

Financial Statements of the

**CHIGNECTO-CENTRAL
REGIONAL SCHOOL BOARD**

Year Ended March 31, 2016

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2016

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Grant Thornton

Independent auditor's report

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To the Members of Chignecto-Central Regional School Board

We have audited the accompanying financial statements of Chignecto-Central Regional School Board, which comprise the statement of financial position as at March 31, 2016, the statement of operations and accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chignecto-Central Regional School Board as at March 31, 2016, and its results of operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 16 to 26 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Truro, Canada
June 8, 2016



Chartered Accountants

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Financial Position

As At March 31, 2016

2016

2015

Financial Assets

Cash and cash equivalents

General	\$ 5,336,270	\$ 11,899,556
Restricted - Instructional program enhancement	347,664	316,255
School generated	<u>2,829,370</u>	<u>2,735,381</u>
	8,513,304	14,951,192

Accounts receivable:

Government of Canada - HST	719,614	679,409
Province of Nova Scotia (note 3)	6,554,615	4,949,880
First Nations (note 4)	334,170	389,146
Municipalities	1,787,978	572,812
Other	3,062,470	2,158,968

Province of Nova Scotia - Post employment benefits (note 5)	15,155,709	17,261,382
Province of Nova Scotia - Compensated absences (note 6)	<u>23,557,330</u>	<u>24,646,777</u>

Total financial assets 59,685,190 65,609,566

Liabilities

Accounts payable and accrued liabilities	13,479,249	15,465,871
Deferred revenue	1,957,032	2,289,226
Province of Nova Scotia - Post employment benefits (note 5)	15,155,709	17,261,382
Province of Nova Scotia - Compensated absences (note 6)	<u>23,557,330</u>	<u>24,646,777</u>

Total liabilities 54,149,320 59,663,256

Net Financial Assets 5,535,870 5,946,310

Non-Financial Assets

Prepaid expenses	650,728	837,695
Inventories of supplies	1,519,050	1,415,522
Tangible capital assets (Schedule C)	<u>3,068,688</u>	<u>2,249,655</u>
Total non-financial assets	<u>5,238,466</u>	<u>4,502,872</u>

Accumulated surplus \$ 10,774,336 \$ 10,449,182

Contingencies (note 11)

See accompanying notes to financial statements.

On behalf of the Board:

 Chairperson

 Board Member

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Accumulated Surplus

As At March 31, 2016

2016

2015

Accumulated Surplus

General Fund	\$ <u>4,297,606</u>	\$ <u>4,969,719</u>
General Fund - Capital	<u>3,068,688</u>	<u>2,249,655</u>
Internally restricted funds		
School generated funds	3,060,378	2,913,553
Instructional program enhancement at school level	<u>347,664</u>	<u>316,255</u>
	<u>3,408,042</u>	<u>3,229,808</u>
	\$ <u><u>10,774,336</u></u>	\$ <u><u>10,449,182</u></u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual
Revenue (Schedule A)			
Province of Nova Scotia	\$ 161,828,988	\$ 158,529,156	\$ 164,662,007
Appropriation from Councils	28,574,000	28,573,979	27,721,313
School generated funds	5,100,000	5,273,945	5,077,139
Board operations	4,514,000	4,861,899	4,897,202
First Nations' students	2,100,000	2,228,120	2,147,776
Government of Canada	<u>317,235</u>	<u>302,359</u>	<u>331,283</u>
	<u>202,434,223</u>	<u>199,769,458</u>	<u>204,836,720</u>
Expenses (Schedule B)			
Board governance	398,173	435,562	432,283
Office of the Superintendent	900,224	881,441	837,231
Financial Services	1,927,437	1,982,101	1,879,321
Human Resource Services	2,430,793	2,352,847	2,557,231
School Generated Funds	5,100,000	5,127,120	5,059,314
School Services	154,972,692	152,943,814	156,127,134
Operational Services	<u>36,704,904</u>	<u>35,721,419</u>	<u>37,925,330</u>
	<u>202,434,223</u>	<u>199,444,304</u>	<u>204,817,844</u>
Surplus	\$ -	\$ 325,154	\$ 18,876
Accumulated surplus, beginning of year		<u>10,449,182</u>	<u>10,430,306</u>
Accumulated surplus, end of year		<u>\$ 10,774,336</u>	<u>\$ 10,449,182</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

Year Ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual
Net financial assets, beginning of year	\$ 5,946,310	\$ 5,946,310	\$ 6,597,238
Changes during the year:			
Annual surplus	-	325,154	18,876
Acquisition of tangible capital assets	(150,000)	(1,083,129)	(460,893)
Amortization of tangible capital assets	235,602	264,096	247,134
Gain on sale of tangible capital assets	-	-	(7,452)
Proceeds on sale of tangible capital assets	-	-	9,107
Increase in inventories of supplies	-	(103,528)	(207,356)
(Increase) decrease in prepaid expenses	<u>-</u>	<u>186,967</u>	<u>(250,344)</u>
(Decrease) increase in net financial assets	<u>85,602</u>	<u>(410,440)</u>	<u>(650,928)</u>
Net financial assets, end of year	<u>\$ 6,031,912</u>	<u>\$ 5,535,870</u>	<u>\$ 5,946,310</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Cash Flows

For The Year Ended March 31, 2016

2016

2015

Operating activities

Cash received from:

Annual operating surplus \$ 325,154 \$ 18,876

Items not affecting cash:

Tangible capital asset amortization 264,096 247,134

Changes in non-cash working capital:

(Increase) decrease in accounts receivable (3,708,632) 4,049,146

Increase in inventories of supplies (103,528) (207,356)

Decrease (increase) in prepaid expenses 186,967 (250,344)

(Decrease) increase in accounts payable and accrued liabilities (1,986,622) 2,827,420

Decrease in deferred revenue (332,194) (119,517)

(5,944,009) 6,299,349

Cash used by operating activities (5,354,759) 6,565,359

Capital activities

Cash used to acquire tangible capital assets (1,083,129) (460,893)

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

Proceeds on sale of tangible capital assets - 9,107

Cash used by capital activities (1,083,129) (459,238)

(Decrease) increase in cash (6,437,888) 6,106,121

Cash at beginning of year 14,951,192 8,845,071

Cash at end of year \$ 8,513,304 \$ 14,951,192

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

1. Nature of Operations

Pursuant to an Act passed by the Province of Nova Scotia, the Colchester-East Hants District School Board, Cumberland District School Board, and the Pictou District School Board were amalgamated to form the Chignecto-Central Regional School Board. The Regional School Board is incorporated under the provisions of the Education Act of the Province of Nova Scotia and its principal business activity is operating a regional school system.

The Board is registered as a charitable organization under the Income Tax Act and, therefore, is exempt from income taxes and may issue official receipts to donors for income tax purposes.

2. Financial Reporting and Accounting Policies

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards, which for purposes of the school board's financial statements are represented by accounting recommendations of the CPA Canada Public Sector Accounting Board (PSAB), supplemented where appropriate by other CPA accounting standards or pronouncements.

These financial statements have also been prepared to comply with the provision of the School Board Financial Handbook as prescribed by the Ministerial Regulations of the Education Act of Nova Scotia.

The financial statements of the School Board are the representations of management, prepared in accordance with Canadian Public Sector Accounting Standards as recommended by CPA Canada Public Sector Accounting Board (PSAB).

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

Significant accounting policies

Revenues

Provincial government transfers for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility credits or stipulations, it is recognized when the transfer(s) from the Province of Nova Scotia and Municipalities are authorized.

All non-government contribution or grant/revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted inflow received before the criterion has not been met is reported as a liability until the resources are used for the purpose or purposes specified.

Public Private Partnership and International Student Program revenues are recognized as revenue when the related service is rendered.

Rental income is recognized over the term of the lease.

Investment income is recognized as revenue in the year in which it is earned.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

2. Financial Reporting and Accounting Policies (continued)

Expenses

Expenses are recorded on the accrual basis. Provisions are made for probable losses on certain loans, investments, accounts receivable, and for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised, at least annually.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, short term deposits and bank balances held by schools. Bank borrowings are considered to be financing activities.

Financial instruments

The school board classifies its financial instruments at amortized cost.

This category includes cash and cash equivalents, receivables, payables and accruals and deferred revenue. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Management assess each financial instrument to determine whether there is any impairment losses and if any, are reported in the statement of operations.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

There are no unrealized gains or losses therefore the statement of remeasurement gains and losses has not been presented.

Net financial assets

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

Non financial assets

Tangible capital assets have useful lives extending beyond the accounting period, are held for use in the production or supply of goods and services and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at historical cost (or estimated cost when the actual is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Tangible capital assets include land, buildings, and vehicles. Tangible capital assets do not include intangibles or assets acquired by right, such as forests, water and mineral resources or works of art and historical treasures.

Amortization of tangible capital assets is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Declining Balance	5%
Vehicles	Declining Balance	35%

When conditions indicate that a tangible capital asset no longer contributes to the school board's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. Write-downs are not reversed.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

2. Financial Reporting and Accounting Policies (continued)

Prepaid expenses are cash disbursements for goods or services, other than tangible capital assets and inventories of supplies, of which some or all will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

Inventories represent amounts expended on supplies and other consumables which will be used or consumed in a future period. They are recorded at the lower of cost and net realizable value. Once items have been shipped to the schools they are expensed and are not considered inventory.

Accumulated surplus

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

Trust funds

The trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students.

Use of estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of tangible capital assets; valuation allowances for receivables and inventories; and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

Post employment benefits and compensated absences

The school board provides defined benefits, services awards and compensated absences to certain employee groups. These benefits include pension, service awards and non-vesting sick leave. The school board has adopted the following policies with respect to accounting for these employee benefits:

i)The costs of post-employment service awards are actuarially determined using management's best estimate of employee retention, retirement ages of employees, salary escalation, other cost escalation, long term inflation and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over estimated average remaining service life of the employee groups on a straight line basis. Plan amendments, including past service costs are recognized as an expense in the period of the plan amendment.

ii) The cost of non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

iii)The costs of multi-employer defined benefit pension are the employer's contributions due to the plan in the period and are accounted for as a defined contribution plan.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

3. Accounts Receivable, Province of Nova Scotia

	2016	2015
Teacher's salary accrual	\$ 2,701,900	\$ 3,263,700
Special projects	2,916,545	1,280,235
Other	<u>936,170</u>	<u>405,945</u>
	<u>\$ 6,554,615</u>	<u>\$ 4,949,880</u>

4. Accounts Receivable, First Nations

The First Nations receivable includes a Promissory Note with a remaining balance of \$336,000 (2015 - \$392,000). This Note is being repaid annually in principal installments of \$56,000, with interest at Prime less 1.625%.

5. Post employment benefits

Teachers receive a service award upon retirement, disability, death or termination, when entitled to a vested pension, under the contracts between the Nova Scotia Teachers Union locals and the predecessor boards. Nova Scotia Government Employee Union and Non Union employees of the predecessor Cumberland District School Board receive a service award upon retirement, disability, death or termination, when entitled to a vested pension under contracts between said groups and the predecessor Board. The Province of Nova Scotia contracts a third party to perform an actuarial valuation for all government departments' agencies and boards. The last actuarial valuation for Teachers service awards was conducted as at July 31, 2013. The actuarial liabilities for Teachers service awards as at March 31 were extrapolated based on the latest actuarial valuations. The actuarial valuation for the Non Teacher service awards was as at March 31, 2015.

The service award values are calculated by the Department of Finance for the school board. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is made. It is calculated using the projected benefit method prorated on services as required under Section 3250 of the CPA Canada Public Sector Accounting Handbook. Experience gains and losses and assumption changes are amortized on a linear basis over the expected average remaining service life of 15 years. Annually, results along with values to record the liability and expenses are provided by the Department of Finance. The Department of Finance fully funds this liability, thus an offsetting receivable balance is recorded.

The following actuarial assumptions have been used in these valuations as at March 31, 2016:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	3.71%	3.71%
Salary increase	0-2.75%	.5-2.5%
Inflation		2%

i) The actuary for the Teachers service awards assumed that 50% of employees will retire on the date they are first eligible for an unreduced retirement pension, but not earlier than age 55. The remainder will retire at the earliest of age 60 with 10 years of service, and age 65 with 35 years of service. Members past their unreduced retirement ages are assumed to retire at the later of age 60 and their current age.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

5. Post employment benefits (continued)

ii) The actuary for the Non Teachers service awards assumed 35% of employees will retire on the date they are first eligible for an unreduced retirement pension, but not earlier than age 55. The 65% remaining employees will retire at the earlier of age 60 and 35 years of service. Those already at retirement age are assumed to retire one year later.

Information respecting the Teachers service awards and Non Teachers service awards is as follows:

	<u>2016</u>	<u>2015</u>
	Total post employment benefits	Total post employment benefits
Accrued benefit plan obligation	\$ 14,627,219	\$ 14,599,196
Plan deficit	\$ 14,627,219	\$ 14,599,196
Unamortized actuarial gains	<u>528,490</u>	<u>2,662,186</u>
Total liability	<u>\$ 15,155,709</u>	<u>\$ 17,261,382</u>
Current year benefit costs	\$ (1,139,352)	\$ 920,800
Interest on accrued benefit obligation	559,449	575,780
Amortized actuarial gains	<u>-</u>	<u>(181,432)</u>
Post employment benefits expense (recovery)	<u>\$ (579,903)</u>	<u>\$ 1,315,148</u>

6. Compensated absences

Qualifying employees are entitled to a prescribed number of sick leave days for use over their employment term. The school board has recognized in these financial statements, the liability associated with accumulated sick leave earned by teaching and non teaching staff. The school board has also recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2016. Compensated absences for qualifying employees are actuarially determined. The Province of Nova Scotia contracts a third party to perform an actuarial valuation for all Provincial School Boards. The actuarial valuation for Teachers non-vesting sick leave banks usage was as at July 31, 2014, and have been extrapolated to March 31, 2016. The actuarial valuation for Non Teacher non-vesting sick leave banks usage was as at March 31, 2015, and have been extrapolated to March 31, 2016.

The following actuarial assumptions have been used in these valuations as at March 31, 2016:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	3.71%	3.71%
Salary increase	2.25%	.5-2.5%
Termination	5.00%	

i) The actuary for the Teachers sick leave assumed that 50% of employees will retire on the date they are first eligible for an unreduced retirement pension, and the remainder will retire at the earlier of age 60 with 10 years of service, and age 65 with 35 years of service.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

6. Compensated absences (continued)

ii) The actuary for the Non Teachers sick leave assumed 35% of employees will retire on the date they are first eligible for an unreduced pension, and the 65% of remaining employees will retire at the earliest of age 65 and 35 years of service. Those already at retirement age are assumed to retire one year later.

	<u>2016</u> Total compensated absences	<u>2015</u> Total compensated absences
Accrued benefit plan obligation	\$ <u>18,820,729</u>	\$ <u>19,172,088</u>
Plan deficit	\$ 18,820,729	\$ 19,172,088
Unamortized actuarial gain (loss)	<u>4,736,601</u>	<u>5,474,689</u>
Total liability	<u>\$ 23,557,330</u>	<u>\$ 24,646,777</u>
Current year benefit (recoveries) costs	\$ (1,779,995)	\$ 179,919
Interest on accrued benefit obligation	<u>690,549</u>	<u>996,021</u>
Compensated absences benefit expense (recovery)	<u>\$ (1,089,446)</u>	<u>\$ 1,175,940</u>

During the year it was determined that the Non Teachers sick leave liability was overstated by \$877,996 due to an actuarial reporting error. This adjustment has been recognized in 2015-16.

7. Capital Assets

In 1982, on creation of the former District School Boards, an agreement was made with respect to capital assets which stated that all land and school buildings on hand at December 31, 1981 remain assets of the municipal units but will be under the operational control of the District School Boards until such time as the School Boards no longer require the assets for school purposes. At that time, control will revert back to the municipalities. In addition, one of the former District School Boards also had an agreement to offer back to the municipalities, at no cost, certain land and buildings acquired in 1970 if they are ever declared surplus by the Board. These agreements have been carried forward to the Regional School Board.

As a result of improvements made to school buildings, the Chignecto-Central Regional School Board now has an interest in real property to which it does not have title. Under the Education Act, should a building returned by the Regional School Board under the circumstances noted above, be sold by the Municipal unit or destroyed, a portion of any proceeds may be payable to the Regional School Board.

8. Insurance

The Board is a member of a self insurance plan with the Nova Scotia School Insurance Exchange's School Insurance Program (SIP).

On March 22nd, 2016 one of the Boards garages and its contents was destroyed by fire. The loss is insured, and is currently going through claim procedures. The Board has been advanced \$245,000 and this amount is reflected in fiscal 2015-16. No additional amount has been included, as the claim cannot be reasonably estimated with virtual certainty.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

9. Pension Plans

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

ii) The Regional School Board's Nova Scotia Government Employees Union (NSGEU) and non-union staff are covered by a multi-employer pension plan established by the Province of Nova Scotia pursuant to the Public Service Superannuation Act.

iii) The Regional School Board's teachers are covered by a multi-employer pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act.

The Regional School Board accounts for the above plans as defined contribution plans and as such no accrued liability is recorded, and only the contributions paid or payable are expensed in the year.

10. Financial Instrument Risk Management

Credit risk

Credit risk is the risk of financial loss to the school board if a debtor fails to make payments when due. The school board is exposed to this risk relating to its receivables.

Receivables are ultimately due from the federal and provincial government and the towns and municipalities under the school boards jurisdiction. Credit risk is mitigated by management review of aging and collection of receivables and billings. The school board recognizes a specific allowance for doubtful accounts when management considers the expected amounts to be recovered is lower than the actual receivable.

The school board measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the school board's historical experience regarding collections.

The school board mitigates credit risk by ensuring that grants are entered into by way of a contract and by continuous monitoring of outstanding balances to ensure collection is timely. Management closely evaluates the collectability of its receivables and maintains provisions for potential credit losses, which are assessed on a regular basis.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and other price risk. The school board is not exposed to significant currency or equity risk as it does not transact materially in foreign currency or hold equity financial instruments.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2016

10. Financial Instrument Risk Management (continued)

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The school board is exposed to this risk through its variable interest bearing bank overdraft. However, management does not feel that this represents a material risk to the school board as fluctuations in market interest rates would not materially impact future cash flows and operations relating to the bank overdraft.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the school board will not be able to meet all cash outflow obligations as they come due. The school board mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining a bank overdraft credit facility if unexpected cash outflows arise.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

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

11. Contingencies

a) Environmental remediation

During the 2008-09 fiscal year, the Board recorded a liability of \$400,000 in relation to oil contamination at one of its sites. Of this amount, \$200,000 in actual costs have been incurred up to March 31, 2016. It is unknown whether any additional costs will be incurred relating to this matter.

b) Liability claim

During the 2010-11 fiscal year a claim has been made against the School Board based upon the principle of vicarious liability, for actions of a former employee of a predecessor board. The claim is at a preliminary stage and neither the outcome, nor the amount of any possible settlement, can be reasonably estimated. Therefore no provision has been made in the financial statements.

12. Comparative Figures

Certain 2015 comparative figures have been reclassified to conform with the financial statement presentation adopted by Nova Scotia School Boards for 2016.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue

Year Ended March 31, 2016

2016 Budget

2016 Actual

2015 Actual

Province of Nova Scotia:

General formula	\$ 131,598,900	\$ 131,406,127	\$ 131,714,304
Special education	23,928,900	24,127,262	24,178,674
Textbook credit allocation	1,071,900	1,152,228	1,106,110
Post employment benefits (note 5)	1,034,500	(579,903)	1,315,148
Compensated absences (note 6)	1,000,000	(1,089,446)	1,175,940
Information Economy Initiative	719,400	720,946	731,187
Other	<u>2,475,388</u>	<u>2,791,942</u>	<u>4,440,644</u>
	<u>\$ 161,828,988</u>	<u>\$ 158,529,156</u>	<u>\$ 164,662,007</u>

Appropriation From Councils:

Municipality of Colchester	\$ 6,954,000	\$ 6,953,928	\$ 6,710,424
Municipality of Cumberland	4,173,000	4,172,604	4,031,539
Municipality of East Hants	4,641,000	4,641,048	4,459,860
Municipality of Pictou	4,491,000	4,491,168	4,355,136
Town of Amherst	1,520,000	1,520,316	1,494,222
Town of New Glasgow	1,688,000	1,687,716	1,648,452
Town of Oxford	206,000	205,800	207,828
Town of Parrsboro	186,000	186,252	183,396
Town of Pictou	495,000	494,928	488,844
Town of Stellarton	772,000	772,476	759,240
Town of Stewiacke	246,000	246,036	225,927
Town of Trenton	334,000	333,516	329,508
Town of Truro	2,454,000	2,454,467	2,422,956
Town of Westville	<u>414,000</u>	<u>413,724</u>	<u>403,981</u>
	<u>\$ 28,574,000</u>	<u>\$ 28,573,979</u>	<u>\$ 27,721,313</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue (Continued)

Year Ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual
School Generated Funds:			
School based receipts	\$ <u>5,100,000</u>	\$ <u>5,273,945</u>	\$ <u>5,077,139</u>
Board Operations:			
Public Private Partnership	\$ 285,000	\$ 280,089	\$ 288,033
Investment interest	150,000	99,307	163,323
Rentals	333,000	325,433	330,250
International Student Program	3,200,000	3,298,117	3,361,520
Other	<u>546,000</u>	<u>858,953</u>	<u>754,076</u>
	\$ <u>4,514,000</u>	\$ <u>4,861,899</u>	\$ <u>4,897,202</u>
First Nations' students:			
Student tuitions	\$ <u>2,100,000</u>	\$ <u>2,228,120</u>	\$ <u>2,147,776</u>
Government of Canada:			
Secretary of State:			
Minority language	\$ 52,410	\$ 40,264	\$ 61,900
French special projects	206,250	227,572	206,250
Other	<u>58,575</u>	<u>34,523</u>	<u>63,133</u>
	\$ <u>317,235</u>	\$ <u>302,359</u>	\$ <u>331,283</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses

Year Ended March 31, 2016 2016 Budget 2016 Actual 2015 Actual

Board Governance:

Salaries	\$ 215,229	\$ 209,925	\$ 200,526
Benefits	9,594	9,082	9,461
Travel	34,600	46,022	58,349
Contracted services	500	26,162	345
Insurance	1,400	1,156	1,156
Supplies and materials	15,500	19,491	34,208
Professional development	40,600	42,974	47,488
Dues and fees	<u>80,750</u>	<u>80,750</u>	<u>80,750</u>
	<u>\$ 398,173</u>	<u>\$ 435,562</u>	<u>\$ 432,283</u>

Office of the Superintendent:

Office of the Superintendent Administration:

Salaries and wages	\$ 276,846	\$ 273,979	\$ 264,729
Employee benefits	29,510	32,643	27,148
Travel	15,030	18,172	15,849
Contracted services	190,500	183,655	138,687
Supplies and materials	179,300	195,407	185,966
Repairs and maintenance	8,000	595	11,208
Professional Development	<u>18,310</u>	<u>12,639</u>	<u>7,731</u>
	<u>717,496</u>	<u>717,090</u>	<u>651,318</u>

Communications:

Salaries and wages	123,968	116,031	130,111
Employee benefits	24,860	20,937	26,037
Travel	3,600	2,211	2,027
Supplies and materials	18,500	18,353	24,596
Repairs and maintenance	10,000	4,896	33
Professional development	<u>1,800</u>	<u>1,923</u>	<u>3,109</u>
	<u>182,728</u>	<u>164,351</u>	<u>185,913</u>
	<u>\$ 900,224</u>	<u>\$ 881,441</u>	<u>\$ 837,231</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2016 2016 Budget 2016 Actual 2015 Actual

Financial Services:

Salaries and wages	\$ 1,324,230	\$ 1,356,670	\$ 1,343,728
Employee benefits	276,441	275,437	279,358
Travel	29,853	36,566	21,832
Contracted services	45,000	34,240	24,368
Supplies and materials	76,900	62,443	44,310
Professional development	17,933	30,499	29,519
Insurance	125,280	168,238	117,503
Administrative services	<u>31,800</u>	<u>18,008</u>	<u>18,703</u>
	<u>\$ 1,927,437</u>	<u>\$ 1,982,101</u>	<u>\$ 1,879,321</u>

Human Resources Services:

Salaries and wages	\$ 1,238,441	\$ 1,150,147	\$ 1,252,096
Employee benefits	235,005	227,272	233,760
Travel	20,612	22,875	21,028
Contracted services	17,500	19,660	30,034
Supplies and materials	43,365	40,330	57,656
Repairs and maintenance	38,189	90,919	40,275
Professional development	<u>837,681</u>	<u>801,644</u>	<u>922,382</u>
	<u>\$ 2,430,793</u>	<u>\$ 2,352,847</u>	<u>\$ 2,557,231</u>

School Generated Funds:

School based funds	<u>\$ 5,100,000</u>	<u>\$ 5,127,120</u>	<u>\$ 5,059,314</u>
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CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2016 2016 Budget 2016 Actual 2015 Actual

School Services:

School Services Administration - Regional:

Salaries and wages	\$ 2,928,322	\$ 2,885,432	\$ 2,687,029
Employee benefits	209,328	218,373	216,585
Travel	21,600	22,370	6,939
Supplies and materials	12,800	16,702	8,174
Professional development	<u>-</u>	<u>1,000</u>	<u>250</u>
	<u>3,172,050</u>	<u>3,143,877</u>	<u>2,918,977</u>

School Costs:

Salaries and wages	127,010,337	127,237,961	126,606,909
Employee benefits	9,548,682	9,889,684	9,587,144
Service awards (recovered)	600,000	(1,139,352)	739,368
Service award interest	700,000	559,449	575,780
Sick leave (recovered)	900,000	(1,779,995)	179,919
Sick leave interest	-	690,549	996,021
Travel	100,678	96,694	117,961
Repairs and maintenance	4,800	3,191	5,601
Textbook credit allocation	1,071,900	1,156,429	1,108,493
Vehicle	2,900	3,391	5,437
Contracted services	-	567	69
Supplies and materials	2,519,379	2,806,287	3,199,969
Professional development	<u>94,331</u>	<u>66,533</u>	<u>107,912</u>
	<u>142,553,007</u>	<u>139,591,388</u>	<u>143,230,583</u>

Student Services:

Salaries and wages	841,897	918,914	824,946
Employee benefits	54,254	55,172	52,823
Contracted services	264,400	274,663	88,857
Travel	87,716	168,927	150,405
Supplies and materials	380,963	358,347	383,184
Professional development	<u>77,800</u>	<u>134,374</u>	<u>84,223</u>
	<u>1,707,030</u>	<u>1,910,397</u>	<u>1,584,438</u>

School Services - Regional:

Travel	174,646	263,111	223,181
Contracted services	132,200	142,379	101,545
Insurance	1,400	1,492	1,492
Supplies and materials	819,394	767,401	715,247
Repairs and maintenance	-	7,558	5,247
Professional development	<u>17,098</u>	<u>41,566</u>	<u>3,970</u>
	<u>1,144,738</u>	<u>1,223,507</u>	<u>1,050,682</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual
School Services: (continued)			
Program Grants:			
Salaries and wages	\$ 307,273	\$ 311,951	\$ 247,900
Employee benefits	39,367	50,616	37,720
Travel	35,000	64,980	51,574
Supplies and materials	718,191	844,197	869,224
Repairs and maintenance	-	8,928	12,996
Professional development	6,000	6,335	3,237
	<u>1,105,831</u>	<u>1,287,007</u>	<u>1,222,651</u>
Technology Services:			
Salaries and wages	1,786,612	1,834,565	1,763,757
Employee benefits	327,721	357,234	341,451
Contracted services	-	2,907	2,533
Travel	46,666	42,124	32,761
Repairs and maintenance	697,979	1,025,870	1,300,465
Vehicle	19,500	27,043	24,028
Professional development	-	6,200	1,800
Supplies and materials	226,282	236,795	257,994
Capital asset amortization	12,880	13,128	7,092
	<u>3,117,640</u>	<u>3,545,866</u>	<u>3,731,881</u>
International Students:			
Salaries and wages	481,744	530,708	558,234
Employee benefits	54,215	53,475	56,378
Travel	69,801	59,368	74,897
Student lodging	1,315,000	1,375,766	1,413,572
Supplies and materials	232,636	211,037	268,740
Professional development	-	1,080	-
Insurance	14,000	10,338	11,879
Vehicle	5,000	-	4,222
	<u>2,172,396</u>	<u>2,241,772</u>	<u>2,387,922</u>
	<u>\$ 154,972,692</u>	<u>\$ 152,943,814</u>	<u>\$ 156,127,134</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2016	2016 Budget	2016 Actual	2015 Actual
Operational Services:			
Operational Administration:			
Salaries and wages	\$ 928,453	\$ 879,565	\$ 818,615
Employee benefits	211,449	185,623	186,106
Travel	15,462	4,106	2,437
Contracted services	26,000	1,828	7,825
Repairs and maintenance	-	-	7,657
Supplies and materials	45,553	38,356	28,053
Professional development	6,563	12,467	4,309
	<u>1,233,480</u>	<u>1,121,945</u>	<u>1,055,002</u>
Property Services:			
Salaries and wages	8,445,981	8,629,076	8,724,969
Employee benefits	1,980,680	1,925,713	1,946,606
Travel	18,200	5,601	6,611
Contracted services	1,688,835	1,277,271	1,829,392
Vehicle	395,245	334,509	358,933
Supplies and materials	519,928	553,883	558,231
Professional development	23,591	20,712	23,077
Utilities	7,340,246	6,319,882	7,391,088
Repairs and maintenance	1,650,696	2,595,124	2,354,624
Interest	-	-	108,158
Insurance	384,520	367,552	338,819
Capital asset amortization	196,472	197,895	180,510
	<u>22,644,394</u>	<u>22,227,218</u>	<u>23,821,018</u>
Student Transportation:			
Salaries and wages	7,076,592	6,966,158	7,181,518
Employee benefits	1,611,870	1,534,352	1,556,146
Travel	4,944	8,829	9,366
Contracted services	102,650	100,823	99,607
Vehicle	3,185,902	2,950,628	3,257,351
Repairs and maintenance	50,512	218,203	268,215
Conveyance	190,000	93,274	114,519
Supplies and materials	112,950	97,789	103,335
Utilities	185,655	108,557	133,780
Professional development	36,005	19,604	21,243
Insurance	243,700	220,966	244,698
Capital asset amortization	26,250	53,073	59,532
	<u>12,827,030</u>	<u>12,372,256</u>	<u>13,049,310</u>
	<u>\$ 36,704,904</u>	<u>\$ 35,721,419</u>	<u>\$ 37,925,330</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule C - Supplementary Details of Tangible Capital Assets

Year Ended March 31, 2016

	<u>Land</u>	<u>Building</u>	<u>Vehicles</u>	<u>2016 Total</u>	<u>2015 Total</u>
Cost:					
Opening balance	\$ 117,892	\$ 2,819,113	\$ 2,030,687	\$ 4,967,692	\$ 4,573,066
Additions	-	814,569	268,560	1,083,129	460,893
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,267</u>
Closing balance	<u>117,892</u>	<u>3,633,682</u>	<u>2,299,247</u>	<u>6,050,821</u>	<u>4,967,692</u>
Accumulated Amortization:					
Opening balance	-	1,140,151	1,577,886	2,718,037	2,535,515
Disposals	-	-	-	-	64,612
Amortization expense	<u>-</u>	<u>80,690</u>	<u>183,406</u>	<u>264,096</u>	<u>247,134</u>
Closing balance	<u>-</u>	<u>1,220,841</u>	<u>1,761,292</u>	<u>2,982,133</u>	<u>2,718,037</u>
Net book value	<u>\$ 117,892</u>	<u>\$ 2,412,841</u>	<u>\$ 537,955</u>	<u>\$ 3,068,688</u>	<u>\$ 2,249,655</u>
Net Book Value:					
Opening balance	\$ 117,892	\$ 1,678,962	\$ 452,801	\$ 2,249,655	\$ 2,037,551
Closing balance	<u>117,892</u>	<u>2,412,841</u>	<u>537,955</u>	<u>3,068,688</u>	<u>2,249,655</u>
Change in net book value	<u>\$ -</u>	<u>\$ 733,879</u>	<u>\$ 85,154</u>	<u>\$ 819,033</u>	<u>\$ 212,104</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule D - Trust Fund Balance Sheet

March 31, 2016

	2016	2015
Assets		
Investments, at cost plus interest	\$ <u>648,482</u>	\$ <u>542,954</u>
Equity		
Trust Funds (Schedule E)	\$ <u>648,482</u>	\$ <u>542,954</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Chairperson

 Board Member

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule E - Supplementary Details of Trust Funds

Year Ended March 31, 2016

	2015	Addition	Interest	Disbursement	2016
ARHS Prize	\$ 2,106	\$ -	\$ 52	\$ 185	\$ 1,973
Balagot	11,106	-	274	1,200	10,180
Barteaux	219	-	5	-	224
Biggs	19,912	-	506	500	19,918
Blaikie	1,728	1,000	53	500	2,281
Brine	1,277	-	31	75	1,233
Campbell	1,224	-	31	50	1,205
Carson	6,431	-	146	-	6,577
Christie	22,371	600	556	500	23,027
Cole	2,045	-	51	90	2,006
Collicott	-	1,541	-	-	1,541
Decker	5,100	-	131	-	5,231
Demetre	377	2,000	10	2,000	387
Devenne	2,808	250	76	250	2,884
Dunbar	3,063	-	76	65	3,074
Eaton	625	-	19	-	644
Edwards	7,702	371	200	500	7,773
Fields	1,763	-	44	80	1,727
Fife	2,558	-	24	800	1,782
Fort Lawrence	5,834	-	145	-	5,979
Fowle	-	91,714	22	-	91,736
Fullerton	2,735	435	68	500	2,738
Fulmer	30,458	-	757	500	30,715
Glintz	3,873	700	100	500	4,173
Gosse	2,918	-	72	200	2,790
Harrison	2,998	-	79	-	3,077
Hewson	24,591	-	614	500	24,705
Hunter	55,440	-	1,395	1,500	55,335
Juurlink	10,578	-	263	-	10,841
Kelly	3,081	-	45	250	2,876
Kirkpatrick	249	500	9	500	258
LeBlanc	7,967	-	205	500	7,672
Loggie	17,983	-	453	250	18,186
MacInnis	2,138	-	53	125	2,066
MacIver	1,534	-	38	185	1,387
MacKenzie	13,003	-	324	-	13,327
McBrien	2,567	-	68	500	2,135
McIver	6,131	-	152	150	6,133
Milner	919	-	23	100	842
Parrsboro Prize	1,107	-	27	100	1,034
Pugsley	93,546	250	2,339	1,375	94,760
Red Cross	3,064	-	76	65	3,075
Rhodes	1,583	521	5	400	1,709
River Hebert Spirit	-	10,782	41	-	10,823
Roach	1,788	-	45	-	1,833
Smith	1,694	-	42	150	1,586
Sorge	5,811	-	144	380	5,575
Stay-In-School	13,250	-	344	150	13,444
Taylor	776	-	27	275	528

Continued ...

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule E - Supplementary Details of Trust Funds (Continued)

Year Ended March 31, 2016

	2015	<u>Addition</u>	<u>Interest</u>	<u>Disbursement</u>	2016
Thompson	14,454	-	360	750	14,064
Tingley	13,055	-	326	-	13,381
Tye	96,035	-	2,410	1,625	96,820
Wilkes	<u>9,379</u>	<u>600</u>	<u>233</u>	<u>1,000</u>	<u>9,212</u>
	<u>\$ 542,954</u>	<u>\$ 111,264</u>	<u>\$ 13,589</u>	<u>\$ 19,325</u>	<u>\$ 648,482</u>