

EMPLOYEE FUTURE BENEFITS & VACATION PAY LIABILITIES

For British Columbia School Districts

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SECTION 1: BACKGROUND ON GAAP IMPLEMENTATION

Implementation of full Generally Accepted Accounting Principles (GAAP) for British Columbia boards of education (boards) was effective July 1, 2004. The principles are those set out in the *not-for-profit* model, using the deferral method as defined by the Canadian Institute of Chartered Accountants (CICA Handbook, sections 4400 to 4460).

Prior to the 2004/05 fiscal year, school districts reported on a disclosed basis of accounting principles generally accepted for British Columbia school districts as prescribed or permitted by the Ministry of Education. Although accruals for employee future benefits (EFB) and vacation pay (VP) were encouraged, they were not required. Commencing in the period July 1, 2004 to June 30, 2005, school districts were required to report full accruals for employee future benefits and vacation pay in accordance with GAAP.

Boards have entered into various contracts with their employee groups to provide certain post-employment benefits. Obligations for these benefits vary between school districts, based on collective agreement terms negotiated at the school district level. In addition, at fiscal year end, school district employees have typically earned vacation that will not be taken until the following year. Prior to the implementation of GAAP, boards had discretion whether or not to fund these liabilities. As a result, some boards fully provided for these amounts, others made no provisions, while the balance set aside some funds to cover a portion of the liabilities.

SECTION 2: CICA HANDBOOK REFERENCES

CICA Handbook, section 1000.46 requires the use of full accrual accounting.

CICA Handbook, section 3461 establishes the criteria for employee future benefits accrual calculations.

SECTION 3: FINANCIAL STATEMENT NOTE DISCLOSURE

Sample note disclosure (see Appendix 1) has been provided to assist school districts with preparation of their financial statements. Employee future benefit disclosure is provided in sample notes 2(n), 11 and 13. Note 11 is generated by the Actuarial Calculation Tool Tab 1 (see Appendix 2).

The final version of the employee future benefit disclosure notes should be prepared by school districts in conjunction with their auditors.

The "2007/08 Notes to Financial Statements" document is posted on the District Financial Accountability website at: <http://www.bced.gov.bc.ca/accountability/district/>.

SECTION 4: PLAN TO RETIRE UNFUNDED LIABILITIES

A plan to fully retire the unfunded liability for EFB over a specified number of years is required and should be disclosed in the Notes to Financial Statements (see Sample Note 13).

The Ministry provided \$152M of GAAP funding from 2004 – 2007 for GAAP related accounting issues, including the additional annual expense for employee future benefits incurred under the accounting policies effective July 1, 2004 and reduction of unfunded employee future benefits and vacation pay. The GAAP implementation funding allocation forms are no longer required due to the absorption of the GAAP funding into the operating block beginning in 2007/08.

Districts that still carry an **Unfunded Liability for EFB** (18 Districts @ June 30, 2007) are still required to apply funds in order to eliminate this deficit. The Ministry will be monitoring the reduction of the unfunded liabilities for EFB by annual reviews of the audited Financial Statements and annual Budgets until all boards have fully provided for the unfunded accrued EFB and VP.

SECTION 5: ACTUARIAL CALCULATION TOOL

School district financial statements and budgets must include actuarial considerations. The Ministry provided a “GAAP Funding / Actuarial Calculation Tool” to each school district for completion in the 2004/05, 2005/06 and 2006/07 fiscal years and an “Actuarial Tool” for completion for the 2007/08 fiscal year. These tools provided preloaded information specific to each school district.

For a sample school district, Appendix 2 provides the actuarial calculation tool and actuarial appendices C and D to illustrate completion of the 3 tabs in the EXCEL spreadsheet.

SECTION 6: ACTUARIAL VALUATION PROCESS

Generally accepted actuarial practice is to undertake a new actuarial study every 3 years based on updated employee census data and benefit plan descriptions. Valuation Results and Five-Year Projections are then provided in actuarial appendix C and appendix D, respectively to each school district.

The result of the most recent study at March 31, 2007, based on data provided by School Districts at October 31, 2006, was provided to Districts in an e-mail “SDXX District Actuarial Results & GAAP/Actuarial Tool” in early May 2007.

In accordance with the CICA Handbook, section 3461, figures in actuarial appendix C and appendix D may be recalculated annually for a change in the discount rate at March 31. The results of the most recent rate change at March 31, 2008 were provided to districts with revised appendix C’s and appendix D’s in late April 2008. The financial statements and budgets should reflect these revised figures.

SECTION 6: ACTUARIAL VALUATION PROCESS (CONTINUED)

The next actuarial study will be prepared for March 31, 2010 based on data provided at October 31, 2009 and retiree experience data for the three years ended June 30, 2009. In order to ease some of the data gathering requirements, it may be useful for Districts to collect their retiree experience data on an annual basis as at June 30, 2007 – 2009 in preparation for the 2009/10 actuarial study.

SECTION 7: EARLY MEASUREMENT DATE

The CICA Handbook, section 3461 allows for the measurement of a benefit obligation to occur prior to the date of the annual financial statements provided that the measurement date occurs no more than three months prior, and provided that the plan sponsor adopts this practice consistently from year to year.

Starting with the fiscal year ending June 30, 2005, the measurement date of March 31 was adopted. The accrued benefit obligation measured as at March 31 less the April to June cash payments will equal the obligation as at June 30. The Balance Sheet liability is then calculated by adding/subtracting any gain/loss (please refer to the "Actuarial Calculation Tool"). This allows school districts to receive information required to prepare their annual financial statements prior to fiscal year end. There is a further advantage in that the Province has a fiscal year end date of March 31. For purposes of the Government Reporting Entity (GRE), the CICA and PSAB benefit obligations are now measured as at the same date.

SECTION 8: YEAR-END DISCOUNT RATES

Rates used to discount the employee future benefits are covered in section 3461 of the CICA Handbook. This section prescribes that the discount rate should be determined by reference to market interest rates at the measurement date on high-quality corporate bonds (defined to be AA or better) with cash flows that match the timing and amount of the expected benefit payments. The appropriate discount rate is selected by the actuaries through an exact matching of expected benefit payments.

SECTION 9: EXPECTED AVERAGE REMAINING SERVICE LIFETIME (EARSL)

The EARSL, calculated by the actuaries for each school district, is provided on the Actuarial appendix D. This figure is necessary to appropriately amortize future gains or losses that occur under the plan.

SECTION 10: ACTUARIAL CONSIDERATIONS FOR FINANCIAL STATEMENTS AT JUNE 30, 2008

School district figures at March 31, 2008 (for use at June 30, 2008) have been recalculated by Mercer Human Resource Consulting based on the March 31, 2007 study results from data provided by School Districts as at October 31, 2006 and by applying the applicable interest rates at March 31, 2008. Revised actuarial appendices C and D specific to each school district were provided to each district in an e-mail "SDXX District March 08 Actuarial Results & Actuarial Tool" in late April 2008.

For note disclosure in the June 30, 2008 financial statements, school districts will need to provide actual benefits paid (cash payments) for the periods April 1, 2007 to March 31, 2008 and April 1, 2008 to June 30, 2008 (after measurement date). This payment information includes all employees. Individual amounts for each employee group are not required.

SECTION 11: CURTAILMENT GAINS/LOSSES

The change in the Accrued Benefit Obligation for employee future benefits at March 31, 2008 may include curtailment gains/losses. These will be calculated and presented in the Appendix D provided to Districts and will be preloaded into the actuarial tool. Depending on the balance of any unamortized gains/losses carried forward, Districts may need to recognize all or part of these gains/losses in income/expense at June 30, 2008. The actuarial tool will automatically calculate the amounts and whether or not they should be recognized. Districts should ensure that the total amount recognized as revenue/expense for the year ended June 30, 2008 agree with the amount calculated by the actuarial tool's "Net Benefit Expense (Income)" line.

Extract *from* "2007/08 Notes to Financial Statements"
Pertaining to Employee Future Benefits and Vacation Pay Liabilities

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

n) **Employee Future Benefits**

The School District provides certain post-employment benefits including *(as applicable, list post-employment benefits such as banked sick and vacation pay, retirement allowance, and life insurance)* for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs under employee future benefit plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, termination and retirement rates and mortality. The discount rate used to measure obligations is based on market rates at the measurement date.

The excess of cumulative unrecognized actuarial gains (losses) over 10 percent of the accrued benefit obligation is amortized over the expected average remaining service lifetime (EARSL) of active employees covered under the plan. The EARSL for employees of the School District is ____ years.

The most recent valuation of the obligation was performed at March 31, 2007 and projected to June 30, 2011. The next valuation will be performed at March 31, 2010 for use at June 30, 2010. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31 was adopted for all periods subsequent to July 1, 2004.

Extract from "2007/08 Notes to Financial Statements"
Pertaining to Employee Future Benefits and Vacation Pay Liabilities
(Continued)

NOTE 11 EMPLOYEE FUTURE BENEFITS

The accrued benefit obligation for employee future benefits is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits. The portion of these benefits that have not been provided for is identified as Unfunded Accrued Employee Future Benefits and Vacation Pay on Statement 1 (Statement of Financial Position).

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees. *(This note can be copy/pasted from tab 2 of the Actuarial Calculation Tool provided in May 2008)*

| | 2008 | 2007 |
|--|------|------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April 1 | \$ | \$ |
| Service Cost | | |
| Interest Cost | | |
| Benefit Payments | | |
| Actuarial (Gain)/Loss | | |
| Accrued Benefit Obligation – March 31 | \$ | \$ |
| Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation – March 31 | \$ | \$ |
| Market Value of Plan Assets – March 31 | | |
| Funded Status - Surplus/(Deficit) | | |
| Employer Contributions After Measurement Date | | |
| Unamortized Net Actuarial (Gain)/Loss | | |
| Accrued Benefit Asset/(Liability) – June 30 | \$ | \$ |
| Components of Net Benefit Expense | | |
| Service Cost | \$ | \$ |
| Interest Cost | | |
| Amortization of Net Actuarial (Gain)/Loss | | |
| Net Benefit Expense (Income) | \$ | \$ |

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

| | | |
|------------------------------------|-------------------|-------------------|
| Discount Rate – April 1 | 5.00% | 5.25% |
| Discount Rate – March 31 | 5.50% | 5.00% |
| Long Term Salary Growth – April 1 | 3.25% + seniority | 3.25% + seniority |
| Long Term Salary Growth – March 31 | 3.25% + seniority | 3.25% + seniority |
| EARSL – March 31 | | |

Extract *from* "2007/08 Notes to Financial Statements"
Pertaining to Employee Future Benefits and Vacation Pay Liabilities
(Continued)

NOTE 13 UNFUNDED ACCRUED EMPLOYEE FUTURE BENEFITS AND VACATION PAY

It is planned that the unfunded liability for accrued employee future benefits will be eliminated in ___ years.

| | |
|---|----------|
| Unfunded liability, as at July 1, 2007 | \$ _____ |
| Reductions during the year | _____ |
| Unfunded liability, as at June 30, 2008 | \$ _____ |

ACTUARIAL TOOL INSTRUCTIONS – DUE JULY 16, 2008

Please e-mail the completed actuarial tool to Linda.seabrook@gov.bc.ca by July 16, 2008

For your convenience, Ministry staff has preloaded your specific school district figures as provided by Mercer Human Resource Consulting into the **Actuarial Calculation Tool**.

1. ACTUARIAL CALCULATION TOOL
(tab 1 – Actuarial Calculation Tool)

The Actuarial Calculation Tool is linked to a set of sample journal entries for use in preparing your June 30, 2008 GRE report and audited financial statements. Ministry staff preloaded the most recent actuarial figures provided by the Actuarial Consultants as well as comparative figures reported by districts in the previous year. Ministry staff populated the yellow shaded cells.

This tool provides disclosure requirements for the June 30, 2008 audited financial statements. Actuarial figures are those provided by Mercer Human Resource Consulting at March 31, 2008 (early measurement date for June 30, 2008). The package specific to your school district was provided in an e-mail "SDXX District March 2008 Actuarial Results & Actuarial Tool" in early late April 2008 from the Ministry.

Figures provided in this tool should be those reported in your 2007/08 audited financial statements. Please enter amounts in the green shaded cells only, which are:

- D12 - Benefit Payments – April 1, 2007 to March 31, 2008 (see *NOTE below)
(Please enter as a negative figure)
- D28 - Employer Contributions After Measurement Date – April 1, 2008 to June 30, 2008 (3 months)
(Please enter as a positive figure)

ENTRY IS NOT PERMITTED IN THE BALANCE OF CELLS. THEY ARE PROTECTED.

*NOTE: Beginning with the 2004/05 fiscal, the measurement date of March 31 was adopted. As such, the opening accrued benefit obligation is at April 1. In cell D12, districts need to enter their actual cash payments for the period April 1, 2007 to March 31, 2008 (12 months). This amount should be the April 1, 2007 to June 30, 2007 payments (3 months) reported last year (see cell G28) plus the July 1, 2007 – March 31, 2008 payments (9 months) made in the current fiscal year. Consistent with last year, cell D28 should equal the April 1 to June 30, 2008 payments (3 months after measurement date) to arrive at the June 30, 2008 fiscal year end balance.

Budget Reporting: The estimate of the 2008/09 expenses calculated at the bottom of the actuarial tool should be used as the employee future benefit expense reported in the 2008/09 Annual Budget and Amended Annual Budget as part of employee benefits. This amount will be calculated to include any amortization of gains/losses that must be reported in 2008/09.

The cash payments made by the district in the 2007/08 school year (July – June) should equal the total of the following amounts reported on tab 1:

Employer Contributions – July 1 – March 31 (cell D42)
Employer Contributions – April 1 – June 30 (cell D43)

2. SAMPLE NOTE TO FINANCIAL STATEMENTS
(tab 2 – Note Disclosure)

Automatically populated from tab 1.

The final version of the employee future benefit disclosure notes should be prepared by school districts in conjunction with their auditors. This tab may be copied/pasted into District's Notes to Financial Statements (see Sample Notes to Financial Statements – Note 11).

3. EMPLOYEE FUTURE BENEFITS – SAMPLE JOURNAL ENTRIES
(tab 3 – EFB AJEs)

All entries relating to the EFB liability automatically populate from tab 1.

Entries relating to the Unfunded EFB and vacation pay liability will be calculated if districts supply the amount of funding to be applied to the unfunded balance (green district entry cells).

4. CHANGES FROM 2006/07 REPORTS

The GAAP implementation funding allocation forms (previous year's tab 1 & tab 5) are no longer required due to the absorption of the GAAP funding into the operating block beginning in 2007/08.

Districts that still carry an **Unfunded Liability for EFB** (18 Districts @ June 30, 2007) are still required to apply funds in order to eliminate this deficit. A plan to fully retire the unfunded liability over a specified number of years is required and should be disclosed in the Notes to Financial Statements (see Sample Note 13).

The Ministry will be monitoring the reduction of the unfunded liabilities for EFB by annual reviews of the audited Financial Statements and annual Budgets.

Ministry staff populated **YELLOW** cells

SD staff please populate **GREEN** cells

SD: **SAMPLE**

SD #: **XX**

| ACTUARIAL CALCULATION TOOL | | | |
|---|--------------------|------------------------------|--------------------|
| FISCAL YEAR - 2007/08 | | | |
| | 2008 | Notes | 2007 |
| | | | Notes |
| Reconciliation of Accrued Benefit Obligation | | | |
| Accrued Benefit Obligation - April 1 | 2,220,000 | | 1,700,000 |
| Service Cost | 140,000 | (1) | 135,000 |
| Interest Cost | 110,000 | (1) | 100,000 |
| Benefit Payments - April 1 to March 31 | (95,000) | | (65,000) |
| Increase (Decrease) in obligation due to curtailment | 0 | (1) | 0 |
| Actuarial (Gain)/Loss | (189,150) | | 350,000 |
| Accrued Benefit Obligation - March 31 | <u>2,185,850</u> | | <u>2,220,000</u> |
| | (A) | | |
| Change in Plan Assets | | | |
| Market Value of Plan Assets - April 1 | 0 | | 0 |
| Actual Return on Plan Assets | 0 | | 0 |
| Employer Contributions - April 1 to March 31 | 95,000 | | 65,000 |
| Benefit Payments - April 1 to March 31 | (95,000) | | (65,000) |
| Market Value of Plan Assets - March 31 | <u>0</u> | | <u>0</u> |
| Reconciliation of Funded Status at End of Fiscal Year | | | |
| Accrued Benefit Obligation - March 31 | 2,185,850 | | 2,220,000 |
| Market Value of Plan Assets - March 31 | 0 | | 0 |
| Funded Status - Surplus/(Deficit) | (2,185,850) | | (2,220,000) |
| Employer Contributions After Measurement Date - April 1 to June 30 | 10,000 | (Enter as a POSITIVE number) | 15,000 |
| Unamortized Net Actuarial (Gain)/Loss | 249,018 | | 458,000 |
| Accrued Benefit (Liability) Asset - June 30 | <u>(1,926,832)</u> | | <u>(1,747,000)</u> |
| Components of Net Benefit Expense | | | |
| Service Cost | 140,000 | | 135,000 |
| Interest Cost | 110,000 | | 100,000 |
| Curtailment (Gain)/Loss | 0 | | 0 |
| Amortization of Net Actuarial (Gain)/Loss | 19,832 | | 0 |
| Net Benefit Expense (Income) | <u>269,832</u> | | <u>235,000</u> |
| Reconciliation of Change in Accrued Benefit Liability (Asset) | | | |
| Accrued Benefit Liability (Asset) - July 1 | 1,747,000 | | 1,582,000 |
| Net Expense for Fiscal Year | 269,832 | | 235,000 |
| Employer Contributions - July 1 to March 31 | (80,000) | | (55,000) |
| Employer Contributions - April 1 to June 30 | (10,000) | | (15,000) |
| Accrued Benefit Liability (Asset) - June 30 | <u>1,926,832</u> | | <u>1,747,000</u> |
| Assumptions | | | |
| Discount Rate - April 1 | 5.00% | | 5.25% |
| Discount Rate - March 31 | 5.50% | | 5.00% |
| Long Term Salary Growth - April 1 | 3.25% + seniority | | 3.25% + seniority |
| Long Term Salary Growth - March 31 | 3.25% + seniority | | 3.25% + seniority |
| EARSL - March 31 | 11.9 | | 11.9 |
| ESTIMATE OF 2008/09 EXPENSE | | | |
| Service Cost | 138,625 | (1) | |
| Interest Cost | 122,000 | (1) | |
| Amortization of Net Actuarial (Gain)/Loss | 2,557 | | |
| Net Benefit Expense (Income) | <u>263,182</u> | | |
| Corridor = 10% of Accrued Benefit Obligation at March 31, 2008 (0.1 * A) | 218,585 | | |
| Unamortized Net Actuarial (Gain)/Loss | 249,018 | | |
| Is Unamortized Net Actuarial (Gain)/Loss outside of the Corridor? | Yes | | |
| Amount outside of Corridor | 30,433 | | |
| Amortization of Net Actuarial (Gain)/Loss (amount outside of corridor divided by EARSL) | 2,557 | | |
| NOTES: | | | |
| (1) As per Appendix D - March 31, 2008 (prepared April 2008) | | | |

Please e-mail completed actuarial tool to: Linda Seabrook (Resource Management Division)
linda.seabrook@gov.bc.ca
(250) 356-5088

DUE DATE: July 16, 2008

SD: SAMPLE

SD # XX

EMPLOYEE FUTURE BENEFITS - SAMPLE NOTE TO FINANCIAL STATEMENTS
FISCAL YEAR - 2007/08

| Fiscal Year | 2008 | 2007 |
|--|-------------------|-------------------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation – April 1 | 2,220,000 | 1,700,000 |
| Service Cost | 140,000 | 135,000 |
| Interest Cost | 110,000 | 100,000 |
| Benefit Payments | (95,000) | (65,000) |
| Actuarial (Gain)/Loss | (189,150) | 350,000 |
| Accrued Benefit Obligation – March 31 | 2,185,850 | 2,220,000 |
| Reconciliation of Funded Status at End of Fiscal Year | | |
| Accrued Benefit Obligation - March 31 | 2,185,850 | 2,220,000 |
| Market Value of Plan Assets - March 31 | 0 | 0 |
| Funded Status - Surplus/(Deficit) | (2,185,850) | (2,220,000) |
| Employer Contributions After Measurement Date | 10,000 | 15,000 |
| Unamortized Net Actuarial (Gain)/Loss | 249,018 | 458,000 |
| Accrued Benefit Asset/(Liability) - June 30 | (1,926,832) | (1,747,000) |
| Components of Net Benefit Expense | | |
| Service Cost | 140,000 | 135,000 |
| Interest Cost | 110,000 | 100,000 |
| Amortization of Net Actuarial (Gain)/Loss | 19,832 | 0 |
| Net Benefit Expense (Income) | 269,832 | 235,000 |
| Assumptions | | |
| Discount Rate - April 1 | 5.00% | 5.25% |
| Discount Rate - March 31 | 5.50% | 5.00% |
| Long Term Salary Growth - April 1 | 3.25% + seniority | 3.25% + seniority |
| Long Term Salary Growth - March 31 | 3.25% + seniority | 3.25% + seniority |
| EARSL - March 31 | 11.9 | 11.9 |

SD: SAMPLE SD staff please populate GREEN cells
SD #: XX

**EMPLOYEE FUTURE BENEFITS - SAMPLE JOURNAL ENTRIES
FISCAL YEAR - 2007/08**

| AJE | | | Debit | Credit |
|-----|------------------------|--|---------|---------|
| (1) | 2007/08 Fiscal Year | Employee Benefits Expense Accrued Employee Future Benefits | 269,832 | 269,832 |
| | | To record the annual GAAP expense per the actuarial report. | | |
| (2) | 2007/08 Fiscal Year | Accrued Employee Future Benefits Cash | 90,000 | 90,000 |
| | | To record the annual benefit payments funded by district unrestricted | | |
| (3) | 2007/08 Fiscal Year | Unrestricted Surplus Unfunded Accrued Employee Future Benefits and Vacation Pay | 5,000 | 5,000 |
| | | To record the amount of the 07/08 annual surplus applied to unfunded. | | |
| | | | 364,832 | 364,832 |

Statement of Financial Position

| | Before | Debit | Credit | After |
|--|-------------|--------|-----------|-------------|
| Assets | | | | |
| Cash | 1,827,000 | | 90,000 | 1,737,000 |
| Liabilities | | | | |
| Accrued Employee Future Benefits | (1,747,000) | 90,000 | 269,832 | (1,926,832) |
| Equity | | | | |
| Unfunded Accrued Employee Future Benefits and Vacation Pay | 10,000 | | 5,000 | 5,000 |
| Unrestricted Surplus | (90,000) | 5,000 | (269,832) | 184,832 |
| | - | 95,000 | 364,832 | - |

Statement of Revenue and Expense

| | | | | |
|-------------------|---|---------|---------|---------|
| Expenses | | | | |
| Employee Benefits | | 269,832 | | 269,832 |
| | - | 269,832 | - | 269,832 |
| | | 364,832 | 364,832 | |

**Valuation Results
as at March 31, 2008
SAMPLE SCHOOL DISTRICT
Actuarial Appendix C**

| District | | Teachers | Administrative Officers | Union Groups | Other Employees | Grand Total |
|-----------------|-----------------------------------|----------------|----------------------------|------------------|--------------------|------------------|
| XX | Number of Employees | 1,050 | 100 | 730 | 25 | 1,905 |
| | Accrued Benefit Obligation | | | | | |
| | - Sick Leave | 0 | 0 | 1,360,000 | 176,000 | 1,536,000 |
| | - Early Retirement | 0 | 0 | 0 | 0 | 0 |
| | - Retirement/Severance | 0 | 0 | 375,000 | 0 | 375,000 |
| | - Vacation | 0 | 0 | 0 | 34,000 | 34,000 |
| | - Overtime | 0 | 0 | 0 | 0 | 0 |
| | - Death Benefit | 240,000 | 0 | 0 | 850 | 240,850 |
| | Total | 240,000 | 0 | 1,735,000 | 210,850 | 2,185,850 |
| | Service Cost | | | | | |
| | - Sick Leave | 0 | 0 | 110,500 | 1,450 | 111,950 |
| | - Early Retirement | 0 | 0 | 0 | 0 | 0 |
| | - Retirement/Severance | 0 | 0 | 17,300 | 0 | 17,300 |
| | - Vacation | 0 | 0 | 0 | 1,900 | 1,900 |
| | - Overtime | 0 | 0 | 0 | 0 | 0 |
| | - Death Benefit | 7,400 | 0 | 0 | 75 | 7,475 |
| | Total | 7,400 | 0 | 127,800 | 3,425 | 138,625 |
| | Cash Costs | | | | | |
| | - Sick Leave | 0 | 0 | 25,300 | 20,000 | 45,300 |
| | - Early Retirement | 0 | 0 | 0 | 0 | 0 |
| | - Retirement/Severance | 0 | 0 | 26,000 | 0 | 26,000 |
| | - Vacation | 0 | 0 | 0 | 12,500 | 12,500 |
| - Overtime | 0 | 0 | 0 | 0 | 0 | |
| - Death Benefit | 30,000 | 0 | 0 | 1,200 | 31,200 | |
| Total | 30,000 | 0 | 51,300 | 33,700 | 115,000 | |

Five-Year Projections
CICA Accounting Basis
SAMPLE SCHOOL DISTRICT
Actuarial Appendix D

| District | | Based on June 30, 2004 valuation | | Based on March 31, 2007 valuation | | |
|----------|---------------------------------------|----------------------------------|----------------|-----------------------------------|----------------|----------------|
| | | 2006 / 2007 | 2007 / 2008 | 2008 / 2009 | 2009 / 2010 | 2010 / 2011 |
| XX | Accrued Benefit Obligation – July 1 | 1,700,000 | 2,220,000 | 2,185,850 | 2,331,475 | 2,496,475 |
| | Service Cost | 135,000 | 140,000 | 138,625 | 130,000 | 130,000 |
| | Interest Cost | 100,000 | 110,000 | 122,000 | 135,000 | 145,000 |
| | | <u>235,000</u> | | | | |
| | Subtotal | 1,935,000 | 2,470,000 | 2,446,475 | 2,596,475 | 2,771,475 |
| | Expected Cash Costs | (65,000) | (100,000) | (115,000) | (100,000) | (115,000) |
| | Curtailment (Gain) / Loss | | | | | |
| | (Gain) / Loss | 350,000 | (184,150) | 0 | 0 | 0 |
| | Accrued Benefit Obligation – June 30* | 2,220,000 | 2,185,850 | 2,331,475 | 2,496,475 | 2,656,475 |
| | Interest Rate at Beginning of Period | 5.25% | 5.00% | 5.50% | 5.50% | 5.50% |
| | Interest Rate at End of Period | 5.00% | 5.50% | 5.50% | 5.50% | 5.50% |

| | |
|--------------|-------------|
| EARSL | 11.9 |
|--------------|-------------|

NOTE: The Accrued Benefit Obligation is measured as at March 31