

Financial Statements of

**CAPE BRETON-VICTORIA  
REGIONAL SCHOOL BOARD**

Year ended March 31, 2013

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Financial Statements

March 31, 2013

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## INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board Members  
Cape Breton-Victoria Regional School Board

We have audited the accompanying financial statements of Cape Breton-Victoria Regional School Board which comprise the statement of financial position as at March 31, 2013 and the statements of operations, accumulated operating 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 generally accepted accounting principles, 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.

### Auditors' 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 auditors' 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 auditors consider 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.

### Basis for Qualified Opinion

In common with all school boards in Nova Scotia, the Board is required to report school-based funds in its financial activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, we were not able to determine whether any adjustments might be necessary to school-based funds, revenue, expenses, operating surplus, assets and surplus.

### Qualified Opinion

In our opinion, except for the effect of adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school-based funds referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the School Board as at March 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script that reads 'MGM &amp; Associates'.

Chartered Accountants  
Sydney, Canada  
June 17, 2013

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Financial Position

March 31, 2013, with comparative figures for 2012

	2013	2012
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents		
General	\$ 1,927,609	\$ 2,400,567
School-based funds (note 2)	2,977,541	2,846,972
	4,905,150	5,247,539
Accounts receivable		
Province of Nova Scotia (note 3)	10,375,072	13,171,854
First Nation (note 4)	274,119	–
Government of Canada (note 5)	806,843	623,441
Other	1,520,189	1,396,507
	12,976,223	15,191,802
Province of Nova Scotia, other		
Retirement service awards receivable – teaching (note 6)	6,836,039	6,159,118
Retirement service awards receivable – non-teaching (note 6)	767,206	771,081
Sick leave receivable – teaching (note 7)	15,248,000	14,488,000
Sick leave receivable – non-teaching (note 7)	1,693,827	1,687,085
	24,545,072	23,105,284
Restricted cash and investment – scholarships	534,912	542,151
<b>Total financial assets</b>	<b>42,961,357</b>	<b>44,086,776</b>
<b>FINANCIAL LIABILITIES</b>		
Payables and accruals – trade	4,099,877	3,748,232
Teachers' salary payable	3,058,010	2,409,600
Non-teaching vacation pay payable	930,064	919,138
Other salary payable	2,664,298	1,826,330
	10,752,249	8,903,300
Payables and accruals – government		
Province of Nova Scotia	32,014	4,090,764
Government of Canada	107	146
Municipalities	40,411	37,668
	72,532	4,128,578
Deferred revenue	2,610,301	2,615,482
Retirement service awards obligation – teaching (note 6)	6,836,039	6,159,118
Retirement service awards obligation – non-teaching (note 6)	767,206	771,081
Accrued sick leave obligation – teaching (note 7)	15,248,000	14,488,000
Accrued sick leave obligation – non-teaching (note 7)	1,693,827	1,687,085
Scholarship trust funds	534,912	542,151
<b>Total financial liabilities</b>	<b>38,515,066</b>	<b>39,294,795</b>
<b>NET FINANCIAL ASSETS</b>	<b>4,446,291</b>	<b>4,791,981</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	608,646	106,171
Tangible capital assets (note 8)	171,799	210,993
<b>Total non-financial assets</b>	<b>780,445</b>	<b>317,164</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 5,226,736</b>	<b>\$ 5,109,145</b>

Commitments (note 14)

Contingencies (note 15)

See accompanying notes to financial statements.

On behalf of the Board

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Board Member

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Operations

Year ended March 31, 2013, with comparative figures for 2012

	2013	2013	2012
	Budget	Actual	Actual
<b>REVENUES</b> (Schedule A)			
Province of Nova Scotia	\$ 121,221,772	\$ 136,923,509	\$ 138,705,567
Government of Canada	1,363,000	1,642,802	1,440,321
Municipal contributions	13,478,300	13,478,292	12,884,028
Other revenues	3,600,876	4,499,614	4,402,856
School-based funds (note 2)	—	6,979,054	5,911,870
	139,663,948	163,523,271	163,344,642
<b>EXPENSES</b> (Schedule B)			
Board governance	365,813	391,841	331,514
Regional management	4,717,785	4,912,523	4,395,390
School management and support	14,251,797	14,362,813	15,343,522
Instructional and school services	68,474,644	70,593,855	71,775,823
Student support	24,136,808	24,222,160	24,387,760
Adult and community education	939,720	914,789	974,659
Property services	19,128,899	31,817,649	30,285,012
Student transportation	6,511,950	6,919,774	7,296,857
Other programs	1,045,176	2,329,284	2,493,112
Tangible capital asset amortization	91,356	92,507	113,611
School-based funds (note 2)	—	6,848,485	5,726,660
	139,663,948	163,405,680	163,123,920
<b>OPERATING SURPLUS</b>	\$ —	\$ 117,591	\$ 220,722

See accompanying notes to financial statements.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Accumulated Operating Surplus

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR</b>	\$ 5,109,145	\$ 4,888,423
Operating surplus	117,591	220,722
<b>ACCUMULATED OPERATING SURPLUS, END OF YEAR</b>	<b>\$ 5,226,736</b>	<b>\$ 5,109,145</b>
Accumulated operating surplus consisting of		
Unrestricted	\$ 2,249,195	\$ 2,262,173
Internally restricted funds		
School-based funds	2,977,541	2,846,972
	<b>\$ 5,226,736</b>	<b>\$ 5,109,145</b>

See accompanying notes to financial statements.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Change in Net Financial Assets

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>\$ 4,791,981</b>	<b>\$ 4,111,294</b>
Changes during the year		
Operating surplus	117,591	220,722
Acquisition of tangible capital assets	(53,313)	(105,660)
Proceeds on sale of tangible capital assets	—	10,657
Gain on disposal of tangible capital assets	—	(9,503)
Amortization of tangible capital assets	92,507	113,611
(Increase) decrease in prepaid expenses	(502,475)	450,860
(Decrease) increase in net financial assets	(345,690)	680,687
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 4,446,291</b>	<b>\$ 4,791,981</b>

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating surplus	\$ 117,591	\$ 220,722
Non-cash items		
Tangible capital asset amortization	92,507	113,611
Gain on sale of tangible capital assets	—	(9,503)
Change in non-cash operating working capital		
Decrease (increase) in accounts receivable	2,215,579	(2,001,996)
Decrease (increase) in prepaid expenses	(502,475)	450,860
Increase (decrease) in payables and accruals – trade	351,645	(172,879)
Increase (decrease) in salaries payable	1,497,304	(699,582)
Increase (decrease) in payables and accruals – government	(4,056,046)	3,524,770
Increase (decrease) in deferred revenue	(5,181)	275,637
	(289,076)	1,701,640
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of tangible capital assets	(53,313)	(105,660)
Proceeds on sale of tangible capital assets	—	10,657
	(53,313)	(95,003)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(342,389)	1,606,637
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	5,247,539	3,640,902
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 4,905,150	\$ 5,247,539
<b>Represented on the financial statements by</b>		
Cash and cash equivalents: general	\$ 1,927,609	\$ 2,400,567
Cash and cash equivalents: school-based funds	2,977,541	2,846,972
	\$ 4,905,150	\$ 5,247,539
<b>Supplemental cash flow information</b>		
Interest received	\$ 72,278	\$ 53,117

See accompanying notes to financial statements.



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Scholarship Fund Financial Position

March 31, 2013, with comparative figures for 2012

	2013	2012
<b>ASSETS</b>		
Cash and investments	\$ 534,912	\$ 542,151
<b>FUND BALANCE</b>		
Rossetti	\$ 162,358	\$ 168,179
O'Connell	151,779	151,691
George MacKay Bursary	145,600	145,779
Annie Bell Grady Memorial	20,689	20,501
Townsend	1,019	1,008
McDonagh	5,257	5,258
Panagiotakos	8,918	8,918
McQuarrie	3,153	3,109
Annie Hall	1,917	1,915
C.J.C.B.	3,994	4,494
Daniel Munroe	2,957	2,974
John D. MacLeod Memorial	976	984
T.L. Sullivan Memorial	1,860	1,888
Mary Elizabeth Brennan	2,230	2,255
William Hilchie Memorial	2,966	2,983
Isabel MacDermid Memorial	3,488	3,486
Wendell & Diane Coldwell Memorial	925	1,014
Jon David Corbett	3,003	3,005
Leonard Matheson	1,393	1,404
Ellen Dunn Balah	2,528	2,498
Minor Hockey	7,658	8,564
Fine Arts	244	244
	\$ 534,912	\$ 542,151

See accompanying notes to financial statements.

On behalf of the Board

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Board Member

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Continuity of Scholarship Fund

Year ended March 31, 2013, with comparative figures for 2012

	Rossetti	O'Connell	Mackay	Grady	Townsend	McDonagh	Panagiotakos	McQuarrie
Balance, beginning of year	\$ 168,179	\$ 151,691	\$ 145,779	\$ 20,501	\$ 1,008	\$ 5,258	\$ 8,918	\$ 3,109
Interest earned	479	1,688	1,621	189	11	59	100	98
	168,658	153,379	147,400	20,690	1,019	5,317	9,018	3,207
Scholarship awarded	6,300	1,600	1,800	—	—	60	100	54
Balance, end of year	\$ 162,358	\$ 151,779	\$ 145,600	\$ 20,690	\$ 1,019	\$ 5,257	\$ 8,918	\$ 3,153

	Annie Hall	C.J.C.B.	Munroe	MacLeod	Sullivan	Brennan	Hilchie	MacDermid
Balance, beginning of year	\$ 1,915	\$ 4,494	\$ 2,974	\$ 984	\$ 1,888	\$ 2,255	\$ 2,983	\$ 3,486
Interest earned	22	—	33	12	21	25	33	102
	1,937	4,494	3,007	996	1,909	2,280	3,016	3,588
Scholarship awarded	20	500	50	20	50	50	50	100
Balance, end of year	\$ 1,917	\$ 3,994	\$ 2,957	\$ 976	\$ 1,859	\$ 2,230	\$ 2,966	\$ 3,488

	Coldwell	Corbett	Matheson	Dunn Balah	Minor Hockey	Fine Arts	2013 Total	2012 Total
Balance, beginning of year	\$ 1,014	\$ 3,005	\$ 1,404	\$ 2,498	\$ 8,564	\$ 244	\$ 542,151	\$ 549,399
Interest earned	11	33	14	30	94	—	4,675	6,178
	1,025	3,038	1,418	2,528	8,658	244	546,826	555,577
Scholarship awarded	100	35	25	—	1,000	—	11,914	13,426
Balance, end of year	\$ 925	\$ 3,003	\$ 1,393	\$ 2,528	\$ 7,658	\$ 244	\$ 534,912	\$ 542,151

See accompanying notes to financial statements.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year ended March 31, 2013

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The Cape Breton-Victoria 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 serving the Cape Breton Regional Municipality and the Municipality of the County of Victoria. 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.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### Basis of accounting

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 Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), supplemented where appropriate by other CICA accounting standards or pronouncements.

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

#### (a) Revenues

Revenues are recognized on an accrual basis. Grants received, donations and fees collected in advance of the provision or use of related services are deferred. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

Each year, contributions by volunteers support the delivery of certain programs within schools. Due to the difficulty in determining or otherwise estimating the value of these contributions and because these services are not otherwise purchased, contributed services are not quantified and recognized in these financial statements.

#### (b) Expenses

Expenses are recorded on an accrual basis and include the cost of supply inventories purchased during the year. Provisions are made 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.

#### (c) Financial assets

Cash and cash equivalents are recorded at cost which approximates market value.

Accounts receivable are recorded at the principal amount less valuation allowance. These allowances are recorded where collectability is considered doubtful.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements

Year ended March 31, 2013

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Liabilities

Teachers' salary and benefit costs are accrued at year end. As directed by the Province of Nova Scotia, an offsetting receivable is recorded from the Province. The annual accrual and offsetting receivable are adjusted as required.

Salaries, vacation pay and benefits of non-teaching employees are also accrued at year end. There is no equivalent offsetting receivable from the Province except for vacation pay.

### (e) Net financial assets

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

### (f) 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 gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Contributions are not netted against the cost of the related tangible asset. All tangible capital assets are capitalized in accordance with Province of Nova Scotia thresholds and are amortized over the estimated useful life of the asset. The amortization expense is recorded in the statement of operations.

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

Asset	Basis	Rate
Service vehicles	Declining balance	35%

Prepaid expenses are cash disbursements or other transfers of economic resources 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.

### (g) Accumulated surplus

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

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

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## 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Scholarship trust funds under administration

The scholarship trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students. A schedule of trust funds is included in the financial statements.

### (i) 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the carrying value of capital assets, valuation of post retirement benefits and obligations, valuation allowance of accounts receivable and obligations resulting from employee contract negotiations.

### (j) Financial instruments

The Board initially measures its financial assets and financial liabilities at fair value.

Financial assets subsequently measured at amortized cost includes cash and cash equivalents, restricted cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost includes payables and accruals and payroll related accruals.

The receivable and obligation relating to retirement service awards and sick leave are recorded based on actuarial valuation.

Investments are subsequently measured at fair market value.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 2. SCHOOL-BASED FUNDS

These financial statements include funds arising from certain school and student activities that are controlled and administered locally by each school, but for which the Board is accountable. Revenues from school-based funds are recognized as the funds are received. School fund activities are recorded as funds are expended.

Changes in cash held by schools are as follows:

	2013	2012
Opening balance	\$ 2,846,972	\$ 2,661,762
Additions to school-based funds	6,979,054	5,911,870
School funded activities	(6,848,485)	(5,726,660)
	\$ 2,977,541	\$ 2,846,972

## 3. ACCOUNTS RECEIVABLE, PROVINCE OF NOVA SCOTIA

	2013	2012
TCA capital	\$ 6,599,973	\$10,008,320
Teachers' salary accrual	1,981,600	2,409,560
International student program	345,676	354,310
Information economy initiative	138,736	212,194
Other	280,752	131,042
Gas tax rebate	54,560	56,428
Teachers' pay adjustment	538,205	—
CUPE pay adjustment	231,192	—
P-3 refresh	204,378	—
	\$10,375,072	\$13,171,854

## 4. ACCOUNTS RECEIVABLE, FIRST NATION

	2013	2012
Tuition receivable	\$ 274,119	\$ —

## 5. ACCOUNTS RECEIVABLE, GOVERNMENT OF CANADA

	2013	2012
Harmonized sales tax	\$ 806,843	\$ 623,441

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 6. RETIREMENT SERVICE AWARDS

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 local and the predecessor boards. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is to be made.

Non-teaching employees are entitled to 50% of sick leave accrual upon retirement, death, resignation or termination, provided the employee has at least ten years of service or an employee with at least ten years of service on retirement, death, resignation or termination shall be entitled to \$250.00 for each year of service to a maximum of thirty-five years of service, whichever is greater.

The Province of Nova Scotia assumed responsibility for the payment of service awards for all qualifying School Board employees effective April 1, 2002. As a result, school boards were required to make certain entries on their financial statements beginning with the year ending March 31, 2002, to record the value of projected liabilities, as well as a corresponding receivable from the Province of Nova Scotia. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation calculated the present value of the service awards payable for past services for the School Board to be \$6,836,039 as of March 31, 2013 (2012 - \$6,159,118) – teaching; \$767,206 as of March 31, 2013 (2012 - \$771,081) – non-teaching.

The information below provides further detail on the calculation of the accrued retirement service award obligations.

### TEACHING

	2013		2012	
	Actual Obligation	Unamortized Losses	Total	Total
Balance, beginning of year	\$ 7,505,799	\$ (1,346,681)	\$ 6,159,118	\$ 5,700,936
Current service cost	621,900	–	621,900	564,200
Interest cost	342,600	–	342,600	342,800
Actuarial loss	92,500	(92,500)	–	–
Amortization of actuarial losses	–	146,784	146,784	150,617
Benefit payments	(434,363)	–	(434,363)	(599,435)
Balance, end of year	\$ 8,128,436	\$ (1,292,397)	\$ 6,836,039	\$ 6,159,118

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 6. RETIREMENT SERVICE AWARDS (CONTINUED)

The information below provides further detail on the calculation of retirement service award.

### TEACHING

	2013	2012
Current service cost	\$ 621,900	\$ 564,200
Interest obligation	342,600	342,800
Amortization of actuarial losses	146,784	150,617
	<u>\$ 1,111,284</u>	<u>\$ 1,057,617</u>

### NON-TEACHING

	2013			2012	
	Actual Obligation	Unamortized Losses	Total	Total	
Balance, beginning of year	\$ 771,081	\$ —	\$ 771,081	\$ 752,164	
Current service cost	27,051	—	27,051	25,924	
Interest cost	32,579	—	32,579	35,338	
Actuarial loss	1,988	(1,988)	—	—	
Benefit payments	(63,505)	—	(63,505)	(42,345)	
Balance, end of year	\$ 769,194	\$ (1,988)	\$ 767,206	\$ 771,081	

The information below provides further detail on the calculation of retirement service award.

	2013	2012
Current service cost	\$ 25,924	\$ 27,051
Interest obligation	35,338	32,579
	<u>\$ 61,262</u>	<u>\$ 59,630</u>

## 7. ACCRUED SICK LEAVE

The Board has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-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, 2013. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them.



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 7. ACCRUED SICK LEAVE (CONTINUED)

This evaluation calculated the present value of the accumulated sick leave for past services for the School Board to be \$15,248,000 as of March 31, 2013 (2012 - \$14,488,000) – teaching; \$1,693,827 as of March 31, 2013 (2012 - \$1,687,085) – non-teaching.

The information below provides further detail on the calculation of the accrued benefit obligation.

### TEACHING

	2013		2012	
	Actual Obligation	Unamortized Gains (losses)	Total	Total
Balance, beginning of year	\$ 14,488,000	\$ –	\$ 14,488,000	\$ 13,818,000
Current service cost	1,229,000	–	1,229,000	1,119,000
Interest cost	649,000	–	649,000	657,000
Sick leave taken	(1,118,000)	–	(1,118,000)	(1,106,000)
Actuarial losses	183,000	(183,000)	–	–
Balance, end of year	\$ 15,431,000	\$ (183,000)	\$ 15,248,000	\$ 14,488,000

The information below provides further detail on the calculation of accumulated sick leave expense.

	2013	2012
Current service cost	\$ 1,229,000	\$ 1,119,000
Interest cost	649,000	657,000
	\$ 1,878,000	\$ 1,776,000

### NON-TEACHING

	2013		2012	
	Actual Obligation	Unamortized Gains (losses)	Total	Total
Balance, beginning of year	\$ 1,687,085	\$ –	\$ 1,687,085	\$ 1,677,076
Current service cost	189,770	–	189,770	179,001
Interest cost	72,655	–	72,655	78,045
Sick leave taken	(255,683)	–	(255,683)	(247,037)
Actuarial (gains) losses	11,686	(11,686)	–	–
Balance, end of year	\$ 1,705,513	\$ (11,686)	\$ 1,693,827	\$ 1,687,085

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 7. ACCRUED SICK LEAVE (CONTINUED)

The information below provides further detail on the calculation of accumulated sick leave expense.

	2013	2012
Current service cost	\$ 189,770	\$ 179,001
Interest cost	72,655	78,045
	<u>\$ 262,425</u>	<u>\$ 257,046</u>

## 8. TANGIBLE CAPITAL ASSETS

			2013	2012
	Cost	Accumulated amortization	Net	Net
Service vehicles	\$ 961,711	\$ 789,912	\$ 171,799	\$ 210,993

## 9. DEFERRED TEACHERS' SALARIES

Under the terms of the teachers' contract, the School Board withholds a portion of certain eligible teachers' salaries and deposits it with the Nova Scotia Teachers' Credit Union. These amounts are subsequently withdrawn by the teachers in a year when they are on leave of absence. As at March 31, 2013, the Board had \$586,900 (2012 - \$589,560) of such funds on deposit together with a corresponding liability to these teachers which amounts have not been included in these financial statements.

## 10. PENSION PLANS

### (a) Teachers

The School Board's teachers are members of the pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Province of Nova Scotia has accepted responsibility for funding this plan and accordingly, no provision is included in the Board's financial statements for the related pension amounts.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

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## 10. PENSION PLANS (CONTINUED)

### (b) Non-teachers

The School Board's Canadian Union of Public Employees (CUPE) staff participate in a money purchase pension plan which is accounted for by the School Board as a defined contribution plan. Employer pension costs of \$1,038,173 (2012 - \$1,190,164) are included in the statement of operations which represent the cost of employer contributions for current service of participating employees during the year. Employees and the School Board both contribute at the rate of 5% of pensionable earnings.

The School Board also contributes to an RRSP plan for its confidential non-CUPE employees. Employees and the School Board both contribute at the rate of 9% of pensionable earnings. Included in the March 31, 2013 statement of operations are employer contributions of \$83,482 (2012 - \$75,049), which represents the pension cost to the School Board.

## 11. INSURANCE

The School Board is a member of the School Insurance Exchange, which provides all insurance coverage, with the exception of fleet insurance, which is contracted to a private carrier.

## 12. RELATED PARTY TRANSACTIONS

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

- P-3 schools and facilities leases and operating costs, and
- Payments for the teachers' pension plans and medical premiums.

## 13. FINANCIAL INSTRUMENTS

The School Board is exposed to various risks through its financial instruments and includes the following significant risk at March 31, 2013.

### Credit risk

The School Board's exposure to credit risk relates to accounts receivable and arises from the possibility that creditors do not fulfill their obligations. This risk is mitigated due to receivables being from various levels of government based on approved agreements.

The School Board performs continuous evaluation of its accounts receivable.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

## 13. FINANCIAL INSTRUMENTS (CONTINUED)

### Liquidity risk

Liquidity risk is the risk that the School Board will encounter difficulty raising funds to meet its liabilities. This is mitigated through regular monitoring of cash flows.

## 14. COMMITMENTS

- (a) The Board has entered into agreements to lease equipment for various periods until 2018. Minimum annual lease payments are as follows:

	Equipment
2014	\$ 196,023
2015	118,272
2016	32,125
2017	8,357
2018	675

- (b) The Board is committed to the following capital projects at March 31, 2013:

	Estimated Cost	Progress Billings	Outstanding
Whitney Pier Window Replacement	\$ 147,272	\$ –	\$ 147,272
St. Anne's Elementary – addition and site renovation	3,646,744	3,020,518	626,226
Dust Collector Remediation	288,709	79,135	209,574
Baddeck – Demolition	460,000	93,968	366,032
Riverview – Demolition	318,000	125,700	192,300
	\$ 4,860,725	\$ 3,319,321	\$ 1,541,404

## 15. CONTINGENCIES

- (a) The Board has been named a defendant in three legal matters. The outcome of the matters is not determinable and settlement, if any, will be accounted for as a charge to operations in the period of settlement.
- (b) As of March 31, 2012 the contract with CUPE 5050 expired and current contract negotiations between the Board and CUPE 5050 are ongoing. Management has made a provision in these financial statements based on their best estimate of its liability as at March 31, 2013. Any adjustment required to the settlement will be accounted for as a charge to operations in the period of settlement.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2013

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## 16. RESTATEMENT

During the year, management was directed by the Department of Finance to accumulated sick leave and retirement allowances earned by non-teaching staff. The adjustment required to accrue the accumulated sick leave and retirement allowances earned by non-teaching staff was made retrospectively. No adjustment was necessary to opening unrestricted net assets as the Province of Nova Scotia has assumed responsibility for the liability up until March 31, 2013. A corresponding receivable from the Province of Nova Scotia was set up. For the year ended March 31, 2012 the receivable from the Province of Nova Scotia for the sick leave obligation and retirement allowance and the corresponding obligations increased by \$1,687,085 and \$771,081, respectively. The increase to the Province of Nova Scotia revenue and various related expenses for the year ended March 31, 2012 was \$179,001 for accumulated sick leave and \$59,630 for retirement allowances.

## 17. COMPARATIVE FIGURES

Certain 2012 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule A - Supplementary Details of Revenues

Year ended March 31, 2013, with comparative figures for 2012

	2013		2012
	Budget	Actual	Actual
<b>PROVINCE OF NOVA SCOTIA</b>			
Operating	\$ 119,719,072	\$ 121,706,768	\$ 123,404,702
Restricted	876,500	2,519,632	3,369,744
Capital	126,200	11,777,040	10,880,386
Grants	500,000	920,069	1,050,735
	<b>\$ 121,221,772</b>	<b>\$ 136,923,509</b>	<b>\$ 138,705,567</b>
<b>GOVERNMENT OF CANADA</b>			
INAC	\$ 1,186,000	\$ 1,368,980	\$ 1,207,094
Secretary of State	177,000	273,822	233,227
	<b>\$ 1,363,000</b>	<b>\$ 1,642,802</b>	<b>\$ 1,440,321</b>
<b>OTHER REVENUES</b>			
Board generated – other	\$ 3,193,560	\$ 3,900,256	\$ 3,863,375
Tuition – students	324,316	440,908	366,694
Rentals	33,000	86,172	110,167
Proceeds on sale of assets	–	–	9,503
Investment interest	50,000	72,278	53,117
	<b>\$ 3,600,876</b>	<b>\$ 4,499,614</b>	<b>\$ 4,402,856</b>
<b>SCHOOL-BASED FUNDS (note 2)</b>	<b>\$ –</b>	<b>\$ 6,979,054</b>	<b>\$ 5,911,870</b>

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule B - Supplementary Details of Expenses

Year ended March 31, 2013, with comparative figures for 2012

	2013		2012
	Budget	Actual	Actual
<b>BOARD GOVERNANCE</b>			
Board members	\$ 172,728	\$ 169,309	\$ 168,432
Board secretary	58,325	52,450	47,375
NSSBA dues	134,760	170,082	115,707
	\$ 365,813	\$ 391,841	\$ 331,514
<b>REGIONAL MANAGEMENT</b>			
Management services	\$ 3,098,929	\$ 3,242,238	\$ 2,707,248
Financial services	1,335,412	1,355,525	1,323,706
Human resource services	271,064	301,858	335,244
Communication services	12,380	12,902	29,192
	\$ 4,717,785	\$ 4,912,523	\$ 4,395,390
<b>SCHOOL MANAGEMENT AND SUPPORT</b>			
School management	\$ 11,835,215	\$ 11,769,353	\$ 12,404,015
Program and curriculum support	2,416,582	2,593,460	2,939,507
	\$ 14,251,797	\$ 14,362,813	\$ 15,343,522
<b>INSTRUCTIONAL AND SCHOOL SERVICES</b>			
Instruction	\$ 65,085,665	\$ 67,087,973	\$ 68,139,710
Guidance services	2,624,979	2,651,229	2,697,747
Library services	724,708	800,799	865,040
ITS instructional	39,292	53,854	73,326
	\$ 68,474,644	\$ 70,593,855	\$ 71,775,823
<b>STUDENT SUPPORT</b>			
Program management	\$ 285,371	\$ 261,956	\$ 303,188
Instruction	18,650,326	18,752,983	18,796,902
Program and curriculum support	5,201,111	5,207,221	5,287,670
	\$ 24,136,808	\$ 24,222,160	\$ 24,387,760

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule B - Supplementary Details of Expenses (continued)

Year ended March 31, 2013, with comparative figures for 2012

	2013		2012
	Budget	Actual	Actual
<b>ADULT AND COMMUNITY EDUCATION</b>			
Program management	\$ 863,520	\$ 826,744	\$ 843,542
Program and curriculum support	76,200	88,045	131,117
	<b>\$ 939,720</b>	<b>\$ 914,789</b>	<b>\$ 974,659</b>
<b>PROPERTY SERVICES</b>			
Management services	\$ 353,162	\$ 339,142	\$ 485,192
Custodial services	6,449,887	6,449,896	6,620,831
Maintenance services	11,860,850	24,566,402	22,761,669
Grounds services	465,000	462,209	417,320
	<b>\$ 19,128,899</b>	<b>\$ 31,817,649</b>	<b>\$ 30,285,012</b>
<b>STUDENT TRANSPORTATION</b>			
Management services	\$ 535,710	\$ 563,011	\$ 604,074
Transportation (Board)	2,548,295	2,632,975	2,949,654
Maintenance (Board)	3,238,545	3,530,577	3,522,562
Transportation (Contract)	189,400	193,211	220,567
	<b>\$ 6,511,950</b>	<b>\$ 6,919,774</b>	<b>\$ 7,296,857</b>
<b>SCHOOL FUNDED ACTIVITIES (note 2)</b>	<b>\$ —</b>	<b>\$ 6,848,485</b>	<b>\$ 5,726,660</b>