



Financial Statements

South Shore Regional School Board

March 31, 2011

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Independent auditor's report

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

We have audited the accompanying financial statements of the South Shore Regional School Board, which comprise the financial position as at March 31, 2011, and the statement of operations and surplus, changes in net financial assets, and cash flow 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 public sector accounting standards, and for such internal controls 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

In common with 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. As well, because of the absence of an accounting clerk, we have been unable to verify the accuracy of expenditures from school funded activities. 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, and we have been unable to verify the school funded expenditures. Therefore, we are not able to determine whether any adjustments might be necessary to school generated revenue, expenditure, excess of revenue over expenditure, assets and net financial assets.

Qualified opinion

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the South Shore Regional School Board as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 6 to 12 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

The budget figures presented in the financial statements and the schedules are "unaudited" and accordingly, we express no opinion thereon.



Bridgewater, Nova Scotia
June 22, 2011

Chartered accountants

South Shore Regional School Board

Statement of Financial Position

As at March 31

2011

2010

Financial Assets

Cash and Cash Equivalents	\$ 1,446,494	\$ 2,966,268
Cash Held by Schools (Note 2)	1,404,060	1,353,071
	<u>\$ 2,850,554</u>	<u>\$ 4,319,339</u>
Accounts Receivable		
Province of Nova Scotia	\$ 5,021,426	\$ 3,293,046
Government of Canada	454,550	305,478
Other	322,007	367,640
Accrued Benefit Asset (Note 3)	906,300	346,000
Receivable - Service Award Allowance (Note 7)	3,406,646	3,191,304
Total Financial Assets	<u>\$ 12,961,483</u>	<u>\$ 11,822,807</u>

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 3,632,192	\$ 2,884,872
Accrued Payroll and Employee Deductions	1,941,465	1,776,494
Payables and Accruals - Government		
Province of Nova Scotia	109,280	56,873
Government of Canada - Employee Deductions	-	1,040,696
Municipalities	23,600	25,038
Other (Government Service Organizations)	-	1,359
Deferred Revenue (Note 8)	1,766,001	1,682,746
Retirement Obligations (Note 7)	3,406,646	3,191,304
Total Liabilities	<u>\$ 10,879,184</u>	<u>\$ 10,659,382</u>

Net Financial Assets

	<u>\$ 2,082,299</u>	<u>\$ 1,163,425</u>
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ 121,000	\$ 83,504
Inventory	211,326	231,316
Prepaid Expenses	290,684	369,990
	<u>\$ 623,010</u>	<u>\$ 684,810</u>

Accumulated Surplus (Note 1)

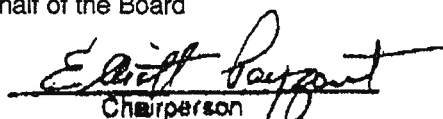
	<u>\$ 2,705,309</u>	<u>\$ 1,848,235</u>
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Trust Funds Under Administration (Note 4 and Schedule D)

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

2011

2010

	Budget (Unaudited)	Actual	Actual
Revenues (Schedule A)			
Province of Nova Scotia	\$ 64,558,104	\$ 60,407,077	\$ 54,198,996
Government of Canada	175,102	329,733	164,992
Municipal Contributions	15,218,200	15,218,223	15,097,300
School Generated Funds (Note 2)	3,200,000	2,665,910	3,351,538
Board Operations	593,035	800,780	582,089
Total Revenues	\$ 83,744,441	\$ 79,421,723	\$ 73,394,915
Expenses (Schedule B)			
Board Governance	\$ 299,628	\$ 272,412	\$ 274,507
Regional Management	2,415,292	2,371,480	2,277,241
School Management & Support	7,419,020	7,690,208	7,364,096
Instruction & School Services	33,182,503	32,787,030	33,513,629
Student Support	10,121,484	9,854,015	9,186,074
Adult & Community Education	298,444	298,957	295,084
Property Services	16,569,928	13,528,401	8,957,003
Student Transportation	6,280,853	6,077,647	5,524,123
School Generated Funds (Note 2)	3,200,000	2,614,921	3,267,142
Other Programs	4,231,874	3,459,978	3,078,557
Defined Benefit Pension Plan	-	(390,400)	38,300
	\$ 84,019,026	\$ 78,564,649	\$ 73,775,756
School Board Surplus (Deficit) on an Expense Basis	\$ (274,585)	\$ 857,074	\$ (380,841)
Transfer from Prior Year Surplus	\$ 274,585	\$ -	\$ -
	\$ -	\$ 857,074	\$ (380,841)
Accumulated Surplus, Beginning of Year		\$ 1,848,235	\$ 2,229,076
Accumulated Surplus, End of Year		\$ 2,705,309	\$ 1,848,235

Designation of Accumulated Surplus (Note 1):

Operating-Unrestricted, Beginning of Year	\$ 149,164	\$ 576,101
School Board Surplus (Deficit) on an Expense Basis	857,074	(380,841)
	1,006,238	195,260
Operating Surplus-Designated to Defined Benefit Pension Plan	(560,300)	38,300
Operating Surplus-Designated to School Funds	(50,989)	(84,396)
Operating-Unrestricted, End of Year	\$ 394,949	\$ 149,164
Defined Pension Plan-Accrued Benefit Asset, Beginning of Year	\$ 346,000	\$ 384,300
Defined Pension Plan-Accrued Benefit Asset, Net Surplus for Year	560,300	(38,300)
Defined Pension Plan-Accrued Benefit Asset, End of Year	\$ 906,300	\$ 346,000
School Funds-Restricted, Beginning of Year	\$ 1,353,071	\$ 1,268,675
School Funds-Restricted-Net Surplus for Year	50,989	84,396
School Funds-Restricted, End of Year	\$ 1,404,060	\$ 1,353,071
Accumulated Surplus, End of Year	\$ 2,705,309	\$ 1,848,235

South Shore Regional School Board **Statement of Changes in Net Financial Assets**

For the year ended March 31

2011

2010

	<u>Actual</u>	<u>Actual</u>
Net financial assets, beginning of year	\$ 1,163,425	\$ 1,418,766
Changes in the year		
School Board surplus (deficit) on an expense basis	\$ 857,074	\$ (380,841)
Amortization of tangible capital assets	53,449	44,968
Acquisition of tangible capital assets	(90,945)	-
Decrease in inventories of supplies	19,990	21,927
Decrease in prepaid expenses	79,306	58,605
Decrease in net financial assets	\$ 918,874	\$ (255,341)
 Net financial assets, end of year	 \$ 2,082,299	 \$ 1,163,425

South Shore Regional School Board

Statement of Cash Flows

For the year ended March 31

2011

2010

Operating transactions

School Board surplus (deficit) on an expense basis	\$	857,074	\$	(380,841)
Items not affecting cash:				
Capital asset amortization		53,449		44,968
		<u>910,523</u>		<u>(335,873)</u>
Changes in non-cash working capital				
(Increase) in accounts receivable		(1,831,819)		(1,106,977)
(Increase) in receivable-service awards		(215,342)		(197,954)
(Increase) in accrued benefit asset		(560,300)		38,300
Decrease in inventories of supplies		19,990		21,927
Decrease in prepaid expenses		79,306		58,605
Increase (decrease) in accounts payable and accruals		(78,795)		245,938
Increase (decrease) in deferred revenue		83,255		171,876
Increase in retirement obligations payable		215,342		197,954
		<u>(2,288,363)</u>		<u>(570,331)</u>
Cash provided by operating activities		(1,377,840)		(906,204)

Capital transactions

Cash used to acquire tangible capital assets		<u>(90,945)</u>		<u>-</u>
Increase in cash		(1,468,785)		(906,204)
Cash, beginning of year		<u>4,319,339</u>		<u>5,225,543</u>
Cash, end of year	\$	<u>2,850,554</u>	\$	<u>4,319,339</u>

South Shore Regional School Board

Schedule A - Supplementary Details of Revenues

For the year ended March 31

2011

2010

	Budget (Unaudited)	Actual	Actual
Province of Nova Scotia			
Operating	\$ 41,807,400	\$ 41,807,408	\$ 40,112,491
Restricted	11,744,611	10,864,550	10,948,026
Capital	8,653,400	5,115,436	1,286,728
Other	2,352,693	2,619,683	1,851,751
	<u>\$ 64,558,104</u>	<u>\$ 60,407,077</u>	<u>\$ 54,198,996</u>
Government of Canada			
First Nations/Other	\$ 175,102	\$ 329,733	\$ 164,992
	<u>\$ 175,102</u>	<u>\$ 329,733</u>	<u>\$ 164,992</u>
Municipal Contributions-Mandatory			
	\$ 15,218,200	\$ 15,218,223	\$ 15,097,300
	<u>\$ 15,218,200</u>	<u>\$ 15,218,223</u>	<u>\$ 15,097,300</u>
School Generated Funds (Note 2)			
	\$ 3,200,000	\$ 2,665,910	\$ 3,351,538
	<u>\$ 3,200,000</u>	<u>\$ 2,665,910</u>	<u>\$ 3,351,538</u>
Other Revenues-Board Operations:			
Board Generated-Other	\$ 529,485	\$ 755,836	\$ 528,179
Rentals	40,550	177	30,660
Interest/Investment	18,000	30,465	17,900
Sale of Assets	5,000	14,302	5,350
	<u>\$ 593,035</u>	<u>\$ 800,780</u>	<u>\$ 582,089</u>
Total Revenues	<u>\$ 83,744,441</u>	<u>\$ 79,421,723</u>	<u>\$ 73,394,915</u>

South Shore Regional School Board
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2011

2010

	Budget (Unaudited)	Actual	Actual
Board Governance			
Salaries	\$ 144,158	\$ 140,868	\$ 137,403
Benefits	7,470	8,631	6,072
Travel	28,000	16,653	20,378
Supplies/Telecommunications/Contracted Services	25,900	20,933	18,484
NSSBA Dues	52,500	52,500	58,479
Professional Development	41,600	32,827	33,691
Total Board Governance	\$ 299,628	\$ 272,412	\$ 274,507
Regional Management			
Salaries	\$ 1,628,754	\$ 1,708,243	\$ 1,611,768
Benefits	329,009	364,920	310,873
Travel	67,620	43,253	46,586
Professional Services-Legal and Audit	60,000	69,316	45,375
Contracted Services	326,700	310,784	405,023
Repairs/Maintenance	5,800	3,519	5,522
Supplies/Materials/Telecommunications	206,753	183,655	201,796
Professional Development	77,050	61,523	40,041
Insurance	97,880	97,278	91,350
Recovery-Shared Services	(384,274)	(471,011)	(481,093)
Total Regional Management	\$ 2,415,292	\$ 2,371,480	\$ 2,277,241
School Management & Support			
Salaries	\$ 6,129,475	\$ 6,071,216	\$ 5,999,469
Benefits	611,275	648,106	589,155
Travel	102,450	74,928	83,979
Contracted Services	47,825	43,402	19,865
Repairs/Maintenance	6,100	43,337	82,815
Supplies/Materials/Telecommunications	488,996	783,177	551,659
Professional Development	25,450	20,669	29,424
Amortization	4,949	4,944	7,608
Vehicle expenses	2,500	429	122
Total School Management & Support	\$ 7,419,020	\$ 7,690,208	\$ 7,364,096
Instruction & School Services			
Salaries	\$ 29,593,060	\$ 29,172,585	\$ 29,768,017
Benefits	1,698,048	1,659,257	1,674,361
Service Award Allowances-Current (Note 7)	356,900	276,762	266,509
Travel	15,500	8,582	10,944
Contracted Services	178,721	187,521	187,321
Repairs/Maintenance	-	17,166	-
Supplies/Materials/Telecommunications	553,131	559,998	857,710
Textbook Allocation	480,500	480,500	251,900
Professional Development	306,643	242,259	321,467
Service Award Allowances-Interest (Note 7)	-	182,400	175,400
Total Instruction & School Services	\$ 33,182,503	\$ 32,787,030	\$ 33,513,629

See accompanying notes to the financial statements.

South Shore Regional School Board
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2011

2010

	Budget (Unaudited)	Actual	Actual
Student Support			
Salaries	\$ 8,697,190	\$ 8,527,454	\$ 7,823,392
Benefits	1,030,825	1,054,487	944,543
Travel	119,980	71,578	86,108
Contracted Services	47,895	28,523	57,721
Repairs/Maintenance	12,000	11,430	12,650
Supplies/Materials/Telecommunications	185,009	146,681	240,948
Professional Development	28,585	13,862	20,712
Total Student Support	\$ 10,121,484	\$ 9,854,015	\$ 9,186,074
Adult & Community Education			
Salaries	\$ 272,768	\$ 273,716	\$ 268,103
Benefits	18,906	19,387	20,206
Travel	670	333	332
Contracted Services	2,700	2,121	2,457
Supplies/Materials/Telecommunications	3,400	3,400	3,986
Total Adult & Community Education	\$ 298,444	\$ 298,957	\$ 295,084
Property Services			
Salaries	\$ 3,089,320	\$ 3,092,689	\$ 2,632,911
Benefits	707,902	753,448	623,681
Travel	14,899	20,676	4,749
Contracted Services	555,102	555,151	626,945
Repairs/Maintenance	9,730,327	6,607,345	2,630,691
Vehicle Expenses	34,000	50,343	26,915
Vehicle Purchase< \$15,000	-	14,928	-
Supplies/Materials/Telecommunications	253,398	278,296	235,582
Utilities	2,173,076	2,170,555	2,193,209
Professional Development	26,700	24,577	11,721
Insurance	201,914	189,261	214,021
Amortization	34,548	37,102	31,908
Recoveries	(251,258)	(265,970)	(275,330)
Total Property Services	\$ 16,569,928	\$ 13,528,401	\$ 8,957,003
Student Transportation			
Salaries	\$ 3,194,578	\$ 3,055,135	\$ 2,744,069
Benefits	769,691	770,528	700,446
Travel	156,200	166,770	152,847
Contracted Services	94,000	74,388	76,867
Repairs/Maintenance	123,100	114,059	55,779
Vehicle Maintenance	1,485,521	1,463,604	1,329,291
Vehicle Purchase< \$15,000	-	-	14,791
Conveyance	130,000	162,114	129,661
Supplies/Materials/Telecommunications	142,300	127,238	164,965
Utilities	52,346	44,875	49,622
Professional Development	55,300	30,707	29,227
Insurance	90,365	91,884	90,363
Amortization	5,452	11,403	5,452
Recoveries	(18,000)	(35,058)	(19,257)
Total Student Transportation	\$ 6,280,853	\$ 6,077,647	\$ 5,524,123

South Shore Regional School Board
Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2011

2010

	Budget (Unaudited)	Actual	Actual
School Generated Funds			
School Funded Activities (Note 2)	\$ 3,200,000	\$ 2,614,921	\$ 3,267,142
Total School Generated Funds	<u>\$ 3,200,000</u>	<u>\$ 2,614,921</u>	<u>\$ 3,267,142</u>
Other Programs			
Salaries	\$ 2,631,090	\$ 1,996,081	\$ 1,853,541
Benefits	107,164	113,627	108,127
Travel	94,007	60,083	55,684
Contracted Services	106,650	131,341	99,150
Repairs/Maintenance	343,743	256,202	3,497
Supplies/Materials/Telecommunications	891,255	888,105	935,983
Professional Development	6,200	6,134	19,186
Conveyance	51,765	8,405	3,389
Vehicle expenses	-	-	-
Total Other Programs	<u>\$ 4,231,874</u>	<u>\$ 3,459,978</u>	<u>\$ 3,078,557</u>
Defined Benefit Pension Plans			
Defined Benefit Pension Base Year Upgrade	\$ -	\$ 169,900	\$ -
Defined Benefit Pension (Recovery)/Expense	-	(560,300)	38,300
	<u>\$ -</u>	<u>\$ (390,400)</u>	<u>\$ 38,300</u>
Total Expenditures	<u>\$ 84,019,026</u>	<u>\$ 78,564,649</u>	<u>\$ 73,775,756</u>

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31, 2011

	<u>Land, Buildings and Improvements</u>	<u>Major Equipment</u>	<u>Computer Hardware</u>	<u>Vehicles</u>	<u>2011 Total</u>	<u>2010 Total</u>
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 177,765	\$ 177,765	\$ 177,765
Additions	-	-	-	90,945	90,945	-
Disposals	-	-	-	-	-	-
Closing Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,710</u>	<u>\$ 268,710</u>	<u>\$ 177,765</u>
 <u>Accumulated Amortization:</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 94,261	\$ 94,261	\$ 49,293
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	53,449	53,449	44,968
Closing Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,710</u>	<u>\$ 147,710</u>	<u>\$ 94,261</u>
 Net Book Value (NBV)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,000</u>	<u>\$ 121,000</u>	<u>\$ 83,504</u>
 <u>Net Book Value (NBV):</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 83,504	\$ 83,504	\$ 83,504
Closing Balance	-	-	-	121,000	121,000	83,504
Increase in NBV	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,496</u>	<u>\$ 37,496</u>	<u>\$ -</u>

South Shore Regional School Board

Schedule D - Trust Funds Balance Sheet

As at March 31

2011

2010

Assets

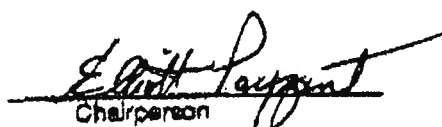
Cash and cash equivalents (Note 4)	\$	517,810	\$	471,282
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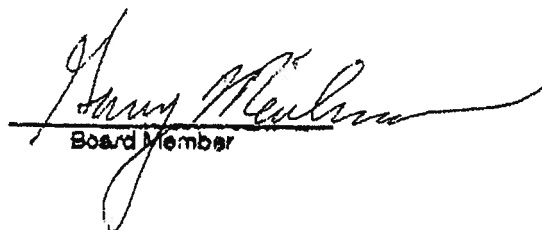
Equity

Reserve for scholarships

Teachers' Scholastic Scholarship	\$	5,113	\$	4,337
Josephine Christie Fredea Award		1,343		1,331
South Shore District Memorial Scholarship		4,163		8,208
Murray Barkhouse Scholarship Fund		5,168		5,210
Robert Hirtle Memorial Fund		2,212		2,154
Dr. K.C. Marfatia Ghandi Scholarship Fund		19,614		19,940
W.G.L. Hirtle Scholarship		84,808		82,971
Elinor Muir Leary Scholarship		9,935		9,848
Irene and Derrell Ernst Scholarship		4,834		4,792
David Lowe Scholarship		8,352		8,360
Clara Quinlan Scholarship		5,153		5,108
Monte Oickle Scholarship		3,655		3,623
Colleen Finck Memorial		104,841		107,475
Paul Eisnor Memorial		713		607
Timothy Daniels Memorial		5,611		5,559
Sylvia Weagle Bursary		28,785		28,641
Dr. J.C. Wickwire		799		792
M. Ernst MacLeod		4,583		4,543
Colleen Finck Memorial - Acadia		38,072		42,300
Erma Westhaver Loomis		36,113		36,045
John S. Derrick		9,830		9,779
Caterina Cushing		9,729		10,440
Margaret Marshall		1,014		1,005
Teachers Centre		9,817		9,731
Jerome A. Tanner		1,447		1,415
Tech Refresh-Bayview		62,579		35,205
Tech Refresh-Aspotogan		13,946		2,476
David K Berkshire Scholarship		19,195		19,387
Annette V. McNeil (Wamboldt) Memorial		1,555		-
Charles Andrews Memorial		10,071		-
Norm Johnston PVEC Memorial		4,760		-
	\$	517,810	\$	471,282

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, 2011

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 4,337	\$ 4,594	\$ 42	\$ (3,860)	\$ 5,113
J.C. Fredea Award	1,331	-	12	-	1,343
South Shore District Memorial	8,208	550	55	(4,650)	4,163
M. Barkhouse Scholarship Fund	5,210	211	47	(300)	5,168
Robert Hirtle Memorial Fund	2,154	2,025	33	(2,000)	2,212
Dr. K.C. Marfatia Ghandi	19,940	-	174	(500)	19,614
W.G.L. Hirtle	82,971	-	2,112	(275)	84,808
Elinor Muir Leary	9,848	-	87	-	9,935
Irene / Derrell Ernst	4,792	-	42	-	4,834
David Lowe	8,360	100	192	(300)	8,352
Clara Quinlan	5,108	-	45	-	5,153
Monte Oickle	3,623	-	32	-	3,655
Colleen Finck Memorial	107,475	-	2,366	(5,000)	104,841
Paul Eisnor	607	200	6	(100)	713
Timothy Daniels	5,559	500	52	(500)	5,611
S Weagle Bursary	28,641	-	253	(109)	28,785
Dr J.C. Wickwire	792	-	7	-	799
M. Ernst MacLeod	4,543	-	40	-	4,583
Colleen Finck Memorial-Acadia	42,300	-	772	(5,000)	38,072
Erma Westhaver Loomis	36,045	-	318	(250)	36,113
John S. Derrick	9,779	463	88	(500)	9,830
Caterina Cushing	10,440	200	89	(1,000)	9,729
Margaret Marshall	1,005	-	9	-	1,014
Teachers Centre	9,731	-	86	-	9,817
Jerome A Tanner Scholarship	1,415	20	12	-	1,447
Tech Refresh Bayview	35,205	84,906	354	(57,886)	62,579
Tech Refresh Aspotogan	2,476	20,554	289	(9,373)	13,946
David K Berkshire Scholarship	19,387	430	378	(1,000)	19,195
Annette V.McNeil (Wamboldt) Memorial	-	1,793	12	(250)	1,555
Charles Andrews Memorial	-	11,763	58	(1,750)	10,071
Norm Johnston PVEC Memorial	-	4,665	95	-	4,760
	\$ 471,282	\$ 132,974	\$ 8,157	\$ (94,603)	\$ 517,810

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

South Shore Regional School Board is an independent legal entity with an elected governing board as stipulated under the Education Act. The Board provides a full range of educational services for all instructional programs from Grade Primary through Grade 12 at public schools within Lunenburg and Queens Counties. The Board is registered as a charitable organization under the Income Tax Act and therefore, is exempt from income tax and may issue official receipts to donors for income tax purposes in accordance with Board policy.

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:

Reporting Entity

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.

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.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

1. Financial Reporting and Accounting Policies (continued)

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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and balances with banks, bank overdrafts, and highly liquid temporary money instruments with original maturities of three months or less.

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.

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 Assets

Net financial assets 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

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

1. Financial Reporting and Accounting Policies (continued)

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.

Accumulated Surplus

Accumulated Surplus represents the financial assets and non-financial assets of the School Board less liabilities. This represents the accumulated balance of net surplus arising from the operations of the Board and school generated funds. Changes in surplus are as follows:

	<u>2011</u>	<u>2010</u>
Operating Surplus, beginning	\$ 1,848,235	\$ 2,229,076
Surplus/(Deficit), current year on an expense basis	<u>857,074</u>	<u>(380,841)</u>
Operating Surplus, end of year	<u>2,705,309</u>	<u>1,848,235</u>
Designation of Accumulated Surplus;		
General Fund - unrestricted	\$ 394,949	\$ 149,164
Defined Pension Plan-Accrued Benefit Asset	906,300	346,000
School General Funds - restricted	<u>1,404,060</u>	<u>1,353,071</u>
Balance, end of year	<u>\$ 2,705,309</u>	<u>\$ 1,848,235</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

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>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 1,353,071	\$ 1,268,675
Additions to School Generated Funds	2,665,910	3,351,538
School Funded Activity Expenditures	<u>(2,614,921)</u>	<u>(3,267,142)</u>
Net School Generated Funds for Year	<u>50,989</u>	<u>84,396</u>
Balance, end of year	<u><u>\$ 1,404,060</u></u>	<u><u>\$ 1,353,071</u></u>

3. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on June 10, 2011 and have been determined by them in accordance with PS 3250 for the South Shore Regional School Board C.U.P.E. Staff Pension Plan (the "CUPE Plan") and the South Shore Regional School Board Support Staff Pension Plan (the "Support Staff Plan"). Results are presented for the fiscal year ending March 31, 2011 based on estimates received on June 10, 2011.

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 December 31, 2009. These valuations were projected to December 31, 2010. The obligations of the Plan were determined based upon the current provisions of the Plan including the Base Year Upgrade from 1999 to 2002 approved by the Board on February 9, 2011. The accrued benefit asset was adjusted to March 31, 2011 by including employer contributions made between January and March of 2011. The reconciliation of the accrued benefit asset shows a funded status of \$(230,900) as of March 31, 2011. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial Cost Method: Projected Unit Credit Prorated on Service

Discount rate per annum for the fiscal 2011 pension expense: 5.5%

Discount rate per annum for the end of fiscal 2011 disclosure calculation: 6%

Expected rate of return on plan assets: 6%

Annual salary increases: 3%

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

3. Defined Benefit Pension Plans (continued)

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 December 31, 2009. These valuations were projected to December 31, 2010. The obligations of the Plan were determined based upon the current provisions of the Plan including the Base Year Upgrade from 1999 to 2002 approved by the Board on February 9, 2011. The accrued benefit asset was adjusted to March 31, 2011 by including employer contributions made between January and March of 2011. The reconciliation of the accrued benefit asset shows a funded status of \$242,200 as of March 31, 2011. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

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

Actuarial Cost Method: Projected Unit Credit Prorated on Service

Discount rate per annum for the fiscal 2011 pension expense: 5.5%

Discount rate per annum for the end of fiscal 2011 disclosure calculation: 6%

Expected rate of return on plan assets: 6%

Annual salary increases: 3%

Interest credited on employee contributions: 6%

Retirement age: 60 years (or in one year, if later)

Administrative Expenses: Implicitly recognized in the interest rate

The following tables show the CUPE and Support Staff Plans' pension expense for the 2011 fiscal year, expected benefit asset as at March 31, 2011 and a reconciliation of the accrued benefit asset as at March 31, 2011.

Pension Expense

	<u>CUPE</u>	<u>Support Staff</u>	<u>Total</u>
Pension Expenditure/Expense			
Current Service Cost (net of employee contributions)	\$ 348,200	\$ 635,400	\$ 983,600
Prior Period Cost of Plan Amendment during this year	36,500	74,800	111,300
Unamortized Gains recognized due to Plan Amendment	-	(74,800)	(74,800)
Amortization of Actuarial Losses	66,500	61,400	127,900
Pension Interest Expenditure/Expense:			
Interest Cost on the Accrued Benefit Obligation	\$ 522,500	\$ 690,400	\$ 1,212,900
Expected Return on Plan Assets	(533,500)	(706,400)	(1,239,900)
Total 2011 Pension Expense	<u>\$ 440,200</u>	<u>\$ 680,800</u>	<u>\$ 1,121,000</u>
Expected Average Remaining Service Lifetime	14 years	14 years	14 years

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

3. Defined Benefit Pension Plans (continued)

Development of Accrued Benefit Asset as at March 31, 2011

Accrued Benefit Asset/(Liability) as at March 31, 2010	\$ 292,700	\$ 79,300	\$ 372,000
Fiscal 2011 (Expense)/Income	(440,200)	(680,800)	(1,121,000)
Fiscal 2011 School Board Contributions	613,100	1,042,200	1,655,300
Accrued Benefit Asset/(Liability) as at March 31, 2011	<u>\$ 465,600</u>	<u>\$ 440,700</u>	<u>\$ 906,300</u>

Reconciliation of Accrued Benefit Asset/(Liability) as at March 31, 2011

Assets	\$ 9,548,900	\$ 12,913,200	\$ 22,462,100
Accrued Benefit Obligation	<u>(9,779,800)</u>	<u>(12,671,000)</u>	<u>(22,450,800)</u>
Funded Status as at March 31, 2011	(230,900)	242,200	11,300
Less: Unamortized Actuarial Losses/(Gains)	539,900	(118,000)	421,900
Plus: Employer Contributions January to March 2011	156,600	316,500	473,100
Accrued Benefit Asset/(Liability) as at March 31, 2011	<u>\$ 465,600</u>	<u>\$ 440,700</u>	<u>\$ 906,300</u>

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

Accrued Benefit Asset – March 31, 2011	\$ 906,300
Accrued Benefit Asset – March 31, 2010	\$ 346,000

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.

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. The Trust funds are used to provide scholarships for eligible students or for expenditures for specifically, designated purposes.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

5. Contractual Obligations

Minimum payments in future years are as follows:

	Rental Leases	Copier Leases	Total
2012	\$ 261,966	\$ 50,803	\$ 312,769
2013	-	16,571	16,571
2014	-	804	804
2015	-	200	200
Total	\$ 261,966	\$ 68,378	\$ 330,344

6. Legal

There are several outstanding grievances against the Board. The outcomes of these grievances are not determinable and therefore no amounts have been recorded in the accounts of the Board. Any settlements resulting from arbitration or resolution of this claim will be treated as a charge to operations in the period any settlement occurs.

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.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

7. Commitments and Contingencies (continued)

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>2011</u>	<u>2010</u>
Opening Benefit Obligation, beginning of the year	\$ 3,854,570	\$ 3,635,525
Current Service Cost	233,500	222,900
Interest on Obligation	182,400	175,400
Less: Benefits Paid	(243,821)	(243,955)
Actuarial Losses (Gains)	<u>(251,900)</u>	<u>64,700</u>
Closing Benefit Obligation, end of year	\$ 3,774,749	\$ 3,854,570
Pension Assets, at market related values	-	-
Funded Status - (Deficiency)	(3,774,749)	(3,854,570)
Unamortized Actuarial Losses	<u>368,103</u>	<u>663,266</u>
Accrued Benefit Liability	<u>\$ (3,406,646)</u>	<u>\$ (3,191,304)</u>

Collective Agreements

The provincial collective agreement with the NSTU expired July 31, 2010. As of March 31, 2011, no agreement has been signed.

The local collective agreement with the NSTU expires July 31, 2012.

The collective agreement with the NSGEU expires on March 31, 2012.

The collective agreement with SEIU expires March 31, 2012.

The collective agreement with CUPE expires March 31, 2012.

Sick Leave

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

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2011

8. Deferred Revenue

Deferred Revenue as of March 31:	<u>2011</u>	<u>2010</u>
Teachers PD Fund	\$ 67,915	\$ 49,635
International Student Program	112,206	120,403
Other Programs	<u>1,585,880</u>	<u>1,512,708</u>
Total	<u>\$ 1,766,001</u>	<u>\$ 1,682,746</u>

9. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2011, with the Bank of Montreal.

10. Reclassification

Certain of the 2010 comparative figures have been reclassified to conform with the financial statement's presentation adopted for 2011.