



2015 ANNUAL REPORT



Nova Scotia Public Service
Long Term Disability Plan Trust Fund



Financial Statements

Nova Scotia Public Service

Long Term Disability Plan Trust Fund

December 31, 2015



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LTD Nova Scotia Public Service
Long Term Disability Plan Trust Fund

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Long Term Disability Plan Trust Fund

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Nova Scotia Public Service
Long Term Disability Plan Trust Fund



Grant Thornton

Independent auditor's report

**To the Trustees of Nova Scotia Public Service
Long Term Disability Plan Trust Fund**

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We have audited the accompanying financial statements of the Nova Scotia Public Service Long Term Disability Plan Trust Fund (the "Plan"), which comprise the statement of financial position as at December 31, 2015, the statement of changes in net assets available for benefits and the statement of changes in accrued liability for benefit 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 accounting standards for pension plans, 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 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.



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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 the Nova Scotia Public Service Long Term Disability Plan Trust Fund as at December 31, 2015, and the results of its financial performance for the year then ended in accordance with Canadian accounting standards for pension plans.

Halifax, Nova Scotia
April 28, 2016

Grant Thornton LLP

Chartered Accountants



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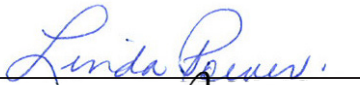
LTD Nova Scotia Public Service
Long Term Disability Plan Trust Fund

Nova Scotia Public Service Long Term Disability Plan Trust Fund Statement of financial position

December 31	2015	2014
Assets		
Investment assets (Note 4)	\$ 148,920,342	\$ 144,566,753
Cash held for operations	2,641,338	3,196,023
Contributions receivable		
Premiums		
Employer	222,245	331,707
Employee	222,245	331,707
EI rebates	76,303	89,687
Other assets		
Deposit held with Manulife	1,550,000	1,550,000
Other receivables	71,787	61,638
Capital assets (Note 5)	11,701	14,061
Total assets	<u>153,715,961</u>	<u>150,141,576</u>
Liabilities		
Accounts payable	<u>4,569,832</u>	<u>4,395,666</u>
Net assets available for benefits	149,146,129	145,745,910
Accrued liability for benefits (Note 6)	<u>79,986,000</u>	<u>78,120,000</u>
Surplus	<u>\$ 69,160,129</u>	<u>\$ 67,625,910</u>

Contingencies (Note 10)

Signed on behalf of the Board of Trustees

 Chair

 Chief Executive Officer



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Nova Scotia Public Service Long Term Disability Plan Trust Fund Statement of changes in net assets available for benefits

Year ended December 31	2015	2014
Revenue		
Investment income (Note 8)	\$ 4,289,891	\$ 4,461,168
Changes in the fair value of investment assets	<u>151,869</u>	<u>4,990,340</u>
	<u>4,441,760</u>	<u>9,451,508</u>
Contributions		
Premiums		
Employer	6,516,886	6,813,581
Employee	6,516,886	6,813,581
El premium rebates	<u>1,595,085</u>	<u>1,670,480</u>
	<u>14,628,857</u>	<u>15,297,642</u>
	<u>19,070,617</u>	<u>24,749,150</u>
Expenses		
Benefits paid (Note 11)	13,336,557	13,364,965
Program administration (Note 12)	1,177,503	1,378,979
Administrative expenses (Note 13)	725,606	803,870
Investment expenses (Note 14)	<u>430,732</u>	<u>409,753</u>
	<u>15,670,398</u>	<u>15,957,567</u>
Increase in net assets available for benefits	3,400,219	8,791,583
Net assets available for benefits, beginning of year	<u>145,745,910</u>	<u>136,954,327</u>
Net assets available for benefits, end of year	\$ 149,146,129	\$ 145,745,910



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Nova Scotia Public Service Long Term Disability Plan Trust Fund Statement of changes in accrued liability for benefit

Year ended December 31	2015	2014
Accrued liability for benefit, beginning of year	<u>\$ 78,120,000</u>	<u>\$ 70,679,000</u>
Change in accrued liability for benefit		
Changes in actuarial assumptions	-	5,956,000
Interest accrued on benefits	2,337,000	2,126,000
Experience losses	-	(3,101,000)
Benefits accrued	14,000,000	13,732,000
Benefits paid	(13,337,000)	(13,365,000)
Expense release	(1,134,000)	-
Indexing costs	-	2,093,000
	<u>1,866,000</u>	<u>7,441,000</u>
Accrued liability for benefit, end of year	<u>\$ 79,986,000</u>	<u>\$ 78,120,000</u>



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Nova Scotia Public Service Long Term Disability Plan Trust Fund Notes to the financial statements

December 31, 2015

1. Description of plan

The following description of Nova Scotia Public Service Long Term Disability Plan (the "Plan") is a summary only. For more complete information, reference should be made to the Plan text.

General

The Plan was established to provide a long-term disability plan for the employees of the Province of Nova Scotia and such other employee groups as approved by the Trustees.

The Plan was established by Order in Council dated September 26, 1985.

The Plan was established by Agreement and Declaration of Trust dated December 23, 1985 and amended November 10, 2004.

Claimants' benefits became effective May 1, 1985 for employees who, at that time, met prescribed eligibility requirements.

Plan amendments

The following is a description of the Plan amendments effective January 1, 2009:

- The premium rate has been reduced by 25% for all Plan members
- Coverage has been extended to age 65 and over
- Coverage beyond age 63 is limited to two years of benefits
- Covered salary increased from \$125,000 to \$175,000
- Increased benefit from 65% to 70% after three years in receipt of benefits
- Rehabilitation income deducted is reduced from 50% to 35% after five years in receipt of benefits
- The 80% All Source Maximum increased to 90% after five years in receipt of benefits

Effective January 1, 2013 the premium rate has been reduced by a further 38% for all plan members.

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans.

Accounting standards for pension plans apply to all pension plans as well as benefit plans with characteristics similar to pension plans (such as long term disability plans) and require entities to select accounting policies for accounts that do not relate to its investment portfolio or accrued benefit obligations in accordance with either Part I (International Financial Reporting Standards ("IFRS")) or Part II (Canadian accounting standards for private enterprises ("ASPE")) of the CPA Handbook. The Plan selected to apply Part II for such accounts on a consistent basis and to the extent that these standards do not conflict with the requirements of the accounting standards for pension plans.



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Nova Scotia Public Service Long Term Disability Plan Trust Fund Notes to the financial statements

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2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(a) Financial instruments

Financial assets and financial liabilities are recognized when the Plan becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

All financial assets and financial liabilities are initially measured at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

Financial assets and financial liabilities are subsequently measured as described below.

Cash held for operations

Cash held for operations is defined as cash on hand and is measured at fair value.

Investment assets and investment liabilities

All investment assets and investment liabilities are measured at fair value at the date of the statement of financial position in accordance with IFRS 13 Fair Value Measurement in Part I of the CPA Handbook. Fair values of the investment assets and liabilities are determined as follows:

1. Short-term notes and deposits are valued at closing bid prices.
2. Bonds and other fixed income securities are valued at closing bid prices. Where the bid price is not available, fair value is calculated using discounted cash flows based on current market yields of instruments with similar characteristics.
3. Pooled funds are valued at the unit value supplied by the pooled fund administrator and which represent the Plan's proportionate share of underlying net assets at fair value determined using closing bid prices.
4. Equities are valued at quoted closing bid prices.

Transaction costs are not included in the fair value of investment assets and investment liabilities either on initial recognition or on subsequent re-measurement. Transaction costs are included in the statement of changes in net assets available for benefits as part of expenses incurred in the period.

Investment income, excluding changes in the fair value of investment assets, and changes in the fair value of investment assets is presented in the statement of changes in net assets available for benefits.



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Nova Scotia Public Service
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Nova Scotia Public Service Long Term Disability Plan Trust Fund Notes to the financial statements

December 31, 2015

2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(a) Financial instruments (continued)

Contributions and other receivables

Contributions and other receivables are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Deposit held with Manulife

The deposit held with Manulife consists of cash, as required under terms of agreement with Manulife Financial to provide a float for monthly benefit payments and is recorded at fair value.

Financial liabilities

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

(b) Investment income

Income from investments is recognized on an accrual basis and includes both dividend income and interest income.

(c) Changes in the fair value of investment assets

This includes both realized gains or losses on sale of investments and unrealized gains or losses on investments.

Realized gains or losses on sale of investments are the difference between the proceeds received and the cost of investments sold.

Unrealized gains or losses on investments represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

(d) Contributions

Revenue from premiums and EI premium rebates are recognized as they become receivable. Premiums and EI premium rebates both relate to required contribution payments which are evenly split by both employer and employee.

(e) Benefits paid

Benefit payments to Plan members are recorded in the period in which they are paid.

(f) Capital assets

Computer and office equipment and software are recorded at cost and amortized at the annual rate of 30% using the declining balance method. Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal.



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2. Statement of compliance with Canadian accounting standards for pension plans and summary of significant accounting policies (continued)

(g) Estimation uncertainty

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, revenue and expenses. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, revenue and expenses are discussed below.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument.

Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Accrued liability obligation

Management estimates the accrued liability obligation annually with the assistance of an independent actuary; however, the actual outcome may vary due to estimation uncertainties. The estimate of its accrued liability obligation of \$79,986,000 (2014 - \$78,120,000) is based on industry standard disability recovery tables.

3. Related party transactions

During the year, the Trustees attended meetings and educational conferences as part of their on-going governance responsibilities for the Plan. The expenses associated with these activities have been paid for by the Plan and are disclosed separately on the face of the financial statements. At year end, there were no significant amounts payable to the Trustees.

4. Investment assets

	<u>2015</u>	<u>2014</u>
Short-term notes and deposits	\$ 562,336	\$ 1,531,794
Bonds and debentures	99,920,801	90,087,324
Pooled funds	<u>48,437,205</u>	<u>52,947,635</u>
	<u>\$ 148,920,342</u>	<u>\$ 144,566,753</u>



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5. Capital assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Computer and office equipment	\$ 136,809	\$ 125,303	\$ 11,506	\$ 13,783
Software	9,109	8,914	195	278
	<u>\$ 145,918</u>	<u>\$ 134,217</u>	<u>\$ 11,701</u>	<u>\$ 14,061</u>

6. Accrued liability for benefits

The Plan's Actuary has provided the following regarding the Plan's accrued liability for benefits:

The most recent actuarial valuation of liabilities of the Plan was completed as at December 31, 2014. This valuation estimated the benefit liabilities for the Plan to be \$78.1 million at the valuation date, which includes \$2.1 million for pre-approved indexing of claims in payment as at December 31, 2015 and 2016. The liability considers both active in-force claims as of the valuation date and an allowance for claims incurred before the valuation date but not yet reported or adjudicated. It also includes a provision for future administrative expenses on claims incurred as of the valuation date. The market value of the Plan's assets available for benefits at December 31, 2014 was \$145.7 million, resulting in a funding margin of \$67.6 million at that time.

Applying the methods as described above, we have projected the Plan's benefit liabilities at December 31, 2015 to be \$80.0 million. The market value of the Plan's assets available for benefits at that date is \$149.1 million. Accordingly, the predicted financial position of the Plan at December 31, 2015 is a funding margin of \$69.2 million.

The Plan has adopted a biennial schedule for valuation; accordingly the next formal actuarial valuation of the Plan is scheduled for December 31, 2016.

For purposes of the projections used in the extrapolation of trust liabilities above, the actuarial basis is the same as that used in the December 31, 2014 actuarial valuation of the fund. The critical assumptions are:

- > *A 3.0% rate of return net of investment-related expenses used to discount liabilities*
- > *Industry standard disability recovery tables which were adjusted in 2012 to more accurately reflect the Plan's past experience*
- > *Explicit recognition of both future administrative expenses, equal to 8.5% of expected benefit payments, and expected CPP disability award recoveries related to claims incurred as of the valuation date*
- > *Increased benefit costs reflecting the advance approval of indexing of in-force claims effective December 31st in both 2015 and 2016 based on an assumed indexation rate of 2.25% per annum.*

Additional details can be found in the body of the March 2015 actuarial valuation report.

In the extrapolation of the Plans' liabilities we have reflected actual 2015 benefit payments and have assumed that the cost of new disabilities incurred in 2015 is consistent with the best-estimate from our March 2015 actuarial valuation report.



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7. Financial risk factors

Financial instruments risk exposure and measurement

The Plan is exposed to various risks in relation to its investment portfolio, consisting of investment assets and investment liabilities. The main types of risks are market risk, credit risk and liquidity risk.

The Plan's risk management is coordinated by management with the investment manager, at the direction of the Board of Trustees, and focuses on actively securing the Plan's short-to-medium-term cash flows by ensuring appropriate liquidity. Long-term financial investments are managed to generate lasting returns.

The Plan does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Plan is exposed are described below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Plan segregates market risk into three categories: interest rate risk, currency risk and other price risk.

i. Interest rate risk

Interest rate risk refers to the effect on the market value of the Plan's assets and liabilities due to fluctuations in interest rates. The value of the Plan's assets is affected by short-term changes in nominal and real interest rates. As of December 31, 2015, the Plan had the following exposure to interest rate risk:

	<u>Fair value</u>	<u>Impact of a 1% absolute change in interest rates on net assets</u>
2015		
Cash held for operations	\$ 2,641,338	\$ 26,413
Short term notes and deposits	562,336	5,623
Bonds and debentures	<u>99,920,801</u>	<u>999,208</u>
	<u>\$ 103,124,475</u>	<u>\$ 1,031,244</u>
2014		
Cash held for operations	\$ 3,196,023	\$ 31,960
Short term notes and deposits	1,531,794	15,318
Bonds and debentures	<u>90,087,324</u>	<u>900,873</u>
	<u>\$ 94,815,141</u>	<u>\$ 948,151</u>

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.



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7. Financial risk factors (continued)

(a) Market risk (continued)

ii. Currency risk

Most of the Plan's transactions are carried out in Canadian dollars. Exposure to currency exchange rates arise from the Plan's investments in foreign denominated currencies.

To mitigate the Plan's exposure to foreign currency risk, non-Canadian dollar cash flows are monitored.

Foreign currency exposure arises from the holding of investments denominated in foreign currencies. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value of investments. As of December 31, 2015 there was no exposure to currency risk; however, in 2014 there was \$3,055,487 denominated in foreign currency.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

iii. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. Securities held for trading are valued at market and, as such, changes in market value affect net assets available for benefit as they occur. The Plan periodically assesses the quality of its investments and is satisfied with the current investments in place.

The carrying amounts for receivables and accounts payable on the balance sheet approximate fair value due to their short-term maturity. The Plan is primarily exposed to other price risk as a result of investments held. The fair value of these investments is based on quoted market prices of the underlying investments within each of the investment accounts.



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7. Financial risk factors (continued)

(a) Market risk (continued)

iii. Other price risk (continued)

The following table demonstrates the sensitivity to a 5% absolute change in the fair value of the Plan's investments which are exposed to price risk:

	<u>Fair value</u>	<u>Impact of a 5% absolute change in fair value on net assets</u>
2015		
Canadian pooled funds	<u>\$ 48,437,205</u>	<u>\$ 2,421,860</u>
2014		
Canadian pooled funds	<u>\$ 52,947,635</u>	<u>\$ 2,647,382</u>

Since all other variables are held constant in assessing price risk sensitivity, it is possible to extrapolate a 5% absolute change in the fair value to any absolute percentage change in fair value.

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(b) Credit risk

The Plan is exposed to the risk that a counterparty defaults or becomes insolvent. Financial instruments that potentially subject the Plan to concentrations of credit risk are as follows:

	<u>2015</u>	<u>2014</u>
Cash held for operations	\$ 2,641,338	\$ 3,196,023
Short-term notes and deposits	562,336	1,531,794
Bonds and debentures	99,920,801	90,087,324
Contributions receivables	444,490	663,414
Deposit held with Manulife	<u>1,550,000</u>	<u>1,550,000</u>
	<u>\$ 105,118,965</u>	<u>\$ 97,028,555</u>



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7. Financial risk factors (continued)

(b) Credit risk (continued)

Below is the Plan's exposure to credit risk by credit rating for bonds and debentures:

<u>Credit Rating</u>	<u>2015</u>	<u>2014</u>
AAA	\$ 40,318,582	\$ 42,608,060
AA+	1,244,015	-
AA	2,344,002	4,206,943
AA-	7,150,430	308,928
A+	26,766,578	10,184,117
A	2,062,130	7,374,403
A-	5,650,753	14,437,414
BBB+	9,625,181	4,224,092
BBB	2,158,887	4,448,563
Other	<u>2,600,243</u>	<u>2,294,804</u>
	<u>\$ 99,920,801</u>	<u>\$ 90,087,324</u>

The Plan manages its credit risks on contributions receivable by reviewing each outstanding account and determining the collectability based on its knowledge of the participating employers' situations. All contributions receivable are considered to be current.

Management believes that the Plan is not exposed to significant credit risks on its other receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Plan will not be able to meet its obligations as they fall due. Management believes that cash flows generated from its investment assets and monthly contributions will be sufficient to cover its normal operating expenditures. The Plan monitors cash flows to ensure there is sufficient cash on hand to meet its obligations.

Fair value disclosure

The financial instruments recognized at fair value on the statement of financial position must be classified as one of three fair value hierarchy levels. These levels reflect the significance of the input used in making the fair value measurements. The three levels of the fair value hierarchy are as follows:

Level 1

Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Investment Manager has the ability to access at the measurement date.

Level 2

Inputs other than quoted prices that is observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.



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7. Financial risk factors (continued)

(c) Liquidity risk (continued)

Fair value disclosure (continued)

Level 3

Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The following fair value hierarchy table presents information about the Plan's assets measured at fair value on a recurring basis:

Financial assets at fair value as at December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash held for operations	\$ 2,641,338	\$ -	\$ -	\$ 2,641,338
Short-term notes and deposits	437,478	124,858	-	562,336
Bonds and debentures	-	99,920,801	-	99,920,801
Deposit held with Manulife	1,550,000	-	-	1,550,000
Pooled fund	-	48,437,205	-	48,437,205
	<u>\$ 4,628,816</u>	<u>\$148,482,864</u>	<u>\$ -</u>	<u>\$ 153,111,680</u>

Financial assets at fair value as at December 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash held for operations	\$ 3,196,023	\$ -	\$ -	\$ 3,196,023
Short-term notes and deposits	509,075	1,022,719	-	1,531,794
Bonds and debentures	-	90,087,324	-	90,087,324
Deposit held with Manulife	1,550,000	-	-	1,550,000
Pooled funds	-	52,947,635	-	52,947,635
	<u>\$ 5,255,098</u>	<u>\$144,057,678</u>	<u>\$ -</u>	<u>\$ 149,312,776</u>

At year end, the Plan's financial assets and liabilities did not include any amounts classified in Level 3 using valuation techniques based on significant inputs that are not based on observable market data. There were no transfers from a Level 3 classification in the prior year.



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8. Investment income	<u>2015</u>	<u>2014</u>
Income from investment assets		
Cash held for operations	\$ 13,976	\$ 16,830
Short-term notes and deposits	5,309	7,257
Bonds and debentures	2,911,914	2,977,123
Pooled funds	<u>1,358,692</u>	<u>1,459,958</u>
	<u>\$ 4,289,891</u>	<u>\$ 4,461,168</u>

9. Capital risk management

The Plan employs a capital management plan, a Statement of Investment Policies and Procedures ("SIPP") that is reviewed annually by the Board of Trustees. The SIPP dictates the Plan's approach to growth, credit quality and profitability objectives.

The overall objectives in investing the assets of the Plan are to ensure sufficient liquidity to support its financial obligations, to continue to provide benefits in the best interest of its members, to remain financially self-sufficient and to preserve and enhance the value of capital through adequate diversification in high quality investments and achieve the highest investment return that can be obtained with the assumption of an acceptable degree of risk. The Plan monitors its capital structure and makes adjustments to it with reference to changes in economic conditions and risk characteristics associated with its underlying assets.

10. Contingencies

As at December 31, 2015, the Plan was involved in certain litigation and claims. The outcome of such litigation and claims is inherently difficult to predict; however, in the opinion of management, any liability which may arise from such contingencies would not have a significant adverse effect on the financial statements.

11. Benefits paid	<u>2015</u>	<u>2014</u>
CPP recoveries	\$ (402,860)	\$ (574,099)
Disability benefits paid	13,806,662	14,062,992
Subrogation recoveries	(12,893)	(117,895)
WCB recoveries	<u>(54,352)</u>	<u>(6,033)</u>
	<u>\$ 13,336,557</u>	<u>\$ 13,364,965</u>



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December 31, 2015

12. Program administration	<u>2015</u>	<u>2014</u>
Plan administration services	\$ 761,393	\$ 880,025
Rehabilitation program	339,818	323,875
Short-term illness program	25,453	151,987
Medical appeal hearings	<u>50,839</u>	<u>23,092</u>
	<u>\$ 1,177,503</u>	<u>\$ 1,378,979</u>

13. Administrative expenses	<u>2015</u>	<u>2014</u>
Actuarial valuation	\$ 24,632	\$ 20,000
Amortization	4,546	5,521
Audit and accounting	30,648	19,748
Legal	36,154	79,542
Public relations and professional development	37,962	47,323
Rent	58,892	50,728
Salaries	432,147	377,028
Projects	6,475	65,820
Secretarial and office	50,287	76,309
Trustees' expenses	<u>43,863</u>	<u>61,851</u>
	<u>\$ 725,606</u>	<u>\$ 803,870</u>

14. Investment expenses	<u>2015</u>	<u>2014</u>
Investment manager	\$ 354,938	\$ 344,678
Investment custodian	70,044	59,325
Performance measurement	<u>5,750</u>	<u>5,750</u>
	<u>\$ 430,732</u>	<u>\$ 409,753</u>