



Financial Statements

South Shore Regional School Board

March 31, 2010

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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, 2010, 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, 2010 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 16, 2010

Chartered Accountants

South Shore Regional School Board

Statement of Financial Position

As at March 31

2010

2009

Financial Assets

Cash and Cash Equivalents	\$ 2,966,268	\$ 3,956,868
Cash Held by Schools (Note 2)	1,353,071	1,268,675
	\$ 4,319,339	\$ 5,225,543
Accounts Receivable		
Province of Nova Scotia	\$ 3,293,046	\$ 2,280,877
Government of Canada	305,478	248,589
Other	367,640	329,721
Accrued Benefit Asset (Note 3)	346,000	384,300
Receivable - Service Award Allowance (Note 7)	3,191,304	2,993,350
Total Financial Assets	\$ 11,822,807	\$ 11,462,380

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 2,884,872	\$ 2,452,682
Payroll and Employee Deductions	1,776,494	2,293,179
Payables and Accruals - Government		
Province of Nova Scotia	56,873	32,098
Government of Canada - Employee deductions	1,040,696	665,751
Municipalities	25,038	42,669
Other (Government Service Organizations)	1,359	53,015
Deferred Revenue (Note 8)	1,682,746	1,510,870
Retirement Obligations (Note 7)	3,191,304	2,993,350
Total Liabilities	\$ 10,659,382	\$ 10,043,614

Net Financial Assets

	\$ 1,163,425	\$ 1,418,766
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ 83,504	\$ 128,472
Inventory	231,316	253,243
Prepaid Expenses	369,990	428,595
	\$ 684,810	\$ 810,310

Accumulated Surplus (Note 1)

	\$ 1,848,235	\$ 2,229,076
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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

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 60,030,725	\$ 54,198,996	\$ 54,438,729
Government of Canada	125,073	164,992	122,954
Municipal Contributions	15,097,300	15,097,300	14,673,049
School Generated Funds (Note 2)	3,200,000	3,351,538	3,258,162
Board Operations	574,222	582,089	762,735
Total Revenues	<u>\$ 79,027,320</u>	<u>\$ 73,394,915</u>	<u>\$ 73,255,629</u>
Expenses (Schedule B)			
Board Governance	\$ 299,213	\$ 274,507	\$ 226,216
Regional Management	2,345,420	2,277,241	2,286,966
School Management & Support	7,360,789	7,364,096	7,168,972
Instruction & School Services	33,118,032	33,513,629	32,320,974
Student Support	9,285,316	9,186,074	8,368,744
Adult & Community Education	319,917	295,084	268,582
Property Services	13,829,974	8,957,003	10,421,039
Student Transportation	5,853,368	5,524,123	5,823,747
School Generated Funds (Note 2)	3,200,000	3,267,142	3,185,426
Other Programs	4,315,291	3,078,557	3,526,987
Defined Benefit Pension Plan Recovery	-	38,300	(213,000)
	<u>\$ 79,927,320</u>	<u>\$ 73,775,756</u>	<u>\$ 73,384,653</u>
School Board Deficit on an Expense Basis	\$ (900,000)	\$ (380,841)	\$ (129,024)
Transfer from Prior Year Surplus	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>\$ -</u>	<u>\$ (380,841)</u>	<u>\$ (129,024)</u>
Accumulated Surplus, beginning of year		<u>\$ 2,229,076</u>	<u>\$ 2,358,100</u>
Accumulated Surplus, end of year		<u>\$ 1,848,235</u>	<u>\$ 2,229,076</u>
Designation of Accumulated Surplus (Note 1):			
Operating-Unrestricted, beginning of year		\$ 960,401	\$ 1,162,161
School Board Deficit on an Expense Basis		<u>(380,841)</u>	<u>(129,024)</u>
		579,560	1,033,137
Operating Surplus-Designated to School Funds		<u>(84,396)</u>	<u>(72,736)</u>
Operating-Unrestricted, end of year		<u>\$ 495,164</u>	<u>\$ 960,401</u>
School Funds-Restricted, beginning of year		\$ 1,268,675	\$ 1,195,939
School Funds-Restricted-net surplus for year		<u>84,396</u>	<u>72,736</u>
School Funds-Restricted, end of year		<u>\$ 1,353,071</u>	<u>\$ 1,268,675</u>
		<u>\$ 1,848,235</u>	<u>\$ 2,229,076</u>

South Shore Regional School Board

Statement of Changes in Net Financial Resources

For the year ended March 31

2010

2009

	<u>Actual</u>	<u>Actual</u>
Net Financial Resources, beginning of year	\$ 1,418,766	\$ 1,528,465
Changes in the year		
School Board Deficit on an Expense Basis	\$ (380,841)	\$ (129,024)
Decrease (increase) in tangible capital assets	44,968	(104,455)
Decrease in inventories of supplies	21,927	70,680
Decrease in prepaid expenses	58,605	53,100
Decrease in net financial resources	\$ (255,341)	\$ (109,699)
Net Financial Resources, end of year	\$ 1,163,425	\$ 1,418,766

South Shore Regional School Board

Statement of Cash Flows

For the year ended March 31

2010

2009

Operating transactions

School Board Deficit on an Expense Basis	\$ (380,841)	\$ (129,024)
Items not affecting cash:		
Capital asset amortization	44,968	46,120
	(335,873)	(82,904)
Changes in non-cash working capital		
(Increase) in accounts receivable	(1,106,977)	(366,085)
(Increase) in receivable-service awards	(197,954)	(365,699)
Decrease (increase) in accrued benefit asset	38,300	(213,000)
Decrease in inventories of supplies	21,927	70,680
Decrease in prepaid expenses	58,605	53,100
Increase (decrease) in accounts payable and accruals	245,938	694,345
Increase (decrease) in deferred revenue	171,876	(654,022)
Increase in retirement obligations payable	197,954	365,699
	(570,331)	(414,982)
Cash provided by operating activities	(906,204)	(497,886)
Cash used to acquire tangible capital assets	-	(150,575)
Increase in cash	(906,204)	(648,461)
Cash, beginning of year	5,225,543	5,874,004
Cash, end of year	\$ 4,319,339	\$ 5,225,543

South Shore Regional School Board

Schedule A - Supplementary Details of Revenues

For the year ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating	\$ 40,112,491	\$ 40,112,491	\$ 37,925,594
Restricted	11,655,077	10,948,026	10,644,946
Capital	6,159,800	1,286,728	2,740,622
Other	2,103,357	1,851,751	3,127,567
	<u>\$ 60,030,725</u>	<u>\$ 54,198,996</u>	<u>\$ 54,438,729</u>
Government of Canada			
First Nations	\$ 125,073	\$ 164,992	\$ 122,954
	<u>\$ 125,073</u>	<u>\$ 164,992</u>	<u>\$ 122,954</u>
Municipal Contributions-Mandatory	\$ 15,097,300	\$ 15,097,300	\$ 14,673,049
	<u>\$ 15,097,300</u>	<u>\$ 15,097,300</u>	<u>\$ 14,673,049</u>
School Generated Funds (Note 2)	\$ 3,200,000	\$ 3,351,538	\$ 3,258,162
	<u>\$ 3,200,000</u>	<u>\$ 3,351,538</u>	<u>\$ 3,258,162</u>
Other Revenues-Board Operations:			
Board Generated-Other	\$ 479,852	\$ 528,179	\$ 530,104
Rentals	20,550	30,660	81,541
Interest/Investment	58,820	17,900	103,983
Sale of Assets	15,000	5,350	47,107
	<u>\$ 574,222</u>	<u>\$ 582,089</u>	<u>\$ 762,735</u>
Total Revenues	<u>\$ 79,027,320</u>	<u>\$ 73,394,915</u>	<u>\$ 73,255,629</u>

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Board Governance			
Salaries	\$ 143,583	\$ 137,403	\$ 122,887
Benefits	6,300	6,072	7,120
Travel	28,000	20,378	24,225
Supplies/Telecommunications/Contracted Services	28,230	18,484	31,126
NSSBA Dues	58,500	58,479	58,479
Professional Development	34,600	33,691	(17,621)
Total Board Governance	\$ 299,213	\$ 274,507	\$ 226,216
Regional Management			
Salaries	\$ 1,652,912	\$ 1,611,768	\$ 1,371,957
Benefits	352,375	310,873	276,238
Travel	86,570	46,586	43,785
Professional Services-Legal and Audit	60,000	45,375	54,093
Contracted Services	319,925	405,023	748,881
Repairs/Maintenance	6,000	5,522	5,163
Supplies/Materials/Telecommunications	218,135	201,796	205,044
Utilities	-	-	(3,841)
Professional Development	71,774	40,041	43,266
Insurance	74,515	91,350	92,362
Election Costs	-	-	(31,950)
Recovery-Shared Services	(496,786)	(481,093)	(518,032)
Total Regional Management	\$ 2,345,420	\$ 2,277,241	\$ 2,286,966
School Management & Support			
Salaries	\$ 5,998,295	\$ 5,999,469	\$ 5,884,337
Benefits	596,095	589,155	558,700
Travel	75,000	83,979	92,392
Contracted Services	44,200	19,865	13,735
Repairs/Maintenance	35,000	82,815	78,713
Supplies/Materials/Telecommunications	560,209	551,659	507,524
Professional Development	41,400	29,424	27,970
Amortization	9,290	7,608	5,579
Vehicle expenses	1,300	122	22
Total School Management & Support	\$ 7,360,789	\$ 7,364,096	\$ 7,168,972
Instruction & School Services			
Salaries	\$ 29,655,324	\$ 29,768,017	\$ 28,719,649
Benefits	1,706,739	1,674,361	1,576,433
Service Award Allowances-Current (Note 7)	356,900	266,509	304,110
Travel	16,850	10,944	2,434
Contracted Services	178,721	187,321	187,321
Repairs/Maintenance	-	-	16,314
Supplies/Materials/Telecommunications	589,598	857,710	617,936
Textbook Allocation	251,900	251,900	488,000
Professional Development	362,000	321,467	231,777
Service Award Allowances-Interest (Note 7)	-	175,400	177,000
Total Instruction & School Services	\$ 33,118,032	\$ 33,513,629	\$ 32,320,974

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Student Support			
Salaries	\$ 7,964,663	\$ 7,823,392	\$ 7,058,207
Benefits	954,057	944,543	850,704
Travel	119,280	86,108	96,412
Contracted Services	40,536	57,721	49,960
Repairs/Maintenance	10,000	12,650	11,366
Supplies/Materials/Telecommunications	168,930	240,948	228,402
Professional Development	27,850	20,712	73,693
Total Student Support	<u>\$ 9,285,316</u>	<u>\$ 9,186,074</u>	<u>\$ 8,368,744</u>
Adult & Community Education			
Salaries	\$ 288,414	\$ 268,103	\$ 243,672
Benefits	21,249	20,206	18,074
Travel	670	332	354
Contracted Services	3,684	2,457	2,219
Supplies/Materials/Telecommunications	5,900	3,986	4,263
Total Adult & Community Education	<u>\$ 319,917</u>	<u>\$ 295,084</u>	<u>\$ 268,582</u>
Property Services			
Salaries	\$ 2,722,167	\$ 2,632,911	\$ 2,575,465
Benefits	672,406	623,681	558,071
Travel	6,900	4,749	4,103
Contracted Services	530,369	626,945	584,367
Repairs/Maintenance	7,343,673	2,630,691	4,535,843
Vehicle Expenses	30,500	26,915	36,522
Supplies/Materials/Telecommunications	237,291	235,582	217,915
Utilities	2,229,583	2,193,209	2,321,422
Professional Development	24,500	11,721	8,952
Insurance	241,236	214,021	238,295
Amortization	31,928	31,908	35,015
Recoveries	(240,579)	(275,330)	(261,288)
Recoveries-North Queens Fire (Note 9)	-	-	(433,643)
Total Property Services	<u>\$ 13,829,974</u>	<u>\$ 8,957,003</u>	<u>\$ 10,421,039</u>
Student Transportation			
Salaries	\$ 2,930,208	\$ 2,744,069	\$ 2,801,652
Benefits	763,631	700,446	617,343
Travel	128,215	152,847	149,305
Contracted Services	108,810	76,867	110,387
Repairs/Maintenance	70,400	55,779	106,708
Vehicle Maintenance	1,359,535	1,329,291	1,669,802
Vehicle Purchase< \$15,000	-	14,791	-
Conveyance	95,000	129,661	95,089
Supplies/Materials/Telecommunications	201,345	164,965	110,973
Utilities	43,508	49,622	46,758
Professional Development	53,000	29,227	42,178
Insurance	85,000	90,363	84,221
Amorization	14,716	5,452	5,526
Recoveries	-	(19,257)	(16,195)
Total Student Transportation	<u>\$ 5,853,368</u>	<u>\$ 5,524,123</u>	<u>\$ 5,823,747</u>

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

For the year ended March 31

2010

2009

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
School Generated Funds			
School Funded Activities (Note 2)	\$ 3,200,000	\$ 3,267,142	\$ 3,185,426
Total School Generated Funds	<u>\$ 3,200,000</u>	<u>\$ 3,267,142</u>	<u>\$ 3,185,426</u>
Other Programs			
Salaries	\$ 2,191,336	\$ 1,853,541	\$ 1,799,173
Benefits	113,065	108,127	95,640
Travel	88,013	55,684	37,277
Contracted Services	172,754	99,150	101,259
Repairs/Maintenance	363,464	3,497	259,814
Supplies/Materials/Telecommunications	1,343,060	935,983	1,181,315
Professional Development	17,200	19,186	25,933
Conveyance	26,399	3,389	1,107
Vehicle expenses	-	-	25,469
Total Other Programs	<u>\$ 4,315,291</u>	<u>\$ 3,078,557</u>	<u>\$ 3,526,987</u>
Defined Benefit Pension Plans			
Defined Benefit Pension Expense	\$ -	\$ 38,300	\$ (213,000)
	<u>\$ -</u>	<u>\$ 38,300</u>	<u>\$ (213,000)</u>
Total Expenditures	<u>\$ 79,927,320</u>	<u>\$ 73,775,756</u>	<u>\$ 73,384,653</u>

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31, 2010

	Land, Buildings and Improvements	Major Equipment	Computer Hardware	Vehicles	2010 Total	2009 Total
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 177,765	\$ 177,765	\$ 27,190
Additions	-	-	-	-	-	150,575
Disposals	-	-	-	-	-	-
Closing Costs	\$ -	\$ -	\$ -	\$ 177,765	\$ 177,765	\$ 177,765
<u>Accumulated Amortization:</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 49,293	\$ 49,293	\$ 3,173
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	44,968	44,968	46,120
Closing Balance	\$ -	\$ -	\$ -	\$ 94,261	\$ 94,261	\$ 49,293
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$ 83,504	\$ 83,504	\$ 128,472
<u>Net Book Value (NBV):</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 128,472	\$ 128,472	\$ 24,017
Closing Balance	-	-	-	83,504	83,504	128,472
(Decrease) Increase in NBV	\$ -	\$ -	\$ -	\$ (44,968)	\$ (44,968)	\$ 104,455

South Shore Regional School Board

Schedule D - Trust Funds Balance Sheet

As at March 31

2010

2009

Assets

Cash and cash equivalents (Note 4)	\$ 471,282	\$ 379,258
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Equity

Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 4,337	\$ 3,960
Josephine Christie Fredea Award	1,331	1,356
South Shore District Memorial Scholarship	8,208	3,466
Murray Barkhouse Scholarship Fund	5,210	4,919
Robert Hirtle Memorial Fund	2,154	3,069
Dr. K.C. Gandhi Marfatia Scholarship Fund	19,940	20,365
W.G.L. Hirtle Scholarship	82,971	32,295
Elinor Muir Leary Scholarship	9,848	10,036
Irene and Derrell Ernst Scholarship	4,792	4,774
David Lowe Scholarship	8,360	8,377
Clara Quinlan Scholarship	5,108	5,089
Monte Oickle Scholarship	3,623	3,610
Colleen Finck Memorial	107,475	111,436
Paul Eisnor Memorial	607	704
Timothy Daniels Memorial	5,559	5,537
Sylvia Weagle Bursary	28,641	29,207
Dr. J.C. Wickwire	792	1,427
M. Ernst MacLeod	4,543	4,526
Colleen Finck Memorial - Acadia	42,300	46,947
Erma Westhaver Loomis	36,045	36,757
John S. Derrick	9,779	9,971
Caterina Cushing	10,440	10,660
Margaret Marshall	1,005	1,024
Teachers Centre	9,731	9,695
Jerome A. Tanner	1,415	1,315
Tech Refresh-Bayview	35,205	8,736
Tech Refresh-Aspotogan	2,476	-
David K Berkshire Scholarship	19,387	-
	\$ 471,282	\$ 379,258

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, 2010

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 3,960	\$ 3,661	\$ 16	\$ (3,300)	\$ 4,337
J.C. Fredea Award	1,356		5	(30)	1,331
South Shore District Memorial	3,466	5,473	19	(750)	8,208
M. Barkhouse Scholarship Fund	4,919	572	19	(300)	5,210
Robert Hirtle Memorial Fund	3,069	75	10	(1,000)	2,154
Dr. K.C. Marfatia Ghandi	20,365		75	(500)	19,940
W.G.L. Hirtle	32,295	51,105	271	(700)	82,971
Elinor Muir Leary	10,036		37	(225)	9,848
Irene / Derrell Ernst	4,774		18		4,792
David Lowe	8,377	100	83	(200)	8,360
Clara Quinlan	5,089		19		5,108
Monte Oickle	3,610		13		3,623
Colleen Finck Memorial	111,436		1,039	(5,000)	107,475
Paul Eisnor	704		3	(100)	607
Timothy Daniels	5,537	500	22	(500)	5,559
S Weagle Bursary	29,207		109	(675)	28,641
Dr J.C. Wickwire	1,427		3	(638)	792
M. Ernst MacLeod	4,526		17		4,543
Colleen Finck Memorial-Acadia	46,947		353	(5,000)	42,300
Erma Westhaver Loomis	36,757		137	(849)	36,045
John S. Derrick	9,971	271	37	(500)	9,779
Caterina Cushing	10,660	740	40	(1,000)	10,440
Margaret Marshall	1,024		4	(23)	1,005
Teachers Centre	9,695		36		9,731
Jerome A Tanner Scholarship	1,315	95	5		1,415
Tech Refresh Bayview	8,736	56,604	148	(30,283)	35,205
Tech Refresh Aspotogan		30,474	12	(28,010)	2,476
David K Berkshire Scholarship		19,265	122		19,387
	\$ 379,258	\$ 168,935	\$ 2,672	\$ (79,583)	\$ 471,282

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

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, 2010

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>2010</u>	<u>2009</u>
Operating Surplus, beginning	\$ 2,229,076	\$ 2,358,100
Deficit, current year on an expense basis	<u>(380,841)</u>	<u>(129,024)</u>
Operating Surplus, end of year	<u>1,848,235</u>	<u>2,229,076</u>
Designation of accumulated surplus:		
General Fund-unrestricted	\$ 495,164	\$ 960,401
School general funds-restricted	<u>1,353,071</u>	<u>1,268,675</u>
Balance, end of year	<u>\$ 1,848,235</u>	<u>\$ 2,229,076</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>2010</u>	<u>2009</u>
Balance, beginning of year	\$ <u>1,268,675</u>	\$ <u>1,195,939</u>
Additions to school generated funds	3,351,538	3,258,162
School funded activity expenditures	<u>(3,267,142)</u>	<u>(3,185,426)</u>
Net school generated funds for year	<u>84,396</u>	<u>72,736</u>
Balance, end of year	<u>\$ 1,353,071</u>	<u>\$ 1,268,675</u>

3. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Sobeco on May 30, 2010 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, 2010 based on estimates received from Morneau Sobeco in February 2010.

- 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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

3. Defined Benefit Pension Plans (continued)

- 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 2010 pension expense.

The actual split of the Plans between South Shore Regional School Board and the Tri-County Regional School Board took place in December 2009. In prior accounting, the split between the two Boards was estimated based on March 31, 2007 valuation results. Any difference between the actual and estimated asset division will be amortized as an experience gain or loss over EARSLS beginning in fiscal 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 March 31, 2007. These valuations were projected to December 31, 2007, 2008 and 2009. The accrued benefit asset was adjusted to March 31, 2010 by including employer contributions made between January and March of 2010. The actuarial valuation projects deficits of \$685,000 for the SSRSB and \$163,300 for the TCRSB for a total deficit of \$848,300 as of March 31, 2010. 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 2010 fiscal year, the expected benefit asset as at March 31, 2010 and a reconciliation of the accrued benefit asset as at March 31, 2010.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current service cost (net of employee contributions)	\$ 280,200	\$ 228,100	\$ 508,300
Amortization of actuarial losses	124,300	27,200	151,500
Pension Interest Expenditure/Expense:			
Interest cost on the Accrued Benefit Obligation	493,000	133,100	626,100
Expected return on Plan Assets	<u>(454,100)</u>	<u>(126,100)</u>	<u>(580,200)</u>
Total 2010 pension expense	<u>\$ 443,400</u>	<u>\$ 262,300</u>	<u>\$ 705,700</u>

Development of Accrued Benefit Asset as at March 31, 2010

CUPE:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued Benefit Asset			
as at March 31, 2009	\$ 330,900	\$ 100,100	\$ 431,000
Fiscal 2010 income	(443,400)	(262,300)	(705,700)
Fiscal 2010 School Board Contributions	<u>405,200</u>	<u>235,600</u>	<u>640,800</u>
Accrued Benefit Asset			
as at March 31, 2010	<u>\$ 292,700</u>	<u>\$ 73,400</u>	<u>\$ 366,100</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

3. Defined Benefit Pension Plans (continued)

Reconciliation of the Accrued Benefit Asset as at March 31, 2010

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 8,803,800	\$ 2,541,800	\$ 11,345,600
Accrued Benefit Obligation	<u>9,488,800</u>	<u>2,705,100</u>	<u>12,193,900</u>
Funded status as at March 31, 2010	(685,000)	(163,300)	(848,300)
Less: unamortized actuarial gains	930,600	195,500	2,121,000
Plus: Employer Contributions January to March 2010	<u>47,100</u>	<u>41,200</u>	<u>88,300</u>
Accrued Benefit Asset as at March 31, 2010	<u>\$ 292,700</u>	<u>\$ 73,400</u>	<u>\$ 366,100</u>

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5.5% March 31, 2009; 5.5% March 31, 2010
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, 2010 by including employer contributions made between January and March of 2010. The actuarial valuation projects a deficit of \$867,900 for the SSRSB and a deficit of \$46,700 for the TCRSB for a total deficit of \$914,600. 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 2010 fiscal year, expected benefit asset as at March 31, 2010 and a reconciliation of the accrued benefit asset as at March 31, 2010.

Pension Expense:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current Service Cost (net of employee contributions)	\$ 553,800	\$ 190,800	\$ 744,600
Amortization of actuarial losses	133,100	17,400	150,500
Pension Interest Expenditure/Expense:			
Interest cost on accrued benefit obligation	625,300	92,000	717,300
Expected return on plan assets	<u>(574,000)</u>	<u>(93,100)</u>	<u>(667,100)</u>
Total fiscal 2010 pension expense	<u>\$ 738,200</u>	<u>\$ 207,100</u>	<u>\$ 945,300</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

3. Defined Benefit Pension Plans (continued)

Development of Accrued Benefit as at March 31, 2010

Support Staff:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Accrued benefit (liability) asset as at March 31, 2009	\$ 53,400	\$ 148,800	\$ 202,200
Fiscal 2010 expense	(738,200)	(207,100)	(945,300)
Fiscal 2010 school board contributions	<u>764,100</u>	<u>207,500</u>	<u>971,600</u>
Accrued benefit asset as at March 31, 2010	<u>\$ 79,300</u>	<u>\$ 149,200</u>	<u>\$ 228,500</u>

Reconciliation of the Accrued Benefit Asset as at March 31, 2010

Support Staff:	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 11,426,500	\$ 1,766,600	\$ 13,193,100
Accrued benefit obligation	<u>12,294,400</u>	<u>1,813,300</u>	<u>14,107,700</u>
Funded status as at March 31, 2010	(867,900)	(46,700)	(914,600)
Less: unamortized actuarial losses	858,900	167,500	1,026,400
Plus: employer contributions January to March 2010	<u>88,300</u>	<u>28,400</u>	<u>116,700</u>
Accrued benefit asset as at March 31, 2010	<u>\$ 79,300</u>	<u>\$ 149,200</u>	<u>\$ 228,500</u>

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

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5.5% March 31, 2009; 5.5% March 31, 2010
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, 2010	\$ 346,000
Accrued Benefit Asset – March 31, 2009	\$ 384,300

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

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:

	<u>Rental Leases</u>	<u>Copier Leases</u>	<u>Total</u>
2011	\$ 237,906	\$ 83,868	\$ 321,774
2012	216,972	51,048	268,020
2013	216,972	16,045	233,017
2014	216,972	-	216,972
2015	<u>162,729</u>	<u>-</u>	<u>162,729</u>
Total	<u>\$ 1,051,551</u>	<u>\$ 150,961</u>	<u>\$ 1,202,512</u>

6. Legal

There are no legal matters outstanding.

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.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

7. Commitments and Contingencies (continued)

Continuity of Service Award Allowance Liability	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Opening benefit obligation, beginning of the year	\$ 3,635,525	\$ 3,516,135
Current service cost	222,900	246,000
Interest on obligation	175,400	177,000
Less: benefits paid	(243,955)	(115,110)
Actuarial losses (gains)	<u>64,700</u>	<u>(188,500)</u>
Closing benefit obligation, end of year	3,854,570	3,635,525
Pension assets, at market related values	-	-
Funded status – (deficiency)	<u>(3,854,570)</u>	<u>(3,635,525)</u>
Unamortized actuarial losses	<u>663,266</u>	<u>642,175</u>
Accrued benefit liability	<u>\$ (3,191,304)</u>	<u>\$ (2,993,350)</u>

Collective Agreements

The collective agreement with the Nova Scotia Government Employees Union expired on March 31, 2009. As of March 31, 2010, no agreements have been signed.

The collective agreement with SEIU expires March 31, 2010.

The collective agreement with the Nova Scotia Teachers Union expires July 31, 2010.

The collective agreement with CUPE expires March 31, 2012.

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.

8. Deferred Revenue	<u>2010</u>	<u>2009</u>
Deferred Revenue as of March 31:		
Teachers PD Fund	\$ 49,635	\$ 100,368
International Student Program	120,403	91,453
Other Programs	<u>1,512,708</u>	<u>1,319,049</u>
Total	<u>\$ 1,682,746</u>	<u>\$ 1,510,870</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2010

9. Restricted Cash	<u>2010</u>	<u>2009</u>
North Queens Insurance Fund – April 1, 2007 to March 31, 2009:		
Proceeds of Insurance	\$ -	\$ 424,863
Interest on Fund	-	8,780
Expenditures above Province of Nova Scotia Funding for 08-09 of \$1,614,480	<u>-</u>	<u>(433,643)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Insurance proceeds from the fire at North Queens were received during the fiscal year ended March 31, 2008. These funds were restricted and utilized for rebuilding of the school during the 2008-2009 school year.

10. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2010, with the Bank of Montreal.