

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL DE TERRE-NEUVE-ET-LABRADOR
NON-CONSOLIDATED FINANCIAL STATEMENTS
JUNE-30-15**

Management Report

Management's Responsibility for the Financial Statements

The financial statements of School District have been prepared by management in accordance with Canadian public sector accounting standards and provincial reporting legislation and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors of the Conseil scolaire francophone provincial (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a periodic basis and external audited financial statements yearly.

The external auditors, Winsor Coombs, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the School District and meet when required.

The accompanying independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the School Board's financial statements.

On behalf of the Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador:


 Signature of the Chairperson of the Board - Mr. Ali Chaisson *le 18 décembre 2015*
 Date Signed


 Signature of the Director of Education (Acting) - Mr. Peter Smith *le 18 décembre 2015*
 Date Signed


 Signature of the Assistant Director Education (Finance & Administration) - Mr. Peter Smith Date Signed

Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

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INDEPENDENT AUDITORS' REPORT

To the Members of Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador

We have audited the accompanying non-consolidated financial statements of Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador, which comprise the statement of financial position as at June 30, 2015 and the non-consolidated statements of operations, and accumulated surplus, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated 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 non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated 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 non-consolidated financial statements present fairly, in all material respects, the financial position of the Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador as at June 30, 2015, and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Mount Pearl, Newfoundland and Labrador

December 14, 2015


Chartered Professional Accountants

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE-30-15**

FINANCIAL ASSETS

	<u>2015</u>	<u>2014</u>
Bank	\$ 128,559	\$ 78,792
Short Term Investments	13,155	209,500
Accounts Receivable (Note 8)	714,545	658,617
Harmonized Sales Tax Receivable	<u>35,615</u>	<u>32,991</u>
	<u>891,874</u>	<u>979,900</u>

FINANCIAL LIABILITIES

Due to the Government of Newfoundland and Labrador	189,210	182,700
Accounts Payable and Accruals (Note 9)	67,289	57,719
Summer Pay Liability (Note 4)	554,844	501,489
Deferred Revenue	104,449	77,097
Repayable Deposits (Note 6)	13,155	10,280
Employee Future Benefits		
Accrued Severance Pay (Note 12)	687,248	601,408
Accrued Sick Leave (Note 7)	508,889	469,568
Other (Note 13)	<u>152,226</u>	<u>110,376</u>
	<u>2,277,310</u>	<u>2,010,637</u>
Net Debt	<u>(1,385,436)</u>	<u>(1,030,737)</u>

NON-FINANCIAL ASSETS

Capital Assets (Schedule 7)	8,430,069	8,633,674
Prepaid Expenses (Supp. Info 1)	<u>10,520</u>	<u>10,071</u>
	<u>8,440,589</u>	<u>8,643,745</u>
Accumulated surplus (Note 11)	<u>\$ 7,055,153</u>	<u>\$ 7,613,008</u>

Approved:

Chair

Peter Smith

Director of Education

See accompanying notes to the financial statements

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NON-CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
JUNE-30-15**

	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Actual 2014</u>
Revenue (Schedule 1)			
Provincial Government Grants	\$ 7,888,200	\$ 8,307,357	\$ 6,936,447
Grants - Official Languages in Education Projects	984,415	994,321	1,024,252
Ancillary Services	145,800	146,614	146,830
Miscellaneous	<u>1,650</u>	<u>1,171</u>	<u>13,514</u>
Total revenue	<u>9,020,065</u>	<u>9,449,463</u>	<u>8,121,043</u>
Expenditures			
Administration (Schedule 2)	557,350	665,133	547,371
Instruction (Schedule 3)	5,058,400	5,513,703	4,991,092
Operations and Maintenance (Schedule 4)	1,657,750	2,013,822	1,352,804
Pupil Transportation (Schedule 5)	606,000	617,566	548,689
Ancillary Services and Miscellaneous (Schedule 6)	207,150	239,226	252,407
Pupil Services - Official Languages in Education Projects (Schedule 8)	761,615	761,617	759,039
Community Programs - Official Languages in Education Projects (Schedule 9)	<u>181,800</u>	<u>196,251</u>	<u>178,465</u>
Total expenditure	<u>9,030,065</u>	<u>10,007,318</u>	<u>8,629,867</u>
Excess Expenditures over Revenue	(10,000)	(557,855)	(508,824)
Accumulated Surplus, Beginning of Year	<u>7,613,008</u>	<u>7,613,008</u>	<u>8,121,832</u>
Accumulated Surplus, End of Year (Note 11)	<u>\$ 7,603,008</u>	<u>\$ 7,055,153</u>	<u>\$ 7,613,008</u>

See accompanying notes to the financial statements

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NON-CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
JUNE-30-15**

	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Actual 2014</u>
Excess of expenses over revenue	\$ (10,000)	\$ (557,855)	\$ (508,824)
Acquisition of tangible capital assets	-	(254,265)	(157,623)
Amortization of tangible capital assets	-	457,869	451,639
Net change in prepaid expenses	<u>-</u>	<u>(448)</u>	<u>4,082</u>
Change in net debt	(10,000)	(354,699)	(210,726)
Net debt, beginning of year	<u>(1,030,737)</u>	<u>(1,030,737)</u>	<u>(820,011)</u>
Net debt, end of year	<u>\$ (1,040,737)</u>	<u>\$ (1,385,436)</u>	<u>\$ (1,030,737)</u>

See accompanying notes to the financial statements

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE-30-15**

Cash from (used for)	<u>2015</u>	<u>2014</u>
Operating Transactions		
Excess of expenditures over revenue	\$ (557,855)	\$ (508,824)
Items not affecting cash		
Amortization	457,869	451,639
Accounts receivable	(55,928)	168,384
Harmonized sales tax receivable	(2,624)	(4,183)
Prepaid expenses	(449)	4,083
Due to Government of Newfoundland and Labrador	6,510	(50,627)
Accounts payable and accruals	9,570	(15,020)
Repayable deposits	2,875	141
Summer pay liability	53,355	(174,759)
Accrued severance pay	85,840	80,188
Accrued sick leave	39,321	36,489
Other employee future benefits	41,850	33,548
Deferred revenue	<u>27,353</u>	<u>15,960</u>
	<u>107,687</u>	<u>37,019</u>
Capital asset transactions		
Additions to capital assets	<u>(254,265)</u>	<u>(157,623)</u>
Investing activities		
Short term investments	<u>196,345</u>	<u>100,000</u>
Increase (decrease) in cash	49,767	(20,604)
Cash, beginning of year	<u>78,792</u>	<u>99,396</u>
Cash, end of year	<u>\$ 128,559</u>	<u>\$ 78,792</u>

See accompanying notes to the financial statements

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

1. Nature of Operations

The Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador (CSFP or "the Board") is the sole public Francophone school board in Newfoundland and Labrador. According to Article 23 of the Canadian Charter of Rights and Freedoms, the Board provides French-first-language education to the children of eligible right-holders. The Board services the entire province of Newfoundland and Labrador and it possesses the same authority as the English public school board of the province, but with an extra mandate to promote the French language and culture.

2. Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector which are represented by standards issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

A summary of significant accounting policies adopted by the Board is as follows:

- a) These financial statements are prepared on a non-consolidated basis. These financial statements do not include school based financial activities which would consist of revenues, expenses and net assets controlled by school administrations.
- b) The Board's main source of funding is derived from Government of Newfoundland and Labrador, Department of Education ("the Department"). The Department provides funding for operations, transportation, capital expenditures and teacher salaries and severance pay. Funding is included in revenue on the accrual basis and when the related expenditures have been incurred with the exception of funding for the severance pay, sick leave and executive paid leave. In these three cases, funding is recorded when the severance is paid to employees (see Note 12), when sick leave is taken (Note 7) or when paid leave is taken by executives (see Note 13). Funding designated for specific purposes, for which criteria has not been met, is deferred and included in revenue when the related expenditures have been incurred.
- c) Capital asset additions are recorded at full cost and are amortized over their useful lives.
- d) Capital assets are amortized using the straight line method based on the following number of years:

School Buildings	40 years
Furniture	10 years
Equipment	10 years
Computers	4 years
- e) The School Board has acquired, in certain cases, land for its buildings without cost. In other cases, the Board obtained authorization to use the land without ownership, as long as the properties are used for educational purposes. Finally, in cases where the land is Board property and value determinations were not possible, fair market values were not recorded.

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

- f) The Government of Newfoundland and Labrador processes the payrolls and remits the source deductions directly to the appropriate agencies for all principals, teachers, student assistants, board management and program coordinators. The amounts recorded in the financial statements represent gross salaries and employee benefits as reported by the Department for the year.
- g) All permanent employees of the Board are covered by pension plans administered by the Government of Newfoundland and Labrador. Contributions to these plans are required from both the employee and the Board. Post retirement obligations to employees are the responsibility of the Government of Newfoundland and Labrador. For pensions, employer contributions are recognized in the accounts on a current basis.
- h) Employees are entitled to severance benefits as stipulated in their conditions of employment. The right to be paid severance pay vests with employees with nine years of continual service with the CSFP or another public sector employer. Severance is payable when the employee ceases employment with the CSFP and the public sector. The severance benefit obligation has been actuarially determined using assumptions based on management's best estimates of future salary and wage changes, employee age, years of service, the probability of voluntary departure due to resignation or retirement, the discount rate and other factors. Discount rates are based on the Province's long-term borrowing rate. Actuarial gains and losses are recognized over time, per the actuarial calculation, through the non-consolidated statement of operations.
- i) Employees of the CSFP are entitled to sick pay benefits which accumulate but do not vest. In accordance with Public Sector Accounting Standards for post-employment benefits and compensated balances, the CSFP recognizes the liability in the period in which the employee renders service. The obligation is actuarially determined using assumptions based on management's best estimates of the probability of use of accrued sick leave, future salary and wage changes, employee age, the probability of departure, retirement age, the discount rate and other factors. Discount rates are based on the Province's long-term borrowing rate. Actuarial gains and losses are recognized over time, per the actuarial calculation, through the non-consolidated statement of operations.
- j) In preparing the financial statements for the Conseil scolaire francophone provincial de Terre-Neuve-et-Labrador, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

Examples of significant estimates include:

- the liability for Employee Future Benefits
- providing for amortization of tangible capital assets
- the estimated useful lives of assets

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

3. Financial Instruments

The Board's financial instruments consist of cash, short term investments, accounts receivable, accounts payable and employee benefits payable. It is management's opinion that the Board is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

The carrying value of the Board's financial instruments approximate fair values.

4. Summer Pay Liability

The Board records a vacation (summer) pay liability for teachers in the District. This liability relates to teacher's salaries earned during the school year but not fully paid to teachers until subsequent to June 30. Accordingly, the Board has recorded teachers' vacation pay receivable of \$554,844 in Accounts Receivable (2014 - \$501,489).

5. Insurance Subsidy

The cost of insuring school properties is incurred by the Provincial Government and no amount has been recorded in these financial statements to reflect this cost.

6. Repayable Deposits

The School Board collects performance bonds from suppliers for the provision of multi-year heating, ventilation and air conditioning maintenance contracts as well as for multi-year snow clearing contracts. These deposits earn interest at market rates. The balance as at June 30, 2015 is payable as follows:

2016	11,155
2017	<u>2,000</u>
Total:	\$ <u>13,155</u>

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

7. Employee Future Benefits - Accrued Sick Leave

	<u>2015</u>	<u>2014</u>
Accrued benefit liability, beginning of year	\$ 469,568	\$ 433,079
Benefits expense		
Current service cost	63,194	60,174
Interest expense	18,245	17,591
Amortization of loss in period	1,297	772
Benefits paid	<u>(43,415)</u>	<u>(42,048)</u>
Total accrued benefit liability, end of year	508,889	469,568
Unamortized actuarial experience loss (gain)	<u>25,181</u>	<u>13,649</u>
Total accrued benefit obligation	<u>534,070</u>	<u>483,217</u>
Accrued benefit liability according to employee groups		
Teachers	449,575	412,999
Board employees	41,747	40,094
Student assistants	<u>17,567</u>	<u>16,475</u>
Total accrued benefit liability, end of year	\$ <u>508,889</u>	\$ <u>469,568</u>

The significant actuarial assumptions used in measuring the accrued sick leave and benefits expenses are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - benefit cost (%)	3.35	3.70	3.91
Rate of compensation increase			
Teachers - less than 10 yrs service		7.25%	
Teachers - more than 10 yrs service		4.00%	
Student assistants		4.00%	
Board employees		4.00%	

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

8. Accounts Receivable	<u>2015</u>	<u>2014</u>
Provincial government	\$ 71,415	\$ 3,136
Provincial government - Summer pay - teachers	554,844	501,489
Provincial government - Transportation	-	58,674
Federal government	22,453	11,521
Rent	36,620	54,906
Interest	-	536
Travel advances and miscellaneous	19,550	300
Provincial government construction grants	<u>9,663</u>	<u>28,055</u>
	<u>\$ 714,545</u>	<u>\$ 658,617</u>
9. Accounts Payable and Accrued Liabilities	<u>2015</u>	<u>2014</u>
Trade payables	\$ 41,414	\$ 26,025
Accrued liabilities	25,875	22,000
Accrued salaries and benefits payable	<u>-</u>	<u>9,694</u>
	<u>\$ 67,289</u>	<u>\$ 57,719</u>
10. Expenses by Object	<u>2015</u>	<u>2014</u>
Salaries	\$ 5,769,154	\$ 5,226,750
Employee benefits	1,087,020	1,010,246
Supplies and services	2,212,545	1,550,607
Contract services and fees	367,592	237,958
Training	63,066	90,857
Rentals	48,146	61,422
Amortization	457,871	451,640
Interest	<u>1,924</u>	<u>387</u>
	<u>\$ 10,007,318</u>	<u>\$ 8,629,867</u>

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

11. Breakdown of Accumulated Surplus

	<u>2015</u>	<u>2014</u>
Year end composition		
Restricted reserve - Centre des Grands-Vents (Note 14)	\$ 42,554	\$ 61,863
Net investment in capital assets	8,430,069	8,633,674
Unfunded accrued sick leave (Note 7)	(508,889)	(469,568)
Unfunded accrued employee severance pay	(640,601)	(545,906)
Unfunded paid leave - executive (Note 13)	(95,273)	(80,785)
Operating accumulated surplus (deficit)	<u>(172,707)</u>	<u>13,730</u>
Total accumulated surplus	<u>\$ 7,055,153</u>	<u>\$ 7,613,008</u>

12. Employee Future Benefits - Accrued Severance Pay

	<u>2015</u>	<u>2014</u>
Accrued benefit liability, beginning of year	\$ 601,408	\$ 521,220
Benefits expense		
Current service cost	97,567	91,271
Interest expense	24,219	21,906
Amortization of loss in period	2,227	1,169
Benefits paid	<u>(38,173)</u>	<u>(34,158)</u>
Accrued benefit liability, end of year	687,248	601,408
Unamortized actuarial loss (gain)	<u>57,739</u>	<u>23,487</u>
Accrued benefit obligation, end of year	<u>744,987</u>	<u>624,895</u>
Accrued benefit liability according to employee groups		
Teachers	590,035	499,428
Board employees	88,918	95,743
Student assistants	<u>8,295</u>	<u>6,237</u>
Total accrued benefit liability, end of year	<u>\$ 687,248</u>	<u>\$ 601,408</u>

The significant actuarial assumptions used in measuring the accrued sick leave and benefits expenses are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate - benefit cost (%)	3.35	3.70	3.91
Rate of compensation increase			
Teachers - less than 10 yrs service		7.25%	
Teachers - more than 10 yrs service		4.00%	
Student assistants		4.00%	
Board employees		4.00%	

**CONSEIL SCOLAIRE FRANCOPHONE PROVINCIAL
DE TERRE-NEUVE-ET-LABRADOR
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED JUNE-30-15**

13. Employee Future Benefits - Other

Paid leave for executive staff and vacation pay benefits payable for Board office administration staff, school secretaries and janitorial staff are recorded in accordance with the benefit rates applicable to these groups.

Other employee future benefits is comprised of the following:

	<u>2015</u>	<u>2014</u>
Executive staff paid leave	\$ 95,273	\$ 80,785
Employee vacation pay	<u>56,953</u>	<u>29,591</u>
	<u>\$ 152,226</u>	<u>\$ 110,376</u>

14. Reserve

In accordance with leases with the tenants of the Centre scolaire et communautaire des Grand-Vents in St. John's, the CSFP maintains a reserve constituted of funds that management has designated as restricted for the future purchase of computer equipment and major renovations to this building.

15. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation.