

Financial Statements of the

**CHIGNECTO-CENTRAL
REGIONAL SCHOOL BOARD**

Year Ended March 31, 2017

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Financial Statements

March 31, 2017

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Independent auditor's report

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To the Members of [Chignecto-Central Regional School Board](#)

We have audited the accompanying financial statements of [Chignecto-Central Regional School Board](#), which comprise the statement of financial position as at [March 31, 2017](#), 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, 2017](#), 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 17 to 25 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Truro, Canada
June 21, 2017



Chartered Professional Accountants
Licenced Public Accountants

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Financial Position

As At March 31, 2017

2017

2016

Financial Assets

Cash and cash equivalents

General	\$ 8,009,362	\$ 5,336,270
Restricted - Instructional program enhancement	614,955	347,664
School generated	<u>3,573,227</u>	<u>2,829,370</u>
	12,197,544	8,513,304

Accounts receivable:

Government of Canada - HST	712,579	719,614
Province of Nova Scotia (note 4)	4,162,589	6,554,615
First Nations (note 5)	216,042	334,170
Municipalities	1,201,707	1,787,978
Other	2,687,638	3,062,470
Province of Nova Scotia - Post employment benefits (note 6)	14,741,933	15,155,709
Province of Nova Scotia - Compensated absences (note 7)	<u>23,384,581</u>	<u>23,557,330</u>

Total financial assets

59,304,613 59,685,190

Liabilities

Accounts payable and accrued liabilities	14,259,233	13,479,249
Deferred revenue	2,817,280	1,957,032
Province of Nova Scotia - Post employment benefits (note 6)	14,741,933	15,155,709
Province of Nova Scotia - Compensated absences (note 7)	<u>23,384,581</u>	<u>23,557,330</u>

Total liabilities

55,203,027 54,149,320

Net Financial Assets

4,101,586 5,535,870

Non-Financial Assets

Prepaid expenses	699,641	650,728
Inventories of supplies	1,601,608	1,519,050
Tangible capital assets (Schedule C)	<u>4,411,001</u>	<u>3,068,688</u>

Total non-financial assets

6,712,250 5,238,466

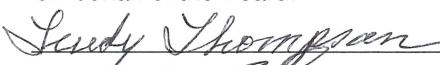
Accumulated surplus

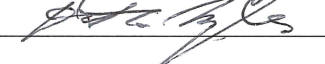
\$ 10,813,836 \$ 10,774,336

Contingencies (note 12)

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, 2017

2017

2016

Accumulated Surplus

General Fund	\$ <u>2,714,406</u>	\$ <u>4,297,606</u>
General Fund - Capital	<u>4,411,001</u>	<u>3,068,688</u>
Internally restricted funds		
School generated funds	3,073,474	3,060,378
Instructional program enhancement at school level	<u>614,955</u>	<u>347,664</u>
	<u>3,688,429</u>	<u>3,408,042</u>
	<u>\$ 10,813,836</u>	<u>\$ 10,774,336</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Operations and Accumulated Surplus

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
Revenue (Schedule A)			
Province of Nova Scotia	\$ 164,433,378	\$ 163,256,581	\$ 158,529,156
Appropriation from Councils	29,600,700	29,600,731	28,573,979
School generated funds	5,100,000	4,353,869	5,273,945
Board operations	4,842,842	6,222,354	4,861,899
First Nations' students	2,100,000	2,256,972	2,228,120
Government of Canada	<u>313,152</u>	<u>289,257</u>	<u>302,359</u>
	<u>206,390,072</u>	<u>205,979,764</u>	<u>199,769,458</u>
Expenses (Schedule B)			
Board governance	529,687	413,493	435,562
Office of the Superintendent	901,897	794,087	881,441
Financial Services	2,030,473	2,042,113	1,982,101
Human Resource Services	1,405,476	1,355,552	1,394,359
School Generated Funds	5,100,000	4,340,773	5,127,120
School Services	151,049,694	151,212,404	145,207,504
Programs	9,340,671	9,076,725	8,694,798
Operational Services	<u>36,032,174</u>	<u>36,705,117</u>	<u>35,721,419</u>
	<u>206,390,072</u>	<u>205,940,264</u>	<u>199,444,304</u>
Surplus	\$ -	\$ 39,500	\$ 325,154
Accumulated surplus, beginning of year		<u>10,774,336</u>	<u>10,449,182</u>
Accumulated surplus, end of year		<u>\$ 10,813,836</u>	<u>\$ 10,774,336</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Change in Net Financial Assets

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
Net financial assets, beginning of year	\$ 5,535,870	\$ 5,535,870	\$ 5,946,310
Changes during the year:			
Annual surplus	-	39,500	325,154
Acquisition of tangible capital assets	(150,000)	(1,698,433)	(1,083,129)
Amortization of tangible capital assets	275,304	350,912	264,096
Gain on sale of tangible capital assets	-	(5,076)	-
Proceeds on sale of tangible capital assets	-	10,284	-
Increase in inventories of supplies	-	(82,558)	(103,528)
(Increase) decrease in prepaid expenses	<u>-</u>	<u>(48,913)</u>	<u>186,967</u>
(Decrease) increase in net financial assets	<u>125,304</u>	<u>(1,434,284)</u>	<u>(410,440)</u>
Net financial assets, end of year	\$ <u>5,661,174</u>	\$ <u>4,101,586</u>	\$ <u>5,535,870</u>

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Statement of Cash Flows

For The Year Ended March 31, 2017

2017

2016

Operating activities

Cash received from:

Annual operating surplus \$ 39,500 \$ 325,154

Items not affecting cash:

Tangible capital asset amortization 350,912 264,096

Changes in non-cash working capital:

Decrease (increase) in accounts receivable 3,478,292 (3,708,632)

Increase in inventories of supplies (82,558) (103,528)

(Increase) decrease in prepaid expenses (48,913) 186,967

Increase (decrease) in accounts payable and accrued liabilities 779,984 (1,986,622)

Increase (decrease) in deferred revenue 860,248 (332,194)

4,987,053 (5,944,009)

Cash provided (used) by operating activities 5,377,465 (5,354,759)

Capital activities

Cash used to acquire tangible capital assets (1,698,433) (1,083,129)

Gain on sale of tangible capital assets (5,076) -

Proceeds on sale of tangible capital assets 10,284 -

Cash used by capital activities (1,693,225) (1,083,129)

Increase (decrease) in cash 3,684,240 (6,437,888)

Cash at beginning of year 8,513,304 14,951,192

Cash at end of year \$ 12,197,544 \$ 8,513,304

See accompanying notes to financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

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. Management Responsibility Statement

The financial statements of the Chignecto-Central Regional School Board are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 3. 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 maintains 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 consolidated financial statements.

3. 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.

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.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

3. Financial Reporting and Accounting Policies (continued)

Revenues (continued)

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.

The school board recognizes as revenue, provincial government transfers, representing the year over year change in accrued obligations as the transfer has been authorized.

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 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.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

3. Financial Reporting and Accounting Policies (continued)

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.

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.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

3. Financial Reporting and Accounting Policies (continued)

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.

Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into the air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. The school board:
 - a) is directly responsible; or
 - b) accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

As at March 31, 2017 there is one contaminated site identified - As disclosed in note 12 to the financial statements.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

4. Accounts Receivable, Province of Nova Scotia

	<u>2017</u>	<u>2016</u>
Teacher's salary accrual	\$ 3,466,700	\$ 2,701,900
NSTU labor action	(570,985)	-
Special projects	556,632	2,916,545
Other	<u>710,242</u>	<u>936,170</u>
	<u>\$ 4,162,589</u>	<u>\$ 6,554,615</u>

5. Accounts Receivable, First Nations

The First Nations receivable includes a Promissory Note with a remaining balance of \$280,000 (2016 - \$336,000). This Note is being repaid annually in principal installments of \$56,000, with interest at Prime less 1.625%.

6. 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 valuations and extrapolations reflect the benefit provisions of the retirement allowance programs as of the measurement date with the possible exception that actuary was directed by the Province of Nova Scotia to reflect the freeze of service accrual under the retirement allowance programs as at April 1, 2015. The actuarial valuations noted the collective agreements that incorporate the service freeze under the retirement allowance programs have not been ratified as of the date of their report. Based on correspondence with the Province of Nova Scotia, it was the actuaries understanding that it was the Government's assertion that the changes to freeze service under the retirement allowance programs as at April 1, 2015 are virtually definitive based on the steps it has put in place. As per provincial direction, a curtailment of the retirement allowance programs was reflected as at April 1, 2015 as provided in the actuary calculation and disclosures for Fiscal 2016. Should this not be the case, the calculation and disclosures will need to be revised along with those provided for Fiscal 2016.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

6. Post employment benefits (continued)

The following actuarial assumptions have been used in these valuations as at March 31, 2017:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	3.59%	3.59%
Salary increase	0-2%	1-3.5%

The actuaries for the Teachers and Non Teachers service awards assumed the retirement age will be 50% rule of 85, remainder at earlier of age 35 years of credited service, age 62 with 10 years of service, and age 65 with 2 years of credited service.

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

	<u>2017</u>	<u>2016</u>
	Total post employment benefits	Total post employment benefits
Accrued benefit plan obligation	\$ <u>14,959,526</u>	\$ <u>14,627,219</u>
Plan deficit	\$ 14,959,526	\$ 14,627,219
Unamortized actuarial (losses) gains	<u>(217,593)</u>	<u>528,490</u>
Total liability	<u>\$ 14,741,933</u>	<u>\$ 15,155,709</u>
Current year benefit costs	\$ (48,123)	\$ (1,139,352)
Interest on accrued benefit obligation	<u>515,023</u>	<u>559,449</u>
Post employment benefits expense (recovery)	<u>\$ 466,900</u>	<u>\$ (579,903)</u>

7. 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, 2017. 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, 2017. 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, 2017.

The following actuarial assumptions have been used in these valuations as at March 31, 2017:

	<u>Teachers</u>	<u>Non Teachers</u>
Discount rate	3.59%	3.59%
Salary increase	2.25%	.5-3%
Termination	5.00%	

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year Ended March 31, 2017

7. Compensated absences (continued)

The actuaries for the Teachers and Non Teachers sick leave assumed the retirement age will be 50% rule of 85, remainder at earlier of age 35 years of credited service, age 62 with 10 years of service, and age 65 with 2 years of credited service.

	<u>2017</u> Total compensated absences	<u>2016</u> Total compensated absences
Accrued benefit plan obligation	\$ <u>19,273,507</u>	\$ <u>18,820,729</u>
Plan deficit	\$ 19,273,507	\$ 18,820,729
Unamortized actuarial gains	<u>4,111,074</u>	<u>4,736,601</u>
Total liability	<u>\$ 23,384,581</u>	<u>\$ 23,557,330</u>
Current year benefit recoveries	\$ (846,122)	\$ (1,779,995)
Interest on accrued benefit obligation	<u>673,373</u>	<u>690,549</u>
Compensated absences benefit recovery	<u>\$ (172,749)</u>	<u>\$ (1,089,446)</u>

8. 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.

9. 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 \$1,332,336, and \$1,087,336 is reflected in fiscal 2016-17. 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, 2017

10. 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.

11. 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, 2017

11. 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.

12. 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, 2017. 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 has not been proven, 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.

13. Comparative Figures

Certain 2016 comparative figures have been reclassified to reflect the separation of the Educational Services Department into two Divisions in fiscal 2017.

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue

Year Ended March 31, 2017

2017 Budget

2017 Actual

2016 Actual

Province of Nova Scotia:

General formula	\$ 132,818,600	\$ 131,774,147	\$ 131,406,127
Special education	23,928,900	23,928,910	24,127,262
Textbook credit allocation	1,149,300	1,097,495	1,152,228
Post employment benefits (note 6)	1,034,500	466,900	(579,903)
Compensated absences (note 7)	1,000,000	(172,749)	(1,089,446)
Information Economy Initiative	719,400	717,295	720,946
Other	<u>3,782,678</u>	<u>5,444,583</u>	<u>2,791,942</u>
	<u>\$ 164,433,378</u>	<u>\$ 163,256,581</u>	<u>\$ 158,529,156</u>

Appropriation From Councils:

Municipality of Colchester	\$ 7,172,458	\$ 7,172,460	\$ 6,953,928
Municipality of Cumberland	4,385,795	4,448,947	4,172,604
Municipality of East Hants	4,861,498	4,861,500	4,641,048
Municipality of Pictou	4,650,156	4,650,156	4,491,168
Town of Amherst	1,554,870	1,554,876	1,520,316
Town of New Glasgow	1,730,046	1,730,052	1,687,716
Town of Oxford	208,554	208,554	205,800
Town of Parrsboro	189,451	126,304	186,252
Town of Pictou	503,148	503,148	494,928
Town of Stellarton	807,276	807,276	772,476
Town of Stewiacke	255,086	255,086	246,036
Town of Trenton	341,446	341,448	333,516
Town of Truro	2,510,239	2,510,244	2,454,467
Town of Westville	<u>430,677</u>	<u>430,680</u>	<u>413,724</u>
	<u>\$ 29,600,700</u>	<u>\$ 29,600,731</u>	<u>\$ 28,573,979</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule A - Supplementary Details of Revenue (Continued)

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
School Generated Funds:			
School based receipts	\$ <u>5,100,000</u>	\$ <u>4,353,869</u>	\$ <u>5,273,945</u>
Board Operations:			
Public Private Partnership	\$ 285,000	\$ 270,767	\$ 280,089
Investment interest	150,000	117,699	99,307
Rentals	485,428	469,082	325,433
International Student Program	3,231,414	3,464,559	3,053,117
Insurance	-	1,087,336	245,000
Other	<u>691,000</u>	<u>812,911</u>	<u>858,953</u>
	\$ <u>4,842,842</u>	\$ <u>6,222,354</u>	\$ <u>4,861,899</u>
First Nations' students:			
Student tuitions	\$ <u>2,100,000</u>	\$ <u>2,256,972</u>	\$ <u>2,228,120</u>
Government of Canada:			
Secretary of State:			
Minority language	\$ 52,410	\$ 60,538	\$ 40,264
French special projects	206,250	212,011	227,572
Other	<u>54,492</u>	<u>16,708</u>	<u>34,523</u>
	\$ <u>313,152</u>	\$ <u>289,257</u>	\$ <u>302,359</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
School Services: (continued)			
School Program Grants:			
Salaries and wages	\$ 329,239	\$ 337,190	\$ 311,951
Employee benefits	76,310	65,079	50,616
Travel	30,250	15,908	29,704
Supplies and materials	643,446	522,053	584,435
Repairs and maintenance	-	4,842	8,928
Professional development	6,000	5,680	6,335
	<u>1,085,245</u>	<u>950,752</u>	<u>991,969</u>
Technology Services:			
Salaries and wages	1,194,538	1,225,900	1,308,090
Employee benefits	259,545	259,218	270,314
Contracted services	200,000	212,404	227,243
Travel	14,000	14,319	14,345
Repairs and maintenance	252,355	142,238	419,264
Vehicle	19,500	22,192	27,043
Professional development	-	10,831	1,400
Supplies and materials	271,845	2,187,403	161,953
Capital asset amortization	12,880	12,917	13,128
	<u>2,224,663</u>	<u>4,087,422</u>	<u>2,442,780</u>
International Students:			
Salaries and wages	521,744	554,803	530,708
Employee benefits	55,628	57,472	53,475
Travel	73,501	86,771	59,368
Student lodging	1,301,000	1,402,358	1,375,766
Supplies and materials	760,540	311,797	211,037
Professional development	-	158	1,080
Insurance	14,000	930	10,338
Vehicle	5,000	4,057	-
	<u>2,731,413</u>	<u>2,418,346</u>	<u>2,241,772</u>
	<u>\$ 151,049,694</u>	<u>\$ 151,212,404</u>	<u>\$ 145,207,504</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
Programs:			
Program Administration:			
Salaries and wages	\$ 2,137,172	\$ 2,146,558	\$ 1,967,429
Employee benefits	179,827	157,705	144,599
Travel	33,084	51,005	74,907
Supplies and materials	55,545	46,711	35,563
Professional development	<u>49,536</u>	<u>5,963</u>	<u>5,418</u>
	<u>2,455,164</u>	<u>2,407,942</u>	<u>2,227,916</u>
Program Grants:			
Salaries and wages	1,764,068	1,443,120	1,389,558
Employee benefits	186,338	147,735	147,960
Travel	212,176	228,930	251,259
Contracted services	469,200	451,313	532,108
Repairs and maintenance	-	683	98
Supplies and materials	812,449	1,152,863	1,073,383
Insurance	1,400	1,492	1,492
Professional development	<u>9,163</u>	<u>20,306</u>	<u>41,111</u>
	<u>3,454,794</u>	<u>3,446,442</u>	<u>3,436,969</u>
Student Support:			
Salaries and wages	1,326,020	1,306,295	1,080,742
Employee benefits	75,946	77,947	61,476
Travel	97,910	153,147	168,927
Contracted services	331,200	212,867	274,663
Supplies and materials	495,643	521,915	351,405
Professional development	<u>28,313</u>	<u>49,349</u>	<u>134,211</u>
	<u>2,355,032</u>	<u>2,321,520</u>	<u>2,071,424</u>
Programs Professional Development:			
Salaries and wages	265,152	122,748	184,041
Employee benefits	6,043	11,516	13,127
Travel	-	75	-
Supplies and materials	300	521	-
Professional development	<u>804,186</u>	<u>765,961</u>	<u>761,321</u>
	<u>1,075,681</u>	<u>900,821</u>	<u>958,489</u>
	<u>\$ 9,340,671</u>	<u>\$ 9,076,725</u>	<u>\$ 8,694,798</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule B - Supplementary Details of Expenses (Continued)

Year Ended March 31, 2017	2017 Budget	2017 Actual	2016 Actual
Operational Services:			
Operational Administration:			
Salaries and wages	\$ 966,778	\$ 965,907	\$ 879,565
Employee benefits	276,658	194,890	185,623
Travel	17,941	2,160	4,106
Contracted services	26,000	62,349	1,828
Supplies and materials	52,300	56,207	38,356
Professional development	6,673	23,687	12,467
	<u>1,346,350</u>	<u>1,305,200</u>	<u>1,121,945</u>
Property Services:			
Salaries and wages	8,339,221	8,395,544	8,629,076
Employee benefits	1,911,495	1,893,409	1,925,713
Travel	5,000	4,238	5,601
Contracted services	1,706,969	1,936,545	1,277,271
Vehicle	353,343	338,889	334,509
Supplies and materials	513,179	645,668	553,883
Professional development	23,492	17,630	20,712
Utilities	6,295,227	6,179,052	6,319,882
Repairs and maintenance	2,287,749	3,145,898	2,595,124
Insurance	404,307	398,040	367,552
Capital asset amortization	249,054	289,661	197,895
	<u>22,089,036</u>	<u>23,244,574</u>	<u>22,227,218</u>
Student Transportation:			
Salaries and wages	7,251,608	6,893,641	6,966,158
Employee benefits	1,573,310	1,505,697	1,534,352
Travel	4,945	7,132	8,829
Contracted services	102,650	99,350	100,823
Vehicle	2,935,446	2,787,330	2,950,628
Repairs and maintenance	55,513	240,008	218,203
Conveyance	100,000	78,068	93,274
Supplies and materials	105,950	136,434	97,789
Utilities	183,656	119,854	108,557
Professional development	36,000	18,030	19,604
Insurance	221,460	221,465	220,966
Capital asset amortization	26,250	48,334	53,073
	<u>12,596,788</u>	<u>12,155,343</u>	<u>12,372,256</u>
	<u>\$ 36,032,174</u>	<u>\$ 36,705,117</u>	<u>\$ 35,721,419</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule C - Supplementary Details of Tangible Capital Assets

Year Ended March 31, 2017

	<u>Land</u>	<u>Building</u>	<u>Vehicles</u>	<u>2017 Total</u>	<u>2016 Total</u>
Cost:					
Opening balance	\$ 117,892	\$ 3,633,682	\$ 2,299,247	\$ 6,050,821	\$ 4,967,692
Additions	-	1,470,760	227,673	1,698,433	1,083,129
Disposals	<u>-</u>	<u>-</u>	<u>303,321</u>	<u>303,321</u>	<u>-</u>
Closing balance	<u>117,892</u>	<u>5,104,442</u>	<u>2,223,599</u>	<u>7,445,933</u>	<u>6,050,821</u>
Accumulated Amortization:					
Opening balance	-	1,220,841	1,761,292	2,982,133	2,718,037
Disposals	-	-	298,113	298,113	-
Amortization expense	<u>-</u>	<u>125,493</u>	<u>225,419</u>	<u>350,912</u>	<u>264,096</u>
Closing balance	<u>-</u>	<u>1,346,334</u>	<u>1,688,598</u>	<u>3,034,932</u>	<u>2,982,133</u>
Net book value	\$ <u>117,892</u>	\$ <u>3,758,108</u>	\$ <u>535,001</u>	\$ <u>4,411,001</u>	\$ <u>3,068,688</u>
Net Book Value:					
Opening balance	\$ 117,892	\$ 2,412,841	\$ 537,955	\$ 3,068,688	\$ 2,249,655
Closing balance	<u>117,892</u>	<u>3,758,108</u>	<u>535,001</u>	<u>4,411,001</u>	<u>3,068,688</u>
Change in net book value	\$ <u>-</u>	\$ <u>1,345,267</u>	\$ <u>(2,954)</u>	\$ <u>1,342,313</u>	\$ <u>819,033</u>

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule D - Trust Fund Balance Sheet

March 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Investments, at cost plus interest	\$ <u>662,591</u>	\$ <u>648,482</u>
Equity		
Trust Funds (Schedule E)	\$ <u>662,591</u>	\$ <u>648,482</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, 2017

	<u>2016</u>	<u>Addition</u>	<u>Interest</u>	<u>Disbursement</u>	<u>2017</u>
ARHS Prize	\$ 1,973	\$ -	\$ 39	\$ 50	\$ 1,962
Balogot	10,180	-	198	1,200	9,178
Barteaux	224	-	5	-	229
Biggs	19,918	-	396	250	20,064
Blaikie	2,281	1,000	53	1,000	2,334
Brine	1,233	-	24	-	1,257
Campbell	1,205	-	24	20	1,209
Carson	6,577	-	130	-	6,707
Christie	23,027	310	454	1,000	22,791
Cole	2,006	-	40	25	2,021
Collicott	1,541	-	13	1,000	554
Decker	5,231	-	103	-	5,334
Demetre	387	-	6	387	6
Devenne	2,884	-	59	250	2,693
Dunbar	3,074	-	61	70	3,065
Eaton	644	-	13	-	657
Edwards	7,773	380	159	-	8,312
Fields	1,727	-	34	40	1,721
Fife	1,782	-	40	875	947
Fort Lawrence	5,979	-	118	-	6,097
Fowlie	91,736	-	1,235	800	92,171
Fullerton	2,738	350	60	-	3,148
Fulmer	30,715	-	605	500	30,820
Glantz	4,173	500	83	500	4,256
Gosse	2,790	-	55	150	2,695
Harrison	3,077	-	60	250	2,887
Hewson	24,705	-	489	-	25,194
Hunter	55,335	-	1,105	375	56,065
Juurlink	10,841	-	212	600	10,453
Kelly	2,876	931	63	-	3,870
Kirkpatrick	258	500	7	500	265
LeBlanc	7,672	-	153	1,000	6,825
Loggie	18,186	-	360	-	18,546
MacInnis	2,066	-	41	-	2,107
MacIver	1,387	-	29	20	1,396
Mackenzie	13,327	-	263	-	13,590
McBrien	2,135	-	45	250	1,930
McIver	6,133	-	121	150	6,104
Milner	842	-	17	100	759
Oickle	-	10,000	23	500	9,523
Parrsboro Prize	1,034	-	20	30	1,024
Pugsley	94,760	-	1,878	-	96,638
Red Cross	3,075	-	61	70	3,066
Rhodes	1,709	100	39	-	1,848
River Hebert Spirit	10,823	570	202	1,000	10,595
Roach	1,833	-	36	-	1,869
Samson	-	1,640	1	-	1,641
Smith	1,586	-	31	40	1,577
Sorge	5,575	-	110	-	5,685

Continued ...

CHIGNECTO-CENTRAL REGIONAL SCHOOL BOARD

Schedule E - Supplementary Details of Trust Funds (Continued)

Year Ended March 31, 2016

	<u>2016</u>	<u>Addition</u>	<u>Interest</u>	<u>Disbursement</u>	<u>2017</u>
Stay-In-School	13,444	-	267	125	13,586
Taylor	528	-	13	-	541
Thompson	14,064	-	281	-	14,345
Tingley	13,381	-	264	450	13,195
Tye	96,820	-	1,919	1,500	97,239
Wilkes	<u>9,212</u>	<u>600</u>	<u>188</u>	<u>-</u>	<u>10,000</u>
	<u>\$ 648,482</u>	<u>\$ 16,881</u>	<u>\$ 12,305</u>	<u>\$ 15,077</u>	<u>\$ 662,591</u>