



Financial Statements of

**CAPE BRETON-VICTORIA  
REGIONAL SCHOOL BOARD**

Year ended March 31, 2011

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Financial Statements

March 31, 2011

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## INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board Members  
Cape Breton-Victoria Regional School Board

We have audited the accompanying financial statements of Cape Breton-Victoria Regional School Board which comprise the statement of financial position as at March 31, 2011 and the statements of operations, accumulated surplus, change in net financial assets and cash flows 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 generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 auditors' 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 auditors consider 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 all school boards in Nova Scotia, the Board is required to report school-based funds in its financial activities, the completeness of which is not subject to satisfactory audit verification. Accordingly, we were not able to determine whether any adjustments might be necessary to school-based funds, revenue, expenditure, excess of revenue over expenditure, assets and surplus.

### Qualified Opinion

In our opinion, except for the effect of adjustments, if any, we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of school-based funds referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the School Board as at March 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*MGM & Associates*

Chartered Accountants  
Sydney, Canada  
June 20, 2011

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Financial Position

March 31, 2011, with comparative figures for 2010

|   | 2011                | 2010                |
|---|---------------------|---------------------|
| <b>Financial Assets</b>                       |                     |                     |
| Cash and cash equivalents:                    |                     |                     |
| General                                       | \$ 979,140          | \$ -                |
| School-based funds (note 2)                   | 2,661,762           | 2,557,551           |
|   | 3,640,902           | 2,557,551           |
| Accounts receivable:                          |                     |                     |
| Province of Nova Scotia (note 3)              | 11,156,861          | 13,047,997          |
| First Nation (note 4)                         | -                   | 587,549             |
| Government of Canada (note 5)                 | 644,935             | 537,063             |
| Other   | 1,388,010           | 1,005,734           |
|   | 13,189,806          | 15,178,343          |
| Retirement service awards receivable (note 6) | 5,700,936           | 5,467,773           |
| Restricted cash and investment - scholarships | 549,399             | 554,183             |
| <b>Total financial assets</b>                 | <b>23,081,043</b>   | <b>23,757,850</b>   |
| <b>Financial Liabilities</b>                  |                     |                     |
| Cheques issued in excess of funds on deposit  | -                   | 1,735,585           |
| Payable and accruals - trade                  | 3,921,111           | 6,237,332           |
| Teachers' salary payable                      | 3,112,858           | 2,940,960           |
| Non-teaching vacation pay payable             | 1,060,023           | 1,294,783           |
| Other salary payable                          | 1,681,769           | 1,463,798           |
|   | 9,775,761           | 13,672,458          |
| Payables and accruals - government:           |                     |                     |
| Province of Nova Scotia                       | 584,226             | 26,200              |
| Government of Canada                          | 3,890               | 8,515               |
| Municipalities                                | 15,692              | 80,469              |
|   | 603,808             | 115,184             |
| Deferred revenue                              | 2,339,845           | 2,001,902           |
| Retirement service awards obligation (note 6) | 5,700,936           | 5,467,773           |
| Scholarship trust funds                       | 549,399             | 554,183             |
| <b>Total financial liabilities</b>            | <b>18,969,749</b>   | <b>21,811,500</b>   |
| <b>Net Financial Assets</b>                   | <b>4,111,294</b>    | <b>1,946,350</b>    |
| <b>Non-Financial Assets</b>                   |                     |                     |
| Prepaid expenses                              | 557,031             | 685,932             |
| Tangible capital assets (note 7)              | 220,098             | 177,870             |
| <b>Total non-financial assets</b>             | <b>777,129</b>      | <b>863,802</b>      |
| <b>Accumulated surplus</b>                    | <b>\$ 4,888,423</b> | <b>\$ 2,810,152</b> |

Commitments (note 13)

Contingencies (note 14)

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Chairperson

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

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Operations

Year ended March 31, 2011, with comparative figures for 2010

|  | 2011                | 2011                | 2010              |
|--|---------------------|---------------------|-------------------|
|  | Budget              | Actual              | Actual            |
| <b>Revenue (Schedule A):</b>   |                     |                     |                   |
| Province of Nova Scotia  | \$ 134,375,600      | \$ 142,715,292      | \$ 139,071,553    |
| Government of Canada   | 1,030,150           | 1,480,413           | 1,030,099         |
| Municipal contributions  | 12,635,500          | 12,635,736          | 12,716,712        |
| Other revenues   | 2,768,010           | 4,022,940           | 3,808,135         |
| School-based funds (note 2)  | —                   | 6,561,375           | 6,653,233         |
|  | 150,809,260         | 167,415,756         | 163,279,732       |
| <b>Expenditures (Schedule B):</b>  |                     |                     |                   |
| Board governance   | 356,152             | 313,232             | 364,837           |
| Regional management  | 3,267,127           | 3,338,234           | 3,426,506         |
| School management and support  | 16,921,175          | 16,385,790          | 16,747,166        |
| Instructional and school services  | 70,470,672          | 72,451,755          | 72,446,092        |
| Student support  | 24,903,897          | 24,843,058          | 25,529,754        |
| Adult and community education  | 1,050,828           | 997,391             | 978,258           |
| Property services  | 25,973,891          | 31,374,919          | 27,798,299        |
| Student transportation   | 7,064,162           | 6,896,728           | 7,240,446         |
| Other programs   | 953,957             | 2,160,700           | 2,068,060         |
| Tangible capital asset amortization  | 100,000             | 118,514             | 95,776            |
| School-based funds (note 2)  | —                   | 6,457,164           | 6,053,421         |
|  | 151,061,861         | 165,337,485         | 162,748,615       |
| <b>Excess of (expenditures over revenue)<br/>revenue over expenditures</b> | <b>\$ (252,601)</b> | <b>\$ 2,078,271</b> | <b>\$ 531,117</b> |

See accompanying notes to financial statements.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Accumulated Surplus

Year ended March 31, 2011, with comparative figures for 2010

|   | 2011         | 2010         |
|---|--------------|--------------|
| Accumulated surplus, beginning of year    | \$ 2,810,152 | \$ 2,279,035 |
| Excess of revenue over expenditures       | 2,078,271    | 531,117      |
| Accumulated surplus, end of year          | \$ 4,888,423 | \$ 2,810,152 |
| <b>Accumulated surplus consisting of:</b> |              |              |
| Unrestricted                              | \$ 2,226,661 | \$ 252,601   |
| Internally restricted funds:              |              |              |
| School-based funds                        | 2,661,762    | 2,557,551    |
| Balance, end of year                      | \$ 4,888,423 | \$ 2,810,152 |

See accompanying notes to financial statements.



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Change in Net Financial Assets

Year ended March 31, 2011, with comparative figures for 2010

|   | 2011         | 2010         |
|---|--------------|--------------|
| Net financial assets, beginning of year | \$ 1,946,350 | \$ 1,474,987 |
| Changes during the year:                |              |              |
| Excess of revenue over expenditures     | 2,078,271    | 531,117      |
| Acquisition of tangible capital assets  | (160,742)    | (86,363)     |
| Amortization of tangible capital assets | 118,514      | 95,776       |
| Increase (decrease) in prepaid expenses | 128,901      | (69,167)     |
| Increase in net financial assets        | 2,164,944    | 471,363      |
| Net financial assets, end of year       | \$ 4,111,294 | \$ 1,946,350 |

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Cash Flows

Year ended March 31, 2011, with comparative figures for 2010

|  | 2011         | 2010        |
|--|--------------|-------------|
| Cash provided by (used in):                    |              |             |
| Operating activities:                          |              |             |
| Excess of revenue over expenditures            | \$ 2,078,271 | \$ 531,117  |
| Non-cash items:                                |              |             |
| Tangible capital asset amortization            | 118,514      | 95,776      |
| Cash used in operating activities              | 2,196,785    | 626,893     |
| Change in non-cash operating working capital:  |              |             |
| Decrease (increase) in accounts receivable     | 1,988,537    | (2,870,875) |
| Decrease (increase) in prepaid expenses        | 128,901      | (69,167)    |
| Increase (decrease) in accounts payable trade  | (2,316,221)  | 3,979,611   |
| Increase (decrease) in salaries payable        | 155,109      | (1,203,160) |
| Increase in payables and accruals – government | 488,624      | 57,679      |
| Increase (decrease) in deferred revenue        | 337,943      | (184,908)   |
|  | 2,979,678    | 336,073     |
| Financing activities:                          |              |             |
| Purchase of tangible capital assets            | (160,742)    | (86,363)    |
| Increase in cash and cash equivalents          | 2,818,936    | 249,710     |
| Cash and cash equivalents, beginning of year   | 821,966      | 572,256     |
| Cash and cash equivalents, end of year         | \$ 3,640,902 | \$ 821,966  |
| Represented on the financial statements by:    |              |             |
| Cash and cash equivalents – general            | \$ 979,140   | \$ –        |
| Cash and cash equivalents: school-based funds  | 2,661,762    | 2,557,551   |
| Cheques issued in excess of funds on deposit   | –            | (1,735,585) |
|  | \$ 3,640,902 | \$ 821,966  |
| Supplemental cash flow information:            |              |             |
| Interest received                              | \$ 46,968    | \$ 11,837   |
| Interest paid                                  | –            | 5,740       |

See accompanying notes to financial statements.



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Scholarship Fund Financial Position

March 31, 2011, with comparative figures for 2010

|                                   | 2011       | 2010       |
|-----------------------------------|------------|------------|
| <b>Assets</b>                     |            |            |
| Cash and investments              | \$ 549,399 | \$ 554,183 |
| <b>Equity</b>                     |            |            |
| Rossetti                          | \$ 170,763 | \$ 173,659 |
| Townsend                          | 997        | 988        |
| McDonagh                          | 5,275      | 5,403      |
| Panagiotakos                      | 8,943      | 9,087      |
| McQuarrie                         | 3,160      | 3,201      |
| Annie Hall                        | 1,914      | 1,937      |
| C.J.C.B.                          | 4,494      | 4,494      |
| Daniel Munroe                     | 2,991      | 3,015      |
| John D. MacLeod Memorial          | 993        | 1,005      |
| Annie Bell Grady Memorial         | 21,264     | 21,078     |
| T.L. Sullivan Memorial            | 1,917      | 1,955      |
| Adult High School                 | -          | 44         |
| O'Connell                         | 151,300    | 150,546    |
| Mary Elizabeth Brennan            | 2,279      | 2,309      |
| William Hilchie Memorial          | 3,000      | 3,023      |
| Isabel MacDermid Memorial         | 3,484      | 3,483      |
| Wendell & Diane Coldwell Memorial | 1,146      | 1,334      |
| Jon David Corbett                 | 3,021      | 3,044      |
| Leonard Matheson                  | 1,413      | 1,425      |
| Ellen Dunn Balah                  | 2,967      | 3,437      |
| George MacKay Bursary             | 144,959    | 145,475    |
| Minor Hockey                      | 9,459      | 10,367     |
| Fine Arts                         | 3,660      | 3,874      |
|                                   | \$ 549,399 | \$ 554,183 |

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Chairperson

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

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Statement of Continuity of Scholarship Fund

Year ended March 31, 2011, with comparative figures for 2010

|                            | Rossetti   | Townsend | McDonagh | Panagiotakos | McQuarrie | Annie Hall | C.J.C.B. | Munroe   |
|----------------------------|------------|----------|----------|--------------|-----------|------------|----------|----------|
| Balance, beginning of year | \$ 173,659 | \$ 988   | \$ 5,403 | \$ 9,087     | \$ 3,201  | \$ 1,937   | \$ 4,494 | \$ 3,015 |
| Interest earned            | 3,104      | 9        | 47       | 81           | 99        | 17         | -        | 26       |
|                            | 176,763    | 997      | 5,450    | 9,168        | 3,300     | 1,954      | 4,494    | 3,041    |
| Scholarship awarded        | 6,000      | -        | 175      | 225          | 140       | 40         | -        | 50       |
| Balance, end of year       | \$ 170,763 | \$ 997   | \$ 5,275 | \$ 8,943     | \$ 3,160  | \$ 1,914   | \$ 4,494 | \$ 2,991 |

|                            | MacLeod  | Grady     | Sullivan | Adult High School | O'Connell  | Brennan  | Hilchie  | MacDermid |
|----------------------------|----------|-----------|----------|-------------------|------------|----------|----------|-----------|
| Balance, beginning of year | \$ 1,005 | \$ 21,078 | \$ 1,955 | \$ 44             | \$ 150,546 | \$ 2,309 | \$ 3,023 | \$ 3,483  |
| Interest earned            | 8        | 186       | 17       | -                 | 1,334      | 20       | 27       | 101       |
|                            | 1,013    | 21,264    | 1,972    | 44                | 151,880    | 2,329    | 3,050    | 3,584     |
| Scholarship awarded        | 20       | -         | 55       | 44                | 580        | 50       | 50       | 100       |
| Balance, end of year       | \$ 993   | \$ 21,264 | \$ 1,917 | \$ -              | \$ 151,300 | \$ 2,279 | \$ 3,000 | \$ 3,484  |

|                            | Coldwell | Corbett  | Matheson | Dunn Balah | MacKay     | Minor Hockey | Fine Arts | 2011 Total | 2010 Total |
|----------------------------|----------|----------|----------|------------|------------|--------------|-----------|------------|------------|
| Balance, beginning of year | \$ 1,334 | \$ 3,044 | \$ 1,425 | \$ 3,437   | \$ 145,475 | \$ 10,367    | \$ 3,874  | \$ 554,183 | \$ 560,029 |
| Interest earned            | 12       | 27       | 13       | 30         | 1,284      | 92           | -         | 6,534      | 9,716      |
|                            | 1,346    | 3,071    | 1,438    | 3,467      | 146,759    | 10,459       | 3,874     | 560,717    | 569,745    |
| Scholarship awarded        | 200      | 50       | 25       | 500        | 1,800      | 1,000        | 214       | 11,318     | 15,562     |
| Balance, end of year       | \$ 1,146 | \$ 3,021 | \$ 1,413 | \$ 2,967   | \$ 144,959 | \$ 9,459     | \$ 3,660  | \$ 549,399 | \$ 554,183 |

See accompanying notes to financial statements.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Notes to Financial Statements

Year ended March 31, 2011

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The Cape Breton-Victoria Regional School Board is incorporated under the provisions of the Education Act of the Province of Nova Scotia and its principal business activity is operating a regional school system serving the Cape Breton Regional Municipality and the Municipality of the County of Victoria. 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.

### 1. Significant accounting policies:

#### Basis of accounting:

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:

#### (a) Revenues:

Revenues are recognized on an accrual basis. Grants received, donations and fees collected in advance of the provision or use of related services are deferred. The main components of revenue are funding from the Province of Nova Scotia, Government of Canada and Municipal contributions.

Each year, contributions by volunteers support the delivery of certain programs within schools. Due to the difficulty in determining or otherwise estimating the value of these contributions and because these services are not otherwise purchased, contributed services are not quantified and recognized in these financial statements.

#### (b) Expenditures:

Expenditures are recorded on an accrual basis and include the cost of supply inventories purchased during the year. Provisions are made 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.

#### (c) Financial assets:

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

Accounts receivable are recorded at the principal amount less valuation allowance. These allowances are recorded where collectability is considered doubtful.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Notes to Financial Statements

Year ended March 31, 2011

### 1. Significant accounting policies (continued):

#### (d) Liabilities:

Teachers' salary and benefit costs are accrued at year end. As directed by the Province of Nova Scotia, an offsetting receivable is recorded from the Province. The annual accrual and offsetting receivable are adjusted as required.

Salaries, vacation pay and benefits of non-teaching employees are also accrued at year end. There is no equivalent offsetting receivable from the Province except for vacation pay.

#### (e) Net financial assets:

Net financial assets represents the financial assets less direct liabilities of the School Board.

#### (f) Non-financial 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 gross historical cost (or estimated cost when the actual cost is unknown) and include all costs directly attributable to the acquisition, construction, development and installation of the tangible capital asset, except interest. Contributions are not netted against the cost of the related tangible asset. All tangible capital assets are capitalized in accordance with Province of Nova Scotia thresholds and are amortized over the estimated useful life of the asset. The amortization expense is recorded in the statement of operations.

Amortization of tangible capital assets is provided using the following methods and annual rate:

| Asset            | Basis             | Rate |
|------------------|-------------------|------|
| Service vehicles | Declining balance | 35%  |

Prepaid expenses are cash disbursements or other transfers of economic resources 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.

#### (g) Accumulated surplus:

Accumulated surplus represents the financial assets and non-financial assets of the School Board less the liabilities. This represents the accumulated balance of net surplus arising from the operations of the School Board.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

## 1. Significant accounting policies (continued):

### (h) Scholarship trust funds under administration:

The scholarship trust funds represent capital contributed in trust from which the income thereon is used to provide scholarships for eligible students. A schedule of trust funds is included in the financial statements.

### (i) Use of estimates:

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from those estimates.

## 2. School-based funds:

These financial statements include funds arising from certain school and student activities that are controlled and administered locally by each school, but for which the Board is accountable. Revenue from school-based funds is recognized as the funds are received. School fund activities are recorded as funds are expended.

Changes in cash held by schools are as follows:

|                                 | 2011                | 2010                |
|---------------------------------|---------------------|---------------------|
| Opening balance                 | \$ 2,557,551        | \$ 1,957,739        |
| Additions to school-based funds | 6,561,375           | 6,653,233           |
| School funded activities        | (6,457,164)         | (6,053,421)         |
|                                 | <u>\$ 2,661,762</u> | <u>\$ 2,557,551</u> |



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

## 3. Accounts receivable, Province of Nova Scotia:

|                                | 2011                | 2010                |
|--------------------------------|---------------------|---------------------|
| TCA capital                    | \$ 7,110,194        | \$ 7,432,206        |
| Teachers' salary accrual       | 2,542,160           | 2,940,960           |
| Teachers' pay adjustment       | 566,400             | —                   |
| Information economy initiative | 150,419             | 157,758             |
| International student program  | 237,568             | 225,300             |
| Gas tax rebate                 | 60,457              | 86,912              |
| CUPE contract retroactive pay  | —                   | 1,789,755           |
| P-3 refresh                    | 204,378             | 204,378             |
| Other                          | 285,285             | 210,728             |
|                                | <b>\$11,156,861</b> | <b>\$13,047,997</b> |

## 4. Accounts receivable, First Nation:

|                                      | 2011        | 2010              |
|--------------------------------------|-------------|-------------------|
| Tuition receivable                   | \$ —        | \$ 964,039        |
| Less allowance for doubtful accounts | —           | 376,490           |
|                                      | <b>\$ —</b> | <b>\$ 587,549</b> |

## 5. Accounts receivable, Government of Canada:

|                      | 2011       | 2010       |
|----------------------|------------|------------|
| Harmonized sales tax | \$ 644,935 | \$ 537,063 |



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

## 6. Retirement service awards:

Teachers receive a service award upon retirement, disability, death or termination, when entitled to a vested pension, under the contracts between the Nova Scotia Teachers' Union local and the predecessor boards. The contracts prescribe the formulae used in calculating the payment as well as the period over which the payment is to be made.

The Province of Nova Scotia assumed responsibility for the payment of service awards for all qualifying School Board employees effective April 1, 2002. As a result, school boards were required to make certain entries on their financial statements beginning with the year ending March 31, 2002, to record the value of projected liabilities, as well as a corresponding receivable from the Province of Nova Scotia. These entries have been determined by the Nova Scotia Department of Finance in relation to an independent actuarial evaluation performed for them. This evaluation calculated the present value of the service awards payable for past services for the School Board to be \$5,700,936 as of March 31, 2011 (2010 - \$5,467,773).

The information below provides further detail on the calculation of the accrued retirement service award obligations.

|                                     |                      |                       | 2011         | 2010         |
|-------------------------------------|----------------------|-----------------------|--------------|--------------|
|                                     | Actual<br>Obligation | Unamortized<br>Losses | Total        | Total        |
| Balance, beginning<br>of year       | \$ 5,781,295         | \$ (313,522)          | \$ 5,467,773 | \$ 5,334,001 |
| Current service cost                | 445,900              | —                     | 445,900      | 425,700      |
| Interest cost                       | 270,800              | —                     | 270,800      | 265,100      |
| Actuarial losses                    | 1,304,900            | (1,304,900)           | —            | —            |
| Amortization of actuarial<br>losses | —                    | 63,624                | 63,624       | 66,897       |
| Benefit payments                    | (547,161)            | —                     | (547,161)    | (623,925)    |
| Balance, end of year                | \$ 7,255,734         | \$ (1,554,798)        | \$ 5,700,936 | \$ 5,467,773 |

The information below provides further detail on the calculation of retirement service award.

|                                | 2011       | 2010       |
|--------------------------------|------------|------------|
| Current service cost           | \$ 445,900 | \$ 425,700 |
| Interest obligation            | 270,800    | 265,100    |
| Amortization of actuarial plan | 63,624     | 66,897     |
|                                | \$ 780,324 | \$ 757,697 |

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

## 7. Tangible capital assets:

|                  | 2011       |                             | 2010       |            |
|------------------|------------|-----------------------------|------------|------------|
|                  | Cost       | Accumulated<br>amortization | Net        | Net        |
| Service vehicles | \$ 803,892 | \$ 583,794                  | \$ 220,098 | \$ 177,870 |

## 8. Deferred teachers' salaries:

Under the terms of the teachers' contract, the School Board withholds a portion of certain eligible teachers' salaries and deposits it with the Nova Scotia Teachers' Credit Union. These amounts are subsequently withdrawn by the teachers in a year when they are on leave of absence. As at March 31, 2011, the Board had \$635,208 (2010 - \$721,292) of such funds on deposit together with a corresponding liability to these teachers which amounts have not been included in these financial statements.

## 9. Pension plans:

### (a) Teachers

The School Board's teachers are members of the pension plan established by the Province of Nova Scotia pursuant to the Teachers' Pension Act. The Province of Nova Scotia has accepted responsibility for funding this plan and accordingly, no provision is included in the Board's financial statements for the related pension amounts.

### (b) Non-teachers

The School Board's Canadian Union of Public Employees (CUPE) staff participate in a money purchase pension plan which is accounted for by the School Board as a defined contribution plan, and as such, no accrued liability is recorded in the financial statements. Employer pension costs of \$1,183,880 (2010 - \$1,255,534) are included in these financial statements which represent the cost of employer contributions for current service of participating employees during the year. Employees and the School Board both contribute at the rate of 5% of pensionable earnings.

The School Board also contributes to an RRSP plan for its confidential non-CUPE employees. Employees and the School Board both contribute at the rate of 9% of pensionable earnings. Included in the March 31, 2011 financial statements are employer contributions of \$71,803 (2010 - \$56,754), which represents the pension cost to the School Board.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

## 10. Insurance

The School Board is a member of the School Insurance Exchange, which provides all insurance coverage, with the exception of fleet insurance, which is contracted to a private carrier.

## 11. Related party transactions:

These financial statements do not include certain expenditures paid on behalf of the Board by the Province of Nova Scotia, including but not limited to:

- P-3 schools and facilities leases and operating costs, and
- Payments for the teachers' pension plans and medical premiums.

## 12. Fair value of financial assets and liabilities:

The fair value of the Board's accounts receivable, restricted cash and investment - scholarships and related liability - scholarship trust funds, retirement service awards receivable and related obligation, cash and cash equivalents, payable and accruals - trade, teachers salary payable, non-teaching vacation pay payable, other salary payables, payables and accruals - government and cheques issued in excess of funds on deposit approximate their carrying amounts due to the immediate short-term maturity of these financial statements.

## 13. Commitments:

The Board has entered into agreements to lease equipment for various periods until 2014. Minimum annual lease payments are as follows:

|      | Equipment  |
|------|------------|
| 2012 | \$ 189,741 |
| 2013 | 147,346    |
| 2014 | 132,095    |
| 2015 | 118,272    |
| 2016 | 32,125     |
| 2017 | 8,357      |
| 2018 | 675        |

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

Notes to Financial Statements, continued

Year ended March 31, 2011

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## 14. Contingencies:

- (a) The Board has not recognized in these financial statements, the liability associated with accumulated sick leave earned by the teachers as the liability cannot be reasonably estimated.
- (b) An actuarial valuation has not been conducted to determine the obligation for service awards for non-teaching employees, and therefore no obligation is reflected in the financial statements. These obligations will be fully funded by the Province of Nova Scotia.
- (c) Cape Breton-Victoria Regional School Board is a subscriber to a self-insurance plan with the Nova Scotia School Insurance Exchange with all school boards in Nova Scotia and the community college.

The Exchange covers property, liability and errors and omissions insurance for all subscribers for claims within a self-insured retention per occurrence with an annual aggregate per policy.

The Board has incurred insurance assessments from the Exchange for the year of \$561,250 and no further assessments are expected for claim liabilities as at March 31, 2010. The Exchange currently meets the minimum capital test established by the Superintendent of Insurance for the Province of Nova Scotia.

- (d) There is a pending arbitration matter involving an employee of the School Board. Should a payment be required, it will be accounted for as a charge to operations in the period of settlement.
- (e) The Board has not recognized any liability for contingent environmental liabilities in these financial statements. Management believes these obligations will be fully funded by the Province of Nova Scotia.

# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule A - Supplementary Details of Revenue

Year ended March 31, 2011, with comparative figures for 2010

|                                      | 2011                  |                       | 2010                  |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
|                                      | Budget                | Actual                | Actual                |
| Province of Nova Scotia:             |                       |                       |                       |
| Operating                            | \$ 122,185,500        | \$ 125,041,713        | \$ 121,304,188        |
| Restricted                           | 3,988,900             | 3,911,519             | 7,914,271             |
| Capital                              | 7,701,200             | 12,955,631            | 9,242,947             |
| Grants                               | 500,000               | 806,429               | 610,147               |
| <b>Total Province of Nova Scotia</b> | <b>\$ 134,375,600</b> | <b>\$ 142,715,292</b> | <b>\$ 139,071,553</b> |
| Government of Canada:                |                       |                       |                       |
| INAC                                 | \$ 853,150            | \$ 1,228,376          | \$ 843,665            |
| Secretary of State                   | 177,000               | 252,037               | 186,434               |
| <b>Total Government of Canada</b>    | <b>\$ 1,030,150</b>   | <b>\$ 1,480,413</b>   | <b>\$ 1,030,099</b>   |
| Other revenues:                      |                       |                       |                       |
| Board generated – other              | \$ 2,350,560          | \$ 3,515,784          | \$ 3,393,034          |
| Tuition – students                   | 317,000               | 370,207               | 313,710               |
| Rentals                              | 90,450                | 89,982                | 95,295                |
| Investment interest                  | 10,000                | 46,967                | 6,096                 |
| <b>Total other revenue</b>           | <b>\$ 2,768,010</b>   | <b>\$ 4,022,940</b>   | <b>\$ 3,808,135</b>   |
| <b>School-based funds</b>            | <b>\$ –</b>           | <b>\$ 6,561,375</b>   | <b>\$ 6,653,233</b>   |



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule B - Supplementary Details of Expenditures

Year ended March 31, 2011, with comparative figures for 2010

|  | 2011                 |                      | 2010                 |
|--|----------------------|----------------------|----------------------|
|  | Budget               | Actual               | Actual               |
| <b>Board governance:</b>                       |                      |                      |                      |
| Board members                                  | \$ 164,055           | \$ 165,049           | \$ 168,859           |
| Board secretary                                | 50,837               | 30,590               | 49,360               |
| NSSBA dues                                     | 141,260              | 117,593              | 146,618              |
| <b>Total board governance</b>                  | <b>\$ 356,152</b>    | <b>\$ 313,232</b>    | <b>\$ 364,837</b>    |
| <b>Regional management:</b>                    |                      |                      |                      |
| Management services                            | \$ 1,160,765         | \$ 1,262,098         | \$ 1,436,565         |
| Financial services                             | 1,324,816            | 1,612,326            | 1,434,550            |
| Human resource services                        | 434,801              | 374,586              | 474,229              |
| Communication services                         | 346,745              | 89,224               | 81,162               |
| <b>Total regional management</b>               | <b>\$ 3,267,127</b>  | <b>\$ 3,338,234</b>  | <b>\$ 3,426,506</b>  |
| <b>School management and support:</b>          |                      |                      |                      |
| School management                              | \$ 12,320,403        | \$ 11,779,407        | \$ 12,067,680        |
| Program and curriculum support                 | 4,465,244            | 4,451,210            | 4,516,506            |
| ITS site specific                              | 135,528              | 155,173              | 162,980              |
| <b>Total school management and support</b>     | <b>\$ 16,921,175</b> | <b>\$ 16,385,790</b> | <b>\$ 16,747,166</b> |
| <b>Instructional and school services:</b>      |                      |                      |                      |
| Instruction                                    | \$ 69,698,477        | \$ 71,540,025        | \$ 71,517,832        |
| Guidance services                              | 34,468               | 25,284               | 27,742               |
| Library services                               | 697,727              | 864,395              | 875,569              |
| ITS instructional                              | 40,000               | 22,051               | 24,949               |
| <b>Total instructional and school services</b> | <b>\$ 70,470,672</b> | <b>\$ 72,451,755</b> | <b>\$ 72,446,092</b> |
| <b>Student support:</b>                        |                      |                      |                      |
| Program management                             | \$ 269,132           | \$ 254,951           | \$ 307,491           |
| Instruction                                    | 14,721,077           | 14,729,635           | 15,379,633           |
| Program and curriculum support                 | 9,913,688            | 9,858,472            | 9,842,630            |
| <b>Total student support</b>                   | <b>\$ 24,903,897</b> | <b>\$ 24,843,058</b> | <b>\$ 25,529,754</b> |



# CAPE BRETON-VICTORIA REGIONAL SCHOOL BOARD

## Schedule B - Supplementary Details of Expenditures (continued)

Year ended March 31, 2011, with comparative figures for 2010

|  | 2011                 |                      | 2010                 |
|--|----------------------|----------------------|----------------------|
|  | Budget               | Actual               | Actual               |
| Adult and community education:             |                      |                      |                      |
| Program management                         | \$ 899,628           | \$ 851,678           | \$ 840,432           |
| Program and curriculum support             | 151,200              | 145,713              | 137,826              |
| <b>Total adult and community education</b> | <b>\$ 1,050,828</b>  | <b>\$ 997,391</b>    | <b>\$ 978,258</b>    |
| Property services:                         |                      |                      |                      |
| Management services                        | \$ 426,970           | \$ 431,020           | \$ 516,049           |
| Custodial services                         | 5,806,563            | 6,757,658            | 6,730,102            |
| Maintenance services                       | 19,315,358           | 23,738,117           | 20,161,303           |
| Grounds services                           | 425,000              | 448,124              | 390,845              |
| <b>Total property services</b>             | <b>\$ 25,973,891</b> | <b>\$ 31,374,919</b> | <b>\$ 27,798,299</b> |
| Student transportation:                    |                      |                      |                      |
| Management services                        | \$ 466,197           | \$ 501,357           | \$ 548,149           |
| Transportation (Board)                     | 2,590,093            | 2,567,785            | 2,506,371            |
| Maintenance (Board)                        | 3,721,672            | 3,578,904            | 3,918,401            |
| Transportation (Contract)                  | 286,200              | 248,682              | 267,525              |
| <b>Total student transportation</b>        | <b>\$ 7,064,162</b>  | <b>\$ 6,896,728</b>  | <b>\$ 7,240,446</b>  |
| <b>School funded activities</b>            | <b>\$ -</b>          | <b>\$ 6,457,164</b>  | <b>\$ 6,053,421</b>  |