, end of year	<u>\$ 2,640,196</u>	<u>\$ 2,535,240</u>
School generated funds		
Balance, beginning of year	\$ 1,239,246	\$ 1,095,104
Transfer from operating fund	<u>143,571</u>	<u>144,142</u>
	\$ 1,382,817	\$ 1,239,246
Balance, end of year	<u>\$ 1,382,817</u>	<u>\$ 1,239,246</u>
Capital fund		
Balance, beginning of year	\$ 1,649,627	\$ 1,744,106
Transfer to operating fund	(131,410)	(145,793)
Transfer from operating fund	<u>31,627</u>	<u>51,314</u>
	\$ 1,549,844	\$ 1,649,627
Balance, end of year	<u>\$ 1,549,844</u>	<u>\$ 1,649,627</u>

Strait Regional School Board

Notes to the financial statements

March 31, 2015

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 government. 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 authority'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 equity 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.

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.

Strait Regional School Board

Notes to the financial statements

March 31, 2015

10. Financial instrument risk management (continued)

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.

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

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.

Strait Regional School Board

Schedule A – Supplementary details of revenue

Year ended March 31

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 47,470,800	\$ 47,469,994	\$ 48,162,850
Accrued wages and vacation	-	14,100	1,213,800
Restricted	13,154,000	13,971,279	9,984,785
Capital	-	5,890,568	5,606,394
Special programs and projects	<u>1,521,438</u>	<u>2,750,538</u>	<u>1,708,399</u>
	<u>\$ 62,146,238</u>	<u>\$ 70,096,479</u>	<u>\$ 66,676,228</u>
Government of Canada			
Secretary of State	<u>\$ 116,655</u>	<u>\$ 114,632</u>	<u>\$ 204,554</u>
Board operations			
Other revenue - schools	\$ 2,125,000	\$ 2,511,895	\$ 2,463,039
Rentals	79,083	75,433	82,217
Investment income	50,000	53,537	58,284
Recoveries – non-governmental	<u>2,447,896</u>	<u>2,447,896</u>	<u>2,447,896</u>
	<u>\$ 4,701,979</u>	<u>\$ 5,088,761</u>	<u>\$ 5,051,437</u>

Strait Regional School Board

Schedule B – Supplementary details of expenditure

Year ended March 31 2015 2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Board governance			
Board members	\$ 205,850	\$ 203,784	\$ 241,947
Board secretary	43,889	43,967	42,594
NSSBA and other	<u>44,625</u>	<u>44,625</u>	<u>44,625</u>
	<u>\$ 294,364</u>	<u>\$ 292,376</u>	<u>\$ 329,166</u>
Regional management			
Management services	\$ 937,467	\$ 1,015,094	\$ 1,007,657
Financial services	891,514	887,991	899,333
Human resource services	501,701	517,107	550,098
Communication services	<u>114,645</u>	<u>125,785</u>	<u>112,042</u>
	<u>\$ 2,445,327</u>	<u>\$ 2,545,977</u>	<u>\$ 2,569,130</u>
School management and support			
School management	\$ 4,787,393	\$ 4,680,524	\$ 4,650,212
Program and curriculum support	1,412,921	1,446,875	1,241,493
ITS – site specific	<u>468,414</u>	<u>395,158</u>	<u>463,638</u>
	<u>\$ 6,668,728</u>	<u>\$ 6,522,557</u>	<u>\$ 6,355,343</u>
Instructional and school services			
Instruction	\$ 35,712,961	\$ 35,638,132	\$ 33,780,526
Guidance services	1,069,342	1,238,170	1,113,987
Accrued wages – NSTU	-	14,100	1,213,800
Library services	<u>667,665</u>	<u>648,932</u>	<u>666,083</u>
	<u>\$ 37,449,968</u>	<u>\$ 37,539,334</u>	<u>\$ 36,774,396</u>
Student support			
Program management	\$ 223,347	205,495	\$ 268,119
Instruction	9,461,185	9,941,488	9,025,370
Program and curriculum support	<u>902,145</u>	<u>882,430</u>	<u>843,750</u>
	<u>\$ 10,586,677</u>	<u>\$ 11,029,413</u>	<u>\$ 10,137,239</u>

Strait Regional School Board

Schedule B – Supplementary details of expenditure

Year ended March 31

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Property services			
Management services	\$ 267,726	\$ 363,092	\$ 362,818
Custodial services	3,486,123	3,485,723	3,447,926
Maintenance services	7,252,368	13,092,876	12,539,473
Grounds services	<u>728,226</u>	<u>1,044,165</u>	<u>989,794</u>
	<u>\$ 11,734,443</u>	<u>\$ 17,985,856</u>	<u>\$ 17,340,011</u>
Student transportation			
Management services	\$ 532,205	\$ 534,847	\$ 450,962
Transportation (Board)	4,055,046	4,143,110	4,064,203
Maintenance (Board)	2,986,319	2,952,413	2,813,546
Transportation (Contract)	55,000	41,453	50,100
Site maintenance	<u>73,975</u>	<u>58,314</u>	<u>69,444</u>
	<u>\$ 7,702,545</u>	<u>\$ 7,730,137</u>	<u>\$ 7,448,255</u>

Strait Regional School Board

Schedule C – Supplementary details of trust funds

Year ended March 31, 2015

Trust fund - scholarships

	<u>Equity</u> <u>2014</u>	<u>Donations</u> <u>& income</u>	<u>Awards</u>	<u>Equity</u> <u>2015</u>
Catherine Avery Bursary	\$ 2,538	\$ 39	\$ -	\$ 2,577
Allistair Fraser Award	131	21	150	2
Ray Caldwell Scholarship	5,090	78	90	5,078
Dorothy Jost Drysdale Scholarship	2,294	35	200	2,129
Roy Fanning-Hillside Bursary	25	-	-	25
Norman Grant Scholarship	25,179	387	-	25,566
Carol Long Scholarship	12,215	188	250	12,153
NSP Employees Scholarship	19,229	396	-	19,625
James Russell Scholarship	2	-	-	2
Bertha Morgan Scholarship	1,017	16	50	983
Henry Marshall Tory Prize	133,363	2,049	2,200	133,212
James Tory Prize	14,087	267	1,000	13,354
Paul Hendsbee Memorial	10	-	-	10
Donald Archibald Memorial	1,017	16	15	1,018
Neil & Eileen MacIsaac Bursary	2,608	40	66	2,582
Thomas Williams Prize	5,277	81	228	5,130
Tina Munro Hickey Prize	10,009	156	168	9,997
AW Cameron Memorial	4,359	67	-	4,426
Jesse Sceles Memorial	2,418	35	-	2,453
E Beatrice Nichols Scholarship	<u>-</u>	<u>2,032</u>	<u>-</u>	<u>2,032</u>
	<u>\$ 240,868</u>	<u>\$ 5,903</u>	<u>\$ 4,417</u>	<u>\$ 242,354</u>

Strait Regional School Board

Schedule D – Supplementary details of school generated funds

Year ended March 31, 2015

	Equity <u>2014</u>	Revenue & interest	Disbursements	Equity <u>2015</u>
Antigonish Education Centre	\$ 162,606	\$ 70,162	\$ 50,473	\$ 182,295
Bayview Education Centre	28,741	58,004	56,766	29,979
Canso Academy/ Fanning Education Centre	65,447	106,156	106,699	64,904
Cape Breton Highlands Academy/ Education Centre	103,037	158,800	154,284	107,553
Chedabucto Place	72,495	123,937	98,361	98,071
Dalbrae Academy	63,030	195,975	175,378	83,627
Dr. J.H. Gillis Regional East Antigonish Academy/ Education Centre	132,763	366,732	322,730	176,765
East Antigonish Academy/ Education Centre	110,149	162,843	152,022	120,970
East Richmond Education Centre	37,924	57,099	54,113	40,910
Felix Marchand Education Centre	623	34,351	28,403	6,571
H.M. MacDonald Elementary School	6,347	25,959	25,820	6,486
Inverness Academy/Education Centre	109,307	109,514	98,865	119,956
Mulgrave Memorial Education Centre	11,726	20,785	19,513	12,998
Richmond Academy	46,890	193,918	187,696	53,112
SAERC	102,420	232,461	256,391	78,490
St. Andrew's Consolidated School	24,162	55,920	57,760	22,322
St. Andrew Junior High	69,438	133,441	121,753	81,126
St. Mary's Centre/Academy	44,699	160,642	164,183	41,158
Tamarac Education Centre	16,131	67,957	60,986	23,102
Whycocomagh Education Centre	31,311	43,706	42,595	32,422
	<u>\$ 1,239,246</u>	<u>\$ 2,378,362</u>	<u>\$ 2,234,791</u>	<u>\$1,382,817</u>

Strait Regional School Board

Schedule E – Supplementary details of capital assets

Year ended March 31, 2015

	<u>School buildings</u>	<u>Equipment</u>	<u>Motor vehicles</u>	<u>2015</u>	<u>2014</u>
Cost					
Opening	\$ 3,141,287	\$ 1,291,709	\$ 846,100	\$ 5,279,096	\$ 5,227,782
Additions	<u>-</u>	<u>-</u>	<u>31,627</u>	<u>31,627</u>	<u>51,314</u>
Closing	<u>3,141,287</u>	<u>1,291,709</u>	<u>877,727</u>	<u>5,310,723</u>	<u>5,279,096</u>
Accumulated depreciation					
Opening	1,643,557	1,240,312	745,600	3,629,469	3,483,676
Depreciation	<u>74,887</u>	<u>10,279</u>	<u>46,244</u>	<u>131,410</u>	<u>145,793</u>
Closing	<u>1,718,444</u>	<u>1,250,591</u>	<u>791,844</u>	<u>3,760,879</u>	<u>3,629,469</u>
Net book value	1,422,843	41,118	85,883	1,549,844	1,649,627
Opening balance	<u>1,497,730</u>	<u>51,397</u>	<u>100,500</u>	<u>1,649,627</u>	<u>1,744,106</u>
Decrease in net book value	<u>\$ (74,887)</u>	<u>\$ (10,279)</u>	<u>\$ (14,617)</u>	<u>\$ (99,783)</u>	<u>\$ (94,479)</u>
