



Financial Statements

Tri-County Regional School Board

March 31, 2008

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Grant Thornton

## Auditors' Report

Grant Thornton LLP  
166 North Street, PO Box 220  
Bridgewater, NS  
B4V 2V6  
T (902) 543-8115  
F (902) 543-7707  
[www.GrantThornton.ca](http://www.GrantThornton.ca)

To the Chairperson and Members of the Board of  
The Tri-County Regional School Board

We have audited the statement of financial position of the Tri-County Regional School Board as at March 31, 2008, and the statements of operations and surplus, changes in net financial resources and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit except as explained in the following paragraph.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with other school boards in Nova Scotia, the Board is ultimately accountable for revenue earned by schools from school generated funds, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues and opening balances is limited to the amounts recorded in the records of the schools in which these funds are held. Therefore, we are not able to determine whether any adjustments might be necessary to school generated revenue, excess of revenue over expenditure, assets and net financial resources.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2008 and the results of its operations, changes in net financial resources and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Bridgewater, Nova Scotia  
June 10, 2008

Chartered Accountants

# Tri-County Regional School Board

## Statement of Financial Position

As at March 31

2008

2007

### Financial Assets

Cash and Cash Equivalents	\$	163,182	\$	2,534,480
Cash Held by Schools (Notes 2)		935,189		894,292
	\$	1,098,371	\$	3,428,772
Accounts Receivable				
Province of Nova Scotia	\$	2,282,132	\$	1,548,381
Government of Canada		413,412		192,789
Other		111,710		447,796
Accrued Benefit Asset (Note 3)		144,300		115,000
Receivable - Service Award Allowance (Note 7)		2,526,057		2,222,952
<b>Total Financial Assets</b>	<b>\$</b>	<b>6,575,982</b>	<b>\$</b>	<b>7,955,690</b>

### Liabilities

Accounts Payable and Accrued Liabilities-Trade	\$	1,659,462	\$	2,016,961
Payroll and Employee Deductions		1,447,824		2,241,400
Payables and Accruals - Government				
Province of Nova Scotia		14,022		16,465
Government of Canada		1,659		937
Municipalities		8,089		10,445
Other (Government Service Organizations)		116,930		45,240
Deferred Revenue (Note 9)		771,587		924,537
Service Award Obligations (Note 7)		2,526,057		2,222,952
<b>Total Liabilities</b>	<b>\$</b>	<b>6,545,630</b>	<b>\$</b>	<b>7,478,937</b>

### Net Financial Resources

	\$	30,352	\$	476,753
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### Non-Financial Assets (Note 1)

Tangible Capital Assets	\$	110,701	\$	29,578
Inventory		229,890		186,346
Prepaid Expenses		433,270		385,895
	\$	773,861	\$	601,819

### Accumulated Surplus (Note 1)

	\$	804,213	\$	1,078,572
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Trust Funds under Administration (Note 4 and Schedule D)

Contractual Obligations (Note 5)

Commitments and Contingencies (Note 7)

On Behalf of the Board

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Board Member

**Tri-County Regional School Board**  
**Statement of Operations and Surplus**

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenues (Schedule A)</b>			
Province of Nova Scotia	\$ 50,277,886	\$ 50,946,297	\$ 47,697,142
Government of Canada	219,264	195,598	212,188
Municipal Contributions	9,786,200	9,786,152	9,290,374
School Generated Funds (Note 2)	2,600,000	2,551,481	2,663,601
Board Operations	1,039,380	1,181,168	1,125,731
Total Revenues	<u>\$ 63,922,730</u>	<u>\$ 64,660,696</u>	<u>\$ 60,989,036</u>
<b>Expenses (Schedule B)</b>			
Board Governance	\$ 282,849	\$ 277,306	\$ 278,946
Regional Management	2,340,921	2,229,469	1,959,539
School Management & Support	5,864,925	5,984,001	5,498,356
Instruction & School Services	30,099,614	30,423,754	29,767,769
Student Support	7,045,421	7,728,396	6,566,346
Adult & Community Education	413,095	417,453	402,896
Property Services	8,222,698	8,712,959	7,197,528
Student Transportation	4,455,285	4,460,033	4,394,501
School Generated Funds (Note 2)	2,600,000	2,510,583	2,643,362
Other Programs	2,782,203	2,220,401	1,978,143
Defined Benefit Pension Plan Recovery	-	(29,300)	14,400
	<u>\$ 64,107,011</u>	<u>\$ 64,935,055</u>	<u>\$ 60,701,786</u>
<b>School Board (Deficit) Surplus, on an expense basis</b>	\$ 184,281	\$ (274,359)	\$ 287,250
<b>Transfer to Operating-prior year surplus (deficit)</b>	(184,281)	184,281	(82,729)
<b>Accumulated (Deficit) Surplus, end of year</b>	<u>\$ -</u>	<u>\$ (90,078)</u>	<u>\$ 204,521</u>
<b>Accumulated Surplus, beginning of year</b>	\$ -	\$ 1,078,572	\$ 791,322
<b>Transfer (Surplus) Deficit to fund current operations</b>	-	(184,281)	82,729
	<u>\$ -</u>	<u>\$ 804,213</u>	<u>\$ 1,078,572</u>

**Designation of Accumulated Surplus: (Note 1)**

Operating Surplus- Unrestricted, beginning of year	\$ 184,281	\$ (82,729)
Operating Deficit, including school funds	(274,359)	287,250
	<u>(90,078)</u>	<u>204,521</u>
Operating Surplus-Designated to School Funds	(40,898)	(20,239)
Operating Surplus-Unrestricted, end of year	<u>\$ (130,976)</u>	<u>\$ 184,282</u>
School Funds-Restricted, beginning of year	\$ 894,291	\$ 874,051
School Funds-Restricted-net surplus for year	40,898	20,239
School Funds-Restricted, end of year	<u>\$ 935,189</u>	<u>\$ 894,290</u>
	<u>\$ 804,213</u>	<u>\$ 1,078,572</u>

**Tri-County Regional School Board**  
**Statement of Changes in Net Financial Resources**

For the year ended March 31

**2008**

**2007**

	<u>Actual</u>	<u>Actual</u>
<b>Net Financial Resources, beginning of year</b>	<b>\$ 476,753</b>	<b>\$ 276,226</b>
<b>Changes in the Year</b>		
Prior year (surplus)/deficit to current operations	(184,281)	82,729
Annual (deficit)/surplus	(90,077)	204,520
(Increase) decrease in Tangible Capital Assets	(81,123)	(29,578)
(Increase) decrease in inventories of supplies	(43,545)	(19,900)
(Increase) decrease in prepaid expenses	(47,375)	(37,244)
<b>(Decrease) increase in net financial resources</b>	<b>(446,401)</b>	<b>200,527</b>
<b>Net Financial Resources, end of year</b>	<b>\$ 30,352</b>	<b>\$ 476,753</b>

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**Tri-County Regional School Board****Statement of Cash Flows**

For the year ended March 31

**2008****2007**

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**Indirect Method****Operating Transactions**

Operating surplus on an expense basis	\$ (233,461)	\$ 267,010
School generated funds	(40,898)	20,239
School Board surplus	<u>(274,359)</u>	<u>287,249</u>

## Items not affecting cash:

Capital asset amortization	<u>37,153</u>	<u>-</u>
Changes in non-cash working capital		
(Increase) decrease in accounts receivable	(618,288)	(472,974)
(Increase) decrease in receivables - service awards	(303,105)	609,397
(Increase) decrease in inventories of supplies	(43,545)	(19,900)
(Increase) decrease in prepaid expenses	(47,375)	(37,244)
(Increase) decrease in tangible capital assets	(118,276)	(29,578)
(Increase) decrease in accrued benefit asset	(29,300)	14,400
Increase (decrease) in accounts payable and accruals	(1,083,463)	1,332,631
Increase (decrease) in deferred revenue	(152,949)	280,646
Increase (decrease) in retirement obligations payable	303,105	(609,397)
	<u>(2,093,196)</u>	<u>1,067,981</u>

Cash (used) provided by operating activities	<u>(2,330,402)</u>	<u>1,355,230</u>
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**Capital Activities**

Cash applied to capital activities	<u>-</u>	<u>-</u>
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<b>(Decrease) increase in cash</b>	<b>\$ (2,330,402)</b>	<b>\$ 1,355,230</b>
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<b>Cash, beginning of year</b>	<b>\$ 3,428,772</b>	<b>\$ 2,073,542</b>
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<b>Cash, end of year</b>	<b>\$ 1,098,371</b>	<b>\$ 3,428,772</b>
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# Tri-County Regional School Board

## Schedule A - Supplementary Details of Revenues

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Province of Nova Scotia</b>			
Operating	\$ 36,640,802	\$ 36,640,800	\$ 36,217,998
Restricted	10,443,387	9,965,049	9,474,425
Capital	1,586,200	1,762,615	499,689
Other	1,602,497	2,577,833	1,445,879
Recoveries	5,000	-	59,151
	<u>\$ 50,277,886</u>	<u>\$ 50,946,297</u>	<u>\$ 47,697,142</u>
<b>Government of Canada</b>			
First Nations	\$ 219,264	\$ 195,598	\$ 212,188
<b>Appropriations from Councils</b>	<u>\$ 9,786,200</u>	<u>\$ 9,786,152</u>	<u>\$ 9,290,374</u>
<b>School Generated Funds (Note 2)</b>	<u>\$ 2,600,000</u>	<u>\$ 2,551,481</u>	<u>\$ 2,663,601</u>
<b>Board Operations</b>			
Board Generated Revenue - Other Revenue	\$ 895,956	\$ 1,073,944	\$ 979,276
Rental of Facilities	-	-	2,588
Interest/Investment	135,424	106,597	135,424
Sale of Assets	8,000	627	8,443
	<u>\$ 1,039,380</u>	<u>\$ 1,181,168</u>	<u>\$ 1,125,731</u>
<b>Total Revenue</b>	<u>\$ 63,922,730</u>	<u>\$ 64,660,696</u>	<u>\$ 60,989,036</u>

# Tri-County Regional School Board

## Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Board Governance</b>			
Salaries	\$ 126,060	\$ 128,950	\$ 143,277
Benefits	5,986	5,532	6,960
Travel	25,025	30,034	29,510
Supplies/Materials/Telecommunications	42,752	39,764	26,402
Professional Development	30,900	20,900	20,900
NSSBA Dues	52,126	52,126	51,897
<b>Total Board Governance</b>	<b>\$ 282,849</b>	<b>\$ 277,306</b>	<b>\$ 278,946</b>
<b>Regional Management</b>			
Salaries	\$ 1,101,561	\$ 1,053,315	\$ 1,023,556
Benefits	205,871	174,677	205,284
Travel	105,679	102,674	85,403
Professional Services-Legal and Audit	95,115	116,516	78,461
Contracted Services	782,209	770,050	580,399
Repairs/Maintenance	20,000	3,978	27,603
Vehicle Expense	-	267	-
Supplies/Materials/Telecommunications	215,063	184,529	162,373
Utilities	38,626	36,642	23,259
Professional Development	94,441	53,011	63,194
Insurance	91,847	86,032	86,422
Recovery-Shared Services	(409,491)	(352,222)	(376,415)
<b>Total Regional Management</b>	<b>\$ 2,340,921</b>	<b>\$ 2,229,469</b>	<b>\$ 1,959,539</b>
<b>School Management &amp; Support</b>			
Salaries	\$ 4,403,697	\$ 4,633,927	\$ 4,216,764
Benefits	435,230	471,784	449,884
Travel	109,172	94,017	85,952
Contracted Services	32,089	16,585	25,294
Repairs/Maintenance	-	1,824	295
Vehicle Expense	-	605	-
Supplies/Materials/Telecommunication/Utilities	624,313	574,921	579,686
Utilities-IT	4,861	6,718	5,735
Professional Development	255,563	183,620	134,746
<b>Total School Management &amp; Support</b>	<b>\$ 5,864,925</b>	<b>\$ 5,984,001</b>	<b>\$ 5,498,356</b>
<b>Instruction &amp; School Services</b>			
Salaries	\$ 26,995,464	\$ 27,056,810	\$ 26,614,636
Benefits	1,341,582	1,522,650	1,536,618
Service Award Allowances-Current	342,900	263,325	113,504
Travel	20,557	17,124	20,288
Contracted Services	168,246	195,807	260,989
Supplies/Materials/Telecommunications	631,792	614,873	524,163
Textbook Allocation	475,800	475,800	499,500
Service Award Allowances-Interest	-	153,900	64,300
Professional Development	123,273	123,465	133,771
<b>Total Instruction &amp; School Services</b>	<b>\$ 30,099,614</b>	<b>\$ 30,423,754</b>	<b>\$ 29,767,769</b>

# Tri-County Regional School Board

## Schedule B - Supplementary Details of Expenditures

For the year ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Student Support</b>			
Salaries	\$ 6,194,049	\$ 6,895,289	\$ 5,817,938
Benefits	594,531	621,194	555,736
Travel	84,959	77,318	63,530
Supplies/Materials/Telecommunications	118,753	100,264	94,334
Professional Development	53,129	34,331	34,808
<b>Total Student Support</b>	<u>\$ 7,045,421</u>	<u>\$ 7,728,396</u>	<u>\$ 6,566,346</u>
<b>Adult &amp; Community Education</b>			
Salaries	\$ 348,265	\$ 365,993	\$ 353,929
Benefits	27,534	29,162	26,049
Travel	6,300	1,555	2,075
Contracted Services	5,356	3,683	3,690
Supplies/Materials/Telecommunications	23,640	17,060	17,153
Professional Development	2,000	-	-
<b>Total Adult &amp; Community Education</b>	<u>\$ 413,095</u>	<u>\$ 417,453</u>	<u>\$ 402,896</u>
<b>Property Services</b>			
Salaries	\$ 2,243,079	\$ 2,226,662	\$ 2,195,244
Benefits	462,826	459,337	453,673
Travel	7,554	13,569	11,270
Contracted Services	389,152	450,654	667,579
Repairs/Maintenance	2,441,874	2,708,120	1,331,732
Vehicle expenses	24,329	41,227	34,862
Supplies/Materials/Telecommunications	233,928	250,463	255,048
Utilities	2,117,340	2,269,990	1,999,532
Professional Development	6,900	8,482	3,029
Insurance	232,882	253,618	232,883
Vehicle Purchases	39,971	-	-
Amortization	22,863	30,837	12,676
<b>Total Property Services</b>	<u>\$ 8,222,698</u>	<u>\$ 8,712,959</u>	<u>\$ 7,197,528</u>
<b>Student Transportation</b>			
Salaries	\$ 2,177,451	\$ 2,213,771	\$ 2,206,807
Benefits	459,382	456,713	447,136
Travel	135,000	186,466	199,244
Contracted Services	55,875	49,074	56,158
Repairs/Maintenance	59,500	37,238	39,703
Vehicle Maintenance	1,230,498	1,287,415	1,200,052
Conveyance	80,000	72,087	73,480
Supplies/Materials/Telecommunications	112,209	68,976	79,718
Utilities	22,759	24,880	20,727
Professional Development	17,600	16,542	13,513
Insurance	99,000	86,847	96,038
Amortization	6,011	6,315	-
Recoveries	-	(46,291)	(38,075)
<b>Total Student Transportation</b>	<u>\$ 4,455,285</u>	<u>\$ 4,460,033</u>	<u>\$ 4,394,501</u>

See accompanying notes to the financial statements.

**Tri-County Regional School Board**  
**Schedule B - Supplementary Details of Expenditures**

For the Year Ended March 31

2008

2007

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>School Generated Funds</b>			
School Funded Activities (Note 3)	\$ 2,600,000	\$ 2,510,583	\$ 2,643,362
<b>Total School Generated Funds</b>	<b>\$ 2,600,000</b>	<b>\$ 2,510,583</b>	<b>\$ 2,643,362</b>
<b>Other Programs</b>			
Salaries	\$ 1,496,321	\$ 1,270,493	\$ 1,028,333
Benefits	78,892	69,308	63,316
Travel	104,842	87,966	66,021
Repairs/Maintenance	-	761	(8,582)
Supplies/Materials	1,078,207	777,203	825,023
Professional Development	23,941	14,670	4,032
<b>Total Other Programs</b>	<b>\$ 2,782,203</b>	<b>\$ 2,220,401</b>	<b>\$ 1,978,143</b>
<b>Defined Benefits Pension</b>			
Defined Benefits Pension Expense	\$ -	\$ (29,300)	\$ 14,400
<b>Total Defined Benefits Pension</b>	<b>\$ -</b>	<b>\$ (29,300)</b>	<b>\$ 14,400</b>
<b>Total Expenditures</b>	<b>\$ 64,107,011</b>	<b>\$ 64,935,055</b>	<b>\$ 60,701,786</b>

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

	Land, Buildings and Improvements	Major Equipment	Computer Hardware	Vehicles	2008 Total	2007 Total
<b>Cost of Tangible Assets</b>						
Opening Costs	\$ -	\$ -	\$ -	\$ 42,254	\$ 42,254	\$ -
Additions	-	-	-	118,276	118,276	42,254
Disposals	-	-	-	-	-	-
Closing Costs	\$ -	\$ -	\$ -	\$160,530	\$160,530	\$42,254
<b>Accumulated Amortization:</b>						
Opening Balance	\$ -	\$ -	\$ -	\$ 12,676	\$ 12,676	\$ -
Disposals	-	-	-	-	-	-
Amortization Expense	-	-	-	37,153	37,153	12,676
Closing Balance	\$ -	\$ -	\$ -	\$ 49,829	\$ 49,829	\$12,676
Net Book Value (NBV)	\$ -	\$ -	\$ -	\$110,701	\$110,701	\$29,578
<b>Net Book Value (NBV):</b>						
Opening Balance	\$ -	\$ -	\$ -	\$ 29,578	\$ 29,578	\$ -
Closing Balance	-	-	-	110,701	110,701	29,578
Increase (Decrease) in NBV	\$ -	\$ -	\$ -	\$ 81,123	\$ 81,123	\$29,578

# Tri-County Regional School Board

## Schedule D - Trust Funds Balance Sheet

As at March 31

2008

2007

### Assets

Cash (Note 4)	\$ 415,632	\$ 291,670
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### Equity

Augusta Nickerson	15,259	14,676
J. Pask Memorial	150	144
Elsie Hemeon Fund	607	584
F. Dakin and P. Dakin Dickson	47,105	45,789
Dr. Charles and Mary Webster	53,653	33,042
Reserve for Scholarships		
Yarmouth District Scholarship Society		
Unassigned	4,231	4,070
Samuel Margolian Trust - Yarmouth High	5,198	5,149
Samuel Margolian Trust - St. Ambrose	5,199	5,150
Churchill Trust	891	857
Loraleis Trust	1,663	1,668
Blackader - Kirk Trust	572	586
Olson	3,189	3,117
Andrew Maxwell	2,431	2,534
Estate of Marjorie E. Jones	17,969	17,283
Digby Community Theatre Fund	2,312	2,224
Atlantic Philanthropy	8	8
Shelburne High - New School	103,226	99,641
Faith Guay	10,867	9,260
Emily Allen	100,128	-
Barrington High-Enhancements-New School	40,974	45,888
	<u>\$ 415,632</u>	<u>\$ 291,670</u>

On Behalf of the Board

\_\_\_\_\_  
Superintendent

\_\_\_\_\_  
Director of Finance

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**Tri-County Regional School Board**  
**Schedule E - Supplementary Details of Trust Funds**  
For the year ended March 31, 2008

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	Balance Beginning of Period	<u>Additions</u>	<u>Interest</u>	<u>Disbursements</u>	<b>Balance End of Period</b>
Augusta Nickerson	\$ 14,676	\$ -	\$ 583	\$ -	\$ <b>15,259</b>
J. Pask Memorial	144	-	6	-	<b>150</b>
Elsie Hemeon	584	-	23	-	<b>607</b>
F. Dakin/P. Dakin Dickson	45,789	-	1,816	500	<b>47,105</b>
Dr. Charles/Mary Webster	33,042	21,392	1,261	2,042	<b>53,653</b>
Yarmouth Dist Scholarship Society					
Unassigned	4,070	-	161	-	<b>4,231</b>
S. Margolian Trust-Yarmouth High	5,149	-	199	150	<b>5,198</b>
S. Margolian Trust-St. Ambrose	5,150	-	199	150	<b>5,199</b>
Churchill Trust	857	-	34	-	<b>891</b>
Loraleis Trust	1,668	-	64	69	<b>1,663</b>
Blackader - Kirk Trust	585	-	22	35	<b>572</b>
Olson Trust	3,117	67	122	117	<b>3,189</b>
Andrew Maxwell	2,534	-	97	200	<b>2,431</b>
Estate of Marjorie E. Jones	17,283	-	686	-	<b>17,969</b>
Digby Community Theatre Fund	2,224	-	88	-	<b>2,312</b>
Atlantic Philanthropy	8	-	-	-	<b>8</b>
Shelburne High-New School	99,641	-	3,957	372	<b>103,226</b>
Faith Guay	9,260	2,227	380	1,000	<b>10,867</b>
Emily Allen	-	100,119	9	-	<b>100,128</b>
Barrington High-New School	45,888	-	1,740	6,654	<b>40,974</b>
	<u>291,669</u>	<u>123,805</u>	<u>11,447</u>	<u>11,289</u>	<u><b>415,632</b></u>

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 1. Financial Reporting and Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector, which for purposes of the school board's financial statements are represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), supplemented where appropriate by other CICA accounting standards or pronouncements.

These financial statements have been prepared using the following significant accounting policies:

#### **Basis of Accounting and Consolidation**

##### **Revenues**

Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

The statement of financial position is presented using the principles prescribed by the Department of Education. The balance sheet includes the accounts of the general and capital funds. Trust funds are not included in the statement of operations or in the statement of financial position. For a detailed review the reader should refer to the financial statements of each fund as presented in these financial statements.

##### **Expenses**

Expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices recorded. Expenses are recorded on the accrual basis and include the cost of supply inventories purchased during the year. Provisions are made for probable losses on certain loans, investments, accounts receivable, and are for contingent liabilities when it is likely that a liability exists and the amount can be reasonably determined. These provisions are updated as estimates are revised, at least annually.

##### **Use of estimates**

In preparing the Board's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

##### **Financial instruments**

The Board's financial instruments include receivables, cash and cash equivalents, bank indebtedness, investments, payable and accruals, due to/from related parties. Unless otherwise noted, it is management's opinion that the Board is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, except for payables to related parties, for which fair value was not readily determinable.

##### **Financial Assets**

Cash and cash equivalents are recorded at cost which approximates market value.

Accounts receivable are recorded at the principal amount less valuation allowances, if applicable.

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 1. Financial Reporting and Accounting Policies (continued)

#### 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 Resources

Net financial resources represent the financial assets of the Board less financial liabilities.

#### Non-Financial Assets

Inventories are bus garage parts and bus tire inventories recorded at average cost. All other supplies and purchases are expensed.

#### Tangible Capital Assets

Tangible Capital Assets have useful lives extending beyond the accounting period, are held for use in the production or supply of goods and services and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at net historical cost, when applicable. Tangible capital assets include land, buildings, computer equipment and software, and vehicles. Tangible capital assets do not include intangibles or assets acquired by right. The buildings and school buses financed by the Province of Nova Scotia and transferred to the school boards are not accounted for in the school board's financial statements; rather they are included in the Province of Nova Scotia's financial statements.

The Board adopted the Province of Nova Scotia's Tangible Capital Assets Accounting Policy thresholds and only those assets meeting the thresholds are recorded as additions. The thresholds and amortization rates using the declining balance method, as defined in the policy are as follows:

	<u>Threshold</u>	<u>Rates</u>
Building	\$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.

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 1. Financial Reporting and Accounting Policies (continued)

#### 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>2008</u>	<u>2007</u>
Balance Surplus, beginning of year	\$ 1,078,572	\$ 791,322
(Deficit) surplus, current year	<u>(274,359)</u>	<u>287,250</u>
Balance Surplus, end of year	<u>\$ 804,213</u>	<u>\$ 1,078,572</u>
Designation of accumulated surplus:		
General Fund-unrestricted	\$ (130,976)	\$ 11184,281
School general funds-restricted	<u>935,189</u>	<u>894,291</u>
Balance, end of year	<u>\$ 804,213</u>	<u>\$ 1,078,572</u>

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### 2. School Generated Funds

These financial statements include funds arising from certain school and student activities that are controlled and administered by each school, but for which the Board is accountable. Revenue from school funds is recognized as the funds are received. School funded activities expenses are recorded as the funds are expended. School Generated Funds, which 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:

Changes in surplus are as follows:	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 894,291	\$ 874,052
Additions to school generated funds	2,551,481	2,663,601
School funded activities expenses	<u>(2,510,583)</u>	<u>(2,643,362)</u>
Net school generated funds for year	<u>40,898</u>	<u>20,239</u>
Balance, end of year	<u>\$ 935,189</u>	<u>\$ 894,291</u>

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### 3. Defined Benefit Pension Plans

Details on the defined benefit plans are provided by Morneau Sobeco and have been determined by them in accordance with PS 3250 for the Southwest Regional School Board C.U.P.E. Staff Pension Plan (the "CUPE

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 3. Defined Benefit Pension Plans (continued)

Plan”) and the Southwest Regional School Board Support Staff Pension Plan (the “Support Staff Plan”). Results are presented for the fiscal year ending March 31, 2008.

Plan restructuring to separate each plan into the South Shore Regional School Board (“SSRSB”) and the Tri-County Regional School Board (“TCRSB”) is in progress as of March 31, 2008. The results are under the CUPE and Support Staff Plan names until the split between the SSRSB and TCRSB is finalized.

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

- The asset split between SSRSB and TCRSB has been adjusted to reflect the most up-to-date information contained in the actuarial valuation reports for funding purposes that have been prepared as at March 31, 2007, in which assets for each plan were allocated according to solvency liabilities.
- A new valuation has been performed on an accounting basis at March 31, 2007 (and rolled back to the measurement date of December 31, 2006), and the Accrued Benefit Obligation has been adjusted accordingly at the beginning of fiscal 2008.

For both plans, employee contributions equal 5% of their salary, and the School Boards contribute the balance to fund the plan.

#### **C.U.P.E defined benefit pension plan**

The CUPE pension plan was last valued on March 31, 2007. These valuations were projected to December 31, 2007 and 2008. The accrued benefit asset was adjusted to March 31, 2008 by including employer contributions made between January and March of 2008. The actuarial valuation projects a deficit of \$425,100 for the SSRSB and \$212,500 for the TCRSB for a total of \$637,600 as of March 31, 2008. Plan assets are recorded at market value. The board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

The following table shows the plan’s pension expense for the 2008 fiscal year, the expected benefit asset as at March 31, 2008 and a reconciliation of the accrued benefit asset as at March 31, 2008.

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

# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

### 3. Defined Benefit Pension Plans (continued)

#### Development of Accrued Benefit Asset as at March 31, 2008

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

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

	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Assets	\$ 8,548,000	\$ 1,823,600	\$ 10,371,600
Accrued Benefit Obligation	<u>8,973,200</u>	<u>2,036,000</u>	<u>11,009,200</u>
Funded status as at March 31, 2008	(425,100)	(212,500)	(637,600)
Less: unamortized actuarial gains	591,500	208,800	800,300
Plus: Employer Contributions January to March 2008	<u>51,200</u>	<u>27,400</u>	<u>78,600</u>
Accrued Benefit Asset as at March 31, 2008	<u>\$ 217,600</u>	<u>\$ 23,800</u>	<u>\$ 241,300</u>

Major assumptions regarding the CUPE pension plan are as follows:

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5%
Expected rate of return on plan assets	6%
Annual salary increases	3%
Interest credited on employee contributions	6%
Retirement age	65 years (or in one year, if later)
Administrative Expenses	Implicitly recognized in the interest rate

#### **Support staff defined benefit pension plan**

The Support Staff pension plan was last valued on March 31, 2007. These valuations were projected to December 31, 2007 and 2008. The accrued benefit asset was adjusted to March 31, 2008 by including employer contributions made between January and March of 2008. The actuarial valuation projects a deficit of \$602,100 for the SSRSB and a surplus of \$4,400 for the TCRSB for a total deficit of \$597,800. Plan assets are recorded at market value. The Board uses the Projected Unit Credit method of actuarial costs, which is prorated on service.

The following table shows the plan's pension expense for the 2008 fiscal year, expected benefit asset as at March 31, 2008 and a reconciliation of the accrued benefit asset as at March 31, 2008.

# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

### 3. Defined Benefit Pension Plans (continued)

<b>Pension Expense:</b>	<u>South Shore</u>	<u>Tri-County</u>	<u>Total plan</u>
Pension Expenditure/Expense:			
Current Service Cost (net of employee contributions)	\$ 496,200	\$ 206,800	\$ 703,000
Amortization of actuarial losses	17,500	5,400	23,000
Pension Interest Expenditure/Expense:			
Interest cost on accrued benefit obligation	512,200	54,000	566,200
Expected return on plan assets	<u>(580,600)</u>	<u>(63,700)</u>	<u>(644,300)</u>
Total fiscal 2008 pension expense	<u>\$ 445,300</u>	<u>\$ 202,500</u>	<u>\$ 647,800</u>

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

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

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

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

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

Actuarial Cost Method	Projected Unit Credit Prorated on Service
Discount rate	5%
Expected rate of return on plan assets	6%
Annual salary increases	3%
Interest credited on employee contributions	6%
Retirement age	60 years
Administrative Expenses	Implicitly recognized in the interest rate

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

Accrued Benefit Asset – March 31, 2008	\$ 171,300
Accrued Benefit Liability – March 31, 2007	\$ (146,000)

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 3. Defined Benefit Pension Plans (continued)

#### Other pension plans

The School Board's teaching staff is covered by a pension plan established by the Province of Nova Scotia pursuant to the Teachers Pension Act. Employer contributions for these employees are provided directly by the Province of Nova Scotia. Some non-teaching employees are covered by a multi-employer pension plan by the Nova Scotia School Board Association. The plans contain both a defined benefit plan and a defined contribution plan. The pension costs and obligations related to these plans are the direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements.

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### 4. Trust Funds under Administration

Trust fund assets administered by the School Board are identified in Schedule D. The Trust funds represent capital contributed in trust as well as income thereon. Such income is used to provide scholarships for eligible students or expenditures for specifically, designated purposes.

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### 5. Contractual Obligations

Minimum payments over the next five years are as follows:

	Rental Leases	Copier Leases	Total
2008	\$ 280,765	\$ 63,167	\$ 343,932
2009	254,301	34,892	289,193
2010	249,459	26,117	275,576
2011	249,459	25,634	275,093
2012	187,094		187,094
Total	<u>\$ 1,221,078</u>	<u>\$ 149,810</u>	<u>\$1,370,888</u>

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### 6. Legal

There are a number of claims and possible claims outstanding against the Board. The outcomes of these claims are not determinable and therefore no amounts have been recorded in the accounts of the Board. Any settlements resulting from the resolution of these claims will be treated as a charge to operations in the period the settlement occurs.

# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

### 7. Commitments and Contingencies

#### Service Awards

For all service on or before July 31, 2000, under the terms of agreements with local units of the Nova Scotia Teachers' Union, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amounts of the awards are as follows:

Shelburne District	- \$90 per years of service (maximum 35 years)
Yarmouth District	- 0.75 of 1% of annual salary (maximum TC6) per years of service (maximum 30 years)
Digby District	- \$80 per years of service (maximum 30 years)
Clare-Argyle District	- 0.6 of 1% of annual salary per years of service (maximum 35 years)

For all service commencing on or after August 1, 2000 under the terms of agreement with the NSTU and the Province of Nova Scotia, the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years service with the Board. The amount of the award is as follows: .75 of 1% for each year of service with the Board multiplied by the annual salary rate on the last day of employment with the Board.

For all service commencing on or after August 1, 2002 under the terms of agreement with the NSTU and Province of Nova Scotia the Board is required to pay a service award to each teacher who accumulates a minimum of fifteen years of service with the Board. The amount of the award is as follows: 1% of each year of service with the Board multiplied by the annual salary rate on the last day of employment with the Board.

The Province of Nova Scotia assumed responsibility for the payment of Service Awards for teachers effective April 1, 2002. The Board has recorded a service award and interest expense for the service awards for teachers, as provided by the Province of Nova Scotia.

<b>Continuity of Service Award Allowance Liability</b>	<b><u>March 31, 2008</u></b>	<b><u>March 31, 2007</u></b>
Opening benefit obligation, beginning of the year	\$ 2,832,900	\$ 1,658,400
Current service cost	230,400	201,700
Interest on obligation	153,900	64,300
Less: benefits paid	(114,120)	(787,200)
Actuarial (gains) losses	211,600	1,695,700
Closing benefit obligation, end of year	<b>3,314,680</b>	2,832,900
Pension assets, at market related values		0
Funded status – surplus (deficiency)	<b>(3,314,680)</b>	(2,832,900)
Unamortized actuarial (gains) losses	788,623	609,948
Accrued benefit asset (liability)	<b>\$ (2,526,057)</b>	\$ (2,222,952)

#### Collective agreements

The collective agreement with the Nova Scotia Government Employees Union expires on March 31, 2009. The collective agreement with the Nova Scotia Teachers Union expires on July 31, 2009.

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

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# Tri-County Regional School Board

## Notes to the Financial Statements

March 31, 2008

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### 7. Commitments and Contingencies (continued)

#### Environmental Matters

As at year end there are amounts likely to be incurred with respect to clean up of oil contaminated soil at the Ragged Islands School and Barrington Municipal High School sites. The amounts required to fund the removal of contaminated soil are not determinable as of the date of the financial statement preparation, therefore, no liability has been accrued.

#### Sick leave

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

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### 8. Bank Indebtedness

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

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### 9. Deferred Revenue

Deferred revenue as of March 31:	<u>2008</u>	<u>2007</u>
Teachers PD Fund	\$ 11,396	\$ 87,365
International Student Fund	33,764	-
Other Programs	<u>726,427</u>	<u>837,181</u>
	\$ <u>771,587</u>	\$ <u>924,537</u>