

**Annapolis Valley Regional Centre for Education
Consolidated Financial Statements
March 31, 2019**



Annapolis Valley
Regional Centre for Education

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Morse Brewster Lake

Chartered Professional Accountants

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

Tel: (902) 538-8531

Fax: (902) 538-7610

Email: info@mblcpa.ca

Independent Auditor's Report

To the Regional Executive Director of the Annapolis Valley Regional Centre for Education

Opinion

We have audited the accompanying consolidated financial statements of **Annapolis Valley Regional Centre for Education**, which comprise the statement of financial position as at March 31, 2019, and the consolidated statement of operations and accumulated surplus, change in net debt and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the **Annapolis Valley Regional Centre for Education**, as at March 31, 2019, and the results of operations and changes in net financial assets for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 7 to 14 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

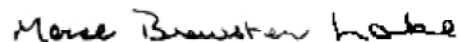
Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Berwick, Nova Scotia
June 24, 2019

Chartered Professional Accountants
Licensed Public Accountants

Annapolis Valley Regional Centre for Education
Consolidated Statement of Financial Position
As at March 31, 2019

	2019	2018
Financial Assets		
Cash and Cash Equivalents		
Cash	\$ 6,248,935	\$ 7,359,153
School Based Funds (Note 3)	3,411,764	3,661,481
Total Cash and Cash Equivalents	9,660,699	11,020,634
Accounts Receivable		
Province of Nova Scotia	15,388,126	15,864,231
PNS - Teacher's Salary Accrual	2,263,200	1,783,300
Government of Canada	517,647	599,433
Other	1,960,388	555,535
PNS - Long-Term Service Awards	1,467,090	9,244,958
Total Financial Assets	31,257,150	39,068,091
Capital Assets		
New Book Value of Capital Assets	-	-
Total Financial and Capital Assets	31,257,150	39,068,091
Liabilities		
Accounts payable and accrued liabilities	1,678,598	2,566,796
Payables and Accruals - Government		
Province of Nova Scotia	48,123	67,617
Municipalities	29,711	40,249
Government of Canada	30	1,268,437
Other Payables & Accrued Liabilities	2,674,679	2,610,053
Teachers Salary Accruals	2,263,200	1,783,300
Deferred Revenues	3,721,403	2,689,996
Long-Term Service Awards Liability (Note 8)	1,467,090	9,244,958
Long-Term Sick Leave Accrual (Note 7)	14,199,160	14,180,202
Total Liabilities	26,081,994	34,451,608
Equity - Capital	-	-
Total Liabilities and Capital Equity	26,081,994	34,451,608
Net (debt)/surplus	5,175,156	4,616,483
Non-Financial assets		
Prepaid expenses	500	496,664
Tangible capital assets (Schedule E)	1,231,863	1,247,025
Accumulated surplus/(deficit) end of year	6,407,519	6,360,172
Committed Surplus		
School Based Funds	3,174,752	3,390,467
Non-Financial Assets	1,232,363	1,743,689
Total Committed Surplus	4,407,115	5,134,156
Uncommitted Surplus	\$ 2,000,404	\$ 1,226,016

Trust Funds Under Administration (Note 4)

Commitments (Note 5)

Contingencies (Note 6)

On Behalf of the Centre



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

Annapolis Valley Regional Centre for Education Consolidated
Statement of Operations and Accumulated Surplus
As at March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Revenue (Schedule A)			
Province of Nova Scotia	\$ 128,770,523	\$ 127,063,878	\$ 123,031,053
Government of Canada	964,057	933,997	1,223,987
Municipal Contributions	22,749,200	22,749,253	22,228,644
School Generated Funds (Note 3)	4,000,000	3,954,121	4,367,337
Other Revenues	4,529,068	4,740,823	5,023,458
Total Revenues	<u>161,012,848</u>	<u>159,442,072</u>	<u>155,874,479</u>
Expenses (Schedule B)			
Total Board Governance	-	3,206	587,386
Total Regional Management	3,888,883	4,644,268	4,265,041
Total School Management	15,606,559	15,683,776	16,033,803
Total Instruction	81,817,815	80,549,368	79,082,541
Total Student Support	25,374,709	25,285,540	24,433,220
Total Adult Education	480,724	392,442	401,282
Total Property Services	13,354,663	13,377,744	13,169,485
Total Student Transportation	9,915,757	9,722,199	9,302,103
Other Programs	5,666,826	5,002,747	3,486,004
School Generated Funds (Note 3)	4,000,000	4,169,836	4,040,773
Interest Expense	752,312	410,276	752,312
Amortization Expense	154,600	153,323	128,050
Total Expenses	<u>\$ 161,012,848</u>	<u>\$ 159,394,725</u>	<u>\$ 155,682,000</u>
Annual Surplus/(deficit) before unusual items		47,347	192,479
School Centre surplus/(deficit) on an expense basis		<u>47,347</u>	<u>192,479</u>
Accumulated surplus/(deficit) beginning of year:			
Previously Reported		<u>6,360,172</u>	<u>6,167,693</u>
Accumulated surplus/(deficit) end of year		<u>6,407,519</u>	<u>6,360,172</u>
Committed Surplus			
School Based Funds		3,174,752	3,390,467
Non-Financial Assets		1,232,363	1,743,689
Uncommitted Surplus		<u>\$ 2,000,404</u>	<u>\$ 1,226,016</u>

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

Annapolis Valley Regional Centre for Education
 Consolidated Statement of Change in Net (Debt)/Surplus
 For the Year Ended March 31, 2019

	2019	2018
Net (debt)/surplus beginning of year	\$ 4,616,483	\$ 4,480,612
Changes in the Year		
Surplus/(Deficit), on an Expense Basis	47,347	192,479
Acquisition of tangible capital assets	(141,597)	(175,641)
Disposal of assets	3,436	2,055
Amortization of tangible capital asset	153,323	128,050
(Increase) Decrease in prepaid expenses	496,164	(11,072)
	<u>\$ 5,175,156</u>	<u>\$ 4,616,483</u>
Net (debt)/surplus end of year	<u>\$ 5,175,156</u>	<u>\$ 4,616,483</u>

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

Annapolis Valley Regional Centre for Education
Consolidated Statement of Cash Flow
For the Year Ended March 31, 2019

	2019	2018
Operating Transactions		
Annual surplus	\$ 6,407,519	\$ 6,360,172
Change in prepaid expenses	496,164	(11,072)
Change in deferred revenue	1,031,407	(1,064,762)
Change in accounts receivable	6,451,005	(62,866)
Change in accounts payable	(1,642,110)	693,971
Change in long-term debt	(7,758,910)	931,420
Cash Provided by Operating Transactions	4,985,075	6,846,862
Acquisition of tangible capital assets	(141,597)	(175,641)
Loss on disposal of assets	3,436	2,055
Amortization of tangible capital assets	153,323	128,050
	15,162	(45,536)
Increase in cash and cash equivalents	5,000,237	6,801,326
Previous Year's Surplus	(6,360,172)	(6,167,693)
Cash and cash equivalents at beginning of year	11,020,634	10,387,001
Cash and cash equivalents at end of year	\$ 9,660,699	\$ 11,020,634

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

Annapolis Valley Regional Centre for Education
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Revenue			
<u>Province of Nova Scotia:</u>			
Operating	\$ 77,612,200	\$ 77,539,697	\$ 91,277,069
Restricted	40,640,223	38,540,205	23,626,626
Capital	113,400	113,400	113,400
Other	8,621,400	8,140,233	6,056,735
Recoveries	-	467,143	173,923
Teachers Salary Accrual	1,783,300	2,263,200	1,783,300
Total Province of Nova Scotia	<u>128,770,523</u>	<u>127,063,878</u>	<u>123,031,053</u>
<u>Government of Canada:</u>			
National Defence	-	31,367	87,705
IA Northern Development	748,149	828,182	825,903
Secretary of State	215,908	74,448	310,378
Total Government of Canada	<u>964,057</u>	<u>933,997</u>	<u>1,223,987</u>
<u>Municipal contributions:</u>			
Mandatory	22,749,200	22,749,253	22,228,644
Total Municipal Contributions	<u>22,749,200</u>	<u>22,749,253</u>	<u>22,228,644</u>
<u>School Generated Funds:</u>			
School Generated (Note 3)	4,000,000	3,954,121	4,367,337
Total School Generated	<u>4,000,000</u>	<u>3,954,121</u>	<u>4,367,337</u>

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

Annapolis Valley Regional Centre for Education
Schedule A - Supplementary Details of Revenues
For the Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<u>Other Revenues:</u>			
Centre Generated - Other Other	501,258	765,759	685,355
Revenue - Schools Tuition -	1,209,525	1,227,557	1,137,514
Students Registration	1,020,425	647,137	874,769
Interest/Investments Recoveries	1,290,350	1,469,244	1,797,195
- Non-governmental Non-	90,000	198,030	122,374
Government Grants	200,000	201,009	189,892
Sale of Assets	206,266	220,739	190,175
Donations	-	(3,436)	(1,055)
	<u>11,244</u>	<u>14,784</u>	<u>27,238</u>
Total Other Revenues	<u>4,529,068</u>	<u>4,740,823</u>	<u>5,023,457</u>
Total Revenues	<u>\$ 161,012,848</u>	<u>\$ 159,442,072</u>	<u>\$ 155,874,479</u>

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

Annapolis Valley Regional Centre for Education
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
Expenses:			
<u>Board Governance:</u>			
Board Members	\$ -	\$ 3,196	\$ 459,724
Board Secretary	-	10	57,176
NSSBA & Other	-	-	70,486
Total Board Governance	-	3,206	587,386
<u>Regional Management:</u>			
Management Services	1,295,390	1,380,499	1,256,678
Financial Services	1,134,119	1,094,331	1,074,513
Human Resources Services	855,711	805,601	781,113
Communication Services	86,947	82,323	82,933
ITS - Regional	516,716	1,281,514	1,069,803
Total Regional Management	3,888,883	4,644,268	4,265,041
<u>School Management & Support:</u>			
School Management	10,578,739	10,888,312	10,737,025
Program & Curriculum Support	4,031,806	3,803,277	4,342,766
ITS - Site Specific	996,014	992,187	954,013
Total School Management	15,606,559	15,683,776	16,033,803
<u>Instructional & School Services:</u>			
Instruction	78,986,027	77,932,935	76,611,506
Guidance Services	2,215,641	2,025,228	1,956,951
Library Services	616,147	591,205	514,084
Total Instruction	81,817,815	80,549,368	79,082,542
<u>Student Support:</u>			
Program Management	11,318,862	11,230,572	11,022,904
Instruction	11,033,854	11,302,157	10,735,725
Program & Curriculum Support	3,021,993	2,752,811	2,674,590
Total Student Support	25,374,709	25,285,540	24,433,220

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

Annapolis Valley Regional Centre for Education
Schedule B - Supplementary Details of Expenses
For the Year Ended March 31, 2019

	<u>2019 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<u>Adult Education:</u>			
Program Management	-	-	-
Instruction	480,724	392,442	401,282
Total Adult Education	480,724	392,442	401,282
<u>Property Services:</u>			
Management Services	1,106,707	1,036,685	1,019,856
Custodial Services	4,977,836	4,700,752	4,614,045
Maintenance Services	6,805,120	7,203,341	7,095,273
Grounds Services	465,000	436,966	440,311
Total Property Services	13,354,663	13,377,744	13,169,485
<u>Student Transportation:</u>			
Management Services	499,381	478,509	404,265
Transportation (Centre)	3,863,310	3,819,049	3,684,587
Maintenance (Centre)	1,218,000	1,172,541	1,126,287
Transportation (Contract)	4,335,066	4,252,100	4,086,963
Total Student Transportation	9,915,757	9,722,199	9,302,103
Other Programs	5,666,826	5,002,747	3,486,004
School Based Funds (Note 3)	4,000,000	4,169,836	4,040,773
Interest Expense	752,312	410,276	752,312
Amortization Expense	154,600	153,323	128,050
Total Other Expenses	10,573,738	9,736,182	8,407,139
Total	\$ 161,012,848	\$ 159,394,725	\$ 155,682,000

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2019

	March 2018	Additions	Interest	Disbursements	March 2019
ARRA Library Trust	\$ 4,297	\$ -	\$ 91	\$ -	\$ 4,388
AVRSB BD Mem Sch Fd	6,293	-	136	-	6,429
Raymond Banks Memorial	11,541	-	244	215	11,570
Barteaux Trust	41	-	3	-	44
Bateman Trust	4,892	-	104	42	4,954
Beals Trust	416,722	-	8,838	6,050	419,510
Beattie Trust	12,109	-	257	230	12,136
Borden Trust	3,862	-	82	-	3,944
Brannon Trust	563	-	12	50	525
Brazil, Duane Mem	7,715	-	165	500	7,380
Bruce Memorial Award	996	-	21	-	1,017
Carter Trust	671	-	17	500	188
Card Trust	50,817	-	1,078	1,077	50,818
Charles Eaves Award	16,813	-	355	349	16,819
Clarke	6,954	-	147	147	6,954
Coldwell Trust	5,074	-	108	500	4,682
Cummings Trust	14,934	280	316	-	15,530
Dakin Trust	6,308	-	135	300	6,143
Dalton Trust	18,372	-	389	349	18,412
Daniel Arnold Memorial	8,589	120	181	5,600	3,290
DeEll Trust	54,376	-	1,151	763	54,764
Dorothy Russell	481	1,100	13	500	1,094
Eastern Star	35,884	1,500	743	-	38,127
Fairn	40,166	-	869	4,000	37,035
Harvey	4,330	-	92	100	4,322
Haskell Trust	25,623	-	546	1,000	25,169
Hibbard Trust	11,977	-	254	215	12,016
Horton Golden Trust	4,560	-	96	1,000	3,656
Hudgins Trust	466	-	10	10	466
Inglis Trust	21,348	-	452	223	21,577
IODE Olympic Chapter	77,713	-	1,659	5,000	74,372
IOOF Wolfville	17,169	-	362	106	17,425
Jones - BRES	7,813	-	165	-	7,978
Jones - BRHS	17,508	-	369	-	17,877
Johnston Trust	29,497	-	629	1,200	28,926
Lightfoot Trust	157	-	3	-	160
Lyons Trust	4,863	-	103	100	4,866
MacFarlane	11	-	0	-	11
MacNutt Trust	64,236	-	1,361	5,000	60,597
Mitchell Trust	1,834	-	39	-	1,873
MRHS 40th Ann. Trust	24,118	-	514	1,000	23,632
Neily Trust	447	-	9	9	447
Nixon Trust	6,362	-	134	-	6,496
Candice Parker Trust	3,804	20	82	500	3,406
Paul Bethune	49,273	-	1,047	-	50,320
Harry E. Parker Trust	7,001	300	146	-	7,447
Rena B. Parker Trust	38,671	-	820	410	39,081
Frank Pecora Mem Bursary	660	-	17	500	177
Quartermain Trust	21	-	0	-	21
Rainforth Trust	624	-	13	-	637
Sinnott Trust	11,089	-	235	235	11,089
Terri Spinney Mem	70	-	1	-	71
Earle Spicer Trust	28,300	-	597	587	28,310

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2019

	March 2018	Additions	Interest	Disbursements	March 2019
Bill Wade Memorial	14,730	-	311	4,500	10,541
Whitman Memorial	9,339	-	197	1,000	8,536
Worthylake Trust	3,324	-	78	1,500	1,902
Champlain Refresh	5,814	33,900	-	28,630	11,084
Horton Refresh	194,746	300,000	-	462,307	32,439
Northeast Kings Refresh	48,390	105,114	-	96,125	57,379
Pine Ridge Refresh	11,786	68,106	-	67,895	11,997
Champlain Capital Fund	8,763	1,596	-	1,718	8,641
Horton Capital Fund	46,885	16,702	-	2,084	61,503
Northeast Kings Capital Func	14,057	4,946	-	2,302	16,701
Pine Ridge Capital Fund	11,770	3,205	-	3,969	11,006
Total Trusts	1,557,619	536,889	25,796	710,397	1,409,907
Foundation Total	631,846	185,084	19,556	119,213	717,273
Total Trusts & Foundation	\$ 2,189,465	\$721,973	\$45,352	\$829,610	\$2,127,180

School Generated Funds

	March 31, 2018	Additions	Interest	Disbursements	March 2019
Aldershot	\$ 25,495	\$ 66,057	\$ -	\$ 67,268	\$ 24,283
Annapolis East	87,280	85,696	60	112,795	60,241
AWEC Office	185,427	136,759	55	143,206	179,034
Avon View	258,420	298,978	-	309,372	248,026
Berwick	69,119	48,328	-	57,565	59,881
BRES	81,875	16,426	53	70,743	27,611
BRHS	106,493	131,762	92	111,356	126,991
Brooklyn	26,916	44,091	-	35,421	35,586
Cambridge	41,272	47,224	9	48,910	39,596
Central Kings	227,629	383,541	34	355,342	255,861
Champlain	24,602	29,463	-	37,569	16,495
Clark Rutherford	15,032	43,948	-	39,772	19,208
Coldbrook	66,002	71,276	43	68,110	69,211
Dr Arthur Hines	15,930	41,112	-	39,710	17,331
Dwight Ross	18,254	24,654	-	29,111	13,796
EMS	131,339	125,044	-	172,451	83,932
Falmouth	27,021	34,085	-	34,153	26,953
Gaspereau	15,657	29,854	-	38,524	6,987
Glooscap	27,074	54,174	-	52,028	29,220
Hantsport	58,426	28,077	63	28,270	58,297
Highbury Education	8,582	13,693	-	13,868	8,407
Horton	302,566	317,927	112	312,539	308,066
KCA	121,254	189,331	132	185,599	125,119
Kings Co Adult High	4,814	5,913	-	7,355	3,372
Kingston Dist	51,284	59,554	-	60,424	50,414
LE Shaw	23,349	26,324	-	30,075	19,598
Lawrencetown	48,167	44,308	-	54,890	37,585
Lawrencetown Ed. Ctr.	25,257	67,302	-	62,654	29,905
MRHS	177,879	205,276	622	210,989	172,789

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

Annapolis Valley Regional Centre for Education
Schedule D - Supplementary Details of Trusts and School Based Funds
For the Year Ended March 31, 2019

	March 2018	Additions	Interest	Disbursements	March 2019
New Minas	65,099	52,997	-	49,496	68,600
Northeast Kings	265,901	383,462	-	437,833	211,530
Pine Ridge	91,125	101,912	-	93,184	99,853
Port Williams	39,118	31,439	-	56,964	13,593
Somerset	16,765	58,153	-	55,006	19,912
St Mary's	62,731	107,644	-	129,296	41,080
Three Mile Plns	33,620	18,950	-	14,452	38,118
WHEC	13,391	18,993	-	19,045	13,338
West Hants	60,172	130,164	28	132,097	58,267
West Kings	234,610	243,203	75	221,144	256,744
Windsor Adult High	9,347	6,433	-	5,126	10,653
Windsor El	25,080	26,778	-	32,889	18,968
Windsor Forks	45,996	23,844	36	25,914	43,961
Wolfville School	155,097	78,559	-	107,321	126,335
Total School Generated Funds	\$ 3,390,467	\$ 3,952,708	\$ 1,413	\$ 4,169,836	\$ 3,174,752

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

Annapolis Valley Regional Centre for Education
Schedule E - Supplementary Details of Tangible Capital Assets
As of March 31, 2019

Costs of Tangible Asset(s)

	Buildings	Vehicles	Building Betterments	2019	2018
Opening Costs	\$ 427,951	\$ 877,194	\$ 1,024,654	\$ 2,329,799	\$ 2,342,624
Additions	-	141,597	-	141,597	175,641
Disposals	-	(268,787)	-	(268,787)	(188,466)
Closing Costs	<u>427,951</u>	<u>750,004</u>	<u>1,024,654</u>	<u>2,202,609</u>	<u>2,329,799</u>

Accumulated Amortization(s)

Opening Balance	171,721	610,188	300,865	1,082,774	1,141,135
Disposals	-	(265,351)	-	(265,351)	(186,411)
Amortization Expense	12,812	104,322	36,189	153,323	128,050
Closing Balance	<u>184,533</u>	<u>449,159</u>	<u>337,054</u>	<u>970,746</u>	<u>1,082,774</u>

Note Book Value (NBV)	<u>243,418</u>	<u>300,845</u>	<u>687,600</u>	<u>1,231,863</u>	<u>1,247,025</u>
Opening Balance, April 1, 2018	256,230	267,006	723,789	1,247,025	1,201,489
Closing Balance, March 31, 2019	<u>243,418</u>	<u>300,845</u>	<u>687,600</u>	<u>1,231,863</u>	<u>1,247,025</u>
Increase (decrease) In Net Book Value	<u>\$ (12,812)</u>	<u>\$ 33,839</u>	<u>\$ (36,189)</u>	<u>\$ (15,162)</u>	<u>\$ 45,536</u>

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

**Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019**

1. Nature of Operations

The Annapolis Valley Regional Centre for Education is an independent legal entity as required under the Education Act. The Regional Centre provides educational services from grade primary to grade 12 at public schools within the Annapolis Valley. The Regional Centre 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 Regional Centre 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 Regional Centre 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 Regional Centre contributes to Registered Retirement Savings Plans and Registered Pension Plans on behalf of the non-teaching employees. The Regional Centre'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 Regional Centre less financial assets.

Financial Instruments

Cash and cash equivalents are recorded at cost which approximates market value. The Regional Centre's financial instruments consist of cash and cash equivalents, receivables, payable and accruals and other liabilities. It is management's opinion that the Regional Centre 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 Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019**

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 Regional Centre 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 Regional Centre less financial assets, and non-financial assets. This represents the accumulated balance of net deficit/surplus arising from the operations of the Regional Centre.

Use of Estimates

In preparing the Regional Centre'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 Regional Centre is required to include in its financial statements the financial activities of its school sites. To meet this requirement, the Regional Centre 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, 2018	Additions	Interest	Disbursements	Schedule D - SBF	Deferred Revenue	March 31, 2019
\$3,390,467	\$3,952,708	\$1,413	\$4,169,836	\$3,174,752	\$237,012	\$3,411,764

(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 Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019**

4. Trust funds

The Annapolis Valley Regional Centre for Education 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 Regional Centre 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	2019-20	2020-21	2021-22	2022-23
Contracted School Bus Transportation Services	Stock Transportation	\$3,943,369	\$1,222,522	-	-
Regional Office Rent	Western Kings Health Society	\$331,407	\$140,462	-	-
West Hants Education Centre and Windsor Adult High Rent	BioMedica Diagnostics Inc.	\$165,351	\$41,253	-	-
NSSPI Photocopier	Xerox Canada	\$147,576	\$147,576	\$147,576	\$147,576
Totals		\$4,587,703	\$1,551,813	\$ 147,576	\$147,576

6. Contingency

There is a claim outstanding against the Annapolis Valley Regional Centre for Education. The outcome of this claim is not determinable and therefore no amount has been recorded in the accounts of the Annapolis Valley Regional Centre for Education. 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 Regional Centre has recognized in these consolidated financial statements, the liability associated with accumulated sick leave earned by teaching and non-teaching staff. The Regional Centre has recorded a corresponding receivable from the Province of Nova Scotia which has assumed responsibility for the liability up to March 31, 2019.

The non-teaching accumulated sick leave actuarial valuation was prepared by Morneau Shepell based on data from March 31, 2018. All assumptions used in the Sick Leave valuation have been chosen by the Province. The discount rate to be used in the calculations was 3.29% per annum at April 1, 2018, March 31, 2019 and March 31, 2020. A rate of 3.42% per annum was used as at March 31, 2018. Salary increases were assumed to be 2.5% as at April 1, 2018, 3.0% as at April 1, 2019 and April 1, 2020, 3.5% as at April 1, 2021 and 3.0% per annum thereafter. Previous assumption was 2.5% as at April 1, 2018, 3.5% as at April 1, 2019 and 3.0% per annum thereafter. Retirement age was assumed to be 10% at age 59, 20% at age 60, 10% at each age 61-64, 50% at each 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, 2017 and extrapolated to March 31, 2019. The Province provided the information for the assumptions. The discount rate was set at 3.59% as of March 31, 2017, 3.42% as of March 31, 2018 and 3.29% for March 31, 2019. The retirement for 2017-18 and 2018-19 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, 2015, 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 plus a promotional scale for March 31, 2017 benefit obligation for fiscal 2017/18 expense determination, March 31 2018 benefit obligation and fiscal 2018/19 expense determination. 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 Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019**

7. Accumulated sick leave liability continued

Non-Teaching - Accumulated Sick Leave	2019	2018
Opening benefit obligation, beginning of the year	\$ 1,603,683	\$ 1,573,749
Current service cost	213,331	208,503
Interest on obligation	52,512	53,645
Impact of plan amendment	-	-
Other (past service, transfers, etc)	(249,251)	(245,567)
Less: sick leave taken	-	-
Actuarial (gains) losses	(6,391)	13,354
Closing benefit obligation, end of year	1,613,884	1,603,684
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(1,613,884)	(1,603,684)
Unamortized actuarial (gains) losses	198,112	229,816
Accrued benefit asset (liability)	\$ (1,415,772)	\$ (1,373,868)
Teachers - Accumulated Sick Leave		
Opening benefit obligation, beginning of the year	\$ 8,806,200	\$ 11,225,806
Current service cost	789,700	694,000
Interest on obligation	291,828	386,095
Impact of plan amendment	(836,000)	(875,000)
Other (past service, transfers, etc)	-	-
Less: sick leave taken	-	-
Actuarial (gains) losses	79,300	(2,624,700)
Closing benefit obligation, end of year	9,131,028	8,806,200
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(9,131,028)	(8,806,200)
Unamortized actuarial (gains) losses	(3,652,360)	(4,000,134)
Accrued benefit asset (liability)	(12,783,388)	(12,806,334)
Total Sick Leave Liability	\$ (14,199,160)	\$ (14,180,202)

Annapolis Valley Regional Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019

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. Regional Centres 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. The data was extrapolated from an actuarial valuation as at March 31, 2018. The March 31, 2018 valuation is based on data provided by each Centre for Education through the Department of Education and Early Childhood Development in October and November 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 3.29% per annum at April 1, 2018, March 31, 2019 and March 31, 2020. A rate of 3.59% per annum was used as at March 31, 2018. Salary increases were assumed to be 2.5% at April 1, 2018 and 3.5% at April 1, 2019 and April 1, 2020, 3.5% as at April 1, 2021, and 3.0% per annum thereafter. The previous assumption was 2.5% as at April 1, 2018, 3.5% as at April 2019 and 3.0% per annum thereafter. Retirement age was assumed to be 10% at age 59, 20% at age 60, 10% at each age 61-64, 50% at each 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, 2018 and extrapolated to March 31, 2019. The Province provided the information for the assumptions. The discount rate was set at 3.29% as of March 31, 2019. 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 Centre for Education
Notes to the Consolidated Financial Statements
March 31, 2019**

8. Service Awards (continued)

Non-Teachers - Retiring Allowances	2019	2018
Opening benefit obligation, beginning of the year	\$ 250,105	\$ 184,176
Current service cost	-	-
Interest on obligation	3,945	5,952
Impact of curtailment		77,141
Other (past service, transfers, etc)		2,496
Less: benefits paid	(163,686)	(20,293)
Actuarial (gains) losses	85,827	612
Closing benefit obligation, end of year	176,191	250,084
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(176,191)	(250,105)
Unamortized actuarial (gains) losses	80,413	(11,865)
Accrued benefit asset (liability)	\$ (95,778)	\$ (261,969)
Teachers - Retiring Allowances		
Opening benefit obligation, beginning of the year	9,191,673	\$ 9,086,349
Current service cost	-	-
Interest on obligation	61,992	306,622
Impact of curtailment	-	-
Other (past service, transfers, etc)		187,400
Less: benefits paid	(7,686,357)	(535,798)
Actuarial (gains) losses	(690,400)	147,100
Closing benefit obligation, end of year	876,908	9,191,673
Pension assets, at market related values	-	-
Funded status - surplus (deficiency)	(876,909)	(9,191,673)
Unamortized actuarial (gains) losses	(494,423)	208,664
Accrued benefit asset (liability)	\$ (1,371,332)	\$ (8,983,009)
Total Retiring Allowance Liability	\$ (1,467,110)	\$ (9,244,978)

In the previous 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. During the year the retiring allowance liability decreased by \$7,777,868 due to payouts of service awards in the year.