



Financial Statements

South Shore Regional School Board

March 31, 2013

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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, 2013, 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, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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.

Grant Thornton LLP

Bridgewater, Canada
June 26, 2013

Chartered accountants

South Shore Regional School Board

Statement of Financial Position

(as restated)

As at March 31

2013

2012

Financial Assets

Cash and Cash Equivalents	\$	1,775,305	\$	2,840,695
Cash Held by Schools (Note 4)		1,538,739		1,404,060
	\$	<u>3,314,044</u>	\$	<u>4,244,755</u>
Accounts Receivable				
Province of Nova Scotia	\$	2,341,300	\$	1,384,725
Government of Canada		287,729		287,444
Other		557,848		214,483
	\$	<u>3,186,877</u>	\$	<u>1,886,652</u>
Accrued Benefit Asset (Note 5)		1,401,100		1,256,900
Receivable - Service Award Allowance (Notes 2 & 9)		3,858,713		3,638,332
Receivable - Sick Leave Allowance (Note 2 & 9)		8,232,105		7,801,906
Total Financial Assets	\$	<u>19,992,839</u>	\$	<u>18,828,545</u>

Liabilities

Accounts Payable and Accrued Liabilities - Trade	\$	1,953,108	\$	1,760,273
Accrued Payroll and Employee Deductions		2,603,233		1,922,894
Payables and Accruals - Government				
Province of Nova Scotia	\$	66,234	\$	86,799
Government of Canada - Employee Deductions		1,357		921
Municipalities		104,724		29,337
Other (Government Service Organizations)		-		13,798
	\$	<u>172,315</u>	\$	<u>130,855</u>
Deferred Revenue (Note 10)		1,236,763		1,284,306
Retirement Obligations (Notes 2 & 9)		3,858,713		3,638,332
Sick Leave Obligations (Note 2 & 9)		8,232,105		7,801,906
Total Liabilities	\$	<u>18,056,237</u>	\$	<u>16,538,566</u>

Net Financial Assets

	\$	<u>1,936,602</u>	\$	<u>2,289,979</u>
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Non-Financial Assets (Note 1)

Tangible Capital Assets	\$	45,005	\$	104,520
Inventory		211,326		211,326
Prepaid Expenses		297,621		294,083
	\$	<u>553,952</u>	\$	<u>609,929</u>

Accumulated Surplus (Note 1)

	\$	<u>2,490,554</u>	\$	<u>2,899,908</u>
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Trust Funds Under Administration (Note 6 and Schedules D and E)
 Contractual Obligations (Note 7)
 Commitments and Contingencies (Note 9)

On Behalf of the Board

Chairperson _____

Board Member _____

See accompanying notes to the financial statements.

South Shore Regional School Board
Statement of Operations and Surplus

(as restated)

For the year ended March 31

2013

2012

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues (Schedule A)			
Province of Nova Scotia	\$ 52,148,542	\$ 54,081,350	\$ 54,906,783
Government of Canada	330,203	295,005	423,002
Municipal Contributions	16,248,600	16,248,567	15,450,794
School Generated Funds (Note 4)	3,000,000	2,770,726	2,830,789
Board Operations	935,138	1,049,731	1,009,572
Total Revenues	<u>\$ 72,662,483</u>	<u>\$ 74,445,379</u>	<u>\$ 74,620,940</u>
Expenses (Schedule B)			
Board Governance	\$ 222,298	\$ 154,363	\$ 279,216
Regional Management	2,121,165	2,302,652	2,143,723
School Management & Support	6,803,087	7,102,602	6,824,154
Instruction & School Services	31,204,574	32,034,451	33,120,622
Student Support	9,493,541	9,810,930	9,937,617
Adult & Community Education	326,864	331,763	325,960
Property Services	9,087,925	10,407,584	9,779,725
Student Transportation	6,036,038	5,809,634	5,780,174
School Generated Funds (Note 4)	3,000,000	2,636,047	2,830,789
Other Programs	4,418,291	4,408,907	3,754,961
Defined Benefit Pension Plan	(51,300)	(144,200)	(350,600)
	<u>\$ 72,662,483</u>	<u>\$ 74,854,733</u>	<u>\$ 74,426,341</u>
School Board Surplus on an Expense Basis	<u>\$ -</u>	<u>\$ (409,354)</u>	<u>\$ 194,599</u>
Accumulated Surplus, Beginning of Year		<u>\$ 2,899,908</u>	<u>\$ 2,705,309</u>
Accumulated Surplus, End of Year		<u>\$ 2,490,554</u>	<u>\$ 2,899,908</u>

Designation of Accumulated Surplus (Note 1):

Operating-Unrestricted, Beginning of Year	\$ 238,948	\$ 394,949
School Board Surplus on an Expense Basis	<u>(409,354)</u>	<u>194,599</u>
	(170,406)	589,548
Operating Surplus-Designated to Defined Benefit Pension Plan	<u>(144,200)</u>	<u>(350,600)</u>
Operating Surplus-Designated to School Funds	<u>(134,679)</u>	<u>-</u>
Operating-Unrestricted, End of Year	<u>\$ (449,285)</u>	<u>\$ 238,948</u>
Defined Pension Plan-Accrued Benefit Asset, Beginning of Year	\$ 1,256,900	\$ 906,300
Defined Pension Plan-Accrued Benefit Asset, Net Surplus for Year	<u>144,200</u>	<u>350,600</u>
Defined Pension Plan-Accrued Benefit Asset, End of Year	<u>\$ 1,401,100</u>	<u>\$ 1,256,900</u>
School Funds-Restricted, Beginning of Year	\$ 1,404,060	\$ 1,404,060
School Funds-Restricted, Net Surplus for Year	<u>134,679</u>	<u>-</u>
School Funds-Restricted, End of Year	<u>\$ 1,538,739</u>	<u>\$ 1,404,060</u>
Accumulated Surplus, End of Year	<u>\$ 2,490,554</u>	<u>\$ 2,899,908</u>

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

For the year ended March 31

2013

(as restated)

2012

	<u>Actual</u>	<u>Actual</u>
Net financial assets, beginning of year	\$ <u>2,289,979</u>	\$ <u>2,082,299</u>
Changes in the year		
School Board surplus on an expense basis	\$ (409,354)	\$ 194,599
Amortization of tangible capital assets	59,515	43,953
Acquisition of tangible capital assets	-	(27,473)
Decrease in inventories of supplies	-	-
Decrease in prepaid expenses	(3,538)	(3,399)
Decrease in net financial assets	<u>\$ (353,377)</u>	<u>\$ 207,680</u>
Net financial assets, end of year	<u>\$ 1,936,602</u>	<u>\$ 2,289,979</u>

South Shore Regional School Board

Statement of Cash Flows

(as restated)

For the year ended March 31

2013

2012

Operating transactions

School Board (deficit) surplus on an expense basis	\$	(409,354)	\$	194,599
Items not affecting cash:				
Capital asset amortization		59,515		43,953
		<u>(349,839)</u>		<u>238,552</u>
Changes in non-cash working capital				
(Increase) decrease in accounts receivable		(1,300,225)		3,911,331
Increase in accrued benefit asset		(144,200)		(350,600)
Increase in receivable-service awards		(220,381)		(231,686)
Increase in receivable-sick leave		(430,199)		(1,140,906)
Increase in prepaid expenses		(3,538)		(3,399)
Increase (decrease) in accounts payable and accruals		914,634		(1,892,515)
Decrease in deferred revenue		(47,543)		(481,695)
Increase in retirement obligations payable		220,381		231,686
Increase in sick leave obligations payable		430,199		1,140,906
		<u>(580,872)</u>		<u>1,183,122</u>
Cash (used) provided by operating activities		(930,711)		1,421,674

Capital transactions

Cash used to acquire tangible capital assets		-		(27,473)
(Decrease) increase in cash and cash equivalents		(930,711)		1,394,201
Cash and cash equivalents, beginning of year		<u>4,244,755</u>		<u>2,850,554</u>
Cash and cash equivalents, end of year	\$	<u>3,314,044</u>	\$	<u>4,244,755</u>

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

(as restated)

For the year ended March 31

2013

2012

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Province of Nova Scotia			
Operating (Note 2)	\$ 40,167,507	\$ 40,600,790	\$ 41,003,042
Restricted	9,673,024	9,586,362	10,854,201
Capital	59,800	784,342	59,800
Other (Note 2)	2,248,211	3,109,856	2,989,740
	<u>\$ 52,148,542</u>	<u>\$ 54,081,350</u>	<u>\$ 54,906,783</u>
Government of Canada			
First Nations/Other	\$ 330,203	\$ 295,005	\$ 364,637
Other	-	-	58,365
	<u>\$ 330,203</u>	<u>\$ 295,005</u>	<u>\$ 423,002</u>
Municipal Contributions-Mandatory			
	\$ 16,248,600	\$ 16,248,567	\$ 15,450,794
	<u>\$ 16,248,600</u>	<u>\$ 16,248,567</u>	<u>\$ 15,450,794</u>
School Generated Funds (Note 4)			
	\$ 3,000,000	\$ 2,770,726	\$ 2,830,789
	<u>\$ 3,000,000</u>	<u>\$ 2,770,726</u>	<u>\$ 2,830,789</u>
Other Revenues-Board Operations:			
Board Generated-Other	\$ 904,588	\$ 1,011,667	\$ 953,428
Rentals	550	-	8,000
Interest/Investment	25,000	34,822	42,473
Sale of Assets	5,000	3,242	5,671
	<u>\$ 935,138</u>	<u>\$ 1,049,731</u>	<u>\$ 1,009,572</u>
Total Revenues	<u>\$ 72,662,483</u>	<u>\$ 74,445,379</u>	<u>\$ 74,620,940</u>

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

For the year ended March 31

2013

2012

	<u>Budget</u>	<u>Actual</u>	(as restated) <u>Actual</u>
Board Governance			
Salaries	\$ 112,686	\$ 106,725	\$ 129,403
Benefits	10,675	10,422	10,480
Travel	12,198	17,299	18,552
Professional Services-Legal	-	-	12,374
Contracted Services	9,000	3,196	13,525
Supplies/Telecommunications	9,771	18,754	10,782
Professional Development	15,468	(46,658)	31,600
NSSBA Dues	52,500	44,625	52,500
Total Board Governance	<u>\$ 222,298</u>	<u>\$ 154,363</u>	<u>\$ 279,216</u>
Regional Management			
Salaries	\$ 1,805,378	\$ 1,876,105	\$ 1,806,934
Benefits	376,044	391,736	366,800
Travel	50,885	47,756	44,794
Professional Services-Legal and Audit	52,000	98,896	112,815
Contracted Services	41,700	49,039	22,185
Repairs/Maintenance	2,400	6,384	2,362
Supplies/Materials/Telecommunications	158,755	135,107	148,155
Professional Development	53,900	46,691	46,219
Insurance	92,089	74,723	71,253
School Board Elections	-	88,195	-
Recovery-Shared Services	(511,986)	(511,980)	(477,794)
Total Regional Management	<u>\$ 2,121,165</u>	<u>\$ 2,302,652</u>	<u>\$ 2,143,723</u>
School Management & Support			
Salaries	\$ 5,631,100	\$ 5,626,072	\$ 5,834,748
Benefits	576,480	587,161	571,328
Travel	84,325	62,695	60,255
Contracted Services	223,875	195,132	64,659
Repairs/Maintenance	-	20,367	11,960
Supplies/Materials/Telecommunications	280,157	598,609	270,334
Professional Development	7,150	12,566	10,870
Total School Management & Support	<u>\$ 6,803,087</u>	<u>\$ 7,102,602</u>	<u>\$ 6,824,154</u>
Instruction & School Services			
Salaries	\$ 28,016,825	\$ 28,245,041	\$ 29,181,506
Benefits	1,640,314	1,608,700	1,646,101
Service Award Allowances-Current (Notes 2 & 9)	356,900	342,158	316,297
Sick Leave Allowances-Current (Notes 2 & 9)	-	80,765	21,568
Travel	4,500	12,314	6,197
Contracted Services	-	9,300	145,974
Repairs/Maintenance	2,000	-	3,687
Supplies/Materials/Telecommunications	495,776	532,445	629,299
Textbook Allocation	358,000	358,000	363,200
Professional Development	330,259	318,488	271,339
Service Award Allowances-Interest (Notes 2 & 9)	-	349,434	182,376
Sick Leave Allowances-Interest (Notes 2 & 9)	-	177,806	353,078
Total Instruction & School Services	<u>\$ 31,204,574</u>	<u>\$ 32,034,451</u>	<u>\$ 33,120,622</u>

See accompanying notes to the financial statements.

South Shore Regional School Board

Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2013

2012

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Student Support			
Salaries	\$ 8,229,234	\$ 8,503,850	\$ 8,554,354
Benefits	1,068,619	1,061,124	1,060,290
Travel	63,500	69,013	63,560
Contracted Services	25,536	24,425	28,913
Repairs/Maintenance	8,000	9,531	9,233
Supplies/Materials/Telecommunications	77,652	120,941	201,618
Professional Development	21,000	22,046	19,649
Total Student Support	\$ 9,493,541	\$ 9,810,930	\$ 9,937,617
Adult & Community Education			
Salaries	\$ 300,104	\$ 304,286	\$ 294,757
Benefits	20,827	20,897	20,929
Travel	670	957	707
Contracted Services	2,150	2,510	2,350
Supplies/Materials/Telecommunications	3,113	3,113	7,217
Total Adult & Community Education	\$ 326,864	\$ 331,763	\$ 325,960
Property Services			
Salaries	\$ 3,468,199	\$ 3,644,476	\$ 3,364,725
Benefits	877,580	908,503	841,918
Travel	30,200	25,519	21,362
Contracted Services	885,818	958,229	911,744
Repairs/Maintenance	889,905	1,828,944	1,383,692
Vehicle Expenses	34,405	46,256	100,600
Vehicle Purchase< \$15,000	-	-	14,882
Supplies/Materials/Telecommunications	495,083	641,636	761,243
Utilities	2,395,783	2,394,739	2,431,090
Professional Development	28,000	25,761	15,563
Insurance	188,736	163,661	171,432
Amortization	33,709	50,374	34,150
Recoveries	(239,493)	(280,514)	(272,676)
Total Property Services	\$ 9,087,925	\$ 10,407,584	\$ 9,779,725
Student Transportation			
Salaries	\$ 3,063,025	\$ 2,987,922	\$ 3,040,761
Benefits	763,888	783,050	792,010
Travel	117,200	104,385	114,330
Contracted Services	49,000	59,870	39,221
Repairs/Maintenance	57,000	70,472	27,844
Vehicle Maintenance	1,643,940	1,494,222	1,409,977
Conveyance	125,000	135,443	162,014
Supplies/Materials/Telecommunications	107,900	70,113	91,685
Professional Development	30,800	32,352	25,805
Insurance	89,994	89,994	96,098
Amortization	6,291	9,141	9,803
Recoveries	(18,000)	(27,330)	(29,374)
Total Student Transportation	\$ 6,036,038	\$ 5,809,634	\$ 5,780,174

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

For the year ended March 31

2013

2012

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
School Generated Funds			
School Funded Activities (Note 4)	\$ 3,000,000	\$ 2,636,047	\$ 2,830,789
Total School Generated Funds	\$ 3,000,000	\$ 2,636,047	\$ 2,830,789
Other Programs			
Salaries	\$ 2,834,861	\$ 2,912,550	\$ 2,150,449
Benefits	173,926	172,803	127,138
Travel	39,625	59,920	51,270
Contracted Services	552,500	564,523	234,328
Repairs/Maintenance	10,993	10,884	1,482
Supplies/Materials/Telecommunications	790,761	666,349	1,173,399
Professional Development	-	16,399	9,896
Conveyance	15,625	5,479	6,999
Total Other Programs	\$ 4,418,291	\$ 4,408,907	\$ 3,754,961
Defined Benefit Pension Plans			
Defined Benefit Pension Base Year Upgrade	\$ (51,300)	\$ (144,200)	\$ (350,600)
	\$ (51,300)	\$ (144,200)	\$ (350,600)
Total Expenditures	\$ 72,662,483	\$ 74,854,733	\$ 74,426,341

South Shore Regional School Board
Schedule C - Supplementary Details of Tangible Capital Assets
For the year ended March 31, 2013

	<u>Land, Buildings and Improvements</u>	<u>Major Equipment</u>	<u>Computer Hardware</u>	<u>Vehicles</u>	<u>2013 Total</u>	<u>2012 Total</u>
<u>Cost of Tangible Assets</u>						
Opening Costs	\$ -	\$ -	\$ -	\$ 296,183	\$ 296,183	\$ 268,710
Additions	-	-	-	-	-	27,473
Disposals	-	-	-	(177,764)	(177,764)	-
Closing Costs	\$ -	\$ -	\$ -	\$ 118,419	\$ 118,419	\$ 296,183
<u>Accumulated Amortization:</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 191,663	\$ 191,663	\$ 147,710
Disposals	-	-	-	(177,764)	(177,764)	-
Amortization Expense	-	-	-	59,515	59,515	43,953
Closing Balance	\$ -	\$ -	\$ -	\$ 73,414	\$ 73,414	\$ 191,663
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$ 45,005	\$ 45,005	\$ 104,520
<u>Net Book Value (NBV):</u>						
Opening Balance	\$ -	\$ -	\$ -	\$ 104,520	\$ 104,520	\$ 121,000
Closing Balance	-	-	-	45,005	45,005	104,520
(Decrease) Increase in NBV	\$ -	\$ -	\$ -	\$ (59,515)	\$ (59,515)	\$ (16,480)

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

As at March 31

2013

2012

Assets

Cash and cash equivalents (Note 6)	\$ 617,653	\$ 581,585
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Equity

Reserve for scholarships (Note 6)		
Teachers' Scholastic Scholarship	\$ 5,175	\$ 5,577
Josephine Christie Fredea Award	1,373	1,358
South Shore District Memorial Scholarship	18,141	15,505
Murray Barkhouse Scholarship Fund	5,889	5,527
Robert Hirtle Memorial Fund	1,447	1,381
Dr. K.C. Marfatia Ghandi Scholarship Fund	19,043	19,330
W.G.L. Hirtle Scholarship	84,326	85,568
Elinor Muir Leary Scholarship	10,158	10,046
Irene and Derrell Ernst Scholarship	4,942	4,888
David Lowe Scholarship	8,735	8,550
Clara Quinlan Scholarship	5,068	5,211
Monte Oickle Scholarship	3,233	3,446
Colleen Finck Memorial	99,449	102,249
Paul Eisnor Memorial	551	620
Timothy Daniels Memorial	5,742	5,676
Sylvia Weagle Bursary	29,174	28,853
Dr. J.C. Wickwire	615	808
M. Ernst MacLeod	4,686	4,634
Colleen Finck Memorial - Acadia	29,515	33,846
Erma Westhaver Loomis	36,415	36,014
John S. Derrick	10,263	9,760
Caterina Cushing	10,365	9,955
Margaret Marshall	1,036	1,025
Teachers Centre	7,947	7,859
Jerome A. Tanner	1,480	1,464
Tech Refresh-Bayview	37,876	27,717
Tech Refresh-Aspotogan	25,836	15,917
David K Berkshire Scholarship	16,435	18,089
Annette V. McNeil (Wamboldt) Memorial	2,401	1,975
Charles Andrews Memorial	6,757	8,174
Norm Johnston PVEC Memorial	5,712	5,579
F. Homer Zwicker Memorial	27,774	20,315
Inez Morse Putnam	64,769	49,623
Dr. J. Murray Beck Scholarship	25,325	25,046
	\$ 617,653	\$ 581,585

On Behalf of the Board

Chairperson

Board Member

See accompanying notes to the financial statements.

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

For the year ended March 31, 2013

	Balance Beginning of Period	Additions	Interest	Disbursements	Balance End of Period
Teachers Scholastic	\$ 5,577	\$ 4,286	\$ 62	\$ (4,750)	\$ 5,175
J.C. Fredea Award	1,358	-	15	-	1,373
South Shore District Memorial	15,505	9,433	203	(7,000)	18,141
M. Barkhouse Scholarship Fund	5,527	300	62	-	5,889
Robert Hirtle Memorial Fund	1,381	1,050	16	(1,000)	1,447
Dr. K.C. Marfatia Ghandi	19,330	-	213	(500)	19,043
W.G.L. Hirtle	85,568	-	2,158	(3,400)	84,326
Elinor Muir Leary	10,046	-	112	-	10,158
Irene / Derrell Ernst	4,888	-	54	-	4,942
David Lowe	8,550	300	185	(300)	8,735
Clara Quinlan	5,211	-	57	(200)	5,068
Monte Oickle	3,446	-	37	(250)	3,233
Colleen Finck Memorial	102,249	-	2,200	(5,000)	99,449
Paul Eisnor	620	25	6	(100)	551
Timothy Daniels	5,676	500	66	(500)	5,742
S Weagle Bursary	28,853	-	321	-	29,174
Dr J.C. Wickwire	808	-	7	(200)	615
M. Ernst MacLeod	4,634	-	52	-	4,686
Colleen Finck Memorial-Acadia	33,846	-	669	(5,000)	29,515
Erma Westhaver Loomis	36,014	-	401	-	36,415
John S. Derrick	9,760	391	112	-	10,263
Caterina Cushing	9,955	1,300	110	(1,000)	10,365
Margaret Marshall	1,025	-	11	-	1,036
Teachers Centre	7,859	-	88	-	7,947
Jerome A Tanner Scholarship	1,464	-	16	-	1,480
Tech Refresh Bayview	27,717	56,604	393	(46,838)	37,876
Tech Refresh Aspotogan	15,917	23,767	189	(14,037)	25,836
David K Berkshire Scholarship	18,089	-	346	(2,000)	16,435
Annette V.McNeil (Wamboldt) Memorial	1,975	400	26	-	2,401
Charles Andrews Memorial	8,174	-	83	(1,500)	6,757
Norm Johnston PVEC Memorial	5,579	500	133	(500)	5,712
F. Homer Zwicker Memorial	20,315	7,704	255	(500)	27,774
Inez Morse Putnam	49,623	15,474	672	(1,000)	64,769
Dr. J. Murray Beck Scholarship	25,046	-	279	-	25,325
	\$ 581,585	\$ 122,034	\$ 9,609	\$ (95,575)	\$ 617,653

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

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 public sector accounting standards, 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

Provincial government transfers for operating and capital purposes are recognized as revenue in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer(s) from the Province of Nova Scotia and Municipalities are authorized.

All non-government contribution or grant/revenues that are externally restricted such that they must be used for a specified purpose are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Any externally restricted receipts received before the criteria has been met is reported as a liability until the resources are used for the purpose or purposes specified.

Public Private Partnership and International Student Program revenues are recognized as revenue when the related service is rendered.

Rental income is recognized over the term of the lease.

Investment income is recognized as revenue in the year in which it is earned.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

1. Financial Reporting and Accounting Policies (continued)

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.

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.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

1. Financial Reporting and Accounting Policies (continued)

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.

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>2013</u>	<u>2012</u>
Operating Surplus, beginning	\$ 2,899,908	\$ 2,705,309
(Deficit) Surplus, current year on an expense basis	<u>(\$409,354)</u>	<u>\$194,599</u>
Operating Surplus, end of year	<u>\$2,490,554</u>	<u>\$2,899,908</u>
Designation of Accumulated Surplus;		
General Fund - unrestricted	(\$449,285)	\$238,948
Defined Pension Plan-Accrued Benefit Asset	1,401,100	1,256,900
School General Funds - restricted	<u>1,538,739</u>	<u>1,404,060</u>
Balance, end of year	<u>\$2,490,554</u>	<u>\$2,899,908</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

2. Change in Accounting Policy

During the 2012-13 fiscal year, the Province of Nova Scotia undertook an assignment to estimate, and record, the accumulated sick leave liability and service awards earned by non-teaching staff for all Nova Scotia School Boards for the fiscal years 2011-12 and 2012-13. As a result of this change in accounting policy adjustments have been applied retroactively and the comparative figures for 2012 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, 2013.

(a) Reconciliation of previously reported 2012 Surplus with the amount for 2012 shown in these financial statements:

Surplus, as previously reported at March 31, 2012	\$194,599
<u>Service Award – Non-Teachers</u>	
Less: PNS deduction	(5,531)
Less: Current service cost	(8,428)
Less: Interest on obligation	(4,876)
Add: Estimated benefits paid	18,835
<u>Sick Leave – Non-Teachers</u>	
Add: PNS revenue	22,646
Less: Current service cost	(101,360)
Less: Interest on obligation	(36,078)
Add: Sick leave taken	114,792
Surplus, as adjusted March 31, 2012	<u>\$194,599</u>

(b) Reconciliation of previously reported 2012 Total Financial Assets and Total Liabilities with the amount for 2012 shown in these financial statements:

Total Financial Assets, as previously reported March 31, 2012	\$17,937,317
Add: Receivables – Service Awards – Non-Teachers	102,322
Add: Receivables – Accumulated Sick Leave – Non-Teachers	788,906
Total Financial Assets, as adjusted March 31, 2011	<u>\$18,828,545</u>
Total Liabilities	
Total Liabilities, as previously reported March 31, 2012	\$15,647,338
Add: Retirement Obligations – Non-Teachers	102,322
Add: Sick Leave Obligations – Non-Teachers	788,906
Total Liabilities, as adjusted March 31, 2012	<u>\$16,538,566</u>

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

3. Adoption of New Accounting Policy

On April 1, 2012, the school board adopted Public Accounting Standards PS 3410 - Government Transfers. The new standard was adopted prospectively from the date of adoption.

Under PS 3410, Government transfers should be recognized as revenue when the transfer is authorized, eligibility criteria and stipulations are met.

In accordance with the provisions of this new standard, no adjustments were required.

4. 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>2013</u>	<u>2012</u>
Balance, beginning of year	\$1,404,060	\$1,404,060
Additions to School Generated Funds	2,770,726	2,530,789
School Funded Activity Expenditures	<u>(2,636,047)</u>	<u>(2,530,789)</u>
Net School Generated Funds for Year	<u>134,679</u>	<u>-</u>
Balance, end of year	<u>\$1,538,739</u>	<u>\$1,404,060</u>

5. Defined Benefit Pension Plans

Details on the defined benefit plans were provided by Morneau Shepell on April 18, 2013 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 December 31, 2011 and December 31, 2012, 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, 2012. 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. The next funding valuations of the Plans are to be completed for December 31, 2012 and have not been finalized.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

5. 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 2013 fiscal year, expected benefit asset as at March 31, 2013 and a reconciliation of the accrued benefit asset as at March 31, 2013.

Fiscal 2013 Expense	CUPE	Support Staff	Total
Current Service Cost (net of employee contributions)	\$312,600	\$482,800	\$795,400
Amortization of Actuarial Losses/(Gains)	112,600	95,100	207,700
Pension Interest Expenditure/Expense:			
Interest Cost on the Accrued Benefit Obligation	\$620,100	\$853,300	\$1,473,400
Expected Return on Plan Assets	(567,600)	(819,800)	(1,387,400)
Total 2013 Pension Expense	\$477,700	\$611,400	\$1,089,100

Development of Accrued Benefit Asset/(Liability) as at March 31, 2013

	CUPE	Support Staff	Total
Accrued Benefit Asset/(Liability) as at March 31, 2012	\$564,600	\$696,200	\$1,260,800
Fiscal 2013 (Expense)/Income	(477,700)	(611,400)	(1,089,100)
Fiscal 2013 School Board Contributions	505,000	724,400	1,229,400
Accrued Benefit Asset/(Liability) as at March 31, 2013	\$591,900	\$809,200	\$1,401,100

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

5. Defined Benefit Pension Plans (continued)

The following table shows the disclosure figures (assets and accrued benefit obligation) as at the end of fiscal 2013 (i.e. measured at December 31, 2012), and the reconciliation of the accrued benefit asset (liability) as at that date. The assets are actual market value as at December 31, 2012, adjusted for amounts in transit.

Reconciliation of Accrued Benefit Asset/(Liability) as at March 31, 2013

	CUPE	Support Staff	Total
Assets	\$10,597,700	\$15,551,000	\$26,148,700
Less: Accrued Benefit Obligation	10,931,200	15,255,600	26,186,800
Funded Status as at March 31, 2013	(333,500)	295,400	(38,100)
Plus: Unamortized Actuarial Losses/(Gains)	845,400	372,400	1,217,800
Plus: Employer Contributions January to March 2013	80,000	141,400	221,400
Accrued Benefit Asset/(Liability) as at March 31, 2013	\$591,900	\$809,200	\$1,401,100

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.

6. 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.

7. Contractual Obligations

Contractual obligations over \$100,000 in total in future years are as follows:

	Rental Leases	Renovations/Construction	Total
2014	\$226,716	\$439,900	\$666,616
2015	\$222,716	-	\$222,716
Total	\$449,432	\$439,900	\$889,332

8. 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 these claims will be treated as a charge to operations in the period the settlement occurs.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies

I. Service Awards - Teachers

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 ten 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.

Actuarial Assumptions

Discount Rate:	4.30% per year																
Salary Growth Rate:	2.25% per year plus promotional scale. Total salary increases Are detailed below:																
	<table border="1"> <thead> <tr> <th><u>Age Group</u></th> <th><u>Annual increase</u></th> </tr> </thead> <tbody> <tr> <td>Less than 30</td> <td>5.00%</td> </tr> <tr> <td>30 – 34</td> <td>4.50%</td> </tr> <tr> <td>35 – 39</td> <td>4.00%</td> </tr> <tr> <td>40 – 44</td> <td>3.50%</td> </tr> <tr> <td>45 – 49</td> <td>3.00%</td> </tr> <tr> <td>50 – 59</td> <td>2.50%</td> </tr> <tr> <td>60 plus</td> <td>2.25%</td> </tr> </tbody> </table>	<u>Age Group</u>	<u>Annual increase</u>	Less than 30	5.00%	30 – 34	4.50%	35 – 39	4.00%	40 – 44	3.50%	45 – 49	3.00%	50 – 59	2.50%	60 plus	2.25%
<u>Age Group</u>	<u>Annual increase</u>																
Less than 30	5.00%																
30 – 34	4.50%																
35 – 39	4.00%																
40 – 44	3.50%																
45 – 49	3.00%																
50 – 59	2.50%																
60 plus	2.25%																
Retirement Age:	50% at rule of 85 but not earlier than age 55; remainder at earliest of 35 years of service, age 60 with 10 years of service, and age 65. Members past their Unreduced Retirement Age are assumed to retire at the later age of 60 and their current age.																
Mortality:	No pre-retirement mortality assumed																
Termination	Nil																
Disability	Nil																

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies (continued)

Continuity of Service Award Allowance Liability - Teachers	<u>2013</u>	<u>2012</u> (as restated)
Opening Benefit Obligation, beginning of the year	\$3,833,344	\$3,774,749
Current Service Cost	309,400	281,400
Interest on Obligation	173,000	177,500
Less: Benefits Paid	(299,583)	(356,005)
Actuarial Losses (Gains)	43,600	(44,300)
Closing Benefit Obligation, end of year	<u>\$4,059,761</u>	<u>\$3,833,344</u>
Pension Assets, at market related values	-	-
Funded Status - (Deficiency)	(4,059,761)	(3,833,344)
Unamortized Actuarial Losses	317,418	297,334
Accrued Benefit Liability - Teachers	<u><u>\$ (3,742,343)</u></u>	<u><u>\$ (3,536,010)</u></u>

II. Service Awards – Non-Teachers

Morneau Shepell has prepared disclosure figures under PSAB 3250. Retiring allowances benefits descriptions and copies of the relevant parts of the collective agreements and letters of understanding for the different boards and union/non-union groups were provided by the Province of Nova Scotia ("the Province").

The calculations have been carried out based on the data provided by the Province of Nova Scotia in connection with both the Sick Leave and Retiring Allowance valuations. This information was supplemented by data supplied by the individual boards. The data included the period of continuous service with the Province, the data of birth, annual salary and contractual hours of work and some detail regarding frozen awards.

All assumptions used in the Retiring Allowance valuation have been chosen by the Province. The assumptions are summarized in the table below.

Valuation Date	March 31, 2012
Annual Discount Rate	4.30% per annum as at April 1, 2012 and at any valuation date thereafter 4.75% per annum as at March 31, 2011 and as at March 31, 2012
Annual Salary Increases	3.25% per annum (3.5% at March 2011)
Inflation Rate	2.25% per annum (2.5% at March 2011)
Retirement Age	35% at Rule of 80, minimum age 55 65% at the earliest of age 65 and 35 years of service
Mortality	Nil
Termination Before Retirement	Nil
Actuarial Cost Method	Projected Unit Credit pro-rated on service

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies (continued)

Continuity of Service Award Liability - Non-Teachers	<u>2012-13</u>	<u>2011-12</u>
Opening Benefit Obligation, beginning of the year	\$102,322	\$107,853
Current Service Cost	9,242	8,428
Interest on Obligation	4,806	4,876
Other (Past Service, Transfers, etc.)	-	-
Less: Benefits Paid		(18,835)
Actuarial (Gains) Losses	<u>1,640</u>	<u>-</u>
Closing Benefit Obligation, end of year	118,010	102,322
Pension Assets, at market related values	-	-
Funded Status - Surplus (Deficiency)	(118,010)	(102,322)
Unamortized Actuarial (Gains) Losses	<u>1,640</u>	<u>-</u>
Accrued Benefit Liability - Non-Teachers	<u>(\$116,370)</u>	<u>(\$102,322)</u>

Summary of Retirement Obligations

	<u>2013</u>	<u>2012</u>
Service Awards - Teachers	3,742,343	3,536,010
Service Awards - Non-Teachers	<u>116,370</u>	<u>102,322</u>
Total Retirement Obligations	<u>\$3,858,713</u>	<u>\$3,638,332</u>

The Board has recognized in these financial statements the liability associated with service awards earned by 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, 2013.

III. Collective Agreements

The provincial collective agreement with the NSTU expired July 31, 2012. A provincial collective agreement has been completed in April 2013 with retroactive payment due from August 1, 2012 to NSTU members.

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

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

The collective agreement with SEIU expired March 31, 2012.

The collective agreement with CUPE expired March 31, 2012.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies (continued)

IV. Sick Leave – Teachers

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.
- (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.

Actuarial Assumptions

<u>Discount Rate:</u>	4.30% per year
<u>Retirement Age:</u>	50% at earliest age eligible for unreduced pension, remainder at earlier of age 60 with 10 years of service, 35 years of service and age 65
<u>Mortality:</u>	UP94 with future improvements in accordance with Scale AA
<u>Termination</u>	5% per year in first two years of employment
<u>Salary Growth Rate:</u>	2.25% per year plus promotional scale. Total salary increases are as follows:

<u>Age Group</u>	<u>Annual increase</u>
Under 30	5.00%
30 – 34	4.50%
35 – 39	4.00%
40 – 44	3.50%
45 – 49	3.00%
50 – 59	2.50%
60 plus	2.25%

Current sick leave utilization and sick leave bank utilization was developed from an analysis of the sick leave usage of Nova Scotia teachers over the four school years prior to July 31, 2011. Sick leave usage data was provided by the Department of Education.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies (continued)

Continuity of Sick Leave Liability - Teachers	<u>2013</u>	<u>2012</u> (as restated)
Opening Benefit Obligation, beginning of the year	\$7,013,000	\$6,661,000
Current Service Cost	616,000	560,000
Interest on Obligation	315,000	317,000
Impact of Plan Amendment	-	-
Other (Past Service, Transfers, etc.)	-	-
Less: Sick Leave Taken	(524,000)	(525,000)
Actuarial (Gains) Losses	91,000	-
Closing Benefit Obligation, end of year	<u>7,511,000</u>	<u>7,013,000</u>
Pension Assets, at market related values	-	-
Funded Status - (Deficiency) Surplus	(7,511,000)	(7,013,000)
Unamortized Actuarial (Gains) Losses	91,000	-
Accrued Benefit Liability	<u>(\$7,420,000)</u>	<u>(\$7,013,000)</u>

V. Sick Leave – Non-Teaching

Morneau Shepell provided to the Province of Nova Scotia on June 18, 2013 the requested financial disclosure figures related to the Sick Leave Benefit (the "Sick Leave") to Non-Teaching employees of all School Boards in Nova Scotia for the fiscal year ending March 31, 2012 ("fiscal 2012"). The accounting results are based on the understanding of the methods prescribed under Section PS 3255 of the CICA Public Sector Accounting Handbook ("PS 3255") which applies to sick leave and severance benefits.

Sick Leave historical data for the fiscal years 2008 to 2011 (i.e. from April 1, 2008 to March 31, 2012) was also provided by the Province. This data was then used to develop an assumption for excess usage (i.e. hours of sick leave used in a given year in excess of the sick leave accrued that year) by age group which was then used in the calculation of the Accrued Benefit Obligation ("ABO") and annual current service cost.

Valuation date	March 31, 2012					
Annual discount rate	4.30 per annum as at April 1, 2012 and at any valuation date thereafter					
	4.75% per annum as at March 31, 2011 and as at March 31, 2012					
Annual salary increases	3.25% per annum					
Sample net excess utilization						
Rate of sick leave	<u>Age</u>	<u>Hours</u>	<u>Age</u>	<u>Hours</u>	<u>Age</u>	<u>Hours</u>
	20	4.2	40	11.9	60	19.6
	25	6.1	45	13.8	65	21.5
	30	8.0	50	15.8		
	35	10.0	55	17.7		
Termination						Nil
Mortality Pre-Retirement						Nil
Retirement age	35% at Rule of 80, minimum age of 55					
	65% at the earliest of age 65 and 35 years of service					
Actuarial cost method	Projected Unit Credit pro-rated on service to date of usage					

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

9. Commitments and Contingencies (continued)

Continuity of Sick Leave Liability - Non- Teachers	<u>2013</u>	<u>2012</u>
Opening Benefit Obligation, beginning of the year	\$788,906	\$766,260
Current Service Cost	107,575	101,360
Interest on Obligation	34,434	36,078
Impact of Plan Amendment	-	-
Other (Past Service, Transfers, etc.)	-	-
Less: Sick Leave Taken	(118,810)	(114,792)
Actuarial (Gains) Losses	5,472	-
Closing Benefit Obligation, end of year	\$817,577	\$788,906
Pension Assets, at market related values	-	-
Funded Status - (Deficiency) Surplus	(817,577)	(788,906)
Unamortized Actuarial (Gains) Losses	5,472	-
Accrued Benefit Liability	<u>(\$812,105)</u>	<u>(\$788,906)</u>

Summary of Sick Leave Obligations

	<u>2013</u>	<u>2012</u>
Sick Leave - Teachers	7,420,000	7,013,000
Sick Leave - Non-Teachers	812,105	788,906
Total Sick Leave Obligations	<u>\$8,232,105</u>	<u>\$7,801,906</u>

The Board has recognized in these financial statements, the liability associated with accumulated sick leave earned by 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, 2013.

10. Deferred Revenue

Deferred Revenue as of March 31:	<u>2013</u>	<u>2012</u>
Teachers PD Fund	\$79,960	\$53,639
International Student Program	345,279	90,260
Programs - Province of Nova Scotia	811,524	1,140,407
Total	<u>\$1,236,763</u>	<u>\$1,284,306</u>

11. Bank Indebtedness

The Board has not utilized the available operating line of credit as of March 31, 2013, with the Bank of Montreal.

South Shore Regional School Board

Notes to the Financial Statements

March 31, 2013

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, taxable benefits and membership dues) totalling greater than \$100,000 for the year ended March 31, 2013 as follows:

Name	Location	Position	Total
Comeau, Gaston	South Shore Regional	Coordinator- French Language	105,623.43
Dewolfe, Jeff	South Shore Regional	Director of Programs And Student Services	100,104.22
Doucette, Terrence	Liverpool High	Principal	102,426.69
Landry, Mitchell	SSRSB	Coordinator, Assessment & Technology	101,123.46
McLellan, Charles	Bridgewater High	Principal	101,535.57
Munro, Tina	South Shore Regional	Director of Human Resources	119,629.86
Prest, Steve	South Shore Regional	Director of Operations	117,691.40
Pynch-Worthylake, Nancy	South Shore Regional	Superintendent	155,148.71
Tattrie, Wade	South Shore Regional	Director of Finance	119,714.15
Williamson, Charles	Park View	Principal	108,085.64