



Financial Statements

South Shore Regional School Board

March 31, 2012

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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, 2012, 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, 2012, 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 7 to 13 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, Canada
June 27, 2012

Chartered accountants

South Shore Regional School Board

Statement of Financial Position

(as restated)

As at March 31

2012

2011

Financial Assets

Cash and Cash Equivalents	\$ 2,840,695	\$ 1,446,494
Cash Held by Schools (Note 3)	1,404,060	1,404,060
	\$ 4,244,755	\$ 2,850,554
Accounts Receivable		
Province of Nova Scotia	\$ 1,384,725	\$ 5,021,426
Government of Canada	287,444	454,550
Other	214,483	322,007
	\$ 1,886,652	\$ 5,797,983
Accrued Benefit Asset (Note 4)	1,256,900	906,300
Receivable - Service Award Allowance (Note 8)	3,536,010	3,406,646
Receivable - Sick Leave Allowance-Teachers (Note 8)	7,013,000	6,661,000
Total Financial Assets	\$ 17,937,317	\$ 19,622,483

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$ 1,760,273	\$ 3,632,192
Accrued Payroll and Employee Deductions	1,922,894	1,941,465
Payables and Accruals - Government		
Province of Nova Scotia	\$ 86,799	\$ 109,280
Government of Canada - Employee Deductions	921	-
Municipalities	29,337	23,600
Other (Government Service Organizations)	13,798	-
	\$ 130,855	\$ 132,880
Deferred Revenue (Note 9)	1,284,306	1,766,001
Retirement Obligations (Note 8)	3,536,010	3,406,646
Sick Leave Obligations-Teachers (Note 8)	7,013,000	6,661,000
Total Liabilities	\$ 15,647,338	\$ 17,540,184

Net Financial Assets

	\$ 2,289,979	\$ 2,082,299
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$ 104,520	\$ 121,000
Inventory	211,326	211,326
Prepaid Expenses	294,083	290,684
	\$ 609,929	\$ 623,010

Accumulated Surplus (Note 1)

	\$ 2,899,908	\$ 2,705,309
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Trust Funds Under Administration (Note 5 and Schedule D)
 Contractual Obligations (Note 6)
 Commitments and Contingencies (Note 8)

On Behalf of the Board

 Chairperson

See accompanying notes to the financial statements.

South Shore Regional School Board Statement of Operations and Surplus

For the year ended March 31

2012

(as restated)

2011

	<u>Budget (Unaudited)</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 54,312,799	\$ 54,870,833	\$ 61,138,077
Government of Canada	316,200	423,002	329,733
Municipal Contributions	15,450,800	15,450,794	15,218,223
School Generated Funds (Note 3)	3,200,000	2,830,789	2,665,910
Board Operations	683,576	1,009,572	800,780
Total Revenues	<u>\$ 73,963,375</u>	<u>\$ 74,584,990</u>	<u>\$ 80,152,723</u>
Expenses (Schedule B)			
Board Governance	\$ 271,038	\$ 279,216	\$ 272,412
Regional Management	2,105,043	2,143,723	2,415,480
School Management & Support	6,865,077	6,824,154	6,790,040
Instruction & School Services	32,263,579	33,084,672	33,345,030
Student Support	9,662,011	9,937,617	9,873,293
Adult & Community Education	320,728	325,960	300,957
Property Services	8,922,991	9,779,725	14,525,568
Student Transportation	6,353,482	5,780,174	6,079,647
School Generated Funds (Note 3)	3,200,000	2,830,789	2,614,921
Other Programs	3,999,426	3,754,961	3,468,701
Defined Benefit Pension Plan	-	(350,600)	(390,400)
	<u>\$ 73,963,375</u>	<u>\$ 74,390,391</u>	<u>\$ 79,295,649</u>
School Board Surplus on an Expense Basis	<u>\$ -</u>	<u>\$ 194,599</u>	<u>\$ 857,074</u>
Accumulated Surplus, Beginning of Year		<u>\$ 2,705,309</u>	<u>\$ 1,848,235</u>
Accumulated Surplus, End of Year		<u>\$ 2,899,908</u>	<u>\$ 2,705,309</u>

Designation of Accumulated Surplus (Note 1):

Operating-Unrestricted, Beginning of Year	\$ 394,949	\$ 149,164
School Board Surplus on an Expense Basis	<u>194,599</u>	<u>857,074</u>
	589,548	1,006,238
Operating Surplus-Designated to Defined Benefit Pension Plan	(560,300)	(560,300)
Operating Surplus-Designated to School Funds	-	(50,989)
Operating-Unrestricted, End of Year	<u>\$ 29,248</u>	<u>\$ 394,949</u>
Defined Pension Plan-Accrued Benefit Asset, Beginning of Year	\$ 906,300	\$ 346,000
Defined Pension Plan-Accrued Benefit Asset, Net Surplus for Year	<u>560,300</u>	<u>560,300</u>
Defined Pension Plan-Accrued Benefit Asset, End of Year	<u>\$ 1,466,600</u>	<u>\$ 906,300</u>
School Funds-Restricted, Beginning of Year	\$ 1,404,060	\$ 1,353,071
School Funds-Restricted-Net Surplus for Year	-	50,989
School Funds-Restricted, End of Year	<u>\$ 1,404,060</u>	<u>\$ 1,404,060</u>
Accumulated Surplus, End of Year	<u>\$ 2,899,908</u>	<u>\$ 2,705,309</u>

South Shore Regional School Board

Statement of Changes in Net Financial Assets

For the year ended March 31

	2012	2011
	<u>Actual</u>	<u>Actual</u>
Net financial assets, beginning of year	\$ 2,082,299	\$ 1,163,425
Changes in the year		
School Board surplus on an expense basis	\$ 194,599	\$ 857,074
Amortization of tangible capital assets	43,953	53,449
Acquisition of tangible capital assets	(27,473)	(90,945)
Decrease in inventories of supplies	-	19,990
Decrease in prepaid expenses	(3,399)	79,306
Decrease in net financial assets	\$ 207,680	\$ 918,874
Net financial assets, end of year	\$ 2,289,979	\$ 2,082,299

See accompanying notes to the financial statements.

South Shore Regional School Board

Statement of Cash Flows

For the year ended March 31

2012

(as restated)

2011

Operating transactions

School Board surplus on an expense basis	\$ 194,599	\$ 857,074
Items not affecting cash:		
Capital asset amortization	43,953	53,449
	<u>238,552</u>	<u>910,523</u>
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	3,911,331	(1,831,819)
(Increase) in receivable-service awards	(129,364)	(215,342)
(Increase) in accrued benefit asset	(350,600)	(560,300)
(Increase) in receivable-sick leave-teachers	(352,000)	(312,000)
Decrease in inventories of supplies	-	19,990
(Increase) decrease in prepaid expenses	(3,399)	79,306
Decrease in accounts payable and accruals	(1,892,515)	(78,795)
(Decrease) increase in deferred revenue	(481,695)	83,255
Increase in retirement obligations payable	129,364	215,342
Increase in sick leave-teachers obligations payable	352,000	312,000
	<u>1,183,122</u>	<u>(2,288,363)</u>
Cash provided by operating activities	1,421,674	(1,377,840)
Capital transactions		
Cash used to acquire tangible capital assets	<u>(27,473)</u>	<u>(90,945)</u>
Increase in cash	1,394,201	(1,468,785)
Cash, beginning of year	<u>2,850,554</u>	<u>4,319,339</u>
Cash, end of year	<u>\$ 4,244,755</u>	<u>\$ 2,850,554</u>

South Shore Regional School Board
Schedule A - Supplementary Details of Revenues

(as restated)

For the year ended March 31

2012

2011

	Budget (Unaudited)	Actual	Actual
Province of Nova Scotia			
Operating	\$ 40,628,374	\$ 40,980,396	\$ 42,119,408
Restricted	11,332,684	10,854,201	10,864,550
Capital	59,800	59,800	5,115,436
Other	2,291,941	2,976,436	3,038,683
	<u>\$ 54,312,799</u>	<u>\$ 54,870,833</u>	<u>\$ 61,138,077</u>
Government of Canada			
First Nations/Other	\$ 316,200	\$ 364,637	\$ 329,733
Other	-	58,365	-
	<u>\$ 316,200</u>	<u>\$ 423,002</u>	<u>\$ 329,733</u>
Municipal Contributions-Mandatory	<u>\$ 15,450,800</u>	<u>\$ 15,450,794</u>	<u>\$ 15,218,223</u>
	<u>\$ 15,450,800</u>	<u>\$ 15,450,794</u>	<u>\$ 15,218,223</u>
School Generated Funds (Note 3)	<u>\$ 3,200,000</u>	<u>\$ 2,830,789</u>	<u>\$ 2,665,910</u>
	<u>\$ 3,200,000</u>	<u>\$ 2,830,789</u>	<u>\$ 2,665,910</u>
Other Revenues-Board Operations:			
Board Generated-Other	\$ 660,026	\$ 953,428	\$ 755,836
Rentals	550	8,000	177
Interest/Investment	18,000	42,473	30,465
Sale of Assets	5,000	5,671	14,302
	<u>\$ 683,576</u>	<u>\$ 1,009,572</u>	<u>\$ 800,780</u>
Total Revenues	<u>\$ 73,963,375</u>	<u>\$ 74,584,990</u>	<u>\$ 80,152,723</u>

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

(as restated)

For the year ended March 31

2012

2011

	Budget (Unaudited)	Actual	Actual
Board Governance			
Salaries	\$ 144,403	\$ 129,403	\$ 140,868
Benefits	8,025	10,480	8,631
Travel	16,400	18,552	16,653
Professional Services-Legal	-	12,374	-
Contracted Services	-	13,525	-
Supplies/Telecommunications	15,110	10,782	20,933
Professional Development	34,600	31,600	32,827
NSSBA Dues	52,500	52,500	52,500
Total Board Governance	\$ 271,038	\$ 279,216	\$ 272,412
Regional Management			
Salaries	\$ 1,712,853	\$ 1,806,934	\$ 1,752,243
Benefits	368,663	366,800	364,920
Travel	50,450	44,794	43,253
Professional Services-Legal and Audit	52,000	112,815	69,316
Contracted Services	60,700	22,185	310,784
Repairs/Maintenance	1,700	2,362	3,519
Supplies/Materials/Telecommunications	167,975	148,155	183,655
Professional Development	58,800	46,219	61,523
Insurance	83,303	71,253	97,278
Recovery-Shared Services	(451,401)	(477,794)	(471,011)
Total Regional Management	\$ 2,105,043	\$ 2,143,723	\$ 2,415,480
School Management & Support			
Salaries	\$ 5,888,224	\$ 5,834,748	\$ 5,845,993
Benefits	593,370	571,328	572,725
Travel	76,000	60,255	61,333
Contracted Services	55,300	64,659	43,184
Repairs/Maintenance	6,100	11,960	33,916
Supplies/Materials/Telecommunications	235,433	270,334	212,765
Professional Development	10,650	10,870	20,124
Amortization	-	-	-
Total School Management & Support	\$ 6,865,077	\$ 6,824,154	\$ 6,790,040
Instruction & School Services			
Salaries	\$ 28,902,646	\$ 29,181,506	\$ 29,418,585
Benefits	1,640,333	1,681,101	1,669,257
Service Award Allowances-Current (Note 8)	356,900	307,869	276,762
Travel	11,500	6,197	8,582
Contracted Services	150,996	145,974	187,521
Repairs/Maintenance	5,000	3,687	17,166
Supplies/Materials/Telecommunications	500,760	629,299	559,998
Textbook Allocation	363,200	363,200	480,500
Professional Development	332,244	271,339	242,259
Service Award Allowances-Interest (Note 8)	-	177,500	182,400
Sick Leave Allowances-Teachers-Interest (Note 8)	-	317,000	302,000
Total Instruction & School Services	\$ 32,263,579	\$ 33,084,672	\$ 33,345,030

See accompanying notes to the financial statements.

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2012

2011

	Budget (Unaudited)	Actual	Actual
Student Support			
Salaries	\$ 8,348,245	\$ 8,554,354	\$ 8,547,133
Benefits	1,078,851	1,060,290	1,054,086
Travel	70,500	63,560	71,578
Contracted Services	25,536	28,913	28,523
Repairs/Maintenance	8,000	9,233	11,430
Supplies/Materials/Telecommunications	110,179	201,618	146,681
Professional Development	20,700	19,649	13,862
Total Student Support	\$ 9,662,011	\$ 9,937,617	\$ 9,873,293
Adult & Community Education			
Salaries	\$ 292,340	\$ 294,757	\$ 275,716
Benefits	22,455	20,929	19,387
Travel	670	707	333
Contracted Services	2,150	2,350	2,121
Supplies/Materials/Telecommunications	3,113	7,217	3,400
Total Adult & Community Education	\$ 320,728	\$ 325,960	\$ 300,957
Property Services			
Salaries	\$ 3,297,780	\$ 3,364,725	\$ 3,414,910
Benefits	872,555	841,918	828,830
Travel	30,700	21,362	34,271
Contracted Services	815,369	911,744	555,368
Repairs/Maintenance	992,200	1,383,692	6,616,766
Vehicle Expenses	34,100	100,600	50,772
Vehicle Purchase< \$15,000	-	14,882	14,928
Supplies/Materials/Telecommunications	453,322	761,243	848,708
Utilities	2,451,928	2,431,090	2,170,555
Professional Development	25,200	15,563	25,123
Insurance	174,077	171,432	189,261
Amortization	32,547	34,150	42,046
Recoveries	(256,787)	(272,676)	(265,970)
Total Property Services	\$ 8,922,991	\$ 9,779,725	\$ 14,525,568
Student Transportation			
Salaries	\$ 3,118,940	\$ 3,040,761	\$ 3,057,135
Benefits	821,884	792,010	770,528
Travel	121,200	114,330	166,770
Contracted Services	81,000	39,221	74,388
Repairs/Maintenance	106,850	27,844	114,059
Vehicle Maintenance	1,640,182	1,409,977	1,463,604
Conveyance	150,000	162,014	162,114
Supplies/Materials/Telecommunications	122,550	91,685	127,238
Utilities	50,855	-	44,875
Professional Development	36,300	25,805	30,707
Insurance	93,918	96,098	91,884
Amortization	9,803	9,803	11,403
Recoveries	-	(29,374)	(35,058)
Total Student Transportation	\$ 6,353,482	\$ 5,780,174	\$ 6,079,647

See accompanying notes to the financial statements.

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

For the year ended March 31

2012

2011

	Budget (Unaudited)	Actual	Actual
School Generated Funds			
School Funded Activities (Note 3)	\$ 3,200,000	\$ 2,830,789	\$ 2,614,921
Total School Generated Funds	\$ 3,200,000	\$ 2,830,789	\$ 2,614,921
Other Programs			
Salaries	\$ 2,498,424	\$ 2,150,449	\$ 2,004,400
Benefits	137,318	127,138	114,031
Travel	48,025	51,270	60,083
Contracted Services	147,555	234,328	131,341
Repairs/Maintenance	10,545	1,482	256,202
Supplies/Materials/Telecommunications	1,132,934	1,173,399	888,105
Professional Development	1,000	9,896	6,134
Conveyance	23,625	6,999	8,405
Vehicle expenses	-	-	-
Total Other Programs	\$ 3,999,426	\$ 3,754,961	\$ 3,468,701
Defined Benefit Pension Plans			
Defined Benefit Pension Base Year Upgrade	\$ -	\$ -	\$ 169,900
Defined Benefit Pension (Recovery)/Expense	-	(350,600)	(560,300)
	\$ -	\$ (350,600)	\$ (390,400)
Total Expenditures	\$ 73,963,375	\$ 74,390,391	\$ 79,295,649

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets

For the year ended March 31, 2012

	<u>Land, Buildings and Improvements</u>	<u>Major Equipment</u>	<u>Computer Hardware</u>	<u>Vehicles</u>	<u>2012 Total</u>	<u>2011 Total</u>
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 268,710	\$ 268,710	\$ 177,765
Additions	-	-	-	27,473	27,473	90,945
Disposals	-	-	-	-	-	-
Closing Costs	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,183</u>	<u>\$ 296,183</u>	<u>\$ 268,710</u>
<u>Accumulated Amortization:</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 147,710	\$ 147,710	\$ 94,261
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	43,953	43,953	53,449
Closing Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,663</u>	<u>\$ 191,663</u>	<u>\$ 147,710</u>
Net Book Value (NBV)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,520</u>	<u>\$ 104,520</u>	<u>\$ 121,000</u>
<u>Net Book Value (NBV):</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 121,000	\$ 121,000	\$ 83,504
Closing Balance	-	-	-	104,520	104,520	121,000
(Decrease) Increase in NBV	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,480)</u>	<u>\$ (16,480)</u>	<u>\$ 37,496</u>

South Shore Regional School Board

Schedule D - Trust Funds Balance Sheet

As at March 31

2012

2011

Assets

Cash and cash equivalents (Note 5)	\$ 581,585	\$ 517,810
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Equity

Reserve for scholarships		
Teachers' Scholastic Scholarship	\$ 5,577	\$ 5,113
Josephine Christie Fredea Award	1,358	1,343
South Shore District Memorial Scholarship	15,505	4,163
Murray Barkhouse Scholarship Fund	5,527	5,168
Robert Hirtle Memorial Fund	1,381	2,212
Dr. K.C. Marfatia Ghandi Scholarship Fund	19,330	19,614
W.G.L. Hirtle Scholarship	85,568	84,808
Elinor Muir Leary Scholarship	10,046	9,935
Irene and Derrell Ernst Scholarship	4,888	4,834
David Lowe Scholarship	8,550	8,352
Clara Quinlan Scholarship	5,211	5,153
Monte Oickle Scholarship	3,446	3,655
Colleen Finck Memorial	102,249	104,841
Paul Eisnor Memorial	620	713
Timothy Daniels Memorial	5,676	5,611
Sylvia Weagle Bursary	28,853	28,785
Dr. J.C. Wickwire	808	799
M. Ernst MacLeod	4,634	4,583
Colleen Finck Memorial - Acadia	33,846	38,072
Erma Westhaver Loomis	36,014	36,113
John S. Derrick	9,760	9,830
Caterina Cushing	9,955	9,729
Margaret Marshall	1,025	1,014
Teachers Centre	7,859	9,817
Jerome A. Tanner	1,464	1,447
Tech Refresh-Bayview	27,717	62,579
Tech Refresh-Aspotogan	15,917	13,946
David K Berkshire Scholarship	18,089	19,195
Annette V. McNeil (Wamboldt) Memorial	1,975	1,555
Charles Andrews Memorial	8,174	10,071
Norm Johnston PVEC Memorial	5,579	4,760
F. Homer Zwicker Memorial	20,315	-
Inez Morse Putnam	49,623	-
Dr. J. Murray Beck Scholarship	25,046	-
	\$ 581,585	\$ 517,810

On Behalf of the Board

Chairperson

South Shore Regional School Board
Schedule E - Supplementary Details of Trust Funds

For the year ended March 31, 2012

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 5,113	\$ 5,175	\$ 64	\$ (4,775)	\$ 5,577
J.C. Fredea Award	1,343	-	15	-	1,358
South Shore District Memorial	4,163	17,726	116	(6,500)	15,505
M. Barkhouse Scholarship Fund	5,168	600	59	(300)	5,527
Robert Hirtle Memorial Fund	2,212	1,150	19	(2,000)	1,381
Dr. K.C. Marfatia Ghandi	19,614	-	216	(500)	19,330
W.G.L. Hirtle	84,808	-	2,160	(1,400)	85,568
Elinor Muir Leary	9,935	-	111	-	10,046
Irene / Derrell Ernst	4,834	-	54	-	4,888
David Lowe	8,352	300	198	(300)	8,550
Clara Quinlan	5,153	-	58	-	5,211
Monte Oickle	3,655	-	41	(250)	3,446
Colleen Finck Memorial	104,841	-	2,408	(5,000)	102,249
Paul Eisnor	713	-	7	(100)	620
Timothy Daniels	5,611	500	65	(500)	5,676
S Weagle Bursary	28,785	-	321	(253)	28,853
Dr J.C. Wickwire	799	-	9	-	808
M. Ernst MacLeod	4,583	-	51	-	4,634
Colleen Finck Memorial-Acadia	38,072	-	774	(5,000)	33,846
Erma Westhaver Loomis	36,113	-	401	(500)	36,014
John S. Derrick	9,830	321	109	(500)	9,760
Caterina Cushing	9,729	1,115	111	(1,000)	9,955
Margaret Marshall	1,014	-	11	-	1,025
Teachers Centre	9,817	-	106	(2,064)	7,859
Jerome A Tanner Scholarship	1,447	-	17	-	1,464
Tech Refresh Bayview	62,579	-	534	(35,396)	27,717
Tech Refresh Aspotogan	13,946	18,342	387	(16,758)	15,917
David K Berkshire Scholarship	19,195	507	387	(2,000)	18,089
Annette V.McNeil (Wamboldt) Memorial	1,555	400	20	-	1,975
Charles Andrews Memorial	10,071	-	103	(2,000)	8,174
Norm Johnston PVEC Memorial	4,760	1,140	279	(600)	5,579
F. Homer Zwicker Memorial	-	20,701	114	(500)	20,315
Inez Morse Putnam	-	49,567	56	-	49,623
Dr. J. Murray Beck Scholarship	-	25,000	46	-	25,046
	\$ 517,810	\$ 142,544	\$ 9,427	\$ (88,196)	\$ 581,585

See accompanying notes to the financial statements.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

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, 2012

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

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

1. Financial Reporting and Accounting Policies (continued)

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.

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>2012</u>	<u>2011</u>
Operating Surplus, beginning	\$ 2,705,309	\$ 1,848,235
Surplus/(Deficit), current year on an expense basis	194,599	857,074
Operating Surplus, end of year	<u>2,899,908</u>	<u>2,705,309</u>
Designation of Accumulated Surplus;		
General Fund - unrestricted	\$ 29,248	\$ 394,949
Defined Pension Plan-Accrued Benefit Asset	1,466,600	906,300
School General Funds - restricted	<u>1,404,060</u>	<u>1,404,060</u>
Balance, end of year	<u><u>\$ 2,899,908</u></u>	<u><u>\$ 2,705,309</u></u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

2. Change in Accounting Policy

During the 2011-12 fiscal year, the Province of Nova Scotia undertook an assignment to estimate, and record, the accumulated sick leave liability earned by teaching staff for all Nova Scotia School Boards for the fiscal years 2010-11 and 2011-12. As a result of this change in accounting policy adjustments have been applied retroactively and the comparative figures for 2011 have been restated. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2012.

(a) Reconciliation of previously reported 2011 Surplus with the amount for 2011 shown in these financial statements:

Surplus, as previously reported at March 31, 2011	\$ 857,074
Add: Revenue – PNS	312,000
Less: Current service cost	(535,000)
Less: Interest on obligation	(302,000)
Add: Estimated benefits paid	<u>525,000</u>
Surplus, as adjusted March 31, 2011	<u>\$ 857,074</u>

(b) Reconciliation of previously reported 2011 Total Financial Assets and Total Liabilities with the amount for 2011 shown in these financial statements:

Total Financial Assets

Total Financial Assets, as previously reported March 31, 2011	\$ 12,961,483
Add: Receivables – Accumulated Sick Leave	<u>6,661,000</u>
Total Financial Assets, as adjusted March 31, 2011	<u>\$ 19,622,483</u>

Total Liabilities

Total Liabilities, as previously reported March 31, 2011	\$ 10,879,184
Add: Accumulated Sick Leave Obligation	<u>6,661,000</u>
Total Liabilities, as adjusted March 31, 2011	<u>\$ 17,540,184</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

3. 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>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 1,404,060	\$ 1,353,071
Additions to School Generated Funds	2,530,789	2,665,910
School Funded Activity Expenditures	<u>(2,530,789)</u>	<u>(2,614,921)</u>
Net School Generated Funds for Year	<u>-</u>	<u>50,989</u>
Balance, end of year	<u>\$ 1,404,060</u>	<u>\$ 1,404,060</u>

4. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on June 12, 2012 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”).

Plan assets used for purposes of the accounting valuation were based on the market value of assets as at both December 31, 2010 and December 31, 2011, as presented in the financial statements provided by Desjardins Financial Security as at those dates. These assets were then adjusted for amounts in transit. Contributions to the Plans, benefits and investment earnings were determined from the financial statements.

To calculate the Plan’s liabilities, Morneau Shepell used the Plan provisions as at December 31, 2011. Morneau Shepell also reflected the Base Year Upgrade approved by the Board on February 9, 2011 in the accrued benefit obligation at the end of fiscal 2012.

The most recent valuations of the Plans for funding purposes were performed on December 31, 2009 and the next funding valuations of the Plans are required no later than December 31, 2012.

Morneau Shepell is not aware of any subsequent events which would be material to the accounting valuation of the Plan that have not already been included.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

4. Defined Benefit Pension Plans (continued)

The following table summarizes the actuarial assumptions and methods used for the valuation:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount Rate	6.0% per year
Expected Return on Plan Assets	6.0% per year
Salary Increases	3.0% per year
Interest Credited on Employee Contributions	6.0% per year
Mortality	UP94 Fully Generational Mortality Table Sex distinct No pre-retirement mortality
Termination	None
Disability	None
Retirement	
CUPE Plan	Age 65 (or in one year, if later)
Support Staff Plan	Age 60 (or in one year, if later)
Administrative Expenses	Implicitly recognized in the discount rate

The following table shows the CUPE and Support Staff Plans' pension expense for the 2012 fiscal year, expected benefit asset as at March 31, 2012 and a reconciliation of the accrued benefit asset as at March 31, 2012.

Fiscal 2012 Expense	CUPE	Support Staff	Total
Current Service Cost (net of employee contributions)	\$ 337,300	\$ 641,300	\$ 978,600
Amortization of Actuarial Losses/(Gains)	41,500	(9,100)	32,400
Pension Interest Expenditure/Expense:			
Interest Cost on the Accrued Benefit Obligation	\$ 586,500	\$ 778,000	\$ 1,364,500
Expected Return on Plan Assets	(580,000)	(804,500)	(1,384,500)
Total 2012 Pension Expense	\$ 385,300	\$ 605,700	\$ 991,000
Expected Average Remaining Service Lifetime	13 years	13 years	13 years

Development of Accrued Benefit Asset/(Liability) as at March 31, 2012

	CUPE	Support Staff	Total
Accrued Benefit Asset/(Liability) as at March 31, 2011	\$ 465,600	\$ 440,700	\$ 906,300
Fiscal 2012 (Expense)/Income	(385,300)	(605,700)	(991,000)
Fiscal 2012 School Board Contributions	484,300	861,200	1,345,500
Accrued Benefit Asset/(Liability) as at March 31, 2012	\$ 564,600	\$ 696,200	\$ 1,260,800

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

4. Defined Benefit Pension Plans (continued)

The following table shows the disclosure figures (assets and accrued benefit obligation) as at the end of fiscal 2012 (i.e. measured at December 31, 2011), and the reconciliation of the accrued benefit asset/(liability) as at that date. The assets are actual market value as at December 31, 2011, adjusted for amounts in transit.

Reconciliation of Accrued Benefit Asset/(Liability) as at March 31, 2012

	CUPE	Support Staff	Total
Assets	\$ 9,397,200	\$ 13,363,500	\$ 22,760,700
Less: Accrued Benefit Obligation	<u>10,357,500</u>	<u>14,039,700</u>	<u>24,397,200</u>
Funded Status as at March 31, 2011	(960,300)	(676,200)	(1,636,500)
Less: Unamortized Actuarial Losses/(Gains)	1,464,400	1,235,000	2,699,400
Plus: Employer Contributions January to March 2012	60,500	137,400	197,900
Accrued Benefit Asset/(Liability) as at March 31, 2012	\$ 564,600	\$ 696,200	\$ 1,260,800

The accrued benefit asset of \$1,256,900 reflected in the financial statements for the year ended March 31, 2012 is based on estimates prior to June 12, 2012 and has not been adjusted to reflect the final accrued benefit asset value \$1,260,800 as of March 31, 2012.

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.

5. 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 primarily 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, 2012

6. Contractual Obligations

Minimum payments in future years are as follows:

	Rental Leases	Copier Leases	Total
2013	\$ 226,716	\$ 43,182	\$ 269,898
2014	222,716	29,556	252,272
2015	170,037	29,236	199,273
2016	-	5,451	5,451
Total	\$ 619,469	\$ 107,425	\$ 726,894

7. 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.

8. 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, 2012

8. 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>2012</u>	<u>2011</u>
Opening Benefit Obligation, beginning of the year	\$ 3,774,749	\$ 3,854,570
Current Service Cost	281,400	233,500
Interest on Obligation	177,500	182,400
Less: Benefits Paid	(356,005)	(243,821)
Actuarial Losses (Gains)	<u>(44,300)</u>	<u>(251,900)</u>
Closing Benefit Obligation, end of year	\$ 3,833,344	\$ 3,774,749
Pension Assets, at market related values	-	-
Funded Status - (Deficiency)	(3,833,344)	(3,774,749)
Unamortized Actuarial Losses	<u>297,334</u>	<u>368,103</u>
Accrued Benefit Liability	<u><u>\$ (3,536,010)</u></u>	<u><u>\$ (3,406,646)</u></u>

Collective Agreements

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

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 provides benefits for sick leave for teaching staff under the following conditions:

- (a) Full time teachers are entitled to twenty (20) days sick leave in each school year. Teachers who are not full time will receive a pro-rated amount of days.
- (b) Teachers accumulate sick leave to a total of one hundred and ninety five (195) days. The maximum number of sick days to be claimed is two hundred and thirty five (235) days.
- (c) Accumulated sick leave cannot be used until the current year's sick leave (20 days per school year) has been expended.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

8. Commitments and Contingencies (continued)

(d) Accumulated sick leave benefits are not paid out on termination, retirement or resignation.

During 2012, the Board adopted accrual accounting for teachers' accumulated sick leave. Prior to that date the Board recognized benefit expenses equal to its payments for the actual payouts and no liability for accumulated sick leave was recorded in the statement of financial position.

The Province of Nova Scotia provided an actuarial valuation of the board's obligations for the accumulated sick leave for accounting purposes. Key actuarial assumptions used in the valuation were based on the Board's best estimates. Those assumptions involve forecasts of expected future inflation rates, wage and salary increases, cost of long-term debt, and employee turnover and mortality.

Continuity of Accumulated Sick Leave Liability	<u>2012</u>	<u>2011</u>
Opening Benefit Obligation, beginning of the year	\$ 6,661,000	\$ 6,349,000
Current Service Cost	560,000	535,000
Interest on Obligation	317,000	302,000
Less: Sick leave taken	<u>(525,000)</u>	<u>(525,000)</u>
Closing Benefit Obligation, end of year	<u>\$ 7,013,000</u>	<u>\$ 6,661,000</u>

The Board has recognized in these financial statements, the liability associated with accumulated sick leave earned by teaching staff. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2012.

The contingent liability associated with the accumulated sick leave of non-teaching staff cannot be reasonably estimated.

9. Deferred Revenue

Deferred Revenue as of March 31:	<u>2012</u>	<u>2011</u>
Teachers PD Fund	\$ 53,639	\$ 67,915
International Student Program	90,260	112,206
Programs - Province of Nova Scotia	<u>1,140,407</u>	<u>1,585,880</u>
Total	<u>\$ 1,284,306</u>	<u>\$ 1,766,001</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2012

10. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2012, with the Bank of Montreal.

11. Reclassification

Certain of the 2011 comparative figures have been reclassified to conform to the financial statement's presentation adopted for 2012.

12. Disclosure of Salaries, Compensation and Other Payments/Benefits Greater than \$100,000

In accordance with Section 3 of the Public Sector Compensation Disclosure Act of the Province of Nova Scotia, employees with compensation (salary and benefits) greater than \$100,000 for the year ended March 31, 2012 as follows:

Name	Location	Position	Salary
Butler, Barry	South Shore Regional School Board	Director of Operations	103,370.47
Doucette, Terrence	Liverpool Regional High	Principal	101,982.98
Landry, Mitchell	South Shore Regional School Board	Coordinator of Assessment and Technology	101,322.88
MacLeod, John	South Shore Regional School Board	Coordinator of Human Resources	101,322.88
McLellan, Charles	Bridgewater Junior/Senior High	Principal	101,799.27
Moore, Ann	Bluenose Academy	Vice Principal	105,581.14
Munro, Tina	South Shore Regional School Board	Director of Human Resources	117,947.23
Prest, Steve	South Shore Regional School Board	Director of Programs and Student Services	116,798.25
Pynch-Worthylake, Nancy	South Shore Regional School Board	Superintendent	145,620.91
Tattie, Wade	South Shore Regional School Board	Director of Finance	113,872.31
Williamson, Charles	Park View Education Centre	Principal	108,283.69