



**Annapolis Valley Regional
School Board
Financial Statements
March 31, 2009**

Contents

	Page
Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations	3
Consolidated Statement of Change in Net (Debt)/Surplus	4
Consolidated Statement of Cash Flow	5
Schedule A - Supplementary Details of Revenue	6-7
Schedule B - Supplementary Details of Expenses	8-9
Schedule D - Supplementary Details of Trusts & School Based Funds	10-12
Schedule E - Supplementary Details of Tangible Capital Assets	13
Notes to the Consolidated Financial Statements	14-16

Morse Brewster Lake

Chartered Accountants

P.O. Box 718
158 Commercial Street
Berwick, NS
B0P 1E0

Tel: (902) 538-8531

Fax: (902) 538-7610

Email: mmc@glinx.com

Auditor's Report

To the Chairman and Members of the

Annapolis Valley Regional School Board

We have audited the consolidated statements of financial position of the **Annapolis Valley Regional School Board** as at March 31, 2009, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flow for the year then ended. These consolidated financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2009 and the results of its operations, changes in net direct debt and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles for the public sector.

Berwick, Nova Scotia
May 22, 2009

Morse Brewster Lake

Chartered Accountants

Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2009

	2009	2008
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 1,623,751	\$ (893,530)
School Based Funds (Note 2)	1,958,065	1,949,784
Total Cash and Cash Equivalents	\$ 3,581,816	\$ 1,056,254
Accounts Receivable		
Province of Nova Scotia	\$ 13,994,076	\$ 14,042,889
Government of Canada	1,162,356	984,288
Municipalities	13,523	47,552
Other	1,599,525	1,248,733
Due from Trust Funds	26,882	-
Total Financial Assets	\$ 20,378,178	\$ 17,379,716
Capital Assets		
New Book Value of Capital Assets (Note 1)	-	-
Total Financial and Capital Assets	\$ 20,378,178	\$ 17,379,716
Liabilities		
Accounts payable and accrued liabilities	\$ 3,641,679	\$ 2,716,109
Payables and Accruals - Government		
Province of Nova Scotia	46,664	51,011
Government of Canada	3,959	1,353
Municipalities	14,152	18,251
Other	6,120,069	3,917,344
Deferred Revenues	942,143	1,513,964
Due to Trusts	-	4,186
Employee pension, retirement & post employment benefits (Note 1)	6,694,677	6,337,296
Total Liabilities	\$ 17,463,343	\$ 14,559,514
Equity - Capital	-	-
Total Liabilities and Capital Equity	\$ 17,463,343	\$ 14,559,514
Net (debt)/surplus	\$ 2,914,835	\$ 2,820,202
Non-Financial assets		
Prepaid expenses	4,013	12,463
Tangible capital assets (Schedule E)	970,548	1,017,194
Accumulated surplus/(deficit) end of year	\$ 3,889,396	\$ 3,849,859
Committed Surplus		
School Budget Carry-over	91,399	127,098
Cafeteria Carry-over	85,674	56,707
School Based Funds	1,958,065	1,949,784
Total Committed Surplus	\$ 2,135,138	\$ 2,133,589
Uncommitted Surplus	\$ 1,754,258	\$ 1,716,270

Trust Funds Under Administration (Note 3)

Commitments (Note 4)

On Behalf of the Board

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Consolidated Statement of Operations
For the Year Ended March 31, 2009

	2009 Budget	2009 Actual	2008 Actual
Revenue (Schedule A)			
Province of Nova Scotia	\$ 95,305,218	\$ 100,867,434	\$ 96,625,232
Government of Canada	1,430,975	1,342,537	1,282,553
Municipal Contributions	17,696,220	17,696,220	17,393,665
School Generated Funds (Note 2)	4,000,000	4,170,513	4,219,380
Other Revenues	3,390,301	3,422,330	3,478,356
Total Revenues	\$ 121,822,714	\$ 127,499,034	\$ 122,999,186
 Expenses (Schedule B)			
Total Board Governance	\$ 375,845	\$ 365,775	\$ 328,057
Total Regional Management	3,573,234	3,290,955	3,524,897
Total School Management	14,974,120	17,835,138	17,113,330
Total Instruction	57,045,821	58,907,724	57,357,718
Total Student Support	18,544,032	19,123,025	17,621,571
Total Adult Education	1,376,419	1,456,114	1,343,554
Total Property Services	11,292,376	11,442,590	10,852,102
Total Student Transportation	8,131,812	8,018,411	7,937,485
Other Programs	3,387,815	2,333,934	2,305,584
School Generated Funds (Note 2)	4,000,000	4,162,233	4,116,349
Interest Expense	-	421,300	412,500
Amortization Expense	121,240	102,299	57,756
Total Expenses	\$ 122,822,714	\$ 127,459,498	\$ 122,970,903
Annual Surplus/(deficit) before unusual items	\$ (1,000,000)	\$ 39,536	\$ 28,283
School Board surplus/(deficit) on an expense basis	\$ (1,000,000)	\$ 39,536	\$ 28,283
 Accumulated surplus/(deficit) beginning of year:			
Previously Reported		3,849,860	3,821,577
Accumulated surplus/(deficit) end of year		\$ 3,889,396	\$ 3,849,860
 Committed Surplus			
School Budget Carry-over		91,399	127,098
Cafeteria Carry-over		85,674	56,707
School Based Funds		1,958,065	1,949,784
Uncommitted Surplus		\$ 1,754,258	\$ 1,716,270

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
 Consolidated Statement of Change in Net (Debt)/Surplus
 For the Year Ended March 31, 2009

	2009	2008
Net (debt)/surplus beginning of year	\$ 2,820,202	\$ 3,485,652
Changes in the Year		
Surplus, on an Expense Basis	39,536	28,283
Acquisition of tangible capital assets	(55,652)	(749,809)
Amortization of tangible capital asset	102,299	57,755
Decrease in prepaid expenses	8,450	(1,679)
Net (debt)/surplus end of year	<u>\$ 2,914,835</u>	<u>\$ 2,820,202</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Consolidated Statement of Cash Flow
For the Year Ended March 31, 2009

	2009	2008
Operating Transactions		
Annual surplus	\$ 3,889,396	\$ 3,849,859
Change in prepaid expenses	8,450	(1,679)
Change in deferred revenue	(571,820)	323,095
Change in accounts receivable	(472,902)	(3,590,778)
Change in accounts payable	3,118,269	598,657
Change in long-term debt	357,381	289,032
Cash Provided by Operating Transactions	6,328,774	1,468,186
Acquisition of Tangible Capital Assets	46,647	(692,053)
Increase(decrease) in cash and cash equivalents	6,375,421	776,133
Previous Year's Surplus as restated	(3,849,859)	(3,821,577)
Cash and cash equivalents at beginning of year	1,056,254	4,101,698
Cash and cash equivalents at end of year	\$ 3,581,816	\$ 1,056,254

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2009

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 76,632,600	\$ 77,768,588	\$ 78,152,683
Restricted	16,633,135	16,353,602	14,679,713
Capital	113,400	113,400	170,200
Other	1,298,700	3,647,664	1,235,452
Recoveries	627,383	762,290	812,591
Teachers Salary Accrual	-	2,221,890	1,574,594
Total Province of Nova Scotia	<u>\$ 95,305,218</u>	<u>\$ 100,867,434</u>	<u>\$ 96,625,232</u>
<u>Government of Canada</u>			
IA Northern Development	\$ 350,907	\$ 230,265	\$ 315,698
HRDC	716,640	747,750	699,102
Secretary of State	363,428	351,522	254,753
Other	-	13,000	13,000
Total Government of Canada	<u>\$ 1,430,975</u>	<u>\$ 1,342,537</u>	<u>\$ 1,282,553</u>
<u>Municipal contributions:</u>			
Mandatory	\$ 17,696,220	\$ 17,696,220	\$ 17,393,665
Total Municipal Contributions	<u>\$ 17,696,220</u>	<u>\$ 17,696,220</u>	<u>\$ 17,393,665</u>
<u>School Generated Funds</u>			
School Generated (Note 2)	\$ 4,000,000	\$ 4,170,513	\$ 4,219,380
Total School Generated	<u>\$ 4,000,000</u>	<u>\$ 4,170,513</u>	<u>\$ 4,219,380</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2009

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<u>Other Revenues:</u>			
Board Generated - Other	\$ 788,448	\$ 720,450	\$ 726,791
Other Revenue - Schools	1,475,343	1,468,823	1,411,671
Tuition - Students	371,990	470,317	294,825
Registration	484,520	595,001	754,901
Rentals	10,000	18,918	22,369
Interest/Investments	200,000	89,047	211,128
Recoveries - Non-governmental	60,000	59,604	55,621
Sale of Assets	-	170	550
Donations	-	-	500
Total Other Revenues	<u>\$ 3,390,301</u>	<u>\$ 3,422,330</u>	<u>\$ 3,478,356</u>
Total Revenues	<u>\$ 121,822,714</u>	<u>\$ 127,499,034</u>	<u>\$ 122,999,186</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2009

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ 225,545	\$ 230,134	\$ 206,317
Board Secretary	55,427	52,769	46,826
NSSBA & Other	94,873	82,872	74,914
Total Board Governance	\$ 375,845	\$ 365,775	\$ 328,057
<u>Regional Management:</u>			
Management Services	\$ 1,532,236	\$ 1,436,508	\$ 1,639,663
Financial Services	696,597	683,359	628,115
Human Resources Services	1,173,523	1,012,733	1,100,459
Communication Services	58,201	50,886	49,928
ITS - Regional	112,677	107,469	106,732
Total Regional Management	\$ 3,573,234	\$ 3,290,955	\$ 3,524,897
<u>School Management & Support:</u>			
School Management	\$ 6,763,495	\$ 9,523,537	\$ 9,097,535
Program & Curriculum Support	6,563,002	6,625,239	6,387,623
ITS - Site Specific	1,647,623	1,686,362	1,628,172
Total School Management	\$ 14,974,120	\$ 17,835,138	\$ 17,113,330
<u>Instructional & School Services:</u>			
Instruction	\$ 54,606,831	\$ 56,366,307	\$ 54,810,932
Guidance Services	1,298,950	1,420,407	1,567,557
Library Services	1,140,040	1,121,010	979,229
Total Instruction	\$ 57,045,821	\$ 58,907,724	\$ 57,357,718
<u>Student Support:</u>			
Program Management	\$ 108,996	\$ 106,673	\$ 113,007
Instruction	15,949,892	16,495,387	15,109,767
Program & Curriculum Support	2,485,144	2,520,965	2,398,797
Total Student Support	\$ 18,544,032	\$ 19,123,025	\$ 17,621,571

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2009

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<u>Adult & Community Education:</u>			
Program Management	\$ 276,502	\$ 277,667	\$ 265,035
Instruction	1,099,917	1,178,447	1,078,519
Total Adult Education	\$ 1,376,419	\$ 1,456,114	\$ 1,343,554
<u>Property Services:</u>			
Management Services	\$ 783,735	\$ 762,149	\$ 694,143
Custodial Services	3,629,968	3,827,665	3,065,600
Maintenance Services	6,461,673	6,466,503	6,706,033
Grounds Services	417,000	386,273	386,326
Total Property Services	\$ 11,292,376	\$ 11,442,590	\$ 10,852,102
<u>Student Transportation:</u>			
Management Services	\$ 384,715	\$ 392,911	\$ 372,158
Transportation (Board)	2,427,174	2,486,892	2,408,798
Maintenance (Board)	873,346	761,788	843,598
Transportation (Contract)	4,446,577	4,376,820	4,312,931
Total Student Transportation	\$ 8,131,812	\$ 8,018,411	\$ 7,937,485
Other Programs	\$ 3,387,815	\$ 2,333,934	\$ 2,305,584
School Based Funds	4,000,000	4,162,233	4,116,349
Interest Expense	-	421,300	412,500
Amortization Expense	121,240	102,299	57,756
Total Expenses	\$ 7,509,055	\$ 7,019,766	\$ 6,892,189
Total	\$ 122,822,714	\$ 127,459,498	\$ 122,970,903

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2009

Trusts

	March 2008	Additions	Interest	Disbursements	March 2009
ARRA Library Trust	\$ 6,552	0	147	1,781	4,918
Atkinson Trust	9	0	0		9
AVRSB BD Mem Sch Fd	11,271	0	254	600	10,925
Raymond Banks Memorial	10,497	0	236	360	10,373
Barteau Trust	1,995	0	42	500	1,537
Bateman Trust	4,119	0	94		4,213
Beals Trust	418,400	0	9459	12,500	415,359
Beattie Trust	10,988	0	247	380	10,855
Blackburn Trust	36	350	2	350	38
Borden Trust	3,631	0	83		3,714
Brannon Trust	728	0	16	50	694
Brazil, Duane Mem	10,018	0	228	500	9,746
Carter Trust	4,897	0	105	500	4,502
Charles Eaves Award	15,886	0	360	540	15,706
Clarke	6,766	0	154	260	6,660
Coldwell Trust	5,169	0	117	196	5,090
Cummings Trust	14,085	125	317	500	14,027
Dakin Trust	7,048	0	157	300	6,905
Dalton Trust	16,278	0	368	560	16,086
DeEll Trust	55,189	0	1242	2,118	54,313
Evans Trust	548	0	11	150	409
Harvey	4,202	0	95	100	4,197
Haskell Trust	26,623	0	594	1,000	26,217
Hibbard Trust	10,905	0	245	350	10,800
Horton Alumni	1,559	0	36		1,595
Hudgins Trust	432	0	10		442
Inglis Trust	21,428	0	478	820	21,086
IOOF Wolfville	15,589	0	357	250	15,696
Jones - BRES	6,148	0	141		6,289
Jones - BRHS	13,777	0	315		14,092
Johnson Trust	11,896	51	258	1,000	11,205
Lightfoot Trust	123	0	3		126
Lockhart Trust	21	0	0		21
Lyons Trust	4,726	0	108		4,834
MacFarlane	9,052	0	204	233	9,023
MacNutt Trust	39,120	2030	895	1,000	41,045
Mitchell Trust	1,543	0	35		1,578
MRHS 40th Ann. Trust	16,567	0	370	635	16,302
Neily Trust	464	0	11	8	467
Nixon Trust	7,071	0	162		7,233
Candice Parker Trust	4,580	50	98	500	4,228
Harry E. Parker Trust	6,458	0	148		6,606
Rena B. Parker Trust	37,547	0	845	1,434	36,958
Frank Pecora Mem Bursary	1,920	669	39	500	2,128
Quartermain Trust	834	0	19		853
Rainforth Trust	490	0	11		501
Sasa Kovac Trust	2,232	0	44	500	1,776
Sinnott Trust	11,040	0	252	420	10,872
Terri Spinney Mem	446	60	10	500	16

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2009

	March 2008	Additions	Interest	Disbursements	March 2009
Earle Spicer Trust	23,204	8600	534	875	31,463
Bill Wade Memorial	4,907	4500	166	4,500	5,073
Worthylake Trust	14,070	90	304	1,500	12,964
Champlain Refresh	12,074	33900	96	56,915	(10,845)
Horton Refresh	78,696	300700	3179	310,165	72,410
Northeast Kings Refresh	31,785	105114	672	130,438	7,133
Pine Ridge Refresh	38,979	68106	751	105,874	1,962
Champlain Capital Fund	4,846	0	109	1,659	3,296
Northeast Kings Capital Fund	967	0	17	625	359
Pine Ridge Capital Fund	8,395	0	180	1,292	7,283
Horton Capital Fund	42,198	0	960	977	42,181
Central Kings Technology Ed	5,045	0	0		5,045
West Kings Technology Ed	(182)	0	0		(182)
Total Trusts	\$ 1,125,887	\$ 524,345	\$ 26,390	\$ 646,215	\$ 1,030,407
Foundation Total	\$ 315,810	\$ 121,429	\$ 9,083	\$ 134,668	\$ 311,654
Total Trusts & Foundation	\$ 1,441,697	\$ 645,774	\$ 35,473	\$ 780,883	\$ 1,342,061

School Generated Funds

	March 31, 2008	Additions	Interest	Disbursements	March 31, 2009
Aldershot	\$ 25,655	\$ 61,946	\$ 146	61,620	\$ 26,127
Annapolis East	71,614	48,381	488	58,998	61,485
ARRA Special	58,489	68,545	258	78,185	49,107
AWEC Office	15,470	79,999	194	68,208	27,455
Avon View	108,753	277,824		291,319	95,258
Berwick	38,858	84,932		84,323	39,467
BRES	23,963	40,842		34,124	30,681
BRHS	90,664	117,119	553	110,429	97,907
Brooklyn	34,725	40,097		38,844	35,978
Cambridge	24,471	55,605		53,021	27,055
Central Kings	123,694	282,463	932	278,178	128,911
Champlain	12,004	27,440	44	24,598	14,890
Clark Rutherford	11,809	23,332	100	21,178	14,063
Coldbrook	53,413	84,550	236	85,166	53,033
Dr Arthur Hines	24,381	42,915	530	46,409	21,417
Dwight Ross	16,074	59,879	8	60,715	15,246
EMS	89,100	110,815		161,546	38,369
Falmouth	28,264	77,476	178	79,523	26,395
Gaspereau	16,655	51,822		52,716	15,761
Glooscap	19,849	55,202	72	61,759	13,364
Hantsport	4,448	61,978	11	56,332	10,105
Highbury Education	5,648	7,340	4	4,954	8,038
Horton	218,390	440,366	1,826	372,822	287,760
KCA	34,382	117,400		100,153	51,629
Kingston Dist	30,411	69,626		72,145	27,892
LE Shaw	16,883	35,241		43,618	8,506
Lawrencetown	21,834	43,324	82	38,454	26,786
Lawrencetown Ed. Ctr.	5,487	20,922		22,339	4,070
MRHS	136,086	234,546	2,077	234,839	137,870

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2009

	March 2008	Additions	Interest	Disbursements	March 2009
New Minas	36,203	71,781		62,137	45,847
Newport Stn	10,547	34,638		29,171	16,014
Northeast Kings	168,516	319,492	2,828	335,402	155,434
Pine Ridge	36,252	110,245		106,453	40,044
Port Williams	13,499	53,827	53	57,007	10,372
Somerset	10,589	78,951	39	74,717	14,862
St Mary's	44,029	55,530	231	57,471	42,319
Three Mile Plns	42,727	25,257	227	23,427	44,784
WHEC	2,609	26,732		25,282	4,059
West Hants	55,946	195,178	207	205,009	46,322
West Kings	72,306	313,727		327,613	58,420
Windsor EI	15,432	40,029	64	40,818	14,707
Windsor Forks	31,114	40,244		42,584	28,774
Wolfville School	48,541	71,568		78,627	41,482
Total School Generated Funds	\$ 1,949,784	\$ 4,159,126	\$ 11,388	\$ 4,162,233	\$ 1,958,065

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Schedule E - Supplementary Details of Tangible Capital Assets
As of March 31, 2009

Costs of Tangible Asset(s)

	Buildings	Vehicles	Equipment	2009	2008
Opening Costs	\$ 427,951	\$ 289,634	\$ 419,136	\$ 1,136,721	\$ 386,912
Additions	-	55,652	-	55,652	749,809
Closing Costs	<u>\$ 427,951</u>	<u>\$ 345,286</u>	<u>\$ 419,136</u>	<u>\$ 1,192,373</u>	<u>\$ 1,136,721</u>

Accumulated Amortization(s)

Opening Balance	-	119,527	-	119,527	61,771
Amortization Expense	21,397	59,944	20,957	102,298	57,756
Closing Balance	<u>\$ 21,397</u>	<u>\$ 179,471</u>	<u>\$ 20,957</u>	<u>\$ 221,825</u>	<u>\$ 119,527</u>

Note Book Value (NBV)	<u>\$ 406,554</u>	<u>\$ 165,815</u>	<u>\$ 398,179</u>	<u>\$ 970,548</u>	<u>\$ 1,017,194</u>
Opening Balance, April 1, 2008	427,951	170,107	419,136	1,017,194	325,142
Closing Balance, March 31, 2009	<u>406,554</u>	<u>165,815</u>	<u>398,179</u>	<u>970,548</u>	<u>1,017,194</u>
Increase (decrease) In Net Book Value	<u>\$ (21,397)</u>	<u>\$ (4,292)</u>	<u>\$ (20,957)</u>	<u>\$ (46,646)</u>	<u>\$ 692,052</u>

The accompanying notes are an integral part of these financial statements.

Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2009

1. Nature of Operations

The Annapolis Valley Regional School Board is an independent legal entity with an elected board as required under the Education Act. The Board provides educational services from grade primary to grade 12 at public schools within the Annapolis Valley. The Board is a registered charity under the Income Tax Act and is exempt from income tax and can issue official receipts to donors.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared to conform in all material respects to Canadian generally accepted accounting principles prescribed by the Public Sector Accounting and Auditing Handbook for Federal, Provincial and Territorial Governments, of the Public Sector Accounting Board.

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

Revenues

Revenues are recorded on an accrual basis. The main components of revenue are funding from the Province of NS, Government of Canada and Municipal Contributions.

The Board receives contributions by volunteer support in the delivery of certain programs within the schools. Due to the difficulty in determining or estimating the value of these contributions, contributed services are not quantified and recognized in these financial statements

Expenses

Expenses are recorded on the accrual basis. Provisions are made for probable losses on accounts receivable, and for contingent liabilities when it is likely that a liability exists and the amount can be reasonable determined.

Pension Liabilities

The Board contributes to Registered Retirement Savings Plans and Registered Pension Plans on behalf of the non-teaching employees. The Board's teachers are members of a pension plan established by the Province of Nova Scotia as required by the Teachers' Pension Act. The Province of Nova Scotia is responsible for funding this plan.

Service Awards

During the 2000-2001 fiscal year the Province of Nova Scotia assumed full responsibility for accumulated liability associated with employee retirement allowances. School boards are responsible only for the current service cost of this benefit. The projected liability is offset by a corresponding receivable from the Province. The amount of the projected liability has been determined by the Nova Scotia Department of Finance, based on an actuarial valuation.

Net Debt

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

Financial Instruments

Cash and cash equivalents are recorded at cost which approximates market value. The Board's financial instruments consist of cash and cash equivalents, receivables, payable and accruals and other liabilities. It is management's opinion that the Board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements Continued
March 31, 2009**

2. Summary of significant accounting policies continued

Cash and cash equivalents

Cash and cash equivalents included cash on hand, balances with banks, short term deposits and bank balances held by schools.

Non Financial Assets

All capital acquisitions are now recorded using Tangible Capital Asset accounting. All non financial assets previously recorded that do not meet these guidelines have been removed from these statements.

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 goods or service is used or consumed.

Accumulated Deficit/Surplus

Accumulated Deficit/Surplus represents the liabilities of the School Board less financial assets, and non financial assets. This represents the accumulated balance of net deficit/surplus arising from the operations of the Board.

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 at the date of the consolidated financial statements and reported amounts by fund of revenue and expenditure. Actual results could differ from these estimates.

Financial statement presentation

The financial statements of the Board have been prepared in accordance with the School Board Financial Handbook as issued by the Minister of Education March 31, 2005 pursuant to Article 62 of the Ministerial Education Act Regulations of the Province of Nova Scotia.

3. School Based Funds

The Board is required to include in its financial statements the financial activities of its school sites. To meet this requirement, the Board has instituted a new school based funds policy to promote appropriate internal controls, provided each site with a standard computer based accounting system and established common reporting standards for school based funds. The following is a summary of these financial activities, a site by site listing is provided in Schedule D.

March 31, 2008	Additions	Interest	Disbursements	March 31, 2009
\$1,949,784	\$4,159,126	\$11,388	\$4,162,233	\$1,958,065

(Student Council Funds are included in the School Based Funds totals. Cafeteria funds are no longer school based and are administered in the regional Financial System.)

Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements Continued
March 31, 2009

4. Trust funds

The Annapolis Valley Regional School Board manages a number of trust funds primarily for the generation of scholarships and awards. A summary of the trusts and their activity is found in Schedule D of these financial statements. Effective April 1, 1997, the Board incorporated the activities of the former Kings County District School Board Foundation. These are now carried as a separate Trust Account.

5. Commitments

Facility Rental

The Annapolis Valley Regional School Board currently leases 21,858 sq. ft. of office and storage space from the Western Kings Memorial Health Centre to house the regional school board's administrative operations. The ten year lease agreement expired in July 2007 and has been extended for a further five years to expire in July, 2012. Rental charges for 2009/2010 will be \$242,421.

6. Contingency

There is a claim outstanding against the Annapolis Valley Regional School Board. The outcome of this claim is not determinable and therefore no amount has been recorded in the accounts of the Annapolis Valley Regional School Board. Any settlement resulting from the resolution of this claim will be treated as a charge to operations in the period the settlement occurs.