

**Annapolis Valley Regional
School Board
Consolidated Financial Statements
March 31, 2015**

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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, 2015, 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, 2015 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 24, 2015

Morse Brewster Lake

Chartered Accountants

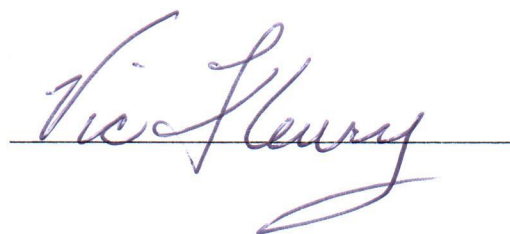
Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2015

	2015	2014
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 9,541,002	\$ 3,698,804
School Based Funds (Note 3)	2,607,021	2,443,857
Total Cash and Cash Equivalents	12,148,023	6,142,661
Accounts Receivable		
Province of Nova Scotia	25,895,770	28,771,451
Government of Canada	448,575	420,676
Municipalities	18,136	-
Due from Trust Funds	44,753	-
Other	625,127	411,769
Total Financial Assets	39,180,384	35,746,557
Capital Assets		
New Book Value of Capital Assets (Note 2)	-	-
Total Financial and Capital Assets	39,180,384	35,746,557
Liabilities		
Accounts payable and accrued liabilities	3,828,138	2,762,212
Payables and Accruals - Government		
Province of Nova Scotia	34,151	83,328
Government of Canada	1,271,851	126
Municipalities	47,077	28,627
Other	5,843,530	5,625,516
Deferred Revenues	1,942,317	1,765,412
Employee pension, retirement & post employment benefits (Note 2)	7,624,195	7,521,118
Accumulated sick leave (Note 7)	13,907,127	13,367,505
Total Liabilities	34,498,386	31,153,844
Equity - Capital	-	-
Total Liabilities and Capital Equity	34,498,386	31,153,844
Net (debt)/surplus	4,681,998	4,592,713
Non-Financial assets		
Prepaid expenses	424,294	428,548
Tangible capital assets (Schedule E)	1,054,822	1,122,636
Accumulated surplus/(deficit) end of year	6,161,114	6,143,897
Committed Surplus		
School Budget Carry-over	111,756	177,010
Cafeteria Carry-over	-	11,576
School Based Funds	2,607,021	2,443,857
Non-Financial Assets	1,479,116	1,551,184
Total Committed Surplus	4,197,893	4,183,627
Uncommitted Surplus	\$ 1,963,221	\$ 1,960,270
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, 2015

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 107,135,703	\$ 107,062,304	\$ 104,267,245
Government of Canada	924,859	\$ 957,442	919,731
Municipal Contributions	20,765,100	\$ 20,765,112	20,046,660
School Generated Funds (Note 3)	4,000,000	\$ 4,320,894	3,895,170
Other Revenues	4,057,785	\$ 3,709,218	3,671,203
Total Revenues	<u>136,883,447</u>	<u>\$ 136,814,970</u>	<u>132,800,009</u>
Expenses (Schedule B)			
Total Board Governance	356,092	346,260	337,995
Total Regional Management	3,527,522	3,403,947	3,382,989
Total School Management	19,200,970	19,046,626	18,269,556
Total Instruction	62,150,188	62,584,299	60,338,092
Total Student Support	19,271,750	19,549,075	18,532,521
Total Adult Education	683,316	695,949	451,770
Total Property Services	13,559,886	13,773,292	13,517,554
Total Student Transportation	9,544,720	9,297,831	9,009,089
Other Programs	3,579,732	2,932,673	3,440,659
School Generated Funds (Note 3)	4,000,000	4,157,731	3,755,942
Interest Expense	893,154	912,944	893,154
Amortization Expense	116,117	97,126	118,563
Total Expenses	<u>\$ 136,883,447</u>	<u>136,797,753</u>	<u>132,047,885</u>
Annual Surplus/(deficit) before unusual items		17,217	752,124
School Board surplus/(deficit) on an expense basis		<u>17,217</u>	<u>752,124</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>6,143,897</u>	<u>5,391,773</u>
Accumulated surplus/(deficit) end of year		<u>6,161,114</u>	<u>6,143,897</u>
Committed Surplus			
School Budget Carry-over		111,756	177,010
Cafeteria Carry-over		-	11,576
School Based Funds		2,607,021	2,443,857
Non-Financial Assets		1,479,116	1,551,184
Uncommitted Surplus		<u>\$ 1,963,221</u>	<u>\$ 1,960,270</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, 2015

	2015	2014
Net (debt)/surplus beginning of year	\$ 4,592,713	\$ 3,714,942
Changes in the Year		
Surplus/(Deficit), on an Expense Basis	17,217	752,124
Acquisition of tangible capital assets	(29,312)	(20,928)
Amortization of tangible capital asset	97,126	118,563
(Increase) Decrease in prepaid expenses	4,254	28,012
Net (debt)/surplus end of year	\$ 4,681,998	\$ 4,592,713

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, 2015

	2015	2014
Operating Transactions		
Annual surplus	\$ 6,161,114	\$ 6,143,897
Change in prepaid expenses	4,254	28,012
Change in deferred revenue	176,905	334,239
Change in accounts receivable	2,571,535	(4,175,779)
Change in accounts payable	2,524,938	409,331
Change in long-term debt	642,699	644,977
Cash Provided by Operating Transactions	12,081,445	3,384,677
Acquisition of Tangible Capital Assets	67,814	97,635
Increase in cash and cash equivalents	12,149,259	3,482,312
Previous Year's Surplus	(6,143,897)	(5,391,773)
Cash and cash equivalents at beginning of year	6,142,661	8,052,122
Cash and cash equivalents at end of year	\$ 12,148,023	\$ 6,142,661

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, 2015

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 80,630,867	\$ 79,870,249	\$ 81,624,937
Restricted	22,131,899	23,108,815	17,319,152
Capital	113,400	247,931	351,331
Other	2,216,837	1,720,235	2,896,274
Recoveries	30,000	90,373	62,852
Teachers Salary Accrual	<u>2,012,700</u>	<u>2,024,700</u>	<u>2,012,700</u>
Total Province of Nova Scotia	<u>107,135,703</u>	<u>107,062,304</u>	<u>104,267,245</u>
<u>Government of Canada:</u>			
IA Northern Development	646,665	659,308	612,719
Secretary of State	<u>278,194</u>	<u>298,133</u>	<u>307,012</u>
Total Government of Canada	<u>924,859</u>	<u>957,442</u>	<u>919,731</u>
<u>Municipal contributions:</u>			
Mandatory	<u>20,765,100</u>	<u>20,765,112</u>	<u>20,046,660</u>
Total Municipal Contributions	<u>20,765,100</u>	<u>20,765,112</u>	<u>20,046,660</u>
<u>School Generated Funds:</u>			
School Generated (Note 3)	<u>4,000,000</u>	<u>4,320,894</u>	<u>3,895,170</u>
Total School Generated	<u>4,000,000</u>	<u>4,320,894</u>	<u>3,895,170</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, 2015

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>Other Revenues:</u>			
Board Generated - Other	1,719,801	572,528	822,116
Other Revenue - Schools	1,141,837	1,122,640	1,075,568
Tuition - Students	30,717	504,219	483,839
Registration	950,430	1,113,481	933,476
Rentals	-	6,281	2,191
Interest/Investments	85,000	111,670	88,241
Recoveries - Non-governmental	130,000	195,556	180,913
Non-Government Grants	-	79,922	75,169
Donations	-	1,000	1,900
Sale of Assets	-	1,922	7,790
Total Other Revenues	<u>4,057,785</u>	<u>3,709,218</u>	<u>3,671,203</u>
Total Revenues	<u><u>\$ 136,883,447</u></u>	<u><u>\$ 136,814,970</u></u>	<u><u>\$ 132,800,009</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, 2015

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ 233,381	\$ 223,635	\$ 221,877
Board Secretary	56,836	56,750	50,143
NSSBA & Other	65,875	65,875	65,975
Total Board Governance	<u>356,092</u>	<u>346,260</u>	<u>337,995</u>
<u>Regional Management:</u>			
Management Services	1,282,692	1,259,208	1,188,143
Financial Services	998,790	915,806	886,863
Human Resources Services	926,080	887,685	855,771
Communication Services	86,115	84,340	64,548
ITS - Regional	233,845	256,908	387,664
Total Regional Management	<u>3,527,522</u>	<u>3,403,947</u>	<u>3,382,989</u>
<u>School Management & Support:</u>			
School Management	10,318,685	10,333,880	10,270,019
Program & Curriculum Support	6,866,457	6,422,959	5,401,881
ITS - Site Specific	2,015,828	2,289,787	2,597,656
Total School Management	<u>19,200,970</u>	<u>19,046,626</u>	<u>18,269,556</u>
<u>Instructional & School Services:</u>			
Instruction	60,182,788	60,468,277	58,216,794
Guidance Services	1,316,445	1,518,507	1,462,976
Library Services	650,955	597,515	658,322
Total Instruction	<u>62,150,188</u>	<u>62,584,299</u>	<u>60,338,092</u>
<u>Student Support:</u>			
Program Management	119,290	114,849	120,857
Instruction	16,175,528	16,541,058	15,822,719
Program & Curriculum Support	2,976,932	2,893,168	2,588,945
Total Student Support	<u>19,271,750</u>	<u>19,549,075</u>	<u>18,532,521</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, 2015

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
<u>Adult & Community Education:</u>			
Program Management	221,535	216,697	44
Instruction	461,781	479,252	451,726
Total Adult Education	<u>683,316</u>	<u>695,949</u>	<u>451,770</u>
<u>Property Services:</u>			
Management Services	1,007,679	1,006,741	958,277
Custodial Services	4,885,700	4,604,127	4,583,660
Maintenance Services	7,246,507	7,538,980	7,488,899
Grounds Services	420,000	623,444	486,719
Total Property Services	<u>13,559,886</u>	<u>13,773,292</u>	<u>13,517,554</u>
<u>Student Transportation:</u>			
Management Services	479,015	420,833	443,574
Transportation (Board)	3,829,950	3,827,071	3,732,839
Maintenance (Board)	1,198,300	1,105,411	1,103,105
Transportation (Contract)	4,037,455	3,944,516	3,729,571
Total Student Transportation	<u>9,544,720</u>	<u>9,297,831</u>	<u>9,009,089</u>
Other Programs	3,579,732	2,932,673	3,440,659
School Based Funds (Note 3)	4,000,000	4,157,731	3,755,942
Interest Expense	893,154	912,944	893,154
Amortization Expense	116,117	97,126	118,563
Total Expenses	<u>8,589,003</u>	<u>8,100,474</u>	<u>8,208,319</u>
Total	<u>\$ 136,883,447</u>	<u>\$ 136,797,753</u>	<u>\$ 132,047,885</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, 2015

Trusts

	March 2014	Additions	Interest	Disbursements	March 2015
ARRA Library Trust	\$ 3,930	\$ -	\$ 94	\$ -	\$ 4,024
Atkinson Trust	10	-	-	10	-
AVRSB BD Mem Sch Fd	8,015	-	197	900	7,312
Raymond Banks Memorial	11,005	-	266	245	11,026
Barteaux Trust	(10)	1,000	19	500	509
Bateman Trust	4,717	-	113	79	4,751
Beals Trust	412,949	-	9,977	10,350	412,576
Beattie Trust	11,760	-	283	255	11,788
Blackburn Trust	43	-	-	43	-
Borden Trust	3,871	-	94	95	3,870
Brannon Trust	582	-	14	21	575
Brazil, Duane Mem	8,450	-	206	-	8,656
Carter Trust	2,492	-	62	500	2,054
Charles Eaves Award	15,759	-	381	396	15,744
Clarke	6,805	-	164	-	6,969
Coldwell Trust	5,087	-	123	125	5,085
Cummings Trust	14,569	246	356	500	14,671
Dakin Trust	6,612	-	160	300	6,472
Dalton Trust	17,489	-	420	385	17,524
Daniel Arnold Memorial	4,470	2,442	123	1,200	5,835
DeEll Trust	55,453	-	1,337	2,618	54,172
Dorothy Russell	1,249	-	45	-	1,294
Eastern Star	3,950	2,050	75	1,000	5,075
Evans Trust	16	-	-	16	-
Fairn	50,847	-	1,232	4,000	48,079
Harvey	4,244	-	102	-	4,346
Haskell Trust	26,168	342	639	1,000	26,149
Hibbard Trust	11,362	-	275	242	11,395
Horton Alumni	500	-	13	250	263
Hudgins Trust	454	-	11	-	465
Inglis Trust	21,028	-	502	788	20,742
IODE Olympic Chapter	88,031	-	1,657	5,000	84,688
IOOF Wolfville	16,876	-	397	500	16,773
Jones - BRES	7,146	-	172	-	7,318
Jones - BRHS	16,012	-	385	-	16,397
Johnston Trust	31,486	-	763	1,200	31,049
Lightfoot Trust	143	-	4	-	147
Lockhart Trust	25	-	-	25	-
Lyons Trust	4,780	-	115	120	4,775
MacFarlane	7,109	-	171	6,345	935
MacNutt Trust	60,602	1,500	1,435	1,000	62,537
Mitchell Trust	1,750	-	42	-	1,792
MRHS 40th Ann. Trust	25,818	-	623	1,000	25,441
Neily Trust	457	-	11	20	448
Nixon Trust	6,346	-	154	250	6,250
Candice Parker Trust	5,110	-	126	500	4,736
Paul Bethune Trust	-	50,000	-	-	50,000
Harry E. Parker Trust	6,691	300	162	500	6,653
Rena B. Parker Trust	37,410	-	904	-	38,314
Frank Pecora Mem Bursary	10	2,048	2	-	2,060
Quartermain Trust	969	-	23	-	992
Rainforth Trust	570	-	14	-	584
Sasa Kovac Trust	13	-	-	13	-
Sinnott Trust	10,851	-	263	-	11,114
Terri Spinney Mem	62	-	4	-	66
Earle Spicer Trust	27,823	-	672	700	27,795

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, 2015

	March 2014	Additions	Interest	Disbursements	March 2015
Bill Wade Memorial	7,604	4,500	198	3,000	9,302
Whitman Memoiral	9,962	-	242	500	9,704
Worthylake Trust	7,255	-	182	1,500	5,937
Champlain Refresh	4,931	33,900	-	28,812	10,019
Horton Refresh	159,946	300,000	-	371,498	88,448
Northeast Kings Refresh	25,296	105,114	-	106,048	24,362
Pine Ridge Refresh	11,790	68,106	-	90,029	10,133
Champlain Capital Fund	10,578	1,595	-	478	11,695
Northeast Kings Capital Fund	20,715	4,946	-	2,459	23,202
Pine Ridge Capital Fund	19,175	3,205	-	5,956	16,424
Horton Capital Fund	87,297	16,004	-	21,449	81,852
Total Trusts	1,434,515	597,298	26,004	674,720	1,383,097
Foundation Total	337,467	109,823	8,900	97,051	359,139
Total Trusts & Foundation	\$ 1,771,982	\$ 707,121	\$ 34,904	\$ 771,771	\$ 1,742,236

School Generated Funds

	March 2014	Additions	Interest	Disbursements	March 2015
Aldershot	\$ 27,924	\$ 60,500	\$ -	\$ 61,547	\$ 26,877
Annapolis East	66,979	108,414	-	108,575	66,818
ARRA Special	42,791	49,852	-	46,229	46,414
AWEC Office	74,975	81,489	55	73,080	83,439
Avon View	91,383	330,695	-	301,009	121,069
Berwick	60,372	57,103	-	58,161	59,314
BRES	28,001	25,931	-	27,615	26,317
BRHS	101,163	105,384	207	129,555	77,199
Brooklyn	41,674	50,840	-	70,398	22,116
Cambridge	22,940	37,602	-	38,002	22,540
Central Kings	139,747	344,199	-	322,853	161,093
Champlain	12,338	34,187	-	29,515	17,010
Clark Rutherford	10,075	19,161	-	26,177	3,059
Coldbrook	74,914	72,535	-	71,203	76,246
Dr Arthur Hines	14,394	37,991	-	39,384	13,001
Dwight Ross	25,216	36,630	12	39,784	22,074
EMS	92,864	118,559	-	148,516	62,907
Falmouth	17,545	56,066	-	47,936	25,675
Gaspereau	24,437	44,881	-	46,179	23,139
Glooscap	43,668	55,238	-	67,433	31,473
Hantsport	42,963	51,287	47	41,350	52,947
Highbury Education	5,091	6,532	-	5,153	6,470
Horton	309,678	477,918	-	461,493	326,103
KCA	69,482	132,832	109	132,148	70,275
Kings Co Adult High	10,887	13,373	-	14,232	10,028
Kingston Dist	28,619	77,391	-	74,500	31,510
LE Shaw	10,469	32,796	-	27,644	15,621
Lawrencetown	33,721	39,275	-	34,687	38,309
Lawrencetown Ed. Ctr.	6,751	16,287	-	19,046	3,992
MRHS	169,992	227,763	552	219,260	179,047

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, 2015

	March 2014	Additions	Interest	Disbursements	March 2015
New Minas	31,422	43,774	0	36,521	38,675
Newport Stn	23,167	21,192	0	28,984	15,375
Northeast Kings	117,737	464,975	0	388,860	193,852
Pine Ridge	100,558	113,757	0	107,401	106,914
Port Williams	23,126	47,603	0	44,731	25,998
Somerset	11,989	68,689	0	60,549	20,129
St Mary's	47,919	39,186	0	33,603	53,502
Three Mile Plns	34,553	19,391	0	31,883	22,061
WHEC	9,635	13,829	0	14,551	8,913
West Hants	51,312	119,153	1,054	122,947	48,572
West Kings	183,494	388,988	602	360,607	212,477
Windsor Adult High	6,862	3,229	0	3,021	7,070
Windsor EI	16,762	30,570	0	27,612	19,720
Windsor Forks	27,210	32,928	0	27,703	32,435
Wolfville School	57,058	108,282	0	86,094	79,246
Total School Generated Funds	\$ 2,443,857	\$ 4,318,257	\$ 2,638	\$ 4,157,731	\$ 2,607,021

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, 2015

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2015	2014
Opening Costs	\$ 427,951	\$ 668,931	\$ 849,485	\$ 1,946,367	\$ 1,925,439
Additions	-	29,312	-	29,312	20,928
Disposals	-	-	-	-	-
Closing Costs	<u>427,951</u>	<u>698,243</u>	<u>849,485</u>	<u>1,975,679</u>	<u>1,946,367</u>

Accumulated Amortization(s)

Opening Balance	113,367	546,044	164,320	823,731	705,168
Disposals	-	-	-	-	-
Amortization Expense	15,729	47,139	34,258	97,126	118,563
Closing Balance	<u>129,096</u>	<u>593,183</u>	<u>198,578</u>	<u>920,857</u>	<u>823,731</u>

Note Book Value (NBV)	<u>298,855</u>	<u>105,060</u>	<u>650,907</u>	<u>1,054,822</u>	<u>1,122,636</u>
Opening Balance, April 1, 2014	314,584	122,887	685,165	1,122,636	1,220,271
Closing Balance, March 31, 2015	<u>298,855</u>	<u>105,060</u>	<u>650,907</u>	<u>1,054,822</u>	<u>1,122,636</u>
Increase (decrease) In Net Book Value	<u>\$ (15,729)</u>	<u>\$ (17,827)</u>	<u>\$ (34,258)</u>	<u>\$ (67,814)</u>	<u>\$ (97,635)</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, 2015

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, 2015**

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, 2014	Additions	Interest	Disbursements	March 31, 2015
\$2,443,857	\$4,318,256	\$2,638	\$4,157,730	\$2,607,021

(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, 2015**

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	2015-16	2016-17	2017-18	2018-19
Contracted School Bus Transportation Services	Stock Transportation	\$3,775,358	\$3,813,358	1,605,565	-
Regional Office Rent	Western Kings Health Society	\$292,745	\$62,818	-	-
NSSPI Photocopier	Xerox Canada	\$121,199	\$121,199	\$121,199	\$40,399
Totals		\$4,189,302	\$3,997,375	\$1,726,764	\$40,399

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, 2015.