



**Annapolis Valley Regional
School Board
Consolidated Financial Statements
March 31, 2018**

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Morse Brewster Lake

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Independent Auditor's Report

To the Regional Executive Director 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, 2018, 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, 2018 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information included in the schedules on pages 6 to 13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion, in the audit of the financial statements taken as a whole.

Berwick, Nova Scotia
July 12, 2018

Morse Brewster Lake

Chartered Professional Accountants
Licensed Public Accountants

Annapolis Valley Regional School Board
Consolidated Statement of Financial Position
As at March 31, 2018

| | 2018 | 2017 |
|--|--------------|--------------|
| Financial Assets | | |
| Cash and Cash Equivalents | | |
| Cash | \$ 7,359,153 | \$ 6,862,087 |
| School Based Funds (Note 3) | 3,661,481 | 3,524,914 |
| Total Cash and Cash Equivalents | 11,020,634 | 10,387,001 |
| Accounts Receivable | | |
| Province of Nova Scotia | 15,864,231 | 16,479,925 |
| PNS - Teacher's Salary Accrual | 1,783,300 | 2,139,100 |
| Government of Canada | 599,433 | 304,454 |
| Other | 555,535 | 606,230 |
| PNS - Long-Term Service Awards | 9,244,958 | 8,454,882 |
| Total Financial Assets | 39,068,091 | 38,371,592 |
| Capital Assets | | |
| New Book Value of Capital Assets (Note 2) | - | - |
| Total Financial and Capital Assets | 39,068,091 | 38,371,592 |
| Liabilities | | |
| Accounts payable and accrued liabilities | 2,566,796 | 1,943,261 |
| Payables and Accruals - Government | | |
| Province of Nova Scotia | 67,617 | 123,238 |
| Municipalities | 40,249 | 30,953 |
| Government of Canada | 1,268,437 | 1,240,981 |
| Other Payables & Accrued Liabilities | 2,610,053 | 2,164,948 |
| Teachers Salary Accruals | 1,783,300 | 2,139,100 |
| Deferred Revenues | 2,689,996 | 3,754,759 |
| Long-Term Service Awards Liability (Note 2) | 9,244,958 | 8,454,882 |
| Long-Term Sick Leave Accrual (Note 7) | 14,180,202 | 14,038,858 |
| Total Liabilities | 34,451,608 | 33,890,980 |
| Equity - Capital | - | - |
| Total Liabilities and Capital Equity | 34,451,608 | 33,890,980 |
| Net (debt)/surplus | 4,616,483 | 4,480,612 |
| Non-Financial assets | | |
| Prepaid expenses | 496,664 | 485,592 |
| Tangible capital assets (Schedule E) | 1,247,025 | 1,201,489 |
| Accumulated surplus/(deficit) end of year | 6,360,172 | 6,167,693 |
| Committed Surplus | | |
| School Based Funds | 3,390,467 | 3,063,903 |
| Non-Financial Assets | 1,743,689 | 1,687,081 |
| Total Committed Surplus | 5,134,156 | 4,750,984 |
| Uncommitted Surplus | \$ 1,226,016 | \$ 1,416,709 |

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
As at March 31, 2018

| | 2018 Budget | 2018 Actual | 2017 Actual |
|---|-----------------------|-----------------------|-----------------------|
| Revenue (Schedule A) | | | |
| Province of Nova Scotia | \$ 123,448,531 | \$ 123,031,053 | \$ 118,132,954 |
| Government of Canada | 1,017,618 | 1,223,987 | 982,570 |
| Municipal Contributions | 22,228,600 | 22,228,644 | 21,941,959 |
| School Generated Funds (Note 3) | 4,000,000 | 4,367,337 | 3,408,471 |
| Other Revenues | 4,675,472 | 5,023,458 | 3,755,315 |
| Total Revenues | 155,370,221 | 155,874,479 | 148,221,269 |
| Expenses (Schedule B) | | | |
| Total Board Governance | 358,127 | 587,386 | 371,267 |
| Total Regional Management | 3,975,292 | 4,265,041 | 3,794,517 |
| Total School Management | 15,467,112 | 16,033,803 | 15,880,971 |
| Total Instruction | 79,536,729 | 79,082,541 | 76,064,442 |
| Total Student Support | 24,067,623 | 24,433,220 | 23,219,305 |
| Total Adult Education | 566,208 | 401,282 | 467,901 |
| Total Property Services | 13,566,904 | 13,169,485 | 12,412,140 |
| Total Student Transportation | 9,498,074 | 9,302,103 | 9,099,387 |
| Other Programs | 3,460,866 | 3,486,004 | 3,048,131 |
| School Generated Funds (Note 3) | 4,000,000 | 4,040,773 | 3,007,454 |
| Interest Expense | 744,780 | 752,312 | 744,780 |
| Amortization Expense | 128,506 | 128,050 | 109,020 |
| Total Expenses | \$ 155,370,221 | \$ 155,682,000 | \$ 148,219,315 |
| Annual Surplus/(deficit) before unusual items | | 192,479 | 1,954 |
| School Board surplus/(deficit) on an expense basis | | 192,479 | 1,954 |
| Accumulated surplus/(deficit) beginning of year: | | | |
| Previously Reported | | 6,167,693 | 6,165,739 |
| Accumulated surplus/(deficit) end of year | | 6,360,172 | 6,167,693 |
| Committed Surplus | | | |
| School Based Funds | | 3,390,467 | 3,063,903 |
| Non-Financial Assets | | 1,743,689 | 1,687,081 |
| Uncommitted Surplus | | \$ 1,226,016 | \$ 1,416,709 |

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

Annapolis Valley Regional School Board
 Consolidated Statement of Changes in Net Debt
 As at March 31, 2018

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Net (debt)/surplus beginning of year | \$ 4,480,612 | \$ 4,675,225 |
| Changes in the Year | | |
| Surplus/(Deficit), on an Expense Basis | 192,479 | 1,954 |
| Acquisition of tangible capital assets | (175,641) | (273,865) |
| Disposal of assets | 2,055 | - |
| Amortization of tangible capital asset | 128,050 | 109,020 |
| (Increase) Decrease in prepaid expenses | <u>(11,072)</u> | <u>(31,722)</u> |
| Net (debt)/surplus end of year | <u>\$ 4,616,483</u> | <u>\$ 4,480,612</u> |

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

Annapolis Valley Regional School Board
 Consolidated Statement of Cash Flows
 As at March 31, 2018

| | 2018 | 2017 |
|---|----------------------|----------------------|
| Operating Transactions | | |
| Annual surplus | \$ 6,360,172 | \$ 6,167,693 |
| Change in prepaid expenses | (11,072) | (31,722) |
| Change in deferred revenue | (1,064,762) | 1,491,950 |
| Change in accounts receivable | (62,866) | 4,311,221 |
| Change in accounts payable | 693,971 | (1,672,731) |
| Change in long-term debt | 931,420 | (424,163) |
| Cash Provided by Operating Transactions | 6,846,862 | 9,842,248 |
| Acquisition of tangible capital assets | (175,641) | (273,865) |
| Loss on disposal of assets | 2,055 | |
| Amortization of tangible capital assets | 128,050 | 109,020 |
| | <u>(45,536)</u> | <u>(164,845)</u> |
| Increase in cash and cash equivalents | 6,801,326 | 9,677,403 |
| Previous Year's Surplus | (6,167,693) | (6,165,739) |
| Cash and cash equivalents at beginning of year | 10,387,001 | 6,875,337 |
| Cash and cash equivalents at end of year | \$ 11,020,634 | \$ 10,387,001 |

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, 2018

| | <u>2018 Budget</u> | <u>2018 Actual</u> | <u>2017 Actual</u> |
|--|---------------------------|---------------------------|---------------------------|
| Revenue | | | |
| <u>Province of Nova Scotia:</u> | | | |
| Operating | \$ 76,103,300 | \$ 91,277,069 | \$ 90,028,798 |
| Restricted | 39,704,032 | 23,626,626 | 23,492,924 |
| Capital | 113,400 | 113,400 | 113,400 |
| Other | 5,388,699 | 6,056,735 | 2,100,932 |
| Recoveries | - | 173,923 | 257,800 |
| Teachers Salary Accrual | 2,139,100 | 1,783,300 | 2,139,100 |
| Total Province of Nova Scotia | <u>123,448,531</u> | <u>123,031,053</u> | <u>118,132,954</u> |
| <u>Government of Canada:</u> | | | |
| National Defence | - | 87,705 | - |
| IA Northern Development | 748,149 | 825,903 | 816,318 |
| Secretary of State | 269,469 | 310,378 | 166,252 |
| Total Government of Canada | <u>1,017,618</u> | <u>1,223,987</u> | <u>982,570</u> |
| <u>Municipal contributions:</u> | | | |
| Mandatory | 22,228,600 | 22,228,644 | 21,941,959 |
| Total Municipal Contributions | <u>22,228,600</u> | <u>22,228,644</u> | <u>21,941,959</u> |
| <u>School Generated Funds:</u> | | | |
| School Generated (Note 3) | 4,000,000 | 4,367,337 | 3,408,471 |
| Total School Generated | <u>4,000,000</u> | <u>4,367,337</u> | <u>3,408,471</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, 2018

| | <u>2018 Budget</u> | <u>2018 Actual</u> | <u>2017 Actual</u> |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <u>Other Revenues:</u> | | | |
| Board Generated - Other | 597,802 | 685,355 | 468,666 |
| Other Revenue - Schools | 1,205,631 | 1,137,514 | 1,096,294 |
| Tuition - Students | 1,035,625 | 874,769 | 559,317 |
| Registration | 1,537,952 | 1,797,195 | 1,173,615 |
| Interest/Investments | 70,000 | 122,374 | 73,907 |
| Recoveries - Non-governmental | 200,000 | 189,892 | 181,377 |
| Non-Government Grants | - | 190,175 | 201,286 |
| Gain (loss) on sale of assets | - | (1,055) | - |
| Donations | 28,462 | 27,238 | 853 |
| Total Other Revenues | <u>4,675,472</u> | <u>5,023,457</u> | <u>3,755,315</u> |
| Total Revenues | <u>\$ 155,370,221</u> | <u>\$ 155,874,479</u> | <u>\$ 148,221,269</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, 2018

| | <u>2018 Budget</u> | <u>2018 Actual</u> | <u>2017 Actual</u> |
|--|--------------------------|--------------------------|--------------------------|
| Expenses: | | | |
| <u>Board Governance:</u> | | | |
| Board Members | \$ 230,088 | \$ 459,724 | \$ 247,664 |
| Board Secretary | 57,553 | 57,176 | 57,728 |
| NSSBA & Other | 70,486 | 70,486 | 65,875 |
| Total Board Governance | <u>358,127</u> | <u>587,386</u> | <u>371,267</u> |
| <u>Regional Management:</u> | | | |
| Management Services | 1,290,427 | 1,256,678 | 1,242,297 |
| Financial Services | 1,188,186 | 1,074,513 | 1,149,657 |
| Human Resources Services | 952,557 | 781,113 | 835,389 |
| Communication Services | 86,054 | 82,933 | 83,065 |
| ITS - Regional | 458,068 | 1,069,803 | 484,109 |
| Total Regional Management | <u>3,975,292</u> | <u>4,265,041</u> | <u>3,794,517</u> |
| <u>School Management & Support:</u> | | | |
| School Management | 10,475,290 | 10,737,025 | 10,653,491 |
| Program & Curriculum Support | 3,976,787 | 4,342,766 | 4,194,024 |
| ITS - Site Specific | 1,015,035 | 954,013 | 1,033,456 |
| Total School Management | <u>15,467,112</u> | <u>16,033,803</u> | <u>15,880,971</u> |
| <u>Instructional & School Services:</u> | | | |
| Instruction | 76,785,824 | 76,611,506 | 73,618,983 |
| Guidance Services | 2,176,725 | 1,956,951 | 1,934,301 |
| Library Services | 574,180 | 514,084 | 511,158 |
| Total Instruction | <u>79,536,729</u> | <u>79,082,542</u> | <u>76,064,442</u> |
| <u>Student Support:</u> | | | |
| Program Management | 11,164,453 | 11,022,904 | 11,039,860 |
| Instruction | 10,369,584 | 10,735,725 | 10,229,380 |
| Program & Curriculum Support | 2,533,586 | 2,674,590 | 1,950,065 |
| Total Student Support | <u>24,067,623</u> | <u>24,433,220</u> | <u>23,219,305</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, 2018

| | <u>2018 Budget</u> | <u>2018 Actual</u> | <u>2017 Actual</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|
| <u>Adult Education:</u> | | | |
| Program Management | - | - | - |
| Instruction | 566,208 | 401,282 | 467,901 |
| Total Adult Education | 566,208 | 401,282 | 467,901 |
| <u>Property Services:</u> | | | |
| Management Services | 1,004,490 | 1,019,856 | 960,625 |
| Custodial Services | 4,910,515 | 4,614,045 | 4,630,688 |
| Maintenance Services | 7,216,899 | 7,095,273 | 6,366,820 |
| Grounds Services | 435,000 | 440,311 | 454,007 |
| Total Property Services | 13,566,904 | 13,169,485 | 12,412,140 |
| <u>Student Transportation:</u> | | | |
| Management Services | 410,130 | 404,265 | 485,126 |
| Transportation (Board) | 3,732,001 | 3,684,587 | 3,580,209 |
| Maintenance (Board) | 1,168,325 | 1,126,287 | 1,025,118 |
| Transportation (Contract) | 4,187,618 | 4,086,963 | 4,008,934 |
| Total Student Transportation | 9,498,074 | 9,302,103 | 9,099,387 |
| Other Programs | 3,460,866 | 3,486,004 | 3,048,131 |
| School Based Funds (Note 3) | 4,000,000 | 4,040,773 | 3,007,454 |
| Interest Expense | 744,780 | 752,312 | 744,780 |
| Amortization Expense | 128,506 | 128,050 | 109,020 |
| Total Other Expenses | 8,334,152 | 8,407,139 | 6,909,385 |
| Total | \$ 155,370,221 | \$ 155,682,000 | \$ 148,219,315 |

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, 2018

| | March 2017 | Additions | Interest | Disbursements | March 2018 |
|--------------------------|------------|-----------|----------|---------------|------------|
| ARRA Library Trust | \$ 4,208 | \$ - | \$ 89 | \$ - | \$ 4,297 |
| AVRSB BD Mem Sch Fd | 6,747 | - | 146 | 600 | 6,293 |
| Raymond Banks Memorial | 11,301 | - | 240 | - | 11,541 |
| Barteaux Trust | 531 | - | 10 | 500 | 41 |
| Bateman Trust | 4,868 | - | 103 | 79 | 4,892 |
| Beals Trust | 416,453 | - | 8,819 | 8,550 | 416,722 |
| Beattie Trust | 12,083 | - | 256 | 230 | 12,109 |
| Borden Trust | 3,862 | - | 82 | 82 | 3,862 |
| Brannon Trust | 551 | - | 12 | - | 563 |
| Brazil, Duane Mem | 8,043 | - | 172 | 500 | 7,715 |
| Bruce Memorial Award | 1,000 | - | 16 | 20 | 996 |
| Carter Trust | 1,144 | - | 27 | 500 | 671 |
| Card Trust | 50,814 | - | 1,078 | 1,075 | 50,817 |
| Charles Eaves Award | 16,466 | - | 347 | - | 16,813 |
| Clarke | 6,953 | - | 148 | 147 | 6,954 |
| Coldwell Trust | 5,073 | - | 108 | 107 | 5,074 |
| Cummings Trust | 14,839 | 281 | 314 | 500 | 14,934 |
| Dakin Trust | 6,470 | - | 138 | 300 | 6,308 |
| Dalton Trust | 18,327 | - | 387 | 342 | 18,372 |
| Daniel Arnold Memorial | 8,357 | 70 | 162 | - | 8,589 |
| DeEll Trust | 53,993 | - | 1,146 | 763 | 54,376 |
| Dorothy Russell | 958 | - | 23 | 500 | 481 |
| Eastern Star | 32,505 | 3,700 | 679 | 1,000 | 35,884 |
| Fairn | 43,238 | - | 928 | 4,000 | 40,166 |
| Harvey | 4,338 | - | 92 | 100 | 4,330 |
| Haskell Trust | 26,070 | - | 553 | 1,000 | 25,623 |
| Hibbard Trust | 11,938 | - | 253 | 214 | 11,977 |
| Horton Alumni Trust | - | - | - | - | - |
| Horton Golden Trust | 4,463 | - | 97 | - | 4,560 |
| Hudgins Trust | 465 | - | 10 | 9 | 466 |
| Inglis Trust | 21,196 | - | 449 | 297 | 21,348 |
| IODE Olympic Chapter | 79,760 | - | 1,703 | 3,750 | 77,713 |
| IOOF Wolfville | 16,925 | - | 356 | 112 | 17,169 |
| Jones - BRES | 7,652 | - | 161 | - | 7,813 |
| Jones - BRHS | 17,146 | - | 362 | - | 17,508 |
| Johnston Trust | 30,056 | - | 641 | 1,200 | 29,497 |
| Lightfoot Trust | 154 | - | 3 | - | 157 |
| Lyons Trust | 4,762 | - | 101 | - | 4,863 |
| MacFarlane | 30 | - | 1 | 20 | 11 |
| MacNutt Trust | 63,883 | - | 1,353 | 1,000 | 64,236 |
| Mitchell Trust | 1,833 | - | 39 | 38 | 1,834 |
| MRHS 40th Ann. Trust | 24,594 | - | 524 | 1,000 | 24,118 |
| Neily Trust | 447 | - | 9 | 9 | 447 |
| Nixon Trust | 6,230 | - | 132 | - | 6,362 |
| Candice Parker Trust | 3,948 | 270 | 86 | 500 | 3,804 |
| Paul Bethune | 49,521 | - | 1,052 | 1,300 | 49,273 |
| Harry E. Parker Trust | 6,560 | 300 | 141 | - | 7,001 |
| Rena B. Parker Trust | 38,665 | - | 818 | 812 | 38,671 |
| Frank Pecora Mem Bursary | 1,133 | - | 27 | 500 | 660 |
| Quartermain Trust | 21 | - | - | - | 21 |
| Rainforth Trust | 611 | - | 13 | - | 624 |
| Sinnott Trust | 11,089 | - | 235 | 235 | 11,089 |
| Terri Spinney Mem | 69 | - | 1 | - | 70 |
| Earle Spicer Trust | 27,712 | - | 588 | - | 28,300 |

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, 2018

| | March 2017 | Additions | Interest | Disbursements | March 2018 |
|--------------------------------------|---------------------|-------------------|------------------|-------------------|---------------------|
| Bill Wade Memorial | 9,918 | 9,000 | 312 | 4,500 | 14,730 |
| Whitman Memorial | 9,143 | - | 196 | - | 9,339 |
| Worthylake Trust | 4,717 | - | 107 | 1,500 | 3,324 |
| Champlain Refresh | (119) | 33,900 | - | 27,967 | 5,814 |
| Horton Refresh | 84,734 | 300,000 | - | 189,988 | 194,746 |
| Northeast Kings Refresh | 25,912 | 105,114 | - | 82,636 | 48,390 |
| Pine Ridge Refresh | 120 | 68,106 | - | 56,440 | 11,786 |
| Champlain Capital Fund | 12,224 | 1,596 | - | 5,057 | 8,763 |
| Horton Capital Fund | 30,446 | 16,439 | - | - | 46,885 |
| Northeast Kings Capital Fund | 9,111 | 4,946 | - | - | 14,057 |
| Pine Ridge Capital Fund | 15,804 | 3,205 | - | 7,239 | 11,770 |
| Total Trusts | 1,392,065 | 546,927 | 25,845 | 407,218 | 1,557,619 |
| Foundation Total | 499,887 | 225,208 | 9,007 | 102,256 | 631,846 |
| Total Trusts & Foundation | \$ 1,891,952 | \$ 772,135 | \$ 34,852 | \$ 509,474 | \$ 2,189,465 |

School Generated Funds

| | March 2017 | Additions | Interest | Disbursements | March 2018 |
|-----------------------|------------|------------|----------|---------------|------------|
| Aldershot | \$ 34,825 | \$ 149,237 | \$ - | \$ 158,568 | \$ 25,495 |
| Annapolis East | 77,597 | 110,095 | - | 100,413 | 87,280 |
| AWEC Office | 146,976 | 157,070 | 50 | 118,669 | 185,427 |
| Avon View | 190,188 | 297,130 | - | 228,898 | 258,420 |
| Berwick | 56,376 | 69,636 | - | 56,893 | 69,119 |
| BRES | 50,678 | 61,497 | - | 30,300 | 81,875 |
| BRHS | 86,795 | 124,600 | 68 | 104,970 | 106,493 |
| Brooklyn | 43,146 | 40,305 | - | 56,535 | 26,916 |
| Cambridge | 42,490 | 32,289 | - | 33,507 | 41,272 |
| Central Kings | 199,819 | 358,635 | - | 330,825 | 227,629 |
| Champlain | 18,302 | 56,512 | - | 50,212 | 24,602 |
| Clark Rutherford | 5,070 | 62,974 | - | 53,012 | 15,032 |
| Coldbrook | 107,775 | 68,493 | - | 110,266 | 66,002 |
| Dr Arthur Hines | 17,677 | 63,604 | - | 65,351 | 15,930 |
| Dwight Ross | 19,212 | 29,362 | 4 | 30,324 | 18,254 |
| EMS | 68,890 | 161,062 | - | 98,613 | 131,339 |
| Falmouth | 28,433 | 33,013 | - | 34,425 | 27,021 |
| Gaspereau | 20,541 | 53,586 | - | 58,470 | 15,657 |
| Glooscap | 30,559 | 36,379 | - | 39,864 | 27,074 |
| Hantsport | 57,067 | 36,252 | 54 | 34,947 | 58,426 |
| Highbury Education | 10,201 | 4,182 | - | 5,801 | 8,582 |
| Horton | 269,702 | 381,871 | - | 349,007 | 302,566 |
| KCA | 104,859 | 198,403 | 231 | 182,239 | 121,254 |
| Kings Co Adult High | 6,559 | 871 | - | 2,616 | 4,814 |
| Kingston Dist | 42,579 | 72,427 | - | 63,722 | 51,284 |
| LE Shaw | 20,278 | 31,253 | - | 28,182 | 23,349 |
| Lawrencetown | 55,375 | 33,130 | - | 40,338 | 48,167 |
| Lawrencetown Ed. Ctr. | 22,635 | 65,161 | - | 62,539 | 25,257 |
| MRHS | 183,213 | 194,508 | 375 | 200,217 | 177,879 |

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, 2018

| | March 2017 | Additions | Interest | Disbursements | March 2018 |
|-------------------------------------|---------------------|---------------------|-----------------|---------------------|---------------------|
| New Minas | 55,438 | 42,001 | - | 32,341 | 65,099 |
| Northeast Kings | 201,119 | 359,298 | - | 294,516 | 265,901 |
| Pine Ridge | 97,607 | 82,939 | - | 89,421 | 91,125 |
| Port Williams | 28,043 | 42,213 | - | 31,138 | 39,118 |
| Somerset | 20,418 | 66,398 | - | 70,051 | 16,765 |
| St Mary's | 55,614 | 40,191 | - | 33,075 | 62,731 |
| Three Mile Plns | 28,335 | 40,717 | - | 35,433 | 33,620 |
| WHEC | 14,554 | 13,835 | - | 14,998 | 13,391 |
| West Hants | 73,891 | 128,075 | - | 141,794 | 60,172 |
| West Kings | 282,398 | 312,961 | 369 | 361,118 | 234,610 |
| Windsor Adult High | 8,945 | 2,581 | - | 2,179 | 9,347 |
| Windsor EI | 26,943 | 20,806 | - | 22,669 | 25,080 |
| Windsor Forks | 46,309 | 35,227 | - | 35,540 | 45,996 |
| Wolfville School | 106,472 | 195,409 | - | 146,784 | 155,097 |
| Total School Generated Funds | \$ 3,063,903 | \$ 4,366,186 | \$ 1,151 | \$ 4,040,773 | \$ 3,390,467 |

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, 2018

Costs of Tangible Asset(s)

| | Buildings | Vehicles | Building Betterments | 2018 | 2017 |
|----------------------|------------------|-----------------|---------------------------------|------------------|------------------|
| Opening Costs | \$ 427,951 | \$ 890,019 | \$ 1,024,654 | \$ 2,342,624 | \$ 2,068,759 |
| Additions | - | 175,641 | - | 175,641 | 273,865 |
| Disposals | - | (188,466) | - | (188,466) | - |
| Closing Costs | <u>427,951</u> | <u>877,194</u> | <u>1,024,654</u> | <u>2,329,799</u> | <u>2,342,624</u> |

Accumulated Amortization(s)

| | | | | | |
|------------------------|----------------|----------------|----------------|------------------|------------------|
| Opening Balance | 158,235 | 720,129 | 262,771 | 1,141,135 | 1,032,115 |
| Disposals | - | (186,411) | - | (186,411) | - |
| Amortization Expense | 13,486 | 76,470 | 38,094 | 128,050 | 109,020 |
| Closing Balance | <u>171,721</u> | <u>610,188</u> | <u>300,865</u> | <u>1,082,774</u> | <u>1,141,135</u> |

| | | | | | |
|--|--------------------|------------------|--------------------|------------------|-------------------|
| Note Book Value (NBV) | <u>256,230</u> | <u>267,006</u> | <u>723,789</u> | <u>1,247,025</u> | <u>1,201,489</u> |
| Opening Balance, April 1, 2017 | 269,716 | 169,890 | 761,883 | 1,201,489 | 1,036,643 |
| Closing Balance, March 31, 2018 | <u>256,230</u> | <u>267,006</u> | <u>723,789</u> | <u>1,247,025</u> | <u>1,201,489</u> |
| Increase (decrease) In Net Book Value | <u>\$ (13,486)</u> | <u>\$ 97,116</u> | <u>\$ (38,094)</u> | <u>\$ 45,536</u> | <u>\$ 164,846</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, 2018

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.

The Board recognizes as revenue provincial government transfers representing the year over year change in accrued benefit obligations as the transfer has been authorized.

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.

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.

Cash and cash equivalents

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

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2018**

2. Summary of significant accounting policies continued

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, 2017 | Additions | Interest | Disbursements | Schedule D - SBF | Deferred Revenue | March 31, 2018 |
|-------------------|-------------|----------|---------------|---------------------|---------------------|-------------------|
| \$3,063,903 | \$4,366,186 | \$1,151 | \$4,040,773 | \$3,390,467 | \$271,014 | \$3,661,481 |

(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
March 31, 2018**

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 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|------------------------------|--------------------|--------------------|--------------------|------------------|
| Contracted School Bus Transportation Services | Stock Transportation | \$3,847,190 | \$3,943,369 | \$1,222,522 | - |
| Regional Office Rent | Western Kings Health Society | \$310,261 | \$78,068 | - | - |
| West Hants Education Centre and Windsor Adult High Rent | BioMedica Diagnostics Inc. | \$22,992 | \$14,450 | - | - |
| NSSPI Photocopier | Xerox Canada | \$196,788 | \$202,692 | \$208,772 | \$215,036 |
| Totals | | \$4,366,120 | \$4,238,579 | \$1,431,294 | \$215,036 |

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.

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, 2018.

The non-teaching accumulated sick leave actuarial valuation was prepared by Morneau Shepell based on data from March 31, 2015 that was extrapolated to March 31, 2017. All assumptions used in the Sick Leave valuation have been chosen by the Province. The discount rate to be used in the calculations was 3.42% per annum at March 31, 2018. A rate of 3.59% per annum was used as at March 31, 2017. Salary increases were assumed to be 1% at April 1, 2016 and 2% at April 1, 2017, 2.5% at April 1, 2018 and 3.5% at April 1, 2019. Retirement age was assumed to be 10% at age 59, 20% at age 60, 10% at age 61-64, 50% at age 65-69 and 100% at age 70.

The teaching accumulated sick leave actuarial valuation was prepared by Eckler Ltd. based on valuation as at July 31, 2014 and extrapolated to March 31, 2017. The Province provided the information for the assumptions. The discount rate was set at 3.71% as of March 31, 2016, 3.59% as of March 31, 2017 and 3.42% for March 31, 2018. The retirement for 2016-17 and 2017-18 was estimated to be 50% at the Rule of 85 with the remainder at earlier of 35 years of credited services, age 62 with 10 years credited service, and age 65 with 2 years credited service. Withdrawal prior to retirement was set at 5% per annum in the first 2 years of employment. The salary increases were assumed to be 0% on April 1, 2016, 1% on April 1, 2017, 1.5% on April 1, 2018, .05% on March 31, 2019 and 2.0% per year from April 1, 2019. Expected sick leave utilization is 7.6 days per school year for males and 8.8 days per year for females. The expected net sick leave accrual for a full time employee is 20 days less expected current year sick leave used (12.4 days for males and 11.2 days for females).

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2018**

7. Accumulated sick leave liability continued

Non-Teaching - Accumulated Sick Leave

| | <u>2018</u> | <u>2017</u> |
|---|------------------------------|------------------------------|
| Opening benefit obligation, beginning of the year | \$ 1,573,749 | \$ 1,494,735 |
| Current service cost | 208,503 | 196,748 |
| Interest on obligation | 53,645 | 53,163 |
| Impact of plan amendment | - | - |
| Other (past service, transfers, etc) | (245,567) | (241,933) |
| Less: sick leave taken | - | - |
| Actuarial (gains) losses | 13,354 | 71,036 |
| Closing benefit obligation, end of year | <u>1,603,684</u> | <u>1,573,749</u> |
| Pension assets, at market related values | - | - |
| Funded status - surplus (deficiency) | <u>(1,603,684)</u> | <u>(1,573,749)</u> |
| Unamortized actuarial (gains) losses | 229,816 | 240,562 |
| Accrued benefit asset (liability) | <u>\$ (1,373,868)</u> | <u>\$ (1,333,187)</u> |

Teachers -Accumulated Sick Leave

| | | |
|---|-------------------------------|-------------------------------|
| Opening benefit obligation, beginning of the year | \$ 11,225,805 | \$ 10,933,197 |
| Current service cost | 694,000 | 663,300 |
| Interest on obligation | 386,095 | 392,708 |
| Impact of plan amendment | (875,000) | (875,000) |
| Other (past service, transfers, etc) | - | - |
| Less: sick leave taken | - | - |
| Actuarial (gains) losses | (2,624,700) | 111,600 |
| Closing benefit obligation, end of year | <u>8,806,200</u> | <u>11,225,805</u> |
| Pension assets, at market related values | - | - |
| Funded status - surplus (deficiency) | (8,806,200) | (11,225,805) |
| Unamortized actuarial (gains) losses | (4,000,134) | (1,479,866) |
| Accrued benefit asset (liability) | <u>(12,806,334)</u> | <u>(12,705,671)</u> |
| Total Sick Leave Liability | <u>\$ (14,180,202)</u> | <u>\$ (14,038,858)</u> |

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2018**

8. 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.

The non teachers retiring allowance actuarial valuation was prepared by Morneau Shepell based on data from March 31, 2015, extrapolated to March 31, 2018. All assumptions used in the Service award valuation have been chosen by the Province. The discount rate to be used in the calculations was 3.42% per annum at April 1, 2017. A rate of 3.59% per annum was used as at March 31, 2017. Salary increases were assumed to be 1% at April 1, 2016 and 2% at April 1, 2017, 2.5% at April 1, 2018 and 3.5% at April 1, 2019. Retirement age was assumed to be 10% at age 59, 20% at age 60, 10% at age 61-64, 50% at age 65-69 and 100% at age 70.

CUPE members who have a frozen benefit as at July 16, 1998 are entitled to a payment upon retirement of the frozen amount reduced to reflect the proportion by which unused sick time at retirement is less than unused sick time at July 16, 1998.

CUPE members with 15 years of service at April 1, 2015, including those with the frozen benefit noted above, are entitled to a payment upon retirement of 1 week's pay, 2 week's pay if they have 30 years of service at April 1, 2015.

NSGEU members who have a frozen benefit as at November 18, 1998 are entitled to a payment upon retirement of the frozen amount reduced to reflect the proportion by which unused sick time at retirement is less than unused sick time at November 18, 1998.

Non Union members who have a frozen benefit as at December 31, 1998 are entitled to a payment upon retirement of the frozen amount.

The teachers retirement allowance actuarial valuation was prepared by Eckler Ltd. based on valuation as at July 31, 2016 and extrapolated to March 31, 2017. The Province provided the information for the assumptions. The discount rate was set at 3.42% as of April 1, 2017. The retirement for 2016-17 and 2017-18 was estimated to be 50% at the Rule of 85 with the remainder at earlier of 35 years of credited services, age 62 with 10 years credited service, and age 65 with 2 years credited service. The salary increases were assumed to be 1% on April 1, 2017, 1.5% on April 1, 2018, .05% on March 31, 2019 and 2.0% per year from April 1, 2019. No pre-retirement mortality assumed. No termination prior to retirement assumed.

In determining liabilities and current service costs under accounting standard CPA PS 3250, the method required is the projected unit credit method, prorated on service. Under this method, the total benefit payable at retirement is allocated on a pro-rata basis over all years of service. However, with the curtailment of service as at August 1, 2015, the benefit is no longer pro-rated (all service has been accrued).

Government Accounting informed the actuary to assume the plan is curtailed effective August 1, 2015 and accrued service for purposes of benefit determination is frozen at that date.

**Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2018**

8. Service Awards (continued)

Non-Teachers - Retiring Allowances

| | <u>2018</u> | <u>2017</u> |
|---|----------------------------|----------------------------|
| Opening benefit obligation, beginning of the year | \$ 184,176 | \$ 249,448 |
| Current service cost | - | - |
| Interest on obligation | 5,952 | 7,608 |
| Impact of curtailment | 77,141 | |
| Other (past service, transfers, etc) | 2,496 | |
| Less: benefits paid | (20,293) | (76,364) |
| Actuarial (gains) losses | 612 | 3,484 |
| Closing benefit obligation, end of year | <u>250,084</u> | <u>184,176</u> |
| Pension assets, at market related values | - | - |
| Funded status - surplus (deficiency) | <u>(250,084)</u> | <u>(184,176)</u> |
| Unamortized actuarial (gains) losses | (11,865) | (21,549) |
| Accrued benefit asset (liability) | <u>\$ (261,949)</u> | <u>\$ (205,724)</u> |

Teachers - Retiring Allowances

| | | |
|---|------------------------------|------------------------------|
| Opening benefit obligation, beginning of the year | \$ 9,086,349 | \$ 8,385,084 |
| Current service cost | - | - |
| Interest on obligation | 306,622 | 291,299 |
| Impact of curtailment | - | - |
| Other (past service, transfers, etc) | 187,400 | - |
| Less: benefits paid | (535,798) | (694,934) |
| Actuarial (gains) losses | 147,100 | 1,104,900 |
| Closing benefit obligation, end of year | <u>9,191,673</u> | <u>9,086,349</u> |
| Pension assets, at market related values | - | - |
| Funded status - surplus (deficiency) | <u>(9,191,673)</u> | <u>(9,086,349)</u> |
| Unamortized actuarial (gains) losses | 208,664 | 837,191 |
| Accrued benefit asset (liability) | <u>\$ (8,983,009)</u> | <u>\$ (8,249,158)</u> |
| Total Retiring Allowance Liability | <u>\$ (9,244,958)</u> | <u>\$ (8,454,882)</u> |

During the year, eligible employees (teachers and non-union) were provided an opportunity to elect for an early service payout in lieu of their retirement allowance. This one-time election ended March 29, 2018. The election uptake was 88% for teachers and 97% for non-union. Non-teaching union groups were not eligible in 2017-18. The total amount of early service payouts accrued at March 31, 2018 was \$8.7 million. The impact of these immediate payouts has been reflected in the current year by recognizing a loss on settlement of \$264,541 and previously unamortized losses of \$718,899.

Annapolis Valley Regional School Board
Notes to the Consolidated Financial Statements
March 31, 2018

9. Subsequent Event

On April 1, 2018, the Education Reform (2018) Act came into effect. The implementation of this Act dissolved the Annapolis Valley Regional School Board effective April 1, 2018, with all assets and liabilities transferring to a successor entity, known as Annapolis Valley Regional Centre for Education on the same date. The successor entity is a corporation sole, with the Minister of Education and Early Childhood Development as sole director. The Education Reform (2018) Act was passed on March 9, 2018.

10. Teachers Pensions and Benefits

Teachers pension and benefit expenses paid for by the Province of Nova Scotia are now shown as an expense on the financial statements of the Board with an offsetting revenue from the Province of Nova Scotia. This change in accounting policy has been applied retroactively and the prior year Province of Nova Scotia revenue has increased by \$13,270,400 as well as the instruction expenses.