

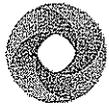
Financial Statements

South Shore Regional School Board

March 31, 2009

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Grant Thornton

## Auditors' Report

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To the Chairperson and Members of the Board of  
The South Shore Regional School Board

We have audited the statement of financial position of the South Shore Regional School Board as at March 31, 2009, and the statements of operations and surplus, changes in net financial resources and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit except as explained in the following paragraph.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with other School Boards in Nova Scotia, the Board is ultimately accountable for revenue earned by schools from school generated funds, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and opening balances is limited to the amounts recorded in the records of the schools in which these funds are held. Therefore, we are not able to determine whether any adjustments might be necessary to school generated revenue, excess of revenue over expenditure, assets and net financial resources.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2009 and the results of its operations, changes in net financial resources and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Bridgewater, Nova Scotia  
June 22, 2009

Chartered Accountants

**South Shore Regional School Board**  
**Statement of Financial Position**

As at March 31

2009

2008

**Financial Assets**

Cash and Cash Equivalents	\$	3,956,868	\$	4,253,202
Cash Held by Schools (Note 2)		1,268,675		1,195,939
Restricted Cash (Note 9)		-		424,863
	\$	<u>5,225,543</u>	\$	<u>5,874,004</u>
Accounts Receivable				
Province of Nova Scotia	\$	2,280,877	\$	1,824,207
Government of Canada		248,589		373,371
Other		329,721		295,524
Accrued Benefit Asset (Note 3)		384,300		171,300
Receivable - Service Award Allowance (Note 7)		2,993,350		2,627,351
<b>Total Financial Assets</b>	\$	<u>11,462,380</u>	\$	<u>11,165,757</u>

**Liabilities**

Accounts Payable and Accrued Liabilities - Trade	\$	2,452,682	\$	3,223,812
Payroll and Employee Deductions		2,293,179		1,465,776
Payables and Accruals - Government				
Province of Nova Scotia		32,098		27,560
Government of Canada-Employee deductions		665,751		5,003
Municipalities		42,669		22,711
Other (Government Service Organizations)		53,015		100,187
Deferred Revenue (Note 8)		1,510,870		2,164,892
Retirement Obligations (Note 7)		2,993,350		2,627,351
<b>Total Liabilities</b>	\$	<u>10,043,614</u>	\$	<u>9,637,292</u>

**Net Financial Assets**

	\$	<u>1,418,766</u>	\$	<u>1,528,465</u>
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**Non-Financial Assets (Note 1)**

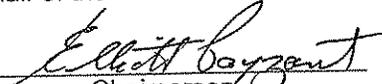
Tangible Capital Assets	\$	128,472	\$	24,017
Inventory		253,243		323,923
Prepaid Expenses		428,595		481,695
	\$	<u>810,310</u>	\$	<u>829,635</u>

**Accumulated Surplus (Note 1)**

	\$	<u>2,229,076</u>	\$	<u>2,358,100</u>
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Trust Funds Under Administration (Note 4 and Schedule D)  
 Contractual Obligations (Note 5)  
 Commitments and Contingencies (Note 7)

On Behalf of the Board

  
 Chairperson

  
 Board Member

**South Shore Regional School Board**  
**Statement of Operations and Surplus**  
For the year ended March 31

	2009		2008
	Budget	Actual	Actual
<b>Revenues (Schedule A)</b>			
Province of Nova Scotia	\$ 54,884,348	\$ 54,438,729	\$ 54,686,652
Government of Canada	179,614	122,954	228,571
Municipal Contributions	14,673,000	14,673,049	14,061,355
School Generated Funds (Note 2)	-	3,258,162	3,272,745
Board Operations	718,653	762,735	791,157
<b>Total Revenues</b>	<u>\$ 70,455,615</u>	<u>\$ 73,255,629</u>	<u>\$ 73,040,480</u>
<b>Expenses (Schedule B)</b>			
Board Governance	\$ 287,106	\$ 226,216	\$ 259,295
Regional Management	2,412,694	2,286,966	2,337,568
School Management & Support	7,228,314	7,168,972	6,948,849
Instruction & School Services	31,923,583	32,320,974	32,157,482
Student Support	8,505,889	8,368,744	7,549,797
Adult & Community Education	291,230	268,582	260,835
Property Services	10,475,941	10,421,039	12,560,655
Student Transportation	5,982,268	5,823,747	5,460,125
School Generated Funds (Note 2)	-	3,185,426	3,238,123
Other Programs	4,510,751	3,526,987	2,514,918
Defined Benefit Pension Plan Recovery	-	(213,000)	(317,300)
	<u>\$ 71,617,776</u>	<u>\$ 73,384,653</u>	<u>\$ 72,970,347</u>
<b>School Board (Deficit)/Surplus on an Expense Basis</b>	\$ (1,162,161)	\$ (129,024)	\$ 70,133
<b>Transfer from Prior Year Surplus</b>	\$ 1,162,161	\$ -	\$ -
<b>Accumulated Surplus, beginning of year</b>	\$ -	\$ (129,024)	\$ 70,133
<b>Accumulated Surplus, end of year</b>		<u>\$ 2,358,100</u>	<u>\$ 2,287,967</u>
		<u>\$ 2,229,076</u>	<u>\$ 2,358,100</u>
<b>Designation of Accumulated Surplus (Note 1):</b>			
Operating-Unrestricted, beginning of year		\$ 1,162,161	\$ 1,126,650
School Board (Deficit)/Surplus on an Expense Basis		(129,024)	70,133
Operating Surplus-Designated to School Funds		<u>1,033,137</u>	<u>1,196,783</u>
Operating-Unrestricted, end of year		(72,736)	(34,622)
		<u>\$ 960,401</u>	<u>\$ 1,162,161</u>
School Funds-Restricted, beginning of year		\$ 1,195,939	\$ 1,161,317
School Funds-Restricted-net surplus for year		72,736	34,622
School Funds-Restricted, end of year		<u>\$ 1,268,675</u>	<u>\$ 1,195,939</u>
		<u>\$ 2,229,076</u>	<u>\$ 2,358,100</u>

**South Shore Regional School Board**  
**Statement of Changes in Net Financial Resources**  
For the year ended March 31

	2009	2008
	<u>Actual</u>	<u>Actual</u>
Net Financial Resources, beginning of year	\$ <u>1,528,465</u>	\$ <u>1,552,238</u>
Changes in the year		
School Board (Deficit)/Surplus on an Expense Basis	\$ (129,024)	\$ 70,133
(Increase) in tangible capital assets	(104,455)	(24,017)
Decrease in inventories of supplies	70,680	-
(Increase) decrease increase in prepaid expenses	53,100	(69,889)
(Decrease) in net financial resources	<u>\$ (109,699)</u>	<u>\$ (23,773)</u>
Net Financial Resources, end of year	<u>\$ 1,418,766</u>	<u>\$ 1,528,465</u>

# South Shore Regional School Board

## Statement of Cash Flows

For the year ended March 31

2009

2008

### Operating transactions

School Board (Deficit)/Surplus on an Expense Basis	\$	(129,024)	\$	70,133
Items not affecting cash:				
Capital Asset Amortization		46,120		3,173
	\$	<u>(82,904)</u>	\$	<u>73,306</u>
Changes in non-cash working capital	\$	(366,085)	\$	841,459
Decrease in accounts receivable		(365,699)		(239,198)
(Increase) in receivable-service awards		(213,000)		(171,300)
(Increase) in accrued benefit asset		70,680		-
Decrease in inventories of supplies		53,100		(69,889)
Decrease (increase) in prepaid expenses		694,345		(1,026,854)
Increase (decrease) in accounts payable and accruals		(654,022)		1,033,180
(Decrease) increase in deferred revenue		-		(146,000)
(Decrease) in accrued benefit liability		365,699		239,198
Increase in retirement obligations payable				
	\$	<u>(414,982)</u>	\$	<u>460,596</u>
Cash provided by operating activities	\$	(497,886)	\$	533,902
Cash used to acquire tangible capital assets		<u>(150,575)</u>		<u>(27,190)</u>
(Decrease)/Increase in cash	\$	<u>(648,461)</u>	\$	<u>506,712</u>
Cash, beginning of year	\$	<u>5,874,004</u>	\$	<u>5,367,292</u>
Cash, end of year	\$	<u>5,225,543</u>	\$	<u>5,874,004</u>

**South Shore Regional School Board**  
**Schedule A - Supplementary Details of Revenues**  
For the year ended March 31

	2009		2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia	\$ 37,925,600	\$ 37,925,594	\$ 37,257,513
Operating	11,325,873	10,644,946	10,426,036
Restricted	2,606,800	2,740,622	4,484,836
Capital	3,026,075	3,127,567	2,518,267
Other	\$ 54,884,348	\$ 54,438,729	\$ 54,686,652
Government of Canada	\$ 179,614	\$ 122,954	\$ 228,571
First Nations	\$ 179,614	\$ 122,954	\$ 228,571
Municipal Contributions-Mandatory	\$ 14,673,000	\$ 14,673,049	\$ 14,061,355
	\$ 14,673,000	\$ 14,673,049	\$ 14,061,355
School Generated Funds (Note 2)	\$ -	\$ 3,258,162	\$ 3,272,745
	\$ -	\$ 3,258,162	\$ 3,272,745
Other Revenues-Board Operations:			
Board Generated-Other	\$ 480,603	\$ 530,104	\$ 519,106
Rentals	80,550	81,541	53,858
Interest/Investment	150,000	103,983	206,228
Sale of Assets	7,500	47,107	11,965
	\$ 718,653	\$ 762,735	\$ 791,157
Total Revenues	\$ 70,455,615	\$ 73,255,629	\$ 73,040,480

**South Shore Regional School Board**  
**Schedule B - Supplementary Details of Expenditures**  
For the year ended March 31

	2009		2008	
	Budget	Actual	Actual	
<b>Board Governance</b>				
Salaries	\$ 124,536	\$ 122,887	\$ 128,359	
Benefits	7,661	7,120	6,882	
Travel	28,000	24,225	16,690	
Supplies/Telecommunications/Contracted Services	36,230	31,126	25,269	
Professional Development	32,200	(17,621)	29,272	
NSSBA Dues	58,479	58,479	52,823	
<b>Total Board Governance</b>	<b>\$ 287,106</b>	<b>\$ 226,216</b>	<b>\$ 259,295</b>	
<b>Regional Management</b>				
Salaries	\$ 1,317,975	\$ 1,371,957	\$ 1,411,773	
Benefits	299,802	276,238	267,254	
Travel	66,940	43,785	52,655	
Professional Services-Legal and Audit	65,855	54,093	71,955	
Contracted Services	809,894	748,881	676,386	
Repairs/Maintenance	23,500	5,163	4,196	
Supplies/Materials/Telecommunications	170,780	205,044	186,022	
Utilities	-	(3,841)	19,804	
Utilities	54,100	43,266	40,382	
Professional Development	86,369	92,362	94,238	
Insurance	15,000	(31,950)	-	
Election Costs	(497,521)	(518,032)	(487,097)	
Recovery-Shared Services				
<b>Total Regional Management</b>	<b>\$ 2,412,694</b>	<b>\$ 2,286,966</b>	<b>\$ 2,337,568</b>	
<b>School Management &amp; Support</b>				
Salaries	\$ 5,829,062	\$ 5,884,337	\$ 5,477,235	
Benefits	568,034	558,700	503,248	
Travel	82,129	92,392	72,539	
Travel	39,265	13,735	80,184	
Contracted Services	6,100	78,713	192,502	
Repairs/Maintenance	567,694	507,524	567,530	
Supplies/Materials/Telecommunications	125,440	27,970	55,611	
Professional Development	9,290	5,579	-	
Amortization	1,300	22	-	
Vehicle expenses				
<b>Total School Management &amp; Support</b>	<b>\$ 7,228,314</b>	<b>\$ 7,168,972</b>	<b>\$ 6,948,849</b>	
<b>Instruction &amp; School Services</b>				
Salaries	\$ 28,400,586	\$ 28,719,649	\$ 28,575,321	
Salaries	1,573,000	1,576,433	1,600,611	
Benefits	356,900	304,110	279,363	
Service Award Allowances-Current (Note 7)	9,100	2,434	3,144	
Travel	178,721	187,321	178,001	
Contracted Services	-	16,314	-	
Repairs/Maintenance	612,347	617,936	538,473	
Supplies/Materials/Telecommunications	488,000	488,000	490,600	
Textbook Allocation	304,929	231,777	326,869	
Professional Development	-	177,000	165,100	
Service Award Allowances-Interest (Note 7)				
<b>Total Instruction &amp; School Services</b>	<b>\$ 31,923,583</b>	<b>\$ 32,320,974</b>	<b>\$ 32,157,482</b>	

**South Shore Regional School Board**  
**Schedule B - Supplementary Details of Expenditures**  
For the year ended March 31

	2009		2008	
	Budget	Actual	Actual	
<b>Student Support</b>				
Salaries	\$ 7,132,680	\$ 7,058,207	\$ 6,428,067	
Benefits	850,336	850,704	771,567	
Travel	136,860	96,412	72,119	
Contracted Services	72,748	49,960	1,250	
Repairs/Maintenance	13,000	11,366	9,491	
Supplies/Materials/Telecommunications	198,165	228,402	212,315	
Professional Development	102,100	73,693	54,988	
<b>Total Student Support</b>	<b>\$ 8,505,889</b>	<b>\$ 8,368,744</b>	<b>\$ 7,549,797</b>	
<b>Adult &amp; Community Education</b>				
Salaries	\$ 262,485	\$ 243,672	\$ 236,446	
Benefits	16,991	18,074	17,254	
Travel	670	354	309	
Contracted Services	3,684	2,219	2,908	
Supplies/Materials/Telecommunications	7,400	4,263	3,918	
Professional Development	-	-	-	
<b>Total Adult &amp; Community Education</b>	<b>\$ 291,230</b>	<b>\$ 268,582</b>	<b>\$ 260,835</b>	
<b>Property Services</b>				
Salaries	\$ 2,561,879	\$ 2,575,465	\$ 2,521,147	
Benefits	642,343	558,071	524,801	
Travel	9,630	4,103	3,393	
Contracted Services	445,217	584,367	781,499	
Repairs/Maintenance	4,104,900	4,535,843	7,033,302	
Vehicle Expenses	33,000	36,522	32,145	
Supplies/Materials/Telecommunications	235,368	217,915	221,318	
Utilities	2,352,165	2,321,422	2,273,015	
Professional Development	22,500	8,952	7,706	
Insurance	236,551	238,295	284,406	
Amortization	43,888	35,015	3,173	
Recoveries	(211,500)	(261,288)	(218,278)	
Recoveries-North Queens Fire (Note 9)	-	(433,643)	(906,972)	
<b>Total Property Services</b>	<b>\$ 10,475,941</b>	<b>\$ 10,421,039</b>	<b>\$ 12,560,655</b>	
<b>Student Transportation</b>				
Salaries	\$ 2,928,431	\$ 2,801,652	\$ 2,702,871	
Benefits	679,595	617,343	601,871	
Travel	137,915	149,305	126,344	
Contracted Services	152,270	110,387	124,197	
Repairs/Maintenance	101,900	106,708	108,958	
Vehicle Maintenance	1,573,963	1,669,802	1,354,590	
Conveyance	89,000	95,089	101,335	
Supplies/Materials/Telecommunications	130,300	110,973	145,716	
Utilities	44,615	46,758	42,919	
Professional Development	52,700	42,178	41,291	
Insurance	84,221	84,221	110,033	
Amorization	7,358	5,526	-	
Recoveries	-	(16,195)	-	
<b>Total Student Transportation</b>	<b>\$ 5,982,268</b>	<b>\$ 5,823,747</b>	<b>\$ 5,460,125</b>	

**South Shore Regional School Board**  
**Schedule B - Supplementary Details of Expenditures**  
For the year ended March 31

	2009		2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>School Generated Funds</b>			
School Funded Activities (Note 2)	\$ -	\$ 3,185,426	\$ 3,238,123
<b>Total School Generated Funds</b>	<u>\$ -</u>	<u>\$ 3,185,426</u>	<u>\$ 3,238,123</u>
<b>Other Programs</b>			
Salaries	\$ 2,081,359	\$ 1,799,173	\$ 1,456,328
Benefits	79,812	95,640	75,156
Travel	72,672	37,277	26,589
Contracted Services	157,800	101,259	16,168
Repairs/Maintenance	490,744	259,814	12,447
Supplies/Materials/Telecommunications	1,496,361	1,181,315	899,935
Professional Development	56,550	25,933	28,295
Conveyance	47,823	1,107	-
Vehicle expenses	27,630	25,469	-
<b>Total Other Programs</b>	<u>\$ 4,510,751</u>	<u>\$ 3,526,987</u>	<u>\$ 2,514,918</u>
<b>Defined Benefit Pension Plans</b>			
Defined Benefit Pension Expense	\$ -	\$ (213,000)	\$ (317,300)
	<u>\$ -</u>	<u>\$ (213,000)</u>	<u>\$ (317,300)</u>
<b>Total Expenditures</b>	<u>\$ 71,617,776</u>	<u>\$ 73,384,653</u>	<u>\$ 72,970,347</u>

South Shore Regional School Board  
 Schedule C - Supplementary Details of Tangible Capital Assets  
 For the year ended March 31, 2009

	Land, Buildings and Improvements	Major Equipment	Computer Hardware	Vehicles	2009 Total	2008 Total
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 27,190	\$ 27,190	\$ -
Additions	-	-	-	150,575	150,575	27,190
Disposals	-	-	-	-	-	-
Closing Costs	\$ -	\$ -	\$ -	\$ 177,765	\$ 177,765	\$ 27,190
<u>Accumulated Amortization:</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 3,173	\$ 3,173	\$ -
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	46,120	46,120	3,173
Closing Balance	\$ -	\$ -	\$ -	\$ 49,293	\$ 49,293	\$ 3,173
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$ 128,472	\$ 128,472	\$ 24,017
<u>Net Book Value (NBV):</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 24,017	\$ 24,017	\$ 27,190
Closing Balance	-	-	-	128,472	128,472	24,017
Increase (Decrease) in NBV	\$ -	\$ -	\$ -	\$ 104,455	\$ 104,455	\$ (3,173)

**South Shore Regional School Board**  
**Schedule D - Trust Funds Balance Sheet**

As at March 31

2009

2008

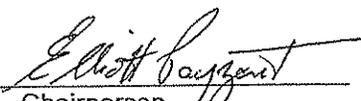
**Assets**

Cash (Note 4)	\$ 379,258	\$ 373,880
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**Equity**

Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 3,960	\$ 3,270
Josephine Christie Fredea Award	1,356	1,379
South Shore District Memorial Scholarship	3,466	2,948
Murray Barkhouse Scholarship Fund	4,919	4,802
Robert Hirtle Memorial Fund	3,069	2,829
Dr. K.C. Ghandi Marfatia Scholarship Fund	20,365	20,405
W.G.L. Hirtle Scholarship	32,295	32,143
Elinor Muir Leary Scholarship	10,036	10,010
Irene and Derrell Ernst Scholarship	4,774	4,855
David Lowe Scholarship	8,377	8,270
Clara Quinlan Scholarship	5,089	5,173
Monte Oickle Scholarship	3,610	4,026
Colleen Finck Memorial	111,436	113,878
Paul Eisnor Memorial	704	689
Timothy Daniels Memorial	5,537	5,415
Sylvia Weagle Bursary	29,207	29,658
Dr. J.C. Wickwire	1,427	1,396
M. Ernst MacLeod	4,526	4,425
Colleen Finck Memorial - Acadia	46,947	50,833
Erma Westhaver Loomis	36,757	37,358
John S. Derrick	9,971	10,138
Caterina Cushing	10,660	9,193
Margaret Marshall	1,024	1,041
Teachers Centre	9,695	9,746
Jerome A. Tanner	1,315	-
Tech Refresh-Bayview	8,736	-
	<u>\$ 379,258</u>	<u>\$ 373,880</u>

On Behalf of the Board

  
 Chairperson

  
 Board Member

**South Shore Regional School Board**  
**Schedule E - Supplementary Details of Trust Funds**  
For the year ended March 31, 2009

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 3,270	\$ 3,793	\$ 97	\$ (3,200)	\$ 3,960
J.C. Fredea Award	1,379	-	30	(53)	1,356
South Shore District Memorial	2,948	450	68	-	3,466
M. Barkhouse Scholarship Fund	4,802	8	109	-	4,919
Robert Hirtle Memorial Fund	2,829	1,175	65	(1,000)	3,069
Dr. K.C. Marfatia Ghandi	20,405	-	460	(500)	20,365
W.G.L. Hirtle	32,143	-	727	(575)	32,295
Elinor Muir Leary	10,010	-	226	(200)	10,036
Irene / Derrell Ernst	4,855	-	109	(190)	4,774
David Lowe	8,270	120	187	(200)	8,377
Clara Quinlan	5,173	-	116	(200)	5,089
Monte Oickle	4,026	-	84	(500)	3,610
Colleen Finck Memorial	113,878	-	2,558	(5,000)	111,436
Paul Eisnor	689	100	15	(100)	704
Timothy Daniels	5,415	-	122	-	5,537
S Weagle Bursary	29,658	-	674	(1,125)	29,207
Dr J.C. Wickwire	1,396	-	31	-	1,427
M. Ernst MacLeod	4,425	-	101	-	4,526
Colleen Finck Memorial-Acadia	50,833	-	1,114	(5,000)	46,947
Erma Westhaver Loomis	37,358	-	849	(1,450)	36,757
John S. Derrick	10,138	104	229	(500)	9,971
Caterina Cushing	9,193	2,216	251	(1,000)	10,660
Margaret Marshall	1,041	-	23	(40)	1,024
Teachers Centre	9,746	-	219	(270)	9,695
Jerome A Tanner Scholarship	-	1,315	-	-	1,315
Tech Refresh Bayview	-	27,932	6	(19,202)	8,736
	<u>\$ 373,880</u>	<u>\$ 37,213</u>	<u>\$ 8,470</u>	<u>\$ (40,305)</u>	<u>\$ 379,258</u>

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# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

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### 1. Financial Reporting and Accounting Policies

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:

#### Basis of Accounting and Consolidation

##### Revenues

Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

The consolidated statement of financial position is presented using the principles of consolidation prescribed by the Department of Education. Trust funds are not included in the consolidation. For a detailed review the reader should refer to the financial statements of each fund as presented in these financial statements.

##### Expenditures

Expenditures are the cost of goods and services acquired in the period whether or not payment has been made or invoices recorded. Expenditures are recorded on the accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for probable losses on certain loans, investments, accounts receivable, and contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised, at least annually.

##### Use of estimates

In preparing the Board's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

##### Financial instruments

The Board's financial instruments include receivables, cash and cash equivalents, bank indebtedness, investments, payable and accruals, due to/from related parties. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, except for payables to related parties, for which fair value was not readily determinable.

##### Financial Assets

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

Accounts receivable are recorded at the principal amount less valuation allowances, if applicable.

##### Liabilities

Pension, Retirement and Other Obligations include various employee benefits. For purposes of these financial statements, the School Board's pension liabilities are calculated using an accrued benefits actuarial method and using accounting assumptions which reflect the Board's best estimates of performance over the long-term. The net pension liabilities represent accrued pension benefits less the market related value of pension assets (if applicable) and the balance of unamortized experience gains and losses.

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# South Shore Regional School Board

## Notes to the Financial Statements

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March 31, 2009

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### 1. Financial Reporting and Accounting Policies (continued)

#### Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year that the related expenditures are incurred or service performed.

#### Net Financial Resources

Net financial resources represent the direct assets of the Board less financial liabilities.

#### Non-Financial Assets

Inventories are bus garage parts and bus tire inventories recorded at average cost. All other supplies and purchases are expensed.

#### Tangible Capital 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 net historical cost, when applicable. Tangible capital assets include land, buildings, computer equipment and software, and vehicles. Tangible capital assets do not include intangibles or assets acquired by right. The buildings and school buses financed by the Province of Nova Scotia and transferred to the School Boards are not accounted for in the School Board's financial statements, rather they are included in the Province of Nova Scotia's financial statements. The Board adopted the Province of Nova Scotia's Tangible Capital Assets Accounting Policy thresholds and only those assets meeting the thresholds are recorded as additions. The thresholds and amortization rates (declining balances) as defined in the policy are as follows:

	<u>Threshold</u>	<u>Rates</u>
Buildings	\$250,000	5%
Leasehold improvements	\$150,000	5%
Computer hardware	\$25,000	50%
Motor vehicles	\$15,000	35%
Equipment	\$50,000	20%
Software	\$250,000	50%

#### Prepaid Expenses and Inventories

Prepaid expenses are cash disbursements for goods or services, other than tangible capital assets and inventories of supplies, of which some or all will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the good or service is used or consumed.

# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

### 1. Financial Reporting and Accounting Policies (continued)

#### Accumulated Surplus

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

	<u>2009</u>	<u>2008</u>
Changes in surplus are as follows:		
Operating Surplus, beginning	\$ 2,358,100	\$ 2,287,967
(Deficit) Surplus, current year on an expense basis	<u>(129,024)</u>	<u>70,133</u>
Operating Surplus, end of year	<u>\$ 2,229,076</u>	<u>\$ 2,358,100</u>
Designation of accumulated surplus:		
General Fund-unrestricted	\$ 960,401	\$ 1,162,161
School general funds-restricted	<u>1,268,675</u>	<u>1,195,939</u>
Balance , end of year	<u>\$ 2,229,076</u>	<u>\$ 2,358,100</u>

### 2. School Generated Funds

These financial statements include funds arising from certain school and student activities that are controlled and administered by each school, but for which the Board is accountable. Revenue from school funds is recognized as the funds are received. School funded activity expenditures are recorded as the funds are expended. School Generated Funds include the revenues and expenditures and fund balances of various organizations that exist at the school level under the jurisdiction of the School Board.

Changes in cash held by schools are as follows:

	<u>2009</u>	<u>2008</u>
Balance, beginning of year	\$ <u>1,195,939</u>	\$ <u>1,161,317</u>
Additions to school generated funds	3,258,162	3,272,745
School funded activity expenditures	<u>(3,185,426)</u>	<u>(3,238,123)</u>
Net school generated funds for year	<u>72,736</u>	<u>34,622</u>
Balance, end of year	<u>\$ 1,268,675</u>	<u>\$ 1,195,939</u>

### 3. Defined Benefit Pension Plans

Details on the defined benefit plans are provided by Morneau Sobeco and have been determined by them in accordance with PS 3250 for the Southwest Regional School Board C.U.P.E. Staff Pension Plan (the "CUPE Plan") and the Southwest Regional School Board Support Staff Pension Plan (the "Support Staff Plan"). Results are presented for the fiscal year ending March 31, 2009.

Plan restructuring to separate each plan into the South Shore Regional School Board ("SSRSB") and the Tri-County Regional School Board ("TCRSB") is in progress as of March 31, 2009. The results are under the CUPE and Support Staff Plan names until the split between the SSRSB and TCRSB is finalized.

# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

### 3. Defined Benefit Pension Plans (continued)

- The asset split between SSRSB and TCRSB has been adjusted to reflect the most up-to-date information contained in the actuarial valuation reports for funding purposes that have been prepared as at March 31, 2007, in which assets for each plan were allocated according to solvency liabilities.
- A new valuation had been performed on an accounting basis at March 31, 2007 (and rolled back to the measurement date of December 31, 2006), and projected the results forward to December 31, 2008 and December 31, 2009 to determine the fiscal 2009 pension expense.

For both plans, employee contributions equal 5% of their salary, and the School Boards contribute the balance to fund the plan.

#### C.U.P.E defined benefit pension plan

The CUPE pension plan was last valued on March 31, 2007. These valuations were projected to December 31, 2007, 2008 and 2009. The accrued benefit asset was adjusted to March 31, 2009 by including employer contributions made between January and March of 2009. The actuarial valuation projects deficits of \$1,461,200 for the SSRSB and \$320,800 for the TCRSB for a total deficit of \$1,782,000 as of March 31, 2009. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

The following table shows the plan's pension expense for the 2009 fiscal year, the expected benefit asset as at March 31, 2009 and a reconciliation of the accrued benefit asset as at March 31, 2009.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current service cost (net of employee contributions)	\$ 309,200	\$ 236,100	\$ 545,300
Amortization of actuarial losses	42,200	14,900	57,100
Pension Interest Expenditure/Expense:			
Interest cost on the Accrued Benefit Obligation	449,900	110,100	560,000
Expected return on Plan Assets	<u>(517,000)</u>	<u>(121,300)</u>	<u>(638,300)</u>
Total 2009 pension expense	<u>\$ 284,300</u>	<u>\$ 239,800</u>	<u>\$ 524,100</u>

#### Development of Accrued Benefit Asset as at March 31, 2009

CUPE:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued Benefit Asset			
as at March 31, 2008	\$ 217,600	\$ 23,700	\$ 241,300
Fiscal 2009 income	(284,300)	(239,800)	(524,100)
Fiscal 2009 School Board Contributions	<u>397,600</u>	<u>316,200</u>	<u>713,800</u>
Accrued Benefit Asset			
as at March 31, 2009	<u>\$ 330,900</u>	<u>\$ 100,100</u>	<u>\$ 431,000</u>

# South Shore Regional School Board Notes to the Financial Statements

March 31, 2009

## 3. Defined Benefit Pension Plans (continued)

### Reconciliation of the Accrued Benefit Asset as at March 31, 2009

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 7,470,500	\$1,945,700	\$9,416,200
Accrued Benefit Obligation	<u>8,931,700</u>	<u>2,266,500</u>	<u>11,198,200</u>
Funded status as at March 31, 2009	(1,461,200)	(320,800)	(1,782,000)
Less: unamortized actuarial gains	1,740,100	380,900	2,121,000
Plus: Employer Contributions January to March 2009	<u>52,000</u>	<u>40,000</u>	<u>92,000</u>
Accrued Benefit Asset as at March 31, 2009	<u>\$ 330,900</u>	<u>\$ 100,100</u>	<u>\$ 431,000</u>

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5% March 31, 2008; 5.5% March 31, 2009
Expected rate of return on plan assets	6%
Annual salary increases	3%
Interest credited on employee contributions	6%
Retirement age	65 years (or in one year, if later)
Administrative Expenses	Implicitly recognized in the interest rate

### Support staff defined benefit pension plan

The Support Staff pension plan was last valued on March 31, 2007. These valuations were projected to December 31, 2007, 2008 and 2009. The accrued benefit asset was adjusted to March 31, 2009 by including employer contributions made between January and March of 2009. The actuarial valuation projects a deficit of \$1,918,500 for the SSRSB and a deficit of \$132,600 for the TCRSB for a total deficit of \$2,051,100. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

The following table shows the plan's pension expense for the 2009 fiscal year, expected benefit asset as at March 31, 2009 and a reconciliation of the accrued benefit asset as at March 31, 2009.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current Service Cost (net of employee contributions)	\$ 572,600	\$ 238,600	\$ 811,200
Amortization of actuarial losses	32,100	6,800	38,900
Pension Interest Expenditure/Expense:			
Interest cost on accrued benefit obligation	\$ 561,100	\$ 72,200	\$ 633,300
Expected return on plan assets	<u>(638,800)</u>	<u>(87,000)</u>	<u>(725,800)</u>
Total fiscal 2009 pension expense	<u>\$ 527,000</u>	<u>\$ 230,600</u>	<u>\$ 757,600</u>

# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

### 3. Defined Benefit Pension Plans (continued)

#### Development of Accrued Benefit as at March 31, 2009 Support Staff:

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued benefit (liability) asset as at March 31, 2008	\$ (46,300)	\$ 120,600	\$ 74,300
Fiscal 2009 expense	(527,000)	(230,600)	(757,600)
Fiscal 2009 school board contributions	<u>626,700</u>	<u>258,800</u>	<u>885,500</u>
Accrued benefit asset as at March 31, 2009	<u>\$ 53,400</u>	<u>\$ 148,800</u>	<u>\$ 202,200</u>

#### Reconciliation of the Accrued Benefit Asset as at March 31, 2009 Support Staff:

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 9,241,400	\$ 1,399,200	\$ 10,640,600
Accrued benefit obligation	<u>11,159,900</u>	<u>1,531,800</u>	<u>12,691,700</u>
Funded status as at March 31, 2009	(1,918,500)	(132,600)	(2,051,100)
Less: unamortized actuarial losses	1,863,000	244,100	2,107,100
Plus: employer contributions January to March 2009	<u>108,900</u>	<u>37,300</u>	<u>146,200</u>
Accrued benefit asset as at March 31, 2009	<u>\$ 53,400</u>	<u>\$ 148,800</u>	<u>\$ 202,200</u>

Major assumptions regarding the Support Staff pension plan are as follows:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5% March 31, 2008; 5.5% March 31, 2009
Expected rate of return on plan assets	6%
Annual salary increases	3%
Interest credited on employee contributions	6%
Retirement age	60 years
Administrative Expenses	Implicitly recognized in the interest rate

The combined Defined Benefit Pension Plans for the South Shore Regional School Board is recorded on the balance sheet as follows:

Accrued Benefit Asset – March 31, 2009	\$ 384,300
Accrued Benefit Asset – March 31, 2008	\$ 171,300

#### Other pension plans

The School Board's teaching staff is covered by a pension plan established by the Province of Nova Scotia pursuant to the Teachers Pension Act. Employer contributions for these employees are provided directly by the Province of Nova Scotia. The pension costs and obligations related to these plans are the direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements. Some non-teaching employees are covered by a multi-employer pension plan by the Nova Scotia School Board Association.

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# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

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#### 4. Trust Funds under Administration

Trust fund assets administered by the School Board are identified in Schedule D. The Trust funds represent capital contributed in trust as well as income thereon. Such income is used to provide scholarships for eligible students or for expenditures for specifically, designated purposes.

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#### 5. Contractual Obligations

Minimum payments in future years are as follows:

	Rental Leases	Copier Leases	Total
2010	\$ 212,304	\$ 83,447	\$ 295,751
2011	212,304	78,450	290,754
2012	212,304	46,434	258,738
2013	212,304	13,129	225,433
2014	212,304		212,304
2015	159,228		159,228
Total	<u>\$ 1,220,748</u>	<u>\$ 221,460</u>	<u>\$ 1,442,208</u>

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#### 6. Legal

There are no legal matters outstanding.

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#### 7. Commitments and Contingencies

##### Service Awards

For all service on or before July 31, 2000, under the terms of agreements with local units of the Nova Scotia Teachers' Union, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amounts of the awards are as follows:

- Queens District - 0.45 of 1% of a TC5 - MAX per year of service (maximum 35 years)
- Lunenburg District - \$200 per year of service (maximum 35 years)

For all service commencing on or after August 1, 2000 under the terms of agreement with the NSTU and the Province of Nova Scotia, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amount of the award is as follows: .75 of 1% for each year of service with the Board multiplied by the annual salary rate on the last day of employment with the Board.

# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

### 7. Commitments and Contingencies (continued)

For all service commencing on or after August 1, 2002 under the terms of agreement with the NSTU and Province of Nova Scotia the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years of service with the Board. The amount of the award is as follows: 1% of each year of service with the Board multiplied by the annual salary rate on the last day of employment with the Board.

The Province of Nova Scotia assumed responsibility for the payment of Service Awards for teachers effective April 1, 2002. The Board has recorded a service award and interest expense for the service awards for teachers, as provided by the Province of Nova Scotia.

Continuity of Service Award Allowance Liability	<u>March 31, 2009</u>	<u>March 31, 2008</u>
Accrued benefit obligation, beginning of the year	\$ 3,516,135	\$ 3,096,400
Current service cost	246,000	238,300
Interest on obligation	177,000	165,100
Less: benefits paid	(115,110)	(205,265)
Actuarial (gains) losses	<u>(188,500)</u>	<u>221,600</u>
Closing benefit obligation, end of year	3,635,525	3,516,135
Pension assets, at market related values	<u>0</u>	<u>0</u>
Funded status – (deficiency)	(3,635,525)	(3,516,135)
Unamortized actuarial (gains) losses	<u>642,175</u>	<u>888,784</u>
Accrued benefit obligation, end of year	<u>\$ (2,993,350)</u>	<u>\$ (2,627,351)</u>

### Collective Agreements

The collective agreement with the Nova Scotia Government Employees Union expires on March 31, 2009. The collective agreement with the Nova Scotia Teachers Union expired on July 31, 2008. A new collective agreement with the Nova Scotia Teachers Union was signed April 2, 2009 with an expiry date of July 31, 2010.

The CUPE collective agreement expired on March 31, 2007. As of March 31, 2009, no agreement has been signed. The SIEU collective agreement expires March 31, 2010.

### Sick Leave

The Board has not recognized in these consolidated financial statements, the liability associated with accumulated sick leave as the liability cannot be reasonably estimated.

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# South Shore Regional School Board

## Notes to the Financial Statements

March 31, 2009

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8. Deferred Revenue	<u>2009</u>	<u>2008</u>
Deferred Revenue as of March 31:		
Teachers PD Fund	\$ 100,368	\$ 11,658
International Student Program	91,453	97,965
Other Programs	1,319,049	1,201,413
Capital	-	428,993
Capital – North Queens Rebuilding (see below)	-	<u>424,863</u>
<b>Total</b>	<b><u>\$ 1,510,870</u></b>	<b><u>\$ 2,164,892</u></b>

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9. Restricted Cash	<u>2009</u>	<u>2008</u>
North Queens Insurance Fund – April 1, 2007 to March 31, 2009:		
Proceeds of Insurance	\$ 424,863	\$ 1,314,703
Interest on Fund	8,780	17,132
Expenditures above Province of Nova Scotia Funding for 08-09 of \$1,614,480	<u>(433,643)</u>	<u>(906,972)</u>
<b>Total</b>	<b><u>\$ -</u></b>	<b><u>\$ 424,863</u></b>

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Insurance proceeds from the fire at North Queens were received during the fiscal year ended March 31, 2008. These funds are restricted cash which are designated for the rebuilding of the school. There is a balance of \$424,863 included in deferred revenue as of March 31, 2008 plus interest of \$8,780 for 2009. These funds were utilized for rebuilding costs for the 2008-2009 school year.

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### 10. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2009, with the Bank of Montreal.