



**Annapolis Valley Regional
School Board
Consolidated Financial Statements
March 31, 2011**

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Morse Brewster Lake

Chartered Accountants

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Independent Auditor's Report

To the Chairman and Members of the

Annapolis Valley Regional School Board

We have audited the accompanying consolidated financial statements of **Annapolis Valley Regional School Board**, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statement of operations and accumulated surplus, change in net debt and cash flow statement 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 consolidated financial statements in accordance with Canadian public sector accounting standards 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2011 and the results of operations, changes in net debt and cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Morse Brewster Lake

Berwick, Nova Scotia
June 1, 2011

Chartered Accountants

Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2011

	2011	2010
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 3,033,224	\$ (636,391)
School Based Funds (Note 3)	2,139,730	1,990,958
Total Cash and Cash Equivalents	\$ 5,172,954	\$ 1,354,567
Accounts Receivable		
Province of Nova Scotia	\$ 14,754,424	\$ 18,378,784
Government of Canada	558,333	1,004,639
Municipalities	331,101	268,847
Other	419,694	177,454
Due from Trust Funds	-	239,539
Total Financial Assets	\$ 21,236,506	\$ 21,423,830
Capital Assets		
New Book Value of Capital Assets (Note 2)	-	-
Total Financial and Capital Assets	\$ 21,236,506	\$ 21,423,830
Liabilities		
Accounts payable and accrued liabilities	\$ 2,472,927	\$ 4,931,635
Payables and Accruals - Government		
Province of Nova Scotia	559,626	142,209
Government of Canada	371	766
Municipalities	49,670	24,777
Other	6,198,093	5,211,444
Deferred Revenues	1,122,973	1,061,116
Employee pension, retirement	6,864,955	6,501,502
& post employment benefits (Note 2)		
Total Liabilities	\$ 17,268,615	\$ 17,873,449
Equity - Capital	-	-
Total Liabilities and Capital Equity	\$ 17,268,615	\$ 17,873,449
Net (debt)/surplus	\$ 3,967,891	\$ 3,550,381
Non-Financial assets		
Prepaid expenses	439,483	21,480
Tangible capital assets (Schedule E)	915,900	931,659
Accumulated surplus/(deficit) end of year	\$ 5,323,274	\$ 4,503,520
Committed Surplus		
School Budget Carry-over	88,081	41,980
Cafeteria Carry-over	-	29,270
School Based Funds	2,139,730	1,990,958
Non-Financial Assets	1,355,384	953,139
Total Committed Surplus	\$ 3,583,195	\$ 3,015,347
Uncommitted Surplus	\$ 1,740,079	\$ 1,488,173

Trust Funds Under Administration (Note 4)

Commitments (Note 5)

Contingencies (Note 6)

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 and Accumulated Surplus
As at March 31, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 101,243,830	\$ 105,450,003	\$ 103,960,453
Government of Canada	1,483,743	1,539,575	1,497,964
Municipal Contributions	18,050,100	18,050,044	18,073,404
School Generated Funds (Note 3)	4,000,000	3,894,792	4,121,676
Other Revenues	<u>3,520,665</u>	<u>4,083,578</u>	<u>3,713,766</u>
Total Revenues	<u>\$ 128,298,338</u>	<u>\$ 133,017,992</u>	<u>\$ 131,367,263</u>
Expenses (Schedule B)			
Total Board Governance	\$ 366,352	\$ 376,415	\$ 359,483
Total Regional Management	3,909,914	3,728,322	3,484,919
Total School Management	17,795,642	18,774,619	19,000,451
Total Instruction	56,558,710	58,970,116	58,765,447
Total Student Support	19,937,795	19,847,829	19,363,325
Total Adult Education	1,341,061	1,309,498	1,338,369
Total Property Services	12,247,771	12,463,697	11,614,881
Total Student Transportation	8,934,328	8,663,909	8,600,769
Other Programs	3,593,878	3,820,958	3,643,275
School Generated Funds (Note 3)	4,000,000	3,746,019	4,088,783
Interest Expense	-	382,300	380,800
Amortization Expense	<u>112,887</u>	<u>114,556</u>	<u>112,637</u>
Total Expenses	<u>\$ 128,798,338</u>	<u>\$ 132,198,238</u>	<u>\$ 130,753,139</u>
Annual Surplus/(deficit) before unusual items	\$ (500,000)	\$ 819,754	\$ 614,124
School Board surplus/(deficit) on an expense basis	<u>\$ (500,000)</u>	<u>\$ 819,754</u>	<u>\$ 614,124</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>\$ 4,503,520</u>	<u>\$ 3,889,396</u>
Accumulated surplus/(deficit) end of year		<u>\$ 5,323,274</u>	<u>\$ 4,503,520</u>
Committed Surplus			
School Budget Carry-over		88,081	41,980
Cafeteria Carry-over		-	29,270
School Based Funds		2,139,730	1,990,958
Non-Financial Assets		<u>1,355,384</u>	<u>953,139</u>
Uncommitted Surplus		<u><u>\$ 1,740,079</u></u>	<u><u>\$ 1,488,173</u></u>

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, 2011

	<u>2011</u>	<u>2010</u>
Net (debt)/surplus beginning of year	\$ 3,550,381	\$ 2,914,835
Changes in the Year		
Surplus, on an Expense Basis	819,754	614,124
Acquisition of tangible capital assets	(98,797)	(73,748)
Amortization of tangible capital asset	114,556	112,637
(Increase) Decrease in prepaid expenses	<u>(418,003)</u>	<u>(17,467)</u>
Net (debt)/surplus end of year	<u><u>\$ 3,967,891</u></u>	<u><u>\$ 3,550,381</u></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, 2011

	<u>2011</u>	<u>2010</u>
Operating Transactions		
Annual surplus	\$ 5,323,274	\$ 4,503,520
Change in prepaid expenses	(418,003)	(17,467)
Change in deferred revenue	61,857	118,973
Change in accounts receivable	4,005,711	(3,272,901)
Change in accounts payable	(1,030,144)	484,308
Change in long-term debt	363,453	(193,175)
Cash Provided by Operating Transactions	<u>8,306,148</u>	<u>1,623,258</u>
Acquisition of Tangible Capital Assets	<u>15,759</u>	<u>38,889</u>
Increase in cash and cash equivalents	8,321,907	1,662,147
Previous Year's Surplus	(4,503,520)	(3,889,396)
Cash and cash equivalents at beginning of year	<u>1,354,567</u>	<u>3,581,816</u>
Cash and cash equivalents at end of year	<u>\$ 5,172,954</u>	<u>\$ 1,354,567</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, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 82,942,400	\$ 83,027,859	\$ 81,248,346
Restricted	16,827,271	17,529,362	17,594,030
Capital	113,400	113,400	113,400
Other	1,103,277	2,059,922	2,203,164
Recoveries	257,482	287,560	494,713
Teachers Salary Accrual	-	2,431,900	2,306,800
Total Province of Nova Scotia	<u>\$ 101,243,830</u>	<u>\$ 105,450,003</u>	<u>\$ 103,960,453</u>
<u>Government of Canada</u>			
IA Northern Development	\$ 340,257	\$ 508,943	\$ 384,819
HRDC	770,417	768,133	827,869
Secretary of State	373,069	262,499	275,326
Other	-	-	9,950
Total Government of Canada	<u>\$ 1,483,743</u>	<u>\$ 1,539,575</u>	<u>\$ 1,497,964</u>
<u>Municipal contributions:</u>			
Mandatory	\$ 18,050,100	\$ 18,050,044	\$ 18,073,404
Total Municipal Contributions	<u>\$ 18,050,100</u>	<u>\$ 18,050,044</u>	<u>\$ 18,073,404</u>
<u>School Generated Funds</u>			
School Generated (Note 3)	\$ 4,000,000	\$ 3,894,792	\$ 4,121,676
Total School Generated	<u>\$ 4,000,000</u>	<u>\$ 3,894,792</u>	<u>\$ 4,121,676</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, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
<u>Other Revenues:</u>			
Board Generated - Other	\$ 1,092,386	\$ 1,526,587	\$ 1,560,544
Other Revenue - Schools	1,495,749	1,165,466	1,355,398
Tuition - Students	357,400	501,703	229,428
Registration	520,130	777,239	503,639
Rentals	-	3,785	4,401
Interest/Investments	15,000	61,812	14,966
Recoveries - Non-governmental	40,000	40,737	45,390
Sale of Assets	-	6,248	-
	<u> </u>	<u> </u>	<u> </u>
Total Other Revenues	<u>\$ 3,520,665</u>	<u>\$ 4,083,578</u>	<u>\$ 3,713,766</u>
Total Revenues	<u><u>\$ 128,298,338</u></u>	<u><u>\$ 133,017,992</u></u>	<u><u>\$ 131,367,263</u></u>

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

Annapolis Valley Regional School Board
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ 232,912	\$ 215,804	\$ 230,800
Board Secretary	55,940	53,706	52,294
NSSBA & Other	77,500	106,905	76,389
Total Board Governance	<u>\$ 366,352</u>	<u>\$ 376,415</u>	<u>\$ 359,483</u>
<u>Regional Management:</u>			
Management Services	\$ 1,454,898	\$ 1,427,228	\$ 1,473,554
Financial Services	757,966	746,130	733,570
Human Resources Services	1,203,691	1,051,488	1,025,113
Communication Services	55,615	53,627	50,481
ITS - Regional	437,744	449,849	202,201
Total Regional Management	<u>\$ 3,909,914</u>	<u>\$ 3,728,322</u>	<u>\$ 3,484,919</u>
<u>School Management & Support:</u>			
School Management	\$ 9,908,956	\$ 9,818,917	\$ 10,084,959
Program & Curriculum Support	5,997,714	6,222,320	6,218,762
ITS - Site Specific	1,888,972	2,733,382	2,696,730
Total School Management	<u>\$ 17,795,642</u>	<u>\$ 18,774,619</u>	<u>\$ 19,000,451</u>
<u>Instructional & School Services:</u>			
Instruction	\$ 54,198,288	\$ 56,692,941	\$ 56,357,475
Guidance Services	1,221,695	1,144,484	1,296,474
Library Services	1,138,727	1,132,691	1,111,498
Total Instruction	<u>\$ 56,558,710</u>	<u>\$ 58,970,116</u>	<u>\$ 58,765,447</u>
<u>Student Support:</u>			
Program Management	\$ 116,691	\$ 112,473	\$ 112,334
Instruction	17,034,524	16,823,751	16,445,443
Program & Curriculum Support	2,786,580	2,911,605	2,805,548
Total Student Support	<u>\$ 19,937,795</u>	<u>\$ 19,847,829</u>	<u>\$ 19,363,325</u>

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

Annapolis Valley Regional School Board
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2011

	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
<u>Adult & Community Education:</u>			
Program Management	\$ 173,729	\$ 176,424	\$ 161,354
Instruction	<u>1,167,332</u>	<u>1,133,074</u>	<u>1,177,015</u>
Total Adult Education	<u>\$ 1,341,061</u>	<u>\$ 1,309,498</u>	<u>\$ 1,338,369</u>
<u>Property Services:</u>			
Management Services	\$ 899,816	\$ 898,380	\$ 816,752
Custodial Services	4,302,144	4,331,003	4,215,187
Maintenance Services	6,592,614	6,796,462	6,206,648
Grounds Services	<u>453,197</u>	<u>437,852</u>	<u>376,294</u>
Total Property Services	<u>\$ 12,247,771</u>	<u>\$ 12,463,697</u>	<u>\$ 11,614,881</u>
<u>Student Transportation:</u>			
Management Services	\$ 410,310	\$ 423,346	\$ 407,183
Transportation (Board)	2,743,773	2,563,466	2,683,605
Maintenance (Board)	916,025	912,693	858,129
Transportation (Contract)	<u>4,864,220</u>	<u>4,764,404</u>	<u>4,651,852</u>
Total Student Transportation	<u>\$ 8,934,328</u>	<u>\$ 8,663,909</u>	<u>\$ 8,600,769</u>
Other Programs	\$ 3,593,878	\$ 3,820,958	\$ 3,643,275
School Based Funds (Note 3)	4,000,000	3,746,019	4,088,783
Interest Expense	-	382,300	380,800
Amortization Expense	<u>112,887</u>	<u>114,556</u>	<u>112,637</u>
Total Expenses	<u>\$ 7,706,765</u>	<u>\$ 8,063,833</u>	<u>\$ 8,225,495</u>
Total	<u><u>\$ 128,798,338</u></u>	<u><u>\$ 132,198,238</u></u>	<u><u>\$ 130,753,139</u></u>

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, 2011

Trusts

	March 2010	Additions	Interest	Disbursements	March 2011
ARRA Library Trust	\$ 3,422	\$ -	\$ 216	\$ -	\$ 3,638
Atkinson Trust	9	-	1	-	10
AVRSB BD Mem Sch Fd	10,033	-	536	600	9,969
Raymond Banks Memorial	10,394	-	529	255	10,668
Barteau Trust	1,038	-	67	500	605
Bateman Trust	4,217	-	215	-	4,432
Beals Trust	403,675	-	20,894	11,200	413,369
Beattie Trust	10,863	-	553	265	11,151
Blackburn Trust	38	-	2	-	40
Borden Trust	3,582	-	186	-	3,768
Brannon Trust	695	-	35	50	680
Brazil, Duane Mem	9,253	-	485	500	9,238
Carter Trust	4,005	-	218	500	3,723
Charles Eaves Award	15,398	-	793	384	15,807
Clarke	6,665	-	339	180	6,824
Coldwell Trust	4,979	-	257	135	5,101
Cummings Trust	13,815	233	710	500	14,258
Dakin Trust	6,910	-	352	300	6,962
Dalton Trust	15,769	-	812	-	16,581
DeEll Trust	53,112	-	2,740	1,474	54,378
Dorothy Russell	-	2,000	-	-	2,000
Evans Trust	360	-	20	150	230
Harvey	4,100	-	212	100	4,212
Haskell Trust	25,642	-	1,323	-	26,965
Hibbard Trust	10,950	-	554	249	11,255
Horton Alumni	1,346	-	75	250	1,171
Hudgins Trust	442	-	23	12	453
Inglis Trust	20,624	-	1,064	858	20,830
IOOF Wolfville	15,708	-	800	250	16,258
Jones - BRES	6,294	-	321	-	6,615
Jones - BRHS	14,103	-	718	-	14,821
Johnson Trust	10,714	211	560	500	10,984
Lightfoot Trust	126	-	6	-	132
Lockhart Trust	21	-	1	-	22
Lyons Trust	4,550	-	240	131	4,659
MacFarlane	9,018	-	460	465	9,013
MacNutt Trust	42,075	3,000	2,115	-	47,190
Mitchell Trust	1,580	-	80	-	1,660
MRHS 40th Ann. Trust	15,814	-	819	1,000	15,633
Neily Trust	456	-	24	15	465
Nixon Trust	6,488	-	344	250	6,582
Candice Parker Trust	3,832	-	209	500	3,541
Harry E. Parker Trust	6,411	200	342	200	6,753
Rena B. Parker Trust	36,141	-	1,864	1,004	37,001
Frank Pecora Mem Bursary	1,679	-	98	500	1,277
Quartermain Trust	854	-	43	-	897
Rainforth Trust	502	-	26	-	528
Sasa Kovac Trust	1,276	-	79	-	1,355
Sinnott Trust	10,630	-	548	295	10,883
Terri Spinney Mem	16	500	12	500	28

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, 2011

	March 2010	Additions	Interest	Disbursements	March 2011
Earle Spicer Trust	30,957	-	1,506	4,550	27,913
Bill Wade Memorial	5,076	4,500	363	4,500	5,439
Worthylake Trust	11,599	-	629	1,500	10,728
Champlain Refresh	569	37,394	-	28,932	9,031
Horton Refresh	14,327	301,351	-	278,944	36,734
Northeast Kings Refresh	678	105,114	-	80,713	25,079
Pine Ridge Refresh	7,229	68,106	-	61,724	13,611
Champlain Capital Fund	6,584	-	-	-	6,584
Northeast Kings Capital Fund	15,199	5,129	-	10,877	9,451
Pine Ridge Capital Fund	13,657	-	-	1,851	11,806
Horton Capital Fund	41,337	29,242	-	18,350	52,229
Central Kings Technology Ed	5,045	-	-	-	5,045
West Kings Technology Ed	(182)	-	-	-	(182)
Total Trusts	<u>\$ 981,697</u>	<u>\$ 556,980</u>	<u>\$ 45,418</u>	<u>\$ 516,013</u>	<u>\$ 1,068,082</u>
Foundation Total	<u>\$ 307,545</u>	<u>118,458</u>	<u>3,975</u>	<u>\$ 164,796</u>	<u>\$ 265,182</u>
Total Trusts & Foundation	<u>\$ 1,289,242</u>	<u>\$ 675,438</u>	<u>\$ 49,393</u>	<u>\$ 680,809</u>	<u>\$ 1,333,264</u>

School Generated Funds

	March 2010	Additions	Interest	Disbursements	March 2011
Aldershot	\$ 21,243	\$ 59,726	\$ -	67,893	\$ 13,076
Annapolis East	68,877	91,821	-	87,468	73,230
ARRA Special	42,389	51,165	-	53,744	39,810
AWEC Office	31,363	94,765	43	77,562	48,609
Avon View	70,271	257,221	-	249,100	78,392
Berwick	41,269	93,651	-	84,098	50,822
BRES	35,516	29,842	-	28,265	37,093
BRHS	104,624	85,651	79	74,329	116,025
Brooklyn	41,125	66,794	-	63,848	44,071
Cambridge	16,593	43,437	-	39,606	20,424
Central Kings	133,129	288,170	17	274,975	146,341
Champlain	16,578	29,504	-	29,940	16,142
Clark Rutherford	13,067	16,820	-	18,362	11,525
Coldbrook	57,267	70,619	-	73,575	54,311
Dr Arthur Hines	18,612	40,564	114	40,540	18,750
Dwight Ross	17,901	53,424	10	51,415	19,920
EMS	38,366	98,913	-	61,750	75,529
Falmouth	17,800	49,818	-	50,222	17,396
Gaspereau	19,717	39,523	-	41,867	17,373
Glooscap	18,000	51,301	-	48,764	20,537
Hantsport	21,505	72,903	27	68,727	25,708
Highbury Education	4,277	12,191	-	10,302	6,166
Horton	283,245	361,417	-	367,579	277,083
KCA	49,301	138,374	72	108,160	79,587
Kingston Dist	23,491	60,543	-	53,846	30,188
LE Shaw	6,297	42,745	-	36,889	12,153
Lawrencetown	27,818	32,595	-	24,413	36,000
Lawrencetown Ed. Ctr.	4,596	6,899	-	9,698	1,797
MRHS	124,935	251,341	8,059	236,271	148,064

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, 2011

	March 2010	Additions	Interest	Disbursements	March 2011
New Minas	42,629	67,073	-	64,509	45,193
Newport Stn	23,432	28,395	-	27,190	24,637
Northeast Kings	170,332	336,488	280	378,248	128,852
Pine Ridge	52,270	116,032	-	90,254	78,048
Port Williams	19,055	36,064	-	39,638	15,481
Somerset	15,160	48,229	-	50,051	13,338
St Mary's	45,483	37,477	-	41,262	41,698
Three Mile Plns	37,268	23,066	-	21,884	38,450
WHEC	14,060	25,489	-	29,028	10,521
West Hants	56,024	143,488	1,008	161,673	38,847
West Kings	75,252	254,787	-	249,517	80,522
Windsor EI	7,341	30,151	-	28,123	9,369
Windsor Forks	30,775	41,023	-	41,065	30,733
Wolfville School	32,706	105,585	-	90,370	47,921
Total School Generated Funds	\$ 1,990,958	\$ 3,885,084	\$ 9,709	\$ 3,746,020	\$ 2,139,731

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, 2011

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2011	2010
Opening Costs	\$ 427,951	\$ 419,034	\$ 419,136	\$ 1,266,121	\$ 1,192,373
Additions	-	98,797	-	98,797	73,748
Disposals	-	-	-	-	-
Closing Costs	<u>\$ 427,951</u>	<u>\$ 517,831</u>	<u>\$ 419,136</u>	<u>\$ 1,364,918</u>	<u>\$ 1,266,121</u>

Accumulated Amortization(s)

Opening Balance	\$ 41,725	\$ 251,871	\$ 40,866	\$ 334,462	\$ 221,825
Disposals	-	-	-	-	-
Amortization Expense	19,311	76,331	18,914	114,556	112,637
Closing Balance	<u>\$ 61,036</u>	<u>\$ 328,202</u>	<u>\$ 59,780</u>	<u>\$ 449,018</u>	<u>\$ 334,462</u>

Note Book Value (NBV)	<u>\$ 366,915</u>	<u>\$ 189,629</u>	<u>\$ 359,356</u>	<u>\$ 915,900</u>	<u>\$ 931,659</u>
Opening Balance, April 1, 2010	386,226	167,163	378,270	931,659	970,548
Closing Balance, March 31, 2011	<u>366,915</u>	<u>189,629</u>	<u>359,356</u>	<u>915,900</u>	<u>931,659</u>
Increase (decrease) In Net Book Value	<u>\$ (19,311)</u>	<u>\$ 22,466</u>	<u>\$ (18,914)</u>	<u>\$ (15,759)</u>	<u>\$ (38,889)</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, 2011**

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 reasonably 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, 2011**

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.

All tangible capital assets purchased by the Board are recorded as assets and amortized based on the Province of Nova Scotia's tangible capital asset accounting policy thresholds. The thresholds and amortization rates are as follows:

Buildings	\$250,000	Amortization	5%	Declining Balance
Vehicles	\$ 15,000	Amortization	35%	Declining Balance
Building betterments	\$150,000	Amortization	5%	Declining Balance

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, 2010	Additions	Interest	Disbursements	March 31, 2011
\$1,990,958	\$3,885,084	\$9,709	\$3,746,020	\$2,139,731

(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, 2011

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 2011/2012 will be \$265,225.

6. Contingency

There are no outstanding claims against the Annapolis Valley Regional School Board.

7. Comparative Figures

Certain of the Comparative Figures have been restated to conform with the presentation adapted for the current year.