



**Annapolis Valley Regional
School Board
Consolidated Financial Statements
March 31, 2014**

Contents

	Page
Independent Auditors' Report	1
Consolidated Statement of Financial Position	2
Consolidated Statement of Operations and Accumulated Surplus	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

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, 2014, 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, 2014 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.

Berwick, Nova Scotia
June 18, 2014

Morse Brewster Lake

Chartered Accountants

Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2014

	2014	2013
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 3,698,804	\$ 5,747,493
School Based Funds (Note 3)	2,443,857	2,304,630
Total Cash and Cash Equivalents	6,142,661	8,052,123
Accounts Receivable		
Province of Nova Scotia - Restatement (Note 8)	28,771,451	24,601,870
Government of Canada	420,676	511,616
Due from Trust Funds	-	1,837
Other	411,769	312,794
Total Financial Assets	35,746,557	33,480,240
Capital Assets		
New Book Value of Capital Assets (Note 2)	-	-
Total Financial and Capital Assets	35,746,557	33,480,240
Liabilities		
Accounts payable and accrued liabilities	2,762,212	2,369,900
Payables and Accruals - Government		
Province of Nova Scotia	83,328	98,823
Government of Canada	126	360
Municipalities	28,627	24,029
Other	5,625,516	5,597,367
Deferred Revenues	1,765,412	1,431,173
Employee pension, retirement & post employment benefits (Note 2) - Restatement (Note 8)	7,521,118	7,329,137
Accumulated sick leave (Note 7) - Restatement (Note 8)	13,367,505	12,914,509
Total Liabilities	31,153,844	29,765,297
Equity - Capital	-	-
Total Liabilities and Capital Equity	31,153,844	29,765,297
Net (debt)/surplus	4,592,713	3,714,943
Non-Financial assets		
Prepaid expenses	428,548	456,560
Tangible capital assets (Schedule E)	1,122,636	1,220,271
Accumulated surplus/(deficit) end of year	6,143,897	5,391,773
Committed Surplus		
School Budget Carry-over	177,010	186,587
Cafeteria Carry-over	11,576	14,385
School Based Funds	2,443,857	2,304,630
Non-Financial Assets	1,551,184	1,676,831
Total Committed Surplus	4,183,627	4,182,432
Uncommitted Surplus	\$ 1,960,270	\$ 1,209,341
Trust Funds Under Administration (Note 4)		
Commitments (Note 5)		
Contingencies (Note 6)		

On Behalf of the Board

Quinia Parrish Zucker

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

Paul Spivey

Annapolis Valley Regional School Board
Consolidated Statement of Operations and Accumulated Surplus
As at March 31, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 103,808,327	\$ 104,267,245	\$ 102,765,521
Government of Canada	812,548	919,731	972,611
Municipal Contributions	20,046,700	20,046,660	19,200,216
School Generated Funds (Note 3)	4,000,000	3,895,170	3,992,076
Other Revenues	3,662,372	3,671,203	3,333,019
Total Revenues	<u>132,329,947</u>	<u>132,800,009</u>	<u>130,263,443</u>
Expenses (Schedule B)			
Total Board Governance	347,552	337,995	330,617
Total Regional Management	3,330,874	3,382,989	3,464,107
Total School Management	17,950,005	18,269,556	18,007,110
Total Instruction	60,944,177	60,338,092	58,929,040
Total Student Support	18,477,478	18,532,521	17,862,681
Total Adult Education	458,035	451,770	651,470
Total Property Services	13,011,703	13,517,554	13,487,164
Total Student Transportation	9,276,412	9,009,089	9,195,532
Other Programs	3,540,435	3,440,659	3,382,847
School Generated Funds (Note 3)	4,000,000	3,755,942	3,683,756
Interest Expense	860,000	893,154	924,918
Amortization Expense	133,276	118,563	123,452
Total Expenses	<u>\$ 132,329,947</u>	<u>132,047,885</u>	<u>130,042,693</u>
Annual Surplus/(deficit) before unusual items		752,124	220,750
School Board surplus/(deficit) on an expense basis		<u>752,124</u>	<u>220,750</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>5,391,773</u>	<u>5,171,023</u>
Accumulated surplus/(deficit) end of year		<u>6,143,897</u>	<u>5,391,773</u>
Committed Surplus			
School Budget Carry-over		177,010	186,587
Cafeteria Carry-over		11,576	14,385
School Based Funds		2,443,857	2,304,630
Non-Financial Assets		1,551,184	1,676,831
Uncommitted Surplus		<u>\$ 1,960,270</u>	<u>\$ 1,209,341</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, 2014

	2014	2013
Net (debt)/surplus beginning of year	\$ 3,714,942	\$ 3,873,917
Changes in the Year		
Surplus/(Deficit), on an Expense Basis	752,124	220,750
Acquisition of tangible capital assets	(20,928)	(50,126)
Amortization of tangible capital asset	118,563	123,452
(Increase) Decrease in prepaid expenses	28,012	(453,051)
Net (debt)/surplus end of year	<u>\$ 4,592,713</u>	<u>\$ 3,714,942</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, 2014

	2014	2013
Operating Transactions		
Annual surplus	\$ 6,143,897	\$ 5,391,773
Change in prepaid expenses	28,012	(453,051)
Change in deferred revenue	334,239	111,976
Change in accounts receivable	(4,175,779)	(1,848,545)
Change in accounts payable	409,331	(1,287)
Change in long-term debt	644,977	1,892,273
Cash Provided by Operating Transactions	3,384,677	5,093,140
Acquisition of Tangible Capital Assets	97,635	73,326
Increase in cash and cash equivalents	3,482,312	5,166,466
Previous Year's Surplus	(5,391,773)	(5,171,023)
Cash and cash equivalents at beginning of year	8,052,122	8,056,679
Cash and cash equivalents at end of year	\$ 6,142,661	\$ 8,052,122

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, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 82,497,877	\$ 81,624,937	\$ 79,901,330
Restricted	17,368,130	17,319,152	18,034,953
Capital	113,400	351,331	768,402
Other	1,848,920	2,896,274	2,430,688
Recoveries	30,000	62,852	42,948
Teachers Salary Accrual	<u>1,950,000</u>	<u>2,012,700</u>	<u>1,587,200</u>
Total Province of Nova Scotia	<u>103,808,327</u>	<u>104,267,245</u>	<u>102,765,521</u>
<u>Government of Canada:</u>			
IA Northern Development	528,815	612,719	545,150
HRDC	-	-	146,991
Secretary of State	<u>283,733</u>	<u>307,012</u>	<u>280,470</u>
Total Government of Canada	<u>812,548</u>	<u>919,731</u>	<u>972,611</u>
<u>Municipal contributions:</u>			
Mandatory	<u>20,046,700</u>	<u>20,046,660</u>	<u>19,200,216</u>
Total Municipal Contributions	<u>20,046,700</u>	<u>20,046,660</u>	<u>19,200,216</u>
<u>School Generated Funds:</u>			
School Generated (Note 3)	<u>4,000,000</u>	<u>3,895,170</u>	<u>3,992,076</u>
Total School Generated	<u>4,000,000</u>	<u>3,895,170</u>	<u>3,992,076</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, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>Other Revenues:</u>			
Board Generated - Other	1,096,710	822,116	641,836
Other Revenue - Schools	1,132,907	1,075,568	1,102,091
Tuition - Students	509,880	483,839	568,113
Registration	762,875	933,476	785,623
Rentals	-	2,191	5,626
Interest/Investments	85,000	88,241	84,297
Recoveries - Non-governmental	75,000	180,913	130,599
Non-Government Grants	-	75,169	13,764
Donations	-	1,900	1,000
Sale of Assets	-	7,790	70
Total Other Revenues	<u>3,662,372</u>	<u>3,671,203</u>	<u>3,333,019</u>
 Total Revenues	 <u><u>\$ 132,329,947</u></u>	 <u><u>\$ 132,800,009</u></u>	 <u><u>\$ 130,263,443</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, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ 224,717	\$ 221,877	\$ 210,664
Board Secretary	56,960	50,143	54,246
NSSBA & Other	65,875	65,975	65,707
Total Board Governance	347,552	337,995	330,617
<u>Regional Management:</u>			
Management Services	1,276,141	1,188,143	1,267,955
Financial Services	899,290	886,863	671,983
Human Resources Services	859,887	855,771	961,152
Communication Services	60,049	64,548	51,687
ITS - Regional	235,507	387,664	511,330
Total Regional Management	3,330,874	3,382,989	3,464,107
<u>School Management & Support:</u>			
School Management	10,200,009	10,270,019	10,092,519
Program & Curriculum Support	5,742,941	5,401,881	5,734,115
ITS - Site Specific	2,007,055	2,597,656	2,180,477
Total School Management	17,950,005	18,269,556	18,007,110
<u>Instructional & School Services:</u>			
Instruction	59,083,335	58,216,794	56,792,698
Guidance Services	1,187,064	1,462,976	1,322,618
Library Services	673,778	658,322	813,724
Total Instruction	60,944,177	60,338,092	58,929,040
<u>Student Support:</u>			
Program Management	116,610	120,857	113,771
Instruction	15,909,609	15,822,719	15,345,584
Program & Curriculum Support	2,451,259	2,588,945	2,403,326
Total Student Support	18,477,478	18,532,521	17,862,681

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, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>Adult & Community Education:</u>			
Program Management	-	44	61,399
Instruction	458,035	451,726	590,071
Total Adult Education	458,035	451,770	651,470
<u>Property Services:</u>			
Management Services	956,500	958,277	901,721
Custodial Services	4,487,778	4,583,660	4,501,417
Maintenance Services	7,147,425	7,488,899	7,676,490
Grounds Services	420,000	486,719	407,535
Total Property Services	13,011,703	13,517,554	13,487,164
<u>Student Transportation:</u>			
Management Services	437,278	443,574	416,471
Transportation (Board)	3,783,419	3,732,839	3,335,190
Maintenance (Board)	1,109,215	1,103,105	1,021,545
Transportation (Contract)	3,946,500	3,729,571	4,422,325
Total Student Transportation	9,276,412	9,009,089	9,195,532
Other Programs	3,540,435	3,440,659	3,382,847
School Based Funds (Note 3)	4,000,000	3,755,942	3,683,756
Interest Expense	860,000	893,154	924,918
Amortization Expense	133,276	118,563	123,452
Total Expenses	8,533,711	8,208,319	8,114,973
Total	\$ 132,329,947	\$ 132,047,885	\$ 130,042,693

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, 2014

Trusts

	March 2013	Additions	Interest	Disbursements	March 2014
ARRA Library Trust	\$ 3,838	\$ -	\$ 92	\$ -	\$ 3,930
Atkinson Trust	10	-	-	-	10
AVRSB BD Mem Sch Fd	8,702	-	213	900	8,015
Raymond Banks Memorial	10,986	-	264	245	11,005
Barteaux Trust	(10)	-	-	-	(10)
Bateman Trust	4,676	-	113	72	4,717
Beals Trust	413,519	-	9,980	10,550	412,949
Beattie Trust	11,484	-	276	-	11,760
Blackburn Trust	42	-	1	-	43
Borden Trust	3,873	-	93	95	3,871
Brannon Trust	617	-	15	50	582
Brazil, Duane Mem	8,738	-	212	500	8,450
Carter Trust	2,920	-	72	500	2,492
Charles Eaves Award	15,778	-	381	400	15,759
Clarke	6,811	-	164	170	6,805
Coldwell Trust	5,094	-	123	130	5,087
Cummings Trust	14,477	243	349	500	14,569
Dakin Trust	6,747	-	165	300	6,612
Dalton Trust	17,079	-	410	-	17,489
Daniel Arnold Memorial	-	4,470	-	-	4,470
DeEll Trust	55,053	-	1,326	926	55,453
Dorothy Russell	2,199	-	50	1,000	1,249
Eastern Star	-	3,950	-	-	3,950
Evans Trust	15	-	1	-	16
Fairn	51,601	-	1,246	2,000	50,847
Harvey	4,242	-	102	100	4,244
Haskell Trust	26,209	-	634	675	26,168
Hibbard Trust	11,334	-	273	245	11,362
Horton Alumni	731	-	19	250	500
Hudgins Trust	454	-	11	11	454
Inglis Trust	20,792	-	502	266	21,028
IODE Olympic Chapter	-	88,031	-	-	88,031
IOOF Wolfville	16,724	-	402	250	16,876
Jones - BRES	6,979	-	167	-	7,146
Jones - BRHS	15,636	-	376	-	16,012
Johnston Trust	31,917	-	769	1,200	31,486
Lightfoot Trust	140	-	3	-	143
Lockhart Trust	24	-	1	-	25
Lyons Trust	4,783	-	115	118	4,780
MacFarlane	6,951	-	177	19	7,109
MacNutt Trust	55,292	5,000	1,310	1,000	60,602
Mitchell Trust	1,751	-	42	43	1,750
MRHS 40th Ann. Trust	25,699	-	619	500	25,818
Neily Trust	457	-	11	11	457
Nixon Trust	6,440	-	156	250	6,346
Candice Parker Trust	5,478	-	132	500	5,110
Harry E. Parker Trust	6,727	300	164	500	6,691
Rena B. Parker Trust	37,464	-	904	958	37,410
Frank Pecora Mem Bursary	339	-	10	339	10
Quartermain Trust	946	-	23	-	969
Rainforth Trust	557	-	13	-	570
Sasa Kovac Trust	419	-	12	418	13
Sinnott Trust	10,867	-	262	278	10,851
Terri Spinney Mem	798	-	14	750	62
Earle Spicer Trust	27,860	-	673	710	27,823

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, 2014

	March 2013	Additions	Interest	Disbursements	March 2014
Bill Wade Memorial	5,855	4,500	249	3,000	7,604
Whitman Memoiral	10,216	-	246	500	9,962
Worthylake Trust	8,446	100	209	1,500	7,255
Champlain Refresh	3,056	33,900	-	32,025	4,931
Horton Refresh	102,903	300,000	-	242,957	159,946
Northeast Kings Refresh	28,304	105,114	-	108,122	25,296
Pine Ridge Refresh	11,867	70,908	-	70,985	11,790
Champlain Capital Fund	6,491	6,382	-	2,295	10,578
Northeast Kings Capital Fund	9,451	19,786	-	8,522	20,715
Pine Ridge Capital Fund	36,084	3,205	-	20,114	19,175
Horton Capital Fund	72,721	15,737	-	1,161	87,297
Total Trusts	1,267,653	661,626	24,146	518,910	1,434,575
Foundation Total	308,336	117,100	6,164	94,133	337,467
Total Trusts & Foundation	\$ 1,575,989	\$ 778,726	\$ 30,310	\$ 613,043	\$ 1,771,982

School Generated Funds

	March 2013	Additions	Interest	Disbursements	March 2014
Aldershot	\$ 21,061	\$ 52,871	\$ -	\$ 46,008	\$ 27,924
Annapolis East	68,572	115,097	-	116,690	66,979
ARRA Special	33,294	46,240	-	36,743	42,791
AWEC Office	62,614	99,817	53	87,509	74,975
Avon View	88,150	241,149	-	237,916	91,383
Berwick	56,283	61,086	-	56,997	60,372
BRES	30,951	20,479	-	23,429	28,001
BRHS	120,175	92,213	223	111,448	101,163
Brooklyn	45,807	53,228	-	57,361	41,674
Cambridge	24,672	39,890	-	41,622	22,940
Central Kings	169,168	310,892	-	340,313	139,747
Champlain	12,018	21,491	-	21,171	12,338
Clark Rutherford	10,119	24,141	-	24,185	10,075
Coldbrook	59,060	78,478	-	62,624	74,914
Dr Arthur Hines	20,041	53,735	-	59,382	14,394
Dwight Ross	33,837	42,132	14	50,767	25,216
EMS	55,473	112,267	-	74,876	92,864
Falmouth	19,167	42,409	-	44,031	17,545
Gaspereau	20,792	28,902	-	25,257	24,437
Glooscap	30,200	130,535	-	117,067	43,668
Hantsport	34,932	48,333	41	40,343	42,963
Highbury Education	6,407	6,900	-	8,216	5,091
Horton	293,421	411,245	-	394,988	309,678
KCA	57,004	158,945	113	146,580	69,482
Kings Co Adult High	8,132	4,878	-	2,123	10,887
Kingston Dist	31,458	66,543	-	69,382	28,619
LE Shaw	9,137	33,599	-	32,267	10,469
Lawrencetown	36,098	35,908	-	38,285	33,721
Lawrencetown Ed. Ctr.	7,101	11,588	-	11,938	6,751
MRHS	152,169	245,751	581	228,509	169,992

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, 2014

	March 2013	Additions	Interest	Disbursements	March 2014
New Minas	27,424	52,752	-	48,754	31,422
Newport Stn	21,607	19,240	-	17,680	23,167
Northeast Kings	106,491	302,534	-	291,288	117,737
Pine Ridge	86,485	107,870	-	93,797	100,558
Port Williams	15,119	44,270	-	36,263	23,126
Somerset	8,374	56,054	-	52,439	11,989
St Mary's	47,067	30,153	-	29,301	47,919
Three Mile Plns	37,279	21,572	-	24,298	34,553
WHEC	8,132	10,637	-	9,134	9,635
West Hants	35,575	117,930	798	102,991	51,312
West Kings	186,315	305,254	869	308,944	183,494
Windsor Adult High	7,749	5,312	-	6,199	6,862
Windsor EI	13,432	27,036	-	23,706	16,762
Windsor Forks	31,438	25,661	-	29,889	27,210
Wolfville School	54,830	75,460	-	73,232	57,058
Total School Generated Funds	\$ 2,304,630	\$ 3,892,477	\$ 2,692	\$ 3,755,942	\$ 2,443,857

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, 2014

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2014	2013
Opening Costs	\$ 427,951	\$ 648,003	\$ 849,485	\$ 1,925,439	\$ 1,875,313
Additions	-	20,928	-	20,928	50,126
Disposals	-	-	-	-	-
Closing Costs	<u>427,951</u>	<u>668,931</u>	<u>849,485</u>	<u>1,946,367</u>	<u>1,925,439</u>

Accumulated Amortization(s)

Opening Balance	96,810	480,099	128,259	705,168	581,716
Disposals	-	-	-	-	-
Amortization Expense	16,557	65,945	36,061	118,563	123,452
Closing Balance	<u>113,367</u>	<u>546,044</u>	<u>164,320</u>	<u>823,731</u>	<u>705,168</u>

Note Book Value (NBV)	<u>314,584</u>	<u>122,887</u>	<u>685,165</u>	<u>1,122,636</u>	<u>1,220,271</u>
Opening Balance, April 1, 2013	331,141	167,903	721,227	1,220,271	1,293,597
Closing Balance, March 31, 2014	<u>314,584</u>	<u>122,887</u>	<u>685,165</u>	<u>1,122,636</u>	<u>1,220,271</u>
Increase (decrease) In Net Book Value	<u>\$ (16,557)</u>	<u>\$ (45,016)</u>	<u>\$ (36,062)</u>	<u>\$ (97,635)</u>	<u>\$ (73,326)</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, 2014

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 and the Nova Scotia Teachers' Union are responsible for funding this plan.

Service Awards

During the 2000-2001 and the 2013-2014 fiscal years the Province of Nova Scotia assumed full responsibility for accumulated liability associated with teaching and non-teaching 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, 2014**

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.

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, 2013	Additions	Interest	Disbursements	March 31, 2014
\$2,304,630	\$3,892,477	\$2,692	\$3,755,942	\$2,443,857

(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, 2014**

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. Contractual Obligations

Contract	Vendor	2014-15	2015-16	2016-17	2017-18
Contracted School Bus Transportation Services	Stock Transportation	\$3,628,455	\$3,737,358	\$1,144,469	-
Regional Office Rent	Western Kings Health Society	\$284,218	\$292,745	\$62,818	-
NSSPI Photocopier	Xerox Canada	\$121,199	\$121,199	\$121,199	\$121,199
Totals		\$4,033,872	\$4,151,302	\$1,328,486	\$121,199

6. Contingency

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

7. Accumulated sick leave liability

The Board has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Board has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2014.

8. Restatement

The 2011-2012 accrued benefit obligation opening liability for non-teaching accumulated sick leave and retiring allowance for the 2011-2012 fiscal was not recorded in error when received in fiscal 2012-2013. The Board has recognized and increased the prior year liability for accumulated sick leave by \$1,297,269 and the liability for retirement allowances by \$209,413. The Board has recorded a corresponding receivable of \$1,506,682 from the Province of Nova Scotia, as they assume responsibility for the liability.