



Financial Statements

South Shore Regional School Board

March 31, 2008

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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, 2008, 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, 2008 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 10, 2008

Chartered Accountants

South Shore Regional School Board

Statement of Financial Position

As at March 31

2008

2007

Financial Assets

Cash and Cash Equivalents	4,253,202	4,205,975
Cash Held by Schools (Note 2)	1,195,939	1,161,317
Restricted Cash (Note 8)	424,863	-
	5,874,004	5,367,292
Accounts Receivable		
Province of Nova Scotia	1,824,207	2,113,971
Government of Canada	373,371	303,768
Other	295,524	916,822
Accrued Benefit Asset (Note 3)	171,300	-
Receivable - Service Award Allowance (Note 7)	2,627,351	2,388,153
Total Financial Assets	\$ 11,165,757	\$ 11,090,006

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 3,223,812	\$ 3,237,720
Payroll and Employee Deductions	1,465,776	2,509,482
Payables and Accruals - Government		
Province of Nova Scotia	27,560	38,165
Government of Canada	5,003	349
Municipalities	22,711	53,418
Other (Government Service Organizations)	100,187	32,769
Deferred Revenue (Note 8)	2,164,892	1,131,712
Accrued Benefit Liability (Note 3)	-	146,000
Retirement Obligations (Note 7)	2,627,351	2,388,153
Total Liabilities	\$ 9,637,292	\$ 9,537,768

Net Financial Assets

	\$ 1,528,465	\$ 1,552,238
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ 24,017	\$ -
Inventory	323,923	323,923
Prepaid Expenses	481,695	411,806
	\$ 829,635	\$ 735,729

Accumulated Surplus (Note 1)

	\$ 2,358,100	\$ 2,287,967
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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

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 55,794,566	\$ 54,686,652	\$ 50,215,561
Government of Canada	179,614	228,571	177,460
Municipal Contributions	14,061,400	14,061,355	13,144,680
School Generated Funds (Note 2)	-	3,272,745	3,349,214
Board Operations	657,449	791,157	640,424
Total Revenues	<u>\$ 70,693,029</u>	<u>\$ 73,040,480</u>	<u>\$ 67,527,339</u>
Expenses (Schedule B)			
Board Governance	\$ 281,413	\$ 259,295	\$ 271,665
Regional Management	2,229,722	2,337,568	2,130,167
School Management & Support	6,835,041	6,948,849	6,064,993
Instruction & School Services	31,269,972	32,157,482	30,211,638
Student Support	7,998,944	7,549,797	7,242,878
Adult & Community Education	279,978	260,835	264,042
Property Services	13,066,610	12,560,655	10,068,460
Student Transportation	5,312,577	5,460,125	5,387,570
School Generated Funds (Note 2)	-	3,238,123	3,187,094
Other Programs	3,418,772	2,514,918	1,799,723
Defined Benefit Pension Plan Recovery	-	(317,300)	(33,200)
	<u>\$ 70,693,029</u>	<u>\$ 72,970,347</u>	<u>\$ 66,595,030</u>
School Board Surplus on an Expense Basis	\$ -	\$ 70,133	\$ 932,309
Transfer from Prior Year Surplus	\$ -	\$ 692,941	\$ 252,000
		<u>\$ 763,074</u>	<u>\$ 1,184,309</u>
Accumulated Surplus/(Deficit), beginning of year	\$ -	2,287,967	1,355,658
Transfer To Operating to Fund Current Operations		(692,941)	(252,000)
Accumulated Surplus, end of year (Note 1)	<u>\$ -</u>	<u>\$ 2,358,100</u>	<u>\$ 2,287,967</u>

Designation of Accumulated Surplus (Note 1):

Operating-Unrestricted, beginning of year	\$ 1,126,650	\$ 356,461
Surplus to Fund Operations	(692,941)	(252,000)
Operating Surplus, Including School Funds	763,074	1,184,309
Operating Surplus-Designated to School Funds	(34,622)	(162,120)
Operating-Unrestricted, end of year	<u>\$ 1,162,161</u>	<u>\$ 1,126,650</u>
School Funds-Restricted, beginning of year	\$ 1,161,317	\$ 999,197
School Funds-Restricted-net surplus for year	34,622	162,120
School Funds-Restricted, end of year	<u>\$ 1,195,939</u>	<u>\$ 1,161,317</u>
	<u>\$ 2,358,100</u>	<u>\$ 2,287,967</u>

South Shore Regional School Board

Statement of Changes in Net Financial Resources

For the year ended March 31

2008

2007

	<u>Actual</u>	<u>Actual</u>
Net Financial Resources, beginning of year	\$ 1,552,238	\$ 627,508
Changes in the year		
Surplus-prior year-operating to current operations	(692,941)	-
Annual surplus	763,074	932,309
(Increase) decrease in tangible capital assets	(24,017)	-
(Increase) decrease in inventories of supplies	-	(13,202)
(Increase) decrease increase in prepaid expenses	(69,889)	5,623
(Decrease) increase in net financial resources	(23,773)	924,730
Net Financial Resources, end of year	\$ 1,528,465	\$ 1,552,238

South Shore Regional School Board

Statement of Cash Flows

For the year ended March 31

2008

2007

Indirect Method

Operating transactions

Operating surplus on an expense basis	\$ 35,511	\$ 770,189
School generated funds (Note 2)	34,622	162,120
School Board surplus on an expense basis	<u>70,133</u>	<u>932,309</u>
Items not affecting cash:		
Capital Asset Amortization	3,173	-
	<u>3,173</u>	<u>-</u>
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	841,459	(1,569,138)
(Increase) decrease in receivable-service awards	(239,198)	687,353
(Increase) decrease in accrued benefit asset	(171,300)	-
(Increase) decrease in inventories of supplies	-	(13,202)
(Increase) decrease in prepaid expenses	(69,889)	5,623
Increase (decrease) in accounts payable and accruals	(1,026,854)	2,694,848
Increase (decrease) in deferred revenue	1,033,180	415,854
Increase (decrease) in accrued benefit liability	(146,000)	(33,200)
Increase (decrease) in retirement obligations payable	239,198	(687,353)
	<u>460,596</u>	<u>1,500,785</u>
Cash provided by operating activities	<u>533,902</u>	<u>2,433,094</u>
Cash used to acquire tangible capital assets	<u>(27,190)</u>	<u>-</u>
Increase in cash	<u>\$ 506,712</u>	<u>\$ 2,433,094</u>
Cash, beginning of year	<u>\$ 5,367,292</u>	<u>\$ 2,934,198</u>
Cash, end of year	<u>\$ 5,874,004</u>	<u>\$ 5,367,292</u>

South Shore Regional School Board

Schedule A - Supplementary Details of Revenues

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 37,257,502	\$ 37,257,513	\$ 36,287,200
Restricted	11,048,612	10,426,036	9,480,847
Capital	5,889,700	4,484,836	3,035,310
Other	1,598,752	2,518,267	1,412,204
	<u>\$ 55,794,566</u>	<u>\$ 54,686,652</u>	<u>\$ 50,215,561</u>
Government of Canada			
HRDC	\$ -	\$ -	\$ 3,459
First Nations	179,614	228,571	174,001
	<u>\$ 179,614</u>	<u>\$ 228,571</u>	<u>\$ 177,460</u>
Municipal Contributions-Mandatory	\$ 14,061,400	\$ 14,061,355	\$ 13,144,680
	<u>\$ 14,061,400</u>	<u>\$ 14,061,355</u>	<u>\$ 13,144,680</u>
School Generated Funds (Note 2)	\$ -	\$ 3,272,745	\$ 3,349,214
	<u>\$ -</u>	<u>\$ 3,272,745</u>	<u>\$ 3,349,214</u>
Other Revenues-Board Operations:			
Board Generated -Other	\$ 524,399	\$ 519,106	\$ 432,207
Rentals	25,550	53,858	425
Interest/Investment	100,000	206,228	194,535
Sale of Assets	7,500	11,965	13,257
	<u>\$ 657,449</u>	<u>\$ 791,157</u>	<u>\$ 640,424</u>
Total Revenues	<u>\$ 70,693,029</u>	<u>\$ 73,040,480</u>	<u>\$ 67,527,339</u>

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Board Governance			
Salaries	\$ 128,149	\$ 128,359	\$ 123,416
Benefits	7,509	6,882	5,538
Travel	28,000	16,690	20,421
Supplies/Telecommunications/Contracted Services	32,730	25,269	33,768
Professional Development	32,200	29,272	34,990
NSSBA Dues	52,825	52,823	53,532
Total Board Governance	\$ 281,413	\$ 259,295	\$ 271,665
Regional Management			
Salaries	\$ 1,276,530	\$ 1,411,773	\$ 1,187,684
Benefits	270,173	267,254	229,641
Travel	55,120	52,655	31,371
Professional Services-Legal and Audit	65,855	71,955	48,505
Contracted Services	695,890	676,386	722,541
Repairs/Maintenance	20,500	4,196	20,629
Supplies/Materials/Telecommunications	173,910	186,022	141,982
Utilities	20,615	19,804	17,249
Professional Development	48,862	40,382	26,905
Insurance	82,341	94,238	117,923
Election Costs	-	-	32,315
Recovery-Shared Services	(480,074)	(487,097)	(446,578)
Total Regional Management	\$ 2,229,722	\$ 2,337,568	\$ 2,130,167
School Management & Support			
Salaries	\$ 5,557,791	\$ 5,477,235	\$ 4,688,624
Benefits	490,281	503,248	466,146
Travel	70,786	72,539	59,717
Contracted Services	39,165	80,184	164
Repairs/Maintenance	6,100	192,502	15,465
Supplies/Materials/Telecommunications	556,653	567,530	614,751
Professional Development	114,265	55,611	220,126
Total School Management & Support	\$ 6,835,041	\$ 6,948,849	\$ 6,064,993
Instruction & School Services			
Salaries	\$ 27,819,991	\$ 28,575,321	\$ 27,080,228
Benefits	1,572,199	1,600,611	1,549,210
Service Award Allowances-Current (Note 7)	356,900	279,363	106,047
Travel	8,626	3,144	1,896
Contracted Services	179,415	178,001	184,664
Supplies/Materials/Telecommunications	533,641	538,473	445,107
Textbook Allocation	490,600	490,600	510,500
Professional Development	308,600	326,869	263,586
Service Award Allowances-Interest (Note 7)	-	165,100	70,400
Total Instruction & School Services	\$ 31,269,972	\$ 32,157,482	\$ 30,211,638

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Student Support			
Salaries	\$ 6,825,838	\$ 6,428,067	\$ 6,014,437
Benefits	814,241	771,567	744,731
Travel	98,633	72,119	60,127
Contracted Services	2,500	1,250	-
Repairs/Maintenance	8,000	9,491	3,358
Supplies/Materials/Telecommunications	189,632	212,315	377,219
Professional Development	60,100	54,988	43,006
Total Student Support	\$ 7,998,944	\$ 7,549,797	\$ 7,242,878
Adult & Community Education			
Salaries	\$ 251,233	\$ 236,446	\$ 238,013
Benefits	16,991	17,254	17,865
Travel	670	309	107
Contracted Services	3,684	2,908	3,394
Supplies/Materials/Telecommunications	7,400	3,918	4,663
Professional Development	-	-	-
Total Adult Ed & Community Education	\$ 279,978	\$ 260,835	\$ 264,042
Property Services			
Salaries	\$ 2,485,771	\$ 2,521,147	\$ 2,344,072
Benefits	556,360	524,801	506,193
Travel	7,110	3,393	2,842
Contracted Services	486,580	781,499	710,830
Repairs/Maintenance	8,310,975	7,033,302	4,156,983
Vehicle Expenses	24,400	32,145	33,744
Supplies/Materials/Telecommunications	230,164	221,318	195,790
Utilities	2,152,294	2,273,015	2,056,541
Professional Development	21,660	7,706	8,445
Insurance	294,829	284,406	266,427
Amortization	-	3,173	-
Recoveries	(203,533)	(218,278)	(213,407)
Recoveries-North Queens Fire (Note 8)	(1,300,000)	(906,972)	-
Total Property Services	\$ 13,066,610	\$ 12,560,655	\$ 10,068,460
Student Transportation			
Salaries	\$ 2,634,898	\$ 2,702,871	\$ 2,752,539
Benefits	599,900	601,871	598,925
Travel	123,565	126,344	131,359
Contracted Services	93,545	124,197	70,906
Repairs/Maintenance	120,100	108,958	311,418
Vehicle Maintenance	1,320,922	1,354,590	1,162,439
Conveyance	78,950	101,335	71,906
Supplies/Materials/Telecommunications	135,442	145,716	121,306
Utilities	42,155	42,919	38,249
Professional Development	46,600	41,291	29,711
Insurance	116,500	110,033	117,421
Recoveries	-	-	(18,609)
Total Student Transportation	\$ 5,312,577	\$ 5,460,125	\$ 5,387,570

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

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
School Generated Funds			
School Funded Activities (Note 2)	\$ -	\$ 3,238,123	\$ 3,187,094
Total School Generated Funds	<u>\$ -</u>	<u>\$ 3,238,123</u>	<u>\$ 3,187,094</u>
Other Programs			
Salaries	\$ 1,513,246	\$ 1,456,328	\$ 695,561
Benefits	51,025	75,156	40,111
Travel	47,473	26,589	12,343
Contracted Services	30,205	16,168	11,958
Repairs/Maintenance	12,623	12,447	33,258
Supplies/Materials/Telecommunications	1,730,175	899,935	996,875
Professional Development	34,025	28,295	9,617
Total Other Programs	<u>\$ 3,418,772</u>	<u>\$ 2,514,918</u>	<u>\$ 1,799,723</u>
Defined Benefit Pension Plans			
Defined Benefit Pension Expense	\$ -	\$ (317,300)	\$ (33,200)
	<u>\$ -</u>	<u>\$ (317,300)</u>	<u>\$ (33,200)</u>
Total Expenditures	<u>\$ 70,693,029</u>	<u>\$ 72,970,347</u>	<u>\$ 66,595,030</u>

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31, 2008

	Land, Buildings and Improvements	Major Equipment	Computer Hardware	Vehicles	2008 Total	2007 Total
Cost of Tangible Assets						
Opening Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	-	-	-	27,190	27,190	-
Disposals	-	-	-	-	-	-
Closing Costs	\$ -	\$ -	\$ -	\$ 27,190	\$ 27,190	\$ -
Accumulated Amortization:						
Opening Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	3,173	3,173	-
Closing Balance	\$ -	\$ -	\$ -	\$ 3,173	\$ 3,173	\$ -
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$ 24,017	\$ 24,017	\$ -
Net Book Value (NBV):						
Opening Balance	\$ -	\$ -	\$ -	\$ 27,190	\$ 27,190	\$ -
Closing Balance	-	-	-	24,017	24,017	-
Increase (Decrease) in NBV	\$ -	\$ -	\$ -	\$ (3,173)	\$ (3,173)	\$ -

South Shore Regional School Board

Schedule D - Trust Funds Balance Sheet

As at March 31

2008

2007

Assets

Cash (Note 4)	\$ 373,880	\$ 336,500
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Equity

Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 3,270	\$ 2,341
Forbes Mountain Scholarship	-	158
Josephine Christie Fredea Award	1,379	1,378
South Shore District Memorial Scholarship	2,948	2,778
Murray Barkhouse Scholarship Fund	4,802	4,329
Robert Hirtle Memorial Fund	2,829	1,553
Dr. K.C. Ghandi Marfatia Scholarship Fund	20,405	15,692
W.G.L. Hirtle Scholarship	32,143	10,219
Elinor Muir Leary Scholarship	10,010	9,823
Irene and Derrell Ernst Scholarship	4,855	4,841
David Lowe Scholarship	8,270	8,102
Clara Quinlan Scholarship	5,173	5,171
Monte Oickle Scholarship	4,026	4,117
Colleen Finck Memorial	113,878	114,425
Paul Eisnor Memorial	689	342
Austin Nauss Scholarship	-	193
Timothy Daniels Memorial	5,415	4,720
Sylvia Weagle Bursary	29,658	28,526
Dr. J.C. Wickwire	1,396	1,933
M. Ernst MacLeod	4,425	4,256
Colleen Finck Memorial - Acadia	50,833	53,785
Erma Westhaver Loomis	37,358	37,296
John S. Derrick	10,138	10,117
Caterina Cushing	9,193	9,355
Margaret Marshall	1,041	1,050
Teachers Centre	9,746	-
	\$ 373,880	\$ 336,500

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, 2008

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 2,341	\$ 3,895	\$ 119	\$ (3,085)	\$ 3,270
Forbes Mountain	158	-	4	(162)	-
J.C. Fredea Award	1,378	-	53	(52)	1,379
South Shore District Memorial	2,778	550	120	(500)	2,948
M. Barkhouse Scholarship Fund	4,329	587	186	(300)	4,802
Robert Hirtle Memorial Fund	1,553	1,195	81	-	2,829
Dr. K.C. Marfatia Ghandi	15,692	4,500	713	(500)	20,405
W.G.L. Hirtle	10,219	21,068	1,056	(200)	32,143
Elinor Muir Leary	9,823	40	387	(240)	10,010
Irene / Derrell Ernst	4,841	-	189	(175)	4,855
David Lowe	8,102	100	318	(250)	8,270
Clara Quinlan	5,171	-	202	(200)	5,173
Monte Oickle	4,117	-	159	(250)	4,026
Colleen Finck Memorial	114,425	-	4,453	(5,000)	113,878
Paul Eisnor	342	420	27	(100)	689
Austin Nauss	193	1	1	(195)	-
Timothy Daniels	4,720	1,000	195	(500)	5,415
S Weagle Bursary	28,526	-	1,132	-	29,658
Dr J.C. Wickwire	1,933	-	72	(609)	1,396
M. Ernst MacLeod	4,256	-	169	-	4,425
Colleen Finck Memorial-Acadia	53,785	-	2,048	(5,000)	50,833
Erma Westhaver Loomis	37,296	-	1,462	(1,400)	37,358
John S. Derrick	10,117	125	396	(500)	10,138
Caterina Cushing	9,355	470	368	(1,000)	9,193
Margaret Marshall	1,050	-	41	(50)	1,041
Teachers Centre	-	9,730	16	-	9,746
	\$ 336,500	\$ 43,681	\$ 13,967	\$ (20,268)	\$ 373,880

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

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. The consolidated balance sheet includes the accounts of the general and capital funds. 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 are for 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

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. At March 31, 2008, one vehicle of the capital assets purchased by the Board qualified as tangible capital assets. 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, 2008

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.

Changes in surplus are as follows:	<u>2008</u>	<u>2007</u>
Operating Surplus, beginning	\$ 2,287,967	\$ 1,355,658
Surplus, current year on an expense basis	<u>70,133</u>	<u>932,309</u>
Operating Surplus, end of year	<u>\$ 2,358,100</u>	<u>\$ 2,287,967</u>
Designation of accumulated surplus:		
General Fund-unrestricted	\$ 1,162,161	\$ 1,126,650
School general funds-restricted	<u>1,195,939</u>	<u>1,161,317</u>
Balance , end of year	<u>\$ 2,358,100</u>	<u>\$ 2,287,967</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>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 1,161,317	\$ 999,197
Additions to school generated funds	3,272,745	3,349,214
School funded activity expenditures	<u>(3,238,123)</u>	<u>(3,187,094)</u>
Net school generated funds for year	<u>34,622</u>	<u>162,120</u>
Balance, end of year	<u>\$ 1,195,939</u>	<u>\$ 1,161,317</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, 2008.

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, 2008. The results are under the CUPE and Support Staff Plan names until the split between the SSRSB and TCRSB is finalized.

A discount rate of 5% per annum has been applied and following adjustments effective at the beginning of fiscal 2008:

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

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 has been performed on an accounting basis at March 31, 2007 (and rolled back to the measurement date of December 31, 2006), and the Accrued Benefit Obligation has been adjusted accordingly at the beginning of fiscal 2008.

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 and 2008. The accrued benefit asset was adjusted to March 31, 2008 by including employer contributions made between January and March of 2008. The actuarial valuation projects a deficit of \$425,100 for the SSRSB and \$212,500 for the TCRSB for a total of \$637,600 as of March 31, 2008. 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 2008 fiscal year, the expected benefit asset as at March 31, 2008 and a reconciliation of the accrued benefit asset as at March 31, 2008.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current service cost (net of employee contributions)	\$ 292,100	\$ 223,000	\$ 515,100
Amortization of actuarial losses	18,400	10,700	29,100
Pension Interest Expenditure/Expense:			
Interest cost on the Accrued Benefit Obligation	425,400	89,500	514,900
Expected return on Plan Assets	<u>(502,600)</u>	<u>(98,800)</u>	<u>(601,400)</u>
Total 2008 pension expense	<u>\$ 233,300</u>	<u>\$ 224,400</u>	<u>\$ 457,700</u>

Development of Accrued Benefit Asset as at March 31, 2008

CUPE	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued Benefit Asset			
as at March 31, 2008	\$ 200,400	\$ 60,700	\$ 261,100
Fiscal 2008 income	(233,300)	(224,400)	(457,700)
Fiscal 2008 School Board Contributions	<u>250,500</u>	<u>187,400</u>	<u>437,900</u>
Accrued Benefit Asset			
as at March 31, 2008	<u>\$ 217,600</u>	<u>\$ 23,700</u>	<u>\$ 241,300</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

3. Defined Benefit Pension Plans (continued)

Reconciliation of the Accrued Benefit Asset as at March 31, 2008

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 8,548,000	\$1,823,600	\$10,371,600
Accrued Benefit Obligation	<u>8,973,200</u>	<u>2,036,000</u>	<u>11,009,200</u>
Funded status as at March 31, 2008	(425,200)	(212,400)	(637,600)
Less: unamortized actuarial gains	591,500	208,800	800,300
Plus: Employer Contributions January to March 2008	<u>51,200</u>	<u>27,400</u>	<u>78,600</u>
Accrued Benefit Asset as at March 31, 2008	<u>\$ 217,500</u>	<u>\$ 23,800</u>	<u>\$ 241,300</u>

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5%
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 and 2008. The accrued benefit asset was adjusted to March 31, 2008 by including employer contributions made between January and March of 2008. The actuarial valuation projects a deficit of \$602,100 for the SSRSB and a surplus of \$4,400 for the TCRSB for a total deficit of \$597,800. 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 2008 fiscal year, expected benefit asset as at March 31, 2008 and a reconciliation of the accrued benefit asset as at March 31, 2008.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current Service Cost (net of employee contributions)	\$ 496,200	\$ 206,800	\$ 703,000
Amortization of actuarial losses	17,500	5,400	22,900
Pension Interest Expenditure/Expense:			
Interest cost on accrued benefit obligation	\$ 512,200	\$ 54,000	\$ 566,200
Expected return on plan assets	<u>(580,600)</u>	<u>(63,700)</u>	<u>(644,300)</u>
Total fiscal 2008 pension expense	<u>\$ 445,300</u>	<u>\$ 202,500</u>	<u>\$ 647,800</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

3. Defined Benefit Pension Plans (continued)

Development of Accrued Benefit (Liability) as at March 31, 2008

Support Staff:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued benefit (liability) asset as at March 31, 2007	\$ (346,400)	\$ 54,200	\$ (292,200)
Fiscal 2008 expense	(445,300)	(202,500)	(647,800)
Fiscal 2008 school board contributions	<u>745,400</u>	<u>268,900</u>	<u>1,014,300</u>
Accrued benefit (liability) asset as at March 31, 2008	<u>\$ (46,300)</u>	<u>\$ 120,600</u>	<u>\$ 74,300</u>

Reconciliation of the Accrued Benefit Asset as at March 31, 2008

Support Staff:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 10,394,700	\$ 1,284,100	\$ 11,678,900
Accrued benefit obligation	<u>10,996,900</u>	<u>1,279,700</u>	<u>12,276,600</u>
Funded status as at March 31, 2008	(602,200)	4,400	(597,800)
Less: unamortized actuarial losses	448,900	95,400	544,300
Plus: employer contributions January to March 2008	<u>106,900</u>	<u>20,900</u>	<u>127,800</u>
Accrued benefit (liability) asset as at March 31, 2008	<u>\$ (46,400)</u>	<u>\$ 120,700</u>	<u>\$ (74,300)</u>

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

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5%
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, 2008	\$ 171,300
Accrued Benefit Liability – March 31, 2007	\$ (146,000)

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. Some non-teaching employees are covered by a multi-employer pension plan by the Nova Scotia School Board Association. The plans contain both a defined benefit plan and a defined contribution plan. 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

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.

5. Contractual Obligations

Minimum payments in future years are as follows:

	Rental Leases	Copier Leases	Total
2009	\$ 271,721	\$ 61,863	\$ 333,584
2010	212,304	42,043	254,347
2011	212,304	39,465	251,769
2012	212,304	6,106	218,410
2013	212,304		212,304
2014	212,304		212,304
2015	159,228		159,228
Total	\$ 1,492,469	\$ 149,477	\$ 1,641,946

6. Legal

There are is an outstanding grievance against the Board. The outcome of this grievance is 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

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, 2008</u>	<u>March 31, 2007</u>
Opening benefit obligation, beginning of the year	\$ 3,096,400	\$ 1,801,600
Current service cost	238,300	209,500
Interest on obligation	165,100	70,400
Less: benefits paid	(205,265)	(863,800)
Actuarial gains	<u>221,600</u>	<u>1,878,700</u>
Closing benefit obligation, end of year	3,516,135	3,096,400
Pension assets, at market related values	<u>0</u>	<u>0</u>
Funded status – surplus (deficiency)	(3,516,135)	(3,096,400)
Unamortized actuarial (gains) losses	<u>888,784</u>	<u>708,247</u>
Accrued benefit asset (liability)	<u>\$ (2,627,351)</u>	<u>\$ (2,388,153)</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 expires on July 31, 2009.

SEIU & CUPE collective agreements expired on March 31, 2007. As of March 31, 2008, no agreements have been signed. A settlement for SEIU has been reached.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2008

8. Deferred Revenue 2008 2007

Deferred Revenue as of March 31:

Teachers PD Fund	\$ 11,658	\$ 52,766
International Student Program	97,965	125,148
Other Programs	1,201,413	953,798
Capital	428,993	-
Capital – North Queens Rebuilding (see below)	<u>424,863</u>	<u>-</u>
Total	<u>\$ 2,164,892</u>	<u>\$ 1,131,712</u>

North Queens Insurance Fund – April 1, 2007 to March 31, 2008:

Proceeds of Insurance	\$ 1,314,703	\$ -
Interest on Fund	17,132	-
Expenditures above Province of Nova Scotia Funding for 07-08 of \$2,298,560	<u>(906,972)</u>	<u>-</u>
Total	<u>\$ 424,863</u>	<u>\$ -</u>

Insurance proceeds from the fire at North Queens were received during the fiscal year. 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. It is expected these funds will be allocated to rebuilding costs for the 2009-2010 school year.

9. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2008, with the Bank of Montreal.