



Financial Statements

Tri-County Regional School Board

March 31, 2015

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Tri-County 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 regular 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 Tri-County 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 Tri-County Regional School Board



Genna LeBlanc, CA
Coordinator of Finance

June 23, 2015

Independent auditor's report

To the Chairperson and Members of the Board of
the Tri-County Regional School Board

We have audited the accompanying financial statements of the Tri-County 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 control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Tri-County 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.



Bridgewater, Canada
June 23, 2015

Chartered Accountants

Tri-County Regional School Board

Statement of Financial Position

As at March 31

2015

2014

Financial Assets

Cash and Cash Equivalents	\$ 1,460,801	\$ (830,000)
Cash Held by Schools (Note 2)	1,268,283	1,166,538
	\$ 2,729,084	\$ 336,538
Accounts Receivable		
Province of Nova Scotia	\$ 2,249,217	\$ 5,078,040
Government of Canada	281,820	417,191
Other	84,265	248,832
Accrued Benefit Asset (Note 3)	1,185,400	1,033,900
Receivable - Service Award Allowance (Note 7)	4,617,865	4,213,738
Receivable - Sick Leave Allowance (Note 7)	8,850,043	8,334,422
Total Financial Assets	\$ 19,997,694	\$ 19,662,661

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 2,577,567	\$ 2,245,340
Accrued Payroll and Employee Deductions	1,364,409	1,564,249
Payables and Accruals - Government		
Province of Nova Scotia	28,110	27,541
Municipalities	100,588	13,830
Deferred Revenue (Note 8)	921,631	1,232,997
Service Award Obligations (Note 7)	4,617,865	4,213,738
Sick Leave Obligations (Note 7)	8,850,043	8,334,422
Total Liabilities	\$ 18,460,213	\$ 17,632,117

Net Financial Assets

	\$ 1,537,481	\$ 2,030,544
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ 143,104	\$ 92,508
Inventory	238,583	238,583
Prepaid Expenses	318,166	309,189
	\$ 699,853	\$ 640,280

Accumulated Surplus (Note 1)

	\$ 2,237,334	\$ 2,670,824
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Trust Funds under Administration (Note 4 and Schedule D & E)

Contractual Obligations (Note 5)

Commitments and Contingencies (Note 7)

On Behalf of the Board


Chairperson


Board Member

Tri-County Regional School Board
Statement of Operations and Surplus

For the year ended March 31

2015

2014

	Budget (Unaudited)	Actual	Actual
Revenues (Schedule A)			
Province of Nova Scotia	\$ 56,655,350	\$ 60,008,623	\$ 57,806,123
Government of Canada	330,000	308,438	310,220
Municipal Contributions	10,899,999	10,900,003	10,739,795
School Generated Funds (Note 2)	2,250,000	2,570,596	2,281,904
Board Operations	2,308,836	2,266,738	2,170,671
Total Revenues	\$ 72,444,185	\$ 76,054,398	\$ 73,308,713
Expenses (Schedule B)			
Board Governance	\$ 275,292	\$ 278,343	\$ 269,133
Regional Management	2,046,702	2,178,875	1,926,418
School Management & Support	6,023,592	6,265,385	6,050,624
Instruction & School Services	32,166,927	32,336,432	31,156,826
Student Support	9,012,081	9,063,963	8,216,854
Adult & Community Education	395,266	357,302	377,098
Property Services	10,946,624	13,969,743	14,856,171
Student Transportation	5,380,592	5,286,983	5,097,544
School Generated Funds (Note 2)	2,130,000	2,468,852	2,149,847
Other Programs	4,467,109	4,433,510	3,466,848
Defined Benefit Pension Plan Recovery	-	(151,500)	(251,204)
	\$ 72,844,185	\$ 76,487,888	\$ 73,316,159
School Board Deficit, on an expense basis	\$ (400,000)	\$ (433,490)	\$ (7,446)
Transfer from Operating	400,000	\$ -	\$ -
	\$ -	\$ (433,490)	\$ (7,446)
Accumulated Surplus, beginning of year	-	2,670,824	2,678,270
Accumulated Surplus, end of year	\$ -	\$ 2,237,334	\$ 2,670,824

Tri-County 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	\$ 2,030,544	\$ 2,028,057
Changes in the Year		
School Board Surplus, on an expense basis	(433,490)	(7,446)
Amortization of Tangible Capital Assets	55,597	51,707
Purchases of Tangible Capital Assets	(106,193)	(42,029)
Disposition of Tangible Capital Assets	-	10,525
Decrease in prepaid expenses	(8,977)	(10,270)
Increase in net financial assets	(493,063)	2,487
Net Financial Assets, end of year	\$ 1,537,481	\$ 2,030,544

See accompanying notes to the financial statements.

Tri-County Regional School Board**Statement of Cash Flows**

For the year ended March 31

2015**2014**

Operating Transactions

School Board deficit, on an expense basis	\$ (433,490)	\$ (7,446)
Items not affecting cash:		
Loss on disposition of vehicles	-	10,524
Capital asset amortization	55,597	51,707
	<u>(377,893)</u>	<u>54,785</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	3,128,761	(2,584,640)
Increase in receivables - service awards	(404,127)	(183,945)
Increase in receivable - sick leave	(515,621)	(446,333)
Increase in prepaid expenses	(8,977)	(10,270)
Increase in accrued benefit asset	(151,500)	(401,000)
Increase in accounts payable and accruals	219,714	89,362
Decrease in deferred revenue	(311,366)	(215,425)
Increase in retirement - obligations payable	404,127	183,945
Increase in sick leave - obligations payable	515,621	446,333
	<u>2,876,632</u>	<u>(3,121,973)</u>
Cash provided (used) by operating activities	<u>2,498,739</u>	<u>(3,067,188)</u>

Capital Transactions

Cash used to acquire tangible capital assets	<u>(106,193)</u>	<u>(42,029)</u>
Increase (decrease) in cash	2,392,546	(3,109,217)
Cash, beginning of year	<u>336,538</u>	<u>3,445,755</u>
Cash, end of year	<u>\$ 2,729,084</u>	<u>\$ 336,538</u>

See accompanying notes to the financial statements.

Tri-County Regional School Board
Schedule A - Supplementary Details of Revenues

For the year ended March 31

2015

2014

	Budget (Unaudited)	Actual	Actual
Province of Nova Scotia			
Operating	\$ 40,126,900	\$ 40,706,520	\$ 41,148,933
Restricted	12,265,599	11,995,773	8,567,315
Capital	1,047,500	3,367,323	4,911,181
Other	3,215,351	3,939,007	3,178,694
	<u>\$ 56,655,350</u>	<u>\$ 60,008,623</u>	<u>\$ 57,806,123</u>
Government of Canada			
First Nations	\$ 330,000	\$ 308,438	\$ 310,220
Municipal Contributions - Mandatory	<u>\$ 10,899,999</u>	<u>\$ 10,900,003</u>	<u>\$ 10,739,795</u>
School Generated Funds (Note 2)	<u>\$ 2,250,000</u>	<u>\$ 2,570,596</u>	<u>\$ 2,281,904</u>
Board Operations			
Board Generated Revenue - Other Revenue	\$ 2,278,836	\$ 2,229,225	\$ 2,135,561
Interest/Investment	30,000	33,314	28,054
Sale of Assets	-	4,199	7,056
	<u>\$ 2,308,836</u>	<u>\$ 2,266,738</u>	<u>\$ 2,170,671</u>
Total Revenue	<u>\$ 72,444,185</u>	<u>\$ 76,054,398</u>	<u>\$ 73,308,713</u>

Tri-County Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2015

2014

	Budget (Unaudited)	Actual	Actual
Board Governance			
Salaries	\$ 151,586	\$ 150,395	\$ 141,491
Benefits	7,316	6,923	6,888
Travel	19,665	26,003	24,976
Supplies/Materials/Telecommunications	17,900	16,197	34,200
Professional Development	34,200	34,200	16,953
NSSBA Dues	44,625	44,625	44,625
Total Board Governance	\$ 275,292	\$ 278,343	\$ 269,133
Regional Management			
Salaries	\$ 1,049,368	\$ 1,085,536	\$ 1,003,140
Benefits	191,166	211,682	75,855
Travel	54,000	61,083	51,421
Professional Services - Legal and Audit	72,400	134,571	132,677
Contracted Services	475,589	483,110	438,875
Repairs/Maintenance	5,000	10,653	5,746
Vehicle Expense	1,025	599	1,122
Supplies/Materials/Telecommunications	99,800	102,774	83,786
Professional Development	32,440	19,279	18,013
Insurance	58,039	59,123	58,693
Amortization	7,875	10,465	6,778
School Board Elections	-	-	50,312
Total Regional Management	\$ 2,046,702	\$ 2,178,875	\$ 1,926,418
School Management & Support			
Salaries	\$ 5,143,930	\$ 5,304,872	\$ 5,113,508
Benefits	475,509	509,284	481,923
Travel	49,300	54,307	57,496
Contracted Services	119,700	181,927	154,975
Supplies/Materials/Telecommunications/Utilities	173,793	183,626	228,414
Professional Development	61,360	31,369	14,308
Total School Management & Support	\$ 6,023,592	\$ 6,265,385	\$ 6,050,624
Instruction & School Services			
Salaries	\$ 28,956,588	\$ 28,335,753	\$ 27,679,898
Benefits	1,604,524	1,783,956	1,655,243
Service Award Allowances - Current	342,900	355,638	252,177
Travel	8,000	10,583	7,895
Contracted Services	9,097	-	-
Supplies/Materials/Telecommunications	517,118	453,152	225,999
Textbook Allocation	327,200	327,200	335,900
Service Award Allowances - Interest	-	549,412	511,985
Professional Development	401,500	362,729	376,972
Sick Leave Allowances - Interest (Note 7)	-	158,009	110,757
Total Instruction & School Services	\$ 32,166,927	\$ 32,336,432	\$ 31,156,826

See accompanying notes to the financial statements.

Tri-County Regional School Board
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2015

2014

	Budget (Unaudited)	Actual	Actual
Student Support			
Salaries	\$ 7,844,765	\$ 7,947,829	\$ 7,215,681
Benefits	810,628	876,612	782,709
Travel	79,252	98,282	73,484
Contracted Services	35,000	26,010	-
Supplies/Materials/Telecommunications	209,936	90,841	126,070
Professional Development	32,500	24,389	18,910
Total Student Support	\$ 9,012,081	\$ 9,063,963	\$ 8,216,854
Adult & Community Education			
Salaries	\$ 344,494	\$ 311,758	\$ 330,939
Benefits	33,122	34,588	32,372
Travel	1,700	332	1,754
Contracted Services	3,550	3,639	3,460
Supplies/Materials/Telecommunications	12,400	6,985	8,573
Total Adult & Community Education	\$ 395,266	\$ 357,302	\$ 377,098
Property Services			
Salaries	\$ 3,729,917	\$ 3,840,663	\$ 3,537,967
Benefits	805,907	885,713	768,473
Travel	44,000	38,190	48,180
Contracted Services	944,050	1,107,194	988,129
Repairs/Maintenance	2,060,200	4,715,498	5,938,320
Vehicle Expenses	85,950	104,840	96,582
Supplies/Materials/Telecommunications	458,702	484,342	474,167
Utilities	2,619,672	2,597,833	2,786,686
Professional Development	19,000	6,343	17,619
Insurance	132,526	148,418	147,286
Amortization	46,700	40,709	52,762
Total Property Services	\$ 10,946,624	\$ 13,969,743	\$ 14,856,171
Student Transportation			
Salaries	\$ 2,948,331	\$ 2,868,460	\$ 2,669,358
Benefits	665,463	697,258	614,196
Travel	26,438	22,899	173,160
Contracted Services	23,500	31,457	25,398
Repairs/Maintenance	34,300	22,287	24,841
Vehicle Maintenance	1,457,330	1,419,131	1,455,343
Conveyance	35,000	43,563	35,766
Supplies/Materials/Telecommunications	89,900	90,696	52,989
Professional Development	19,650	10,619	18,895
Insurance	76,180	76,179	75,698
Amortization	4,500	4,434	2,692
Recoveries	-	-	(50,792)
Total Student Transportation	\$ 5,380,592	\$ 5,286,983	\$ 5,097,544

Tri-County 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)	\$ 2,130,000	\$ 2,468,852	\$ 2,149,847
Total School Generated Funds	\$ 2,130,000	\$ 2,468,852	\$ 2,149,847
Other Programs			
Salaries	\$ 2,320,616	\$ 2,475,388	\$ 1,926,291
Benefits	19,149	191,773	129,449
Travel	174,058	152,938	128,695
Contracted Services	715,000	769,360	685,572
Supplies/Materials	1,173,176	723,578	557,754
Repairs/Maintenance	-	75,000	-
Conveyance	28,710	12,241	5,157
Professional Development	36,400	33,232	33,930
Total Other Programs	\$ 4,467,109	\$ 4,433,510	\$ 3,466,848
Defined Benefits Pension			
Defined Benefits Pension Recovery	\$ -	\$ (151,500)	\$ (251,204)
Total Defined Benefits Pension	\$ -	\$ (151,500)	\$ (251,204)
Total Expenditures	\$ 72,844,185	\$ 76,487,888	\$ 73,316,159

Tri-County Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31, 2015

	Land, Buildings and Improvements	Major Equipment	Computer Hardware	Vehicles	2015 Total	2014 Total
Cost of Tangible Assets						
Opening Costs	\$ -	\$ -	\$ -	\$ 361,634	\$ 361,634	\$ 442,291
Additions	-	-	-	106,193	106,193	42,029
Dispositions	-	-	-	-	-	(122,686)
Closing Costs	\$ -	\$ -	\$ -	\$ 467,827	\$ 467,827	\$ 361,634
Accumulated Amortization:						
Opening Balance	\$ -	\$ -	\$ -	\$ 269,126	\$ 269,126	\$ 329,580
Amortization Expense	-	-	-	55,597	55,597	51,707
Amortization Adjustment on disposition	-	-	-	-	-	(112,161)
Closing Balance	\$ -	\$ -	\$ -	\$ 324,723	\$ 324,723	\$ 269,126
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$ 143,104	\$ 143,104	\$ 92,508
Net Book Value (NBV):						
Opening Balance	\$ -	\$ -	\$ -	\$ 92,508	\$ 92,508	\$ 112,711
Closing Balance	-	-	-	143,104	143,104	92,508
Decrease in NBV	\$ -	\$ -	\$ -	\$ 50,596	\$ 50,596	\$ (20,203)

Tri-County Regional School Board

Schedule D - Trust Funds Balance Sheet

As at March 31

2015

2014

Assets

Cash and Cash Equivalents (Note 4)	\$	684,634	\$	700,233
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Equity

Augusta Nickerson	\$	15,951	\$	15,561
Elsie Hemeon Fund		658		651
F. Dakin and P. Dakin Dickson		45,551		45,560
Dr. Charles and Mary Webster		87,658		87,628
Reserve for Scholarships				
Tri-County Regional School Board Memorial		3,566		3,524
Samuel Margolian Trust - Yarmouth High		5,060		5,051
Samuel Margolian Trust - St. Ambrose		5,001		4,942
Churchill Trust		966		954
Loraleis Trust		1,621		1,627
Blackader - Kirk Trust		611		5
Olson		3,725		3,481
Andrew Maxwell		2,008		1,985
Estate of Marjorie E. Jones		20		20
Digby Community Theatre Fund		330		326
Atlantic Philanthropy		9		9
Shelburne High - New School		53,788		53,155
Faith Guay		1,568		3,513
Barrington High - Enhancements - New School		38,541		38,087
Nicol Balcom		21,859		21,476
Emily Allen		96,176		97,525
Krista Harris		4,905		5,837
Forest Ridge		60,154		65,430
Meadowfields		59,047		90,222
Salida Capital Corporation		21,583		1,382
K. Daley Memorial		4,756		5,690
C. Stanley Memorial		21,172		20,922
F. Walker Memorial		8,658		9,051
J. Roache Memorial		13,542		9,042
S. deMolitor Memorial		3,593		4,243
David and Clytie Dexter		102,557		103,334
	\$	684,634	\$	700,233

On Behalf of the Board



 Chairperson



 Board Member

Tri-County Regional School Board
Schedule E - Supplementary Details of Trust Funds

For the year ended March 31, 2015

	Balance Beginning of Period	<u>Additions</u>	<u>Interest</u>	<u>Disbursements</u>	Balance End of Period
Augusta Nickerson	\$ 15,561		\$ 390		\$ 15,951
J. Pask Memorial	-				-
Elsie Hemeon	651		7		658
F. Dakin/P. Dakin Dickson	45,560		541	(550)	45,551
Dr. Charles/Mary Webster	87,628	-	820	(790)	87,658
Tri-County Regional School Board	3,524		42		3,566
S. Margolian Trust - Yarmouth High	5,051		9		5,060
S. Margolian Trust - St. Ambrose	4,942		59		5,001
Churchill Trust	954		12		966
Loraleis Trust	1,627		19	(25)	1,621
Blackader - Kirk Trust	5	600	6		611
Olson Trust	3,481	200	44		3,725
Andrew Maxwell	1,985		23		2,008
Estate of Marjorie E. Jones	20				20
Digby Community Theatre Fund	326		4		330
Atlantic Philanthropy	9				9
Shelburne High - New School	53,155		633		53,788
Faith Guay	3,513	20	35	(2,000)	1,568
Barrington High - New School	38,087		454		38,541
Nicol Balcom	21,476	500	383	(500)	21,859
Emily Allen	97,525		1,151	(2,500)	96,176
Krista Harris	5,837		68	(1,000)	4,905
Forest Ridge	65,430	29,148	629	(35,053)	60,154
Meadowfields	90,222	52,552	712	(84,439)	59,047
Salida Capital Corporation	1,382	25,000	201	(5,000)	21,583
K. Daley Memorial	5,690		66	(1,000)	4,756
C. Stanley Memorial	20,922		250		21,172
F. Walker Memorial	9,051		107	(500)	8,658
J. Roache Memorial	9,042	6,390	110	(2,000)	13,542
S. deMoliter Memorial	4,243	300	50	(1,000)	3,593
David and Clytie Dexter	103,334		1,223	(2,000)	102,557
	<u>\$ 700,233</u>	<u>\$ 114,710</u>	<u>\$ 8,048</u>	<u>\$ (138,357)</u>	<u>\$ 684,634</u>

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

Tri-County Regional School Board (the "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 Digby, Shelburne and Yarmouth 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 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 CPA Canada Public Sector Accounting Handbook, supplemented where appropriate by other CPA Canada Handbook – Accounting standards or pronouncements.

These financial statements have been prepared using the following significant accounting policies:

Reporting entity

The statement of financial position is presented using the principles prescribed by the Department of Education. Trust funds are not included in the statement of operations or in the statement of financial position. 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 inflow 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.

Expenses

Expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices recorded. Expenses 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 are for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised, at least annually.

Tri-County 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.

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. Bank borrowings are considered to be financing activities.

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.

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.

Tri-County 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 using the declining balance method, as defined in the policy are as follows:

	<u>Threshold</u>	<u>Rates</u>
Building	\$250,000	5%
Building improvements	\$150,000	5%
Leasehold improvements	\$250,000	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.

	<u>2015</u>	<u>2014</u>
Operating Surplus Unrestricted, beginning of year	\$ 470,383	\$ 1,010,886
Use of Accumulated Operating Surplus	(400,000)	-
School Board Deficit, on an expense basis after adjustment	<u>(33,490)</u>	<u>(7,446)</u>
	36,893	1,003,440
Operating Surplus – Designated to Defined Benefit Pension Plan	(151,500)	(401,000)
Operating Surplus – Designated to School Funds	<u>(101,744)</u>	<u>(132,057)</u>
Operating (Deficit) Surplus – Unrestricted, end of year	<u>(216,351)</u>	<u>470,383</u>
Defined Pension Plan – Accrued Benefit Asset, beginning of year	1,033,900	632,900
Defined Pension Plan – Accrued Benefit Asset, net surplus for year	<u>151,500</u>	<u>401,000</u>
Defined Pension Plan – Accrued Benefit Asset, end of year	<u>1,185,400</u>	<u>1,033,900</u>
School Funds – Restricted, beginning of year	1,116,541	1,034,484
School Funds – Restricted, net surplus for year	<u>101,744</u>	<u>132,057</u>
School Funds – Restricted, end of year	<u>1,268,285</u>	<u>1,166,541</u>
	<u>\$ 2,237,334</u>	<u>\$ 2,670,824</u>

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

2. School Generated Funds

These financial statements include funds arising from certain school and student activities that are controlled and administered by each school, for which the Board is accountable. Revenue from school funds is recognized as the funds are received. School funded activities expenses 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:

Changes in surplus are as follows:	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 1,166,538	\$ 1,034,484
Additions to school generated funds	2,570,597	2,281,904
School funded activities expenses	<u>(2,468,852)</u>	<u>(2,149,850)</u>
Net school generated funds for year	<u>101,745</u>	<u>132,054</u>
Balance, end of year	<u>\$ 1,268,283</u>	<u>\$ 1,166,538</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 Tri-County Regional School Board C.U.P.E. Staff Pension Plan (the "CUPE Plan") and the Tri-County Regional School Board Support Staff Pension Plan (the "Support Staff Plan"). Results are presented for the fiscal year ending March 31, 2015 based on the information received on April 15, 2015.

For both plans, employee contributions equal 5% of their salary, and the School Board contributes the balance to fund the plan.

C.U.P.E defined benefit pension plan

The CUPE pension plan was last valued on December 31, 2013. The next funding valuation of the plan is required to be completed for December 31, 2016. The accrued benefit asset was adjusted to March 31, 2015 by including employer contributions made between January and March of 2015. The reconciliation of the accrued benefit asset shows a funded status of \$756,600 as of March 31, 2015. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

3. Defined Benefit Pension Plans (continued)

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial cost method	Projected Unit Credit prorated on service
Discount rate per annum for the fiscal 2015 pension expense	5.25%
Discount rate per annum for the end of fiscal 2015 disclosure calculation	5.25%
Expected return on plan assets	5.25%
Annual salary increases	2.75%
Interest credited on employee contributions	5.25%
Retirement age	65 Years (or in one year, if later)
Administrative expenses	Implicitly recognized in the discount rate

Support Staff defined benefit pension plan

The Support Staff pension plan was last valued on December 31, 2013. The next funding valuation of the plan is required to be completed for December 31, 2016. The accrued benefit asset was adjusted to March 31, 2015 by including employer contributions made between January and March of 2015. The reconciliation of the accrued benefit asset shows a funded status of \$945,300 as of March 31, 2015. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Major assumptions regarding the Support Staff pension plan are as follows:

Actuarial cost method	Projected Unit Credit Prorated on Service
Discount rate per annum for the fiscal 2015 pension expense	5.25%
Discount rate per annum for the end of fiscal 2015 disclosure calculation	5.25%
Expected return on plan assets	5.25%
Annual salary increases	2.75%
Interest credited on employee contributions	5.25%
Retirement age	65 Years (or in one year, if later)
Administrative expenses	Implicitly recognized in the discount rate

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

3. Defined Benefit Pension Plans (continued)

The following table shows the plan's pension expense for the 2014 fiscal year, the expected benefit asset as at March 31, 2015 and a reconciliation of the accrued benefit asset as at March 31, 2015.

Pension Expense:	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Pension Expenditure/Expense:			
Current service cost (net of employee contributions)	\$ 402,200	\$ 343,800	\$ 746,000
Amortization of actuarial (gains) losses	(15,500)	(17,300)	(32,800)
Pension Interest Expenditure/Expense:			
Interest cost on the Accrued Benefit Obligation	296,800	214,900	511,700
Expected return on Plan Assets	<u>(327,300)</u>	<u>(252,100)</u>	<u>(579,400)</u>
Total 2015 pension expense	<u>\$ 356,200</u>	<u>\$ 289,300</u>	<u>\$ 645,500</u>

Development of Accrued Benefit Asset as at March 31, 2015

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Accrued Benefit Asset as at March 31, 2014	\$ 459,000	\$ 574,900	\$ 1,033,900
Fiscal 2015 expense	(356,200)	(289,300)	(645,500)
Fiscal 2015 School Board Contributions	<u>432,500</u>	<u>364,500</u>	<u>797,000</u>
Accrued Benefit Asset as at March 31, 2015	<u>\$ 535,300</u>	<u>\$ 650,100</u>	<u>\$ 1,185,400</u>

Reconciliation of the Accrued Benefit Asset as at March 31, 2015

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Assets	\$ 6,920,800	\$ 5,352,800	\$ 12,273,600
Accrued Benefit Obligation	<u>(6,164,200)</u>	<u>(4,407,500)</u>	<u>(10,571,700)</u>
Funded status as at March 31, 2015	756,600	945,300	1,701,900
Unamortized actuarial losses (gains)	(323,700)	(380,400)	(704,100)
Employer Contributions January to March 2015	<u>102,400</u>	<u>85,200</u>	<u>187,600</u>
Accrued Benefit Asset as at March 31, 2015	<u>\$ 535,300</u>	<u>\$ 650,100</u>	<u>\$ 1,185,400</u>

The accrued benefit asset of \$1,185,400 reflected in the financial statements for the year ended March 31, 2015 is based on estimates received from Morneau Shepell on April 15, 2015 and has not been adjusted to reflect the final estimated value.

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.

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

3. Defined Benefit Pension Plans (continued)

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. Such income is used to provide scholarships for eligible students or expenditures for specifically, designated purposes.

5. Contractual Obligations

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

	Rental Leases	Total
2016	\$ 210,852	\$ 210,852
2017	158,139	158,139
Total	\$ 368,991	\$ 368,991

6. Legal

Environmental and Legal Matters

There are potential costs with respect to environmental issues at a previous school site. The school board is currently involved in a lawsuit with the current owner of the property. However, the full impact is not determinable at this time and any costs cannot be reasonably determined.

There are several outstanding grievances, Human Rights Complaints and other claims against the Board. The outcomes of these grievances, complaints and claims are not determinable and therefore no amounts have been recorded in the accounts of the Board. Any settlements resulting from arbitration or resolution of these claims will be treated as a charge to operations in the period any settlement occurs.

Tri-County 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:

Shelburne District	- \$90 per year of service (maximum 35 years)
Yarmouth District	- 0.75 of 1% of annual salary (maximum TC6) per year of service (maximum 30 years)
Digby District	- \$80 per year of service (maximum 30 years)
Clare-Argyle District	- 0.6 of 1% of annual salary 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.

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 fifteen years' 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.

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.

All assumptions used in the Retiring Allowance valuation have been chosen by the Province as documented in their letter of April 13, 2015:

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 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 2015 benefit cost. CPM 2014 Public Sector table with future improvements in accordance with scale CPM-B for March 31, 2015 benefit obligation and estimated 2016 benefit cost.																
Termination:	5% per year in first two years of employment																

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

I. Service Awards – Teachers (continued)

Continuity of Service Award Allowance Liability - Teachers	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening benefit obligation, beginning of the year	\$ 3,889,461	\$ 3,585,326
Current service cost	276,200	263,500
Interest on obligation	162,592	149,944
Less: benefits paid	(123,788)	(279,809)
Actuarial losses	-	170,500
Closing benefit obligation, end of year	<u>4,204,465</u>	<u>3,889,461</u>
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(4,204,465)</u>	<u>(3,889,461)</u>
Unamortized actuarial losses	<u>314,745</u>	<u>340,387</u>
Accrued benefit liability - Teachers	<u>\$ (3,889,720)</u>	<u>\$ (3,549,074)</u>

II. Service Awards – Non-Teachers

For non-teachers, retiring allowance 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 for Nova Scotia School Boards.

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 the 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 date 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 as documented in their letter of April 29, 2015:

Discount Rate	4.10% per annum
Annual Salary Increases	2.50% at April 1, 2012 3.00% at April 2, 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 65 and 35 years of service
Mortality	Nil
Termination Before Retirement	Nil
Actuarial Cost Method	Projected Unit Credit pro-rated on service

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Continuity of Service Award Allowance Liability – Non-Teachers	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening benefit obligation, beginning of the year	\$ 677,835	\$ 633,099
Current service cost	26,268	34,156
Interest on obligation	29,001	26,309
Other (past service, transfers, etc.)	26,018	-
Less: benefits paid	(19,315)	(25,559)
Actuarial losses	-	9,830
Closing benefit obligation, end of year	<u>739,807</u>	<u>677,835</u>
Pension assets, at market related values	-	-
Funded status – deficiency	<u>(739,807)</u>	<u>(677,835)</u>
Unamortized actuarial losses	<u>11,662</u>	<u>13,171</u>
Accrued benefit liability – Non-Teachers	<u>\$ (728,145)</u>	<u>\$ (664,664)</u>

Summary of Service Award Allowance Liability	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Service Awards - Teachers	\$ 3,889,720	\$ 3,549,074
Service Awards - Non-Teachers	<u>728,145</u>	<u>664,664</u>
Total Accrued benefit liability – Teachers and Non-Teachers	<u>\$ 4,617,865</u>	<u>\$ 4,213,738</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

The provincial collective agreement with the Nova Scotia Teachers Union expires on July 31, 2015.

The local collective agreement with the Nova Scotia Teachers Union expires on July 31, 2015.

The collective agreement with SEIU expired on March 31, 2015.

The collective agreement with the Nova Scotia Government Employees Union expired on March 31, 2015.

The collective agreement with CUPE expired March 31, 2015.

Tri-County 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 accumulate sick leave to a total of one hundred and ninety five (195) days. The maximum number of sick days to be claimed is two hundred and thirty five (235) days.
- (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.

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:	UP94 with future improvements in accordance with Scale AA for March 31, 2013 benefit obligation and 2014 benefit cost 90% UP94 with future improvements in accordance with 150% Scale AA for March 31, 2014 benefit obligation and estimated 2015 benefit cost																
Termination:	5% per year in first two years of employment																
Salary Growth Rate:	2.25% per year thereafter plus promotional scale. Total salary increases are as follows: <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age Group</u></th> <th style="text-align: center;"><u>Annual increase</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Under 30</td> <td style="text-align: center;">5.00%</td> </tr> <tr> <td style="text-align: center;">30 – 34</td> <td style="text-align: center;">4.50%</td> </tr> <tr> <td style="text-align: center;">35 – 39</td> <td style="text-align: center;">4.00%</td> </tr> <tr> <td style="text-align: center;">40 – 44</td> <td style="text-align: center;">3.50%</td> </tr> <tr> <td style="text-align: center;">45 – 49</td> <td style="text-align: center;">3.00%</td> </tr> <tr> <td style="text-align: center;">50 – 59</td> <td style="text-align: center;">2.50%</td> </tr> <tr> <td style="text-align: center;">60 plus</td> <td style="text-align: center;">2.25%</td> </tr> </tbody> </table>	<u>Age Group</u>	<u>Annual increase</u>	Under 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>																
Under 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%																

Tri-County 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 over the four school years prior to July 31, 2011. Sick leave usage data was provided by the Department of Education.

Continuity of Accumulated Sick Leave Liability - Teachers	<u>2015</u>	<u>2014</u>
Opening Benefit Obligation, beginning of the year	\$ 7,920,000	\$ 7,297,000
Current Service Cost	609,000	585,000
Interest on Obligation	328,000	307,000
Actual (gains) losses	(1,938,000)	204,000
Less: Sick leave taken	(465,000)	(473,000)
Unamortized actuarial gains losses	<u>1,662,667</u>	<u>(295,467)</u>
Closing Benefit Obligation, end of year	<u>\$ 8,116,667</u>	<u>\$ 7,624,533</u>

The Board has recognized in these financial statements, the liability associated with accumulated sick leave earned by teaching staff. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2015.

V. Sick Leave – Non-Teachers

Morneau-Shepell provided to the Province of Nova Scotia on December 22, 2014, the requested financial disclosure figures related to the Sick Leave Benefit to Non-Teaching employees of all School Boards in Nova Scotia for the fiscal year ended March 31, 2015. The accounting results are based on the understanding of the methods prescribed under Section PS 3255 of the CICA Public Sector Accounting Handbook which applies to sick leave and severance benefits. The data included the period of continuous service with the Province, the date of birth, annual salary and contractual hours of work.

Valuation Date:	March 31, 2012					
Annual Discount Rate:	4.10% per annum					
Annual Salary Increases: (includes 0.5% merit)	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					

Tri-County Regional School Board

Notes to the Financial Statements

March 31, 2015

7. Commitments and Contingencies (continued)

Continuity of Accumulated Sick Leave Liability – Non-Teachers	<u>2015</u>	<u>2014</u>
Opening Benefit Obligation, beginning of the year	\$ 726,244	\$ 693,958
Current Service Cost	97,765	95,119
Interest on Obligation	29,611	28,576
Less: Sick leave taken	(105,766)	(103,436)
Actuarial losses	-	12,027
Unamortized actuarial losses	<u>(14,478)</u>	<u>(16,355)</u>
Closing Benefit Obligation, end of year	<u>\$ 733,376</u>	<u>\$ 709,889</u>

Summary of Accumulated Sick Leave Liability	<u>2015</u>	<u>2014</u>
Accumulated Sick Leave Liability - Teachers	\$ 8,116,667	\$ 7,624,533
Accumulated Sick Leave Liability - Non-Teachers	<u>733,376</u>	<u>709,889</u>
Total Accumulated Sick Leave Liability	<u>\$ 8,850,043</u>	<u>\$ 8,334,422</u>

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

8. Deferred Revenue

Deferred revenue as of March 31:	<u>2015</u>	<u>2014</u>
Teachers PD Fund	\$ -	\$ 126,482
Programs – Province of Nova Scotia	<u>921,631</u>	<u>1,106,515</u>
	<u>\$ 921,631</u>	<u>\$ 1,232,997</u>

9. Bank Indebtedness

The Board had not utilized the available operating line of credit as of March 31, 2015, with the Bank of Montreal.

10. Reclassification

Certain of the 2014 comparative figures have been reclassified to conform to the financial statement's presentation adopted for 2015.